



Elko County Board of Health

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January 4, 2017

LifePoint Health

William F. Carpenter III

Chairman and Chief Executive Officer

330 Seven Spring Way

Brentwood, TN 37027

Regarding: Letter of Concern and Appeal

Dear Mr. Carpenter:

The Elko County Health Board would like to officially put you on notice that the local hospital is having an extremely negative impact on our local economy and the safety, health and welfare of our citizens.

The Health Board is made up of the five elected members of the Elko County Board of Commissioners, the elected Elko County Sheriff and an appointed member of the local healthcare profession.

Background

Elko County is the fourth largest county in the continental United States with 17,181 square miles. We are a rural county home to nearly 50,000 people. We are isolated by nearly 300 miles to any major urban center – Salt Lake City to the east, Reno to the west and Boise to the north. Las Vegas is more than 400 miles to the south. Elko County owned and operated our hospital for nearly 100 years before electing to sell to Province Health Care, acquired later by LifePoint Health.

Over the course of the last several years, some of our largest employers, including Barrick Gold, Newmont Gold, Elko County and the Elko County School District, have taken drastic steps to reduce their healthcare overhead. The mines have opened their own clinic and all four entities send their employees and their dependents out of town for their health care and hospitalizations. Services received out of town range from inpatient to outpatient and even include obstetric and imaging services. The two major mining companies have elected to utilize Surgery Plus to negotiate charges and refer patients to out of town providers, paying the employee gas, lodging and meal expenses—at a significant savings to the charges at NNRH. Other large employers also are exploring the idea of sending their employees out of town.

These actions are directly attributable to the high charges to patients and insurance companies at Northeastern Nevada Regional Hospital (NNRH). This anti-competitive pricing is eroding our healthcare infrastructure. Local medical providers are losing business. They are either leaving Elko or minimizing their staffing levels to stay in business. Other businesses are reportedly choosing not to relocate here.

This significant outmigration trend also creates a tremendous amount of unnecessary travel for our residents, putting them at higher risk of accidents, the additional stresses of travel is not ideal for quality recovery and creates lost time from work and school. The out-sourcing also creates economic leakage as those sent out of town for medical treatment also take the opportunity to shop in the larger markets.

Primarily because of the high pricing, NNRH and LifePoint are not regarded as community partners. This overshadows all the other good works the hospital undertakes. There is a widespread lack of confidence that the corporation cares about our community. There are daily conversations in our towns, businesses, homes and social media sites where residents openly voice the opinion that the hospital only cares about its profit. Consequently, there is significant animosity toward the hospital, resulting in additional healthcare leakage with many residents choosing on their own to travel out of town for their healthcare needs.

Many residents feel they are held hostage by the hospital due to our remote location and lack of competition. At the same time, the hospital annually reports

huge profits. NNRH is consistently reported as the highest-netting hospital in the state.

Examples of Abuse

One of our own Health Board members was involved in a serious accident last fall. He was brought to NNRH and spent less than 6 hours in the emergency room before being released. He traveled to Fallon, Nevada two days later, suffered a relapse and ended up spending the night in the hospital.

NNRH CEO Rick Palagi reviewed the board member's accounts and responded, "We also took the time to compare and itemize the charges for the services you received at Banner hospital, and compare them to our charges here if we had provided you the same services. We are a bit higher coming in around \$11,750 compared to Banner's charges of \$7,571. While it would be probable that your insurances would have paid our charges in full again, we are more carefully analyzing our line item charges to see where we might make adjustments that would bring us closer to Banner's charges on some items."

In another case, a young couple took their child to NNRH to have a cut hand stitched up. The child spent 30 minutes in the emergency room and was billed \$2,400, not including the physician fee of \$500. Shortly thereafter, they suspected that the same child had broken her arm and the couple decided to head to Salt Lake City for treatment. From initial exam, to transfer to Primary Children's for casting and more x-rays, to cast removal, the total cost came to \$1,254.20.

