

RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
April 24, 2014

BOARD MEMBERS PRESENT

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

OTHERS PRESENT

Nick Goshe III, CEO
Bernie Rice, CCO
Jim Dillon, CFO
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 6:02p.m. by Mr. Stephen Petersburg, Vice Chairman. It was noted that Jack Rich, Chairman was excused as he is out of town on business.

II. APPROVAL OF MINUTES

Minutes of the Rangely District Hospital Board of Director's meeting dated March 27, 2014 were presented. It was noted that there had been a brief discussion about patient surveys from business from the floor that was not included in the minutes. A motion was made and seconded to accept the minutes pending a check with the tape for the patient survey question from business from the floor. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**

III. PUBLIC FORUM

A. Correspondence: There was no correspondence presented.

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 April 10, 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 renew Temporary Privileges to Dr. James P. Jex, MD, General Surgeon to Courtesy Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

V. COMPLIANCE REPORT

A. **EHR update:**

The general systems of our Electronic Healthcare Records are now in place, the more detailed time consuming issues are now the primary mission. We must integrate the (working out the bugs) into continuing our attestation efforts, as we move forward. This will no doubt be hampered by the continuous change in rules from the powers that be however we feel we are at least making head way The pharmacy and nursing segments of Pyxis, Order entry, MARs, and medical streams processes were audited By INHS. The new builds, QA factors that were newly identified by CMS(Medicare/Medicaid) and the adjustments to existing program data mining processes are now being addressed. As we move forward in these endeavors we will continue to use the services of INHS to fix and teach our staff the methods used in order for us to wean them out.

B. **ICD 10 & Compliance Conference update:**

Lois Pittman, Toni Dembowski, Angie Medina and I attended segments of the Compliance/ICD10 national conference last week. The information gathered is enormous. Toni and Angie went through the ICD10 schooling and since it was put on by AAPC we can possibly get the updates and reviews free for the following year,(this may depend on them subscribing to AACP at \$125.00 per person.

The compliance segment was more detailed information than we have been getting all along. As a result, I believe that we are behind in some areas and ahead in others. I definitely got the feeling no one has confidence in what the government is trying to do. More pressure is being put on them to use some common sense approaches. We will see how that turns out. We are gearing up for our internal audits which is one of the things touted at the conference as a way of protecting ourselves from the audit machine (six agencies) the government has in place to fight fraud and abuse. That said this will dove tail nicely into our QA programs nicely.

VI. FINANCIAL REPORTS

- A. **Financial Report:** Our preliminary cost report indicates an amount due from Medicare for \$4,342,519. In my opinion, about \$350,000 will be allocated off of the incentive portion, leaving a net due of about \$4,000,000. This would include the \$980,000 Medicare has agreed to pay on the incentive so far, (but we have not yet received),

leaving a balance of \$3,000,000 in additional monies from which we will pay the \$1,500,000 line of credit. As a reminder, on March 10th, 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. We received our first make up payment of \$92,000 in April. March 2014 Gross Profit includes \$243,393 in Health Fair charges, (about like 2013) but most of this will be adjusted off in April, (just like in 2013), as charges are reconciled against accounts receivables. Stats for March indicate continuing weakness in the Clinic, Lab and Retail Pharmacy. ER activity, Skilled Nursing, and Acute days were below expectations. Long Term Care and Physical Therapy performed very well. For 2014, Gross Profit is 15% above budget and 17% more than the same period in 2013. However, due to the Health Fair adjustments expected in April (as mentioned above), Gross Profit would have been 6.7% better than budget and 9.3% better than last year had those adjustments been applied in March. Total Expenses are 13% greater than budget and 11% more than last year. YTD Payroll expense is 7% above budget and 1% more than last year. However, most of the negative variance in expense is due to locum tenens expenses which continue to be somewhat higher than expected when we were budgeting. Net Income as of March is (\$92,187) which is less than the budget of \$48,958 and last year's figure of (\$68,210). Cash balances are at about expected levels. We expect them to increase significantly over the next two quarters as we receive the amounts due from Medicare. The Check Register was reviewed. A motion was made and seconded to accept the March 2014 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

VII. OLD BUSINESS

- A. Rangely Family Medicine Changes:** The physician reception went very well. Estimates are of about 100 people passed through. I was disappointed with the press coverage but the event itself went very well. I thought Dr. Aguirre, Dr. Rieves, and Shelby went around the room and visited with all.

Dr. Aguirre started seeing patients last week and so far so good. Shelby is still waiting his license which should be any day now. As of this writing it has been 22 days since Shelby had everything turned into the state boards and they do not allow complaints until it reaches 30 days. At any rate we are close and unfortunately we need to continue staffing with locums and will have some overlap because of the need to schedule at least a month in advance to ensure coverage. Anyhow, hopefully Shelby will be seeing patients within the next couple of weeks.

The poster board marketing materials on our physicians are up around the hospital. The final posters which have higher quality back boards and print should be in within the next few days.

It looks like in June we will be having one of the students I told you about over the last several board meetings out for a visit. Her name is Dr. Abigail Urish and she is from a small rural Wyoming town. She is in a rural practice residency and has particular interest in Wyoming and Colorado in the rural setting. Anyhow, we are fully staffed but if we have a chance to add her I think we should do it. She is slated to graduate in

June of 2015 so we would be talking about summer of 2015. I will keep you abreast of how these conversations go.

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.

B. CEO Evaluation: This will stay on until my evaluation is completed.

VIII. NEW BUSINESS

A. New Pharmacist Hired: I know that this is going to seem like an unbelievable coincidence (since you brought it up at the last board meeting) but that is what it is none-the-less an unbelievable coincidence. We have been searching for another pharmacist for probably a year and we have found one. Vanessa Rogers will be joining our team May 1st. This also means that with both Kym and Vanessa working we will have more coverage options and will be staying open until 7pm starting May 5th. Kym would like to have a grand reopening introducing both herself and Vanessa to the community along with the increased hours. I think this could be a good idea and it goes along with the idea of increased marketing we are trying to do. We will shoot for some time in May for this event.

IX. BUSINESS FROM THE FLOOR

A. Community Economic Development. There was a community Economic Development meeting last night. They are working on a “Strength, Weakness, Opportunity, Threats (SWOT) Plan” for Rangely. The intent is to put an economic plan together with the key employers to market and promote our community for opportunities and growth. As a major employer the hospital would be wise to tap into this resource. Water rights and expansion of internet services community wide was also discussed. It will be interesting to see and be a part of.

X. EXECUTIVE SESSION

A motion was made and seconded to enter Executive Session at 7:23 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 7:42 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

Cynthia Stults, Executive Assistant

Date: _____

Robert Mackey, Secretary/Treasurer, Board of Directors

Date: _____