

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

**BOARD MEMBERS PRESENT**

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

**OTHERS PRESENT**

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

**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 5:57p.m. by Mr. Jack Rich, Chairman.

**II. APPROVAL OF MINUTES**

Minutes of the Rangely District Hospital Board of Director's meeting dated February 27, 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 3 items of correspondence presented. First, a copy of the town mailer explaining our coordinated election was distributed this week. Second, The Western Healthcare Alliance (WHA), will be holding an inservice meeting for Board Members, if anyone is interested in attending, please let Cindy know. And Third, Copies of our Invitations for our Physician Reception to Meet & Greet for our new providers has been advertised in the paper and will be mailed to the town this next week. Dr Aguirre, Dr Rieves and Shelby are all planning on being in attendance and Heather Zadra from the paper will be covering the event.

**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 March 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**)
- B. It was recommended to approve Dr. Casey M. Aguirre, DO to grant provisional privileges to Medical Staff. A motion was made and seconded. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)
- C. It was recommended to renew the two year appointment for Dr. Kurt Spriggs, DO, to Consulting Staff. A motion was made and seconded. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)
- D. It was recommended to renew the two year appointment for Brandon Aven, CRNA, to Courtesy Staff. A motion was made and seconded. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)
- E. It was recommended to approve the following radiologists from the Virtual Radiology Group to Consulting Staff, Namely: *Mark Austin MD, Susan Dinges MD, Laurie Gutstein MD, and Raymond Montecalve MD*, for appointment to Consulting Staff. A motion was made and seconded. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)

#### V. COMPLIANCE REPORT

##### A. **EHR update:**

- a. **Patient Portal**, The hardware/software has been ordered for implementation for the patient portal, a mandate from the government to give patients access to their medical records electronically. This is a mandate that just recently got all of the elements finalized. It is also a requirement for Meaningful use incentive moneys.
- b. **IMO (Intelligent Medical Objects)** a bridge for Meditech ICD9/ICD10/IMO. Is a company that is used to do all of the data mapping for the massive codes used by all of the government/private insurances/billing areas for data mining that is required for meaningful use and CMS billing. We are now partnered with them in order to map all the provider data to our system.
- c. **ICD 10 roll out** we will be traveling to Nashville to do ICD10 rollouts for our upcoming implementation for new code systems. We are trying to kill a couple of birds with one stone as the in-depth code training and more complex compliance issues will be covered in the same classes.

##### B. **Chaplin Services:**

The Nursing staff activities personnel called all of the churches and asked for volunteers to put on Chapel Services for Sundays. So far two have filled slots. All of the clergy is welcome to visit at any time on the floor, and if a patient requests for clergy to be brought in; we call their Pastor/Preacher/Bishop. If the patient does not have one, we give a denominational description and call whichever they ask for. We do not have a designated Chaplin as all clergy are treated equally.

## **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. On March 6<sup>th</sup>, CMS (Medicare) made a small additional data request that we fulfilled that day, but we have not heard any status from CMS other than they just started to look at the request. On March 10<sup>th</sup>, 2014 we were notified that our Health Care Provider Fee net will go from \$78,316 annually to \$492,399 annually. This is directly related to the change in cost structure for the new hospital. 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 February indicate continuing weakness in the Clinic, Lab and Retail Pharmacy. Long Term Care, Physical Therapy, and Skilled Nursing performed very well in February. ER activity remained below expectations. For 2014, Revenue is 8% below budget but 8% more than the same period in 2013. However, due to a large Skilled Nursing contractual payment from Medicare in January, Gross Profit was 21% better than budget and 12% better than last year. Total Expenses are 11% greater than budget and 11% more than last year. YTD Payroll expense is 6% above budget and 1% less than last year. Purchased Services remain somewhat above budget due to higher than expected locum tenens expenses. Net Income as of February is \$57,134 which is less than the budget of (\$24,561) but better than last year's figure of \$92,160. Cash balances are at about expected levels due to a larger than expected Medicare payment in January but offset by a lower than expected one in February. The Check Register was reviewed. A motion was made and seconded to accept the February 2014 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

## **VII. OLD BUSINESS**

- A. Rangely Family Medicine Changes:** As discussed the last several months, we have worked at creating marketing material for our new doctors. This includes a flyer, which will be mailed to all of the community in early April. We are also in the process of hanging the posters with our physician information for display around the hospital. Finally, we have installed 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, Shelby, and possibly Dr. Smith on April 9<sup>th</sup> 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.

As reported last month we interviewed two doctors from Grand Junction and we have come to an agreement with one of them. Dr. Debra Smith is going to work seven days once a month. Dr. Ting whom came up with this idea is going to work opposite her seven days a month. I believe this will help us retain Dr. Ting and her experience a little while longer. What this also means and maybe more importantly we have Dr. Aguirre every week, we have Shelby every week, which both live in town. We have

Dr. Rieves one week and Dr. Hsu on that weekend, then we have Dr. Ting one week and weekend and Dr. Smith one week and weekend. Essentially the only locum we need is Dr Hsu for every other weekend. Dr. Smith and Dr. Ting will essentially have three weeks off every month and will be given first choice for vacation coverage of the other doctors. The great thing about this is it was Tings idea and it allows us to get another experienced doctor to go with our two less experienced providers and is a win/win for both the hospital and them.

Tammy Dunker as reported last month has begun transitioning into her role as the clinic manager. I have her signed up with MGMA (Medical Group Management Association same as did our clinic study) as a member which gives her access to a number of resources regarding clinic management. We will also use this as a source of more formal clinic manager training along with continuing education as well.

Shelby has passed his boards and should be licensed in April. At that time he will begin treating patients as a practitioner. Over the next 4-6 weeks I will use him in tandem with Tammy to continue work on process improvement in the clinic.

