2005 Achievement Award
National Association of Counties
"Best in Category – Health"

Community Collaboration Model for the Preservation of a County Healthcare System

Doña Ana County, New Mexico

1. Abstract of the Program

By early 2003, the stability of the health care system in Las Cruces, New Mexico was at risk. Its City/County-owned hospital, Memorial Medical Center, was suffering severe financial losses and the declining confidence of its patients and its admitting physicians. Then with the opening of a well-financed corporate competitor, MMC began losing $1,000,000 per month, made severe cuts in its workforce and proposed further cuts in services affecting its most vulnerable populations. The community suffered divisive debate over the causes of the crisis – without the emergence of feasible solutions.

A Community Collaboration Model

In response to the looming crisis, the leaders of Doña Ana County and their co-owner, the City of Las Cruces, designed a "Community Collaboration Model," which allowed the public to define its healthcare needs and set its own criteria for a solution to meet those needs. In late 2003, after a public review of several options, the County and City chose a new operating partner for their hospital, a partner that agreed to lease the hospital for 40 years with an upfront lease payment of $150,000,000 and strict contractual commitments for indigent care, capital reinvestment, and other broad community benefits. The net cash proceeds are now available to fund an expanded continuum of health care in the county, reaching well beyond the walls of the Hospital to some of the most underserved areas of the county. With a strengthened hospital and enhanced clinic services, a sustainable community health care system is once again secured for the very citizens who defined the standards the system must meet.

2. The Problem/Need for the Program

The early months of 2003 were discouraging for the citizens of Doña Ana County, as they faced the possible demise of their County/City-owned Hospital. Memorial Medical Center was losing close to $1,000,000 a month as it reached its darkest days. Essential services, such as psychiatric care, women's and children's services, the Family Practice Residency Program, and pastoral care programs, were in jeopardy, as were prenatal, preventive, and subsidized clinic programs outside the hospital that had served those most in need.

Financial Losses

Service Cuts

Declining Confidence

As the Board of the local non-profit lessee of the public hospital prepared these drastic service cuts, the public became vocal about their fears that the continuation of their public hospital and accessible clinic programs were threatened. Perhaps most importantly, the hospital was swiftly losing the confidence of its patients and medical staff. The County and City leaders now faced the crisis not only of turning around their flagging hospital, but also of expanding their publicly-supported outreach programs to meet the needs of their underserved populations of indigent and working-poor residents in this largely rural county on the US border with Mexico.

Once they stopped the bleeding, the public leaders had to find a way to sustain the long-term viability of their hospital and outreach programs. But they also felt a responsibility to address the short- and long-term problems in a single decision process. It would take some courage to avoid a band-aid solution, but, after all, the very future of public health care in Doña Ana County was at stake.

Blaming indigent care, a story oft-repeated by hospitals in desperate financial condition, would have run so contrary to the values of this diverse, tolerant border community that it was not even considered. The tax base, due to statutory and financial limitations, would not support a sufficient tax increase even to "solve" the short-term crisis. With the often-instinctive "fixes" unavailable, the public officials prepared to hear the community's expectations for their own healthcare.

3. Description of the Program

It was with the goal of giving these expectations the best chance of becoming a reality that the City and County leaders created their "Community Collaboration Model", in which everyday citizens had a say in what should become of their hospital. Their strategy – a completely open process which recognized their ultimate accountability to all stakeholders – achieved community buy-in. The leaders of Las Cruces and Doña Ana County were under no legal obligation to design such an open process, which is, in part, what makes their inclusive decision-making model more noteworthy.

Family Practice Clinic

The City and County leaders did not predetermine the results. They simply trusted the integrity of their open process – and trusted their stakeholders. Their stakeholders rewarded them with collaboration, and their process rewarded them both with an outstanding long-term result.

The Process Begins. The decision to proceed with the "Community Collaboration Model" for the future of Memorial Medical Center was that of the City and County leaders. Beginning in April of 2003, the process lasted until December 2003, when with a unanimous vote of both bodies and a standing ovation from a packed chamber, they selected a well-financed and well-regarded lessee willing to make a firm contractual commitment to the Community Demands outlined by the stakeholder process.

