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## Connecticut representative addresses hospital plans

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SALISBURY, Conn. — State Rep. Roberta Willis (D-64) can retire with some sense of satisfaction after her 16 years in office, with two major items checked off of her to-do list.

One major item: The resurrection of the North Canaan Union Station, which was partially destroyed by an arson fire in October 2001. After more than a decade of negotiations, a rebuild of the historic edifice was expected to begin this week, with workmen scheduled to arrive at the site on Wednesday, Sept. 14.

Of even greater importance to the region at large is Sharon Hospital's announcement that it will return to not-for-profit status when its merger with New York state nonprofit HealthQuest is approved by the state of Connecticut.

When Willis first took office, the hospital was beginning the process of its conversion to a for-profit entity with its purchase by Essent HealthCare in 2001 (the process was completed in 2002; it is an interesting historical footnote that the conversion of the sale to Essent was announced in the Oct. 18, 2001, *Lakeville Journal* on the front page — next to a story about the fire that destroyed half of the former train station).

For Willis (and for the hospital administrators who spoke about the conversion, see story Page A1), the switch is less about the economics of for profit and not for profit, and more about providing high-quality health care.

Other hospitals in Connecticut are partnering up to form larger organizations.

“That left Sharon out in the cold,” Willis said. “For them to stay viable and attract doctors and improve services, a partnership was vital.”

When it became apparent a decade and a half ago that Sharon Hospital needed to try a different management model, “Nobody wanted to date us,” Willis said. “Everyone was already contracted and no one was interested in us.”

When no not-for-profit options were available, the community “took a leap of faith” and Sharon Hospital joined Essent and was the first hospital in the state to convert to for-profit status (three other hospitals in the state are now in the process of converting to for-profit).

“Essent liked our model: a small rural hospital that wasn’t competing with any nearby larger entities,” Willis explained.

Essent invested in Sharon Hospital, and “did everything they were supposed to do. They were supposed to invest \$8 million in Sharon Hospital; they put in \$20 million.”

But Willis became concerned as Essent became RegionalCare and then RegionalCare/Capella.

“I saw us becoming an increasingly small piece of the pie, with less community control as RegionalCare grew exponentially so it could remain viable.”

Through it all, she said, the community has “made it perfectly clear that they want a full-size, acute-care hospital in Sharon.” The hospital could have been downsized to a critical access facility, with limited hours, offering only small procedures.

“But the doctors and the community did not want that,” Willis said.

In the long run, that determination allowed Sharon Hospital to preserve itself in its present state, as a small acute-care hospital with a wide range of services.

“RegionalCare allowed us to keep functioning that way, and now, today, someone does want to date us.”

In New York state, HealthQuest has managed to remain a viable group of nonprofit health-care providers and to continue to invest in its facilities while remaining a small, community-focused organization.

Sharon Hospital will be its first out-of-state property; all its other providers are in New York.

“Under RegionalCare, all the big decisions were being made by the corporate office” in Tennessee. Now they will be made here, with community members on the governing board, Willis said.

Willis has served on the Sharon Hospital Advisory Board since the conversion to for-profit. A condition of the switch was that the state representative and state senator for this district would be on that board, as well as the first selectman for the town of Sharon.

With the hospital’s return to not-for-profit status, it will no longer have to pay property taxes to the town. The hospital paid just over \$300,000 in property taxes to the town in 2015.

“HealthQuest is very cognizant that property taxes generate more money than PILOT [payment in lieu of taxes]. There’s nothing in writing but they’re going to work hard toward a phase-out. It’s going to take the state about a year to sign off on this; there’s time to figure this out.”

Another financial question that will concern community members is what will happen to the millions of dollars that went to the Foundation for Community Health, a nonprofit organization formed to take on funds that had been donated to the hospital by members of the community over the years.

A major concern at the time of the conversion was that those funds would be swallowed up by the parent company and leave the Tri-state region.

When conversations first began with HealthQuest, Willis brought in the Foundation for Community Health and its CEO, Nancy Heaton.

“I’m very proud of what they’ve done,” Willis said. “And now they’ll be able to fund programs at the hospital, whether it’s a cancer support group or medical care for children.”

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