

**KREMMLING MEMORIAL HOSPITAL DISTRICT**  
**d/b/a Middle Park Medical Center**  
**Board of Directors Meeting Minutes**  
**Thursday, July 30, 2020**

With meeting notice, Jodi Docheff called the Kremmling Memorial Hospital District board meeting to order at approximately 6:03 PM. The meeting was conducted virtually via Gotomeeting.

Board members present: Jodi Docheff, President; Kelly Johnson, Vice President; Kimberly Cameron, Secretary/Treasurer; Chris Murphy, Member; and Gary Bumgarner, member.

Also present: Jason Cleckler, Tom Coburn, Derek Ortner, Mikealena Horner, Jason Stuerman, Deb Plemmons, Rob Wissenbach, Derick Lorentz, Tiffany Freitag and Cindy Multerer.

**Agenda Approval**

**Motion:** A motion was made by Chris Murphy to approve the agenda as presented and seconded by Jodi Docheff. **Motion adopted on a 5-0 vote.**

**Public Comment**

There were no public comments.

**Reports of Good News**

Jason Cleckler spoke to the board regarding the Affordable Care Act. There was a push for quality, and the fact that the amount of money that was being reimbursed was based off of quality of care provided. We are part of the Merit Based Incentive Payment System (MBIPS), and based on your score, your Medicare payments can have a penalty, they can have no change, or you can have an increase in your payments from Medicare. In 2018 our score was 85.2, which got us around a 1% increase in payments. The average score across the nation is 74-76%. Our preliminary score for 2019 is 93.05, which can result in increase in payments from 1-7%. Jodi would like to make sure we celebrate this hard work.

**Minutes Approval**

Kelly Johnson noted a few errors in the minutes.

**Motion:** A motion was made by Kelly Johnson and seconded by Chris Murphy approving the minutes from the June 25, 2020 meeting, pending corrections. **Motion adopted on a 4-0 vote. Gary Bumgarner abstained.**

**Consent Agenda**

None

**Privileged for Approval**

**Motion:** A motion was made by Gary Bumgarner to approve as presented and seconded by Kelly Johnson. **Motion adopted on a 5-0 vote.**

### **Policies and Procedures for Approval**

There are 8 revised, 5 new, and 1 retired.

**Motion:** A motion was made by Kelly Johnson and seconded by Jodi Docheff to approve the policies as presented. **Motion adopted on a 5-0 vote.**

### **Quality Report**

The Board received the annual review of services. Deb Plemmons highlighted some of the items in the report.

**Motion:** A motion was made by Kelly Johnson and seconded by Gary Bumgarner approving the annual report as presented. **Motion adopted on a 5-0 vote.**

### **Financial Report**

Jason Cleckler introduced Derick Lorentz, who is the consulting CFO who has been working mainly with Mikealena on the finances.

Statistics for May:

- Admissions for June are down from last year by 34 YTD, and the month of June is down 3 admissions from last year.
- Observation and acute days are down from May, but swing and extended care saw an increase. Overall YTD, acute and swing are almost at 2019 levels, while observation and extended care are still at 47% of 2019.
- OR activity is still holding the same numbers as 2019.
- GI procedures remain down, 41 in 2019 and 34 in 2020. Overall YTD we are at 76% of the 2019 numbers.
- ER visits increased in Kremmling from 2019, while Granby saw a decrease from last year. Both saw a decrease for the month of June from last year.
- Urgent care cases remain down both for the month of June and YTD.
- Overall clinic volume is 85% YTD.
- Imaging, lab services and rehab increased from May, but overall are still lower YTD from 2019.

### **May Financials**

- Total revenue was at \$5.4M compared to budget of \$6.1M. Last year actual was \$5.5M.

- Contractuals are at 47%, net revenue is at \$2.8M compared to budget of \$3.5M. Actual last year was \$3.4M
- Salaries and benefits are at \$1.7M compared to budget of \$2.2M, sitting at 22% below budget.
- Total expenses are 18% under budget. Net operating income is \$151K compared to budget of \$220K and last year income was \$547K. Net income for the month is \$345K compared to budget of \$367K. Last year income actual was \$673K.
- Current cash in the bank is \$4.3M, which is slightly down from last year. Days cash on hand is 50 compared to 63 last year. The days cash on hand does not include the money market account funds.

