

# THE MEMORIAL HOSPITAL BOARD OF TRUSTEES MEETING

January 30, 2008, 7:00 p.m.

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**ATTENDANCE:** Melton Sullivan, Board Chair; Ron Danner, Vice Chair; Missy Bonaker; Corrie Ponikvar, Sue Lyster, Don Myer, Board of Trustee Members; George Rohrich, CEO; Robert Lindberg, CCO; Samantha Johnston, SEO; Barry Bergman, CFO; Beka Warren, CQO; Saed Tayyara, County Commissioner; and Dr. Alan Reishus, Chief of Staff.

**CALL TO ORDER:** Meeting was called to order by Chair Melton Sullivan at 7:04 p.m. Earlier a presentation on the Surgical Care Improvement Project by Billy Bertram, Surgery Manager was viewed.

**AGENDA REVIEW:** Item G2 Minutes of the Joint Conference Meeting of December 18, 2007, was added to the agenda.

**APPROVAL OF BOARD OF TRUSTEE MEETING MINUTES:** The minutes of the November 28, 2007, meeting were accepted as presented.

**OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD:** There were no comments.

## ANNUAL ORGANIZATION:

**MOTION 2008:1** – Moved by Sue Lyster, seconded by Corrie Ponikvar, “That the Board of Trustees continue with the same leadership and the elected positions of the Board of Trustees remain the same for 2008.” Ayes, all. Motion carried.

The Board of Trustees Officers for 2008 are:

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Chair	Melton Sullivan
Vice Chair	Ron Danner
Secretary/Treasurer	Missy Bonaker

**COMMITTEE APPOINTMENTS:** The following committee appointments were made for 2008:

Joint Conference:	Ron Danner, Chair and Sue Lyster
Finance:	Missy Bonaker, Chair, and Corrie Ponikvar
Building:	Corrie Ponikvar, Chair, and Missy Bonaker
Foundation:	Sue Lyster, Liaison, and Corrie Ponikvar
Credentials:	Missy Bonaker, Liaison, and Melton Sullivan
Board Development:	Ron Danner, Chair, and Don Myers
Medical Staff:	Ron Danner, Liaison, and Sue Lyster
Quality Steering:	Missy Bonaker, Liaison

**MOTION 2008:2** - Moved by Corrie Ponikvar, Seconded by Missy Bonaker, “That the glassed bulletin board in the front foyer of The Memorial Hospital, the bulletin board on the main floor of the Moffat County Courthouse, and the TMG website be approved as the office positing places for the Board of Trustees.” Ayes, all. Motion carried.

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**MEDICAL STAFF REPORT** Dr. Allan Reishus presented the Medical Staff Report. He said that transcription services will continue to be monitored and that they seem to be better. The oncology presentation from Shaw Medical of Vail was cancelled because of snow and will be rescheduled. The medical staff continues to hope for an oncology service provider on a regular basis. The care clinic is now called North West Colorado Community Health center. Clinic hours are offered four days a week from 9 a.m. to 4 p.m. There are two nurse practitioners doing primary care. Pay for services is based on income.

### **MEDICAL STAFF PRIVILEGES:**

**MOTION 2008:3:** Moved by Ron Danner, seconded by Sue Lyster: That the following privileges are approved:

### **REQUEST FOR ADVANCEMENT FROM PROVISIONAL TO ASSOCIATE**

**APPOINTMENTS:** The following practitioners' files have been reviewed by the Medical Staff Executive Committee on January 10, 2008, and have been unanimously recommended for appointments in accordance with the Completed Delineation Checklists:

**Francis Crnkovich, M.D. – Associate – Radiology**

**Bruce Beckord, M.D. – Associate – Emergency Medicine**

**John Gilbert, M.D. – Associate – Radiology**

Ayes, all. Motion carried.

