



## IRS Catch 22 could affect health district's tax-exempt status

By April Sykes

The status of two grants which would assist in funding Morrow County Health District's proposed Irrigon Medical Clinic remodel has been jeopardized by a dispute between the IRS and the health district.

According to MCHD CEO Michael Blauer and Chief Financial Officer Nicole Mahoney, the district's tax-exempt status is in jeopardy because of an IRS paperwork Catch 22. She said that the district has a letter from the IRS saying that the district is tax exempt; however, the IRS has failed to update their records.

"It's their error," said Mahoney, who added that it cannot be disputed that MCHD is a tax-exempt organization. She said that the district, because it is a governmental entity, is not required to file IRS form 990, which is an income and expense report for tax exempt organizations, and consequently has not filed the 990 with IRS. However, the IRS is stuck on the issue that MCHD has not filed the 990, even though MCHD is not required to because it is a governmental entity.

"Our opportunity to garner the money (for the clinic construction) is severely compromised," she said.

Mahoney said she has contacted the IRS almost daily to no avail, indicating that the issue is in some sort of IRS limbo.

"All it would take is someone going on their computer and clicking a button," said Blauer.

Mahoney said that she had told Blauer that they might need legislative help in resolving the issue. Board

chair Larry Mills and board member Leann Rea advised Mahoney to contact Senator Ron Wyden to assist.

Blauer said that the clinic remodel has been set back a bit with construction "hopefully" to get underway in September and "possibly" completed sometime in January. Mahoney said that the current situation with the IRS may result in the district having to borrow more money to complete the project. The district had applied for construction grants from the Meyer Memorial Trust and the Ford Foundation, both of which require tax-exempt status. Mahoney said that MCHD has received notification that it has USDA approval concerning the district's request to incur the debt.

Also at the meeting, the board approved a temporary easement for the city of Heppner so that ODOT can construct a sidewalk and do drainage work on the street in the front of the hospital. The board also approved a permanent easement for an ODOT project in the rear-of the hospital, on the corner of Pioneer and Thompson streets. No water, sewer or power issues were involved in either project. This construction is in conjunction with a larger ODOT road project in Heppner.

In other business, the board:

-heard from Blauer that the MCHD electronic records system has undergone a significant test, which is a big step in the process of transferring from paper to electronic records and a step closer to receiving governmental reimbursement for expenses incurred in the switch. He said that the system seems to be

working; however, Director of Nursing Services Molly Rhea added that a lot of the systems recently went down, but then subsequently recovered. The transfer from paper to electronic records is a governmental mandate.

-learned from Blauer that Family Care (Medicaid contractor for the state of Oregon) has withdrawn its application to become a coordinated care organization (CCO) for Umatilla and Morrow counties and instead GOBHI (Greater Oregon Behavioral Health, Inc.) and ODS (Oregon Dental Service) are jointly forming a CCO. Their joint organization, Eastern Oregon Coordinated Care Organization, has been conditionally approved as a CCO. CCOs, which would manage care for Medicaid patients, would disburse a set amount for each patient, which would cover all types of care, from health care to dental care to psychological care. This is designed to improve Medicaid patients' care by assuring that they have adequate and consistent primary care, thereby improving their health and consequently saving money by reducing hospital stays and emergency room visits, at least in theory. However, many details concerning CCOs have yet to be resolved. It has not yet been determined how MCHD will be affected; however, with its critical access designation, the district has been assured of cost-based reimbursement through 2014, says Mahoney.

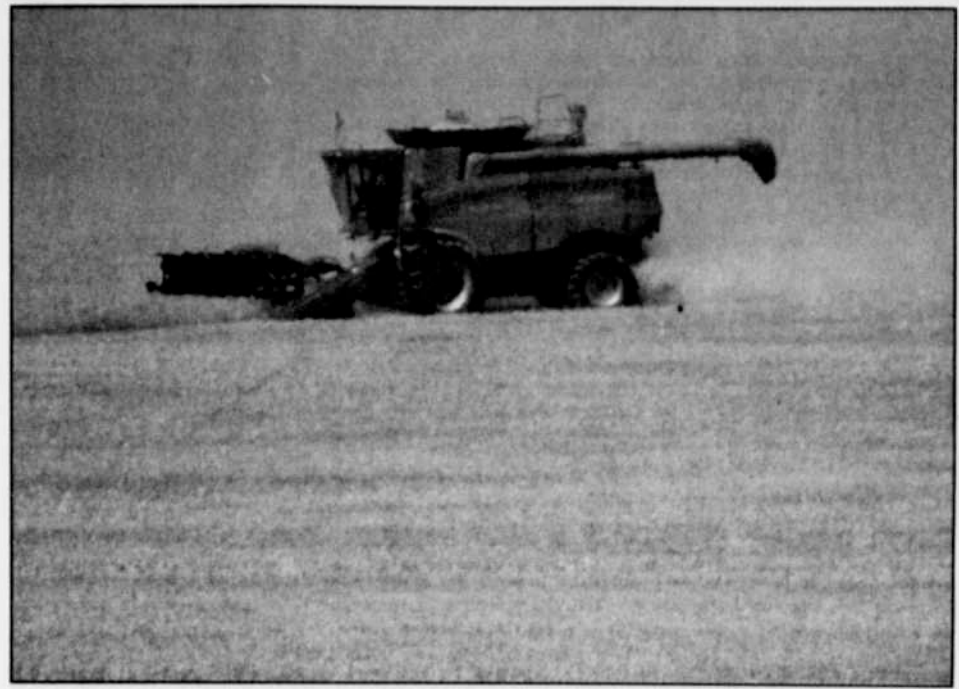
-received the following report for June: Pioneer Memorial Clinic had

