

# Winsted Memorial Hospital Needs All of Us Now - More Than Ever

By Charlene LaVoie, Community Lawyer

On April 23, 1996, James Sok, President of WMH reported to the Board of Directors financial data and other facts which apparently have put WMH in the red. He also presented a proposal which eliminates medical services at the hospital, closes the facility and creates a for-profit ambulatory care center to be located elsewhere.

Winsted Memorial Hospital is unfairly targeted by the state uncompensated care fund; it pays 17% (11% gross receipts tax, 6% sales tax) into the fund and receives back only 24 cents on each dollar it contributes, whereas Charlotte Hungerford receives 66 cents back on each dollar it contributes and St. Mary's Hospital receives \$1.78 back on each dollar it contributes. In other words, WMH and other small hospitals subsidize the larger hospitals which make money from the uncompensated care fund. Recently WMH was assessed a retroactive tax of nearly one million dollars that it must additionally pay into the fund.

The State is aware that this tax is unfair - it created a 25 million dollar Distressed

Hospital Fund to refund money to hospitals unduly burdened. Refunds from this fund are in the process of being distributed to distressed hospitals and every effort must be made to see that WMH gets a significant refund.

The insurance industry is also a part of the problem. Insurance companies crowd out the smaller hospitals by manipulating physicians into directing their patients to larger hospitals because of the increased profit it can reap. This activity has resulted in the patient census at WMH dropping to below the break even point (even though patients can request that their doctor treat them at WMH).

In response to these pressures, the Board of Directors surprised the community with a plan for a "Winchester HealthCare System" which eliminates the non-profit in-patient hospital and emergency facility and replaces our hospital with:

- a for-profit ambulatory care center with outpatient surgery and urgent (not the same as emergency) and diagnostic care;
- a medical group practice;

- a health education and wellness center;
- community health services;
- a residential care/assisted living center.

The proposal locates the ambulatory care center and medical group practice in a new structure to be built somewhere within one or two miles from the intersection of Routes 44 and 8, perhaps in Winsted, but not necessarily - depending on availability of suitable large sites (approx. 26,000 sq. ft. for the building alone). The proposal locates the residential care/assisted living center in the Winsted Memorial Hospital building, which is likely to be sold to a private interest to develop.

The "Winchester HealthCare System" is not a hospital. The ambulatory care center will not have 24 hour emergency service, it will only be open 18 hours. In-patient hospital services will be eliminated and there will be no medical functions at the current site of WMH. It would be the end of the 95 year old, first hospital in Litchfield County.

Winsted must not completely close the door on the full service, in-patient hospital. As the chief financial officer remarked, the

health care climate is chaotic. Closing a hospital is easier than opening one and maintaining even a small full service, in-patient hospital will keep Winsted in a position to respond to the changing health care environment.

People in the Hospital service area have always supported and want to maintain a full service hospital with a 24 hour emergency room service, even if on a smaller scale. We made this very clear during the Community Discussion Day in September 1995. Attempts to manipulate the outcome of the Community Discussion Day to make it look like support for the "Winchester HealthCare Plan" is not an accurate description and must stop.

Our advocacy must be on two tracks: one, to stop the cash hemorrhaging created by the unfair tax situation; the other, to work towards keeping a full service hospital. Finally, our state legislators must work with the community to save our hospital, not against it by making deals to finance the so called "Winchester HealthCare System."

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