

RANGELY DISTRICT HOSPITAL
BOARD OF DIRECTORS MEETING
April 30, 2015

BOARD MEMBERS PRESENT

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

OTHERS PRESENT

Nick Goshe III, CEO
Jim Dillon, CFO
Bernie Rice, CCO
Cynthia Stults, Executive Assistant/HR Director
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 5:56p.m. by Stephen Petersburg, Chairman.

II. APPROVAL OF MINUTES

Minutes of the Rangely District Hospital Board of Director's special workshop meeting dated March 19, 2015; and the Regular Board meeting dated March 26, 2015 were both presented for review. A motion was made and seconded to accept the minutes for both dates 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:** Beth Wiley was present to ask the Board for their support for the Community Gardens again this year. They have expanded and are adding improvements to the Children's garden, storage sheds and adding an orchard. A motion was made and seconded to provide a \$500.00 donation to the Rangely Community Gardens. The motion carried unanimously.
ACTION/TAKEN/CLOSED)

IV. MEDICAL STAFF REPORT

- A. **Review of Medical Staff Report (Accepted):** Minutes of the April 9th, 2015 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 update:** Last month I attended a Compliance Conference in Las Vegas. It was reassuring to know that from a compliance standpoint we are on the right track. It was confirmed that ICD-10 is still on track to be implemented, But only with a 50% certainty. There is not a high index of confidence that CMS will be paying in a timely manner. These are concerns we are well aware of and are preparing for as best we can. I am confident that we are doing all that we can to prepare for the changes that are coming.

- B. **Internal IT Password Audit:** the IT department conducted an internal password audit. Unfortunately 70% failed. This was quite exasperating. IT called from their cellphones and used each other's names and asked employees and outside vendors for their passwords, 70% complied. We will take this as an educational opportunity and do some education on the importance of keeping our security secure

VI. FINANCIAL REPORTS

- A. **Presentation of March's Financial Report:** Because we are a small hospital and our bonds rely on oil; I received an investor call today. As the economy and oil progress in the direction they have, we can expect to receive more of this type of call. Ideally, these investors are calling to decide if they want to continue to hold these bonds. Just a reminder to everyone, you cannot release any inside information that is not already publically stated in publically released reports. You may receive these calls and I just wanted to remind you that we cannot release any inside information. We do not expect to get the final word on the status of the promised \$1.4MM in healthcare provider fee (HPF) funds until May or June now. Our Cost Report preparer is currently in process of preparing our cost report for 2014. The last estimate I received is that we will have about \$2.79MM due. This is very close to our estimate of about \$2.8MM. We are currently in the middle of the final CMS (Medicare) audit of our 2013 cost report. This is a very detailed audit since 2013 was the first cost report filed that reflected the expenses for the new hospital. All requested information has been supplied and we are waiting to hear the result. Hopefully, after this audit, the "cap" for ongoing payments from CMS will be lifted. Stats remain fairly flat for March. Long Term Care, Physical Therapy, Respiratory Therapy, and now Acute are doing well with favorable variances to both budget and last year. However, Lab, Radiology and Retail Pharmacy are below budget and last year. The balance of the departments remain in between. Revenue is 6% more than last year and 7% more than budget. However, Gross Profit is 7% less than last year and 3% less than budget due to lower than expected Medicare monthly payments. Total Expenses are 2% greater than budget but 3% less than last year. Payroll Expense is at 10% above budget and 14% more than last year, mostly due to higher provider costs. Purchased service

expenses are 9% better than budget and 54% less than last year due to the reduction in locum tenens usage. Net Income for the 1st quarter is (\$304,296) which is less than last year's figure of (\$115,203) as well as less than the budgeted figure of (\$143,490). Most of the variance is due to lower than expected Medicare payments which reduced Gross Profit. Cash balances for March are about as expected. Balance includes the \$1,250,000 borrowed from the line of credit. Last year at this point we had borrowed \$1,500,000 from the line of credit. The Check Register for March was reviewed. A motion was made and seconded to accept the March 2015 Financial Report as presented. The motion carried unanimously. **(ACTION TAKEN/CLOSED)**

VII. OLD BUSINESS

- A. Community Presentation:** Steve, Bernie and I met with the community networking group at CNCC this past Tuesday and presented the information we had at the March 19th workshop. The information was well received, but unfortunately there were not many people in attendance. We appreciated the comments that were made. CNCC will be an ally to our needs and went so far as to say "Failure is not an Option" It was great to hear that type of support for the hospital.

VIII. NEW BUSINESS

- A. CEO Evaluation:** Seems like we just finished this but June 1st is my six year anniversary as CEO and the time when my evaluation is due again. Since my last evaluation a number of things have happened.

To start with the medical staff is more locally based now then anytime during my tenure. Later this summer when Dr. Urish and Dr. Sutton start we will have four providers living in town. New providers since my last evaluation include Shelby whom started full-time last summer and Dr. Urish (and her husband Dr. Sutton) are under contract and will start in August.

On the customer service front we now call every patient after an ER visit to follow up with them and see how there visit went as well as seeing if they need any further care. We have also started an offsite clinic up at the college as a community outreach program. The first semester is just finishing up and we have seen on average about four students per visit which is every Wednesday afternoon from 1pm until 5pm. The college has expressed interest in this continuing. We have recently become accredited to treat veterans and have begun advertising this to the community and surrounding communities as well. We have done more advertising in the paper as well as the posters you see throughout the hospital promoting our medical staff.

We have met with managers and have reduced expenses by approximately one million dollars in an attempt to prepare for an uncertain future filled with more unfunded mandates and a poor local economy.

As a reminder I signed a three year contract last year which included salary for the term of the contract. Nick will email the evaluation forms out to the board members and Steve asked that they be returned to Steve by Friday May 22nd, 2015.

B. A&P Parking Lot Repairs: A & P questioned me two weeks ago about paying for everything they did last fall in the amount of close to \$30,000. This was out of left field and was the first I heard about this. It was my understanding as well as all of maintenance department that they would cover this and the parking lot this spring. A&P hired the work done and from everything I understand this was faulty construction. I do not think we pay for any of the fees to fix the plumbing problems but we may be left with repairing the parking lot ourselves. I am getting prices now. Dave thinks we can get a reasonable price from someone in town. I will let you know when I know more. The fact that A&P is doing this now surprises me.

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 6:53 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 7:23 p.m. Motion approved. **(ACTION TAKEN/CLOSED)**

Submitted By:

John Payne, Secretary/Treasurer, Board of Directors

Date: _____

Cynthia Stults, Executive Assistant

Date: _____