

RANGELY DISTRICT HOSPITAL  
**BOARD OF DIRECTORS MEETING**  
August 25, 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  
Sharma Vaughn, CNO  
Casey M Aguirre DO, COS  
Cynthia Stults, Executive Assistant  
Nancy Droste  
Norian James  
Julie, Regional Manager from CO Special Olympics

**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 July 28, 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:** There was no correspondence presented.

**B. General Public:** Norian James from our PT department and Julie form the CO Special Olympics were present to solicit the hospital to be a major sponsor for their upcoming "Polar Plunge" scheduled for November 12, 2016 out at Kenney Reservoir. Last year there were 44 plungers and they raised \$6,000 that went towards the Special Olympians and their training and travel costs and expenses. There are currently over 3,000 Special Olympians on the western slope. Last year the hospital had contributed volunteers and the ambulance & personnel to staff the first aid station. This year Norian asked if the hospital could be a major sponsor as well, the funds would offset advertising and our logo would be prominently displayed as a sponsor of this event. A motion was made and seconded to

be a major sponsor the event with a donation of \$1,000 and ambulance and volunteer support again this year. The motion carried unanimously. **ACTION/TAKEN/CLOSED)**

#### **IV. MEDICAL STAFF REPORT**

- A.** Review of Medical Staff Report (Accepted): Minutes of the August 11<sup>th</sup>, 2016 Medical Staff Report were presented for review. A motion was made and seconded to approve minutes as amended. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- B.** It was recommended to re-appoint Charlie E Brunson, MD as Cardiology specialist, Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- C.** It was recommended to re-appoint Daniel J Duffey, MD as Cardiology specialist Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

#### **V. COMPLIANCE REPORT**

- A. EMR Update:** Meditech was here to present an upgrade for our current EMR that we might consider in a few years. During the Med Staff meeting the physicians had the general consensus that they are not interested in upgrading at this time as the new upgrade does not provide anything different than what is currently available with our current release.

#### **VI. FINANCIAL REPORTS**

- A. Presentation of July's Financial Report:** Jim Dillon, CFO was out of town so Nick presented the July Financial Reports. There is really no way to sugarcoat this. In 2010, we received about \$2.75MM as an operating levy. We have just received the Rio Blanco County Assessor's preliminary tax levy to be used for our 2017 budgeting purposes. It reflects a 38% drop and we expect to receive only about \$1.34MM. The appraised value of the district has dropped from about \$427MM to about \$265MM. This will have a significant impact on our cash flow. With this drop in the tax levy and the cut we are taking from the HFP fund, we will be receiving approximately \$1.2MM less than last year. In addition there does not seem to be any evidence that these amounts will go up significantly any time soon. At this rate we will go through our reserves by the end of 2018. I have scheduled a meeting with our managers next Tuesday as we need to look at cutting at least \$500,000 from our budgets. I just wanted to let the board know that you will be hearing from some very upset people. We may have to reduce services, possibly layoffs in the very near future. We may have to raise the cost of insurance and that will also be very unpopular. Nick presented the budgeting assumptions for 2017. As part of the budgeting process for 2017 we will be reviewing critical budget cuts and assumptions with the board prior to creating the budget. WE will need to do strategic planning to survive at this level. Stats are, in general, down from last month. The exception is Inpatient Acute which had its best month of the year. Revenue is 13% better than budget and 11% better than last year. Gross profit is even with last year and 2% less than budget.

