

RANGELY DISTRICT HOSPITAL  
BOARD OF DIRECTORS MEETING  
September 24, 2020

**BOARD MEMBERS PRESENT**

John Payne, Chairman (Via Phone)  
Shad Peters, Vice Chairman  
Brad Casto, Director (Secretary/Treasurer)  
Diana Sizemore, Director  
Keith Peterson, Director

**OTHERS PRESENT**

Kyle Wren, CEO  
Jodi Dillon, HR Director/Executive Assistant  
Wendi Gillard, Compliance Officer  
Wesley White, Interim CFO  
Jimmy Dillon, Controller

Paulo Fernandes, CNO  
Nancy Droste

**I. WELCOME/CALL TO ORDER**

- A.** A quorum being present, this regular meeting of the Rangely Hospital District Board of Directors was called to order at 6:00 p.m. by John Payne, Chairman of the Board.
- B.** Pledge of Allegiance
- C.** Prayer

**II. APPROVAL OF MINUTES**

- A.** Minutes of the Rangely District Hospital Board of Director's meeting dated August 27, 2020 were presented for review. A motion was made and seconded to accept the meeting minutes as presented. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**

**III. PUBLIC FORUM**

- A. Correspondence:** No correspondence presented
- B. General Public:** No general public comments.

#### IV. MEDICAL STAFF REPORT

- A. **Review of Medical Staff Report:** Minutes of the July 2020 Medical Staff Report were presented for review. A motion was made and seconded to approve the report as presented. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**.
- B. A motion was made and seconded to approve Aaron Gale, MD; Rolf Kirby, MD; Locum Tenens. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**
- C. A motion was made and seconded to approve Mahesh G. Atluri, DO; Radiology-Consulting Staff. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**
- D. A motion was made and seconded to approve Leslyn Joseph, FNP – Active Staff. The motion carried unanimously. **(ACTION/TAKEN/CLOSED)**

#### V. COMPLIANCE REPORT

- A. **Quality:** The Quality/Utilization Review/Infection Prevention meeting was on 09.02.2020. We decided to do a combined meeting for two reasons: we need to get these back up and running from COVID and meeting fatigue. All of the same people attend the same meetings. We just need to ensure we clearly document and address each section in our minutes for regulation purposes. This worked out well and we will be continuing to do this in the future. During the UR/UM portion of the meeting we discussed revamping Utilization Review to make it more meaningful and functional. We discussed our goals, objectives, what the committee functions and activities should be or when they should happen, what the staff roles are, the data, feedback and Utilization Management Plan. Lois Pittman heads this up. During the Quality/Risk portion each department leader talked about where they were with Quality Improvement Plans and if they needed any help with their plans. Some of the departments had lost their data during the ransomware attack and will have a gap in the data during that time. During the Infection Prevention portion, I went over a Power Point Kelly Christian created due to her being in the procedure room that day. There were no questions or concerns.
- B. **Risk:** The Safety Committee will begin meeting again (hopefully in October) and will be working on patient safety surveys again. The surveys are given to all staff to fill out for an employee view of patient safety. They help us identify areas of patient safety we may overlook unless we are front line workers or identify gaps in communication and Just Culture. We are eager to see what the surveys look like now that the new administration has been here for a while.
- C. **Compliance:** The Compliance Committee met on 09.02.2020 and began looking at key areas of Risk. We started with a small group and were already able to identify areas we want to keep our eye on in regards to Stark Laws, Antikickback Laws, coding audits, etc. Once our largest areas of Risk are identified I can build a workplan.  
All employee Health Streams are due 09.30.2020 and on 10.01.2020 we will begin working with Relias Learning Management System to build our platform for pre-hire assessments, regulatory compliance education, and continuing education credit hours for all employees. We are very excited to implement this!

## VI. FINANCIAL REPORT

### A. Financial Summary Report for August 2020:

- **CURRENT ISSUES**

- **Auditor Selection for 2020 and the future:** The audit firm is engaged by the Board of Directors to audit the financial statements of the entity. Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the USA.

Cacdwick, Steinkirchner, Davis & Co., P. C. (CSD) is interested in performing the financial statement audit for this year and in the future. Auditors are normally engaged for three to five years because the first year is very time consuming for the auditor and for the client accounting staff. The alternative to extending the engage with CSD for two to four years, would be to issue a Request-For-Proposal for auditing services to several firms, review their responses, request presentations from the finalists and select a new audit firm.

- **Social Security Withholding Deferral from September to December:** We will not participate;
- **Contractual Adjustments Calculation:** The Inpatient and Swing Bed (skilled Nursing Facility (SNF) interim per diem rates paid by Medicare on 2020 claims were compared to the average per diem rates from the 2019 cost report. The hospital was overpaid year to date. A receivable of \$1,311,000 was written off and a payable of \$236,159 was accrued. This will require further analysis during the remainder of the year. It may require the preparation of an interim cost report for 2020 to accurately estimate the amount of Contractual Adjustment and the Medicare Receivable/Payable.
- **UMB Bank Resolution for Incumbency Certificate authorizing hospital Board members and personnel to perform transactions.** Attached is the proposed resolutions.

The UMB Bank is the depository bank for the property tax revenue for the bond payments. The payments are transferred to the financial institution making the bond payments. The bod Debt Service Reserve Fund is also the account at the UMB Bank.

- **COVID Grant capital Requests:** Administration has requested guidance from the Colorado Rural Health Center regarding whether these items qualify for purchase using COVID-19 funding from HHS. These are included in your packet for review.
- **Cash Balances:** Decreased for the \$202,054 payment for the 2019 Medicare Cost Report.
- **Purchased Services:** Includes Senior Life Solutions that was implemented during 2020.

