

RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
June 25, 2015

BOARD MEMBERS PRESENT

Stephen Petersburg, Chairman
Buford Adams, Vice Chairman
John Payne, Secretary/Treasurer
Jason Kurrasch, Director
Nathaniel Polley, Director

OTHERS PRESENT

Nick Goshe III, CEO
Jim Dillon, CFO
Bernie Rice, CCO
Cynthia Stults, Executive Assistant/HR Director
Nancy Droste, Radiology Director

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 6:01p.m. by Stephen Petersburg, Chairman.

II. APPROVAL OF MINUTES

Minutes of the Rangely District Hospital Board of Director's meeting dated May 28, 2015 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:** There was no correspondence presented at this meeting.
- 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 June 11th, 2015 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 Kennan Vance MD's appointment to Consulting Staff. A motion was made and seconded. The motion carried unanimously. (ACTION TAKEN/CLOSED)**

- C. It was recommended to approve Patrice Johnell, FNP's appointment to Temporary Locums Mid-Level Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- D. It was recommended to approve the 32 Radiologists from Diversified Radiology as our new Radiology providers for initial appointment to Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- E. It was recommended to approve Henry Lewis III MD's reappointment to Courtesy Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- F. It was recommended to approve Richard G Garmany MD's reappointment to Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

V. COMPLIANCE REPORT

- A. **EMR update:** All is going well with the update, 5.66 to 5.67 no surprises, probably due to core team efforts and a little experience now. Jimmie, Lois and company tracking down contacts doing preemptive strikes on problems help immensely.
- B. **Internal Audits:** Internal audit and prep for ICD/10 continues going forward. We are stepping up the process and will be attending classes and have our physicians attend as well.
- C. **Rural Hospital Presentation:** Request for presentation for Associated Governors Northwest Colorado on plight of rural hospitals has been requested and tentative date of November 19th, 2015 has been set.

VI. FINANCIAL REPORTS

- A. **Presentation of May's Financial Report:** We have received notification about the Healthcare Provider Fee (HPF) that has been approved by CMS. We will be receiving about \$1.4MM in HPF funds for 2014. According to the correspondence, makeup payments will begin in July and continue through September reverting back to regular monthly payments in October through December. We are still waiting for the results of the audit on our cost report for 2013. Our financial report audit for 2014 should be available for review at our July meeting next month. Stats were low in May in most areas. Long Term Care continues to do well, but Clinic and associated ancillary departments experienced a drop in activity. Previously positive to last year and budget, Revenue is now 2% less than budget as well as 2% less than last year. Gross profit is 5% less than last year and 4% less than budget due to lower than expected Medicare monthly payments as well as a drop in revenue. Total Expenses are 2% greater than budget and 10% more than last year. Purchased service expenses are 1% better than budget and 50% less than last year. The wide variances to last year are due to the shortage of doctors and use of locums for the first few months of 2014. Year-to-date Net Income is (\$561,639) which is less than last year's figure of (\$323,229) and less than the budgeted figure of (\$258,597). Cash balances for May are high as we received the 2014 Medicare Cost Report payment earlier

than normal. The balance still includes the \$1.25MM loan from Bank of the West. The Check Register for May was reviewed. A motion was made and seconded to accept the May 2015 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

VII. OLD BUSINESS

- A. A&P Parking Lot Repairs:** Work has resumed on the parking lot and hopefully will be completed in the next few weeks. A&P is covering this cost in its entirety.
- B. Accountable Care Organizations (ACO):** We are continuing to investigate forming an ACO with the hospitals in our northwest corner of the state. I still do not have a cost for this, but I believe we do not want to be the only hospital not participating. The ACO's purpose will be to lower cost to Medicare patients while improving quality. No one yet knows how this quality will be measured. By participating, we can get a taste of what it will be like in the future if everyone is paid based on quality instead of fee for service like I has historically been.

VIII. NEW BUSINESS

- A. Paper re-printed article from February:** For some reason last Thursday's paper reran an article about us cutting expenses and placed it on the front page which was right next to the grand opening articles for Meeker's new hospital. I called and spoke to the editor Sean something and he is running an apology this week. He states they had new software and he meant to run another article by Jen Hill and this one populated. At any rate I was not happy but he seemed sincerely to apologize. In reading the article today, I believe it was an error and not intentional.
- B. EIB vs. Short Term Disability:** We have been looking at replacing our EIB (Extended Illness Bank) benefit with a short term disability option. The auditors do not like the unfunded EIB that is currently in existence. Our current Long Term Disability provider seems to have the best proposal. It will provide a 60% payout over 3months which is pretty standard to the industry. And it provides an option that the short term disability will automatically roll over into our long term disability program should circumstances require, without having to re-apply or wait for another qualifying period. We hope to have this implemented by August 1st, 2015 with your approval. After further discussion, a motion was made and seconded to move forward with the Short Term Disability benefit offered by Gardner and White to replace the current EIB program as proposed. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

IX. BUSINESS FROM THE FLOOR

- A.** The Employee Appreciation BBQ will be held either in July or August. Cindy will get with Andrea and notify the board of the date.

X. EXECUTIVE SESSION

A motion was made and seconded to enter Executive Session at 7:05p.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 7:38 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

Jason Kurrasch, Secretary/Treasurer, Board of Directors

Date: _____

Cynthia Stults, Executive Assistant

Date: _____