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Bid to reopen hospital hangs on 1% tax vote

Levy would be for 5 years

by [Jordan Gass-Pooré](#) | June 20, 2015 at 5:36 a.m.

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Next month, residents in east Arkansas will vote on whether to raise the sales tax for the next five years to reopen Crittenden Regional Hospital.

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Crittenden Regional Hospital -- the only hospital that served West Memphis, a city of more than 25,000 people -- closed in September because of what its Chief Executive Officer Eugene Cashman cited in an Aug. 25 letter to the hospital's 400 employees as "insurmountable obstacles."

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The hospital couldn't pay its \$33 million debt, administrators said.

If the proposed 1 percent sales tax increase is approved by voters July 14, Ameris Health -- based in Nashville, Tenn. -- would run the hospital, likely under the name Mid-South Community Hospital, Crittenden County Justice of the Peace Hubert Bass said.

Bass estimated that the sales tax increase on top of the county's current rate of 1.75 percent would generate a total of about \$30 million in five years for the hospital's operations.

Ameris Health would also invest \$15 million to reopen the hospital between December and March with fewer employees than before.

Representatives of the company toured the hospital last week after making appearances at town-hall meetings across the county, Bass said.

"Our people want a lot of information," he said, because West Memphis residents want to prevent history from repeating itself.

Voters had overwhelmingly approved a 1 percent countywide sales tax increase in June 2014 to keep the hospital afloat. The tax, for which collections were scheduled to begin in October, was estimated to generate between \$6 million and \$7 million annually.

Then the hospital's board filed for Chapter 7 bankruptcy in September. This type of bankruptcy allowed the Crittenden Regional Hospital to sell some of its assets to pay off its debt.

"The last board won't have anything to do with it," Bass said of the hospital talks in West Memphis.

If the plan works out, the Crittenden County Quorum Court will choose three hospital board members, and Ameris Health will choose the other four.

Woody Wheelless, county judge of Crittenden County, said in October that the hospital still owed \$4.9 million on the bonds but that a portion of the \$3.1 million from the sale of the hospital's home-health equipment would be used to retire some of the bonds.

Wheelless wasn't reached by phone or email Friday. His assistant, Paula Adams, said he is on vacation until June 29.

Cashman, who had campaigned for the tax last year, wrote in his letter to hospital employees that revenue from the sales tax wouldn't be enough to maintain operations. So voters repealed the sales tax increase, and the hospital closed its doors indefinitely.

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Since then, West Memphis residents have had to drive to Memphis for hospital care, Bass said.

Bass, the president of the private Crittenden County Justice Commission, asked 2nd Judicial District Judge Victor Hill in Marion to enlist a special grand jury to determine whether any criminal actions were involved in the hospital's closure.

Several Crittenden Regional Hospital employees have joined in two civil lawsuits against the hospital, claiming that hospital administrators withheld money from employees' paychecks for insurance but failed to pay last year's premiums, the *Arkansas Democrat-Gazette* reported in December.

Denny Sumpter, a West Memphis attorney and former state representative, filed suit in September in U.S. District Court in the Eastern District of Arkansas against the Crittenden Hospital Association; Cashman; association Chairman David Rains; and Cigna, the third-party insurance provider for the hospital.

In the five-page lawsuit, Sumpter is seeking damages, reimbursement for insurance costs and attorney fees.

Sumpter claims in the lawsuit that his mother, Deloris Sumpter, who worked in the hospital's medical records division for 36 years, was billed for \$28,000 for a medical procedure that her insurance should have paid.

His father, Roger Sumpter, also faces a bill of \$100,000 for a heart surgery that won't be paid by insurance, Denny Sumpter said.

The case has 171 plaintiffs, he said, but will eventually include almost all of the hospital's employees because many of them continue to have insurance problems, although many have found employment.

A trial date has been set for Feb. 8, according to court documents.

"In our county, we still need a hospital," Sumpter said. "We still feel the void of it being closed."

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