

Quincy hospital to end year with profit

Board approves raise, bonus for administrator

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The Quincy Valley Medical Center budgeted for a net operating loss of \$155,122 through the first 11 months of 2008. They didn't make that number.

In fact, the medical center's bottom line projection was about \$442,378 off — in the other direction. Instead of posting a loss, the district is showing a net operating profit of \$287,256 through the end of November.

The end of the year numbers won't be finished until February, but financial director Ken Kiehn told the hospital board during its meeting on Monday, Jan. 26 he is confident the hospital will show a profit when the final tally is made. It would be the first time in 20 years that the medical center has posted a year-end profit.

Still, the medical center has a large amount of debt, with about \$1.2 million in warrants

owed to Grant County.

The medical center's debt load was pointed out in a recent state audit. The audit, evaluated the medical center's financial standing in 2007, found that the hospital did not have enough cash to meet daily operating expenses.

Hospital administrator Mehdi Merred and the board said the hospital is on track to achieve its long-term goal of having positive cash flow and eventually paying down its debts.

"There is a big hole we're working our way out of," said board chairman Don Condit. "We're chipping away at it."

Kiehn said the district needs to be prepared in case the economy starts to slow down locally.

The board and administration talked about possible state budget cuts that could hurt the medical center, as well as the possibility of more local people

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losing insurance coverage and not having money to pay their bills.

"Next year could be a tough year," Kiehn said.

In other business, the board voted to give Merred a pay raise and award him a bonus.

"Three years ago, when the commissioners decided to move ahead with Mehdi's appointment, we had a bankrupt situation with our hospital,"

said board chairman Don Condit. "We were very fortunate for someone like Mehdi to take the reins. If you look at what has taken place in the last three years, that's a direct consequence of his leadership."

Condit also pointed out that Merred did not take a pay raise or bonus since he had been hired.

Merred's base pay was raised from \$100,000 to \$115,000 and he received a \$25,000 bonus for the year based on incentive clauses in his contract.