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Kalkaska Memorial Health Center Gains Flexibility



Kalkaska’s largest hospital will transition this year from a municipally owned entity to a nonprofit, a structural move that hospital leaders say will give it a better chance to remain independent and thriving well into the future.

While Kalkaska Memorial Health Center (KMHC) is an affiliate of Munson, it has been since its inception in 1953 owned and operated by an authority comprised of local governments, something prescribed in the 1945 law under which the hospital was created. But that arrangement is increasingly restrictive, hospital leaders say, particularly as it relates to joint ventures with other hospitals.

Kalkaska County voters in November resoundingly approved ending that arrangement, which paves the way for KMHC to form a 501(c)(3) nonprofit to manage hospital operations. KMHC administrator and CEO Kevin Rogols say hospital leadership will now spend the next six to nine months forming the nonprofit, being careful to include representation from the various municipalities that previously ran the hospital authority.

Rogols says the move was not intended to clear the way for a buyout by another hospital system or end KMHC’s relationship with Munson. Instead, it now frees up KMHC to enter into relationships with other hospital systems for a variety of services that make sense from a business perspective, something that may be critical for long-term viability.

“This actually solidifies our ability to remain an independent healthcare provider,” he said. “If the horizon is remaining as a strong, independent healthcare entity, that horizon was very limited and fairly short under the municipal framework. (Becoming) a modern non-for-profit and having the ability to do joint ventures exponentially lengthens that independent horizon.”

There were no specific initiatives or joint measures on the table that led to the decision to break free from the municipal system, Rogols says, and hospital officials have repeatedly dispelled notions that the move means KMHC will soon be sold.

As for its relationship with Munson, Rogols says the move will make KMHC more of a level partner with Munson rather than a mere customer.

“In future years, rather than KMHC just buying services from Munson, we hope that you're going to see services that are jointly developed,” he said. “You're going to see new relationships, expanded relationships in which both parties, Munson and KMHC, actually have skin in the game.”

In other developments, KMHC will soon be on the look for a new leader, as Rogols is retiring in April after 11 years there and more than 40 years in hospital administration.