

THE WYANDOTTE HEALTH FOUNDATION

Its Heritage, Conception, Birth,
Maturity and Mission
1969-2006

By Orwin L. (O.L.) Plucker



About the Author



O.L. Plucker was the second of five children born at home on a South Dakota farm and a graduate of a one-room school. He grew into a lifetime career in education and public service. Working his way through undergraduate college years as a night orderly in a Sioux Falls, South Dakota, hospital convinced O.L. that he did not want a medical career. However, the experience ended in his marriage to a nurse—his wife, Mavis (Appleton) Plucker.

After five years of teaching high school classes in government and social sciences and serving as assistant to the superintendent of schools in Yankton, South Dakota, O.L. completed doctoral studies in public administration and school administration at the University of Colorado. He moved to “Harry’s Town”—Independence, Missouri—where he was an administrator and superintendent of schools for 11 years. For the next 24 years, he was superintendent of the Kansas City, Kansas public schools.

In Kansas City, Kansas, as in Independence, O.L.’s activities covered a broad range of professional and community service. His many professional activities included service as president of the Kansas Association of Public School Administrators, chairman of the American Mid-Urban

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Origins • Development • Services
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A WORD OF APPRECIATION

*to all who provided encouragement and
assisted in the gathering of information
for this monograph*

U ndocumented statements and references in these pages are largely based on the minutes of monthly meetings of the board of directors and executive committee and the records of the Wyandotte Health Foundation. Also of great importance were interviews with past members and officers of the Bethany board of directors. Information was provided by John Millard, a long-time president/CEO of Bethany Medical Center; Cecil Miller and W. Jackson (Jack) Letts, past chairmen and long-time board members; *The Kansas City Kansan* newspaper; Reid Holbrook, legal counsel for Bethany and the Foundation; the annual *Journals* of the Kansas East Conference of the United Methodist Church; a brief synopsis of the history of Providence Medical Center provided by Therese Horvat, former public relations director; and the briefs, court filings and opinions of the Wyandotte County District Court and the Supreme Court of Kansas.

The author of this material was O. L. Plucker, a member of the Bethany board of directors from 1982 until the final sale of Bethany and then a member of the Bethany Corporation board and the board of the Wyandotte Health Foundation. He also is a past chairman of the Bethany board and the board of directors of the Wyandotte Health Foundation. Special appreciation is extended to Marolyn Kelley, administrative assistant of the Foundation; George Howell, vice president for finance; and William (Bill) Epperheimer, its president/CEO, for their assistance in information gathering and for their patience with my many questions and my rummaging through files and records.

Orvin L. (O.L.) Plucker

*Wyandotte Health Foundation:
A phoenix—a product of its deliberate
self-immolating decisions only to rise from
its ashes to a thing of beauty.*

ORIGINS: GENESIS AND HERITAGE

Life and death are equal parts of the evolutionary process. There is possibly no better example than the genesis and heritage of the Wyandotte Health Foundation (WHF). The Wyandotte Health Foundation is totally the child of the former Bethany Hospital and Medical Center.

Concern for the health of residents of Kansas City, Kansas, dates back to the late 19th century. In 1892, five residents of that city got together and created the Bethany Hospital Company for the purpose of providing “nursing and medical treatment to the sick and wounded” as defined in Bethany’s charter of 1892. The founders specifically directed that the hospital be “in or near Wyandotte County” and that the institution be one “in which indigent patients may be treated and nursed.”

In the early days following the founding of Bethany, a very close relationship existed between the Kansas East Conference (KEC) of the United Methodist Church and Bethany Hospital. That relationship continued into the early 1960s. During those years, the Conference urged its member churches to provide support for the hospital and especially its nursing education program and the chaplaincy. It also raised some funds for the general operation of the hospital. During that period, it also had the power to approve the hospital’s constitution and bylaws and to approve new board members nominated by the hospital board. As the hospital grew and expanded its services and financial strength, the responsibilities

of the Conference and the contributions of the member churches diminished. The relationship was totally severed in later years as described in another part of this report. Although Bethany continued its affiliation with the Conference, the amounts contributed in this manner largely ended in the late 1960s.

Bethany continued to operate a hospital for a period of 105 years and kept its doors open for the community and especially for those who could not afford medical care. In 1996, the hospital provided nearly \$4.5 million in charity care not including bad debts. Bethany continued to provide free medical care to indigent persons even though the hospital had operating losses of about \$16 million from 1989 through the end of the 1996 fiscal year.

To assist in raising funds, Bethany created an affiliated organization, the Bethany Hospital Medical Center Foundation. By 1991, the foundation, through its Second Century Society, had raised over \$1.5 million for the hospital. Contributions made directly to the hospital by individuals were also significant.

CONCEPTION COMPLICATIONS

It is quite possible that the seminal event that preordained the loss of private acute care hospital service to the urban core of Kansas City, Kansas, and the formation of the Wyandotte Health Foundation took place in the late 1960s. Urban change in the 1960s and 1970s shook the foundations of a broad range of institutions. Hospitals were no exception, especially with regard to the “stand-alone” institutions located in the core of many major cities. Kansas City, Kansas, was a part of the urban core of the Kansas City metropolitan area and was not an exception to the national trends.

For more than a century, Kansas City, Kansas, had been served by four church-related hospitals. Bethany Medical Center was a private corporation with ties to the Kansas East Conference (KEC) of the United Methodist Church; Providence Hospital was operated by the Catholic Sisters of Charity of Leavenworth; St. Margaret Hospital was operated by the Franciscan Sisters of the Poor; and Douglass Hospital, serving primarily African American patients, was related to the Episcopal church. A fifth hospital also located in Kansas City, Kansas, was the state institution, the University of Kansas Medical School and Hospital.

As the increasing complexity of medical care and the rising cost of newer technological demands grew, the demographic and economic patterns of urban areas were also experiencing rapid change. As in many other urban centers, questions related to the efficiency, adequacy and ultimate viability of multiple independent hospitals operating in the same community and providing duplicative services were causing deep concern in hospital board and management circles.

By mid-1968, a number of physicians practicing at Bethany, Providence and St. Margaret had become concerned about the difficulties of serving on the staffs of three different hospitals and the long-term viability of the then current arrangement. They had begun a series of meetings to discuss the future prospects and possibilities of a merger of the three major private hospitals.

As indicated in the minutes of the Bethany board of directors, the matter was brought before them in January 1969 with the suggestion that a “non-sectarian, not-for-profit corporation ... [with the] unification of the boards, medical staffs and administrations of the three hospitals” should be considered. The board took up the matter, and it was moved and approved that representatives be appointed to “meet and explore the possibilities of a merger.”

At the next meeting of the board (February 27, 1969), the ad hoc committee reported that it had met with representatives of all four of the hospitals and their respective boards and that a Merger Investigation Committee (MIC) had been formed with members of the administrative and medical staffs of the three hospitals and representative of the “Protestant, Catholic and Jewish” faiths. Along with other details, the committee again explained the need for “one large community hospital—non-sectarian and not-for-profit.”