The model espoused a simple objective: Allow the public to define its own health care needs and to set its own criteria for a health care partner or structure to meet those needs. The elected officials began with three Covenants with their public:

- They would have no Executive Sessions or "Blue Ribbon" committees meeting outside the public eye
- They would publicly solicit community demands to establish their negotiating criteria
- They would refrain from making a decision until they had a wide array of actual options on the table.

With this, the local leaders committed themselves to making the stakeholders an essential, rather than an honorary or marginal, part of the decision-making process.

The Community's Own Criteria. Perhaps the most important decisions pertained to the adoption of "Community Criteria." While the objectives for the model were simple, the question of what the community stakeholders hoped to gain was not immediately clear. In facilitated community discussions, the City Council and County Board of Commissioners led citizens through the process of adopting the criteria for a new operator, lessee, or affiliate. These criteria crystallized the community's goals for Memorial Medical Center, and they addressed both the immediate crisis and the future viability of the hospital. The Community Criteria are attached, and their goals fall into three areas:

Provide care for all, regardless of ability to pay

Preserve and enhance key services

Continue Community Accountability

Access to Care: Of primary concern was that Memorial Medical Center be maintained as a full-service acute care hospital by sustaining and enhancing substantially the same service lines currently offered. Diminished services, especially those most crucial to underserved populations, would not meet the objectives of the people. Likewise, the people made it clear in meetings and interviews that access for those unable to pay must be preserved. Finally, the new leadership of the hospital must integrate with and provide leadership to the continuum of community care, including Federally Qualified Health Centers, veterans' services, healthcare for the homeless, and other outreach programs.

Operations/Governance: Commitments to current employees in good standing would be honored, and measurable levels of quality and satisfaction of patient, physicians, and employees would be maintained and enhanced. The community urged one further criterion: that the new operator would establish a governance model with significant input and accountability to the public. For instance, the City and County would each have a seat on the hospital board in perpetuity and would require annual reviews of contract compliance. This decision underlined the seriousness with which the City and the County regarded the public's role in the hospital's future.

Financial Considerations: The new operator would have to show sufficient financial resources to meet the other Criteria while making MMC a sustainable regional leader in acute care. For example, the new operator would have to commit, by contract, to invest in capital replacements at a level greater than the annual average depreciation expense reported in the Hospital's financial statements.

In sum, the City and County sought not only a solution to the immediate crisis, but turned that very crisis into an opportunity to make structural changes to promote the sustainable viability of the Hospital and of the County's outreach programs beyond the walls of the Hospital.

The importance of the Community Criteria can not be overstated. The Board of County Commissioners and City Council adopted the Criteria in formal resolutions before they launched their nationwide search for potential operating partners. The

Criteria then defined the search, the bid process, the negotiation, and the eventual formation of a tough contract to enforce those same Criteria.

The community buy-in to the Criteria prevented the process from falling prey to stereotypes. The debate itself had to pass through the screen, rather than falling into an argument over wooden images of "public," "non-profit," or "for-profit" options. Because the constituents could trust a process driven by the very objectives they formed, they had enough patience to let the process produce real proposals from real entities in each of those sectors. In this way, the objectives embedded in the Criteria drove the ultimate conclusion, instead of the other way around.

"We didn't argue over stereotypes.
We just got real options on the table."

Having been established with the help of the citizens, the Community Criteria also ensured that the open, public process remained in a central place of honor. With every reference to the Criteria – in the media, in Commission meetings, in negotiations with potential partners – the voice of the stakeholders asserted itself.

Eventually, three finalists were chosen in the search for the community's new healthcare partner. In the spirit of the community process, each candidate was put through public interviews. The end result was the 40-year lease of Memorial Medical Center to Province Healthcare Corp., a well-financed and well-respected publicly-traded company, for a prepaid rent of $150 million in cash. The gamble on the Community Collaboration Model had paid off with funding for a broader health care mission in Las Cruces and Doña Ana County. Most uniquely, those who would benefit most from the mission – the citizens, advocates, physicians, clergy, veterans, educators and other stakeholders – were also those who had brought it to life and whose support would ensure its success.

