

Owatonna Hospital

Frequently Asked Questions

1. Why does our community need a new hospital?

The current facility, which dates back to 1931, is the result of many additions over the years that no longer provide a coordinated or efficient environment to provide care. The staff do an amazing job of working in this less than ideal space, but it does not provide us the environment needed to deliver care in the most efficient or effective manner for the future of this community.

Based on today's standards, technology and needs--our current patient rooms, operating suites, laboratory, and rehabilitation areas do not provide the space or privacy expected by patients, families, staff or physicians today. For example, 25 years ago Owatonna Hospital's emergency department was remodeled to care for 3,000 patients annually. Today, more than 10,000 patients are treated in the same space. Clearly, the deficiencies inherent in the structure will grow only worse with time under the pressure of increased patient volumes. The current facility is also landlocked in a residential area with limited room for building or parking expansion.

2. How will the new hospital raise health care to the next level for our community?

The replacement facility will support an integrated healthcare campus in the region's health care. Patients will have better access to appropriate care and the number of medical services available locally that would otherwise require travel to the Twin Cities or Rochester.

3. How would it affect recruitment and retention of doctors if a new hospital is not built?

An efficient, up-to-date facility is critical to the recruitment of new physicians and retention of our current core of outstanding physicians and staff. With the new healthcare campus, the Owatonna Clinic will be better able to recruit and retain high-quality physicians, especially in the surgical and specialty areas.

4. What kind of economic impact does Owatonna Hospital have on the community?

Businesses look at the quality of health and education services when making location decisions. Health care services must be high quality and conveniently located for their employees. Investments in the new healthcare campus increase our ability to attract and retain businesses. Owatonna Hospital has a direct major economic impact on this community. For example, Owatonna Hospital:

- Employs more than 330 employees and has \$14.2 million annual payroll.
- Gives back more than \$4 million annually to Owatonna in charity care programs, to non-reimbursed public program payments (Medicare and Medicaid), to community health programs such as screenings and health fairs, social programs that address the needs of the community such as Mobile Meals, and athletic training support to Owatonna, Medford and Blooming Prairie Public Schools.
- The hospital construction project alone will support 800 construction-related and support jobs and bring in more than \$27 million in wages into our community.

In addition, Owatonna Hospital creates a ripple effect throughout the local economy by providing an anchor for other health care and support jobs. For example, Owatonna Hospital:

- Supports more than 700 additional jobs in the community.
- Supports more than \$61 million of income activity in Steele County.

5. How many beds will the replacement hospital have?

The new replacement hospital will feature 38 beds based on patient volumes and projected growth for the area. The facility will include all private patient rooms, with the exception of the Mental Health Unit.

6. Why only 38 beds if the area is growing so quickly?

The decision to build a 38-bed hospital reflected analysis of growth projections that were reasonable and attainable four years ago. The design of the building will readily allow us to add space and beds when volume justifies expansion.

7. How long will the construction take?

Construction is expected to take about 18-20 months. Owatonna Hospital expects the project to be completed by mid- 2009.

8. Where will the new hospital be located?

The new hospital will sit on 20 acres and connect to the expanded Owatonna Clinic-Mayo Health System 26th Street facility, off interstate 35.

9. How much will the replacement hospital cost?

Total cost of the project is \$49 million. Allina Hospitals & Clinics will be investing \$46 million for construction, equipment and furnishings. The replacement hospital is well within industry standards for new healthcare construction projects. The building will be attractive, but not lavish.

As we began preparing for the construction of the new hospital, the hospital surveyed over 500 community residents about what they'd like to see in the new hospital during five community forums, an online survey and many other face-to-face conversations. To meet the needs expressed by community members, five Special Project Features emerged to expand the original dream of a new hospital. The total philanthropic investment needed for these five elements is \$3 million.

10. Will this project cause the system to raise its rates?

The cost for services will not increase as a result of building a replacement hospital. There are much larger state and national forces that impact the cost of health care. Some of these include

- Rising wages and health care workforce shortages.
- Increased costs for goods and services to provide the care.
- Higher demand for care from a growing and aging population.
- More people are living longer with chronic diseases that require continuous treatment.

The system is striving to keep health care affordable, while retaining independence and local community control.

11. Will the cost of my insurance go up or down if we build a new hospital?

The cost of insurance will not be affected whether or not a replacement hospital is built in Owatonna.

12. How will the existing hospital building be used?

When the replacement hospital opens in 2009, Allina will transfer ownership back to the city. The city is looking for economic development opportunities for the property.