

**RANGELY DISTRICT HOSPITAL  
BOARD OF DIRECTORS MEETING  
July 28, 2016**

**BOARD MEMBERS PRESENT**

John Payne, Chairman  
Jason Kurrasch, Vice Chairman  
Nathaniel Polley, Secretary/Treasurer  
Marques L Jones, Director  
Michelle Huber, Director

**OTHERS PRESENT**

Nick Goshe III, CEO  
Bernie Rice, CCO  
Jim Dillon, CFO  
Sharma Vaughn, CNO  
Cynthia Stults, Executive Assistant  
Nancy Droste  
Casey M Aguirre DO, COS (Absent)

**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 6:00p.m. by John Payne, Chairman of the Board.

**II. APPROVAL OF MINUTES**

**A.** Minutes of the Rangely District Hospital Board of Director's meeting dated June 30, 2016 were presented for review. A motion was made and seconded to accept the minutes as presented. The motion carried unanimously. **ACTION/TAKEN/CLOSED)**

**III. PUBLIC FORUM**

**A. Correspondence:** Simone Heinley sent a thank you to the board. She was the recipient of the 2015 Western Fuels Scholarship from the Hospital.

**B. General Public:** There were no speakers present from the general public.

#### IV. MEDICAL STAFF REPORT

- A. Review of Medical Staff Report (Accepted): Minutes of the July 14<sup>th</sup>, 2016 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 re-appoint Shelby T Lindsay, FNP to Mid-Level Allied Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

#### V. COMPLIANCE REPORT

- A. **Quality Health Network (QHN):** QHN Quality Health Network is pressing for us to hook up with their services. The problem is we get next to no benefit from this service and the initial start-up cost is @ \$100,000.00. + Plus annual fees reaching \$15-20,000.00 ongoing. Our strategy is to wait and see if they will pony up something as it benefits their group more with us in it.
- B. **High Speed Internet:** We are moving ahead with the fiber optic upgrade. We have our agreements for internet in place. We just need to wait for the county to complete their installation and approval part. Our expectation is that this should happen soon.

#### VI. FINANCIAL REPORTS

- A. **Budgeting Assumption Overview:** Jim Dillon, CFO presented the budgeting assumptions for 2017. As part of the budgeting process for 2017 we will be reviewing critical budget assumptions with the board prior to creating the budget. Many income and expense items cannot be changed, for example: Tax Levy levels, depreciation, interest expense, existing contracts, etc. those numbers are set in stone. However for those budgetary items that can be influenced management's thoughts are that inflation assumptions will affect both revenues and expenses in the budget. We have reviewed data from the Bureau of Labor Statistics for both the overall Cost of Living and Medical Care services. The CPI is currently at 1% which affects wage and expense increases. Medical Care Services rate is currently at 3.5% affecting medical care price increases. Activity, Stats and Benchmarks are also key to revenue budgets. Expenses also effect the total budgets. We have a few deadlines approaching. August 25 is our deadline to certify all taxing entities and to DOLA the total assessed valuation. Before October 15 the Board must designate or appoint a person to prepare the budget. The "Notice of Budget" is to be published upon the Boards' receipt of proposed budget (October 15<sup>th</sup> 2016) Then between December 10-15 is the deadline for certification of mill levies to the county commissioners. Districts must adopt their budget prior to certifying levies to the county. Due to the holidays, the board usually does not meet in November but around the 10<sup>th</sup> of December for this purpose. A motion was made and seconded to appoint Jim Dillon, CFO to prepare the 2017 budget for the Board. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

**B. Presentation of June's Financial Report:** Managements' current assumptions to be used in the development of the 2017 were presented to the Board. The Board was also presented with a brief calendar of requirements related to the budgeting process. Stats remain better than last year and budget for the clinic and most ancillary departments. Inpatient Acute and Skilled Nursing continue to lag. Revenue is 13% better than budget and 9% better than last year. Gross profit is 3% more than last year and 1% less than budget. Total Expenses are 1% more than budget but 9% less than last year. Payroll expense is 7% above budget but even with last year. Year-to-date Net Income is substantially better than last year and just slightly less than budget. Cash balances are as expected. In June, we received substantial tax funds as well as the Medicare cost report settlement of \$1.7MM from 2015. The Check Register for June was reviewed. A motion was made and seconded to accept the June 2016 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

## **VII. OLD BUSINESS**

- A. SDA Training:** The Special District Association is putting on a training session for Healthcare District Boards and Administrators. I have not been to one of their training days before but they are the ones that provide our board member manuals with all the laws so this may be of interest and it is focused on healthcare. The date is August 10<sup>th</sup> in Lakewood Colorado from 9am until 3:30pm. I have enclosed the brochure if there is interest. We discussed this last month and the deadline to register is August 1<sup>st</sup>. Right now I have John, Bernie, Sharma, and myself scheduled to attend. (See Flyer) Nate said that he was interested in attending as well.
- B. TIF Update:** In following up to Mr. Brixius presentation, we need to have the Board decide if we want one of the representatives of the Towns' boards to vote for our interests in the decision making processes for the CNCC expansion or if we would rather have our own representative at these meetings to vote our interests on this project going forward. A motion was made and seconded to appoint our own representation to this committee as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

## **VIII. NEW BUSINESS**

- A. Rural Health Center Feature:** Will be presenting video to legislatures on the issues of rural clinics. Our clinic is one of four asked to participate. It is not done yet, but will keep everyone informed of their progress.
- B. Steve Summer, CHA President:** Steve was here for an onsite visit. CHA is very active on presenting the struggles that critical access hospitals are facing. (HPF funding, required mandates, ACO, EMR etc.) His visit went very well and he is interested in having our input when he presents next July to the state legislatures.

## **IX. BUSINESS FROM THE FLOOR**

- A.** John made an inquiry regarding the cafeteria drawing residents from the town up here. The cafeteria is open to the public, we do not advertise. We recently increased our prices to better match those of the restaurants in town. It is a service we provide for our patients, employees and their families. We in no way "compete" for business.

**X. EXECUTIVE SESSION**

**A.** A motion was made and seconded to enter Executive Session at 7:20p.m. per C.R.S. §24-6-402(4) (f) “personnel matters.” 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:

\_\_\_\_\_  
Nathaniel Polley, Secretary/Treasurer, Board of Directors

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

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

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