It was also reported that the bishop of the KEC was favorably disposed to a proposal for merger of the institutions. Bethany board members moved and approved that “the Administration and the MIC work aggressively toward expediting the hospital merger.” A plan for a 23-member board of the proposed merged hospital was also presented for discussion with officials of the Conference.

By mid-April, the Bethany board agreed to the concept presented and approved a timetable for securing the approval of the “decision makers” or officials governing the other hospitals, after which a consultant should be employed to “develop feasibility studies [and] immediate long-term plans for the merged organization.” The Bethany board adopted a formal resolution on May 20,

1969, requesting the endorsement of the KEC. It should be noted that although an informal and historic relationship existed between Bethany and the Conference, any governing or supportive role by the Conference was severed a number of years later so as to isolate the United Methodist Church from liability for any obligations incurred by Bethany. Bethany became a freestanding and independent not-for-profit corporation.

The severing of that relationship is worth noting as a part of the heritage of the Wyandotte Health Foundation. The 1983 KEC Journal redefined the Bethany/Conference relationship in a statement that said “Bethany ... [and other listed institutions] ... are wholly independent institutions from the Kansas East Conference.” It continued with the declaration that “The Annual Conference shall not monitor, supervise or otherwise review any of the affairs or operation of these institutions [and] ... shall have no legal responsibility for any of these institutions.” That action, along with several others, became an important factor in the determination of how the proceeds arising from the eventual sale of the Bethany assets might be used.

At the Bethany board meeting of October 23, 1969, more specific plans for the division of specialized services between the hospitals for more efficient and effective operation and service were presented as part of the merger plan.

Discussions by the MIC, composed of representatives of all three hospitals, continued during most of the remainder of 1969, but the employment of a consultant and planning services was delayed. The proposed merger was viewed favorably by leaders of all three hospitals. However, the MIC reported that a final decision on such agreements was temporarily postponed because the retiring Catholic archbishop, the Most Rev. Edward J. Hunkeler, wished to defer that decision until a new archbishop could be installed.

The new archbishop, the Most Rev. Ignatius J. Strecker, was installed on October 28, 1969. At the November 23rd meeting of the Bethany board, John Millard, Bethany chief executive officer, informed the board that the administrators of Providence and St.

Margaret had met with the new archbishop to discuss the proposed merger. The response was brief and clear; the archbishop was opposed to complete merger of the three hospitals and indicated that if the merged non-sectarian hospital were accomplished, he would recommend that another group or religious order establish a new Catholic hospital.

A subsequent meeting of the MIC and other representatives of the three hospitals was called “to discuss points of controversy and courses of action.” The new archbishop was invited and was present as an observer. He did not enter into discussions, but at the close of the meeting, the presiding officer asked the archbishop if he had any comments or observations. His response was brief and clear—a firm rejection of any merger. He was opposed to the merger of the three hospitals and indicated that if such a merger to form a non-sectarian hospital took place, he would recommend that another group or Catholic order establish a new Catholic hospital.

At that point, the meeting was adjourned.

The new archbishop’s position was publicly announced on January 23, 1970 in *The Kansas City Kansan* along with his reasons and the proposal that two 700-bed hospitals should be considered to meet the needs of Johnson and Wyandotte Counties. Administrators of both Bethany and Providence were without comment.

As might be anticipated, the position statement cast a chill on the entire merger movement. A series of conciliatory statements pledging continued cooperation were made, but the upshot was the continuation of three hospitals each independently trying to meet the growing challenges of changing demands and resources.

The author was unable to find information indicating that there was any broad interest expressed or action taken by the archbishop or any other agency to develop plans or proposals for the construction of the two 700-bed hospitals as he had suggested.

Further complicating the picture were the rapid changes in the status of the two Catholic hospitals, Providence and St. Margaret. On February 9, 1971, Providence and St. Margaret merged to form Providence-St. Margaret Health Center. The Sisters of Charity

who owned Providence and the Franciscan Sisters of the Poor who owned St. Margaret transferred their sponsorships to the Archdiocese of Kansas City in Kansas under the direction of the archbishop.

Early in 1972, the Bethany board had begun preliminary discussions of much needed expansion and the possible use of part of a little used city park adjoining the hospital for construction of additional space. A consulting firm had been retained in 1971 to study the problem and had recommended consideration of the expansion. Newspaper articles reported that the Kansas City mayor was opposed to use of the parkland and made a counter suggestion that a new privately owned public hospital be built in the western part of the city with the use of revenue bonds as a vehicle for financing the project. Although the Bethany board indicated its interest in exploring the possibility, no interest was expressed by Providence-St. Margaret, and nothing came of the effort.

Bethany also studied the possibility of establishing a satellite facility in western Wyandotte County. However, with the failure of a unified and county-wide cooperative merger effort the logical outcome, from the Catholic perspective, had been the merger of Providence and St. Margaret. Under Archbishop Strecker's leadership, the newly merged institution began plans for the construction of a new Catholic hospital in the western part of Wyandotte County at 89th and Parallel Parkway. The new hospital opened in late 1976. Both the former Providence Hospital located on 18th Street and St. Margaret Hospital located on 7th Street were closed. Following Archbishop Strecker's retirement, the merged hospital was conveyed to the Sisters of Charity of Leavenworth Health System and was later (1993) renamed Providence Medical Center.

The unintended consequence of the relocation of Providence-St. Margaret Health Center was a shifting to Bethany of a greater share of the load of uncompensated and indigent care inherent in the urban core location. A second negative factor for Bethany was the fact that a disproportionate share of insured and above average

income patients resided in the western part of the county as compared to the eastern urban core portion.

The close of the 1970s left many unresolved problems that would end with Kansas City, Kansas, being left with no hospital facilities in its urban core except for Bethany and the University of Kansas Medical School and Hospital located in the extreme southeast corner of the city, less than two city blocks from the Kansas/Missouri state line.

During this era, other metropolitan area, urban core hospitals transitioned as well. These transitions included the closing of Douglass Hospital; the absorption of Baptist Medical Center by Research Medical Center; and the merger and eventual closing of Trinity Lutheran Hospital. St. Joseph's Hospital, St. Mary's Hospital and Menorah Medical Center all closed their urban hospitals and reopened in suburban locations, some under new management.

During the 1970s and 1980s, Bethany was able to generate ample financial reserves to carry it through difficult times. However, there was always an undercurrent of concern because of the disproportionate share of uncompensated and indigent care it provided as compared to other outlying hospitals in the metropolitan area and the effect of this on the long-term stability of the institution. Bethany also repeatedly approached city, county, state and federal levels of government to seek aid in the care of the indigent. The hospital received great commendations for the work it was doing but no help.

Revue of the period with John Millard, Bethany Hospital CEO, provided an interesting but grim picture. By December 1991, the problems arising from the financial stress caused by the uncompensated care load were clearly beyond the coping ability of the institution in the long term. The administration and board felt that a renewed effort should be made to explore possibilities of joint efforts with the Sisters of Charity of Leavenworth Health System

(SCLHS) and Providence-St. Margaret Health Center. By early 1992, monthly write-offs for Medicare at Bethany were exceeding \$1 million with an operating margin deficit also in excess of \$1 million. By mid-1994, it had become evident that continued operation of private, non-affiliated hospitals in the urban core of most cities was not a viable alternative. The nationwide trends seemed to indicate limited alternatives to financial collapse in the core while hospitals in suburban areas were compiling unprecedented financial surpluses.

Bethany administrators and the board investigated and attempted numerous alternatives, among them: partnering with Kansas Methodist related hospitals and a Lutheran group to create a statewide or regional health care system; joining with other hospitals in the Kansas City metropolitan area to create an integrated health care delivery system known as Health First; and, a final attempt to merge with Providence.

Each of these efforts failed for various reasons. The first failed when the giant flagship hospital, Wesley Medical Center of Wichita, sold itself to the Hospital Corporation of America. The second failed when many of the hospitals in the metro area were still too financially prosperous to make the self-sacrifice necessary to make the total venture a success.

The final effort to merge with Providence hinged on the willingness of both parties to form a merged board of directors with a strong role in strategic decision-making and policy formation as well as the responsibility for selecting and setting the compensation of the CEO. The plan collapsed on the issue of employment and compensation of a CEO by the merged board as opposed to making the CEO's employment and compensation subject to control of one of the entities in the proposed merger. Ironically, the proposed merger would, in effect, have given control of the assets and facilities of Bethany to the SCLHS, except for the requirement that the new board should have complete control over the employment and compensation of the CEO. The SCLHS insisted on holding the complete right to employ the CEO. Bethany representatives insisted

that such an arrangement would effectively destroy the authority of the new board and destroy the concept of a merged community hospital with an independent governing board of directors.

In September 1992, Bethany Medical Center had amended and restated its constitution in accord with Kansas corporate law. Among other things, the new constitution outlined four broad purposes of the corporation:

- a. "To establish and maintain an institution...with facilities that include ... medical services ... and associated services but not limited to, extended care, outpatient care and home care;
- b. To carry on any [related] activities...that in the opinion of the Board of Trustees of Bethany Medical Center may be justified;
- c. To promote and carry on scientific research;
- d. To promote and participate...in any activity designed and carried on to promote the general health of the community."

The new constitution summarized the hospital's role as "... exclusively for charitable, scientific and educational purposes as a not-for-profit corporation." It clearly established the authority of the board of trustees to govern the corporation and to amend its constitution as it might see fit. It confirmed and clarified the complete severance of any official or governance relation with the action taken by the Kansas East Conference in 1983.

CONCEPTION

With the collapse of merger negotiations and the continued survival efforts, the Bethany Hospital board was left with few options. One was to take the same route that others had followed, taking the assets of the corporation and building a new hospital in the suburbs. A second was to continue operations until the inevitable financial collapse of the institution and the closing of its doors.

After long and difficult discussions, the board members came to the conclusion that neither alternative was acceptable and that a third should be considered. An effort should be made to find a buyer that would commit to operating Bethany as an acute care hospital and that the funds so secured should be used as the corpus of a new charitable foundation that would, in perpetuity, “promote and improve the health of the citizens of Wyandotte County, particularly the indigent, by supporting or participating in any activity or program designed to promote the foregoing purposes.” Examination of the minutes of the Bethany board and executive committee indicate that it was the hope and goal of the board that by the careful management of its fiduciary responsibilities, such a foundation could continue to grow and fulfill its purposes in perpetuity rather than to let the long history of service to the community die in bankruptcy.

Bethany board minutes of 1996 outlined the history of some of the problems involved in the sale of a not-for-profit hospital, especially if the sale was to a for-profit institution. The board finally determined that it would issue a request for proposals (RFP) to

parties and institutions that might be interested in the purchase of the hospital, including land and equipment. The RFP also stipulated a number of specific requirements of any proposal.

Among the commitments required for any successful proposal were:

- A statement of the proposed purchase price and the process for its establishment.
- Purchase price to be paid in cash by buyer to seller to be used by seller to serve diverse charitable purposes.
- A commitment by buyer to continue operation of an acute care hospital for at least three years and to continue to provide charity care.
- A commitment to offer continued employment to all current employees and medical staff of the hospital.

Three proposals were received, but only one of those proposals met all requirements.

Columbia/HCA offered a proposal that would result in net cash proceeds between \$40 million to \$45 million depending upon final settlement of certain claims and assets. The final total was near the estimated \$45 million maximum. Columbia/HCA also agreed to meet the other terms and conditions of the RFP. There were some concerns, discussions and a required assurance that all action taken should conform to the requirements of the Kansas attorney general.

On January 23, 1997, the board adopted a resolution containing two major provisions. First, it agreed to accept the offer contained in a letter of intent from Galen of Kansas Medical Holdings, Inc., a subsidiary of Columbia/HCA. Second, it resolved that Bethany would form a “Kansas not-for-profit corporation with a name yet to be determined ... to further the charitable mission...as set forth in the existing constitution and bylaws of Bethany Medical Center.”

That decision, however, led to a series of trying and painful experiences involving the disposition and use of the funds that might become available as a result of such a sale.

There was complete agreement among Bethany board members that any funds that might become available should be placed in a

charitable foundation committed to the improvement of the health and welfare of Wyandotte County residents. There was also concern that there should be some recognition of the historic relationship with the KEC. Some precedent in that regard had been established in the sale of the Wesley Medical Center in Wichita, Kansas. The primary concern, however, was that any funds granted to any organization must be used to promote and improve the health of the residents of Wyandotte County with special attention to the needs of the indigent.

LABOR PAINS

The Bethany board was prepared to make a major contribution to the KEC. The board delegated an ad hoc committee to meet with KEC representatives to discuss the matter and to arrive at a mutually beneficial agreement on the nature and amount of such a grant of funds. The district superintendent of the KEC was contacted and was requested to arrange a meeting between appropriate representatives of the Conference and the ad hoc committee. The superintendent was also informed of the concern of the attorney general that the proceeds of the sale should remain to serve the needs of Wyandotte County residents.

Prior to the planned meeting with Conference representatives, the Bethany board had several meetings with representatives of the attorney general's office to clarify the requirements upon which that office would insist with respect to the management, distribution and use of the proceeds of the sale of a not-for-profit hospital to a for-profit corporation.

A special meeting with the KEC representatives was scheduled for May 15, 1997. The special ad hoc committee composed of the Bethany board chair, past chair, legal counsel and the hospital CEO had been appointed to represent the Bethany board. The KEC was represented by the Conference bishop, two district superintendents and the chancellor (legal counsel) of the Conference. Discussions were held in a closed meeting, but a letter sent to the bishop shortly thereafter gives some insight as to the difficulty of reaching a mutually agreeable outcome. After a period of discussion, the Bethany representatives withdrew from the room to allow the

Conference representatives to caucus or to discuss their position in private. After the passage of a considerable amount of time, Bethany representatives returned to the room but found that the Conference representatives had left.

The surprise and dismay of the Bethany group are perhaps best expressed in a letter to the bishop from the Bethany ad hoc committee. It said, in part, “You [Bishop Mutti], District Superintendents Howell and Tubach and Mr. [Stuart] Entz met with a committee of the Bethany Board of Trustees ... [We] clearly indicated that our goal is to use the proceeds from the sale to maintain our mission ... [in] health care and human services. At the close of that meeting, you expressed a willingness to continue a dialogue with us concerning plans for carrying out our ongoing mission. Needless to say, our entire Board was stunned when ... [on the following day] we were served with papers indicating we were being sued by the Kansas East Conference of the United Methodist Church.”

The failed effort to reach a mutually advantageous agreement resulted in a complex and bitter series of District Court and Kansas Supreme Court hearings to resolve the matters in dispute.

The case was filed in the Wyandotte County District Court. Because of the nature of the case, judges in the Wyandotte County Court recused themselves, and the case was assigned to Judge Stephen D. Hill who was serving in another jurisdiction. Concurrent with taking the matter to the courts, the Conference also enlisted the assistance of the Kansas attorney general. Judge Hill issued an injunction prohibiting a change in the beneficiary named in Bethany’s constitution but did approve the broadening of the purposes of Bethany as listed in its constitution.

A NEW BIRTH

Subsequent to the close of the sale of assets to Columbia/HCA, John Millard, Bethany president/CEO, and Wayne Kutz, the chief operating officer, resigned their positions to clear the way for the transition process and the formation and administration of the changed role and future activities of the corporation. On October 17, 1997, the Bethany board appointed Donald Ellis to be the interim manager of the surviving corporation at the time that the assets were purchased by Galen of Kansas, a subsidiary of Columbia/HCA. Mr. Ellis was a former Bethany board member and had served as board chair. At the next meeting, Mr. Ellis announced the employment of a finance executive, George Howell, and an administrative assistant, Marolyn Kelley.

The sale closed on October 31, 1997, and on November 26, the official name of the Bethany Medical Center was changed to The Bethany Corporation. That change was required by the terms of the sale so that the hospital operated by the buyer could continue under the prior name.

The substance of the case filed by the KEC was the contention that because the hospital had been sold, the corporation was “dissolved,” and therefore the entire proceeds of the pending sale should be given to the KEC. It was further contended that there should be no limitations or strings attached regarding the use of those funds and that they should simply become a part of the general funds of the Conference.

That resulted in a highly adversarial situation and prolonged litigation. Bethany’s original certificate of incorporation and the

bylaws of the corporation did provide that if the corporation were “dissolved,” the remaining funds would pass to the Conference.

However, Bethany contended that although the physical assets of the corporation had been sold, the corporation would not be dissolved. It further contended that the board of directors had the sole right to amend its certificate and its bylaws as provided in those documents and, if it chose to do so, to change the name of the beneficiary. The change in the name of the corporation, as adopted on October 31, was not dissolution of the corporation.

After extensive discussion and communication with the attorney general’s office, the concerns of that office were resolved. Bethany filed a set of stipulations with the State of Kansas and the attorney general. The stipulations were concerned with amending the Bethany articles of incorporation and were also filed with the court. The stipulations outlined the key points of concern by the state and on which Bethany and the state were finally in agreement and satisfied any concerns of the attorney general.

Briefly stated, the stipulations which were filed with the state on October 22, 1997 provided for:

- a. A restatement of the purposes of the corporation.
- b. A statement that upon dissolution of the corporation, all remaining assets of the corporation shall be distributed to organizations which the board shall determine have purposes consistent with the purposes of the corporation.
- c. A statement outlining the governing body of the corporation, the method of their election and a broad statement of their qualifications.
- d. Agreement that the corporation shall provide a 30-day notice to the attorney general before filing with the secretary of state, any changes proposed for the purposes of the corporation.

At the meeting of the Bethany Corporation on November 11, 1997, a resolution was proposed to amend the articles of incorporation to include the items contained in the stipulation that had been agreed to by the attorney general. However, it was also recognized that because a temporary order had been issued by the District Court judge to

prevent the corporation from deleting the Kansas East Conference from the article concerning the disposition of assets in the event of dissolution, that matter was temporarily deleted from the resolution as adopted by the Bethany board.

On January 5, 1998, the District Court judge issued a final decision to permanently prohibit the Bethany Corporation from deleting the KEC as the receiver of the assets of the corporation in the event of its dissolution. At the same time, the judge granted the corporation's right to amend its statement of purpose in the articles of incorporation so as to comply with the stipulations entered into between Bethany and the Kansas attorney general on October 22, 1997. In effect, that part of the court's order would have required that if the injunction were to stand and the KEC received the assets of the corporation, KEC would be required to use the funds only in Wyandotte County and for the new purposes adopted by the Bethany Corporation.

Shortly after the rendering of the court's order, the court received from the KEC, a notice of appeal of Judge Hill's decision. In response, the Bethany Corporation filed a cross-appeal and that moved the entire conflict to the Kansas Supreme Court.

The case had wound its way through several hearings at the District Court level that failed to resolve the key issues relating to the claimed "dissolution" of the corporation and to the right of the corporation to control the disposition of its assets. Both parties had appealed the decision of the District Court, and the state of Kansas entered a pleading that indicated its approval of the positions taken by the Bethany board.

Simply stated, the position of the Bethany board was that although the assets had been sold, the corporation of Bethany Medical Center, Inc., was not being dissolved, and the corporation continued to hold the assets. It was further contended that the corporation was not dissolved and had a clear right to amend its constitution and bylaws and to dispose of the assets in the manner approved by the attorney general of the state of Kansas. By contrast,

the KEC contended that the Bethany Medical Center, Inc., was being dissolved and that by virtue of the provisions in the corporation's charter, the assets (the net proceeds of the sale) should be given to the Conference without restrictions as to their use.

The decision of the court resolved all issues. Briefly summarized, it ruled:

1. That under Kansas laws governing corporations, the sale of physical assets of the corporation did not constitute dissolution of the corporation.
2. That the corporation had the complete right to amend its constitution and bylaws in accord with its articles of incorporation and bylaws and the laws of the state of Kansas.

It is important to note that the Bethany Hospital and Medical Center (aka Bethany Corporation) was never "dissolved." It simply metamorphosed into the Wyandotte Health Foundation by a series of name changes.

