St. Vincent Hospital
140 Years of Caring
1879-2019

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NEW HOSPITAL F.A.Q.





SOUTH WEST VIEW

St. Vincent Hospital

What has contributed to St. Vincent Hospital's financial stability?

In 2019, as St. Vincent Hospital celebrates 140 years of caring, we will begin construction on a new, state-of-the-art hospital. This is made possible by community and taxpayer support and a financial turnaround which is currently underway at St. Vincent General Hospital District (SVGHD).

Taxpayers voted to increase their support of the hospital and ambulance service in 2015 and that support has been the building blocks for the diligent work and planning that has led to the hospital's success today.

The district's recent strength has resulted from a total shift in philosophy and culture at St. Vincent Hospital. Under the leadership of the Board of Directors, Chief Executive Officer, Gary Campbell and Chief of Medical Staff, Lisa Zwerdlinger, MD, the hospital has focused on treating patients locally. Inpatient beds were reopened in 2017 and by comparison, inpatient days in December of 2016 totaled 1; the total in December, 2018 was 74. Additionally, the hospital has added new services such as stress echocardiograms, swing bed services, inpatient hospice and respite care. Physical therapy reopened in 2017, and now the department employs 2 full-time doctors of physical therapy. After outsourcing the business office for many years, St. Vincent invested in bringing the office back in-house.



The hospital also implemented a new electronic health record and billing management software. Now when billing questions arise or patients need financial assistance – help is available in person or over the phone from friendly and knowledgeable hospital team members.

Looking to the future, the district has embraced the concept of a health campus where specialists, primary care, Lake County Public Health Agency and other health related offices reside in the current hospital building and synergistically complement services in the adjacent new hospital facility.

St. Vincent Hospital

What services and offices will the new hospital offer? How will the current hospital be utilized?

The new facility will support and promote the delivery of modern healthcare now and decades into the future. It will directly contribute to improvements in patient care, safety and privacy, increased medical services, and operational efficiencies.

- The facility will offer:
- Emergency room
- Ambulance services
- New helipad
- Laboratory
- Imaging/radiology
- Eight inpatient rooms (with beds for acute care, swing bed, respite care and hospice)
- Surgical services (scopes and surgeries)

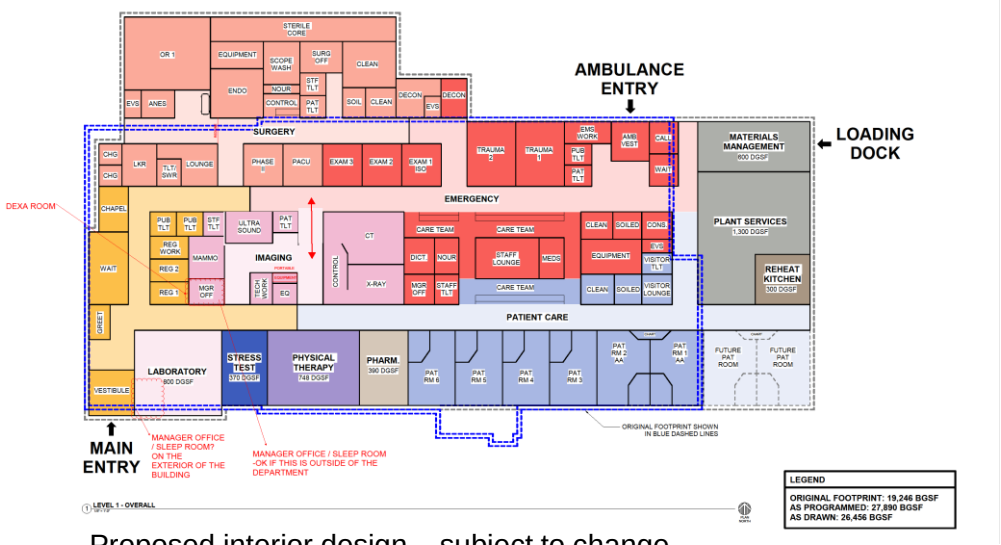
There are areas of the facility that are planned for expansion, should the need for growth arise in the future. Other services taken into consideration are a parking area and hook-up for a portable MRI truck and new equipment such as a state-of-the-art CT scanner.

