

Citizens To Save Our Riverton Hospital

PO Box 433

Riverton, WY 82501

Working To Reconstruct Essential Medical Services

August 6, 2018

Mr. Alan Daugherty
CEO SageWest
1320 Bishop Randall Drive
Lander, WY 82520

Dear Mr. Daugherty:

A group of concerned Riverton residents has formed a "Save Our Riverton Hospital" community action committee to address growing concerns about the lack of services and staffing at the Riverton hospital, now known as SageWest Health Care at Riverton; owned and operated by LifePoint Health. The concerns and the factual basis of these concerns are outlined in this document.

The Wyoming Hospital License that permits SageWest Health to operate its facilities identifies the Riverton Hospital as the main facility with Lander Hospital operating as an ancillary facility. Since 1950, the Riverton Hospital has been a cornerstone of our economic fortune. Without the services our hospital has provided in the past, our community will suffer irreparable injury to the health of our citizens and to our community's economic viability. For this reason, we intend to do everything in our power to persuade you and the corporation to re-invest and recommit services, staff, and physicians to a fully functioning hospital in Riverton.

LifePoint is directing most of its funding, staffing, and attention to its Lander operation, to the exclusion of Riverton. Clearly, both Riverton and Lander deserve and need viable hospitals in their communities. According to *DataUSA*, Riverton has a population of 11,044; a median age of 35.5; median household income of \$50,020; median property value of \$160,300; a poverty rate of 15.3%; and 5,278 employees. Also according to *DataUSA*, Lander has a population of 7,744; a median age of 41.4; median household income of \$52,500; median property value of \$199,200; a poverty rate of 14.5%; and 3,586 employees. Both communities are very similar in demographics, except that Riverton has a higher population. It must be said that concerned Riverton community members believe strongly in the necessity for viable hospitals in both Lander and Riverton. Indeed, the collaborative effort resulting in SageWest was predicated on two viable hospitals in Fremont County.

Nevertheless, Riverton community members increasingly do not see evidence of a well-supported and viable hospital in Riverton. As Riverton community members continue to see dwindling hospital and medical staff and loss of services at the Riverton Hospital, as well as more patient referrals out of the community to the Lander Hospital, Riverton citizens are becoming increasingly alarmed at the prospect of the closing of their beloved Riverton community hospital.

Here are some facts about what is driving this concern about the decreased viability of the Riverton hospital, owned and operated by Life Point, which is a private, for-profit corporation.

Riverton Hospital is currently down to one nurse in ICU and one nurse in the Medical/Surgical Floor. Many highly qualified and experienced hospital medical professionals have left the Riverton hospital, either willingly (some having described being discouraged due to inadequate staffing and medical support) or because they were fired by LifePoint. Those professionals who were fired include our former Director of Pathology Service who is now the Director of Pathology Services at the Rock Springs Hospital. This physician still owns a home in Riverton. Other losses include the Chief Nursing Officer, the Quality Assurance Officer, at least one Emergency Room doctor, a Laboratory Manager, and OB nurses who were "temporarily" transferred to the Lander hospital and later not allowed to transfer back to the Riverton hospital.

Currently the Riverton Hospital has no general surgery service, no orthopedic service, no OB/GYN, and no anesthesiology service. Further, the hospital does not have on-site managers at Riverton for the med/surg floor, ICU, and ER. The experienced and qualified former Laboratory Manager was replaced by a new combined Laboratory and Respiratory Manager. Doctors are concerned about sending their patients to Riverton Hospital because of declining services and staffing, as well as medical liability. As a result, Emergency Room patients are routinely transported to the Lander Hospital.

One would hope that Life Point is feverishly seeking to fill these staffing needs at the Riverton Hospital. But, in fact, a listing on the LifePoint Health job vacancy website as of July 29, 2018, lists 34 job vacancies, only 5 of which are based in Riverton. The other 29 currently listed job searches are to be filled at the Lander Hospital. With human resources the most significant operating cost, it would appear that LifePoint is seeking to grow the Lander Hospital and to generally starve the Riverton Hospital into oblivion.

