

Deal near to take over Jellico hospital

By Joseph P. King II

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JELLICO—Jellico Community Hospital is nearing an agreement on a new management partnership, but the deal isn't ready just yet. Replacing outgoing Adventist Health Systems, which will end its management of the hospital April 30, will most likely be Community Hospital Corp of Plano, Texas.

Since September, the hospital board has been exclusively discussing the new partnership with Community Hospital Corp., and both sides say the transfer is expected to be completed by May 1.

"It looks really good, but we won't know for sure until we sign the documents," said Community Hospital Corp. Executive Vice President Cindy Matthews.

Matthews said the company is still waiting for a lease agreement to be signed by Jellico Mayor Forster Baird.

Baird was given approval to sign the agreement last Thursday by a unanimous vote of the Jellico Board of Mayor and Aldermen. Baird said he expects to have everything in order for the lease and to have it signed by the Jan. 31 deadline.

He said the lease is for the building and the property the hospital is on, and does not differ from the current lease with Adventist Health Systems.

The lease will charge the hospital company a token \$1 per year for a 10-year period, with an option for another 10 years, Baird said.

Jellico City Attorney Terry Basista said there isn't much left to do on the municipal side since the lease has been drafted and the mayor has the authority to sign it.

Hospital CEO Keith Richardson said the partnership is near the final stages, but is still tentative.

"It's not a done deal, but it's getting there," Richardson said. "Basically, I would term it as in final negotiations."

He said it's mainly a process of working out the final details of the deal.

Once the transfer takes place, Community Hospital Corp. will head up the management side of the facility.

Matthews said it is too early to tell whether there will be an increase, decrease or no change to the staff, but added that she has been impressed with medical personnel, staff and the hospital in general, calling it a "real asset to the community."

As a not-for-profit, Community Hospital Corp. will keep all funds made in the community in the local hospital.

Former Jellico Hospital CEO Erik Wangsness said Adventist Health Systems is severing ties with Jellico Community Hospital for a combination of reasons, including the difficulty for a stand-alone hospital to function in the economic environment without a larger regional partner.

Community Hospital Corp. manages 18 small community hospitals across the country with its strategic partner, Baptist Health. Baptist Health owns seven hospitals in Kentucky, including Baptist Health Corbin.

Jellico Community Hospital opened in 1974. It is a 54-bed acute-care facility that operates as a nonprofit. The next nearest hospitals to Jellico residents are Tennova's LaFollette Medical Center and Baptist Health Corbin, each about 30 miles away.



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A Texas nonprofit hospital operator is in final negotiations to take over management of Jellico's hospital.