

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, REQUESTING COMMUNITY HEALTH SYSTEMS OF FRANKLIN, TENNESSEE TO TRANSFER ITS LEASEHOLD INTEREST IN THE LOWER KEYS MEDICAL CENTER TO A NOT-FOR-PROFIT HOSPITAL SYSTEM; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, there have been articles in local and national publications reporting that Community Health Systems of Franklin, Tennessee (CHS) is considering the sale of 12 under-performing hospitals to improve its financial position; and

WHEREAS, in an article appearing in the September 16, 2016 issue of Modern Healthcare, it was reported that CHS may consider the sale of its entire 159-hospital chain; and

WHEREAS, CHS Chief Financial Officer, Larry Cash was quoted in the article, stating that several not-for-profit hospital systems had expressed an interest in purchasing additional CHS hospitals that had not been advertised for sale; and

WHEREAS, in a joint research project, conducted by the National Nurses United and the Institute for Health and Social Economic Policy, it was reported that municipal hospitals and other government-owned hospitals on the average have charge-to-cost ratios of 235% compared to a charge-to-cost ratio of 503% for for-

profit hospitals, the latter being approximately twice that charged by municipal/government run hospitals; and

WHEREAS, the residents and taxpayers of Key West and the Lower Florida Keys, who own LKMC, are increasingly discovering that they are not able to afford the high cost of healthcare provided at the Lower Keys Medical Center currently operated by CHS, which provides CHS with annual profits of 32% as it did for HMA who operated LKMC before CHS; and

WHEREAS, due to the cost of care at LKMC, many citizens are driving 50 miles to the next nearest hospital located at Marathon, Florida, for tests and treatment, or driving 70 miles to Plantation Key, Florida to a four-star rated hospital operated by a not-for-profit organization, both hospitals offering quality healthcare at affordable prices, not available at Key West's Lower Keys Medical Center, a one-star federally rated hospital; and

WHEREAS, some residents, primarily retired or elderly, living in Key West and the Lower Keys have actually moved away in order to be able to access quality and affordable healthcare; and

WHEREAS, the City Commission finds that it is important for residents of the City of Key West to have access to quality healthcare at reasonable prices;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the City Commission requests Community Health Systems of Franklin, Tennessee to transfer its leasehold interest in the Lower Keys Medical Center to a not-for-profit hospital system with a record of providing quality healthcare at reasonable prices.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this _____ day of _____, 2016.

Authenticated by the Presiding Officer and Clerk of the Commission on _____ day of _____, 2016.

Filed with the Clerk on _____, 2016.

Mayor Craig Cates	_____
Vice Mayor Clayton Lopez	_____
Commissioner Sam Kaufman	_____
Commissioner Richard Payne	_____
Commissioner Margaret Romero	_____
Commissioner Billy Wardlow	_____
Commissioner Jimmy Weekley	_____

CRAIG CATES, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK