

With Funding Anticipated, Digging To Begin for New Hospital

By Wesley Maurer, Jr.

Excavation for a new hospital in St. Ignace will begin in late October, while federal financing for the \$23 million facility lingers in Washington and paperwork is still being submitted to Lansing. The fall digging, while somewhat of a gamble, will permit construction to begin early next spring, making the new hospital ready for occupancy as early as October 2008.

Approval of U.S. Department of Agriculture loans is anticipated, although the appropriations bill is not expected to be approved until after the November election. State review of the hospital's Certificate of Need could take 90 days or more after it is submitted in mid-October, but that, too, is expected to be approved. Large foundation grants are being sought, and local fundraising begins in several weeks.

Already, the Sault Ste. Marie Tribe of Chippewa Indians has donated land near the Mackinac County airport worth \$1.2 million and contributed another \$1 million in advance rent toward the project. Its unique partnership with Mackinac Straits Hospital and Health Center is the key to federal interest.

The latest configuration for the new hospital is for a 78,431-square-foot structure containing a rural health clinic, 15-bed hospital with outpatient surgical facility, and the tribal health center. Possible additions in the future will be an assisted living unit and a radiation oncology facility.

As now planned, the Long Term Care Facility at Mackinac Straits Hospital and Health Center will remain where it is, reduced from 99 beds to 75 to meet quickly-changing trends in Medicaid funding for such facilities. Also remaining in the present hospital building may be the kitchen facilities, which will serve both old and new operations.

Hospital trustees, last month, approved \$24,000 to engineer the land clearing and excavation, which will be done by the tribal construction company at an anticipated cost of \$300,000. The \$300,000 will be deferred until funding is obtained, as is the work being done by all the project contractors.

Long Term Care

Like the layoff of two physicians last spring, the reduction in long term care beds is raising questions both from hospital staff and residents. The staff is worried about losing their jobs, noted hospital trustee Kathy Lawnichak at the board meeting Monday, September 25, but administrators assured the board that, while the long term care staff will be reduced, no layoffs are anticipated because of openings in other positions and restructuring.

The more personal trauma for the staff, however, admitted administrator Barb Davis, is that some employees will be reassigned, some from day shift to night shift, and this can be disruptive of their personal lives, especially for those with children.

Financially, long term care is no longer the cash cow it once was, said hospital CEO Rod Nelson, because the requirements for Medicaid reimburse-

ment are being structured more toward assisted living and end-of-life care. People who can dress or feed themselves can no longer qualify for Medicaid, and people are being cared for at home longer.

"We're probably admitting more than we ever have" to long term care, he told *The St. Ignace News* last week, "but the stays are shorter."

The hospital board approved reducing the number of licensed long term care beds to 75 Monday, September 25, and plans to convert some of the old rooms to conference and teleconference rooms and consolidate good equipment into the remaining resident rooms.

Last week, Mr. Nelson said, there were 10 people on the waiting list for long term care, three of whom were ready to come into the facility and seven who are just planning ahead. A new, lengthy paperwork process to enroll them under Medicaid is underway on the three who are ready now.

Where patients used to live in long term care facilities for years, most patients now are not coming in until near the end of their lives, because Medicaid won't subsidize them.

The Long Term Care Facility, Mr. Nelson said, had 68 admissions between January and June and is turning over beds at the rate of five to eight a month.

"There are no long stays, anymore, because of the new criteria," he said, "so they can't come in early unless they want to pay."

The 75-bed capacity, he noted, is more than adequate for the future needs of Mackinac County residents, which comprise only about two-thirds of the patients now.

Mr. Nelson sees the situation for long term care getting worse, and the prospects for assisted living improving. Of the \$9 billion Michigan Community Health budget, he noted, \$6 billion is Medicaid, and that, he said, is a big target for state budget cutters. In addition, the state is beginning to see great savings in assisted living.

"If the state subsidizes somebody \$1,000 a month for assisted living, as opposed to \$5,000 a month for long term care," he told the board Monday night, "it is saving \$48,000 a year."

Anyone who can walk, eat, and dress themselves is not going to be in long term care anymore, he told the board. "You are not going to have ambulatory-type residents in long term care, so you better build a facility so they can age in place."

Assisted Living

With that in mind, Mackinac Straits Hospital has been working with the Community Action Agency to apply for one of four pilot programs in Michigan to explore assisted living. To be funded by the Michigan State Housing Development Authority (MSHDA), the program will offer a Medicare waiver-based assisted living program.

"There is one rural pilot, and I think we will get it," he told *The St. Ignace News*.

The area's proposal is due October 13 and the hospital should find out by November if it will get one of the pilots. If so,

he said, that will be the future long term care, since people can enter who can walk and basically take care of themselves. Pods of apartments, with kitchens and private baths, could be easily configured to provide common eating and bathing facilities for patients near the end of their life and requiring more skilled care.

"I would envision at least three of them being built on the campus," Mr. Nelson said of the future. "Because it is an aging-in-place facility, you only leave it when you are ready to die. If you can walk, dress, and feed yourself, you can live in one of these facilities."

The cost is lower because aides, not skilled nurses, will staff them.

Down the road, the Long Term Care Facility will accommodate those with long term debilitating illnesses, such as closed head injuries or advanced Alzheimer's, and hospice care for the terminally ill, some of them coming from the assisted living units.

Changes in the Medicaid focus is one reason the board removed long term care from the primary construction phase of the new hospital, reducing much of the original \$33 million estimated cost to \$23 million. Federal loans would have been difficult to get for it.

