



## VERNON MEMORIAL HEALTHCARE ANNOUNCES DISCONTINUATION OR CLOSURE OF SELECT PROGRAMS

Viroqua, Wis. – September 25, 2020 – Following a careful review of operations, Vernon Memorial Healthcare (VMH) today announced the following programs will be closed or discontinued:

- The Bland Bekkedal Center for Hospice Care, which is currently not serving any patients, will permanently close.
- VMH Home Health and Hospice Services, which is currently serving one patient, will transition that patient to a new provider as soon as practical, and then cease operations.
- Fairhaven Assisted Living in Viroqua and Old Times Assisted Living in Westby will no longer accept new residents and will work with the State of Wisconsin to create and implement a resident relocation plan. Bothne House Assisted Living in Coon Valley, which has been closed due to flooding since 2018, will remain permanently closed.
- The Vernon Memorial Pharmacy in Westby will remain permanently closed following its March closure due to the COVID-19 pandemic.

“Over many years, VMH has expanded well beyond the traditional rural hospital and ambulatory clinic model to include these and other services,” said David Hartberg, chief executive officer of Vernon Memorial Healthcare. “To no fault of our amazing caregivers and staff, these programs have run at a financial loss of several hundred thousand dollars each per year for many years. While many worthy programs in healthcare run at a deficit, these programs simply are not feasible for the long-term.”

Combined, these programs totaled nearly \$1.7 million in losses in 2019. The reasons for these losses are varied, but include declining Medicare reimbursements, low patient utilization, increased regulatory burdens, new competition, along with the general expensive nature of running high-quality programs. Vernon Memorial Healthcare’s Board of Directors unanimously approved these measures.

“We did not come to these decisions lightly, and each decision was made after careful analysis of alternative options,” said Hartberg. “We very much honor and acknowledge these services mean a lot to our community. As we move forward, our top priority will remain the well-being of our patients, families, and valued colleagues, and making sure we



nurture the core programs and services relied on by most of our community, especially at our hospital, four area clinics, and three pharmacies.”

As required, VMH is working with the State of Wisconsin and other partners to develop detailed plans to wind down these services safely and effectively while taking care of patients and affected employees. Specific timelines will be announced later.

Despite these challenges, VMH is on solid footing. While fiscal year 2020 is not yet closed (year-end is 9/30/20), VMH’s results for the first three quarters are largely stable thanks to sound decision making and the potential one-time impact of stimulus funding to address lost revenue due to COVID-19. “We will continue to do what is best for the longevity of VMH, our community, and the patients and families we are privileged to serve,” Hartberg concluded.

#### **About Vernon Memorial Healthcare**

Vernon Memorial Healthcare is an independent rural healthcare organization that consists of four clinics, three pharmacies, and hospital. In addition, VMH maintains relationships with regional healthcare providers and offers visiting specialty services located in the VMH Outpatient Specialty Care area. Vernon Memorial Hospital provides acute care services, swing bed services, as well as diagnostic, preventative, and emergency services in support of the inpatient and outpatient needs of the communities we serve. Vernon Memorial Healthcare employs over 500 employees.

For more information about the services offered at VMH please visit [www.vmh.org](http://www.vmh.org).

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