

MADISON COUNTY APPROVES REFERENDUM TO BUILD A NEW HOSPITAL FACILITY

During the recent election in November 2006, Madison County residents approved a referendum to levy a one half cent local option sales tax to support the construction of a new hospital. The new facility will be a replacement for Madison County Memorial Hospital located in Madison, Florida and originally built in 1954.

Madison Hospital has been working for the past several years to build a much needed replacement facility. The passage of the sales tax referendum is expected to provide the necessary long term financial support to allow the hospital to borrow the funds needed to finance the construction of a new facility. The hospital's administrator is currently working with financial consultants to determine the size and amount of funding needed for the new facility. The tentative site for the new hospital has not been determined but the possibility of locating the new facility on the campus of North Florida Community College is being explored.

The construction of this new facility is made possible by the hospital's designation by Medicare as a critical access hospital in December 2005. As a critical access hospital, Madison County Memorial receives cost based reimbursement for Medicare patients and can be reimbursed for that portion of the cost of a new facility used to serve Medicare patients. It was estimated that 39 percent of the cost of a new hospital will be paid for by the federal Medicare program.

The Florida Office of Rural Health, which assists rural hospitals with critical access designation and activities to improve financial stability and quality of care, has been working closely with Madison County Memorial to bring about the new facility. Over the past 12 months, the Office of Rural Health provided grant funding to the hospital in the amounts of: \$24,000 to educate the community on the need for and benefits of building a new hospital; \$12,000 to support strategic financial planning; \$28,000 for pharmacy health information technology equipment to reduce medication errors; and \$112,903 to repair the roof and make other capital improvements to the existing hospital facility. In addition, the Florida Office of Rural Health recently provided the hospital with education and training materials for its board of directors, and assisted the hospital in obtaining a \$450,000 rural community development loan from the Governor's Rural Economic Development Initiative program. An additional \$103,000 in grant funding for capital improvement will be provided during the current year.