At the last board meeting I reported that there were two students, in a rural practice rotation, that have family ties in Colorado that I would be talking to. One of the two expressed what seemed to be sincere interest in coming out for a visit this summer when she is home visiting her mom. Of the two she is the most promising as she grew up in a small Wyoming town not much bigger than Rangely and the fact that she is in a rural rotation and is looking for Colorado/Wyoming small town as her preferred destination adds to my interest. She does not graduate her residency until June of 2015 so I will keep the lines of communication open with her and see where this leads. In visiting with the medical staff and many of you I think the best practice for us is to always have a pulse on recruiting. With the national shortage of physicians the way it is it takes a significant period of time to move from interest to employment with physicians.

## **VIII. NEW BUSINESS**

- A. CEO Evaluation:** It is time again for my annual evaluation. This year we will have some board turnover which means it would be good to start now while the majority of you are familiar with my performance over the last year. It is hard to believe but this June 1<sup>st</sup> marks my five year anniversary as your CEO. Since we will have two new board members at the May meeting it seems that the group we have here for the March and April meeting would be the best group to do my evaluation. I have previously emailed the forms that we have used the last several years. I know these are not perfect but they are the best and simplest I have seen for healthcare CEO's and it represents both my job description and evaluation in one form.

Last year has probably been my most difficult year to date. I think I said that last year as well when we were finishing up the construction and trying to get past state regulations including the Life Safety Inspector that made lives miserable for us. But this year has been even more difficult. We started by opening a new hospital with all of the excitement and in addition all new equipment added to the excitement.

However, after we moved in we faced one set back after another. We started by losing Dr. Cameron to her fight with Cancer. We followed that with losing Dr. Adams mentally and often physically in March through year end. He is now on long term disability and has a restricted non-practicing license. We started an EHR in February and continued on with the implementation amongst constantly evolving regulations. Our local economy never took off like we expected and continues to struggle hurting our stats. The constant barrage of locum doctors I believe hurt our reputation and stats even further. Taken together this required us to do some belt tightening. Even though no one lost benefits and there were no layoffs it still was not a pleasant experience. While stats were lower, costs were considerably higher driven primarily by the regulatory requirements of the EHR and increased locum doctor coverage. Finally, Medicare is not yet paying us based on our new higher cost structure making the low stats seem even worse.

On the plus side I believe this year will shape up to be a pretty good year. Work on recruitment is paying off and our medical staff is starting to take shape which will become more apparent as the year moves on. I have been able to sign Shelby to a full time Nurse Practitioner role. He passed his boards on March 12<sup>th</sup> and should be practicing in April. I have signed Dr. Rieves to a two year contract working every other week. She began seeing patients in December and has been well received by the public. Dr. Aguirre signed a contract with incentives to pay off his student loans if he stays here eight years and will start his full time role on April 7<sup>th</sup>. Finally, as reported a few weeks ago and in more detail the paragraph above, Dr. Smith is in the process of signing a contract and will assume her permanent role August 1<sup>st</sup>. In the meantime, she will be filling in some gaps around her schedule at Community. We made a slight change to Dr Tings schedule (her idea) since we want to retain her and her experience as long as possible. With these additions, the Medical Staff is finally starting to come together and we are hoping to limit locums to Dr. Hsu and maybe an occasional vacation. Shelby lives in town and so will Dr. Aguirre which is helpful especially for short term emergencies. Dr. Smith talks like she may be open to moving to town too although I think she will need more hours for that to happen. On the EHR side of things we have met meaningful use stage one and are slated to receive roughly \$1.3 million in incentive money over the next couple of months. With Medicare, which typically runs 18 months behind on our real cost, we catch up to the new cost structure and we should receive in addition to the incentive money an additional \$2 million lump sum payment around July or August time frame and then get paid at the higher rate going forward. This will allow us to have more breathing room and a decent cash cushion for the role out of ICD 10 which by all indications point to possible if not likely delays in payments from Medicare starting in October when ICD 10 goes live.

Finally, I was able to become board certified in healthcare administration and become a Fellow with the American College of Healthcare Executives (FACHE) last summer. The Fellow position is the highest distinction the College offers and if nothing else it represents five years of hard work meeting all the requirements to become a Fellow and my dedication to staying current on the rapidly changing healthcare environment.

**IX. BUSINESS FROM THE FLOOR**

**A. Pharmacy Hours.** Pharmacy hours currently being held were discussed. Board members have fielded complaints about the pharmacy not being open the same time as the Clinic. Inquiry was made to see if there was a possibility of extending their hours past 5 pm. As the doors are locked then and if a patient does not get off before 5, then their business is leaving town. It was noted that we have placed ads looking for a part time pharmacist to assist Kym, but have not had any response yet. Bernie will discuss with Nick when he gets back in town and will report next month.

**B. Web Pages.** Concern was expressed that the physician pages and other items on the hospital’s website are out dated and need to be brought current. David Bull from Blue Moose design is currently working with Cindy and Daniel to update the Bios and information that is posted. We also have a Facebook page that we are currently promoting about the hospital as well.

*AMENDED: 4/24/2014*

**C. Patient Surveys.** *It was asked if we currently conduct patient satisfaction surveys. The answer is Yes. We have a contract with National Research Corp that conducts Patient Surveys based on Meaningful Use criteria and H-CAHPS scores and satisfaction scores for Quality reporting. There is also a suggestion box in the Clinic.*

**X. EXECUTIVE SESSION**

A motion was made and seconded to enter Executive Session at 7:27 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 7:45 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

\_\_\_\_\_  
Cynthia Stults, Executive Assistant

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

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

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