### **YTD Financials**

- Total revenue is \$28.5M compared to budget of \$32.3M, which is 12% below budget.
- Net revenue is \$16.3M, compared to budget of \$19.8M which is 17% below budget. Last year actual was \$18.8M.
- Total salaries and benefits was \$11M compared to budget of \$12.3M, which is 11% below budget, and last year actual was \$11.3M.
- Operating expenses was \$6M compared to budget of \$6.5M which is 10% under budget. Last year actual was \$5.99M.
- Net operating income was a loss of \$651K compared to budget income of \$901K. Last year actual income was \$1.5M.
- Net income was \$345K compared to budget of \$1.8M. Last year actual was \$2.45M.

Derick is working with Mikealena to clean up the financial statements so they are a truer operating income statement. The number at the bottom won't change, but there are some incomes in the statement that don't fall under true operating incomes.

Derick noted that we still have COVID monies out there as well. Two of them have the potential of being forgiven, where we could actually add them back to our income statement. The CARES act monies total \$4.5M. Out of those funds, \$198K must be spent on rural health clinics for equipment and PPE. The rest of the monies can be spent on lost revenue and COVID related expenses. There is also potential to get some funding from FEMA. We also have money from the Payroll Protection Program (PPP) from the Special District Association (SDA) loan, in the amount of \$2.5M. When it first came out you had an 8 week period once you accepted the funds, and the money must be spent 75% on payroll costs and the remaining 25% from non-payroll costs. That can be items that you paid during that period, or was accrued during that period. The last one we have is the accelerated payments from Medicare, in the amount of \$5M. That money is advanced Medicare payments. After 120 days, you have to start making those payments back. After a year, if you have not paid the total amount back, you have to start paying interest. We are tracking the payments we should be receiving from Medicare, and then transferring those funds in to the operating account as if we were receiving payment on them.

**Motion:** A motion was made by Gary Bumgarner and seconded by Kelly Johnson to approve the financials. **Motion adopted on a 5-0 vote.**

### **Audit Update**

Mikealena is still working with the auditors. They are planning to present at the August board meeting.

### **Strategic Plan**

The strategic plan is moving forward well. The directors met and worked on compiling everything that came out of the first meeting. They are now working on setting goals for the 4 pillars, which are financial stability, patient and employee experience, growth and quality. He hopes to have a plan to bring back to the board at the next meeting.

### **Resolutions for Board Approval**

The board is interested in adding an additional signer to the Bank of the West accounts. Kim Cameron agreed to be an additional signer. She will be added to all accounts held at Bank of the West.

**Motion:** A motion was made by Kelly Johnson and seconded by Chris Murphy to approve resolution 2020-07-01, signature authorization for Bank of the West. **Motion adopted on a 5-0 vote.**

Mikealena also noted that additional signers should be added to Mountain Valley Bank in Walden. The board agreed to add both Kim Cameron and Jason Cleckler to the accounts.

**Motion:** A motion was made by Chris Murphy and seconded by Jodi Docheff to approve resolution 2020-07-02, signature authorization for Mountain Valley Bank. **Motion adopted on a 5-0 vote.**

### **Construction projects**

There was an official ground breaking ceremony held in both Kremmling and Granby. Derek gave the board an update on the projects. Both are moving forward on schedule. Kremmling will have steel start to arrive on August 17<sup>th</sup>, and they are anticipating a May finish date.