While the very nature of the community process de-emphasized the opinions of experts, the City's and County's local counsel and a regional health care advisor were instructed to facilitate discussion of the collaboration model and negotiation of a contract. State involvement included a careful study by the State Attorney General and approval by the New Mexico State Board of Finance, chaired by Governor Bill Richardson. The State's thorough review and approval of the transaction, and of the public discourse preceding it, testify to the credibility of this unconventional community approach, which state officials have since cited as proof that an intensively public process can work.

(Attached are a copy of the Community Criteria, as discussed, a handout prepared by the County Commissioners attending the 2004 NACo Annual Conference outlining The Five Lessons Learned from Our Hospital Crisis, and an article from the local news.)

4. Use of Technology

Information technology played a key role in the dissemination of information to the many citizens who participated in the Community Collaboration process. The City and County websites served as clearing houses for progress updates, Letters of Intent from potential partners, and even the draft agreements during final negotiations. The latter two classes of documents are typically kept secret in corporate and even public-sector negotiations. But the public officials here made this web access essential because it gave interested citizens the opportunity to be prepared and knowledgeable at the public forums which shaped the process, interviewed candidates, and set standards for review.

In addition, the County staff set up (for the first time in this community) a two-way internet/conference link for seven outlying community centers, schools, etc., to make participation in community meetings possible for residents in the far reaches of the county. The County also made real-time interpreters available, in an appreciation of the community's diversity. As the potential partners made their presentations, it was a joy to hear a concerned farmworker, talking over the internet connection, put a corporate titan on the spot – and receive a respectful answer to his concerns.

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5. The Cost of the Program

To complete this program, which generated $150,000,000 to pay off the Hospital debt and provide expanded health services in the community, the City and County split approximately $650,000 in legal, advisory, and valuation fees.

6. The Results/Success of the Program

The Process Itself. By the time Province Healthcare was chosen as lessee of Memorial Medical Center, and even before the transaction closed, it was clear that the Community Collaboration Model had been a success. In essence, the County and City leaders and residents had transformed a divisive debate into a collaborative discussion by focusing on how best to meet the community objectives instead of allocating blame for failure. Defying the conventional wisdom and challenging the status quo has paid off, not only with a solid decision, but also in the way this community put its voices together to resolve a crisis. This time it was a healthcare issue, but the process may also have forged a precedent for more effective community collaboration on future issues. So, Success #1 of the program is found in the new spirit of collaboration between City and County officials, between those officials and the medical community, and among those two groups and individual citizens.

Immediate Financial Return to the Community. The second obvious success is the preservation of an endangered hospital – to see it move from defaulted bonds, to stability, to growing success. Aside from patient benefits, this saved the jobs of more than 1,000 employees. The transaction spawned by this community-intensive process also generated $150,000,000 to pay off substantial hospital debts and leave net proceeds of about $50,000,000 for the County and City to allocate to future health-related needs.

Hospital Access for All. In response to the community's demand that access to acute care be maintained for those most in need, the contract commits the new operator, for the entire 40-year lease term, to provide "all needed care for the sick and injured in Doña Ana County…regardless of the cost of that care." The care goes beyond the usual emergency stabilization already required by federal law. The lease mandates that the Hospital offer the same schedule of services otherwise provided to Medicaid patients, even if the patient cannot afford to pay, as is often the case with many uninsured low wage-earners whose income, though limited, disqualifies them from Medicaid.

Success Beyond the Hospital's Walls. Province and the County have already moved the Hospital's Family Practice Residency Program toward a greater alignment with independent clinic systems receiving County funds, enhancing the strength and sustainability of services offered to indigent and working poor residents spread across the 3,800-square miles of this county. Farmworkers who once found the doors of their rural clinics closed on nights and weekends now find services at those clinics, avoiding a long drive to and longer wait in the emergency room for routine services. The expanded hours, in turn, relieve some pressure in the Hospital's ER so it can serve its true emergency caseload more efficiently.

"The Commissioners simply trusted the integrity of their open process – and they trusted their stakeholders"

Beyond its corporate access to capital, the County's new hospital partner has offered the County's Health & Human Services staff the benefit of its corporate experience from the other 20 non-urban hospitals it operates across the country. The H&HS staff believes the arrival of this new partner has triggered the department's ability to re-engineer the County's health programs into a coordinated public/private continuum of healthcare services for a culturally diverse population beyond the walls of the Hospital.

