



Keokuk Area Hospital

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To Be Released: Immediately

***A Statement from Duane J. Fitch, President, Fitch Healthcare &
Walt Stephens, President, Keokuk Health Systems Board of Directors***

A little over a year ago, shortly after the announcement by Blessing Health System and Fort Madison Community Hospital that they would be partnering on a clinic in Keokuk, Keokuk Health Systems issued a press release expressing significant concerns about this initiative.

In that press release on November 28, 2014, we noted that *“we are hopeful that they are not seeking to service only insured patients in this new clinic and to direct these funded patients exclusively to their facilities for care or services that could be provided locally by Keokuk Area Hospital. This would increase the obligation of the local community to address the unfunded and underfunded burden and would put the very existence of the hospital, its employee base, and the entire Keokuk community in great jeopardy. This approach would be contrary to good public policy and would represent an aggressive and inappropriate act. We are also confident that this approach would be thoroughly rejected by the Keokuk community which has consistently exhibited tremendous loyalty and support to our hospital.”*

Since that time, our administrative team has met with senior administrative officials of both Blessing Health System and Fort Madison Community Hospital. In each encounter, the officials from these organizations indicated very directly that the intent of this clinic is to serve their existing Keokuk patients, not to recruit new patients. They also each indicated to our administrative team, and in some cases to our Board of Directors, how “supportive” they are of the hospital in Keokuk.

Of course, we did not believe that any organization would invest close to \$2 million dollars in a facility, recruit a brand new provider, and duplicate ancillary services already available at Keokuk Area Hospital, to service only their existing patients. We understood that an aggressive approach to recruit new patients would be necessary to validate this

significant investment and that is exactly what is occurring through direct mail and other advertisements aimed at the Keokuk marketplace.

It is our belief that they selected the name “Keokuk Medical Center” with the obvious intent to confuse the public into believing that somehow this facility is associated with Keokuk Area Hospital and/or the Keokuk community. It is not and we are currently exploring legal alternatives to challenge the name. We are also concerned that using the term “Medical Center” in the name will potentially cause confusion and harmful delay to a patient or family seeking emergency care who inadvertently presents to this facility instead of Keokuk Area Hospital.

The intent of this clinic was clear a year ago and is still clear today – to attract funded primary care patients from the Keokuk service area with the ultimate goal of transitioning inpatient and outpatient revenue away from Keokuk Area Hospital and into their hospitals which have significant excess capacity. It’s as simple as that. We view this as a predatory strategy which puts the very existence of the hospital in great jeopardy. It is not “competition” as many of the unfunded patients of Keokuk Area Hospital do not have the means to routinely travel to Quincy and Fort Madison for specialty care. Their strategy relies upon serving more of the funded patients which leaves the Keokuk community with a higher proportion of unfunded patients than it already serves causing greater financial exposure for Keokuk Area Hospital.

A vibrant and successful hospital is critical for the Keokuk community, not only as the primary healthcare access point but also as a much needed economic contributor. We employ close to 350 employees and our overall contribution to the local economy is over \$20 million annually according to the Iowa Hospital Association. Frankly, this level of contribution is irreplaceable to Keokuk and this community will be devastated if the hospital is lost, just like so many rural communities around the United States.

The medical staff of Keokuk Area Hospital is proud to service our community and has made a dedicated and successful effort to provide prompt access to high quality primary care services available to all patients in our service area. Please consult www.keokukhealthsystems.org for a listing of our primary care physicians, many of which are available for same day or next day appointments. These high quality and dedicated physicians are ready, willing, and anxious to continue to serve the primary care healthcare needs of the Keokuk community. These physicians also support and utilize Keokuk Area Hospital, which is critical for the provision of high quality, coordinated patient care in the community. We also have a new Prompt Care facility on campus which is open 7 days a week to see patients without an appointment.

Rural Hospitals are in a crisis state throughout the Nation. Since 2010, over 60 rural hospitals have closed and approximately 300 others are not sustainable given their current financial profile. The Board of Directors, medical staff, employees, hospital foundation, auxiliary, and volunteers, and well as the Keokuk community at large have been working hard to preserve Keokuk Area Hospital for our community. Although many successes have been achieved, the hospital is still vulnerable to the prevailing national trends.

It is very disappointing that Blessing Health System and Fort Madison Community Hospital have joined forces to intentionally undermine the efforts of so many and to further jeopardize the long-term availability of local hospital services in Keokuk. We are hopeful that the Keokuk community will see this initiative for what it truly is and will remain supportive of the physicians and employees of Keokuk Area Hospital.