

# Gwinnett Voters Rule Tuesday On \$48 Million Hospital Plan

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A proposal to use county-guaranteed revenue bonds to build a \$48 million hospital and medical center in Gwinnett County will go before Gwinnett voters in a referendum Tuesday.

The vote will be non-binding on both the Gwinnett Hospital Authority, which would build the facility, and the county commission, which would guarantee the bonds. But the project is expected to move ahead if the voters express their approval.

Planned is a 250-bed facility in the vicinity of Highway 316 and Atkinson Road, viewed by planners as the county's center of population growth. The hospital would open by 1985, according to current projections.

The hospital authority presently operates three publicly owned facilities in Gwinnett: the 79-bed Button Gwinnett Hospital in Lawrenceville, the 104-bed Joan Glancy Memorial Hospital in Duluth, and the 59-bed Buford General Hospital in Buford. The Button Gwinnett Hospital, oldest of the three, would be closed and its building converted to other county uses if the new medical center is constructed.

To finance the project, the hospital authority would sell revenue bonds, or "revenue anticipation certificates," which would be repaid over a 30-year period from the hospital system's own revenue, such as patients' fees. County tax dollars would go into the project only if the authority defaulted on the bonds, which backers of the new hospital claim would be highly unlikely.

That contention has generated some controversy, however, with officials of the county's only privately owned hospital, Gwinnett Community Hospital in Snellville, contesting the assessment.

A hospital authority member, who asked not to be identified, said the county hospital system has always operated in the black. The

only tax funds to be funneled into the system have been to help pay for the cost of care for the poor, and the authority has paid a majority of that cost, he said.

In 1980, indigent care cost the system about \$450,000, but the county had to contribute only \$150,000 of that sum, with the remainder coming from the authority's own revenue, he said.

Backers of the proposal also point to a study by Ernst & Whinney, a public accounting firm, which projects that the new hospital would operate in the black from its first year on. With the county backing the bonds, the authority would be able to sell them at a lower interest rate, which would translate into at least a \$14.4 million savings over the retirement period, the calculations indicate.

While supporters say the new hospital is needed to keep up with population growth in Gwinnett and to provide more up-to-date medical facilities, the executive director of the privately owned Gwinnett Community Hospital disagrees.

"We think the new hospital is not needed as proposed, and we don't feel it's financially viable at the present time," said David Harris, head of Gwinnett Community Hospital, whose parent corporation has undertaken a newspaper and home-mail advertising campaign to fight the proposal.

"We think it's going to be a drain to the taxpayers," he added, noting that the two-year-old Gwinnett Community Hospital is "just beginning to operate in the black, and we have a lot of support. They're looking at five times the amount of debt we have and they're saying they'll be in the black the first year. That's difficult for me to visualize."

If the voters reject the proposal in Tuesday's balloting and the county decides not to back the bonds, the hospital authority could still issue them without the county guarantee, at a higher interest rate. But no decision has been made on whether that would be done, a spokesman said.