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Article published Jan 21, 2009

Quincy hospital to post profit for first time in 20 years

By [K.C. Mehaffey](#)

World staff writer

Note: In a previous version of this story, the wrong medical center was cited as having trouble keeping nurses. The correct facility is the Quincy Valley Medical Center.

QUINCY — When the books for 2008 are closed out, the Quincy Valley Medical Center expects to see a profit for the first time in 20 years.

But the profit won't be enough to pay off money borrowed from Grant County to stay afloat — a situation that brought the hospital another finding in a state audit report released last week.

The audit, from January to December of 2007, found the hospital does not have enough cash to meet daily operating expenses. It's the fourth time the state has cited a cash-flow problem for the hospital district, which includes a nursing home and clinic, the report says.

Hospital administrator Mehdi Merred said the audit doesn't include financial figures from 2008, when it made about \$126,000 more than it spent between January through the end of October. Outstanding registered warrants dropped from \$1.9 million in December of 2007 to \$1.16 million on Oct. 31, 2008, he said.

Books haven't been closed for the fourth quarter, so figures for the full year aren't yet available, but it will show a profit, he said.

"State auditors looked at this as a snapshot of the year 2007. They do not look at the progress, or the things we have done over the last two years," Merred said.

The administrator said that the hospital district is working through a long-term plan, and eventually it will work its way out of debt.

It began in 2006 by hiring an administrative team and some new physicians, and in 2007 it began adding or improving services.

The hospital reopened its surgery department and operating room which had closed in 2004, added MRI mobile services and a CT scan and expanded and relocated its physical therapy services to a larger space downtown, he said.

Merred said all that paid off in 2008, when expenses stayed about the same, but the number of patients increased significantly.

He said the hospital reduced many of its unnecessary costs, particularly in staffing.

For example, the Quincy Valley Medical Center was having trouble keeping nurses, and frequently used temporary agencies to fill shifts, he said. He said when he started in 2006, about 60 percent of the shifts were filled by a nursing agency, which is much more expensive than filling those shifts with staff nurses.

Using temporary nurses was costing the hospital about \$3,000 per shift, he said, and those costs have now been reduced by between \$20,000 to \$25,000 per month.

In addition, the hospital's turnover rate was about 40 percent, and had been high for at least seven years, he said. Last year the turnover was reduced to 15.5 percent, he said.

Merred said given the size of the hospital's debt, it will take time to pay it off. He said the hospital will continue to use registered warrants — which is like a line of credit from the county — to meet its daily operating needs.

"The plan is to pay it off as much as we can," he said, adding that the hospital expects another profitable year.

K.C. Mehaffey: 997-2512

mehaffey@wenatcheeworld.com
