

A New Year, A New Investment in Lakewood

Frequently Asked Questions About the Future of Lakewood Hospital

After nearly one year of fact gathering, feedback from the public, a general election, and negotiations between the city, Lakewood Hospital Association and the Cleveland Clinic, Lakewood City Council unanimously approved a new master agreement designed to ensure the availability of high-quality health care in the city of Lakewood.

The agreement involves a more than \$100 million investment in Lakewood that transitions health care delivery from a “sick care” hospital inpatient model to an innovative, contemporary and sustainable outpatient health and wellness approach. Along with a 24/7/365 emergency department, the healthcare needs of the community will be met.

The city of Lakewood has gotten some feedback from the community. Here are some of the most frequently asked questions.

What emergency services will the new facility include?

With a 24/7/365 emergency department staffed by board-certified emergency physicians, the health care needs of the Lakewood community will be met in a facility that is much more advanced than an urgent care center. Every day, every hour, doctors and nurses will be ready to treat a wide range of medical emergencies, including strokes, and will have at their disposal a full set of diagnostic services onsite, including MRIs and labs. This agreement makes certain that as long as the Cleveland Clinic operates a family medical center (and between now and the new center’s opening), it will include 24/7/365 emergency services *at a level of service that’s at least as high as or higher than the service currently offered at the hospital’s emergency room.*

The fact is that most emergencies involve treatment and discharge to home within 24 hours. If inpatient care is needed beyond 24 hours, patients arriving to the Lakewood emergency department will be transported to the closest, most appropriate inpatient hospital.

This new agreement also includes the use of a mobile stroke unit operated by the Cleveland Clinic in Lakewood, which can take advanced stroke care directly to the patient in trouble.

If someone needs to be transported to another facility, won’t longer transports hurt medical care?

Patients are assessed and treated either on the scene by paramedics or in the emergency department by board-certified emergency room doctors, nurses, and other medical personnel. Decisions to transport are made to ensure patients are receiving the most appropriate care in the most appropriate place. Lakewood Fire Department medics provide high-quality patient care throughout the transport. The increased transport times from Lakewood to Fairview or MetroHealth are less than transport times from cities like Strongsville and North Royalton to Southwest General, or from Brecksville and Broadview Heights to Parma, Marymount or Akron.



What are the development opportunities?

The location of a modern family health center creates value for the downtown district and increases economic development. There is flexibility in the use of these community assets, with increased (and rare) opportunity to develop 5.7 acres of city-owned property in the heart of downtown Lakewood.

Does this mean that a hospital cannot go on the site?

Of course, other healthcare entities have opportunities to provide healthcare services in the city of Lakewood. However, as part of the consideration for the Clinic's purchase of the family health center site, a restrictive covenant was placed on the current hospital site. That means that there are some restrictions about what can be built on the site of the former hospital, including general or oncology hospitals — those would need prior approval of the Cleveland Clinic. Does this mean that other healthcare facilities couldn't open at the existing hospital site? No. Other facilities could open without prior approval of the Cleveland Clinic; those include children's hospitals or outpatient care facilities operated by independent physicians and licensed provider groups.

Will there be an increase in taxes?

There will not be an increase in the income tax rate as a result of the elimination of inpatient services at Lakewood Hospital.

The city's finances are strong enough to weather the reduction in the withholding tax revenue that was generated from Lakewood Hospital. It is just one part of many different revenue sources that fund the city's General Fund.

In fact, the city's reliance on hospital-generated withholding income tax revenue has decreased over the years prior to the announcement of the letter of intent in early 2015. That means we are not a company town, and the city's income tax revenues have been steadily increasing over the past five years because of growth in residents' salaries.

Also, the terms of the new master agreement keep the city financially "whole" and then some — meaning that the proceeds of the \$8.2 million sale of 850 Columbia Rd. by LHA to the Clinic, the \$7 million for development of the hospital site, and continued lease payments through 2018, as well as withholding tax from the remaining employees at the hospital, equal or exceed the estimated amount of withholding taxes and lease payments through the duration of the lease that was set to expire in 2026.

So how is this deal better than the one announced in early 2015?

In addition to the reserve of \$7 million of LHA assets to be used with the redevelopment site, the master agreement presents other key improvements over the 2015 letter of intent.

- Most significantly, the new proposal makes better use of community assets. By moving the proposed family health center across the street to the southwest corner of Belle and Detroit, it frees up more than 5 acres of land where the current hospital sits for redevelopment. This funds our future, producing revenue-driving opportunities, economic development and a visionary downtown district.
- This proposal also creates a demolition/redevelopment reserve for the hospital property. The city has negotiated a reserve of \$7 million of LHA assets to be used as the city sees fit in conjunction with the redevelopment of the hospital site.
- Funding for the new community health foundation has been preserved at \$32.4 million, even though LHA assets have dwindled since the original agreement was presented. (This excludes the current hospital foundation's assets, which remain intact.)
- The city negotiated a two-fold increase in the payments to be made for use of the hospital during the transition period.
- As a result of these negotiations, we've received the Clinic's binding assurances to provide 24/7/365 emergency care in Lakewood, to deploy a mobile stroke unit here, to bring the family medicine residency and LGBT programs to the new health center, and to work with a new community advisory board to include citizen input into new services.

For more information, visit onelakewood.com or send an email to wellness@lakewoodoh.net.

