

✓ ^{HOSPITALS - DOMINICAN Hospital} Bond sale nets Dominican \$14.6 million

By AMY ZUCKERMAN
Sentinel staff writer

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SANTA CRUZ — Dominican Hospital will receive \$14.6 million in revenue from bonds sold to private investors by the state Treasurer's Office.

Penny Jacobi, spokeswoman for Dominican, said the revenues replace money already borrowed by the hospital.

"We are being responsible in finding the lowest interest rates and in being efficient, and that's always reflected in hospital rates," she said.

Officials said that the state's Health Facilities Financing Authority approved the sale of \$85 million in tax-exempt bonds for

Catholic Healthcare West, a consortium of 13 hospitals that includes Dominican.

The state Treasurer's Office sold the bonds and will distribute revenues to Dominican and four other member hospitals for specific projects.

Dominican plans to spend its share on two projects.

The hospital's emergency room expansion, begun last month, will receive \$4 million, the estimated cost of the project. However, Jacobi said the project's cost may exceed that sum.

The hospital's remaining \$10.6 million will be used to refinance Dominican's acquisition of Community Hospital. The sum will go

to a taxable line of credit used to finance the buy-out, according to the state Treasurer's Office.

Community Hospital is now known as Rehabilitative Services.

Jennifer Openshaw, press secretary for the Treasurer's Office, said Catholic Healthcare West successfully applied for the bond revenue from the Health Facilities Financing Authority.

Openshaw said the goal of such bond sales is to lower the expenses of hospitals and health-care facilities around the state.

"On an ongoing basis we provide tax-exempt bonds to non-profit, private and public health facilities around the state to lower costs for them," said Openshaw.

Openshaw said the bonds will be repaid, unlike grants. "It's not like the state is giving money away."

Terry Partington, deputy executive director for the state's Health Facilities Financing Authority, said the AAA-rated bonds were sold at an interest rate of 6.67 percent.

Jacobi said Dominican applied for the bond revenues in conjunction with the hospital consortium to get better rates.

Partington called the hospital consortium "quite a strong entity" with a solid credit rating.