- **COVID-19**

- We have reclassified \$3.9 million in CARES act funds from unrestricted cash to a restricted long-term liability. We are still waiting on guidance, particularly for

recording lost revenue, from HHS on requirements for CARES Act Provider Relief Funds. While guidance was originally going to be made available on August 17, HHS released an update on August 14 indicating that it would take a little longer. They made additional funds available as well, but we will not be eligible for them.

- We have reclassified \$1.6 million in SBA-PPP loan funds from unrestricted cash to a restricted long-term liability. We are still working on collecting information for the SBA-PPP loan forgiveness application. We should be able to get 100% of the loan forgiven and will recognize revenue once the bank has approved our application.
- We have reclassified \$75 thousand in SHIP grant funds from unrestricted cash to a restricted long-term liability. The first round of SHIP grant reporting seems to have been approved. We are currently waiting on the templates to complete the second round of reporting. The remaining money will be used for COVID-related capital expenditures, and we will be able to use 100% of this grant.

- **STATS**

Utilization continues to improve. In several departments, revenue has exceeded forecasts. Acute and SNF days as well as home health visits, continue to be much higher than forecasted.

- **PROFIT AND LOSS**

- PATIENT REVENUE-Revenue was fairly high in most departments, though it is unclear if this trend can hold. Revenue for the month is 1.8% above last year and 4% below budget. Revenue year-to-date is equal to last year and 3% below budget. Revenue for most departments is still down year-to-date, but higher -than-usual Acute/SNF and IV Therapy utilization are helping to boost revenue. Home Health has also been exceptionally busy.
  - GROSS PROFIT-Gross profit is 15% below budget for the month and 2% above budget year to date as a result of the Medicare Contractual Adjustment. Gross profit is 116% below prior year for the month and 5% below prior year to date as a result of the Medicare Contractual Adjustment.
  - PAYROLL EXPENSE-Payroll expense is 5% more than last year and in line with budget as a result of higher salary expenses in Nursing, Pharmacy, PT and Accounting.
  - TOTAL EXPENSE-Total expense is 10% above last year and 45 above budget.
- B. A motion was made and seconded to accept the August 2020 Financials Report as presented. The motion carried. **(ACTION/TAKEN/CLOSED)**
- C. A motion was made and seconded to accept the Bank Authorization Resolution as presented. The motion carried. **(ACTION/TAKEN/CLOSED)**

## VII. OLD BUSINESS/CEO Report

- **Hospital Position Update**

- Physician Search ongoing, we have scheduled visits throughout October. Dr. Morwood (Ogden) and Dr. Stanly (Texas). Dr. Ali is deciding between ours and one other facility.
- Holly announced her resignation
- Leslyn J. Starts September 28, 2020. We will have an open house on the same day at 6:30 pm.

- Nursing, 1 traveling nurse until training is complete with local staff.
- **Eagle Crest**
  - Flooring to be installed first part of October
  - Windows (approved in last years budget) replacing starts at the same time.
- **COVID Update**
  - One symptomatic case reported in Rangely 09.22.2020 by public health, testing continues.
- **Rural Health Clinic Transition**
  - We heard back from the State of Colorado. Holly said there was an error in the system, but our case has passed the first reviewer 09.17.2020. There are two more reviews and then they will decide on our designation.
- **IT Update**
  - We have completed the initial investigation with OCR (office for civil rights) 09.09.2020. We have access to the data that we lost through Meditech. We are still spot-checking files and will provide an update to all patients affected in the near future.
  - New phone system is up and running. I've had a lot of positive feedback on the new system. We have one issue with paging overhead and are looking into it.
- **Hospital Foundation**
  - The Hospital Foundation is set, unofficially we have Bernie Rice-President, Frank Huitt-Treasurer, and Jeannie Caldwell-Secretary. Articles of incorporation submitted, by-laws signed, tax ID number assigned and initial policies drafted. Bank account is set up at the Bank of the San Juan's. Finally, I have a meeting with Pam to finish 1023 for submission.
- **September-Fest**
  - Thank you for everyone's participation at September Fest!

#### **VIII. NEW BUSINESS/CEO Report**

- **Trump Mandate**
  - We decided not to comply with President Trumps order of withholding taxes for 4 months then repaying them the first 4 months in 2021.
- **October (Halloween)**
  - In the past we have held this event inside, with COVID and the risk of people in the hospital, we have opted to do a Trunk or Treat in the parking lot October 30<sup>th</sup> at 5pm.
- **Cares Act Funds**
  - We have a list of items/equipment for COVID related expenses. It is our understanding that if we don't use these funds for COVID related purchases we eventually will have to give back the rest.
  - Included are some upgrades (capital purchases) that we tied to COVID.
  - Also, included are temp monitor stations for the community. We will lend them out with our logo. I have been in communication with the Town and CNCC.
- **Health Insurance Rates**

- Health Insurance premium rates went up 8.5% for 2021.

**IX. BUSINESS FROM THE FLOOR**

- A. No business from the floor presented.

**X. EXECUTIVE SESSION**

- A. No need for Executive Session.

**XI. ADJOURNMENT**

- A. A motion was made and seconded to adjourn. The meeting adjourned at 8:23 pm.

Submitted By:

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Brad Casto, Secretary/Treasurer, Board of Directors

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Date

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Jodi Dillon, Executive Assistant/HR Director

\_\_\_\_\_  
Date