GROWING UP

Although the decision of the Kansas Supreme Court was not published until December 11, 1998, the Bethany Corporation continued its activities designed to transition the corporation's work toward the creation of a charitable foundation that would, in perpetuity, carry out the purposes which it had adopted.

The first step taken was the formation of a new board under the revised amendments. It had been agreed that Galen (the buyer) would select an advisory board from the community and that some of the current Bethany board members might serve on it.

Also, because the new articles did not contain the previously included provisions for ex officio members such as the chair of the medical staff and the two KEC officials and because James DeGoler, a long-time board member, chose to join the Galen advisory board, the transitioning board was left with only nine holdover members. They were:

W. Jackson (Jack) Letts, Chairman
Cecil Miller, 1st Vice Chairman
O. L. Plucker, 2nd Vice Chairman
Charles W. Thurston, Jr., Secretary/Treasurer
William Epperheimer
Gray McMonigle
Cordell D. Meeks, Jr.
Greg Musil
William Tempel

The positions listed were the offices members held as trustees of the Bethany Hospital Medical Center.

In December 1997, a nominating committee had been appointed with Judge Meeks as chair to consider possible additional members for the board. Over 30 names were suggested to the committee. The following persons were nominated and elected to the board:

Frances Foster, M.D., an ophthalmologist

Trudie Hall, a businessperson

Ramon Murguia, an attorney

John J. Jurcyk, Jr., an attorney

Patricia (Pat) Gaunce, director of the West Wyandotte Library and a community activist, was elected as an additional member in April 1999.

The additional members tended to enhance the diversity of board membership with respect to ethnicity, residential location and gender. After some discussion, the board decided not to carry forward the large advisory board that had served as a part of the Bethany Hospital Medical Center organization during the time that it operated a hospital. The advisory board was dissolved in March 1998.

Aside from awaiting the final decision of the Kansas Supreme Court, the corporation was facing the challenge of totally changing its focus from the operation of a large urban hospital to the management of an organization designed to assist many community service organizations in their efforts to improve the health of the citizens of Wyandotte County, with particular emphasis on the needs of a large indigent population.

Hamilton•HMC, a division of Kurt Salmon Associates, a major consulting firm with broad experience in hospital sales and transitions to foundation status, was retained early in the process to assist the corporation in planning the transition and its future activities. The basic outline of the transition plan had been presented to the Bethany Hospital Medical Center board on October 7, even before the final closing of the sale on October 31, 1997.

The transition plan was adopted to become effective immediately after the close of the asset sale on October 31. It was composed of two main parts:

1. A “wind-up” plan for Bethany to address all of the complex and interrelated issues involved in closing out the hospital operation by the Bethany Corporation.
2. A strategic operational plan for the Bethany Corporation to convert its activities to those of a charitable foundation.

The wind-up plan concerned itself with the endless details of hiring an interim manager and staff for the surviving corporation; the retention of a national accounting firm to handle the difficult accounting and reimbursement issues; the management of the employee transition to the new ownership and the related benefits programs; working with legal counsel on legal issues growing out of the sale of the assets; securing adequate office space, telephones and equipment, etc.; and the development of a checklist for the many tasks to be accomplished.

The operational plan dealt with the details of how a charitable organization should be organized and managed. It provided guidance for such matters as the development of a clear statement of the mission of the organization; a review of current bylaws and plans for development of new bylaws; a review of the articles of incorporation and needs for their amendment; provisions for management of the funds entrusted to the corporation; interim management structure and needs; and development of plans, procedures and criteria for grants and the giving process, etc.

The plan was adopted to become effective immediately after the close of the asset sale on October 31, 1997. A comprehensive flow chart or schedule for implementation of the entire plan was adopted to begin in October 1997 and to be completed in April 1999. By February 1998, the board was actually moving forward on many of the issues and tasks outlined by the consultants.

Among the early tasks was the selection of a professional investment advisory group to assist with the management of the significant liquid assets entrusted to the board. A search for such

services was initiated in April 1998. About 50 different firms indicated their interest, and nine firms were selected for detailed review and interviews. The result was the selection of the Smith Barney Consulting Group. Among the many functions of the Group were assistance in determining prudent investment policies and asset allocation; the assumption of fiscal responsibility; prudent asset acquisitions, evaluations and dispositions; and the detailed selection of investment advisors.

At its annual meeting on April 23, 1998, the board made many decisions affecting the future operations of the foundation. It was proposed that the name of the Bethany Corporation, under which the foundation had been operating, should be changed to the Wyandotte Health Foundation, Inc.

Wyandotte County District Court Judge Meeks was elected as the new chair of the board of directors. Jack Letts had served the prior two, two-year maximum terms allowed by the bylaws.

Although the corporation had been operating as the “Bethany Corporation,” it was the intention of the board to change that name to be more applicable to the changed activities of the corporation. The board and the Kansas Attorney General had agreed on the revised statement of purpose as formally adopted April 23, 1998. That statement was officially recorded as follows:

“PURPOSE: The purposes of the Corporation shall be to promote and improve the health of the citizens of Wyandotte County, particularly the indigent, by supporting and participating in any activity or program designed to promote the foregoing purposes. The Corporation may make grants to other charitable organizations for the purposes identified in the preceding sentence.”

Considerable discussion by the board members expressed the consensus opinion that the funds should not be used to supplant services being provided by hospitals and other institutions; neither should they be used to pay off obligations or debts of other charitable organizations. It was informally agreed that funds should primarily be used to provide services, as opposed to hardware,

although some exceptions were made later to make some of the clinics more effective.

The May 1998 board meeting produced several major decisions. First, Don Ellis submitted his resignation from the position of interim executive director of the Bethany Corporation. Second, it was determined that the new name of the corporation should be the "Wyandotte Health Foundation, Inc.," thereby establishing a more appropriate relation to its newly stated purpose. Third, William (Bill) Epperheimer was appointed as the first president/CEO of the corporation. Mr. Epperheimer had been a member of the Bethany board of directors for a number of years and was the publisher of the local daily newspaper, *The Kansas City Kansan*.

Since October 1997, the Bethany Corporation had been operating in two small rooms located in the hospital building loaned to the corporation by the new owners, Galen, a subsidiary of Columbia/HCA. Meeting space and workspace for the staff were quite limited. In July 1998, the board asked Mr. Ellis to begin searching for suitable office space for the corporation.

New bylaws were written to govern the operations of the Wyandotte Health Foundation (WHF) and were adopted by the board in July 1998.

REUNION WITH LOST CHILD?

In August 1998, word was received that Columbia was interested in selling Bethany Medical Center. After the hospital was purchased, Columbia, a nationwide corporation, was facing serious legal and financial problems and had reconsidered its goal of building a network of hospitals in the Kansas City metropolitan area. Columbia was considering the possible sale of the property to the Sisters of Charity of Leavenworth Health System (SCLHS). However, the property had been sold to Columbia with a “right of first refusal” or a repurchase clause in the contract. As the original seller, Wyandotte Health Foundation recognized that it had the fiduciary responsibility to evaluate the possibility of whether the proposed purchaser could and would continue to operate Bethany as a “full service,” stand-alone, acute care hospital and continue to provide the level of indigent care provided by Columbia under terms of the sale agreement.

