

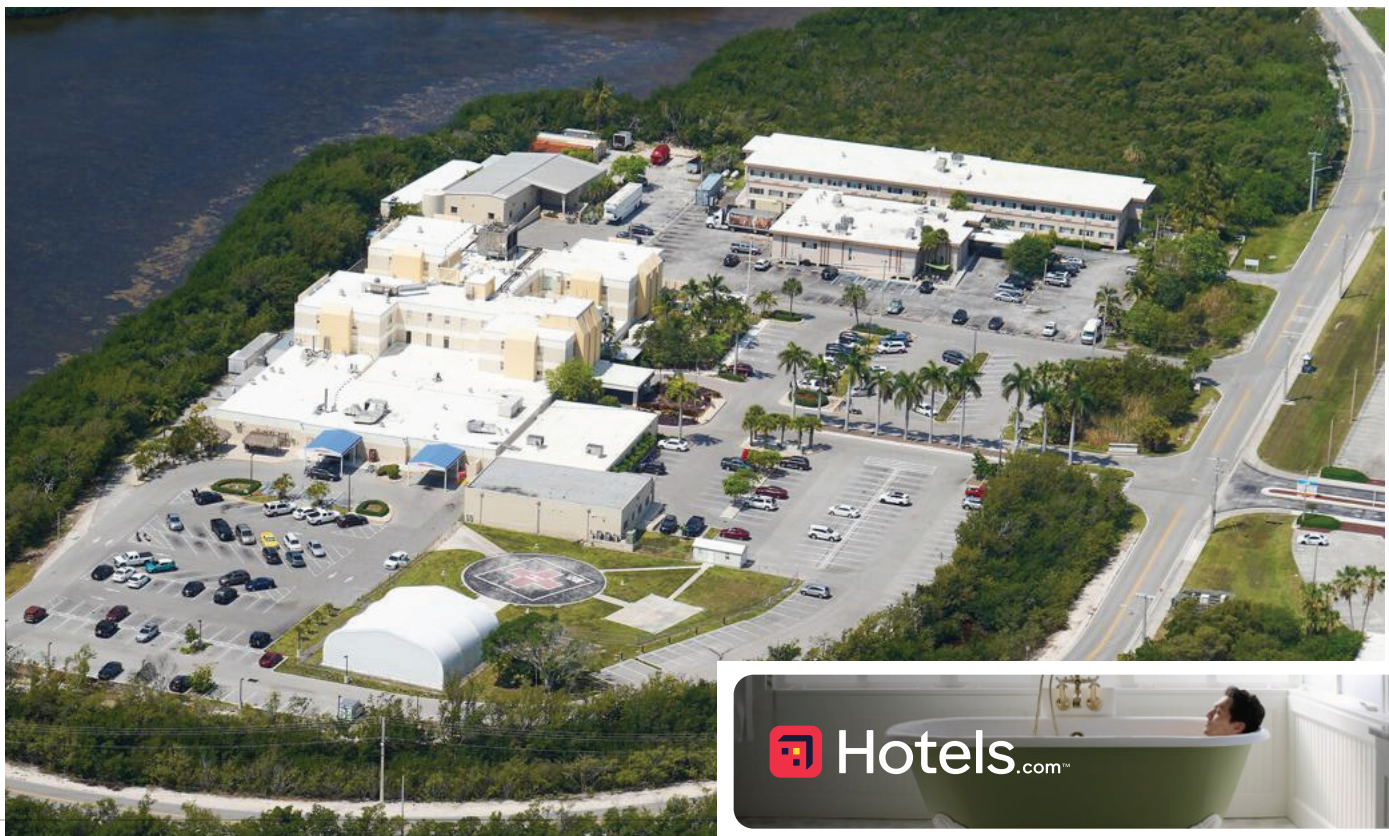


https://www.keysnews.com/news/local/task-force-forms-to-look-at-hospital-lease/article_ca8bcd10-dc9f-11ee-8c99-7345c71bb93f.html

FEATURED

Task force forms to look at hospital lease

TIMOTHY O'HARA Keys Citizen
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Lower Keys Medical Center is located at 5900 College Road.

ROB O'NEAL/Keys Citizen

With the lease for the Lower Keys Medical Center set to expire in five years, Key West Vice Mayor Sam Kaufman is forming a task force to gather information and advice regarding the renewal process of the only hospital in the Lower Keys.

The existing lease between Community Health Systems Inc. (CHS) and the Lower Florida Keys Hospital District will expire in 2029.