Another one of our Health Board members received a complaint from a resident that she was hounded by an NNRH employee while she was in the emergency room under medication for a heart condition. The hospital staffer wanted her to sign a pledge to pay her bill within 72 hours to receive a prompt pay discount. Although horrified by the request, she signed. She was eventually admitted to the hospital and again approached to sign the pledge. But this time, she took the time to read the document and found she had seven days to pay the bill, not 72 hours. Even though LifePoint authorizes a "prompt pay discount", this is not viewed as positive and often results in community members saying "the hospital should just lower its prices to a competitive level."

Major employers and insurance companies are encouraging their employees to use consumer based resources such as the "Healthcare Blue Book" to choose

their healthcare provider. These resources are used to inform the patient when picking a service provider based on pricing. The patients leave town when they compare NNRH's charges to those in Salt Lake City, Twin Falls, Boise or Reno.

Here is a sample pulled directly from the "Healthcare Blue Book". We encourage you to verify and compare where the pricing of your facility falls into this range for yourself:

	<i>Low</i>	<i>Fair</i>	<i>High</i>
<i>Colonoscopy (no biopsy)</i>	<i>\$967</i>	<i>\$1,638</i>	<i>\$5,066 plus</i>
<i>Colonoscopy (with biopsy)</i>	<i>\$1,091</i>	<i>\$1,872</i>	<i>\$5,434 plus</i>
<i>Chest X-Ray</i>	<i>\$24</i>	<i>\$53</i>	<i>\$523 plus</i>
<i>MRI (Chest, no contrast)</i>	<i>\$412</i>	<i>\$806</i>	<i>\$3,446 plus</i>
<i>MRI (Chest, with contrast)</i>	<i>\$462</i>	<i>\$915</i>	<i>\$4,443 plus</i>
<i>Vaginal delivery</i>	<i>\$4,064</i>	<i>\$9,290</i>	<i>\$19,154 plus</i>
<i>Rotator Cuff Repair</i>	<i>\$6,067</i>	<i>\$13,045</i>	<i>\$24,787 plus</i>

The LifePoint Story

We recognize and value that you, Mr. Carpenter, are a leader in the healthcare industry and among the "100 Most Influential People in Healthcare," as stated on the LifePoint website. We also are grateful to be among LifePoint's 72 hospital campuses.

LifePoint lists its mission as "making communities healthier" and it's vision as, "We want to create places where: People choose to come for healthcare, physicians want to practice, and employees want to work." The LifePoint website also says the company, "was founded with five core guiding principles we call the High Five... Delivering high quality patient care, supporting physicians, creating excellent workplaces for our employees, taking a leadership role in our communities and ensuring fiscal responsibility." However, it is not evident to the community that these words match what is actually taking place.

Conclusion

The Elko County Health Board's grievance is not with the local administration. We are convinced local CEO Rick Palagi is a good and sincere man, but we suspect his hands are being tied by the Tennessee headquarters. We are directing this letter to your attention because we believe the only way to affect positive resolution to these high charges is to work with the corporate level.

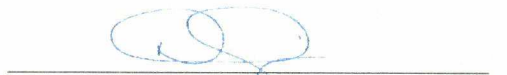
Again, we hope that the hospital remains profitable so it can provide the services we need. Additionally, all of us are used to paying a little more because of our isolation, but we are also used to and willing to travel if the costs become exorbitant. We desperately need the hospital and all that it provides. We want to be your partner. We simply ask you to evaluate the local business model and compare it to your own stated goals, mission and guiding principles. We want the hospital to be a source of pride for our citizens and those who work there. Please help us rebuild the trust between our citizens and LifePoint.

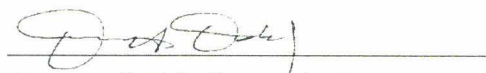
We invite you to come to our community and listen firsthand to the conversations that all of us hear on a daily basis. Speak to your administrators, physicians, nurses and other staff and ask them for their honest feedback. We thank you for time and look forward to your response. We hope that we can work together to jointly build healthier communities in northeastern Nevada.

Sincerely,

Elko County Health Board


Dr. Jocelyn DeGuzman, Chair


Delmo Andreozi, Commissioner


Demar Dahl, Commissioner


Cliff Eklund, Commissioner


Jon Karr, Commissioner


Rex Steninger, Commissioner


Jim Pitts, Sheriff