



MARCUS DALY MEMORIAL HOSPITAL CORPORATION

SENATE PUBLIC HEALTH, WELFARE & SAFETY

EXHIBIT NO. 16

DATE: 1-28-05

BILL NO. 56257

January 28, 2005

Mr. Brent Cromley, Chair  
Senate Public Health, Welfare & Safety Committee

Re: Senate Bill 257 Bill to Clarify Certificate of Need Requirements  
for Critical Access Swing Beds

Dear Mr. Cromley,

Mr. Chairman, Members of the Committee, my name is John Bartos; I have been the CEO of Marcus Daly Memorial Hospital in Hamilton for the past eighteen years. I have been a rural hospital CEO for thirty years -- at Marcus Daly Memorial and at two other hospitals also located here in Montana. I think I may be one of the reasons this bill is before you today.

I am strongly opposed to Senate Bill 257, and I would like to tell you why. Marcus Daly Memorial Hospital, prior to December 1, 2004 was a 48 bed acute care hospital, with 6 transitional care beds and 6 hospice center beds. The hospital, on December 1, 2004, converted to Critical Access Hospital designation. The license that was issued by the Department of Health was for a 15 bed acute care Critical Access Hospital with 5 swing beds. The federal designation we received was for 25 acute care and swing beds. When Senate Bill 60 passes, we will be able to be licensed for 25 acute care hospital beds and/or swing beds. I believe there is some concern among the nursing homes in the Bitterroot Valley that I will use my cost status to convert all of my 25 beds to swing beds. And, if there is no C.O.N. process, they argue that this could put them at a competitive disadvantage.

I want to assure the committee that this just is not a realistic situation for our hospital and the residents of Ravalli County. Currently, the average daily census for acute care in my hospital is 16 patients per day. The census has been running at this level for at least the past several years. I also currently use swing beds that, prior to December 1, were TCU beds. The historical daily census in the TCU has been four patients.

Brent Cromley, Chair  
Senate Public Health, Welfare & Safety Committee  
January 28, 2005  
Page 2

As a Critical Access Hospital, I cannot provide more than 25 beds. It just is not possible for me to meet the acute care needs of our community and at the same time flood the market with new long-term care beds. This hospital has a medical staff of 32 active staff members. Within this medical staff there are 2 Orthopaedic Surgeons, 2 General Surgeons, 2 OB/GYN's, an Ophthalmologist, and a Neurologist - with the balance of the medical staff being primary care and emergency room physicians. This hospital has an active emergency room with 9,000 patients coming through this department per year. In our Surgery Department, Over 1,200 surgical cases are performed per year. My primary responsibility is to meet the primary and acute medical needs of Ravalli County. My hospital is configured to achieve that goal. Swing bed care complements my acute hospital care, but I am not intending to increase the long-term care business using swing beds.

The reason for going to Critical Access Hospital was to improve, hopefully, the bottom line of this hospital and to continue to be the sole community provider of acute care needs, not only for today but for tomorrow as well, because the population in Ravalli County continues to grow rapidly. If I wanted to get into the long-term care in a meaningful way, I would have to establish a nursing home which would still be subject to our present certificate of need process.

To me, this bill is a solution in search of a problem, and I urge you to oppose it. Thank you for allowing me to testify before this committee. If there are any questions that any committee member has, the direct phone number to my office at the hospital is 375-4408.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Bartos". The signature is written in a cursive style with a large initial "J" and "B".

JOHN M. BARTOS, CEO