

**RANGELY DISTRICT HOSPITAL  
BOARD OF DIRECTORS MEETING  
July 31, 2014**

**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  
Bernie Rice, CCO  
Jim Dillon, CFO  
Katy Rieves, MD , COS  
Cynthia Stults, Administrative Asst.  
Nancy Droste, Radiology

**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 5:59p.m. by Mr. Stephen Petersburg, Chairman.

**II. APPROVAL OF MINUTES**

Minutes of the Rangely District Hospital Board of Director's meeting dated June 19, 2014 were presented for review. A motion was made and seconded to accept the minutes as amended. The motion carried unanimously.

**(ACTION/TAKEN/CLOSED)**

Minutes of the Rangely District Hospital Board of Director's meeting dated June 26, 2014 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 were two items of correspondence presented. The first was an anonymous letter regarding the troubles a patient had experienced in trying to obtain a DOT physical. There are new regulations that require physicians to be certified in order to do DOT physicals. At the time of this occurrence we were only

staffed with locums. We have since certified Dr. Hsu and Dr. Rieves to do DOT physicals. The next item of correspondence was from Mr. Shayler sharing his appreciation of Shingo in physical therapy. Because of Shingo's care he is now able to do things he has not been able to do in years and he is very grateful for the care he has received and especially for Shingo in explaining and being involved in his therapy.

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

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

**A.** Med staff meeting was cancelled this month as they did not have a quorum available.

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

##### **A. EHR Update:**

We have initiated our attestation period for stage one year two. We began implementing this phase July first. I think the best way to describe this is that we now have the framework in place. We can now tweak the inner workings to make it useable to all. We will be working to satisfy the mandates, but now more importantly, we will make it work for the providers, billers, and medical records. I wish this would be the end of all the challenges; however as patient data continues to be of interest to the government, more information mining will take place by the government. Second stage will be equally as complicated as the first, but with different targets (and unfortunately) I think it will have the same uncertainty from the government. At any rate our focus is going to be to continue to drive forward toward being totally paperless and accommodate the patient portal types of issues in the near future. I cannot stress enough the amount of hard work and frustration our core team has had with this project, we certainly appreciate them all.

##### **B. Investigating New Childcare Benefit:**

We are gathering information on the logistical, staffing, and regulation issues with this project, it is my hope to get something together to look at before budget meetings so we can take a definitive look at some options.

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

**A. Financial Report:** We received about \$2.5 MM for the 2013 Medicare cost report in June. This leaves an estimated \$350,000 due for 2013 and will leave about \$2 MM due for 2014. This will be more fully explained in the PowerPoint presentation during the Board meeting by our CFO, Jim Dillon. On July 8<sup>th</sup> we paid our \$1.5MM Line of Credit to \$0. This is not yet reflected in the attached financials as we are presenting financials thru June this evening. It will be reflected in July's financials. We will be asking for input from the board about the 2015 volume and inflation assumptions as we have started the budgeting process. This will be accomplished during this evenings PowerPoint presentation. In June, a combination keying and computer error generated a \$2,000,000 instead of a \$20,000 charge to Medicaid, which they paid. This overpayment of \$1,800,000 was immediately brought to their

attention and they indicated that they would be taking the money out of the account on June 20<sup>th</sup>. They did not. Instead they created a receivable against our Medicaid account and are paying us 50% of our bills and crediting the other 50% against the receivable (which is their policy) At that rate, it will take us many years to pay this off. In essence, they have prepaid us by \$1.8MM and we are paying it off at 50% of billed charges as we go forward. We are looking into what, if anything, to do about it. A customer service clerk at Medicaid indicated to Monument Medical that, “ it’s a wash and not to worry about it”, but it is so bizarre that we are looking into it further. The 1.8MM is reflected in the Balance Sheet but not on the Cash Graph. Stats as of June indicate continuing weakness in all activity levels with the exception of Long Term Care, Endoscopies and Physical Therapy. For 2014 YTD, Gross Profit is 1% above budget and 16% more than the same period in 2013. Total Expenses are 12% greater than budget and 11% more than last year. Much of the negative variance in Total Expense is due to locum tenens expenses in “Purchased Services” (\$101,688), and software in “Other Operating Expense” (\$52,855) These expenses continue to be somewhat higher than expected when we were budgeting last August. But the Locums expense dropped off significantly in June as our new medical staff took over. YTD Payroll expense is 8% above budget and 7% more than last year. Net Income as of June is (\$781,130) which is less than the budget of \$231,793 and last year’s figure of (\$536,577) at this point in the year. Cash balances are up significantly for June as predicted due to amounts received from Medicare. Balances do not reflect the payment of the \$1.5MM LOC in June and the \$1.8MM Medicaid anomaly are not included. The Check Register for May and June was reviewed. A motion was made and seconded to accept the May/June 2014 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

**B. 2015 Budget Parameters:** As part of the budgeting process for 2015, We will be asking for input from the board about the 2015 volume and inflation assumptions as we are starting the budgeting process. General budget assumptions for the 2015 Budget were presented. Management presented their thoughts for preliminary results to the board through a PowerPoint. A motion was made and seconded to accept the presented 2015 budget parameters as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

**C. Board Orientation / Financial Overview:** Jim Dillon, CFO presented a PowerPoint on Financial Overviews for the Board members outlining the specifics of statistics and how they relate to the annual budgets and assumptions. He also explained where we draw our numbers from and how we are required to report to CMS, State and Federal entities. He also explained the reimbursements that we receive as a critical access hospital. In it he also included the statistics for the 2015 budget for approval before presenting it to the various departments.

## **VII. OLD BUSINESS**

**A. Physician Recruitment:** On July 10<sup>th</sup> we interviewed Dr. Elise Sullivan onsite. The interview went very well but unfortunately she accepted a position in Craig where she can do OB. To her OB was her most important factor and unfortunately there is nothing we can do about that. According to her, our offer had a better

schedule, better pay, and a better student loan program than Craig was offering and the kicker according to her was that her husband wanted her to take our position. I guess as the saying goes you win some you lose some. We still have Dr. Abigail Urish whom graduates in June 2015 and she wants to make a visit in August. I will keep my fingers crossed. She also seems like a good fit here.

**B. Eagle Crest Generator:** The initial quote from Ducey’s came back even higher than the winter quote was and it did not include a fuel tank or fuel tank hook up so Mike has sent out for a second opinion. I hope to have an additional quote by the board meeting so the board can make a decision on how to proceed.

**VIII. NEW BUSINESS**

**A.** No New Business was presented.

**IX. BUSINESS FROM THE FLOOR**

**A. Board Emails.** It was discussed that the board would appreciate receiving phone calls in regards to meetings and assignments. We have been having issues with emails not being received in a timely manner and the Board would prefer to be reached via phone.

**X. EXECUTIVE SESSION**

A motion was made and seconded to enter Executive Session at 8:30 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 9:28 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

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John Payne, Secretary/Treasurer, Board of Directors

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

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

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