The 30-year lease was initially put into place in 1999 with Health Management Associates, which was acquired in 2013 by Community Health Systems.

“I want to help the [Lower Keys Hospital] District board in the process with the expertise of this community,” Kaufman said. “This task force is a means of gathering information and bringing attention to the lease renewal process.”

Kaufman asks those interested in joining the task force to send their resume and letter of interest to him by the end of March, as he wants the group to start meeting in April, he said.



“I am not going into this with some preconceived notion about the outcome,” Kaufman said. “We want to increase the awareness and the community involvement in the process.”

Kaufman wants to see a competitive bidding process done so an informed decision can be made, he said.

“This is not an us-against-them (CHS),” Kaufman said. “This is a critical time.”

Kaufman encouraged all residents interested in the issue to attend the district board’s May 13 meeting at the hospital.

“While I cannot speak for the board, I am very interested in learning what our community thinks and want to hear their ideas for the future,” Lower Keys Hospital District board Chair Lesley Thompson told The Keys Citizen.

Key West resident Spencer Krenke has started a parallel grassroots effort to make sure the Lower Keys are served by a healthcare company that can best serve the community. Krenke has started the group Our Hospital Key West (<https://www.ohkw.org/>) that outlines concerns about the CHS’s financial position and the community’s need for a well-operated local hospital in a rural area like the Lower Keys.

Krenke is not advocating for or against CHS or any specific healthcare provider, but wants to see “comparative offers from providers detailing what services they can provide,” so the hospital board can make the best decision in selecting a healthcare company, he said.

“Let’s do the work necessary to do a competitive bid process,” Krenke said. “We want to bring information to the public so objective comparative offers from hospital groups can be made. You need comparative offers on what services other providers can provide. Let’s not just make CHS the default provider. That does not

meet the fiduciary duty of the board. ... We need information so the board can come to a logical conclusion on who the next operator should be.”

The Our Hospital Key West website has links to various online financial statements and news stories about the Tennessee-based CHS, which raises concerns about the hospital’s financial strength.

One link from the website <http://www.healthcarediver.com> stated that CHS’s net income “declined nearly 90% in the fourth quarter of 2023 compared to the same period last year,” according to an earnings report released in February. The healthcare provider “posted a \$46 million net gain for the quarter — a decline of 88% from the \$414 million net gain it reported last year,” the website stated.

On a recent earnings call, CHS executives attributed the quarterly performance to high costs for supplemental reimbursement programs and medical malpractice insurance, as well as increased rates for outsourced medical specialists, the website stated.

Kaufman and Krenke have recently met with hospital CEO David Clay to discuss the issue.

The Lower Keys Hospital District board has begun to discuss the lease, as it does not want to be “caught short” when the lease comes up for renewal, said Lew Fishman, the district board’s attorney. The board is still deciding whether to renew the CHS lease or put the lease out to bid, Fishman said.

CHS is “not in breach of the lease,” and the company continues “to invest capital into the facility,” Fishman said.

“Lower Keys Medical Center is committed to the health and well-being of this community,” Lower Keys Medical Center administrators stated in an email to The

Keys Citizen. “It is our strong desire to be part of the community for many years to come. We are very interested in renewing the lease when it expires in 2029. ... From the aftermath of Hurricane Irma through the COVID-19 pandemic, the dedicated medical staff and employees were here for residents and visitors needing medical care, and they continue delivering quality care today.”

Recognizing “the uniqueness of our isolated community, significant investments have been made — more than \$48 million since 2016 — in the enhancement of facilities, expansion of services, improvement of quality and recruitment of physicians — and we’ve had a lot of success,” Lower Keys Medical Center administrators wrote.

Lower Keys Medical Center improved the hospital’s quality performance, resulting in a four-star rating for overall hospital quality from the Centers for Medicare and Medicaid Services (CMS) and it has expanded inpatient behavioral health capacity from 11 beds to 25, and added outpatient services, according to administrators.

Lower Keys Medical Center also grew the availability of medical services locally with the recruitment of providers in primary care, obstetrics and gynecology, cardiology, orthopedics, gastroenterology and psychiatry; renovated patient areas and upgraded technology in the cardiac catheterization lab; and added robotic surgery capabilities, administrators stated.

In addition, Lower Keys Medical Center established a housing stipend for full-time employees living in Key West, according to hospital administrators.

For task force information, contact Kaufman at DistrictII@cityofkeywest-fl.gov; for information about Our Key West Hospital, visit <https://www.ohkw.org/>.

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