Jim Haveman, the former Michigan Department of Community Health director who is coordinating much of the government financing, asked the board Monday night, "Who would have guessed two or three years ago that long term care would be going down and more and more people are being treated in the home or moving into independent living or assisted living?"

The movement in and out of long term care, he noted, is quick, "and people just don't come in for 15 or 20 years anymore like they used to."

With new technologies and new medicines, he said, and with the new surgical unit, oncology therapy, assisted living, and the continuation of the walk-in clinic, the new hospital will be "more of an ambulatory center of excellence, where people come in. I think that's the model that is going to lead you for the next 30 years."

New Features

The new hospital will feature 15 acute beds with an outpatient surgery suite. Mr. Nelson said he hopes to rent the facility, or contract with surgeons for the surgical services.

The radiology suite will be expanded to include fluoroscopy.

Oncology will be expanded from three chemotherapy infusion stations to seven and it is hoped that service will be expanded from 1.5 days a week to two or three days a week in the future. Discussions continue, Mr. Nelson said, with the University of Michigan for a radiation oncology center to compliment the chemotherapy, but that is a distant goal.

The Moses Renal Dialysis Center will be expanded from three chairs to six.

There will be a spot for mobile technology that will allow up to two trailer units for MRI scanning, future PET scanning, or for backup in case one of the fixed services, such as CT

scanning, goes down.

The emergency room will have a decontamination room and an isolation room and will be designed for better security, and the walk-in clinic, which is serviced by the ER staff, will be more private.

When the Sault Tribe moves its Lambert Center into the larger, new facility, some of the hospital and clinic services will be shared, meaning patients won't have to travel to the tribe's Sault Ste. Marie facility as often, and the tribe's dental unit may be able to work with the Long Term Care Facility to provide dental services under Medicaid.

The savings for that, he said, "would be huge. We have to tie up two people and a van to transport a patient 50 miles, now" for dental service.

"The attraction at the federal level for a lot of this [funding] is between the tribe and the hospital working together," Mr. Haveman said. "This is the only place in the United States where this is going on."

He noted in his consulting work with the Pentagon the many civilian clinics and military clinics that operate independently, but right next to each other.

"There is just not a lot of bringing services together," he said, emphasizing the appeal of the partnership at St. Ignace. "You can't afford duplication as much as people thought they could in the past."

Included in the 15,000-square-foot tribal health center will be a pharmacy, ophthalmology center, dental clinic, and space for traditional medicine.

Financing and New Board

Right now, hospital staff and Mr. Haveman's team of experts are completing the application processes that will secure state approval and federal loans.

"This is a very complex process," Mr. Haveman told the board Monday. "There are dozens of moving parts at this point, of things that have got to come together at the same time."

Congressman Bart Stupak, he noted, has been a key player in securing a \$1 million grant in an appropriations bill and in shepherding a \$26 million loan request from the Department of Agriculture. (Not all is expected to be awarded.) This could come in as guaranteed loans at from 7 to 10 percent interest, and direct loans at 4.5 percent interest.

"Our goal with USDA," Mr. Haveman said, "is to have more direct loans rather than to have

guaranteed loans, and we'll work on that as much as possible."

To get the loans at all, the hospital is forming a new board to compliment the existing board, which is organized under the old Joint Municipal Hospital Authority Act, under which only five hospitals in the state remain. The old authority gives the hospital the ability to collect county-wide millage to support the long term care and other operations at the existing hospital, but a new, private corporation, like that of most other hospitals now, is needed for the federal financing for the new building. The new board, established by the hospital board in September 2005, is not yet organized, but Board Chairman Ronald Mitchell, Mackinac Island board representative Margaret Doud, and Sault Tribe representative Fred Paquin were appointed last September to be its core members and they will appoint the rest of the new board.

The new board will operate the new facility, but the old board will maintain control of the old facility, long term care, and the employees, at least all existing employees.

Fundraising on the local level will begin with a by-invitation cocktail reception at Grand Hotel Friday, October 13.

Mr. Haveman said fundraising programs announced then will include matching grants from corporate foundations and invitations to sponsor rooms and facilities at the new hospital.

With further assurance that federal loans will be awarded, the design is expected to be finalized in December, with specifications to be completed by January 15. Bids should be let by March 15, and construction should begin April 1.

"Right now, critical access hospitals are a key in the rural health community," Mr. Haveman told the board, "but I get concerned when I look at the large hospitals that are being built all over this state about who is going to be in those hospitals 10 or 15 years from now, because more of health care in the future is going to be treated in the home or in an alternative setting, because you can't afford the bed rate. And I think it is good that you are not building a large facility to maintain, but every square inch of this facility is multiple use. And I'll tell you, this is a reasonably built hospital, and Rod and his staff have done a good job of paring this down."

Concerns About Houses Linger in Safety Review

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Area resident Bart Huthwaite Sr. asked for a public meeting on the issue, but Mr. Porter said the first priority is to work with individual landowners who are hearing rumors that their homes have to be torn down, and to reassure them that is not the case.

Property owner and president of Sunset Forest Association, Steve Rilegate, said he has been communicating with Mr. Porter, but the rumors continue to be troublesome for his family. He said the day before, his children had

come home from school crying, saying their friends would have to move because their homes were being torn down next week.

He also said he is concerned that property values could fall because of the restrictions imposed by the FAA.

If people have questions about their lots, Mr. Porter told the *Town Crier*, they should contact the Mackinac Island State Park, which will refer them to an expert at the Bureau of Aeronautics, who will provide specific information on their property.