

**RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
October 30, 2014**

BOARD MEMBERS PRESENT

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

OTHERS PRESENT

Nick Goshe III, CEO
Bernie Rice, CCO
Jim Dillon, CFO
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 6:05p.m. by Stephen Petersburg, Chairman. Buford Adams had a family emergency and is out of town. His absence is excused.

II. APPROVAL OF MINUTES

Minutes of the Rangely District Hospital Board of Director's meeting dated September 25, 2014 were presented for review. A motion was made and seconded to accept the minutes as amended. 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 October 8th, 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)**

V. COMPLIANCE REPORT

A. EMR:

We are continuing the course for EMR. We are headed in a positive direction and are on schedule to meeting meaningful use stage two. We are sending Jimmy Dillon to a reporting school and will hopefully be able to do away with our consultants for meaningful use after this next attestation scheduled in December.

B. Ebola update:

With the scare of Ebola that is dominating the national news right now, we are acting proactively. We are following CDC guidelines. The nursing department as well as EMS are participating in current updates. If you remember, we have a decontamination area in the ambulance garage as well as a contained confined waste area. We are meeting with the ER director tomorrow and will put protocols in place according to the CDC guidelines in case such an event would occur.

VI. FINANCIAL REPORTS

A. Financial Report: Of the \$2+ million that Medicare owed us through August of 2014, they have agreed to pay us about \$250,000 with the balance to be paid with the filing of our 2014 cost report in 2015. In addition, they will raise our daily rate from 50% of the calculated rate to \$9,999. This will not be enough to get us through our low cash flow point in March of 2015 given that things remain static. Medicaid will start paying us only \$16 to \$61 per clinic visit instead of the \$50 to \$52 we currently receive. This versus \$150 - \$200 we get from non-Medicaid visits and the percent of Medicaid patients is expected to increase. Also, Medicare informed Monument Medical (billers) that all current payments for Skilled Nursing will be delayed until January 2015 due to a computer problem. On July 8th, we paid our \$1.5MM Line of Credit down to \$0. However, CMS (Medicare) is only making a partial payment of the balance due. We will need to renew the line of credit for 2015 but will only need about \$700,000 instead of the \$1,500,000 we needed before given current conditions. Our \$3.5MM Debt Service Reserve (DSR) has been moved from Bank of the West to UMB without a loss in book value. We are currently in the process of complying with new federal banking rules and will start investing the week of the next board meeting. We will be investing \$250,000 CD's to maintain FDIC insurance and will set maturities to April and October as our bond payments are in May and November. Although still below recovery levels September stats were better than average for prior months in 2014. Clinic had 543 visits versus 487 last month and was at the highest level since January. Radiology also had its highest stats since January and ER was at its highest point of the year. For 2014 YTD, Gross Profit is 2% more than budget and 11% more than last year. Total Expenses are 11% greater than budget and 11% more than last year. Most of the negative variance in non-payroll expense is due to locum tenens expenses in "Purchased Services", Electronic Medical Record (EMR) consultants in "Purchased Services" and EMR software in "Other Operating Expense". EMR 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 10% above budget and 13% more than last year. Net Income as of September is (\$971,513) which is less than last year's figure of (\$513,999) as well as less than the budgeted figure of \$314,773.

Cash balances for September are as expected. The Check Register for September was reviewed. A motion was made and seconded to accept the September 2014 Financial Report as presented. The motion carried unanimously. (**ACTION TAKEN/CLOSED**)

- B. The board asked if monthly numbers could be added to the graphs that are presented at board meeting. Jim Dillon, CFO said he could do that.

VII. OLD BUSINESS

- A. **Dr. Abigail Urish** Good news for a change. Dr. Abigail Urish has accepted our offer and will be starting August 31st, 2015. We will begin starting background checks and all of the formal HR paperwork. I feel like she is going to be a good fit here.
- B. **Eagle Crest Generator** Work on the Eagle Crest generator hookup has begun. CCITF will be contributed \$46,500 to this project. I am hopeful this will be completed within the month and well before winter sets in.

VIII. NEW BUSINESS

- A. **Drainage Problem**
A & P started work this week and will be covering the cost for the drainage pipe that was graded wrong. This is probably going to take several weeks. A & P doing this is good news because I think this could have been very costly.

IX. BUSINESS FROM THE FLOOR

- A. No business from the floor was presented.

X. EXECUTIVE SESSION

A motion was made and seconded to enter Executive Session at 6:51 p.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 7:42 p.m. Motion approved. (**ACTION TAKEN/CLOSED**)

Submitted By:

John Payne, Secretary/Treasurer, Board of Directors

Date: _____

Cynthia Stults, Executive Assistant

Date: _____