

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 Guttwein, have spent several years laying the groundwork to replace Wishard, which encompasses 17 buildings, the oldest of which was built 95 years ago.

When Guttwein 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

