

### **Why is Bigfork Valley exploring a dual governance model?**

The Northern Itasca Hospital District was created in 1974 as a governmental entity. Board members are elected by voters to represent each township or city included in the hospital district.

A dual governance model allows the hospital district to own and maintain the physical buildings and lease the property to another organization to operate the health care services. This preserves ownership of the building and local control over the entity that they allow to provide health care services in the area. A dual governance structure allows the organization to leverage benefits from being both a governmental entity and a non-profit organization.

- Retain district board's local control through the lease agreement.
- Allow the new operating organization board to select board members based on business, legal, healthcare, or other expertise.
- The new operating organization would have the ability to pursue grant funding that is currently not available to the hospital district.

### **How would a governance change affect Bigfork Valley patients?**

Bigfork Valley would continue to operate as it currently does today. Operations would be conducted by a new locally controlled organization that would continue to provide health services to the community.

### **How would the process affect the employees?**

Typically in dual governance arrangements, assets are transferred to the operating organization to continue providing health care services. The employees are vital to providing quality services and would be employed by the new operating entity with their status unchanged from their current status with the hospital district.

### **How would the community's interests be protected if a dual governance model proceeded?**

Transferring the operations of the health care services relieves the hospital district from health care operations. The hospital district maintains ownership of the building and debt and receives a lease payment from the operating entity. The established lease allows the hospital district to define criteria expected from the leasing entity and ultimately retains local control with the ability to end the operating lease if expectations are not met.

### **How is this going to affect my tax levy?**

MN Statute 447.47 defines leasing arrangements for hospital districts. Each year the hospital district board members assess and vote on a tax levy amount to be in place for a 12 month period. While the tax levy will still be in place, this option has the potential to provide additional revenue streams such as grants, in an effort to alleviate the burden on the tax base.