The current hospital will house St. Vincent Medical Clinic, outpatient physical therapy, visiting specialist offices, administrative offices, and Lake County Public Health Agency.

What is the estimated budget, terms and schedule for the new hospital?

The new hospital is estimated at 23 million dollars. The majority of the financing will be from the USDA loan at an interest rate of 2.75%. This loan is for a term of 35 years. The remainder of the financing, approximately 20%, will be obtained from private funding which the district will secure in the near future.

The St. Vincent Hospital Board of Directors and administration are planning to break ground on the hospital in the summer of 2019. We expect the hospital will be complete in the later part of 2020. Detailed schedules and construction information will be available as the project nears its start and updates will be available throughout the project.



Proposed interior design – subject to change

St. Vincent Hospital

How will the district afford the debt for the new hospital?

The principle and interest on the financing for the new facility in future years is estimated to be $1.6 - $1.7 million annually. There are many factors that contribute to the district's ability to afford the debt.

A market analysis conducted by a third party firm, Stroudwater, has found the hospital's market share will support the project. The market analysis was conducted in November, 2018. Based on the hospital's service area, the market analysis projects 5-year growth rates listed below:

- Emergency department = 3.8 %
- X-Ray = 10%
- CT Scan = 14.7%
- Ultrasound = 11.4%
- Laboratory tests = 21.7%
- Outpatient surgery = 8.9%
- Physical Therapy = 10.9%

- St. Vincent Hospital has successfully offered new services and captured new revenue streams in recent years. Hospital administration will continue this focus. The new modern facility with appropriate service and provider offerings will appeal to residents that seek care in areas outside of Leadville. Though approximately 70% of Lake County's population travels out of area for work, there is substantial potential to decrease our community's current out-migration for health services.



- The new facility will offer surgical procedures and eight inpatient beds. Surgery and inpatient care are typically the largest contributors to revenue for hospitals. Re-opening the hospital's inpatient beds in 2017 has contributed to the district's new-found stability.

- In 2019, the district will make its last payment on a bond debt that the district incurred in the 1990's. This will end an annual expense of approximately $500,000 per year.
- Hospital financials and projections for 2018-2020 show continued improvement in the hospital's financial position and strengthening of operations.

- The debt service on the new facility will not become due until 2021. By that time, projections show that all of the factors above equate to the district's ability to meet the debt obligation for the new facility.

In short, the long-term gain in patient revenue, increased market share, and added services will offset the increased expense of the new facility.

St. Vincent Hospital

Why does the community need a new hospital?

The St. Vincent Hospital Board of Directors and administration are planning a new facility to serve our community with consistent and sustainable health and hospital care for decades into the future. As we consider our mission of serving Lake County with excellent healthcare, we are compelled to choose a course that enables us to care for Lake County's residents and visitors 24 hours a day, 7 days per week, now and in the future.

The population of Leadville and Lake County is on the rise, and hospital patient volumes are also on the rise. Our hospital building, which was built in 1958, continues to decline. The biggest risk to hospital operations at this time is the physical condition of the current building. The building limits the delivery of modern health care and the addition of new medical services. Examples of these limitations are ADA accessibility, up-to-date standards in Federal and State regulated codes for hospital buildings, and costly renovations due to encapsulated asbestos and aging structural and mechanical systems. Extensive structural renovations to our current hospital would mean intermittent and lengthy closing of services which is not feasible for a hospital that serves the community 24 hours per day.

Under the new facility plan, the current building will be fully utilized by medical offices, outpatient physical therapy and St. Vincent Medical Clinic. Use of office space is less regulated than hospital use in terms of building and safety codes. Many renovations have already taken place enabling the current hospital to provide space for these offices today.



FRONT DESK



Where will the new hospital be located and what size will it be?

The new hospital will be built on SVGHD property - in the wooded area which is located to the east of the current hospital building on W. 4th Street. The location is in-between the dog park and the hospital parking area. The building will be approximately 26,500 feet.