

# Healthy Living

## County signs transfer agreement with Hospital District

*Merger agreement with Sublette Center in process*

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**PINEDALE** – At 12:36 p.m. on Sept. 6, Sublette County formally deeded 4.41 acres containing the Pinedale Clinic and Public Health building to the Sublette County Hospital District (SCHD), allowing the district to commence construction of the critical access hospital and long-term care facility.

Following a lengthy discussion with SCHD and Sublette Center board members, Commissioner Tom Noble made a motion to “accept the transfer agreement as presented,” with language related to the merger between the SCHD and Sublette Center stricken.

Commissioner Sam White made a second and the motion passed, 4-1, with Noble, White, commissioner Dave Stephens and chairman Joel Bousman voting in favor and Commissioner Doug Vickrey voting against.

A second motion passed, 4-1, authorizing Bousman to sign the deeds of ownership. Vickrey cast the negative vote.

### Transfer over merger

Members of the board of commissioners initially indicated a desire for a completed merger to take place between the SCHD and Sublette Center before it would transfer ownership of county property and assets.

On Sept. 6, a majority of commissioners expressed a willingness to proceed with the transfer agreement before the merger was in place due to an appeal from the SCHD.

The SCHD’s hands were tied without a transfer agreement in place, explained Tonia Hoffman, the SCHD Board of Trustees’ chairwoman.

Without title to the property, the SCHD cannot access its \$32-million loan through the U.S. Department of Agriculture to begin construction, Hoffman explained.

“We can’t start digging or doing demolition on properties we don’t own,” she added.

Noble suggested striking sections from the transfer agreement that required the merger to occur before the county signed over the deed. His proposal would allow the SCHD to move forward with building and give the Sublette Center breathing room to “move at a slower pace so everything is in place.”

Attorneys for the SCHD and Sublette Center drafted the first merger agreement the previous fall, Hoffman said. The lawyer working on behalf of the Sublette Center stepped down, prompting the Sublette Center to hire a new attorney, she clarified.

The Sublette Center board struggled to find an attorney well versed in health-care law and the ins and outs of Medicare, Medicaid and the U.S. Department of Veterans Affairs, said Marilyn Jensen, a member of the Sublette Center board of directors.

A merger between the entities involved a change of ownership for the Sublette Center, a complicated legal undertaking, Jensen explained. The Sublette Center board had a “fiduciary and a real responsibility for our people,” she added.

Fellow Sublette Center board member Kerry Majhanovich said the center is working toward a merger that will be “very smooth and easy.”

The Sublette Center’s new attorney, Nick Healy, advised his clients to modify the merger and break it into two phases.

The first step, called a membership substitution, replaces the Sublette Center’s board of directors with SCHD trustees one



**Board of County Commission Chairman Joel Bousman, left, and Sublette County Hospital District Board of Trustees Chairwoman Tonia Hoffman, right, affix their signatures to the deeds transferring county property to the hospital district.**

by one, allowing the Sublette Center to retain a level of control in the lead-up to the change of ownership, said Abigail Forwood, the SCHD’s attorney.

The modified merger agreement holds the SCHD responsible for “making sure we do what we promised” in regards to the Sublette Center, Forwood continued.

### Put in a bind – time is money

The latest version of the merger agreement required more time from lawyers representing both entities and placed the SCHD in a bind, Hoffman said. The hospital district wanted to “respect the Sublette Center’s wish to restructure the (merger) agreement” while also meeting deadlines in the construction schedule.

Bousman stressed the importance of beginning construction as soon as possible to save the county and SCHD money.

“I’m concerned if we keep putting this off and don’t get started, it’s just going to further increase the cost of the project,” he said.

Signing the transfer agreement symbolized the county’s pledge of support to the hospital project, Bousman said, a necessary step in obtaining federal dollars for the project through the Wyoming State Loan and Investment Board (SLIB).

“I don’t want to go to Cheyenne and lobby for increased dollars for this project, while at the same time holding up the project,” Bousman added. “I don’t think that’s fair to the state of Wyoming.”

The SCHD submitted a \$10-million application for a federal health care infrastructure grant available through the American Rescue Plan Act and allocated by SLIB, explained Kari DeWitt, SCHD public relations director and grant writer.

The health care infrastructure grant would significantly boost the project, DeWitt told the Roundup.

“We’re the only county in the Wyoming without a hospital,” she said. “This \$10 million will be key to dealing with inflation and construction costs and will help us get over the finish line.”

### Opposition before taking the plunge

Vickrey opposed moving forward with the transfer agreement before a merger was in place. He made it clear he supports the transfer agreement, but told commissioners they must follow the proper steps.

“My response is simple – no merger, no transfer,” he said.

After voters approved the formation of the hospital district, the commissioners held the line that the transfer agreement was contingent upon the USDA’s approval

of the SCHD’s loan and the merger, Vickrey argued. He called out commissioners for “retracting” their stance.

Vickrey likened the new approach to abruptly changing the rules in the fourth quarter of a game. He also raised the concern that the merger might not go through if it was no longer a requirement in the transfer agreement.

Stephens voted in favor of moving forward with the transfer agreement, although he expressed reservations.

“We took a stance, and we’re backing off of it,” Stephens said.

White asked deputy county attorney Clayton Melinkovich if he had any concerns moving forward with the transfer agreement. Melinkovich advised the commissioners that removing language making the transfer agreement reliant on the merger carried a degree of risk.

“These two entities may never merge,” he said. “If they never merge, you are still obligated to pay invoices and deed properties.”

The transfer agreement contains language committing the county to fund the new long-term care facility for up to \$20 million and to receive invoices related to that portion of the project.

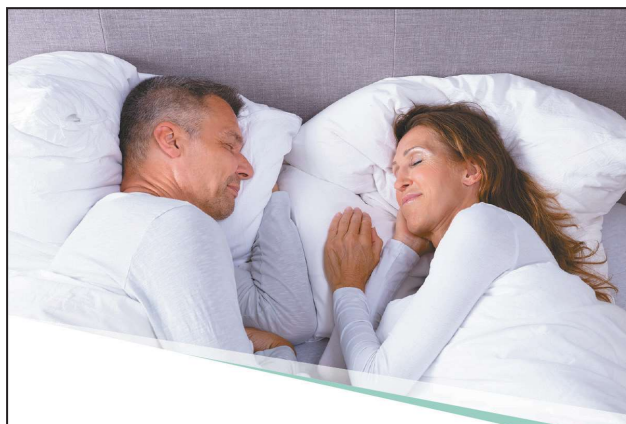
The risk was the “prerogative” of the commissioners to take as a governing board, Melinkovich added.

White asked whether Sublette County Public Health was protected in the transfer agreement. The Public Health building cannot be demolished “until they are safely – and in the words of Mrs. Hoffman – happily” settled into their new space, Melinkovich said.

Hoffman, Majhanovich and Jensen each emphasized the intention of their respective organizations to continue working toward a merger.

Hoffman thanked the commissioners for signing the transfer agreement and deed.

“I know this has been a tough issue, but on behalf of the hospital district, this will really allow us to continue with our work. I think I can safely speak for all of us that we will get through the execution of this merger as quickly as possible.”



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