

Hospital files bankruptcy: CEO Mullins says move won't affect services to patients

The changing face of rural healthcare in recent years has put a host of rural community hospitals in financial dire straits, and the Clinton County Hospital has now joined the growing list of small facilities to feel the effects of the financial crisis. J.D. Mullins, Chief Executive Officer of the Clinton County Hospital, told the Clinton County News last week that the local facility in west Albany has, in fact, filed bankruptcy.

The bankruptcy filing comes some six years after a rebuilding project was completed that basically placed an entire new facility on the location.

The \$14.7 million addition resulted in a three-story facility that brought state of the art health care to Albany and Clinton County in the offering of new diagnostic and treatment equipment as well as surgical and patient stay areas.

Formerly a 46,000 square foot facility, the 2008 project resulted in an additional 55,000 square feet being built onto the local facility located near the western Albany City Limits on Hwy. 1590.

The building of the new facility was financed through the United States Department of Agriculture (USDA).

Mullins stressed last week in his statement that the bankruptcy filing in no way meant that the Clinton County Hospital was closing and he went on to say that as far as patient care was concerned, the general public should see no changes in how the facility was operated.

"When the idea of a new hospital facility was first proposed, no one could have foreseen the condition of healthcare today," Mullins said in a prepared statement that he hand-delivered to the Clinton County News last week.

The CEO also added that during the entire process of conducting a feasibility study, architectural planning and design, loan acquisition and construction, everyone involved believed the building of a new hospital was a positive and achievable goal for this community.

"Six years after opening the new facility, Clinton County Hospital is filing a Chapter 11 bankruptcy notice," Mullins said. "We are not closing. This is a process we must go through in order to restructure our corporate debt."

Mullins, in his statement and brief conversation with the Clinton County News, placed much of the blame for the Clinton County Hospital's financially strapped situation on the facilities dependency of Medicare and Medicaid patients and payments.

"Over 80 percent of our business is Medicare and Medicaid. Medicare's payment policies in addition to the cuts required by sequestration have reduced our income substantially," Mullins explained. "Medicaid is now being operated by several Health Management Organizations. These companies' policies have restricted access to the hospital's services and reduced our reimbursement even more."

He said that the noted changes had resulted in a detrimental effect on the hospital's finances making it unable for the facility to be able to make loan payments to the USDA according to the current loan terms while at the same time being able to pay other vendors and meet the payroll obligations for the employees at the hospital.

The financial crunch that has resulted has already had a negative result on the normal day to day operations with Mullins pointing out several changes that had been made prior to the bankruptcy filing.

"We have already cut expenses as much as possible without sacrificing patient care and safety," Mullins said. "We have had to eliminate several positions and our remaining personnel have been forced to do more with less."

Still, the CEO said that the facility will continue to remain open and will continue to serve the healthcare needs of this community.

"This in no way changes or eliminates any service that we currently offer at the hospital," Mullins said. "The Emergency Department will still be open 24 hours a day, seven days a week. Surgeries will still be performed, mammograms and CTs will still be done and patients will still be admitted and discharged."

Mullins stressed that the bankruptcy process to reorganize the debt structure for the hospital would not result in any changes surrounding the daily operations of the facility.

"During this process, I encourage this community to support Clinton County Hospital as they always have," Mullins said.

"We look forward to many years of continued service to Clinton County and the surrounding area."