

**KREMMLING MEMORIAL HOSPITAL DISTRICT
d/b/a Middle Park Health
Board of Directors Meeting Minutes
Thursday, March 28, 2024**

With meeting notice, Jodi Docheff called the Kremmling Memorial Hospital District board meeting to order at approximately 6:03 pm. The meeting was held in the Wellness Center Conference Room and virtually via Teams.

Board members present: Jodi Docheff, President; Chris Murphy, Vice President; Mike Ritschard, Member; *Kim Cameron, Secretary/Treasurer [Absent Excused]*; Dawna Heller, Member [Virtual].

Non-board attendees present: Jason Cleckler, CEO; Deb Plemmons, CNO; Emily Ebert, CFO; Becca Norman, Financial Analyst; Rosalie Rust; Executive Assistant; Andy Radzavich, Executive Director of Middle Park Medical Foundation [Virtual]; Jamie Jensen, Board Chair of Middle Park Medical Foundation [Virtual]; Chris Penney, Owner's Rep [Virtual]; Jason Stuerman, ED Medical Director [Virtual].

Conflicts/Potential Conflicts of Interest

No Conflicts/Potential Conflicts of Interest were disclosed.

Agenda Approval

Motion: Mike made a motion to approve the agenda and Dawna seconded. **Motion adopted on a 4-0 vote.**

Public Comments

No public comments were made.

Minutes Approval

Motion: Jodi made a motion to approve the February 29, 2024 minutes; Date correction from 2023 to 2024 was noted. Mike seconded. **Motion adopted on a 4-0 vote.**

Reports of Good News

Health Fairs (Jason): Walden Health Fair will be held on April 6th. Kremmling Health Fair will be held on April 20th. Lastly, Granby Health Fair will be held on May 11th. Granby Health Fair will be our first time partnering with Granby Rotary.

Introduction of Fraser Project Manager / Owner's Rep(Chris Penney): Artaic Group provides Owner's Representation and Project Management for a wide range of construction projects across the country. Chris Penney will replace Ryan Brown, our former Owner's Rep, who has left the field. Chris Penney is a senior Project Manager with Artaic Group. Chris has been working with Ryan on our project and is very well qualified to serve us in this role. Chris

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is planning on attending board meetings monthly to provide updates, budget reporting, change orders and schedule changes. Our contractor is actively working through buyout and executing subcontracts. CDPHE application is also being completed. Team is also preparing to order major equipment. Builder's risk policy is in place, under budget. Kumar materials testing contract has been executed under budget as well. Start date has been changed to April 8th to minimize snow removal cost.

February Financials(Emily Ebert): Total Cash/Cash equivalents improved ~\$1 million last month, before impact of Change Healthcare cyberattack took effect. Interest bearing account has successfully been opened. With Fraser closing costs, additional changes may be made to those impacts to our balance sheet on Eide Baily's recommendations. These impacts will be reflected on the March balance sheet. Net revenue for February was favorable \$255,XXX. We are slightly over-budget for Salaries, Wages and Benefits for the month; however, we are ahead of target on contract labor. We are interviewing CRNAs, which will help with Professional Services line item upon hire. Interest expense was budgeted to be 7.25%; but will be 6.67%. This lower interest rate will lead to favorability in interest expenses. Property taxes came in favorable to budget. Legal expenses are high due to Kremmling HVAC issues. Bond Issuance cost is a major impact but did come in ahead of target; interest expense is only from 2/19 to end of month, so is favorable to budget. Total operating expense was 4% favorable for the month. Tax Revenue is ahead of budget due to valuation increases. Net income (loss) favorable to budget by 24% for the month. EBITDA was favorable to budget for the month; explanations of the formatting of alternative income statement was given.

Regarding our volumes, we are continuing the trend of slightly lower admissions than last year; Obs. days are growing and extended days are highly favorable. Two weeks without surgical coverage due to some personal emergencies drove volumes in surgery to be lighter than expected. ER and Urgent care combined were flat to last year and budget. Clinics continue to be trailing last year due to those gaps in coverage. Imaging and Infusions trail last year while Lab, Rehab and Sleep Studies all show increases to last year.

Regarding payer mix, commercial insurance cases were lower than usual, and self-pay is high at 12%.February was a strong cash collection month, which will help as we brace for impacts of the Change Healthcare cyberattacks. This event is expected to affect cash collections significantly.

Information was provided on changes to the Cash Summary. Days cash on hand will be affected by a large increase in the average daily expense due to bond issuance.

