



Legislation Text

File #: 15-00522, **Version:** 2

Ordinance No. 15-68 amending Article 9 (Initiated Ordinance Pertaining to Enterprises) of Chapter 14 (Municipal Enterprises) of the Code of the City of Colorado Springs 2001, as amended, pertaining to the Memorial Health System Affiliation as approved by the electors

From:

Wynetta Massey, City Attorney

Summary:

The City Attorney proposes various amendments, modifications and conforming changes deemed necessary or appropriate to the City's ordinances as existing prior to the effective date of the City's Memorial Health System enterprise lease and affiliation with University of Colorado Health (and its affiliates).

Previous Council Action:

By Resolution No. 89-12, dated June 27, 2012, the City Council directed the City Attorney to take all necessary or appropriate steps to effectuate and implement the Health System Operating Lease Agreement dated July 2, 2012, and the Integration and Affiliation Agreement dated July 2, 2012, by and among the City, University of Colorado Health ("UCH"), Poudre Valley Health Care, Inc., and UCH-MHS (the "Memorial Health System Affiliation"), which became effective on October 1, 2012. By Resolution No. 120-12, dated September 25, 2012, the City Council further authorized and directed the City Attorney to review the ordinances as existing prior to the effective date of the Memorial Health System Affiliation and to propose such amendments, modifications or conforming ordinances for the City Council's review and approval as deemed appropriate by the City Attorney to clarify and carry out the continuing role of the City's Memorial Health System enterprise consistent with the terms of the Memorial Health System Affiliation. This effort was delayed as a result of discussions between UCH and Children's Hospital, which had the potential to affect the ordinance revisions.

Background:

Since 1949, the City has owned Memorial Health System (then known as Memorial Hospital) and was the licensed operator of Memorial Health System facilities from 1949 to 2012. Memorial Health System was established as an enterprise of the City (the "MHS Enterprise") governed through a Board of Trustees.

In order to ensure the continued provision of the highest quality of care to the greater Colorado Springs community, careful consideration was given by the Board of Trustees, the City Council, and the citizens of the City to various options for the ownership, governance, and control of Memorial Health System, including the option of leasing the assets of Memorial Health System to an outside independent operator.

After determining it to be in the best interest of the public health, safety, and general welfare of the City and its residents, the City Council approved the City's entry into (i) the Health System Operating Lease Agreement dated July 2, 2012 (which contemplated transfer of Memorial Health System assets and the long-term lease of Memorial Health System facilities to a lessee (first Poudre Valley Health Care, Inc., then UCH-MHS)), and (ii) the Integration and Affiliation Agreement, dated July 2, 2012, by and among the City, University of Colorado Health, Poudre Valley Health Care, Inc., and UCH-MHS (such agreements, collectively, the "Memorial Health System Affiliation").

The voters of the City, upon referral by the City Council and through the special election held August 28, 2012, approved the terms of the Memorial Health System Affiliation, and the transactions and actions contemplated thereby, and the Memorial Health System Affiliation became effective on October 1, 2012.

The MHS Enterprise remains an enterprise of the City, with responsibilities relating to, among other matters, administering and monitoring the Memorial Health System Affiliation, preparing to address and resolve any issues or concerns arising under the Memorial Health System Affiliation or related agreements, evaluating potential future health care services and affiliations or ventures, and managing residual liabilities from the MHS Enterprise's direct operation of health care facilities prior to the Memorial Health System Affiliation.

In accord with Resolution Nos. 89-12 and 120-12, the City Attorney has reviewed the ordinances as existing prior to the effective date of the Memorial Health System Affiliation and proposes these amendments, modifications and conforming changes to the City Code, which include defining and explaining the MHS affiliation, standardizing terminology throughout the City Code, and clarifying that certain provisions of the City Code are subject to the terms of the Memorial Health System Affiliation. The City Attorney deems these proposed revisions necessary or appropriate to clarify and carry out the continuing role of the City's Memorial Health System enterprise consistent with the terms of the Memorial Health System Affiliation.

Financial Implications:

N/A

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

The City Council could decide not to approve the proposed changes, which would result in inconsistent and/or ambiguous City Code provisions that may be in conflict with the terms of the MHS Affiliation.

Proposed Motion:

Move to approve the Memorial Health System Ordinance Revisions as proposed.

N/A

