

# **Park Hospital District - UCHealth**

## **Partnership Definitive Agreements**

### **Summary of Successful Negotiations**

**May 15, 2025**

# Executive Summary

Park Hospital District (PHD) Goal:

To ensure excellent health care services availability  
For our Estes Valley Community  
For many years to come

PHD - UCHealth Partnership Definitive Agreements

UCHealth will provide innovative health care services  
For our Estes Valley Community  
For a minimum of 50 years

# Executive Summary

- The Definitive Agreements documents are:
  - A Health System Operating Lease Agreement
  - An Integration and Affiliation Agreement
- Next Steps: PHD and UCHealth Boards consider approving the Partnership Definitive Agreements
- Then, as required by the Hospital Transfer Act, the Colorado Attorney General will review the agreements, a process that requires at least 60 days

# Why Seek Partnership with Larger Nonprofit Health Care Provider?

Challenges in rapidly evolving health care environment:

1. Covid Intensification
2. Expenses – Dramatic increases
3. Revenues – Decreases or minimal increases in reimbursement from Medicare, Medicaid, insurers
4. Uncompensated care increases
5. Capital access to keep up with technology
6. Payor Networks
7. EPH small size
8. Competition

# Why Seek Partnership with Larger Nonprofit Health Care Provider?

## Conclusions:

1. Remaining independent not viable long-term
2. Seek relationship with larger nonprofit health care provider
3. Make EPH stronger to be attractive partner
4. Make partnership negotiation possible: Ballot Issue 8A
5. Explore possible relationship models and partners

# 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:** World-class quality,  
Outstanding patient experience
- **Financial Strength:** Stability and excellent management
- **Overall Benefits:** Community, patients and employees

# Benefits to EPH Patients

- Continue and strengthen current health care services
- Access to UCHealth's cutting edge technology
- Access to state-of-the-art health care programs
- 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 services

# Benefits to EPH Employees

- Networking with 35,000 employees
- Staff development opportunities
  - Example: UCHealth Ascend Career Program
  - Tuition Assistance & Professional Development Coaching
- UCHealth intends to offer employment to all EPH employees subject to standard pre-employment screening.
- Employees' base rate of pay will be no less than that amount presently provided to each such employee



# Benefits of UCHealth Financial Stability

## Benefits of financial partnership with UCHealth

- UCHealth outstanding financial management
- Economies of scale
- UCHealth's financial commitment in the coming years

Invest \$30 million into EVMC and the Estes Valley:

- Invest at least \$20 million in strategic/routine capital
- Assume District long-term debt (currently about \$10 million)

# Prerequisite: Ballot Issue 8A Success

Ballot Issue 8A, May 2, 2023 Park Hospital District election

- Ballot Issue 8A election success a partnership prerequisite
- 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 2, 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 – UCHealth Definitive Agreements

- Three parties in the Transaction:
  - Park Hospital District
  - UCHealth
  - UCHealth Estes Valley Medical Center (EVMC)
- UCHealth EVMC will be formed as a UCHealth subsidiary Colorado nonprofit corporation
- Operating lease term:
  - Fifty (50) years
  - With ten (10) year automatic renewal periods

# Definitive Agreements Transaction

- **The Park Hospital District**
  - Retains ownership of District property and buildings
  - Leases property and buildings to UCHealth Estes Valley Medical Center
  - Continues as a Special Taxing District
  - District tax revenues support operation, improvement, and maintenance of UCHealth Estes Valley Medical Center

# Definitive Agreements Transaction

- **UCHealth Estes Valley Medical Center (EVMC)**
  - Other than the Park Hospital District's land and buildings, all other assets and operations of the Park Hospital District, including equipment and employees, will be transferred to UCHealth Estes Valley Medical Center
  - UCHealth Estes Valley Medical Center will take over and continue all health care operations after the closing of the transaction

# Definitive Agreements Transaction

- **UCHealth Estes Valley Medical Center Board of Directors**
  - Two (2) nominated from Park Hospital District Board
  - Three (3) nominated District Community Members
  - Two (2) appointed from UCHealth
  - Total: seven (7) Directors
  - All Directors appointed by UCHealth CEO

# Next Steps

- Park Hospital District Board of Directors and UCHealth Board of Directors consider approval of Partnership Definitive Agreements
- If approved, then Colorado Attorney General Review
  - Required by Hospital Transfer Act
  - Expected to take a minimum of 60 days
- If approved, Park Hospital District Board of Directors consider approval of final closing documents before closing
- UCHealth and EPH will share more information with employees and the community during this time



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# Thanks to Those Who Made This Possible

- Estes Valley Community: Strong support for Ballot Issue 8A
- EPH Leadership and employees
- Counterparts with UCHHealth
- Outside expert Advisors at Eide Bailly and Hall Render
- Park Hospital District Board of Directors

# Definitive Agreements Online



UCHealth Partnership



Partnership Agreements

<https://eph.org/about-us/uchealth-partnership/definitive-agreements/>

Definitive Agreements Information

# Backup Material

# 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