As a part of “due diligence” requirements, David Whelan, a consultant with Hamilton•HMC and with whom Bethany had worked on the original sale, was enlisted to study and evaluate the possibilities of such a repurchase. The consultants questioned the feasibility of a stand-alone hospital and suggested that such an operation would significantly weaken the ability of the WHF to provide continuing health services to the community. They also pointed out that since the SCLHS was already operating Providence Medical Center, it might be feasible to combine services and continue to operate as a merged institution. It was his recommendation that the “right of first refusal” clause in the asset

purchase agreement with Columbia should not be exercised. The executive committee and the board of directors of WHF agreed with the consultant's recommendation. The hospital was sold by Columbia to the SCLHS on December 4, 1998. The health system continued to operate the Bethany hospital for approximately two years but finally closed the facility.

By February 1999, WHF was in a position to begin its new work of carrying out its mission. Contact was made with the Greater Kansas City Community Foundation (GKCCF) for assistance in the development of grant making guidelines, technical support, assistance in the review of grant requests and other steps in getting a fledgling organization started. Among the early guiding decisions was the agreement that although the Foundation would seek to aid the indigent, no "means tests" or similar regulation would be imposed. It was also agreed that a major portion of the grant funds would be distributed to a number of neighborhood clinics that served the needs of a large number of indigent persons. Invitations to present applications for grants conforming to the purposes of the WHF were widely advertised and distributed to a large number of potential grantees.

FORTUITOUS EVENTS

In the meantime, another fortuitous organizational complication arose. During the period of operation of the Bethany Hospital and Medical Center, a separate Bethany Medical Center (BMC) Foundation, Inc., had been organized and served to raise funds from various sources and activities to assist the hospital. This group did not want to continue as a foundation for a “for-profit” organization and felt that the WHF would be the appropriate organization to carry out its mission. However, the BMC Foundation was holding substantial funds that had been accumulated from gifts designated for specific purposes. The dissolution of the organization would require legal authorization for the disposition of its assets.

On September 2, 1999, a special hearing took place in the Wyandotte County District Court to consider a petition for declaratory judgment filed by the BMC Foundation to secure the approval of its dissolution and the distribution of its assets. There were many donors to the Bethany Medical Center Foundation during its 18 years of operation, and their interests were a matter of concern. A broad invitation to all donors for their participation in the hearing was issued. Also participating was the office of the attorney general of Kansas.

There were no objections raised, and the court approved the dissolution of the BMC Foundation. It also ruled that the WHF was the proper entity to receive the unrestricted and restricted assets of the BMC Foundation. However, it also required that certain restricted funds be maintained in a separate account and that the funds contained in the Roy A. Edwards Memorial Fund be

distributed to Cancer Action, Inc., to fulfill the specific intent of the donor. The total restricted and designated funds received equalled approximately \$3.1 million. Those funds were distributed to the designated groups and for purposes required during the following year.

As was previously mentioned, the Foundation was operating in cramped quarters provided by the new owners of Bethany Hospital and Medical Center. There were no facilities for board meetings and meetings with various groups with which the Foundation was working. As a temporary expedient, meetings were held in the Brotherhood Bank building.

When Mr. Epperheimer succeeded Mr. Ellis as president, he, too, was directed to search for permanent quarters for the Foundation. The board was casting about for a more suitable location when, in October 1998, Mr. Epperheimer reported that Gerald Boyer, president of ProSoCo, and his wife Bonnie were interested in donating their corporate headquarters building at 8th and Minnesota Avenue, Kansas City, Kansas, to the Foundation. The building's location in the central part of the Foundation's primary service area made the offer appealing and exciting.

An ad hoc committee of the board was promptly appointed to examine the general suitability of the property, its physical condition and its potential for use as an office for the Foundation. The committee reported that the building was suitable but would need extensive remodeling and that its size was such that at least one floor of the building could be made available for leasing to compatible organizations. However, federal regulations would require the installation of a new elevator. Extensive renovation and a new air conditioning system would be needed.

The architectural firm of Byers, Gunn & Hart was employed to develop a plan to examine the structural soundness of the building and, if satisfactory, to develop plans, specifications and cost estimates for remodeling the property.

Mr. and Mrs. Boyer conveyed the property to the Foundation as a gift on November 3, 1999. Remodeling was started shortly

thereafter. The second floor was dedicated to use for offices of the Foundation with new office space and restrooms, a modern conference room with conference tables and seating for 24 participants.

An adjoining efficiency/serving kitchen was also included as was an elevator serving all three floors of the building. The first floor and ground floor were left in their original condition for future leasing and renovation to suit the needs of new tenants. The completed renovations were accepted, and the building was occupied by the Foundation in December 2000. A special dedication ceremony was held on February 15, 2001, with installation of a bronze plaque honoring the donors, Gerald and Bonnie Boyer.

Subsequent to the dedication of the new facilities, the Foundation was made the recipient of a great deal of the memorabilia of Bethany Hospital and the Bethany Medical Center Foundation. Most notable was the Wall of Honor, commemorating the many individuals and families that had contributed so generously to Bethany Hospital and the Bethany Medical Center Foundation. A large "Tree of Life" honoring many families and individuals was moved to the Foundation headquarters and mounted on one wall. On another wall was mounted a collection of engraved brass plates honoring major donors. Both artifacts were permanently mounted in the reception area of the offices. They had previously been displayed in the hospital's main lobby.

SERIOUS WORK BEGINS

In May 1999, the grant making process began in earnest. Three special workshops were held. One was held for the five neighborhood clinics, and two were held for about 40 other interested parties. Grant application forms for the year 2000 were sent to about 90 potential applicants in September, and all applications were given preliminary review by the WHF president and the consultants. A contract for services and technical support and for providing assistance in reviewing and making recommendations concerning grant requests was awarded to the Greater Kansas City Community Foundation (GKCCF).

The 90 or more grant requests totaled about \$5.2 million. Grant requests of the five neighborhood clinics and about 45 others were recommended for final board review. Requests from the clinics totaled about \$2.48 million and the 45 other requests were for approximately \$1.65 million, making 50 requests totaling \$4.13 million for the board members to review and screen.

It was clear that meritorious requests far exceeded the WHF income from earnings on investments. The financial report for July 30, 1999 indicated that dividends and interest on investments for the year to date (10 months) were \$1.15 million. When compared to the meritorious requests, it became obvious that not all requests could be granted without dipping deeply into the corpus of WHF funds and that if such a practice continued, the Foundation would be "out of business" in a few short years. Further complicating the picture was the condition of the securities market. There had been net gains realized on investments, plus other significant one-time

sources for the year-to-date in the amount of about \$5 million. However, a major part of that amount was from the transfer of funds from the Bethany Medical Center Foundation. It was a matter of some concern that in the month of July, the market began to weaken and the net loss in investment income for the month was over \$1 million.

