

Update

**Estes Park Health Preparation for
Increased Affiliation:
Possible Ballot Issue in May Election**

March 02, 2023

EPH and Future Affiliations

Estes Park Health (EPH) Board and Senior Leadership believe **increased affiliation with a larger health care organization will occur at some point in the future** driven by the intensifying influence of economic and market forces.

Major Affiliation Drivers

1. **Economic Necessity:** Nearly 30% of rural hospitals are at risk of near future closing due to persistent financial losses on patient services and low financial resources. Nearly 10% are at immediate risk of closing due to inadequate revenues to cover expenses and very low financial reserves.
2. The increasing influence of “**Narrow payor networks**” in which health care provider payment becomes increasingly dependent upon being a member of a specific payor network.
3. There are significant and **increasing capital requirements** required to stay current with evolving medical technology.

Goals for Possible Future Affiliations

1. Ensure our **community's health care needs** will be addressed with **excellent health care services**.
2. Ensure that these **services will be sustained** for many years into the future.
3. Ensure there will be **reliable, excellent quality referral networks** in place to provide excellent health care services EPH does not provide.
4. Ensure that, for any organization considered for establishing an affiliation, there will be a **culture and values that are aligned with EPH's culture and values**. For example, both organizations would have a shared primary goal of taking excellent care of patients.

Preparing EPH for Future Affiliations

1. Working with EPH Chiefs of Staff, Department Leaders, Senior Leadership, and Board to plan and implement **near-term and longer-term strategic actions** to strengthen EPH's finances, operational effectiveness, and services.
2. Working with **Eide Bailly, LLP** to determine EPH's value to potential partners.
3. Working with **Hall, Render, Killian, Heath & Lyman, P.C.** to understand legal opportunities and constraints for EPH as a Special Taxing District, and to understand different affiliation options' advantages and disadvantages.

Taxpayer's Bill of Rights (TABOR)

Article X, Section 20(4)(b) of the Colorado Constitution
(Taxpayer's Bill of Rights = TABOR)

(4) Required elections - Starting November 4, 1992, **districts must have voter approval in advance for:**

(b) Except for refinancing district bonded debt at a lower interest rate or adding new employees to existing district pension plans, **creation of any multiple-fiscal year direct or indirect district debt or other financial obligation** whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

Taxpayer's Bill of Rights (TABOR)

Article X, Section 20(3)(a) of the Colorado Constitution
(Taxpayer's Bill of Rights = TABOR)

(3) Election provisions.

(a) Ballot issues shall be decided in a state general election, biennial local district election, or on the first Tuesday in November of odd-numbered years.

Options: May 2, 2023 – biennial Park Hospital District Election
Nov 7, 2023 or Nov 5, 2024

May 2, 2023 Ballot Issue

Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, with one or more nonprofit health care providers concerning the ownership, operation, and maintenance of all or any portion of the District's hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District's revenues pursuant to such agreements?

May 2, 2023 Ballot Issue

Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, with one or more nonprofit health care providers concerning the ownership, operation, and maintenance of all or any portion of the District's hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District's revenues pursuant to such agreements?

May 2, 2023 Ballot Issue

Without imposing any new tax or increasing any tax rate, **shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution**, with one or more nonprofit health care providers concerning the ownership, operation, and maintenance of all or any portion of the District's hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District's revenues pursuant to such agreements?

May 2, 2023 Ballot Issue

Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, **with one or more nonprofit health care providers** concerning the ownership, operation, and maintenance of all or any portion of the District's hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District's revenues pursuant to such agreements?

May 2, 2023 Ballot Issue

Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, with one or more nonprofit health care providers concerning the **ownership, operation, and maintenance of all or any portion of the District's hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District's revenues** pursuant to such agreements?

Summary

Why put TABOR ballot issue in the May 2, 2023 election?

- Any affiliation agreement will involve multi-fiscal year financial obligations
- Taxpayer's Bill of Rights (TABOR) requires voter approval in advance for the creation of any multiple-fiscal year financial obligations
- **Legal advice:** Ask voters now to authorize Park Hospital District to be able to create multiple-fiscal year financial obligations
- TABOR election options: Only in 6- or 12-month intervals

Current Status

Currently, we do not have any affiliation agreements

- Letter of Intent
- Definitive Agreement

If voters approve, it will enable us to negotiate an affiliation agreement that addresses our community's health care needs

Possible Future Affiliations

1. Increased affiliation with a larger health care organization will occur at some point in the future
2. EPH Leadership will take an active role in negotiating a future affiliation that accomplishes our goals.
 - Excellent health care services addressing our community's health care needs that will be sustained for many years into the future.
 - Excellent quality referral networks for health care services EPH does not provide

Comments & Questions