

**RANGELY DISTRICT HOSPITAL  
BOARD OF DIRECTORS MEETING  
February 27, 2014**

**BOARD MEMBERS PRESENT**

Jack Rich, Chairman (Absent /Excused)  
Stephen Petersburg, Vice Chairman  
Robert Mackey, Secretary/Treasurer  
John Payne, Director  
Buford Adams, Director

**OTHERS PRESENT**

Nick Goshe, CEO  
Bernie Rice, CCO  
Cynthia Stults, Executive Assistant  
Jim Dillon, CFO  
Timothy Hsu, COS

**I. WELCOME/CALL TO ORDER**

A quorum being present, this regular meeting of the Rangely Hospital District Board of Directors was called to order at 6:04 p.m. by Mr. Stephen Petersburg, Vice Chairman. Jack Rich was excused for his absence. He is currently out-of-town on business.

**II. APPROVAL OF MINUTES**

Minutes of the Rangely District Hospital Board of Director's meeting dated January 30, 2014 were presented. A motion was made and seconded to accept the minutes as presented. The motion carried unanimously. (**ACTION/TAKEN/CLOSED**)

**III. PUBLIC FORUM**

- A. Correspondence:** There were no items of correspondence presented.
- B. General Public:** There were no speakers from the general public present.

**IV. MEDICAL STAFF REPORT**

- A. Review of Medical Staff Report (Accepted):** Minutes of the February 13, 2014 Medical Staff Report were presented for review. A motion was made and seconded to approve minutes as presented. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)

## V. COMPLIANCE REPORT

- A. EMR update:** Lois and I just returned from an ICD-10 EMR conference held by the AAPC in Seattle Washington. There we learned that we are ahead of most in regards to ICD-10 implementation but we are also behind in some areas as well. An area of concern is Batch Auditing and the way the government tracks and audits compliance. We are not protected. The government will be tracking modifier trends on coding, they will compare our modifiers with facilities using the same modifier and then trend it and select facilities they feel may not be in compliance. We are to a point where we are pretty confident with our EMR implementation, and now our focus will be to implement internal audits that will fine tune our compliance and flag our modifier trends.
- B. Quality Assurance/Risk Management:** Sheryl has taken over our Quality Management. She has been targeting the deficiencies that were noted on our last state survey to ensure that we have addressed all facets of that report and are positioned to implement plans and policies to address any frequent deficiencies that are noted for critical access hospitals. Sheryl has an area of expertise in the nursing department and skilled nursing areas that will be a great resource for us in addressing these deficiencies. We are excited to be working towards being proactive in our Quality/Risk Management.

## VI. FINANCIAL REPORTS

- A. Financial Report:** On February 14<sup>th</sup> we applied for a **Medicare Electronic Health Record (EHR)** incentive payment. The documentation and analysis we did indicated an amount due of \$1.3 million. We have not heard any status from CMS and they have not requested any additional data. Note that the EHR costs allowed for this payment are to be excluded from the cost report, but we should receive about \$600,000 more from the incentive. We just heard that our renewal rate for our employee health insurance will be only increased by 2.5% since we had the best experience in the group. Our cost report preparer will be arriving on site April 1<sup>st</sup>. We hope to complete the process by mid-April so that we should know the results by June instead of August. We anticipate about \$3 million in payment from which we will pay the \$1.5 million loan we have outstanding. Stats for January indicate continuing weakness in the Clinic and some of the dependent ancillary departments. However, Radiology and Physical Therapy were exceptions, both coming in above benchmark. Long Term Care and Home Health also performed very well in January while ER activity was well below expectations. For 2014, Revenue is 7% below budget and 2% below 2013. However, due to a large Skilled Nursing contractual payment from Medicare, Gross Profit was 33% better than budget and 27% better than last year. Total Expenses are 7% greater than budget and 10% more than last year. YTD Payroll expense is 3% above budget and 4% less than last year. Purchased Services remain somewhat above budget due to higher than expected locum tenens expenses. Net Income for January is \$206,997 which is greater than the budget of (\$27,131) and last year's figure of \$73,529. Cash balances are at greater than expected levels due to the Medicare payment mentioned above. The Check Register was reviewed. A motion was made and seconded to accept the January 2014 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