Motion: A motion was made by Chris and seconded by Mike to approve the February 2024 financials. **Motion adopted on a 4-0 vote.**

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EBITDA Pros and Cons Analysis (Emily Ebert): Board tasked our Finance Team with providing an in-depth analysis of the pros and cons of making changes to our financial statement to reflect EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization). Outside feedback from Eide Bailly was sought as well. The purpose of this analysis was to determine if our board would be better served using our present statement reflecting Net Income/ Net Operating Income or to change our statement, allowing us to focus on EBITDA. Pros and Cons list was presented to Board. Majority of discussion points fell into the cons category. Eide Bailly consultants indicated several reasons to remain with our current financial statement. First, they considered it crucial for Critical Access Hospitals to fund ongoing operating expenses with operating income rather than tax revenue, which would be used for debt service and facility improvements. Also, Eide Bailly staff pointed out that depreciation is important to the cost report, which favors our current approach. Lastly, our present approach helps us keep focused on our cash flow needs tied to our debt payments.

Board discussion ensued around the analysis. At risk metrics for CEO and CFO currently have EBITDA measures listed; these metrics would likely need to be changed if we choose to remain with the current financial statement. The board decided to continue with the current model rather than moving towards EBITDA, which is a less conservative measure. EBITDA calculation will be provided to the board annually if desired.

Board Education

Board Education article discusses the board's role in succession planning. Jodi notes that serving on a hospital board is more time consuming when compared to other boards.

Consent Agenda

a. Credentialing Committee:

PURPOSE: To ensure quality patient care by providing a quality system of credentialing and privileging for physicians interested in providing services at Middle Park Health.

Members: Dr. Robert Ratcliff, Chief of Staff; Dr. Shawna Langstaff, Vice Chief of Staff; Dr. Shane Tong, Immediate Past Chief; Dr. Jason Stuerman, ED Medical Director

Review/discussion of approval of privileges for:

1. Katy Picard MD, Full Active Privileges in Emergency Medicine

- ii. Next Meeting: April 18, 2024

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iii. **With the consideration and approval by the Credentialing Committee, we recommend that the Board of Directors approve the above named practitioners for privileges at Middle Park Health.**

b. Policy and Procedures Report: 4 Reviewed/Revised; 1 New; 0 Archived.

c. SDA Compliance Calendar

- i. Application for exemption from audit, if applicable, due to State Auditor. Any local government where revenues or expenditures are at least \$100,000 but not more than \$750,000 may, with the approval of the State Auditor, be exempt from the provisions of Section 29-1-603. Section 29-1-604, C.R.S
- ii. If district has authorized but unissued general obligation debt as of the end of its fiscal year (December 31), submit copy of application for exemption from audit to Board of County Commissioners or governing body of municipality that adopted a resolution of approval of the service plan. Section 29-1-606(7), C.R.S

Motion: A motion was made by Jodi and seconded by Dawna to approve consent agenda. **Motion adopted on a 4-0 vote.**

Communication Report

Foundation Report (Jamie Jensen, Andy Radzavich)

Grant from Mountain Parks Electric Jamie Jensen, Middle Park Medical Foundation board president, shares good news that we have been awarded a \$100,000 grant. Good momentum has been seen in the Plank-by-Plank campaign, as a significant number of funds have been coming in recently. Sky Hi news will be printing an article thanking Mountain Parks Electric that will feature a photo op with a large check. Board requests adding a list of our prior donors into the thank you article. Donors above \$5,000 are also listed on the website.

Plank-by-Plank Campaign Coin jars have been placed around the community, which will raise the profile of our campaign as well as raising funds.

Fraser Campaign To date, we have raised \$460,000 with a goal of \$5 million. Weekly meetings on this campaign have identified individuals who have a high affinity for our

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organization and the ability to give. Strategy is being discussed for requesting contributions from our biggest donors. Frequently Asked Questions list was compiled so we can answer any questions a donor asks. Enterprise Zone Tax Credit Guide is also available as donations to Fraser Hospital qualify for this special tax credit. MPMF has been engaging with Winter Park Town Council, Fraser Town Council, and Winter Park Chamber Chat, amplifying the Fraser Campaign. KFFR commercial is now airing on the radio. Groundbreaking will be April 25, 2024 at 1 pm. Board mentions that it may help to emphasize that we are locally owned and governed because some community members may think we are part of Common Spirit/Centura.

Letter from State Representative Julie McClusky thanked MPMF and applauded its support of our community. In 2023, MPMF had provided funds for equipment, employee assistance, and scholarships in the amount of \$247,000.

Board Chair Report

CHA Rural Conference Jodi describes her experience at the CHA Rural conference. Breakout sessions were meaningful. Some attendees discussed the Change Healthcare cyberattack during the conference.

Board Self Evaluation Work Session Board will meet with Todd Linden on Friday, 4/19/2024 to do a deep dive on the self-evaluations and go over recommendations.

Strategic Planning Board is invited to participate in the upcoming Strategic Planning session on April 26th from 10 am-2 pm. Directors, Med Exec staff and Senior Leadership will meet to bring the Strategic Plan up to date.