Up to that point, the board had adopted no firm policy on the total dollars to be allocated for grant funding for the year ahead. Balancing the long-term viability of the corporation with the urge to meet the clearly expressed needs of funding applicants was a dilemma faced by the board. The urgency of the need for adoption of a governing policy was recognized, but no clear guidelines were set. In the absence of a clear policy, the board adopted a motion that "... the Wyandotte Health Foundation make grants totaling approximately \$2,000,000" for the 2000 operating year. When the first dust settled, the total amount of grants was \$2,001,541 awarded for the first year of grant making.* That amount was slightly over the proposed allocation and well in excess of the total goal for the local United Way fund drive for that year.

It was also agreed that the primary emphasis for grant making in the immediate future should be in support of the primary health care agencies of Wyandotte County. Grants to the primary health care clinics were: \$330,000 to the Duchesne Clinic; \$300,000 to the Douglass Community Health Center; \$169,200 to the Public Health Department of the Unified Government of Wyandotte County; \$232,700 to Southwest Boulevard Family Health Care; and \$219,166 to Turner House Clinic. The total of grants to primary health clinics was \$1,251,066. Two additional grants in excess of \$100,000 each were made to Black Health Care Coalition and to the Providence/Saint John Foundation with a total of

* Yearly grant amounts cited in this history may not reflect actual amounts ultimately spent by grantees. Generally, amounts listed in the accompanying table (page 38) were less than those originally approved by the Board of Directors because of refunds from grantees to the Foundation.

\$1,462,048 for all of the larger grants. Nineteen other grants ranging in amounts from \$5,000 up to \$73,096 were also awarded. The smaller grants and the designated grants totaled an additional \$539,406 for a grand total of \$2,001,541 awarded for the first year's experience in grant making by the Foundation.

Each grant was made quite specifically for clearly defined purposes and with the understanding that Foundation representatives would review and evaluate the activity prior to consideration for any future grants. However, during the grant making process concern was expressed by a number of board members that the continuation of such an expenditure, coupled with the potential for growing demands as the work of the Foundation became increasingly well known, might soon deplete the assets of the Foundation, possibly diminish its future strength and lead to serious financial problems. Up to this point, the board had adopted no firm policy concerning the total dollars to be allocated to grant funding in any given year.

A review of the process in early 2000 pointed to the need for more coordination of the work of the various agencies receiving grants, training of grant applicants to state clearly the specific uses to be made of grant funds and greater accountability of grantees. At the same time, two new groups active in the study of the health needs of Wyandotte County residents had been formed—the Wyandotte County Community Health Partners and the Mayor's Commission on Access to Health Care. While the two groups were organized to study health concerns, neither held forth the prospect of increasing financial resources for actual health care.

In view of these developments, the board also adopted a new direction for the Foundation. It was agreed that the Foundation staff and board members should become involved in work to improve the capacity and effectiveness of the community and its health related organizations. It was recognized that the CEO of the Foundation was in the unique position as the executive officer of an

independent and totally self-sustaining organization. As such, the CEO could readily assume a county-wide leadership role in the planning and coordination effort and that such activity should be included as a part of his/her responsibilities.

As was anticipated, when grant applications for the year 2001 were received, both the number and the requested dollars had increased significantly. Sixty requests were received for a total over \$6,775,000! The nature of worthy requests covered a wide range of activities. As an example, one was received from the Kansas University Medical Center Research Institute for establishment of an experimental computerized communication system to assist in meeting emergency health care needs of students at Wyandotte High School. The request was for equipment and software programs with other costs to be shared by other area foundations. Total costs of the project were estimated at \$128,000 with the Foundation funding \$21,215 of that total. Cooperative participation in funding many organizations and activities was encouraged.

At the April 26, 2000 board meeting, members again expressed concerns regarding the need to establish a firm policy for setting a specific funding amount for the year before starting the emotionalized process of specific application review and approval. A motion was adopted stating "that the Foundation adopt a conservative funding with allocations reflecting market performance; that allocations not be determined before June and that any reference to the level of funding contained in the [applicant] guidelines be removed."

Further emphasizing this need was the weakness of the stock market for investment of the Foundation's funds. The financial report for March 31, 2000 showed a year-to-date decline in realized and unrealized gains/losses of (\$3,490,977). In its May 24 meeting, the board set a tentative limit on allocations at \$2,079,748. Once again, the pressures of obvious need were a matter of great concern to the board, and the total of grants approved increased to \$2,483,939. That figure significantly exceeded the basic requirement of federal laws governing foundations such as WHF.

However, the enlarged total also included a one-time distribution of almost \$400,000 in restricted and designated funds received from the dissolution of the Bethany Foundation.

The grant making process of 2001 for 2002 took on a somewhat more conservative tone. At the August 24, 2001 meeting of the board, Mr. Epperheimer and the outside consultant, Mark Shapiro, undertook the effort to inform the board of its serious responsibilities. Among other things, they emphasized such matters as, “the Board should have high expectations of its grantees.” The Foundation must “demand accountability and performance of its grantees.” The board must “exercise care and ask whether the grantee’s goals align with the [Foundation’s] mission.” They also advised the board that “you will have to make some tough decisions.”

Not unexpectedly, the total amount requested by 66 grantee applicants was \$6,430,405. At a special meeting on October 1, 2001, the board determined that it should make grants in a total amount equal to five percent of its assets. Initially the board approved grants in the amount of \$2,333,899. However, the limitation previously adopted was \$1,988,351. After serious struggle, screening and adjustment of some requests, the total grant approvals were reduced to \$1,988,024. However, in the next meeting of the board, October 10, 2001, several other “high priority” items were found, and the final total amount granted was raised to \$2,071,561.

Struggles in succeeding years were often a repetition of those of prior years. It is worth noting that although restraint continued to be exercised, in every year the total dollar value of grants made exceeded the requirements of federal regulations governing similar private charitable foundations in every succeeding year. Since that date, annual grants have continued to range in amounts upward of \$2,000,000.

In the eight years in which grants have been made by the Foundation (1999-2006) the total of all grants made is \$16,776,456. Yearly totals are listed below.

YEAR.....	TOTAL AMOUNT FUNDED
1999.....	\$1,446,958
2000.....	\$2,882,471
2001.....	\$2,114,873
2002.....	\$2,058,625
2003.....	\$2,097,130
2004.....	\$2,069,049
2005.....	\$2,163,350
2006.....	\$1,944,000
TOTAL	\$16,776,456

EXPANDING ROLES AND NEW DIRECTIONS

Grant making had been and continues to be the primary role of the Foundation. However, an expansion of the role and activities of the Foundation and its staff was on the horizon. The need for increased coordination of the work of health related agencies affecting Wyandotte County residents had been made evident in a number of studies, including one by the Mayor's Access to Healthcare Commission. That commission had ended its work and disbanded.

