

TELLURIDE HOSPITAL DISTRICT
July 6, 2007
ANNUAL BOARD MEETING MINUTES

Board Members in attendance: Alexandra Dujardin/Secretary, Albert Roer/Treasurer and Allen Solomon, MD Mark O'Dell was excused.

By Phone: Bill Grun/President.

TMC Management Present: Gordon Reichard/Administrator, Julie Wesseling/Financial Manager, Sharon Grundy, MD/Director Primary Care, Dan Hehir, MD/Chief of Medical Staff and Peter Hackett, MD/ IFAM Director.

Also in attendance was Diane Brown of GO Partners

I. CALL TO ORDER & PUBLIC MEETING WELCOME

Alexandra Dujardin called the meeting to order at 8:30am

II. EXECUTIVE SESSION

Alexandra Dujardin requested that the Telluride Hospital District Board convene and executive session at 8:30am in accordance with CRS §24-6-402(4)(b) for purposes of conferring with an attorney for the public entity for the purposes of receiving legal advice on specific questions. As required by Open Meetings Law executive session was electronically recorded. The recording will be retained for 90 days. The public was excused.

III. MINUTES

Board members reviewed the minutes of the previous meeting and there were no additions or corrections.

Motion: Allen Solomon, MD moved that the board approve the minutes of May 25, 2007 as written. Alexandra Dujardin seconded the motion. The motion passed with the three members present voting in favor.

IV. APPROVAL OF 2006 FINANCIALS

This report was postponed pending the arrival of the auditing firm Dalby-Wendland.

V. FINANCE REPORT

The report was given by Julie Wesseling. (See attached) Bill Grun joined the meeting by phone. The purpose and function of the Reimbursement Resolution were discussed. (See attached)

Motion: Alexandra Dujardin moved to accept the Reimbursement Resolution as written and presented. Albert Roer seconded the motion. The motion passed with the four members present voting in favor.

Obtaining the services of a Financial Advisor was discussed.

Motion: Alexandra Dujardin made the motion to follow the recommendation of the Finance Manager that TMC Management create an RFP for a financial advisor relative to the future possibility of issuing a bond for a new facility. Albert Roer seconded the motion. The motion passed with the 4 members present voting in favor.

The remainder of the report was postponed the conclusion of the Approval of 2006 Financials.

(IV. APPROVAL OF 2006 FINANCIALS continued)

Dennis Wagner and Katherine Dowd of Dalby-Wendland presented the report. (See attached) The 2005 and 2006 finances were summarized and discussed. The board questioned the methodology of calculating reserves and deferred the conclusion of the topic to the finance subcommittee.

Motion: Alexandra Dujardin move to accept the THD financial report for December 31, 2006 and 2005 as written with the caveat that TMC Management and the Finance Committee approve the findings of the management letter generated by Dalby-Wendland. Albert Roer seconded the motion. The motion passed with the 4 members present voting in favor.

THD BOARD MEETING MINUTES

July 6, 2007

Page 2 of 3

(V. FINANCE REPORT continued)

Julie presented the May 2007 financials. (See attached)

The increase in operating expenses was discussed to the satisfaction of the members. A report of the ROI on high income items such as CT scans was requested of TMC Management for the next meeting.

VI. ADMINISTRATOR'S REPORT

Gordon Reichard presented the report and items included were discussed. (See attached)

- The possibility of affiliation with St Mary's Hospital was discussed and TMC management recommended to the board to move forward in the process.
Motion: Albert Roer moved to allow the TMC management team to proceed with affiliation with St Mary's Hospital, Grand Junction. The document of proposal for affiliation reached between TMC and St Mary's Hospital will be brought to the board for final approval. Allen Solomon, MD seconded the motion. The motion passed with the 4 members present voting in favor.
- Idarado Mining Company was notified via certified letter of the plans for remodeling of the newly acquired dentist's space per the lease agreement.
- Allen Solomon, MD reviewed the process and findings that have been used to determine the health and facility needs for the district and the resultant Strategic Plan. The board agreed with the New Facility Guiding Planning Philosophy as presented in Gordon's report and lends full support to TMC management in moving forward with design and building of a new facility.
- This morning an agreement was reached with Rocky Mountain Health Plans to pay 85% of billed charges in Trauma & Emergency Services and between 155% and 175% of RBRVS in Primary Care retroactively to June 1, 2007.
- The board recommended that Sharon Grundy, MD proceed with the RFP for OB/Gyn services at TMC. Primary Care will evaluate the need for a pediatrician yearly.
- Gordon recommended to the board to extend credentials to Vineet Singh, MD (orthopedics) and Calvin Baize, DPM (podiatry).
Motion: Allen Solomon, MD moved that the board approve the specialist credentials of Vineet Singh, MD (orthopedics) and Calvin Baize, DPM (podiatry) to August 2008 as recommended by the Credentialing Committee of TMC Medical Staff, TMC Medical Staff and TMC Administrator. Alexandra Dujardin seconded the motion. The motion passed with the 4 members present voting in favor.