A Bright Future for the Hospital Itself. The Hospital is already a financial success. Province has applied its strong access to capital and experience to shore-up MMC's operational stability. Within months of the transaction, Memorial Medical Center has already seen a rising demand for its services and improvements in its community position. Province's purchasing power has, for example, already reduced the Hospital's reliance on expensive outsourced leases by negotiating tighter contracts and purchasing key equipment.

The new lessee's contractual commitment to preserve crucial services, regardless of potential losses, is spelled out in specific language. For example it agreed not only to "preserve the hospital's psychiatric services", but also specifically to maintain a "12-bed locked psychiatric unit," over the 40-year life of the lease, comforting the fears of a great number of residents after the prior hospital board had proposed to cut the program.

The agreement reached with the new lessee for community oversight also illustrates the County's and City's continued commitment to the community process that brought that lessee to town in the first place. The lease provides for an Annual Review by the City and County of lease compliance and community care. During negotiations, Province agreed to clarify its community governance model for the hospital. While the company will obviously control big-ticket spending and compliance with laws, they also understand that it's good for their business to receive local input on services, patient satisfaction, quality measures, clinic linkage, and compassionate care for all, including those who can not afford to pay. The City and County will have seats on the board for the 40-year life of the lease and the majority of the other seats will be reserved for local physicians and residents.

7. Why this Program Earned the Best in Category Award

The Community Collaboration Model in Doña Ana County, New Mexico improved the access to healthcare in the community by turning a crisis into an opportunity to enhance the long-term future of the system. The elected officials eschewed executive sessions and private meetings of "blue ribbon panels" by insisting that this matter merited full public debate. They resisted early calls to jump to a short-term fix or to eliminate some options up front, choosing instead to put real options from real entities on the table for public consideration.

That respect for constituent participation itself merits recognition. Beyond that, however, the City and County's process actually resulted in a success. Their Hospital was saved, critical services preserved, outreach to the underserved populations in the far reaches of the county enhanced. One more major element: the carefully considered decision to lease the hospital to a new partner meeting the qualitative criteria also had a powerful quantitative impact. After satisfaction of substantial hospital debt and underfunding of the pension plan for the hospital's employees, the City and County have some $50 million available to fund expanded care for indigent and working poor residents, prevention programs, prenatal care, and other health-related needs far beyond the walls of the Hospital. As for Memorial Medical Center, the City and County leaders selected a new lessee with the financial ability and contractual commitment to provide the human and capital resources to sustain the once failing hospital well into the future.

"Any County can develop its own good choices, as long as objectives, not conclusions, drive the process."

The NACo Achievement Award aims to bring this success before the eyes of other counties and let them know that even in the highly-technical and highly-emotional realm of the people's healthcare, elected officials can trust their constituents with a very public process to surface real options rather than argue over wooden stereotypes. It can also give them the confidence of knowing that their constituents just might return that trust by offering their sincere collaborative input – and their vocal support for the outcome. Any County can develop its own good choices, as long as objectives, not predetermined conclusions, drive the process.

The success of Doña Ana County's community program arose from the proactive involvement of the community itself, making this program an excellent example of how the democratic process of collaborative decision-making can yield strong measurable achievements.

Attachments:

Community Criteria
As approved by Board of County Commissioners and City Council

"5 Lessons from Our Hospital Crisis"
Handout by Commissioners attending NACo Annual Conference

"**Measure Twice, Cut Once"**
Guest Column published in *Las Cruces Sun-News,* 04/02/2004

Update since Award:

"Lease has helped MMC heal itself"
By Steve Ramirez, Sun-News reporter, Posted: 02/02/2009
Five-Year Lookback Article from *Las Cruces Sun-News*

Community Criteria for our Hospital Partner

In the course of an ongoing community discussion, the Las Cruces City Council and the Doña Ana County Board of County Commissioners have adopted the following key "Community Criteria" that each potential operator must address in order to be considered as a Candidate to manage, lease, acquire or otherwise affiliate with the Memorial Medical Center.