- B. Auditor Appointment:** It is that time of year for our annual audit. We would like to retain the Colorado CPA firm (COCPA) that we have used in the past. COCPA will be starting the audit in March this year which should give us somewhat earlier final audited numbers than last year. A motion was made and seconded to accept COCPA for their auditing services as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

## **VII. OLD BUSINESS**

- A. Clinic Changes:** As discussed last month, we have started creating marketing material for our new doctors. This includes a flyer, which will be mailed to all of the community sometime in March or early April. We are also in the process of creating posters for display around the hospital. Finally, we are installing a TV in the clinic that displays information about our providers as well as information that we choose to put on their about health and wellness. Additionally, we are planning a reception for Dr. Aguirre, Dr. Rieves, and Shelby in April after Dr. Aguirre gets started. We will invite the paper to this event as well and hopefully get a free piece of advertisement from the story. Now that we are getting a new provider team established we need to make sure we do our part in getting the word out. We are excited about the provider stability that is on schedule for us.

We interviewed two doctors from Grand Junction this last month for supporting roles opposite Dr. Hsu on every other weekend and/or vacation fill-ins. Both of these doctors we are working on credentialing and putting them on a few shifts in the coming months. This provides a couple of positives. First it allows us to try them and see what we are getting and second it allows more resources for short term emergencies. We have also been approached by two Rural Interns that may be interested in doing a rural rotation here next year.

Shelby is going to be sitting for his boards on March 12<sup>th</sup> and then there will be a month until he is fully licensed. This gives us the opportunity to begin transitioning the management role to Tammy Dunker. Tammy has been an integral part of the EHR process and has been managing Shingo's department for a number of years. I am going to have her spend the next couple of months training with Shelby and getting to work on some EHR processes in the clinic. She will continue on in her role on the EHR core team. By early summer the hope is to have her into full-time clinic management and Shelby into full-time provider status.

## **VIII. NEW BUSINESS**

- A. ACHE Class:** As approved during the December 2013 board meeting I will be attending the American College of Healthcare Executives annual congress in Chicago during the time of next month's board meeting. This event will contain much information on many of the pressing challenges in healthcare currently and will provide CEU's on remaining a Fellow with the College. There will also be an award ceremony for new Fellows of which I will be a part of. Unfortunately, when I made the commitment to attend I did not realize the class was going to interfere with the

March board meeting. I believe Bernie and Jim can cover my part or we can schedule to the week before or after if you would prefer. After discussion, the Board decided to hold the March Board Meeting as scheduled 3/27/2014.

**IX. BUSINESS FROM THE FLOOR**

**A. Chaplains at the Hospital.** David Morton had some questions about scheduling visits or being registered as a Chaplain from the First Baptist church. He tried to come in to see if anyone wanted to receive any chaplain services, but ran into resistance regarding privacy laws etc. The nurses do have a schedule for regular Sunday meetings in the chapel, and patients do have a choice if they want to be visited or not. Bernie will check into the procedures and policies for this and visit with Pastor Morton and report back at next board meeting.

**X. EXECUTIVE SESSION**

A motion was made and seconded to enter Executive Session at 7:20 p.m. per C.R.S. §24-6-402(4) (f) “personnel issues.” The motion was approved unanimously. **(ACTION TAKEN/CLOSED)**

**XI. ADJOURNMENT**

A motion was made and seconded to adjourn this regular meeting of the Rangely Hospital District Board of Directors at 7:42 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

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Cynthia Stults, Executive Assistant

Date: \_\_\_\_\_

\_\_\_\_\_  
Robert Mackey, Secretary/Treasurer, Board of Directors

Date: \_\_\_\_\_