-received the following report for June: Pioneer Memorial Clinic had

-received the following report for June: Pioneer Memorial Clinic had

-received the following report for June: Pioneer Memorial Clinic had

## Harvest underway in Morrow County



A combine near North Lex shears wheat fields during harvest on Tuesday. While some farmers were able to begin harvest more than a week ago, others are just now able to get underway. -Photo by David Sykes

## High to file for county commissioner

Announces he will run as an independent

Leann Rea will have some company in the race for Morrow County Commissioner this fall. Heppner resident Cody High has received the Independent Party nomination and plans on filing as a candidate for the commissioner position.

The Gazette-Times asked High the same questions given to the other commissioner candidates before the primary elections. (See the April 25, 2012 edition for Leann Rea's responses.) Here's what he said:

**Cody High**

Age: 27

Place of birth: Council, ID

Where have you lived? New Meadows, ID from 1985-1989; Klamath Falls, OR, 1989-2003; Heppner, February 2003-August 2003; Klamath Falls, August 2003-2007; Seattle, WA, 2007-2008 and Heppner, 2008 to now.

Educational background: I'm a graduate of Heppner High School.

Family: Not married; no children.

What, if any, prior government experience do you have? Two years serving for the Heppner City Council.

Why do you feel you are better qualified than your opponent to represent the people of Morrow County

as commissioner? As a minimum-wage, working-class citizen of our county I have a different perspective than our current commissioners. I believe that during my time on Heppner's City Council I have shown a level head, a common-sense approach to the issues, and a willingness to listen to and consider individuals' complaints and concerns.

What is the biggest problem facing Morrow County government in the future? Lack of funds. The state has had budget problems, which has led to less money coming into our county and little to no money for our cities. This has to change, or our county will not be a place to develop, work or live.

What will be your first priority if you are elected as commissioner? First, meeting with department heads and getting to understand the issues that are going before the county court. Second, I would like to review past policies and the budget to understand where we are, how we got here, and where we can and should go in the coming years.

Do you feel the current

court adequately represents Morrow County residents, both north and south? Geographically, yes. The issues that come before the county affect all of us; it does not matter where a commissioner lives as long as they are listening to the people.

Do you think the present distribution of tipage fees is equitable, or should the county change the way tipage money is distributed? I would have to review the budget to give a complete answer but, yes, I would like to see the distribution of the tipage fee change. However, this may not be possible for some time, due to current financial woes and budgeting practices.

Do you think the county should change its charter and/or the number of elected commissioners? I am unaware of the county charter, or even if one exists, so I do not know if it needs changed. I do know that the current budget could not afford any more commissioners. If a time came when the budget was healthy enough and the county was larger, I would be open to discussions about adding two more commissioners.



Cody High

## Hail storm does damage



A view from the Morrow County Courthouse toward Heppner's Main Street during last week's hail storm. Vehicles around the area received broken windows and dents during the July 17 storm; roof damage was also reported in some places, as well as minor crop issues. All in all, though, the county emerged largely unscathed from a storm that hammered the area with hailstones some witnesses said were as large as ping-pong balls. -Contributed photo

IT'S ALMOST FAIR & RODEO TIME!

"Country Pride...  
County  
Wide  
At the Morrow County Fair"

AUGUST 15-19, 2012

THE MORROW COUNTY FAIR & RODEO IS COMING SOON AND ONCE AGAIN THE HEPPNER GAZETTE-TIMES WILL BE PUBLISHING ITS ANNUAL SPECIAL FAIR & RODEO EDITION.

The special edition, which contains Fair & Rodeo articles, schedules and events, will be published August 8. The deadline to be included in the edition is July 31. If you would like to advertise or submit articles for The Special Fair Edition, contact Megan at The Heppner-Gazette-Times, 541-676-9228 or megan@rapidsolve.net

AT MCGG GREEN FEED & SEED IN HEPPNER:

ALL NURSERY STOCK MUST GO!!

30% OFF

• TREES  
• SHRUBS  
• PERENNIALS

Morrow County Grain Growers Green Feed & Seed  
242 W. Linden Way, Heppner • 676-9422 • 989-8221 (MCGG main office)