VII. MEDICAL STAFF UPDATE

Dan Hehir, MD stated that Medical Staff Bylaws are being revised and will be presented to the board for approval at the August board meeting.

VIII. IFAM-CU MEMORANDUM OF UNDERSTANDING

Peter Hackett, MD reported the status of the Institute For Altitude Medicine (IFAM). He requested approval of the Memorandum of Understanding between THD/IFAM and Colorado University. After discussion the board requested the following changes. Section 14.2 will be changed to include THD as a government entity. Section 14.4 the mailing address will be changed to Telluride Hospital District & IFAM.

Motion: Alexandra Dujardin moved to approve the Memorandum of Understanding between the Regents of the University of Colorado on behalf of the Altitude Research Center at the University of Colorado at Denver Health Sciences Center, School of Medicine and The Telluride Hospital District as amended. Allen Solomon, MD seconded the motion. The motion passed with the 4 members present voting in favor.

(VIII.. IFAM-CU MEMORANDUM OF UNDERSTANDING continued)

Discussion of 501C3 status will resume when IFAM Bylaws are complete and Stephen Nash, Attorney respond to questions and concerns posed by the board at the May Regular Board meeting.

IX. HOSPITAL AFFILIATION

This report was included in the Administrator's Report.

X. BOARD SUBCOMMITTEE REPORTS

- Medical Quality Assurance - No report was given.
- Personnel - No report was given.
- Finance - No additional report was presented.
- Capital Equipment - No report was presented.
- Site- - Gordon and Sharon Grundy, MD will meet with Mountain Village and San Miguel County public officials to present property requirements for a new facility and to be considered if sites are identified in the future.
- Strategic Planning - No report was presented.

XI. OLD BUSINESS

The Telluride Medical Capital Fund (TMC) responded to the request of the THD Board to share their accounting of the funds raised on behalf of Telluride Hospital District by postponing discussion until the THD Board President returns. TMC has removed itself from the discussion of a new facility site to enable THD to speak with a unified voice. There will likely be no FEAST in 2008.

TMC Administrator's Fiscal Year 2007 Incentives were discussed.

Motion: Alexandra Dujardin made a motion to approve the TMC Administrator's Fiscal Year 2007 Incentives with the change of the concluding date from August 1 to September 1 with regard to affiliation with a regional medical facility. Albert Roer seconded the motion. The motion passed with the 4 members present voting in favor.

XII. NEW BUSINESS

A name change from Telluride Hospital District to Telluride Health Services District was discussed and documentation of precedence was distributed to the members. A decision concerning the proposed change will be made at the August Regular meeting.

The August Regular Meeting is scheduled for August 23, 2007.

Following discussion and revision the Telluride Hospital District Bylaws will be ratified at the August Regular Board meeting.

XIII. PUBLIC COMMENT

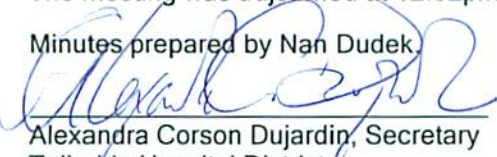
Diane Brown of GO Partners presented a billing and claims adjudication update to the board. (See attached)

Allen Solomon, MD thanked Diane for her work as interim administrator in 2005.

XIV. ADJOURNMENT

The meeting was adjourned at 12:02pm

Minutes prepared by Nan Dudek


Alexandra Corson Dujardin, Secretary
Telluride Hospital District