Candidate must demonstrate its <u>commitment</u> and <u>ability</u>:

1. To maintain MMC as a full-service general acute care hospital by sustaining substantially the same types and level of services as currently offered, including, without limitation, psychiatric care, women's and children's services, pastoral care programs, and support for the hospital auxilliary
2. To enhance the regional competitive position of MMC
3. To enter a "social contract" with the community maintaining access for indigent and uninsured patients on defined terms of reimbursement
4. To preserve commitments to current employees by hiring all employees in good standing, honoring seniority, and providing substantially equivalent compensation and benefits
5. To establish a governance model with significant input from and accountability to the community
6. To integrate with and provide leadership to the continuum of community care, particularly Federally Qualified Health Centers, veterans' services, healthcare for the homeless, and other outreach programs
7. To provide sufficient capital replacement at a level greater than the annual average depreciation expense incurred
8. To maintain and enhance measurable levels of quality and satisfaction of patients, physicians, and employees

5 LESSONS FROM OUR HOSPITAL CRISIS

1. We recognized that health care is more than just "hospital care"

- We found serious unmet healthcare needs outside the four walls of our Hospital
- We learned the true cost of subsidizing a hospital at the expense of our public health programs

2. We learned not to get too comfortable about the current performance of our County Hospital

- A hospital is a complex entity with esoteric accounting, and its finances can crash quickly
- Consider letting a company or non-profit risk its own capital, instead of the taxpayers' capital

3. We learned that a completely open process would build community buy-in

- Our Hospital is a community treasure, worthy of a deliberate consideration of all options
- We decided to take control, look at all the options – and to do it all in public
- As the people's elected officials, we took responsibility for the process and recognized our ultimate accountability to all stakeholders, not just to hospital insiders.
- We made 3 Covenants with our stakeholders:
  1. We would have NO Executive Sessions or private committees
  2. We would publicly solicit community demands to establish our negotiating criteria
  3. We would refrain from making a decision until we had a wide array of options on the table.

These Covenants raised the confidence of all stakeholders in our collaborative and constructive process.

4. We learned the value of sticking to our 'Community Criteria' during negotiations

- The County had legitimate public interests demanding protection through a tough contract with our new operating partner, based on Criteria developed with all stakeholders:
  - like access to indigent care and the preservation of services now threatened by cutbacks
  - like protecting the facility with a defined reinvestment program
  - like public reports on its compliance with indigent care and other contract commitments
- You don't have to sell – consider a creative lease or partnership if it serves the Community's Criteria.

5. We learned not to fall for the conventional stereotypes of 'public', 'non-profit', and 'for-profit'.

- Before debating the structure, our community decided what their hospital should DO,
- Whether non-profit or corporate bidders, we found the 'good guys' by filtering them through our Community Criteria and then drafting a contract with precise responsibilities

Trust your stakeholders with an open process and they'll trust you with their support . . . Even if you challenge the conventional wisdom

[Guest Column published in the *Las Cruces Sun-News,* April 25, 2004]

Measure Twice, Cut Once

By Joe Lupica

We all remember those dark days last year when the community first joined hands to solve its hospital crisis. This week you were presented with a final draft of the Agreements to allow Province Healthcare to operate Memorial Medical Center. Under the terms of these rather ponderous documents, Province will lease MMC from the City and County for 40-years with a prepaid rent of $150,000,000. The Agreements are subject to a vote of your City Council and County Commission.

You have determined the future of MMC in a wide open process. Think about the steps your community took together in the public glare: designing Community Criteria for a new operator, evaluating your options, examining the finalists at public presentations, and even posting draft agreements on the web in the midst of complex negotiations! At times, it felt like a televised reality show.

One company was so taken aback by your open process that they dropped out after learning the City was planning to post their letter of intent on its website.

Arranging a strategic transaction in the public spotlight is highly unusual – but also healthy. Though the openness has made the negotiating team's job more difficult, the vast amount of community input gave you a better deal in the end. Local people – from healthcare advocates to everyday citizens – raised excellent points after reviewing early drafts. And the team incorporated those concerns into the negotiations.

