

Partners lay out hospital plans

Red Lodge campus touted as 'new model for rural health care'

By **DIANE COCHRAN**, Gazette Staff
Friday, February 02, 2007

A medical campus to be built north of Red Lodge by 2009 will house a hospital, a clinic and three types of long-term care in what officials are calling a "never been done before" partnership among a trio of local health organizations.

Red Lodge's Beartooth Hospital and Health Center, Billings Clinic and St. John's Lutheran Ministries announced plans for the \$25 million complex in a joint news conference Thursday.



BOB ZELLAR/Gazette Staff

Kent Young of Red Lodge talks about the effect of a new partnership among Beartooth Hospital and Health Center, Billings Clinic and St. John's Lutheran Ministries. The partnership will result in a new health complex, including a new hospital and retirement assisted living and long-term care in Red Lodge.

"We really are forming a new model for rural health care," said Linda Harris, chairwoman of the Beartooth Hospital and Health Center board of directors.

Billings Clinic Chief Operating Officer Jon Ness said it was a pioneering concept.

"I think if you looked across the United States you're probably not going to find another model like this," Ness said.

The project will replace Red Lodge's aging critical-access hospital and its nursing home, as well as relocate Billings Clinic's Red Lodge Clinic.

Ground could be broken as soon as spring 2008, with completion scheduled for a year and a half later.

Six buildings are planned on about 13 acres of land adjacent to Highway 212 just outside of Red Lodge. The town's hospital association purchased the property for \$600,000 about 18 months ago.

The clinic and hospital will be housed in a single 40,000-square-foot building, which is expected to cost about \$15 million.

St. John's Lutheran Ministries plans to build three skilled-nursing cottages, an assisted-living cottage and a 36-unit independent-living complex adjacent to the medical building for about \$10 million.

Hospital officials want to raise at least \$3 million in donations for the hospital and clinic building, with the remainder being paid through Beartooth's existing cash and assets, financing and a government reimbursement program for rural hospitals.

Through that program, as much as 50 percent of the construction costs will be paid by the government over time, officials said.

The project's three-way partnership will help each organization operate more efficiently, said Kelley Evans, chief executive officer for Beartooth Hospital and Health Center.

"In rural communities, we often get isolated in our silos of care," Evans said. "That results in duplication of services."

On the new campus, laboratory, radiology, laundry and food services will be shared.

Beartooth Hospital and Billings Clinic have established a legal partnership that gives the Billings hospital three of 12 seats on the Red Lodge hospital's board of directors and a 25 percent membership in its 160-member association.

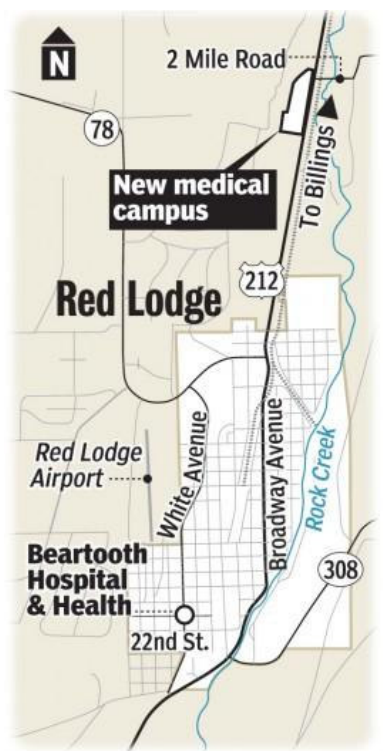
The agreement expands an earlier one that in 2002 gave Billings Clinic managerial control of Beartooth Hospital and Health Center and made it responsible for 50 percent of the Red Lodge facility's annual financial losses.

The Red Lodge hospital association unanimously approved the partnership last week in a secret ballot, a vote of confidence that surprised hospital leaders.

"There's always a naysayer somewhere," Harris said. "That was the perfect opportunity for anyone who had any doubts to register their votes."

Plans for a new Red Lodge hospital have been in the works since 1996.

Red Lodge's existing 22-bed facility opened in 1950 and has become outdated, officials said.



VICTOR ADY/Gazette Staff

"There are a lot of things going south in the hospital" including its 56-year-old boiler system, said Kent Young, the medical center's attorney. "They (the boilers) should be in a museum, not a hospital."

The hospital's main entrance is not handicapped-accessible, its emergency department consists of a single room, and there is no space for expansion.

Officials at St. Vincent Healthcare, which operates satellite clinics in Red Lodge, Bridger and Absarokee, said there is no question the region needs a new hospital.

"St. Vincent Healthcare has had a long and dedicated commitment to service in Red Lodge, and we pledge to continue that," said chief executive officer James Paquette. "We understand the need to update the hospital facilities, and we will support that as well."

"Our physicians will continue to be contributing members of the medical staff," Paquette said.

Red Lodge medical care

- **1950** - Year the existing Red Lodge hospital opened.
- **2009** - Year a new Red Lodge medical campus is set to open.
- **1,700** - Visits to the Red Lodge emergency room each year.
- **27,000** - Outpatient visits at the hospital last year.
- **127** - Employees at the hospital.
- **22** - Beds the hospital is licensed to operate.
- **10** - Beds it is staffed to operate.
- **3** - Average daily patient census.
- **33,750** - Square footage of the planned new hospital.
- **6,320** - Square footage of the planned new clinic, which will be under the same roof as the hospital.
- **4** - Cottages to be built by St. John's Lutheran Ministries next to the new medical center.
- **3** - Stories in the planned independent-living complex, also to be built on the medical campus.
- **\$1** - Annual amount St. John's will pay the Red Lodge hospital association to lease land for its portion of the campus.
- **25** - Negotiating sessions between Billings Clinic and Beartooth Hospital and Health Center before a new partnership was reached.

Contact Diane Cochran at dcochran@billingsgazette.com or 657-1287. Copyright © The Billings Gazette, a division of [Lee Enterprises](#).