

HOLMES COUNTY OPENS NEW HOSPITAL FACILITY

After several years of effort by the community to build a much needed replacement hospital, Doctors Memorial Hospital Bonifay held the grand opening ceremony for its new 20 bed, \$16.7 million facility on February 14, 2008. The new hospital replaces the current facility that was built in 1958 for \$100,000. The site for the new hospital is located at the southeast corner of Bonifay's I-10 interchange, a little over one mile south of the current facility.

The construction of this new facility is made possible by the hospital's Medicare designation as critical access hospital. As a critical access hospital, Doctors Memorial receives 101 percent of its average cost for Medicare patients which includes that portion of the cost of a new facility used to serve Medicare patients. Approximately 66 percent of Doctors' patients are currently Medicare.

Doctors' Memorial encountered many obstacles in its efforts to construct a replacement facility. Among these was a law that required rural hospitals building a replacement facility located more than one mile from an existing hospital to undergo a costly certificate of need review by the Agency for Health Care Administration. With the help of local legislators, this law was amended to allow construction of replacement facilities within 10 miles if the hospital still served the same population. A second obstacle was a legal limit on the amount of funds that could be borrowed by the hospital tax district that owns the hospital. This too required a change in statute followed by a local referendum in November 2005 to approve the borrowing of funds for the new facility. The final hurdle was the need for a detailed financial analysis of the hospital's debt capacity to determine how much the hospital could afford to borrow and build.

The Florida Office of Rural Health, which assists rural hospitals with critical access designation and activities to improve financial stability and quality of care, has worked closely with Doctors Memorial over the past several years to bring about the new facility. The Office of Rural Health assisted Doctors Memorial by providing technical advice on the certificate of need process, working with the Centers for Medicare and Medicaid Services to ensure that the hospital retains its critical access designation at its new location, and providing grant funding to assist with both the local referendum and the financial analysis. Additional grants have been provided to the hospital for purchasing equipment for conducting bone density testing and ultrasounds, an emergency generator, a modular medical clinic building, and improving pharmacy health information technology.