

Press Release

For Immediate Release

Chelan Hospital Board approves pausing new hospital for Six months

The Lake Chelan Community Hospital and Clinics (LCCHC) Board of Commissioners voted to pause design and construction of the new hospital project for 6-months and then reevaluate finances. The Board of Commissioners held a special board meeting on February 11, 2020 to discuss solutions focused on improving the hospitals overall finances and operations. The hospital has had a continued decline in revenues over the past year related to lower inpatient and outpatient volumes, physician and employee turnover, slower collections and reduced reimbursements. At this time the hospital has the funds to build the hospital; however, it does not have the funds to pay for the “mortgage” once the hospital is built. “It is an emotional issue and we have to strip away the emotion to make a good decision” said George Rohrich.

The Board was presented with findings from a review conducted by Quorum Health Resources (QHR) at the Feb. 11, 2020 special Board meeting. QHR is a national organization aimed at helping small rural hospitals improve financial stability through a customized management plan focused on a variety of systems like compliance review, revenue cycle reimbursement and market review. After QHR’s presentation, it was recommended that the hospital consider delaying hospital construction for one year. The Board tasked CEO George Rohrich in negotiating a contract with QHR for review and possible approval at the Feb. 25th, 2020 Board meeting.

During the regularly scheduled Board meeting on Tuesday February 25, 2020, the board approved delaying hospital construction and design for six months and then review finances. The hospital and Board of Commissioners will continue to monitor and focus on improving hospital revenues. Currently, the Board did not approve a contract with QHR. The Board discussed and approved to obtain one additional proposal at which time a special Board meeting will be held to review the proposals.

What happens to the community tax dollars slated for the new hospital?

- Tax dollars for the new hospital project are restricted funds that can only be used for the new hospital project.
- Some of those funds have been used for design and architect fees related to the new hospital project.
- The remaining funds are held in an account at Chelan County Treasures Office. Be assured that your tax dollars are accounted for and audited yearly.

What is the impact of delaying six months?

- Allows LCCHC the opportunity to review and focus on improving revenues.
- There is no impact to the approved USDA loan.
- A 6-12-month delay may have an added expense of \$187K-199K as well as an inflation rate.
- May allow for better construction bidding.

Board Chair, Phyllis Gleasman says the board took their decision very seriously. “Today was a very long decision-making time and if it takes 6-months or so to get back on our feet, we’ll do that”.