

SOUTH >> Jessica Zigmond

A different kind of facility

Doctors' Hospital belongs to the community

Even though it's called Doctors' Hospital, the 100,000-square-foot structure opening in Bridgeport, Texas, later this summer is not another example of physician ownership in a state that's noted for it.

Instead, the 36-bed facility—a \$59.3 million project that has taken six years to complete—is a not-for-profit community hospital that has been funded by tax-exempt hospital revenue bonds, credit from local banks, federal, state and local grants, and charitable donations. Some of those donations came from physi-

cians who wanted the community to have a not-for-profit hospital, according to Paul Owens, the facility's chief executive officer. Owens credits much of the idea for the hospital to David Ray, a family-practice physician who will practice at the hospital and serve as its board president.

"There was another hospital from the late 1940s until the early 1990s, when it closed," Owens said, referring to Bridgeport Hospital, which was sold in 1988 and closed in 1991. "They wanted to protect this from happening again—all of the funds that are generated by

the hospital are reinvested in the hospital."

Banking and financial advisory firm Innovative Capital has worked on this project since late 2005. Alan Richman, president and CEO of the Springfield, Pa.-based firm, said that some physicians made charitable donations, while others offered loans to support the new venture. Their equity contribution ended after the tax-exempt bond deal was completed, according to Richman, who said two local banks offered lines of credit for additional reserves.

"The city of Bridgeport provided \$3 million for one of the lines of credit," Richman said. "For the other \$3 million in collateral, some of the doctors who got their money back at closing (said), 'We'll keep that money in the bank as collateral so the hospital can get another \$3 million line of credit.' That collateral is not a financial ownership in the hospital."

Doctors' Hospital will have a five-bed emergency department, three general surgery suites, two labor and delivery rooms, and a four-bed intensive-care unit. "Once we start growing and see what service lines take off, we'll concentrate on expanding that," Owens said, adding that the hospital expects to hire a total of 150 full-time employees by late August. The ribbon-cutting ceremony is scheduled for Aug. 30.

"I definitely think it will be a model," Owens said of the way Doctors' was established. "It's a free-standing facility controlled by the community, with input from physicians but they don't have any financial incentive," he added. "Being a startup, we can design for future growth. We'll be a paperless hospital. That will translate to better patient care and a more efficient place to work."



The not-for-profit Doctors' Hospital, Bridgeport, Texas, has taken six years to complete and is scheduled to open by late August.

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MIAMI—The U.S. attorney in Miami indicted three former employees of 300-bed Kendall Regional Medical Center, an HCA hospital in Miami, for allegedly generating nearly \$7 million in phony supply orders and collecting the proceeds through shell companies. Joanna Delfel, Victor Garcia and Sylvia Oramas each face a charge of conspiracy to commit wire fraud and face up to 20 years in prison if convicted. The alleged scheme also included three unnamed co-conspirators, according to information U.S. Attorney Alex Acosta filed June 5 in U.S. District Court in Miami. Two of them are described as employed "in positions of authority" at Pharmed Group Corp., a

bankrupt supply company that was a vendor for Kendall Regional, and the other was employed in a position of authority for Allied Medical Products, a "purported medical supply company." Delfel, who'd previously been an inventory analyst for Kendall Regional, worked in HCA's supply center for its hospitals in east Florida. She allegedly used her access to HCA's computerized supply-management system to place phony orders along with Garcia, and the deliveries were documented with fake invoices from Pharmed and Allied Medical Products, according to the court document. Oramas, who worked in housekeeping at the hospital, allegedly set up a shell corporation that served to steer the proceeds to the conspirators.

WACO, Texas—Hillcrest Health System, Waco, said it has signed a "memorandum of understanding" that it expects will lead to a definitive agreement with not-for-profit system Scott & White Healthcare, Temple, Texas, to operate Hillcrest Baptist Medical Center, Waco, as a partnership. Each institution would have five representatives on a 10-member board of trustees overseeing the 274-bed hospital and a new campus that is scheduled to open in May 2009. The agreement is expected to be made final in late July or early August, according to a Scott & White spokesman. The 452-bed Scott & White Memorial Hospital is the principal clinical teaching facility affiliated with the Texas A&M Health Science Center's College of Medicine.