

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

With meeting notice, Gary Bumgarner called the Kremmling Memorial Hospital District board meeting to order at approximately 6:06 PM. The meeting was hosted via Zoom meeting, and also in the Middle Park Health Wellness Center Board Room.

Board members present: Bernie Murphy, President; Gary Bumgarner, Vice President; Jodi Docheff, Secretary/Treasurer, Kelly Johnson, Member; Carol Peterson, Member.

Also present: Tom Coburn, Deb Plemmons, Derek Ortner, Josh Neff, Mikealena Horner, Rob Wissenbach, Cindy Multerer, Rhonda Shearer, Tiffany Freitag, and Kelly Clasen.

**Agenda Approval**

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

**Reports of Good News**

Jason Cleckler wanted to commend hospital staff as we go through this unprecedented time. We have a great team that are understanding of what the hospital is going through, they have done great preparing for unknown situations, and have shown great resiliency.

**Minutes Approval**

**Motion:** A motion was made by Gary Bumgarner and seconded by Carol Peterson approving the minutes from the March 26, 2020 meeting. **Motion adopted on a 5-0 vote.**

**Consent Agenda**

None

**COVID-19 Update**

Deb Plemmons has been our incident commander for this event. We are continuing to test community members and the number fluctuates on a daily basis. We have been able to make in-house testing material which has been very beneficial for us as we won't have to worry about a shortage of testing supplies. We currently have 450 tests available. We have tested about 115 community members and haven't had a positive test since March 26<sup>th</sup>, with the exception of a positive re-test. A positive test result can be present for 42 days or longer. There have been 2 daily meetings to discuss anything COVID related. There have been a lot of PPE donations received. When this event originally started, the hospital declared a state of emergency and it expired March 31. We need to have another declaration signed. There is a possibility of an increase in cases as things start opening back up. Staying at home decreases immunity to other viruses, and its more than likely the cases will spike in the fall when flu season starts. The virus is sensitive to heat and humidity, so as the temperature rises

in the summer months, it will die off. But when temperatures start to drop, the case counts can increase.

We will begin doing elective surgeries again, and all surgical patients will be tested for COVID prior to surgery. They will also be testing all staff and residents at Cliffview, as well as staff that will be caring for extended care patients. After those areas are tested, we will look at extending the testing to other staff. The Granby clinic is slowly opening.

Our stockpile of PPE is sufficient for now, but there are still items that are on backorder. Josh Neff stated that Centura has a decent stockpile and would have some available if needed. There is a company in Denver that can sanitize 80,000 N95 masks per day. Kayla Ray will be taking a batch down within the next few days. They can be used for 20 uses after they have been cleaned. Josh also noted the Centura is manufacturing around 10,000-12,000 disposable gowns per day, so if we get into a pinch, they are available as well.

Information on the virus is changing on a day to day basis.

Jason Cleckler asked Deb to update the board on the ransomware forensics. We had insurance coverage against an attack, so a claims adjuster is now looking at lost monies from the attack.

#### **Marketing and Foundation Update**

Andy Radzavich gave the board an update. Board member Dave Hammer has stepped down from the board. The board met last week and approved the final numbers from BASH, raising \$66,251.04. \$19,000 will be put into the scholarship fund, and the remaining \$47,000 will go to the hospital. Tiffany noted that last year while transitioning from the old executive director, the proceeds check from the 2019 BASH was never given to the hospital. It was for a total of \$52,020.

They have awarded \$10,000 in scholarships to Middle Park Health employees, and another \$10,000 to graduating students. They designed and disbursed flyers for the upcoming hospital district election regarding Senate Bill 152.

He is still working on upcoming events, but things may change based on the virus.

Tiffany gave the board a marketing update. She is sending out daily updates to employees, and staying in touch with the Grand County Office of Emergency Management and Grand County Public Health. She is posting daily on social media and we have been putting ads in the local papers. She has had sever requests for interviews, including the local papers and CBS Denver.

#### **THOR project update**

Rob Wissenbach updated the board on the project. The Colorado Sun recently wrote an article on the project, and that article was forwarded on to the Washington Times. He also did an interview with 5280 Magazine out of Denver, about rural health facilities struggling with broadband issues.

County Commissioner Rich Cimino and Count Manager Kate McIntyre would like a letter of support, that we understand that as one of the county's largest employer, that we know that broadband is an issue in the county, and that we should all work together to find solutions.

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

There are 38 revised, 4 new, and 7 retired.

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

### **Quality Report**

None

### **Financial Report –Patient days**

- The percent of transfers are down for January and February compared to last year.
- Significant decrease in patient days for January, which is from a decrease in our extended care patient count. February also saw a decrease in overall patient days. March saw an even larger decrease as the extended care patients were moved from the facility due to the COVID virus, but there are plans to start bringing those patients back in next week.
- OR activity in January and February was slightly down, while March saw an increase.
- ER patient counts were higher in January and lower in February and March.
- Clinic totals for January were slightly lower, February slightly higher, and then a significant decrease in March due to COVID.
- Imaging services saw a decrease in January and March, and an increase for the month of February. Lab and rehab services saw a slight increase in January, and a decrease for the months of February and March compared to 2019.