One result of the dwindling staffing levels at the Riverton Hospital has resulted in Riverton being forced to close its OB/GYN department. This lack of services at the Riverton Hospital is the root cause of the outmigration and continued decline in patient volumes. But a closer look into recent past history prior to the "merging" of the Riverton and Lander hospitals under LifePoint tells a different story about OB/GYN. For example, prior to the hospital merger, both Riverton and Lander hospitals delivered a

comparable number of babies per year. Now, with no OB/GYN available in Riverton, many Riverton residents have sought OB/GYN care in either Casper, Lander or Thermopolis. It's a safe bet that most expectant mothers would much prefer to stay in their own community for obstetric care, where they can rest and recover close to home and family.

Certainly there has always been some medical out-migration for various elective specialized medical needs. That likely will continue to be the case. But the fact remains that many community residents simply cannot afford to travel from the county or state for medical care. For those needing emergency care involving surgery, those residents in Riverton are not able to get the kind of care they need and deserve at the Riverton Hospital.

Why? Apparently, Life Point prefers to pour resources into the Lander Hospital and not into the Riverton Hospital. As a giant for-profit firm, Life Point can (and maybe has) decided that it's too expensive (or unduly eats into their profits) to fully support two hospitals within 24 miles of each other. Certainly, it's true that the costs of medical care are rising, and it's also true that one bigger hospital is cheaper to operate than two smaller ones. But if access to medical care is a basic essential for a community the size of Riverton (and the "Save Our Hospital" committee believes that to be the case), we believe that we must fight to keep essential hospital services in our community. To do that, we must make our case public, and we must take it to our community, our City Council, our County Commission, our state legislators, our federal congressional delegation, the Governor and other state officials, LifePoint corporate management, and the media. Elected officials in Riverton fought hard to maintain essential air service in Riverton. They must fight equally hard to maintain essential hospital and medical services in Riverton.

In order to grow our community and attract business, we need more than air service. We already have a lovely community that houses Central Wyoming College, good public schools, well-maintained roads and highways, thriving businesses, excellent internet connections for e-commerce, walking trails, beautiful parks, and an 18-hole golf course. In order to grow and prosper and keep our community healthy, we need to have a viable community hospital as well.

We cannot do it alone. We must ensure that Life Point is fulfilling their responsibilities to provide safe and effective hospital care in Riverton "where people choose to come for care, physicians want to practice, and employees want to work," as their mission statement requires. We must open the channels of communication with LifePoint, but not lessen our work through other avenues until we reach our goal.

Over the years, under several different corporate management firms, Riverton Memorial Hospital had a strong and viable operation. That changed when, on April 24, 2014, Riverton Memorial Hospital and Bishop Randall Hospital merged and became known as

Sage West Health Care, which is owned by and operated by LifePoint, which is a publically traded, for-profit corporation.

Prior to the merger of the two hospitals, LifePoint's Sage West Health Care operated as separate hospitals in both Riverton and Lander under separate boards and with separate CEOs. Membership on each respective hospital board included several members-at-large from each respective community to provide input for guiding and advising the board for that community. Each hospital had its own separate CEO who served on the hospital board and who resided in the community where the hospital was located. Such a structure provided the mechanism for give-and-take between the CEO and community members and with the community at large. Community board members were privy to finances and operations of the hospital they represented and were informed advocates for the hospital with LifePoint and with their respective communities at large. Both the Lander and Riverton communities had a stake in, and understanding of, their own community hospital.

On April 24, 2014, both hospitals began operating under a single license for the hospital formerly known as "Riverton Memorial Hospital." A LifePoint press release referred to the two hospitals now operating under a single license as: SageWest Health Care at Lander; and SageWest Health Care (Riverton). At no time did LifePoint publicly specify that the two hospitals were formally being "merged" or that a consolidation of the two hospitals was in the offing or even necessary. Rather, each hospital was described as serving as "centers for excellence," with different specializations to augment essential medical services in each community. The expressed intent of LifePoint was to operate and maintain two hospitals. According to the SageWest website as of July 24, 2018, hospital services at each hospital were listed as follows:

SageWest-Riverton

Acute Care Services
Cardiopulmonary Services
Diagnostic Imaging
Emergency Services
Intensive Care
Rehabilitative Services
Urology
Surgical Services
Women's Services
Physical Therapy
Sleep Study Lab
Outpatient Surgery

SageWest-Lander

Fully accredited
Full-time Level IV Emergency Room
Level II Nursery
Behavioral Health
Comprehensive Inpatient Rehab Unit
General Surgery
Orthopedics
Psychiatry
Neurology
Breast and Cervical Cancer Detection

Coming soon..... Three days later on July 27, 2018, and shortly after a "Save Our Hospital" meeting on July 25, 2018, the LifePoint website did not list any services for either hospital, but simply had a banner stating: **"Coming Soon."** Virtually no hospital

financial information is available on the SageWest website, except for monies related to charity care, community benefits, and taxes paid. In fact, private, for-profit corporations, such as LifePoint, reserve information about finances and staffing for their shareholders, not for the communities they serve or the public at large.

The *American Hospital Directory* provides some financial information about LifePoint's SageWest hospitals as follows: SageWest Health at Riverton reports revenues for the calendar year ending 12/31/16 as follows:

- Total patient revenue of \$216,669,918
- Non-patient revenue of \$2,665,214
- Total revenue of \$219,335,132
- Net income of \$10,573,789 (4.8%)

For Sage West Health Care at Riverton, this site also lists the number of Patient Discharges as follows:

- 398 discharges for patients from 82501 zip code
- 287 discharges for patients from 82520 zip code
- 78 discharges for patients from 82514 zip code

The only financial information reported in the *American Hospital Directory* for SageWest Health Care at Lander is for two years earlier than that for Riverton above, for the period ending 4/30/2014:

- Total patient revenue of \$128,782,717
- Non-patient revenue of \$157,105
- Total Revenue of \$128,939,822
- Net income of \$3,826,089 (3.0%)

Since there were no separate revenues for Lander in 2016, one could conclude that all revenues beginning in FY2016 are reported after the hospitals began operating under a single license under Riverton's name, with FY2016 revenue including both the hospital in Riverton and the hospital in Lander. If this is the case, one could conclude that the single license in Riverton only requires that one fully-operational hospital—or two hospitals together—can fulfill the requirements of one fully-operational viable hospital. The conclusion of many concerned citizens in the Riverton area is that Riverton is becoming merely a medical outpost for the Lander Hospital and that LifePoint is directing most of its funding, staffing, and attention to its Lander operation, to the exclusion of Riverton.

Riverton community members increasingly do not see evidence of a well-supported and viable hospital in Riverton, nor does what they hear from LifePoint describe what they

see at Riverton Hospital. As Riverton community members continue to see dwindling hospital and medical staff and loss of services at the Riverton Hospital, as well as more patient referrals to the Lander Hospital, Riverton citizens are becoming increasingly alarmed at the prospect of the closing of their beloved Riverton Hospital. Under the single-license structure, the hospitals in Riverton and Lander were now subsumed under a single Board of Trustees, which currently includes the following membership:

- Mike Jones, Chair (Lander)
Independent Business Consultant
- Joe Quiroz, Vice-Chair (Lander)
Business and Organizational Management Consultant
- Alan Daugherty (Lander)
CEO, SageWest Health Care
- Richard Jones, M.D. (Riverton)
Internal Medicine, Wind River Clinic
- Robert Klein
President, Western Group LifePoint Health
- Cy Lee (Fort Washakie/Riverton)
Executive Director, Wind River Development Fund
- Jacqueline Nelson, M.D.
Chief of Staff, Pediatrician, Indian Health Services
- Susan Pearson, M.D. (Lander)
Family Medicine, Lander Family Medicine
- Kathy Wells (Lander)
Vice President for Academic Affairs, Central Wyoming College

We know that our comments are pointed. We trust that you will accept them in the constructive manner in which they are intended. We would appreciate meeting with you for the purpose of making our community stronger and healthier. We understand that this goal is consistent with LifePoint's mission statement: Making Communities Healthier.

Alan R. Vincent

MICK PRYOR

James K. Bradley

Roger Rose
Josephine & Patricia
Kathleen McElroy

MM

Kristy Salasburg
Sue Salasburg