**MOTION 2008:4:** Moved by Don Myer, Seconded by Sue Lyster: That the following appointment be approved:

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**REQUEST FOR HONORARY APPOINTMENT:** The following practitioner's file has been reviewed by the Medical Staff Executive Committee on January 10, 2008, and has been unanimously recommended for appointment for Honorary Staff Privileges:

**David James, M.D. – Honorary – Surgery**

Ayes, all. Motion carried.

### **RECOMMENDATION FROM THE MEDICAL STAFF TO LIFT THE PRIVILEGES MORATORIUM:**

Dr. Reishus reviewed with the Board of Trustees the medical staff's recommendation to lift the privileges moratorium passed at the meeting of November 28, 2008. He said it was medical staff's feeling that they were not involved in the decision. He said that the board by-laws and possibly the open meeting law were violated because the item was not agendaized. When the Joint Conference committee met in December it was discussed at length and again at the January Medical Staff meeting. Ron Danner stated that the moratorium was temporary to suspend granting of privileges on certain procedures outside of core privileges. He stated there was no impact on current staff and was intended to be a time out to study the issue.

**MOTION 2008:5:** Moved by Ron Danner, seconded by Sue Lyster, "That the moratorium be lifted."  
Ayes, all. Motion carried.

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**AD HOC COMMITTEE:** The formation of an ad hoc committee was discussed.

**MOTION 2008:6:** Moved by Ron Danner, seconded by Sue Lyster, "That we go forward with study of the Medical Development Staff Plan and that an invitation to serve on the committee be presented to four entities: Moffat Family Clinic, Kinder Family Clinic, Craig Medical Clinic, Valley Health Center, and that a board of trustee member serve and the CEO." Ayes, all. Motion carried.

**JOINT CONFERENCE COMMITTEE:** Ron Danner presented the Joint Conference Committee report. The minutes of the Meeting of January 22, 2008, were accepted.

**FINANCE COMMITTEE:** Missy Bonaker presented the Finance Committee report. The minutes of the January 23, 2007, meeting were accepted as corrected.

**COLORADO INDIGENT CARE PROGRAM:** The program is being revisited. Currently the program serves emergency needs for eligible patients only. Barry Bergman is looking into expanding the program for full service needs in conjunction with the program of Yampa Valley Medical Center. Sue Lyster said that when TMH moved from full service to ER only it was because it was felt the program was being misused.

**MOTION 2008:7:** Moved by Don Myer, seconded by Missy Bonaker, "That the CICP program be reviewed by the CFO and a report provided." Missy Bonaker, "Yes", Sue Lyster, "No", Corrie Ponikvar, "Yes", Melton Sullivan, "Yes", Ron Danner, "Yes", Don Myers, "Yes"  
Motion carried.

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**FEASIBILITY STUDY:** The HUD feasibility study is complete and will be presented as part of the application package.

**NOVEMBER, 2007 FINANCIAL REPORT:** CFO Barry Bergman presented the Financial Results for November, 2007. He reported:

### Summary

- Net Profit or Loss – November was a huge month from a Net Income perspective with a profit of \$895.8k. The lofty figure was recorded due to our auditors ruling that the \$750k of matching funds received from CNCC in conjunction with site development should be recognized as current period non-operating income. Additionally we recognized another \$257k in DOLA grant funds. This will be the last of these funds recognized in 2007.
- Gain or Loss from Operations – We had an operational loss in November of \$139.7k, leaving us with a year to date operational gain of \$73.4k. We are still slightly ahead of last year's number of \$69.9k.

### Volume

- Admissions continue to lag below budget (57 versus 66), and at 696 we are substantially below the YTD budget of 736 (down by 40 admissions, or 5.4%). We are still 12.6% ahead of last year's number of 618.
- Our average daily census (ADC) for the month decreased from 8.0 to 7.2, well short of the monthly budget of 8.7. This puts us at 8.8 for the year (budget is 8.7).
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- In November, ER visits were down 14% from October (down from 576 visits to 496, budget was 454). Outpatient visits and adjusted patient days continue to track above the YTD budget by 3.4% and 4.4% respectively.
- The baby business was slow in November with only 5 newborns (budget was 7). At 80, we are now 1 baby behind the 2007 budget, and 1 baby ahead of the same time last year.
- Surgeries were right on budget at 112. For the year, we are 4.4% below budget with 1,188 versus 1,242. Last year at this time, we had 1,136 surgeries.

