

RESOLUTION No. 23-03-014

Sponsored by Commissioners Misty Davis and Mike Akard

RESOLUTION TO ADDRESS THE FUTURE OPERATION AND MANAGEMENT OF BLOUNT MEMORIAL HOSPITAL

BE IT RESOLVED, by the Board of Commissioners of Blount County, Tennessee, in session assembled this _____:

WHEREAS, Blount County, Tennessee owns Blount Memorial Hospital and its related and associated facilities; and

WHEREAS, Blount Memorial Hospital, Inc. has been Blount County's agent for the management and operation of the hospital, but has done so without the benefit of a written agreement which has led to disputes and disagreements between the parties; and

WHEREAS, Blount County has become concerned about the ongoing viability of Blount Memorial Hospital due to the dire financial circumstances which now exist at the hospital; and

WHEREAS, this body has taken steps to try to assist in addressing the issues facing the hospital by attempting to implement Charter amendments, replace board members and seek an independent consultant to evaluate and assist with the ongoing issues at the hospital; and

WHEREAS, Blount County's current agent for the operation of the hospital, Blount Memorial Hospital, Incorporated, has completely resisted the efforts described above and, in fact, has decided to sue Blount County to contest the ownership of one of the related and associated facilities of Blount Memorial Hospital; and

WHEREAS, Blount Memorial Hospital, Inc. and its Nominating Committee have refused to accept the nominees appointed by this body to Blount Memorial Hospital's Board of Directors; and

WHEREAS, Blount Memorial Hospital, Inc. has refused to honor the resolutions of this body removing the County's appointed directors; and

WHEREAS, there is currently significant bond debt issued by Blount County to finance or refinance improvements to the hospital, which bond obligations would be in default if not for a waiver from the bondholder for the failure to comply with bond covenants; and

WHEREAS, Blount Memorial Hospital, Inc. has pursued a transaction wherein the Springbrook complex/wellness center would be sold and released as a means for

temporary infusion of cash and has advised in writing that without this infusion of cash that the financial viability of the hospital is at risk; and

WHEREAS, the administration of the University of Tennessee Medical Center has been approached by the Blount County Mayor and his staff and in preliminary discussions, have indicated a willingness to offer assistance to Blount County in the operation of its hospital and specifically, has indicated a willingness to discuss a management agreement to manage the hospital on behalf of Blount County or its designated agent; and

WHEREAS, this body has an obligation and desire to take all necessary action to protect the hospital assets and further, to ensure the continued viability of Blount Memorial Hospital.

NOW, THEREFORE, BE IT RESOLVED, BY THE BLOUNT COUNTY LEGISLATIVE BODY MEETING IN REGULAR SESSION AT MARYVILLE, TENNESSEE, on this _____ day of _____, 2023, as follows:

1. The Blount County Mayor and his staff are hereby authorized to begin negotiations with University of Tennessee Medical Center to develop a written agreement relative to the University of Tennessee Medical Center offering management services to Blount County, Tennessee or its designated agent for the operation of Blount Memorial Hospital and its related and associated facilities to allow a contract to later be brought before this body for review and approval, if this body finds the same to be proper and in the best interest of Blount County.
2. The Blount County Mayor is authorized to enter into negotiations with the Board of Directors of Blount Memorial Hospital, Inc. to enter into a written agreement with Blount Memorial Hospital, Inc. clearly defining the rights and obligations of the parties as it relates to Blount Memorial Hospital and its associated and related facilities and further, to negotiate with said Board to seek their approval of the management agreement described in paragraph no. 1 above for the future operation of the hospital.
3. In the event the Blount County Mayor can successfully negotiate a written agreement with Blount Memorial Hospital, Inc. as described above, that agreement will be brought back before this body at a future date for approval or in the event that such an agreement cannot be reached with Blount Memorial Hospital, Inc., to bring the matter back before this body for further action to consider termination of Blount County's management relationship with Blount Memorial Hospital, Inc.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION SHALL BE IN FORCE AND BECOME EFFECTIVE UPON ITS ADOPTION, THE PUBLIC WELFARE REQUIRING IT.

ADOPTED THIS _____ DAY OF _____, 2023.

CERTIFICATION OF ACTION ATTEST

Commission Chairman

County Clerk

Approved: _____

Vetoed: _____

County Mayor

Date