

March 26, 2019

Pamela Wise-Romero
SouthWest Colorado Mental Health Center d/b/a/ Axis Health System
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**Re: Axis' application to be designated as an FQHC
Opposition by the Upper San Juan Health Service District ("USJHSD" or
"District") d/b/a Pagosa Springs Medical Center**

Dear Pam,

As CEO of the Upper San Juan Health Service District, I met with you two weeks ago and personally explained why the District does not support the application of Axis to have its Pagosa Springs facility designated as a Federally Qualified Health Center. A few days ago you sent me a follow-up email again asking the District to support Axis' application. I send this letter to provide a detailed explanation as to why USJHSD opposes Axis' application, but the short answer is this: *the USJHSD already operates a federally designated Rural Health Clinic (as well as the only EMS/ambulance service in the county and the only hospital within 50 miles) and if the federal government were to designate the Axis' Pagosa clinic as an FQHC, this would result in an overlap of federally designated service areas that will not enhance the community's access to care but will harm the stability of healthcare services available in this community.*

In 2010, the USJHSD received approval to operate as a federally certified hospital-based Rural Health Center to serve USJHSD's service area. Since receiving approval as an RHC, the USJHSD has embraced its mission to improve the community's access to healthcare services regardless of any patient's ability to pay (the sliding fee discount program is compliant with federal guidelines as well as both the Colorado Indigent Care Program and HRSA's National Health Service Corp program). It has been a very challenging journey to improve services to this community, but the District has persevered (some years just barely) to accomplish the following: (1) employed sufficient providers in the RHC to meet the primary care needs of this community as well as behavioral health and specialty care providers to support a team approach to healthcare; (2) constructed and opened in 2017, a new 23,500 square foot outpatient RHC facility sufficient to meet needs for the community; and (3) expanded our scope of services and improved appropriate patient utilization of outpatient services. As set forth in more detail on the attached, the District's efforts to provide stable care for this community has resulted in significant financial obligations to the existing healthcare providers (and support

staff) who are employed by USJHSD as well as over 20 million in outstanding revenue bond debt for the construction of the RHC and the critical access hospital.

Axis has a place in this community for the services it provides (and if Axis sought to establish a short-term mental health treatment facility in this community, the District would support such actions due to the current unavailability of the service in the community). However, if Axis is granted FQHC status together with the grant funding and favorable reimbursement that goes with that FQHC status, it will result in Axis duplicating the District's existing services despite the District's continued capacity to meet the needs of this community. The District is *not* a for-profit entity – instead, the District operates in a mission-based direction and on thin margins. **Diverting patients to duplicated services will destabilize the District's ability to pay its existing healthcare providers and its existing debts for the facilities built to serve this community.** Given that another federally designated healthcare center in this community will destabilize healthcare in the community, the USJHSD strongly opposes the application of Axis Health System for FQHC status for its facility in Pagosa Springs.

Sincerely,



Rhonda P. Webb, M.D.
CEO of USJHSD d/b/a Pagosa Springs Medical Center

Attachment

Cc: Town of Pagosa Springs
Archuleta County

ATTACHMENT – DETAILED INFORMATION RE: UPPER SAN JUAN HEALTH SERVICE DISTRICT

USJHSD has employed healthcare providers to meet the needs of the community. In the first several years of the RHC's operations, the RHC faced difficult challenges in attracting and retaining healthcare professionals for our rural community. The opportunities available from federal/state provider loan repayment programs helped attract providers to the area but to retain providers, the USJHSD invested considerable effort and financial risk to employ providers and help them to be a part of the community. Today, the USJHSD has full and stable staffing to meet the needs of the community as follows:

- USJHSD's employed Primary Care providers in the RHC:
 - Robert Brown, M.D. (part-time);
 - Jeff Levison, M.D. (full-time);
 - Julie Buchner, M.D. (full-time);
 - Corinne Reed, D.O. (full-time);
 - Ryan Stopher-Mitchell, D.O. (full-time);
 - Brittiany Newsome, N.P. (full-time);
 - Calvin Newsome, N.P. (full-time, primary care and support to specialists);
 - Aaron Singh, P.A. (full-time); and
 - Josh Borgstadt, P.A. (full-time).
- USJHSD's employed Behavioral Health providers (2 work only in the RHC, 1 works in hospital outpatient specialty clinic, and 1 works in both the RHC and outpatient specialty clinic):
 - Kevin Kelly, PhD (part-time);
 - Celia Lowry, LCSW (part-time);
 - Josh Bramble, LPC (full-time, not in the RHC); and
 - Maureen Mulligan, LSW (full-time).
- USJHSD's employed specialists (who work in the RHC and in the hospital):
 - Bill Webb, MD (full-time, orthopedic surgeon);
 - Roy Tinguely, MD (full-time, general surgeon);
 - Richard Zak, MD (part-time, gastroenterologist);
 - Robert Lambert, MD (part-time, cardiologist);
 - Scott Cordray, DO (part-time, ENT);
 - Bill Bentley, MD (part-time, neurologist);
 - Mindy Siegel, MD (part-time, orthopedic surgeon).
- In addition to the foregoing providers who work in the RHC, the USJHSD employs the following physicians who work in the critical access hospital:
 - Bill Jordan, DO (part-time, oncologist in the outpatient cancer center);
 - Virginia Tjan, MD (full-time, oncologist in the outpatient cancer center);
 - Kelly Cesary, NP (full-time, outpatient cancer center);
 - John Wisneski, MD (full-time, hospitalist for inpatient care);
 - Joanna Estes, MD (full-time, hospitalist for inpatient care);

- Gulzar Fidai, MD (part-time hospitalist for inpatient care);
- Jared Halterman, DO (full-time, 24/7 emergency dept.);
- Ralph Battels, MD (full-time, 24/7 emergency dept.);
- Michelle Flemmings, MD (part-time, 24/7 emergency dept.);
- Nick Reynolds, DO (full-time, 24/7 emergency dept.);
- Kerri Voights, MD (full-time, 24/7 emergency dept.);
- Bong Pham, DO (part-time, 24/7 emergency dept.);
- Yodi Aucoin, CRNA (full-time, surgery);
- Brian Smith, CRNA (full-time, surgery);
- Brenda Paris, MD (part-time, radiologist).

USJHSD constructed a new 23,500 square foot outpatient clinic, attached to the critical access hospital, to meet the health needs of the community. In 1980, the voters of the USJHSD service area voted to form a governmental special district to meet the healthcare needs of the community (the District service area encompasses all of Archuleta County and parts of Mineral and Hinsdale Counties south of the Continental Divide). In 2002, voters in the District approved a perpetual mill levy to help support reliable healthcare to the community. Thereafter, the USJHSD approved revenue bond debt of over 10 million dollars to construct a critical access hospital adjacent to a small outpatient clinic building that was initially used for the RHC. In 2016 and 2017, the USJHSD approved over 11 million in additional revenue bond debt to construct the new outpatient clinic facility for RHC services. These bonds are each significant 30-year debt obligations. The USJHSD's revenues from the perpetual mill levy varies with the assessed value of property, but in 2018 resulted in \$1,170,000 in revenue – far less than the annual debt service on the revenue bonds of approximately \$1,570,000. To assure the USJHSD can meet its existing revenue bond obligations and the additional \$35,000,000 per year of expenses for employed providers and EMS, RHC, cancer and hospital operational expenses, the District needs to continue to serve the outpatient and hospital patients it was built to serve without a diversion to duplicated services, as is proposed, to a second federally designated health center in this community.

USJHSD Has Expanded Services to Meet Community Needs. During its nine years of RHC operations, the District has continually assessed community needs and expanded care, where feasible, to meet those needs. As an example of how the District's existing RHC and its critical access hospital are interdependent for effective care and sustainability, we provide an example of how we adjusted services to meet community needs: in 2018, the District evaluated utilization of hospital emergency department services and determined that it could lower patient costs and improve appropriate utilization of services by commencing same day walk-in appointments six days per week in the RHC; this change resulted in a substantial number of hospital emergency department visits being served in a more appropriate outpatient setting at the RHC.