### Operating Revenue

- We had gross revenues of \$2.1m in November, short of budget by 1.9% or \$41k, and net revenues then followed accordingly at 7.7% under budget.
- YTD revenue adjustments are tracking at 27.2% of gross charges (last year at this time 27.1%), with contract adjustments making up 24.7% and charity care the remaining 2.5%. Bad debt is 8.6% of net patient charges, which is higher than last year's YTD figure of 7.8%. The increase in self-pay patients accounts for the slight increase.

### Operating Expenses

In November, we exceeded budgeted expense by \$70.5k or 4.7% at a total expense of \$1.58m. For the year, we are very close to budget with only a 0.4% variance. Notable areas that deviate from budget:

- Miscellaneous expenses remain high at \$36k. In November, we had travel and education expenses totaling \$15k, and License, Dues and Fees totaling another \$14k. In 2008, this line item will be reported separately.
- Professional fees are \$92.5k (\$69.8k is ER physician salaries, \$19.0k in Pathology, with Lab and Cardio making up the remaining \$3.7k).
- Contract Salaries is \$43.6k (\$9.3k in Cardio, \$8.8k and \$21.3k in Med/Surg and Lab respectively).

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**DECEMBER, 2007 FINANCIAL REPORT.** CFO Barry Bergman presented the Financial Results for October, 2007. He reported:

### Summary

- 2007 was a good year. We have plenty of opportunities for continued improvement, but we have demonstrated that we have turned the ship in the correct direction. 2008 will be great!
- Net Profit or Loss – December was what you expect December to be each year. Net income was a loss of \$117k, due in large part to recognizing bad debt, as well as less activity due to the holiday season. For the year we still ended up with a net profit of \$1.97 million, far exceeding our budgeted profit of \$983k.
- Gain or Loss from Operations – We had an operational loss in December of \$51.6k, much better than the loss of \$139.7k last month. In 2007 we registered an operational gain of \$21.9k, far short of the budgeted \$587k. However, when compared against the total operational loss of \$328.6k in 2006, we had a tremendous improvement in 2007 of \$350.5k or 106%.

### Volume

- Admissions in December continued to lag below budget (61 versus 68). We finished 2007 at 757, below the budget of 804 (down by 47 admissions, or 5.8%). However, this still represents a 14.4% increase over the 2006 number of 662.

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- Our average daily census (ADC) was 7.6 in December, short of the budget of 8.7. This puts us exactly on budget at 8.7 for all of 2007.
- In December, ER visits remained steady at 500. In 2007, we recorded 6,393 visits (15.8% ahead of budget), and 16.1% ahead of the 2006 total of 5,507.
- Outpatient visits fell short of budget in December (1,354 versus 1,501), but still exceeded the annual budget 2.3% at 18,078. Patient Days fell short for the month, but ended the year 3.2% above budget at 9,008 versus 8,728.
- There were only 3 newborns in December, which is below budget for the year at 83 babies versus 88.
- Surgeries were below budget both for the month and for the year. We slipped under the annual budget by 5.1% with 1,286, mainly attributable to the loss of Urology surgeries for several months.

### Operating Revenue

- We had gross patient revenues of \$1.9m in December, short of budget by 9% or \$190k, and net revenues followed accordingly at 10.9% less than budgeted.
- 2007 revenue adjustments are tracking at 26.0% of gross charges (2006 was 28.2%), with contractual adjustments making up 23.6% and charity care the remaining 2.4%. Bad debt is 7.3% of net patient charges 2007, which is higher than the 2006 figure of 5.7%. An increased percentage of self-pay patients, particularly through ER, is the primary reason.