The negotiation of a complex transaction seems to take so much time. It's not a simple matter to write out 'software' that will have to serve the mutual intent of the parties and the community over the next 40 years. That's a long time in a world where healthcare needs, technology, and reimbursement policy change with blinding speed.

My late father, a stone mason, put up buildings meant to last well beyond 40 years. So when I used to help him on the job, he would admonish me with that old craftsman's proverb: 'Measure twice. Cut once.'

Here are the results for four key points your negotiation team has been 'measuring':

1. Indigent Care. There has been much discussion about the fact that the draft documents did not define 'indigent' or make reference to 'the uninsured' or 'working poor.' Common Cause made some perceptive comments warning us to avoid the trap of a narrow definition of 'indigent' as used in the old lease with MMCI. Doña Ana County happens to use a specialized, and narrow, definition of 'Indigent

Health Care' under a unique regulatory framework. That definition, for example, picks up less than one-third of the unreimbursed care that the existing MMC has given to those who cannot afford to pay.

The Agreements secure a more sweeping commitment from Province to provide "all needed care for the sick and injured in Doña Ana County … regardless of the cost of that care." Period.

2. Coordination of the Clinic Continuum. Province has already made great strides in meeting your Community Criteria demand to bring the three separate clinic systems – La Clinica, Ben Archer, and First Step – in harmony with the Hospital. The clinics are even tuning up for a little three-part harmony of their own! Province and the clinics should have some details for you soon on their cooperative planning.

3. Psychiatric Care. The early drafts already showed Province's commitment to preserve MMC's existing services. They have agreed to a further clarification adding specific language beyond just 'Psychiatric care' to at least a '12-bed locked Psychiatric Unit.' Your negotiating committee thinks that's a victory for the community.

4. Community Oversight. The Agreements provide for the rather unusual measure of an Annual Review by the City and County. While they understand the urge to define what will happen during these reviews, your team recognizes that the Lease is for 40 years, during which the things you want to review are likely to change. So, the present language is quite sweeping – it simply allows the City and County to review compliance every year with the terms of the Lease. That is probably the best 'software' for a 40-year relationship.

Province has also agreed to clarify a community governance model for the Hospital. The Company should obviously control big-ticket spending, compliance with laws, and protection of its rather sizeable investment. Nevertheless, Province knows it's good for their business to have local board input on services, patient satisfaction, quality measures, courteous and compassionate care for all who cannot afford to pay, clinic linkage, and other operational matters.

There are so many other issues to cover in a complex transaction, but be assured that your elected officials have kept your Community Criteria in the foreground of the discussions.

In the past two months, MMC has already seen financial improvements generated by the power of people – patients, physicians, and other team members – who see a new direction and have confidence in their new hospital partner. Now let everyone join together to cheer-on your hospital and all the people who treat, comfort, pray with, and encourage each individual to have a healthier life.

Thank you for helping your team measure twice.

Joseph R. Lupica is President of Stroudwater Capital, advisor to the City and County.
He can be reached at jlupica@stroudwatercapital.com.

Update:
How is it Working Five Years Later?

"Lease has helped MMC heal itself"
By Steve Ramirez, Sun-News reporter, Posted: 02/02/2009
Five-Year Lookback Article from *Las Cruces Sun-News*

Lease has helped MMC heal itself

By Steve Ramirez Sun-News reporter Posted: 02/02/2009 01:33:17 AM MST .

LAS CRUCES — There really hasn't been a time in the past five years that there hasn't been some kind of construction project or capital improvement under way at Memorial Medical Center. Since LifePoint Hospitals Inc. entered into a 40-year, $150 million prepaid lease to take over the jointly owned city-county hospital, MMC officials estimate that more than $30 million has been spent on 52,000 square feet of expansion, equipment and technology.

"I've been totally impressed with all of the improvements that have been made," said Dr. Louis Benevento, an internist, who also serves on the hospital's board of directors. "When the prepaid lease agreement was signed, I was among some of the doctors here who were skeptical about it. But I've got to say that LifePoint has put their money where their mouth is. This is a great place to work, with people who are committed Advertisement and dedicated to health care. It's a very professional environment."

