



# COUNTY OF BERNALILLO

Wayne Johnson  
COUNTY COMMISSIONER  
DISTRICT 5

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February 15, 2013

Dear Mr. Hinton and Mr. Stern,

As you are both no doubt aware, health care is in a state of transition on every level. Many of the policies and delivery models of 20 years ago no longer apply and are in desperate need of review. As health care leaders in the Bernalillo County area, I would like to request the benefit of your experience and knowledge to identify the most appropriate way to allocate the county's health care mill levy money. I know you share my concern about the need to provide quality health care for the poor and indigent in the most cost effective manner possible.

Last year alone, Bernalillo County taxpayers provided the University of New Mexico Hospital with \$90 million to "offset the cost of indigent care" in Bernalillo County. The funds were generated using the county's authority under the Hospital Funding Act to impose a voter approved mill levy presently set at 6.4 mills. The current rate was set back in 2008 when UNMH successfully argued that the previous 4.3 mills (roughly \$60 million) were insufficient to cover the cost of uncompensated care. What's troubling is that in 2008 UNMH was in essence claiming poverty, yet had already begun saving for a \$1.5 billion hospital campus that would stretch from I-25 to Girard.

Recently, UNMH announced their intent to build a \$146 million hospital at Lomas & I-25 – the first step toward their new mega-hospital. The project will be funded out of UNMH's available cash on hand. When asked how long UNMH had been saving for the project last year, Chief Executive Officer Steve McKernan told the commission that it had been 5 or 6 years – a time period that clearly overlapped their 2008 claims of poverty. I would argue that at least \$120 million of the \$146 million needed for the new project, were a direct result of the 2008 mill levy increase.

Unfortunately, Bernalillo County's oversight is very limited due to a series of ill-advised lease agreements – some of which date back to 1952. At present, UNMH does not have to provide more than a cursory accounting of the overall cost of services and cannot, or chooses not to, provide a specific accounting of how the county's mill levy money is being spent. However, it should be recognized that UNMH's recent proposal could and should point the way towards greater accountability.

In a recent poll done by the Rio Grande Foundation, it was revealed that over 71% of county voters want large construction projects to be approved by the County Commission. Currently the 6.4 mills collected under Bernalillo County authority, are the only county property tax revenues that are expended without specific approval of the Board of Commissioners.

In light of the changing nature of health care and the potential to restructure out-dated agreements to better meet the needs of Bernalillo County residents, I would very much appreciate your views concerning the following issues:

- The proper priorities for Bernalillo County with regard to health care.
- How the Affordable Care Act (ACA), also known as “Obamacare,” will affect the health care environment in the next five years.
- Possibilities for bed-sharing agreements in the downtown area to help alleviate emergency department over-crowding.
- The need for more clinics in the Bernalillo County area.
- Your assessment of the need for 96 additional beds in downtown Albuquerque.
- Bernalillo County mill levy reform in light of the changing conditions in health care.
- The need for more behavioral health and psychiatric facilities.
- Bed occupancy rates from the New Mexico Hospital Association.
- The need for more drug and alcohol facilities and where those facilities should be located.

The changing health care environment demands that Bernalillo County engage in a significant discussion about the challenges facing us, priorities, and how health care dollars coming from taxpayers ought to be used. Will ACA move patients away from hospitals and into doctor’s offices and clinics? If so, how does that affect the need for additional hospital bed space and facilities? Are there other more cost-effective ways to reduce Emergency Department over-crowding without building a new hospital? If ACA provides coverage for all Americans, should county mill levy dollars continue to offset indigent care? Do we need more health care clinics? And how should we meet the challenges before us?

The recent Rio Grande Foundation poll showed that 46% of county voters would prefer new clinics to new hospitals. Only 15% of respondents preferred the construction of new hospitals.

Most importantly, respondents want their elected representatives on the County Commission to weigh the options and make decisions with actual votes to determine the priorities for county health care dollars.

I would sincerely appreciate your views on the important matters facing the Bernalillo County Commission. Your comments will be extremely helpful in helping us to evaluate the county’s changing role in health care and how best to use our limited resources. On February 26, 2013, at 5 p.m., in the Vincent Griego Chambers, the Commission will be discussing Bernalillo County's present and future role

in health care. It would be of great benefit if you or your staff could be present at that meeting to provide the Commission with your view of the developing health care landscape. I look forward to your responses.

Best Regards,

Wayne A. Johnson  
Bernalillo County Commissioner • District 5

Cc: County Commission, County Manager