



RESOLUTION NO. 2024-003

KALKASKA MEMORIAL HEALTH CENTER BOARD OF TRUSTEES

RESOLUTION OF THE BOARD OF TRUSTEES OF KALKASKA MEMORIAL HEALTH CENTER TO PROCEED WITH FURTHER INVESTIGATION AND DUE DILIGENCE REGARDING POSSIBLE TRANSFER OF KALKASKA MEMORIAL HEALTH CENTER TO A NON-PROFIT CORPORATION PURSUANT TO SECTION 9 OF ACT 47 OF THE PUBLIC ACTS OF 1945 AND RESCINDING ALL RESOLUTIONS IN CONFLICT HEREWITH

WHEREAS, Kalkaska Memorial Health Center (“KMHC”) is a governmental hospital formed under Act 47 of the Public Acts of 1945 (“Act 47”) to serve the residents, guests, visitors and general public of Kalkaska County, Michigan, and the surrounding area; and,

WHEREAS, Act 47 permits the transfer of KMHC to a Michigan non-profit corporation under certain conditions; and,

WHEREAS, KMHC Administration continues to investigate the benefits of transferring KMHC to a non-profit corporation and KMHC legal counsel have provided the Board of Trustees with a Memorandum dated January 4, 2024, generally outlining the steps needed to accomplish such a transition; and,

WHEREAS, because of its status as a governmental entity under Act 47, KMHC is restricted by the Michigan Constitution and Act 47 in its ability to enter joint ventures and other risk-sharing arrangements with other providers of health care, including arrangements with the Centers for Medicare and Medicaid Services (CMS); and,

WHEREAS, freeing KMHC from the restrictions imposed on it by virtue of its status as a governmental entity would more greatly enable KMHC to achieve its mission of improving the health and quality of life of those served and permit KMHC to better respond to the ever changing needs of the people of Kalkaska County;

NOW THEREFORE BE IT RESOLVED that the Board determines that KMHC’s ability to fulfill its mission and to provide expanded care to the residents of Kalkaska and surrounding communities is better achieved through the structure of a Michigan non-profit corporation versus Act 47.

BE IT FURTHER RESOLVED that KMHC Administration is hereby instructed to

continue to investigate the issues involved in transitioning KMHC to a non-profit corporation and to perform such other due diligence in that regard as Administration believes is warranted in order to fully present the issues to the Board at a later time.

BE IT FURTHER RESOLVED that upon completion of its investigation and due diligence, KMHC leadership present the results of its efforts to the Board for further consideration to include the specific type of not-for-profit entity for final approval by the Board.

BE IT FURTHER RESOLVED that nothing in this Resolution shall be construed as a decision by the Board to transfer KMHC to a non-profit corporation but is being adopted solely to authorize Administration to continue its investigation and due diligence into the question of whether KMHC should proceed with such a transfer.

BE IT FURTHER RESOLVED that all resolutions of the Board in conflict herewith are hereby rescinded to the extent of the conflict.

THOSE VOTING IN FAVOR: _____

THOSE VOTING AGAINST: _____

THOSE ABSENT OR ABSTAINING: _____

RESOLUTION DECLARED PASSED