### **Administrative Report**

- Derek went over some additional statistics for the clinic volumes.
- He reminded the board of the training next Thursday. The location is still being decided. He encouraged everyone to be present, as the agenda is really good and will be a fun day. The board and Jason thanked Josh from Centura for sponsoring this training. Rhonda is still working on a date for the SDA board training.
- Jason gave a Peak health update. The first part of the program, is the county employees that are already part of Peak health, and we were sort of grandfathered into that program. The third party administrator (TPA) for this part is United Healthcare. The second part of the program that begins September 1, is the residents that purchase on the exchange. The TPA is Bright Health, who is also the TPA in Summit County.
- Jason updated the board on Lawson/Synoptek. Lawson is the financial program that we would like to move over to, and Synoptek is the company that basically house all of our information on, on servers. We have begun migrating away from Synoptek, after the Synoptek system was breached. Lawson is a component that Centura uses, but they would not allow us to migrate over until we were protected better than what Synoptek was doing. Synoptek hasn't been cooperating and our attorney has been involved.

- CDPHE recently conducted a survey of Cliffview Assisted Living Center. We received one preliminary deficiency, which is to spread out the dining aspect of the residents. That deficiency has been rectified.
- Deb Plemmons gave a COVID update. The county has about 41 cases currently. We have done over 1,000 tests, and are still waiting for results on 104. We have been able to start doing to antibody testing, and have completed 120 test which has resulted in 8 positive antibody tests. The hospital has looked into internal testing, as the testing statewide increases and the labs become backlogged. Jason asked the board to consider a capital purchase for testing equipment. Van Nguyen, lab director, spoke to the board. She gave some stats regarding the different kinds of tests available and their accuracy rate. This machine can test for multiple respiratory illnesses, and will break them down to know if you have influenza or just a common cold. Each COVID test costs \$128 to purchase and our overall cost \$157, and the insurance reimbursement for commercial insurance is \$1,780. The machine cost is \$56,000, and can process 3 tests every 1.5 hours. She would also like to spend \$4,000 on testing reagents. Both school superintendents would like to have their employees monthly, and also before school opens. The company she is looking to purchase the equipment from will be in the area next week, so she is hoping the board will be able to make a decision tonight and we could have it installed next week. The board agreed it was a good item to purchase.

**Motion:** A motion was made by Kim Cameron and seconded by Chris Murphy to approve the \$60,000 expense. It was noted that the expenditures needed to be made separately.

**Motion:** A motion was made by Kim Cameron and seconded by Gary Bumgarner to spend \$56,000 on the testing equipment and \$4,000 on the testing reagents. **Motion adopted on a 5-0 vote.**

### **Workshare Program**

Derek shared with the board that the hospital has ended the workshare program. Initially there was additional monies available to people who were having their hours reduced, at an amount of \$600 weekly. When the program for that additional money ended, the hospital decided to end the workshare program. There are still some employees who are having their hours reduced, but the hospital is still staffing to volume.

### **SDA Compliance Calendar**

We are in compliance.

### **Board Discussion**

None

### **Items to Discuss at Next Board Meeting**

We will possibly have the audit presentation.

### **Executive Session – 8:46pm**

**Motion:** A motion was made by Kelly Johnson and seconded by Chris Murphy to go into executive session to discuss subjects below. **Motion adopted on a 5-0 vote.**

**CRS #24-6-402(e)** – Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators – Specialty Doctor Contract

Non-board members invited to this executive session were Josh Neff.

**Executive Session – 9:13pm**

**CRS #24-6-402(f)** – Personnel matters; Clinic staffing model

Non-board members invited to this executive session were Derek Ortner, Tom Coburn, and Deb Plemmons.

**Resumption of Open Meeting – 11:20 PM**

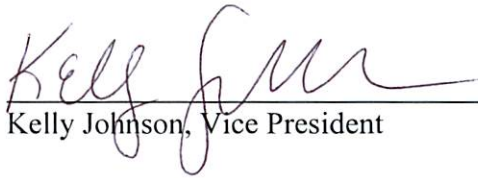
**Adjournment**

**Motion:** A motion was made by Chris Murphy and seconded by Kelly Johnson to adjourn the meeting at 11:21 PM. **Motion adopted on a 5-0 vote.**

**NEXT REGULAR BOARD MEETING:** Thursday, August 27, 2020, 6:00 PM, Middle Park Health Wellness Center Conference Room, 109 S 9th Street in Kremmling.



Jodi Docheff, President



Kelly Johnson, Vice President

Approval Date: 8/27/2020

Minutes taken by Rhonda Shearer