Total Expenses are 1% more than budget but 7% less than last year. Payroll expense is 7% above budget and 2% more than last year. Year-to-date Net Income is substantially better than last year but less than budget. The large negative figure for last year (\$771,556) was due to a delay in payment by the state for HPF funds. The HPF payment was made up for in September through November of 2015 which resulted in a positive net income for the FY 2015. Thus, the last year net income figure will begin to rise rapidly over the next few months. Cash balances are as expected. The Check Register for July was reviewed. A motion was made and seconded to accept the July 2016 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

## **VII. OLD BUSINESS**

- A. SDA Training:** The Special District Association put on a training session for Healthcare District Boards and Administrators. This is the first one of their training days they have had for healthcare specifically. Nate attended this with Bernie, Sharma, and myself. In the future these specific training sessions could be beneficial. I would have liked to see more on legal challenges coming our way but overall I think the training was good. Nick will forward the slide presentations from this training to the Board Members.
- B. CRHC Rural Health Showcase Featuring RDH:** Tammy and I attended the CRHC showcase in Aurora last Friday. There were several state legislatures at the event and several more that were running for office. This was a good opportunity to present some of the struggles rural areas deal with. I think the video represented us well. One of the legislatures suggested these videos go to all members of the legislature and I think that may happen. It certainly can't hurt. Also CRHC sent a press release to the paper this week and the PR Newswire site so we will see if the paper covers it or others pick it up. Also we are working on posting the press release on the website with a link to the video on YouTube as well. That should be up shortly on our website.
- C. TIF Update:** The better cities project that Mr. Brixius presented, it seems that more information has come to light with this project. They do not seem to be bringing any industry to town, just dividing the current economy further. The college does not have a plan to do the things that they are supposedly going change in order to accommodate the project. John asked to pole the board to understand their perspective of what they think the project will do to benefit our community. The consensus of the board was that the current proposed project would have a negative impact on our community. Mesa is considering starting an aviation curriculum, and most students would rather go to Junction than CNCC here. The general consensus is not to support the project at this time.

## **VIII. NEW BUSINESS**

- A. Board Training Physician Recruitment and Retention Plans:** This is the first board that we have not been actively recruiting physicians. But John felt this information would be of benefit to the Board. It is not news that there is a shortage of physicians interested in providing rural health. One of the clinics featured in the Colorado Rural Health videos was so excited that they were going to have a physician next year. Steve Summers the CEO of Colorado Hospital Association couldn't believe it when I told him we had 4 local physicians here in Rangely. The Merritt Hawkins surveys reports that there are currently over 8,000 family physician vacancies nationwide. And of the physicians graduating residency only 1%

are interested in practicing in a town of less than 10,000 people. So from the Class of 2014, 2,780 graduates only 27-28 are interested in towns of less than 10,000 and Rangely only has 2,000! For each graduate there are 3-4 opportunities. So that diminishes our odds even further. So for our recruiting purposes we have to focus on what we have to offer. We can't change where we are located or the number or climate of our location. But we can offer competitive benefit packages. Some of these include, On Call times, Lifestyle Balances, 4 day weeks, Clinic /ER Balances, Loan repayments, benefit options and competitive wages. Medical Malpractice is paid and \$3,000 towards their CME's. We believe it is because of what we have to offer, it has been working as we have 3 physicians and a nurse practitioner working here. The shortage of Family Practice Physicians is real and will continue into the foreseeable future. This is the first time physician recruitment has not been an issue in the history of this hospital. We hope what we are doing is working. And with our track record in recruiting providers, I think it is. Rifle, Meeker and surrounding hospitals are offering huge sign-on bonuses the shortage is being felt nationwide.

- B. FAA Flight Physicals:** CNCC has added 20 new flight students this semester. Each one of them is required by the FAA to have Flight physicals. The nearest one is in Denver. We are currently having Dr. Aguirre check into applying with them to see if we can bring those in house. The training is 4 days and more intense than DOT physicals. We will let the Board know once we have more information.

**IX. BUSINESS FROM THE FLOOR**

- A.** No business from the floor was presented.

**X. EXECUTIVE SESSION**

- A.** It was noted that there was not a need for an executive session

**XI. ADJOURNMENT**

A motion was made and seconded to adjourn this regular meeting of the Rangely Hospital District Board of Directors at 7:26 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

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

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

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

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