### **Financial Report - January**

- Revenue was 3% below, and net revenue is \$2.9M. Tom Coburn noted that due to the ski areas being closed due to COVID, it had a direct impact on our ER and OR cases. Salaries and expenses were slightly over budget. Total operating expenses are under budget by 3%. Purchase services is higher because we switched self-pay billing companies and supplies are also over due to the higher dollar implants being done in surgical services. Josh Neff also noted that our promissory note is paid in full in June, and that is \$61,500 a month. Net income for the month was \$130,000

### **Financial Report - February**

- Total income for the month was right at \$5M, net revenue was \$3.3M. Salaries and benefits were slightly over budget, but that was attributable to our EPIC downtime. Total operating expenses are under budget by 4%. Purchase services were higher still again. Net income for the month was \$420,000.
- YTD: 1% below budget and even with net revenue on the previous year. Salaries and benefits were 2% above budget compared to last year at 3.5%. Total operating expenses were in line with

budget, so we were good at holding back expenses. Net income was \$550k compared to budget of \$554K, compared to last year of \$1.4M, but again that all relates to the contractual estimate.

### **Financial Report - March**

- You will notice the revenues start to decrease due to COVID. Revenue was 15% below budget. Total income for the month was \$4.7M, with the budget set at \$5.5M. In 2019 the actual total was \$5.1M. Net revenue was \$2.6M, and budget was \$3.3M, part of which was due to the large contractual. Salaries and Benefits were on target with budget at \$1.9M, and even though there was overtime due to COVID, we had also started flexing staff down. Total operating expenses were down 11%
- Total revenue for March YTD was \$15,221 compared to budget of \$16,197. That is 6% below, and 3% below last years actuals. Net revenue was \$8.85M, budgeted at \$10.5M, and last years actual was \$9.7M. Salaries and Benefits are 2% over budget at \$5.781M. Expenses are 6% below budget at \$3.130M, and last year we were over budget by 7%. Net operating income
- -\$52k, while budget was at \$1.044M. Net income is \$329k, budget was \$1.42M.

### **Financials**

- Days cash on hand is at 66 at the end of the month. Accounts payable and accrued liabilities reflects a decrease in expenses from not purchasing non-patient related supplies. That has kept their aging accounts within reason and they are able to pay their operating vendors on time and within 0-30 days.

The hospital has received the following funds for COVID relief: HHR Stimulus \$634,451, no payback but does have some restriction on what it can be spent on; Ship Grant \$74,420, no payback and some restrictions, ASPR Grant \$7,230, no payback and can only be spent on PPE supplies.

We have also received advanced payment from Medicare in the amount of \$4,292,745. The funds would have to start being repaid at 120 days from receiving the money and interest at 10% would start within a year. The repayment will be made by services rendered, as credits to medicare patient's accounts.

We have submitted paperwork for the Payroll Protection program money, for a total of \$2,700,225. Mikealena went to Bank of the West and the hospital was approved for a \$750,000 line of credit. The interest at 3.8% which would be less than the medicare interest at 10%.

**Motion:** A motion was made by Gary Bumgarner and seconded by Carol Peterson to move forward with an application for a line of credit at Bank of the West for \$750,000 with internally restricted funds. **Motion adopted on a 5-0 vote.**

**Motion:** A motion was made by Carol Peterson and seconded by Bernie Murphy to approve the financials for Januray, February, and March. **Motion adopted on a 5-0 vote.**

**Strategic Plan**

None

**Update on USDA Projects**

Tom updated the Board on the projects. The paperwork has made it to National, and Tom was told it should move pretty quick. One good thing is that the contractor has lost a few other jobs, so the cost has come down some. The Fraser Planning Committee approved that project, so we are just waiting on paperwork. Phase 2 overall construction costs may also be \$10-20% lower as well.

Jason and Ray MacKendrick had a good meeting with the Town of Granby over water tap fees, and the town continued the meeting to a further date. The Town's fee structure would charge each hospital room the equivalent to a single family home. It is possible that the hospital will pay the current fee structure, but may then get a rebate back on some of the funds.

**BOD Election Scheduled for 5/5/2020**

Rhonda Shearer updated the board that everything is ready for the election. Unofficial election results will be available the evening of the election, and final elections results around 8 days later.

**SDA Compliance Calendar**

The calendar was reviewed and we are in compliance.

**Board Discussion**

Jason Cleckler talked about the CFO position. It was discussed at the last meeting, and we had 15 applicants and we conducted about 5 interviews. After discussion with various finance employees, Jason feels it may be a better fit to hire a Part-Time employee for the position and to be more of a support role for Mikealena and her team. Centura has a potential person that could be hired under the management agreement. The cost would be a pass through cost at market value.

**Items to Discuss at Next Board Meeting**

The resolution for the line of credit at Bank of the West. COVID update. USDA projects.

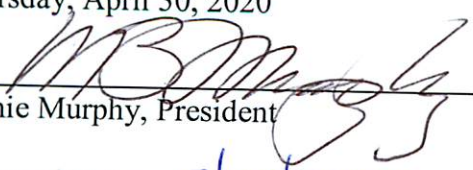
**Adjournment**


**Motion:** A motion was made by Gary Bumgarner and seconded by Jodi Docheff to adjourn the meeting at 9:31 PM. **Motion adopted on a 5-0 vote.**

**NEXT REGULAR BOARD MEETING:** Thursday, March 26, 2020, 6:00 PM, Middle Park Health Wellness Center Conference Room, 109 S 9th Street in Kremmling.

Kremmling Memorial Hospital District  
Board of Directors Meeting  
Thursday, April 30, 2020

Page | 6

  
Bernie Murphy, President

  
Gary Bumgarner, Vice President

Approval Date: 5/28/2020

Minutes taken by Rhonda Shearer