



BOARD OF SUPERVISORS COUNTY OF MADERA

MADERA COUNTY GOVERNMENT CENTER
200 WEST 4TH STREET / MADERA, CALIFORNIA 93637
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Agendas available: www.MaderaCounty.com

Members of the Board

David Rogers
Robert L. Poythress
Jordan Wamhoff
Leticia Gonzalez
Robert Macaulay

The Board of Supervisors

January 10, 2023
Chairman David Rogers

DEPARTMENT COUNTY ADMINISTRATION DEPARTMENT	DEPARTMENT CONTACT Joel Bugay 559-675-7703	AGENDA ITEM c DISCUSSION ITEMS
SUBJECT: Impacts of Madera Community Hospital Closure	REQUIRED VOTE: Informational, Vote Not Required	DOC. ID NUMBER 22-1349
STRATEGIC FOCUS AREA(S): Health		
CLERK NOTES: {{motions.text}}		
For Clerk of the Board's Office Use Only		
RESULT: {{voting.status}} [{{voting.for_count}}] TO [{{voting.against_count}}] MOVER: {{motions.mover format="[[firstname]] [[lastname]], [[title]]"}} SECONDER: {{motions.seconder format="[[firstname]] [[lastname]], [[title]]"}} AYES: {{voting.for_names format="[[lastname]]"}}		
Is this item Budgeted? N/A Will this item require additional personnel? N/A Previous Relevant Board Actions: None PowerPoint Presentation? No Supporting Documents: N/A		DOCUMENT NO(S).

RECOMMENDED ACTIONS:

Community Hospital Closure.

1. Discussion and direction to staff on reallocating American Rescue Plan Act (ARPA) funds to an earmark for mitigating the negative impacts of the closure of Madera Community Hospital
2. Discussion and direction to staff on alternative structures for delivery of hospital healthcare services to the community.

DISCUSSION / FISCAL IMPACT / STRATEGIC FOCUS:

DISCUSSION:

On December 23, 2022, Madera Community Hospital (MCH) issued a press release stating their intent to file for Chapter 11 Bankruptcy on the week of January 3, 2023. On December 30, 2022, MCH closed emergency room services; all remaining hospital services were closed on January 3 and clinic services ending on January 10, 2023. MCH,



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like many other nonprofit hospitals is facing financial and operational challenges that have been made worse by the pandemic. MCH has a high census of Medi-Cal patients and its low reimbursement rates has contributed and exacerbated this issue. The financial strain has caused large sustained losses over several years. MCH has pursued an affiliation agreement with Trinity Health/Saint Agnes Medical Center to help address the financial issues associated with being an independent rural hospital. Under State law, the affiliation agreement was subject to the California Attorney General's approval. The Attorney General has approved the affiliation agreement but has imposed additional conditions that were deemed by Trinity Health as unacceptable and, because of this, have determined that they could not move forward with the affiliation.

On December 29, 2022, the Board of Supervisors held a special meeting to discuss the negative impacts of the MCH closure on the delivery of county services and on the overall impact to the health outcomes of the community. The Board directed staff to review recent hospital restructuring efforts by the Tulare Local Healthcare District and the Pajaro Valley Healthcare District and to return to the Board with possible alternatives for structuring hospital healthcare services moving forward. The Board also directed staff to review ARPA Projects and identify currently unspent but obligated funds that could potentially be reallocated to an earmark to help mitigate the negative impacts of the MCH closure. The recommended reallocations are summarized on Attachment A.

FISCAL IMPACT:

There is no immediate financial impact with the direction to reallocate ARPA funds. If the Board directs the reallocation as presented on Attachment A, staff will return to your Board with the necessary actions to amend applicable agreements and make the creation of the proposed earmark possible.

CONNECTION TO THE COUNTY OF MADERA STRATEGIC PLAN - MISSION 2023:

The recommended action supports the Health Focus Area as MCH was a provider of critical components of the region's health system.

ATTACHMENTS

1. Attachment A: Proposed Reallocation of ARPA Project Funds