Paul Herzog, MMC chief executive officer, agreed much has changed since the agreement went into effect on June 1, 2004. Hospital admissions have increased 13 percent, to 11,591 in 2008; the number of babies born at MMC has risen 12 percent; the number of surgeries performed are up 36 percent; health visits have jumped 73 percent. "With the tremendous growth we've seen there's also been a significant improvement in technology at MMC," said Herzog, who has been the hospital's CEO since LifePoint took over.

If Sound Off!, a reader comment column in the Sun-News, is a fair barometer, the number of complaints from residents has declined the past five years. Before the lease went into effect, there was a distinct, if not vocal, lack of trust in the quality of care and services at MMC. "A lot of people just didn't trust, just didn't feel good about Memorial," said Apolonia Muñoz, a retired Las Cruces hotel housekeeper who has had to use the hospital several times in the past five years. "There were even some people who said 'don't go there unless you've got a death wish.' " That's a little harsh, and saying that probably scared some people away. "But I've noticed a big difference in the last few years. I've had to come in here for gall bladder surgery, and another time I had to come to the emergency room because I was having chest pains. But they took really good care of me, and it's gotten better. I don't have any doubts now that I'm going to get good care here."

Peggy Swoveland, chairwoman of the hospital's board of directors, said Herzog's leadership is a big reason why MMC has been able to keep up with the growing population of the city and county. "The fact is that much of what has happened here is because of the strong leadership," Swoveland said. "Paul Herzog has been leading by strong example." In turn, Herzog said that more than anything he has done, the credit for the hospital's success belongs to MMC's approximately 1,200 employees. "The bottom line is that it comes down to people. That's what we're all about," Herzog said. "In a time when there's a tremendous shortage in the medical profession for doctors and nurses, our staff has been nothing short of magnificent. But the same could be said for the technicians, all the medical assistants, and all the way through our organization. And the hidden treasure here are the volunteers. It's all a team effort and there's a constant willingness to go the little extra to help those people who come here needing help."

County Manager Brian Haines and City Manager Terrence Moore serve as ex-officio members of the MMC board. They agree that the relationship has greatly improved. "I can pick up the telephone and talk to any of them or a (LifePoint) corporate executive just as easily," Haines said. "From the very start, LifePoint was and continues to be receptive to our residents. There were a lot of public concerns of switching from a nonprofit to a for-profit hospital. But they conducted a lot of town hall meetings to establish the criteria for the takeover, explaining how it would work and answering all the questions. They were able to see and ensure there was compliance with all the goals the community wanted." Moore said the city has taken its profits from the prepaid lease and has spread them out in low-risk investments, like government securities. In recent years, the city has taken the interest generated from those investments, about $200,000, and contributed it to the city's Health Services Fund, which focuses on health care initiatives for city residents. "Those funds do not in any way go into the city's general fund," said Moore.

County officials also spend only the interest. When the lease was finalized in June 2004, Haines said the county couldn't invest its lease profits because state law limits what investments can be made. Like the city, government securities are the only funds the county can invest in. Moore said all parties of the lease agreement have benefited and are satisfied with the arrangement. "There's been a great deal of synergy that has been created," Moore said. "Our residents have additional health care resources that heretofore were unavailable to them, and there's been a tremendous investment in expanding those medical services. The hospital's outreach to the community has been good, and we at the city hope that will continue."

Steve Ramirez can be reached at sramirez@lcsun-news.com; (575) 541-5452

Memorial Medical Center • A prepaid lease agreement for Memorial Medical Center was officially entered into on June 1, 2004, between the city of Las Cruces and Doña Ana County, and Province Health Care. • The terms of the lease were for 40 years and at a cost of $150 million. • Within a few months, Province merged with LifePoint Hospitals and LifePoint became the lease holder of Memorial Medical Center. • After costs to execute the agreement were finalized, the city and county netted $57 million, with each government receiving $26 million and the county getting an additional $5 million to assist the county's federally qualified clinics and to help defray costs related to treating the county's high number of indigent or uninsured patients. • The city's share of the lease profits have been put into long-term investments, and the county's share has been put into investments. On the Web • http://www.lifepointhospitals.com/index.html • http://www.mmclc.org