

RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
February 25, 2016

BOARD MEMBERS PRESENT

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

OTHERS PRESENT

Nick Goshe III, CEO
Jim Dillon, CFO
Bernie Rice, CCO
Casey Aguirre DO, COS
Cynthia Stults, Executive Assistant
Melissa Norman

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 5:58p.m. by John Payne, Vice-Chairman of the Board. Steve Petersburg is currently out of town and unable to attend, his absence was excused.

II. APPROVAL OF MINUTES

Minutes of the Rangely District Hospital Board of Director's meeting dated January 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 at this meeting.

B. General Public: Melissa Norman from the New Eden Center was present and asked for a donation to purchase car seats for infants in need. The cars seats that New Eden would like to purchase cost \$240.00 each. The board discussed the request. A motion was made and seconded to donate \$720.00 for the purchase of three car seats as presented. The motion carried unanimously. **ACTION/TAKEN/CLOSED)**

IV. MEDICAL STAFF REPORT

- A. Med staff was cancelled for February as there were not sufficient numbers to make a quorum.

V. COMPLIANCE REPORT

- A. **EMR:** We continue to tweak problems and issues as we find them, there are discussions on Meaningful Use in the future as, in some circles, it is thought to be finished. What this will be replaced with is still uncertain. However, I believe, there will be something to ensure we continue along these lines.

Our own IT staff is taking over most of what our consultants have had to do in the past, thus cutting out most consultant fees we were paying.

ICD/10 is presently being paid, I am hearing that the grace period is coming to an end and have some education scheduled to see where that ends up hopefully before it becomes an issue.

- B. **AUDIT REPORT:** We are continuing to audit our billing processes in order to stay on top of all the changes and pitfalls we encounter.

We are expanding our Q.A. programs now concentrating a bit more on employee safety. Q.A. is a never ending process and will continue to changes as we identify areas for improvement, with some of the new wearing off of our facility we can identify areas needing attention.

VI. FINANCIAL REPORTS

- A. **Presentation of January's Financial Report:** Please note that the financials here are for only one month. Many accounts in Allowances, like Medicare Contractuals and Bad Debts, come in spurts and lumps but are compared to an even monthly budget. It will take a few months to get a good trend for such items. Given the price of oil, we anticipate that our operating tax levy could be cut by as much as 50% for 2017. In addition, HPF funding, from which we received about \$1.468MM in 2015 has recently been cut (couple of weeks ago) to \$1.372MM and may go lower or even be eliminated depending on the Colorado State Budgeting process in 2016. We continue to monitor these things for possible actions later in 2016. We received \$663,736 in December against the 2015 Cost Report balance due. We estimate that we will still receive an additional \$2MM when the 2015 cost report is filed and the 2014 cost report is audited. Medicare will continue to pay us a daily limit of \$9,999.99 per day for SNF and Acute in 2016 but is willing to make a partial payment to us toward year end (as they did this year) if we can show that we have the money coming. With the exception of Lab and Radiology, activity is generally lower than budget or last year. Revenue is 2% less than budget and 7% less than last year. Gross profit is 8% less than last year and 22% less than budget, largely due to lower than average Medicare contractuals, greater than average private contractuals, and greater than average bad debt. Total Expenses are even with budget and 13% less than last year, mostly due to decrease in Depreciation. Payroll expense is 9% above budget but 9% less than last

year. Year-to-date Net Income is \$(224,485) which is better than last year's figure of \$(368,714) but less than the budgeted figure of \$30,315. Cash balances are excellent, especially for this time of year. The Check Register for January was reviewed. A motion was made and seconded to accept the January 2016 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

- B. Approval of Furnace Expense:** Buford reminded Administration that all expenses/repairs over \$5,000 require Board Approval. A motion was made and seconded to approve the \$11,538.39 Expense to repair the furnace in the doctor's house as presented. The motion carried unanimously. **ACTION/TAKEN/CLOSED)**

VII. OLD BUSINESS

- A. Physician Schedule Changes:** The new clinic schedule is officially under way with Dr. Urish, Dr. Sutton, Dr. Aguirre, and Shelby Lindsay seeing patients full-time. The clinic letter which is attached will go out to all clinic patients tomorrow. Not only will this provide the same providers each week it will also expand the available days each is in the clinic. For instance under the old schedule Dr. Aguirre was 2 days clinic 2 days ER now he is 3 days clinic 1 day ER. Dr. Urish and Dr. Sutton were each 1 day clinic and 1 day ER now they will have 3 days clinic 1 day ER each. Shelby will remain 4 clinic days each week.

VIII. NEW BUSINESS

- A. CEO Evaluation:** It doesn't seem possible but another year has rolled along and it is time for my evaluation again. With three board seats up for election and two of you term limited out it should probably be done by a board that has been familiar with my work over the last year. So before the new board is seated in May. I am under contract until June 1st of 2017 so that does not need to be addressed this year. Also doesn't seem possible but June 1st is my seven year anniversary as being the CEO here. According to the Colorado Hospital Association I am in the top five in the state in seniority at my position of 89 facilities they represent. Seems it's rare to have the same CEO for more than a few years anymore.

This year saw the recruitment of Dr. Urish and then she recruited a physician husband that has made the new schedule we are starting possible. It may take a few months to really catch on but I believe this new clinic arrangement is going to be very successful.

At the last evaluation you asked me to work on the appearance that I am unapproachable to the public and staff. While I remain introverted by default I have put a great deal of effort into that over the year and tried to attend more staff level meetings as well as walk around the hospital more. I have also attended more town level events and visited more around town.

- B. ACHE Conference Report:** I recently returned from a conference for my CEU's . It was a very scary class. Of all of us in attendance, only myself and one other CEO from Ketchikan Alaska were the only two that were not involved in a merger or acquisition. OF all those involved in the acquisitions, the overall theme was to consolidate and not duplicate services. There is not enough funding and everyone is cutting back services and increasing efficiency in order to stay viable. Medicare does not have the funding to stay ahead of the baby boomers as they are retiring at the rate of 10,000/day. We are in challenging times.

IX. BUSINESS FROM THE FLOOR

A. John had suggested the possibility of providing “benevolent services” gift cards, after speaking with our bank, Jim reported that there were substantial fees associated with gift cards and our bank does not provide such services. Jason asked about bringing the sleep studies in-house as opposed to sending them out. Our numbers are such that the purchase of the equipment and training of the staff would prove to be cost prohibitive. Marketing ideas were discussed to do town mailers about after hours clinic hours and to include surrounding communities as well. It was discussed to wait until the new providers schedules are established and to introduce our new 3-D Mammo implementation, our new website upgrade and Facebook presence.

X. EXECUTIVE SESSION

It was noted that there was not a need for an executive session at this time.

XI. ADJOURNMENT

A motion was made and seconded to adjourn this regular meeting of the Rangely Hospital District Board of Directors at 6:48 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

Jason Kurrasch, Secretary/Treasurer, Board of Directors

Date: _____

Cynthia Stults, Executive Assistant

Date: _____