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memorialregionalhealth.com

March 1, 2019

Senate Health and Human Services Committee
State Capitol
200 Colfax
Denver, Colorado 80202

RE: HB19-1065

Dear Madame Chair and Honorable Members of the Senate Health & Human Services Committee:

I want to thank you in advance for considering HB19-1065. While I realize this bill only affects a very small number of Colorado hospitals and stakeholders, it is an important legislative change to help us streamline our operations and establish a larger pool of qualified applicants to service on our voluntary boards.

The first purpose of the bill is to clarify statutory language pertaining to the remaining county owned hospitals that function as an enterprise. Specifically, the change will allow those few hospitals to enter into leases for capital equipment without the consent of the respective local board of county commissioners. I believe that this was likely the original intent when county hospital appointed board of trustees elects to function as an enterprise. From an operational perspective, it makes sense that when a county hospital needs to enter into a lease for a piece of equipment (like an MR for example), that a board, as appointed by the county commissioners acting as an enterprise entity, be allowed to proceed without obtaining consent from county commissioners. In this structure, county commissioners do not oversee the daily operations of the organization nor are they responsible for paying for the obligation, but are being asked to consent to the acquisition. It would only make sense that this clause existed if the county commissioners were the board for the hospital, the hospital did not function as an enterprise, and funds expended for acquisition were from county funds. The current statute is cumbersome to both the hospital and county, and typically required unnecessary legal work and expense on the part of both types of entities to comply.

The second purpose of the change will allow the respective county commissioners more flexibility in appointing members of a hospital board of trustees. The current structure, while likely intended to help ensure a wide variety of people, were appointed based on geographic location within a county (i.e. city versus county). This structure can restrict recruiting of qualified board members. Since these boards are volunteer boards, and with increasing difficulty finding people to serve, we are suggesting that this language be

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modified. This change will allow for maximum flexibility on the part of county commissioners as they seek to appoint qualified board members. This can help avoid appointing members to a board because 1) they were the only candidate to apply within a geographic region, and 2) they are not necessarily qualified to serve.

I want to once again thank you for your consideration of this bill. I hope that this change can be made, even though it affects a very few, as it will be extremely helpful to our on-going operations.

If you have questions, I am happy to address those. I can be reached by cell phone at 970-326-3599.

Very truly yours,

MEMORIAL REGIONAL HEALTH



Andrew J. Daniels, MHA, FACHE
Chief Executive Officer