### Operating Expenses

In December, we exceeded budgeted expense by \$264.1k or 17.45% at a total expense of \$1.78m. For 2007, we were very close to budget exceeding it by 1.5% variance. Notable areas for 2007:

- Personnel costs (Salaries and Benefits) came in \$204k under budget, but still \$640k higher than 2006. This is due to physician employment, and increased staffing due to increased activity.
- Professional Fees exceeded budget by 209%, primarily due to the change from EmCare to local physicians.
- Contract Salaries were 232.2% over budget, this was caused by higher than anticipated reliance on travelers in the Radiology, Lab, and Cardiopulmonary departments over the course of 2007.

### **SUMMARY OF AUTHORIZED SIGNATORIES ON BANKING AND INVESTMENT ACCOUNTS:**

This was an informational item and presented to the board for their review.

**TMH FOUNDATION REPORT** Samantha Johnston presented the Foundation Report. The minutes of the December 17, 2007, and the January 22, 2008, meeting were accepted as presented. A grant through Caring for Colorado has been awarded in the amount of \$200,000. An opportunity for a matching grant through El Pomar is also being explored.

**BUILDING COMMITTEE REPORT** Corrie Ponikvar presented the minutes of the January 17, 2008, meeting which were accepted as corrected.

**NEW HOSPITAL REPLACEMENT:** George Rohrich reported that the final CNCC Subdivision Plat will be approved any day. The HUD pre-application meeting will be held and a local team will attend in Washington, D.C. in late February. The disposition of the current hospital building is being discussed with the Moffat County Commissioners. Work continues on the Medical Office Building proposed to be built on the new hospital site.

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**CEO REPORT:** George Rohrich advised the board that physician recruiting continues. An offer has been made to Dr. Scott Ellis, OB/GYN.

**QHR REPORT:** Kurt Loveless of QHR advised that QHR is now an affiliate of CHS. Mr. Loveless has become our new area vice president. He said that QHR is concerned about providing good service to this community and keeping up with trends and changes in healthcare. There will be additional emphasis on consulting delivery of services and more focused review of each of the hospitals they serve. He will be spending more time at TMH other than at board meetings. He will demonstrate the results of this deliver model next year.

**CCO REPORT:** Bob Lindberg reported that Jennifer Tuning is the new ER nurse manager. Effective January 1, 2008, there are enhanced clinical services in the EMS. They are now on staff and in house 24/7, not strictly on pager call. Dr. Jaakola, podiatrist, has had one clinic and is planning for his next one. He is working with Amy Knights and Dr. Jeffrey Womble for a wound/diabetic clinic. St. Mary's has agreed to help with nursing to continue to enhance our training in specific areas such as OB.

**SEO REPORT:** Samantha Johnston advised the Board of Trustees she will attending the DOLA meeting in Denver on March 19 to defend our grant submission for \$1 million for Phase II of the hospital replacement program.

**EXECUTIVE SESSION**

**MOTION 2008:8:** Moved by Ron Danner, seconded by Sue Lyster, that the Board of Trustees adjourn to Executive Session to discuss matters pursuant to contractual negotiations as stated in C.R.S. §24-6-402-(4)(e), and personnel matters as stated in C.R.S. §24-6-402-(4)(f). Ayes, all. Motion carried. The session is expected to last fifteen to twenty minutes. The CEO and CFO were invited to remain for the session.

**MOTION 2008:9:** Moved by Ron Danner, seconded by Sue Lyster, that the Board of Trustees return to regular session. Ayes, all. Motion carried. The board returned to regular session at 10:00 p.m. No business or decisions were transacted during the executive session.

**OTHER BUSINESS:** There was no other business.

**ADJOURNMENT:** The meeting was adjourned at 10:05 p.m.

Respectfully submitted,

Melton Sullivan, Chair

jah/ 2-13-08