GHS to take over Oconee hospita

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Rick Phillips
Oconee Medical Center board chairman

Two sides approve agreement

OCONEE Medical Center

BY NORMAN CANNADA
THE JOURNAL

SENECA — After months of speculation and negotiations, officials announced Wednesday the governing boards of Greenville Health System (GHS) and Oconee Medical Center (OMC) have approved an agreement in which GHS will begin operating the Seneca hospital effective Oct. 1.

The lease and contribution agreement, approved unanimously by both boards Wednesday, calls for GHS to lease the property and take over operations of OMC for 50 years with the potential for two 25-year renewals that could run the agreement to Sept. 30, 2114.

THE DETAILS

To read the highlights of the agreement between OMC and GHS, turn to page **A5.**

GHS "will be operating the hospital," according to OMC board chairman Rick Phillips.

"I feel like it's a move that ensures the healthcare of this community for years to come," Phillips said.

"I've reviewed the financial information, and it is a good, good deal for OMC. But I've always gone back to my charge as a board member and that is to ensure the healthcare of this community, and this agreement does that."

OMC president and CEO Jeanne Ward and chief operating officer Hunter Kome said they will both remain in their jobs after the agreement takes effect, but specific titles have not been determined yet. The first "transition" meeting is set for today in Greenville.

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"I am delighted; it is something that I think is going to strengthen healthcare in this community," Ward said. "I know that it's good for the community, it's good for the employees, it's good for the physicians and just in general, it's very positive. I think the affiliation with Greenville strengthens us. It's a very high-caliber organization. I believe it will help with economic development in the community. I am thrilled."

In exchange for the lease and OMC assets, GHS will take over all current and future liabilities of the Seneca hospital, including about $90 million in debt — about $82 million of which is long-term debt. OMC employees will be offered jobs with GHS, and Oconee Physicians Practice doctors will be offered positions with University Medical Group, the physicians network of GHS.

The agreement also calls for the GHS board to increase by two members, both coming from the OMC service area. At least one of those would have to be a resident of Oconee County. The OMC Board of Directors will remain in an advisory role and would have authority to ensure the lease agreement is being fulfilled.

Current changes in the healthcare industry, combined with increasing economic challenges, including the hospital's debt, have been cited as reasons for considering the affiliation since Oconee officials announced Jan. 27 they were "exploring a formal arrangement" with GHS. Ward said Wednesday that she hoped the agreement would improve the financial condition of the hospital, which is more than $900,000 over budget for the first eight months of the current fiscal year.

"Part of working together is to be able to bring more services into this community, physicians that we haven't had in the past perhaps, so maybe increased revenues in that regard," she said.

"We're delighted to welcome Oconee Medical Center as an integral part of Greenville Health System," GHS president and CEO Michael Riordan said. "Like GHS, Oconee Medical Center has been hard at work developing new ways to care for the people they serve, not just in the hospital, but in the home, at work and in the community. We're excited to be on the same team, with the same values and goals."

The agreement includes a commitment "to the proposition that healthcare is essentially local, and it is the intent of the parties that quality services which can be delivered efficiently in Oconee County and the surrounding service area will be delivered in the service area."

The agreement also continues commitments by the hospital to indigent care, bad debt, charity care, emergency medical services in the county and property agreements with Oconee County for the county to build an aquatic recreation center, a sheriff's office substation and a coroner's office on the OMC property.

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Highlights of the OMC-GHS agreement

- Lease and contribution agreement will be effective Oct. 1, 2014.
- Lease is for 50 years — ending Sept. 30, 2064 — but includes the potential for two 25-year renewals that could bring the end of the lease to Sept. 30, 2114.
- Greenville Health System will take charge of all OMC facilities, properties and operations.
- OMC employees will become employees of GHS.
- Oconee Physicians Practice doctors will be offered positions with University Medical Group, the physicians network of GHS.
- Greenville takes on OMC debt and liabilities, including a total debt of approximately $90 million, about $82 million of which is long-term debt.
- The name will remain Oconee Medical Center or something similar, but could change at a later date in consultation with the OMC Board of Directors.
- The hospital will move from being a private non-profit to a public non-profit.
- Lila Doyle Nursing and Rehabilitation Center will become part of GHS.
- Oconee Medical Center Foundation and its Oconee Hospice of the Foothills advisory board will remain separate from GHS, although they will become a "supporting organization" of GHS. Funds raised by the foundation in Oconee County will remain in Oconee County.
- GHS Board of Trustees will increase by two people, both of whom will be selected from the OMC service area. At least one must be a resident of Oconee County.
- The OMC Board of Directors will remain as an advisory board to the GHS board and will have authority to ensure the terms of the agreement are followed.
- Agreements will remain in place for the hospital to provide indigent care, bad debt, charity care and emergency medical services, as well as property for an aquatic recreation facility, a coroner's office and sheriff's substation.