

Wishard sets good example

Smart planning shields taxpayers

Editorial

A referendum this fall on Wishard Health Services' plans to build a \$754 million hospital will tell a lot about the mood—and savvy—of Marion County voters.

In this economy, and with government at all levels strapped for cash, the knee-jerk reaction might be to reject such a proposal. The price tag is huge, after all. But the financial preparation for the project by Wishard's parent organization, the Health and Hospital Corporation of Marion County, has been impressive and should be enough to sway voters.

Health and Hospital and its CEO, Matt Gutwein, have spent several years laying the groundwork to replace Wishard, which encompasses 17 buildings, the oldest of which was built 95 years ago.

When Gutwein became CEO in December 2002, Health and Hospital was awash in red ink. A month later it gambled on the purchase of 12 nursing homes, a bet that paid off with a steady stream of income—\$43 million last year—that is now more than enough to make payments on the proposed Wishard bonds without getting into the pockets of taxpayers.

The new hospital would be paid for with \$150 million in cash, \$50 million in private funds and up to \$703 million generated by selling the 30-year bonds voters will be

New Wishard wouldn't add to property tax burden.

asked to approve this fall. Taxpayers would be on the hook for the bond payments if Health and Hospital couldn't pay, but there's little to suggest the public health agency wouldn't live up to its obligation.

The nursing home revenue, along with cost-cutting and changes to billing-and-collection practices, put Health and Hospital in the black in 2005 and it hasn't looked back.

In spite of the fact it has no plans to tap taxpayers for the new hospital, it has no choice but to put the fate of the hospital in the hands of voters. The state last year began requiring government entities to seek voter approval for large capital projects.

The result has been a mixed bag for those entities seeking money. Voters in Noblesville rejected a bond issue for Noblesville schools last fall, but Marion County voters overwhelmingly approved



Indianapolis Public Schools' request for support of the \$278 million next phase of the school district's campaign to upgrade its facilities.

The cost of the new Wishard is much less likely than the IPS project to land in the laps of taxpayers. We hope voters will allow the project to proceed. In an era when granite lobbies and flowing fountains greet patients at hospitals on the city's fringe, those who seek care at the city's public hospital shouldn't be stuck with a cobbled-together complex of buildings with failing mechanical systems.

The fact Health and Hospital has positioned itself to provide a state-of-the-art facility with little financial risk to the public should be an example for other public officials whose job it is to spend taxpayer money wisely.