

# **Estes Park Health and UCHealth Sign Partnership Letter of Intent**

**October 23, 2024**

# Signed Partnership Letter of Intent

- On October 3, 2024, EPH and UCHealth signed a Partnership Letter of Intent (LOI)
- Letter of Intent describes the principal terms and conditions of the proposed transaction: General, mostly non-binding
- Details specified in the “Definitive Agreements”  
Expected to take about 3 to 5 months to complete
- The Colorado Attorney General review mandated in the “Hospital Transfer Act expected to take about 60 days

# Letter of Intent Signing & Confidentiality

- Signed by Vern Carda, EPH CEO, for the Park Hospital District
- LOI signing is within EPH CEO signature authority  
Park Hospital District Board approval was not required
- At this time, the Letter of Intent (“LOI”) between Estes Park Health and UCHHealth is not being made publicly available. The non-binding LOI is confidential and privileged and contains commercially sensitive information being used as part of a non-public negotiation process intended to arrive at the definitive agreements that will govern the eventual affiliation, and the parties are barred from disclosing it.

# Why a Partnership with UCHealth?

Estes Park Health (EPH) pursued partnership with UCHealth for:

- **Shared values:** Patients first – Integrity – Excellence
- **Trust:** Developed over many years of working together
- **Clinical Excellence:** Quality and excellent experience
- **Financial Strength:** Stability and excellent management
- **Overall Benefits:** Community, Patients, and Employees

# Trust Between EPH & UCHealth

- Many years collaborating with: Poudre Valley Hospital, Medical Center of the Rockies, UCHealth Medical Group
- Shared services: EPIC electronic medical records
- Doc Line and medical evacuations
- COVID Pandemic
- Wildfires: East Troublesome and Alexander Mountain

# Benefits to Our Estes Valley Community

The primary goal of partnership with UCHealth:

For the Estes Valley Community,  
the partnership with UCHealth  
will ensure excellent health care services  
are available for many years to come

# Benefits to EPH Patients

EPH patients will benefit from:

- **Continue and strengthen current health care services**  
EPH - UCHealth has resulted in outstanding health care at EPH and world-class care for EPH's referrals
- **Access to UCHealth's cutting edge technology**  
UCHealth's Virtual Health Center and artificial intelligence in the EPIC Electronic Medical Record system will enhance EPH patients' experiences and outcomes.

# Benefits to EPH Patients

- EPH patients will benefit from
  - **Possible access to state-of-the-art health care programs**  
Ex: Virtual health and behavioral health services.
  - **UCHealth is committed to continuing EPH's care for patients challenged to access health care:**  
More than half of EPH's patients are covered by Medicare, Medicaid or are uninsured and UCHealth is the state's largest provider of Medicaid



# Benefits to EPH Employees

- EPH employees will benefit from
  - **Professional networks** with UCHHealth's workforce of more than 34,000
  - **Personnel development opportunities**
  - **Increased staffing resilience**
  - **Enhanced recruitment and retention**

# Benefits of UCHealth Financial Stability

## Benefits of Financial Partnership with UCHealth

- Outstanding financial management
- Economies of scale examples:
  - Decreased costs of supplies, pharmaceutical drugs
- Additional discounts on IT services

# Benefits of UCHealth Financial Stability

**Future Financial Necessity:** Increasing challenges managing the the health care's financial future

- Dramatically increasing expenses
- Increasing uncompensated care
- Minimal increases or decreases in reimbursements from Medicare and Medicaid

**UCHealth's Financial Investment:** UCHealth will invest more than \$30 million into the hospital and the Estes Park community in the coming years including \$20 million for routine and strategic capital

# Prerequisite: Ballot Issue 8A Success

Ballot Issue 8A, May 3, 2023 Park Hospital District election

- Ballot Issue 8A election success prerequisite for LOI
- Mail ballot election – all eligible voters received a ballot
- Election Result: 80.3% support for Ballot Issue 8A
- Ballot Issue 8A
  - Authorized the District to enter into multiple fiscal year agreements with nonprofit health care providers
  - Pledged District revenues to result of those agreements

# Ballot Issue 8A – May 3, 2023

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?

# EPH Partnership with UCHealth

- Partnership will make EPH part of the UCHealth system
- EPH Employees will transfer to UCHealth, and UCHealth will provide employee benefits
- UCHealth will oversee EPH, with local leadership and local board

# Park Hospital District

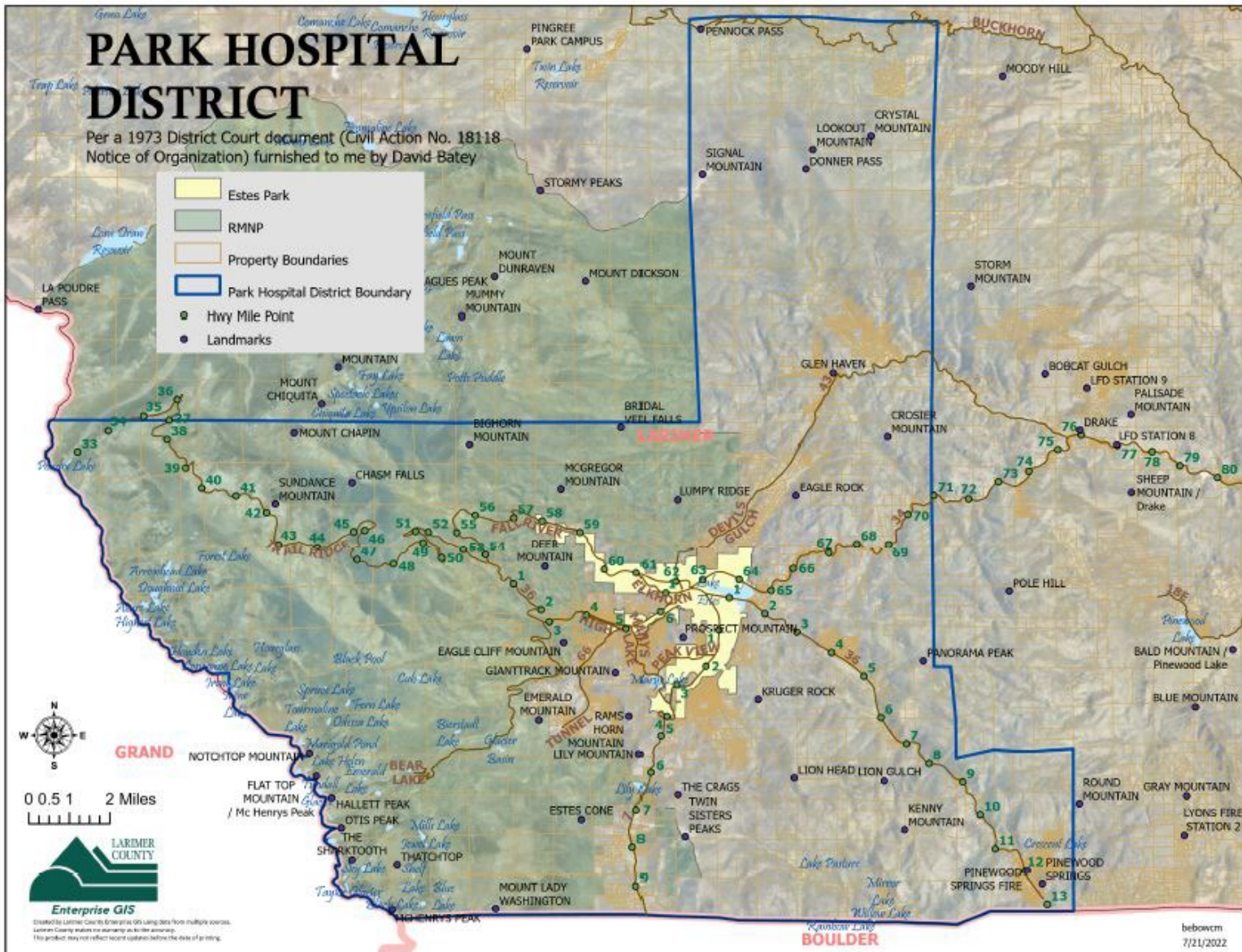
- Park Hospital District
  - Will continue to function as a Special Taxing District
  - Will retain ownership of Park Hospital District property and buildings for lease to UCHealth
  - District tax revenues will be used locally to support the operation, improvement, and maintenance of EPH and local clinics



# PARK HOSPITAL DISTRICT

Per a 1973 District Court document (Civil Action No. 18118 Notice of Organization) furnished to me by David Batey

- Estes Park
- RMNP
- Property Boundaries
- Park Hospital District Boundary
- Hwy Mile Point
- Landmarks



bebowcm  
7/21/2022



# Employment and Benefits

- **Employment and Benefits**
- UCHealth intends to offer employment to all EPH employees as of Closing,
- Total compensation for each employee to be no less than that amount presently provided to each such employee,
- Subject to standard pre-employment screening.

# Thanks to Those Who Made This Possible

- Estes Valley Community - Strong support for Ballot Issue 8A
- EPH Leadership and employees
- Counterparts with UCHealth
- Outside experts at Eide Bailly and Hall Render, especially David Snow
- EPH Board of Directors

# Next Steps

- Over the coming months, UCHealth and EPH will complete their final agreement
- Effective date expected around Spring/Summer of 2025
- UCHealth and EPH will share more information with employees and the community during this time

# Questions, Answers & Discussion