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For Immediate Release

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## **St. Vincent Meets Challenges with Solutions**

LEADVILLE, COLO. (November 2, 2022)

St. Vincent General Hospital District (SVGHD) Board of Directors and finance team are projecting a net loss in 2022 which will possibly extend to 2023. Following months of cash flow shortfalls, Interim CEO, John Gardner, and the leadership team began an in-depth review of service lines, expenses, and vendor contracts. Gardner joined SVGHD at the Board's request in August, 2022.

2021 and 2022 were years of growth at SVGHD with the focus on adding medical services to the operations of St. Vincent Health (SVH). New services such as surgery and specialty clinics have increased the capacity for Lake County residents to see physicians and get services locally. However, two services were added that required a large amount of cash outlay and resources. These services were Genetics (PGx) testing and Behavioral Health. The investment in these services unexpectedly proved to severely reduce the District's cash flow. At the same time, St. Vincent Health was tasked with paying back the 2020 \$1.2 million COVID Cares Act advance to the Centers for Medicare/Medicaid; payments were completed in June, 2022.

“Despite the current challenges of the moment, St. Vincent Health continues to have a promising future. Our community is so fortunate to have such an invested and dedicated staff who are diligently working to address a multitude of issues that have brought the District to this point and move us forward. Though this is a set-back, I believe it will not be long before this hospital and District thrive again,” commented SVGHD Board Chairman, Francine Webber.

SVGHD Board of Directors and leadership team have begun taken many actions toward improvement:

- Contracts with vendors are under review to ensure they correspond with the 2023 budget and best serve the patients and hospital. We are also seeking reimbursement from vendor contracts that have not delivered on the scope of services they promised.
- The Business Office, led by interim CFO Kelly Johnston, has reorganized the revenue cycle process to expand its focus on resolving billing disputes or insurance denials quickly.
- The Behavioral Health service line has been closed effective Oct. 31, 2022. SVH will continue to research avenues and partnerships that are strategic and assist our community members with the mental health support they need and want.
- The Genetics service line has ended.



- Plans to open a SVH retail pharmacy in Buena Vista, Colorado at LaGrees Food Store have been canceled.
- The SVH Materials Management Department has created new processes around spending which are followed throughout the organization.

Interim CEO John Gardner is optimistic regarding St. Vincent Health's current financial challenges. In addition to the work underway internally, there are significant financial wins coming to the hospital including State of Colorado Hospital Provider Fee reimbursements, and anticipated funds from Centers for Medicare/Medicaid (CMS), resulting from the hospital's Cost Report which will be filed before the end of the year (totals of both are yet to be determined). Additionally, the hospital will also receive significant funds from the Federal COVID-19 employee retention credit.

Gardner stated, "The teamwork in place right now to overcome our recent financial issues is like no other I have seen in my years in healthcare. We are diligently improving the sustainability of St. Vincent Health as we correct the financial course and attract talented personnel to Lake County."

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#### **About St. Vincent Health:**

The mission of St. Vincent Hospital is: Delivering excellent healthcare to our community with dedication, honesty, and compassion.

Nestled at 10,152 feet of elevation in the Rocky Mountains of Colorado, St. Vincent Hospital serves the rural area of Lake County and North America's highest city of Leadville, Colorado.

In 1879 the Sisters of Charity of Leavenworth, Kansas opened Leadville's hospital to care for the hardscrabble miners that were drawn to the community. Now celebrating over 140 years, St. Vincent Hospital continues the tradition of caring for the residents and visitors of Lake County and surrounding areas in our new state-of-the-art hospital.

In September 2021, the Leadville and Lake County community celebrated the opening of their new hospital. The new St. Vincent Health provides big-city medical care in a small-town health system.

The new Leadville hospital means residents experience less travel to hospitals and specialists in other regions of Colorado, or elsewhere, for specialty and surgical services. Patients can be cared for in their hometown by highly credentialed healthcare professionals, in a state-of-the-art surgical facility. Perhaps even more important, a patient can now have surgery where his or her family and friends live, and where post-surgical support is close by.

Today St. Vincent Health's services include, ambulance (EMS), emergency department, family medicine and visiting specialists, outpatient surgical services, inpatient care and swing bed, imaging, laboratory, physical therapy, occupational therapy, speech therapy, and wound care.