

**RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
June 29th , 2017**

BOARD MEMBERS PRESENT

John Payne, Chairman
Jason Kurrasch, Vice Chairman
Nathaniel Polley, Secretary/Treasurer
Marques L Jones, Director (Absent/Excused)
Michelle Huber, Director

OTHERS PRESENT

Nick Goshe III, CEO
James Dillon, CFO
Bernie Rice, CCO
Sharma Vaughn, CNO
Abigail R Urish MD, COS
Cynthia Stults, Executive Assistant
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 5:58p.m. by John Payne, Chairman of the Board. Marques Jones was not in attendance as he is out of town. His absence was excused.

II. APPROVAL OF MINUTES

A. Minutes of the Rangely District Hospital Board of Director's meeting dated May 25, 2017 were presented for review. A motion was made and seconded to accept the meeting minutes as corrected. The motion carried unanimously. **ACTION/TAKEN/CLOSED)**

III. PUBLIC FORUM

A. Correspondence: No correspondence was presented.

B. General Public: No one from the general public was present.

IV. MEDICAL STAFF REPORT

- A. Review of Medical Staff Report (Accepted): Minutes of the June 8th, 2017 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. It was recommended to re-appoint Richard Garmany MD, Cardiology and Kennan Vance DO, Orthopedics, 2 year reappointments as Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- C. It was recommended to appoint Arash Momeni MD; from Diversified Radiology to a 2 year initial appointment as Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**
- D. It was recommended to re-appoint: Arthur Donohue DO, Kim McMillin MD, Bridget Rogers MD, Brian Steele MD, Clayton Vandergriff MD, John Wendel MD, and Wayne Wenzel MD; from Diversified Radiology, 2 year reappointments as Consulting Staff. A motion was made and seconded. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

V. COMPLIANCE REPORT

- A. **Data Breach:** On December 21, 2016 FastHealth discovered a suspicious code on one of its servers. FastHealth serves as our online bill pay platform on our website. This code that was discovered was designed to capture payment card information as it was being entered on our website. FastHealth began a forensic investigation on 1/24/17 and concluded their investigation 3/25/17. The malicious code has been removed from their server. We (RDH) were not notified until May 9th, 2017 via email of this potential data breach. We immediately reported it to our liability insurance. Our legal team is working in conjunction with FastHealth to notify the appx 137 individual patients whose billing information this may have affected. Both Fast Health and RDH have sent letters to the affected individuals. Fast Health is offering a one year Credit watch program to those individuals if they so choose and will assist in reporting to the proper agencies. Our insurance (COPIC) has suggested that we send letters and report as well to cover all of our bases. This breach of information was from 1/14/16 to 12/20/16. We are currently working with attorneys for both Fast Health and COPIC to resolve this issue.
- B. **EMR Update:** Athena was here last week and provided super user training to the various departments. It was well received and went reasonably well. At this time we are going to continue to utilize the Long Term Care, Eagle Crest and Home Health EMR/Billings as we are currently doing. At least for the interim, Athena is not quite set up to take over these departments yet.

VI. FINANCIAL REPORTS

A. Presentation of May's Financial Report: The state legislature recently moved the HPF fund to the enterprise fund and away from TABOR funds. The current estimates for RDH are about \$1.2MM for 2016 and for 2017 instead of the \$930,000 we were expecting for 2016. The makeup amounts should be deposited later this fall. We are currently offering discounts to patients who have self-pay balances in the existing EMR system in a few weeks. The purpose is to clean out as many accounts as we can prior to going live with the new EMR system. We have to clean as many accounts as possible since they will not be fed into the new system and we do not have the personnel to handle a large number of accounts for a long period of time in a legacy system. This will diminish the number of accounts that have to be dealt with and ultimately, the amount of time we have to maintain current EMR software. Stats are mildly lower in outpatient and higher in inpatient but in general remain relatively flat. Revenue is 3% better than budget and even with last year. Gross profit is 4% better than budget and even with last year. Total Expenses are 5% more than budget but 3% less than last year. If exclude the \$141,471 income tax payment and ultrasound lease cancellation mentioned last month, expenses would be 3% more than budget and 5% less than last year. Payroll expense is 6% above budget but 3% less than last year. Year to date Net Income is \$11,667 which is less than the budgeted amount of \$122,693 but better than last year which was (\$41,740). Of the difference, \$141,471 is due to the ultrasound lease payoff and prior year's tax payments mentioned last month. Cash balances are about as expected. The check register for May was reviewed. A motion was made and seconded to accept the May 2017 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

VII. OLD BUSINESS

A. Federal & State Healthcare Policy: Since SB17-267 has passed and as Jim reported we are getting more than we would have gotten had it not passed. We are still seeing a reduction because this is the first year the state picks up a portion of the Medicaid cost as written in Obamacare to begin with.

Now we turn our attention to how Medicaid will be managed at the federal level going forward and there is a lot of uncertainty with this. Everyone is telling us to expect reductions in Medicaid going forward. Unfortunately under the Obama administration Medicaid became a major payer for us second only to Medicare and changes can have significant impact going forward. If people on Medicaid get picked back up by private insurance or the economy booms and more people have insurance through work this may not be a problem going forward. If however, private doesn't pick them up, the economy doesn't boom and there are not more jobs then we will need to plan accordingly.

Next month we will still likely not have enough information but we need to start presenting an updated cash flow analysis and some updated strategic planning around the cash forecasting. We are watching this closely and will continue to do so. As we are also beginning to work on next year's budget this could take several months.

VIII. NEW BUSINESS

A. Extended Clinic For Chevron: Chevron reached out to Tammy last week to find out if there was a way to get some of their people with medical conditions in to see a provider for the purpose of general checkups and prescription renewals. Apparently some of the crew that

was supposed to be here only through June has been extended into September and needs certain prescriptions renewed. The problem is they are not back in town until after 7pm and we are closed at that time. So to accommodate Shelby is going to come in late and stay later on Wednesday's to treat these individuals. At this time it only looks like it is needed for a couple of workers. So no as big of a deal at the time the packets were printed.

B. Discount For Cash Customers: We already give 35% discounts to people without insurance whom pay cash whom are within 250% of the poverty limit. This is by law so that is already required of us. Some hospitals are doing this for anyone willing to pay cash instead of using insurance and for anyone regardless of income. We would like to do that here as well and it makes the process simpler. In reality, even though most people complain that their deductibles and their out of pocket are too high the price would be even higher not using their insurance even with a 35% discount applied. On the other end of the spectrum though some people maybe at the end of the year and need a procedure done that have not met their deductible yet. They could decide that they want to opt for cash only option. In this scenario, we still benefit because the equipment and people are being under used and the patient benefits since they save money. This is a win for us also because they leave with a more favorable opinion. People that would take advantage of this option would have to understand though that they cannot later apply this amount to their deductible. That will require some education. Overall though I think we should do this going forward.

IX. BUSINESS FROM THE FLOOR

A. No business from the floor was presented.

X. EXECUTIVE SESSION

A. There was no need for an executive session this evening.

XI. ADJOURNMENT

A motion was made and seconded to adjourn this regular meeting of the Rangely Hospital District Board of Directors at 6:32 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

Nathaniel Polley, Secretary/Treasurer, Board of Directors

Date: _____

Cynthia Stults, Executive Assistant

Date: _____