At the October 10, 2002 meeting of the Foundation board, President Epperheimer, together with Terry Woodbury, United Way executive, and Ken Davis, director of the University of Kansas Health Partners, presented a pressing case for the development of the Community Health Council of Wyandotte County (CHCWC). Mr. Epperheimer had previously indicated his belief that such a council was sorely needed and that its success would assuredly require partial funding by the Foundation and the assistance of its staff.

The Foundation had previously devoted some efforts to stimulate and fund the development of a system for coordination and sharing of information among the community health clinics. However, consultants working on development of the system concluded that such a system would be counterproductive. Health care providers in the area had neither the sophistication nor the funding to sustain such a system if it were to be installed. Foundation board members agreed by consensus that the "information initiative" should be discontinued and that a better alternative would be assisting in the formation and activities of the

new Community Health Council in the carrying out of its activities under its new grant provisions.

Mr. Davis was selected by the CHCWC as its full-time executive director together with a small staff. Shortly after its formation in 2003, the Health Council received a \$2.6 million Healthy Communities Access Program (HCAP) grant from the federal Health Resources and Services Administration (HRSA), Department of Health and Human Services. Compensation for Mr. Davis and staff was funded by the three-year grant.

It should be noted that Mr. Epperheimer served as the chair of the CHCWC as a part of the extended services of the Foundation. CHCWC was an outgrowth of the work of the Mayor's Access to Healthcare Commission. Mr. Epperheimer's work and that of the Foundation's staff in that effort were authorized by the Foundation board.

Mr. Epperheimer continued as an uncompensated chair of the Council. Significant "in kind" contributions were required as a part of the grant approval, and these were assumed by the contribution of WHF providing first floor office and workspace for the CHCWC as well as accounting and other services. It also required the installation of new heating, ventilation and air conditioning equipment in the workspace. Partial repayment of these costs was achieved by the leasing of newly refurbished space to another agency, the Kansas Health Institute.

The HRSA grant supported the CHCWC WyCare Project, designed to strengthen the safety net coalition and improve access to health care for the uninsured and underinsured in the eastern portion of Wyandotte County. The WyCare goals were closely aligned—if not identical—with the mission of the Wyandotte Health Foundation.

The grant, along with in kind accounting, secretarial services and office suite space from WHF, supported operations of the Health Council for three years. With the expiration of the grant in the fall of 2006, Mr. Davis returned to his faculty position with the School of Allied Health, Kansas University Medical Center.

Bylaws of the Health Council were revised to reduce the size of its board of directors and to change the concept of the Council to that of an “investor” board to compensate for the loss of federal funds. The WHF board, at the urging of Mr. Epperheimer, voted to join six other organization and agencies to grant \$25,000 per year for three years to help support the continued work of the Council.

Another major effort in which the Foundation has had a significant leadership role is known as Wy/JoCare, a specialty physician referral program operated by the Medical Society of Johnson and Wyandotte Counties. That program was started in collaboration with the CHCWC in summer 2006. The Foundation made a commitment of at least \$25,000 per year for the next three years to aid in its operations. Wy/JoCare provides referrals to specialty physicians for patients of the safety net clinics of the two counties.

LIFE GOES ON

Charles (Bud) Thurston was elected and assumed office in April 2006 as the fourth chair in the history of the Foundation. Mr. Thurston had been a member of the board of the Bethany Hospital and Medical Center and a member of the WHF board of directors since the organization was formed.

The four chairpersons of the Wyandotte Health Foundation, first known as the Bethany Corporation, and their years of service were:

W. Jackson (Jack) Letts	1994-1998
Hon. Judge Cordell Meeks, Jr.	1998-2002
Orvin L. (O.L.) Plucker	2002-2006
Charles W. (Bud) Thurston, Jr.	2006-present

At the same meeting during which Mr. Thurston was elected chairman, Leon Logan, a local CPA, was elected as a board member to fill a vacancy. Earlier, in 2004, Raymond L. Daniels, retired superintendent of the Kansas City, Kansas school district, had been appointed to the board to fill a vacancy. Later in 2006, the board received a blow with news of the sudden death of Judge Meeks, a former chairman.

Many other matters of concern to the operation of the Foundation were addressed in past years. A conflict of interest policy was adopted because many board members, by their involvement with many different community organizations, needed to be especially sensitive to their responsibility to the Foundation rather than to other involvements in making grant award decisions. An annual statement of potential conflicts is required of each member.

Discussions continue regarding the adoption of uniform

policies with regard to balancing the immediate needs of the many meritorious grant applications and the long-term survivability and growth of the Foundation to meet future needs and the pressures of inflationary cycles. To date, the grants awarded have totaled nearly \$17 million. The need for growth in the total assets of the Foundation to keep up with the inflation in the general economy has continued as a matter of concern that may well affect the future ability of the Foundation to meet growing needs at relatively the same level.

Fiscal year-end assets of the corporation, extending from 1999 through 2006 are as follow:

1999.....	\$47,362,189
2000.....	\$51,072,204
2001.....	\$44,267,767
2002.....	\$38,293,140
2003.....	\$42,358,977
2004.....	\$44,427,245
2005.....	\$46,334,636
2006.....	\$47,069,806

Over the same period, the inflation rate was at an unusually low rate of approximately 2.75 per year or about 17 percent. Implications for the future are important and may require tough and painful decisions by normally generous and socially sensitive board members. In August 2006, the board adopted a policy resolution to govern its annual grant making to conform to the federal requirements for a private foundation and to include legally allowable administrative costs in that expenditure amount.

AND LIFE GOES ON

The desire to meet the requests of meritorious applicants and the fiduciary responsibilities of the corporation to those who provided the funds that created it will likely be a continuing challenge.

About the Author

...continued from inside front cover

Superintendents Association and president of the Mid-Continent Regional Educational Laboratory. Within the Kansas City, Kansas school district, he led the largest ever reconstruction program of new school buildings; the conversion of the junior college to an independent county-wide district; the formation of the special district for education of handicapped children; the successful implementation of a district-wide desegregation plan; and the establishment of Sumner Academy of Arts and Science and the Area Vocational and Technical School.

O.L. is listed in the Marquis Who's Who in America (1967-1988). Among his many community activities, he numbers his membership and presidency of the board of Bethany Hospital and its successor, the Wyandotte Health Foundation. He was chairman of the commission that advanced Kansas City, Kansas/Wyandotte County into a unified city/county government; board member of the Central Baptist Theological Seminary; chairman of his church building committee; president of the Rotary; and chairman of the YMCA of the Rockies and the March of Dimes. His special honors and recognitions are too numerous to mention.



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