CNO Report

Deb is working on getting projects and information ready for her hand-off to incoming CNO Amy Binkley. Board provides feedback on how beneficial and well-run Quality meeting is. Process improvements and interdepartmental communication/cooperation are impressive. Jubil Young, Physical Therapy director, is interested in taking board members to round in his department.

CMO Report

Fraser Updates Middle Park Medical Foundation and MPH have collaborated on a robust plan on marketing and fundraising for Fraser. Groundbreaking ceremony will be held April 25 at 1 pm onsite. Prior landowner is willing to allow us to store snow and some materials on adjacent land. Jason confirms rumors that several other entities had been exploring building medical buildings or hospitals near the new hospital site.

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Weekly calls continue Wednesdays (internal team) and Thursdays (builder and architects).

Recruiting Dr. Katy Picard will be joining us to replace Dr. Shane Tong in the ED. She is from Colorado Springs and plans to relocate to our area. For the Kremmling Primary Care position, two offers are currently out to very strong candidates, and we are waiting for one of them to accept. We are working toward adding coverage by a gastroenterologist who assists patients with chronic conditions. We continue to be in discussion with Plastics regarding fees for cosmetic procedures. Two CRNA candidates with Colorado connections have been interviewed recently, and a third candidate has also joined the pool of candidates. Hospitals have been paying premium amounts to traveler CRNAs out of necessity, but tide has been shifting and some are beginning to seek full time employment. We will continue to utilize staff we employ or directly contract to create backup. This will help us move away from more expensive travelers. There is another physician candidate in our community that may be interested in joining us for a float position.

CEO Report

CNO News We have been successful in recruiting for Deb's position. Amy Binkley will be joining us on April 15. Deb has been working on the transition plan. Deb and Amy will work together for several weeks to allow for a smooth transition and hand off. Amy is joining us from Texas. She has been a CNO of both a freestanding ER and a surgical center. She visited our area during spring break week and participated in many local activities.

Change Healthcare Update While this cyberattack was a very significant event to healthcare, there is not a lot of progress to report. Since we were already planning to change our platform, we have been able to speed up that transition process. We were able to send claims through the FinThrive platform for the first time a couple of days ago. Currently, we can submit claims for the top 10 insurances, which encompasses the bulk of the insurers we work with. Payment of claims has an expected turn-around time of 7-14 days, so is also much quicker than the typical 30 days. Board asks questions about how other hospitals are coping and if they are reprocessing claims. Jason confirms that some other hospitals are already working on moving away from Change, some are waiting to see if Change comes back online, and some are trying to manually reprocess claims. No date of resolution has come from Change Healthcare. It is still unclear if any personal data was taken, potentially affecting hundreds of millions of patients. Class action lawsuits and other litigation may be forthcoming as well, pending investigation. Either a federal agency or American Hospital Association may take up the organization of this litigation.

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Old Business Dawna queries if a response had been given to West Grand Early Childhood Center to their request for financial support. Our board passed this presentation and information over to our foundation board. After scrutinizing the request, MPMF determined that it didn't fit with the foundation's mission. Middle Park Health has continued the conversation with the foundation on this topic. Jamie states that it doesn't really fit for the foundation presently, but hopefully in the future they will be ready to engage. Board discusses whether housing stipend may have eased some of the financial burden of the employee childcare costs, and how this issue relates to retainment.

Dawna also inquired about an email from a former employee which the entire board received, and leadership was able to let her know that the concern has already been resolved.

New Business

Items for Next Agenda

Executive Session

Negotiations regarding contract with Housing Authority over Cliffview Assisted Living Facility. §24-6-402(4)(e), C.R.S.

Motion: Mike made a motion to move to executive session at 7:48 pm. Jodi seconded.
Motion adopted on a 4-0 vote.

Board Members Present: Jodi Docheff, President; Mike Ritschard, Member; Dawna Heller, Member; Chris Murphy, Vice President.

Non-Board Members Present: Jason Cleckler, Emily Ebert, Deb Plemmons.

Motion: A motion was made by Mike and seconded by Jodi to adjourn the executive session at 8:21. **Motion adopted on a 4-0 vote.**

Resumption of open meeting at 8:21 pm

Board decides in open meeting that it is not in MPH's best interest to pursue or accept ownership of Cliffview and has directed Jason to communicate this to the Grand County Housing Authority.

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Adjournment of meeting

Motion: A motion was made by Jodi and seconded by Chris to adjourn the meeting at 8:21 pm. **Motion adopted on a 4-0 vote.**



Jodi Docheff, Board President



Kim Cameron, Secretary/Treasurer

Approval Date: 4/25/2024

Minutes taken by: Rosalie Rust