

TELLURIDE HOSPITAL DISTRICT (THD)
March 18, 2016
REGULAR BOARD MEETING MINUTES

Board Members Present: *Larry Mallard, President; Davis Fansler, Vice-President; Carol Kammer, Secretary; Richard Cornelius, Treasurer; and Richard Betts*

TMC Management Present: *Gordon Reichard, TMC Executive Director; Kate Wadley, TMCF Executive Director; Dr. Diana Koelliker, ED Medical Director and Dr. Sharon Grundy; Dr. Dan Hehir, Chief of Staff; Julie Wesseling, Financial Director and Eric Adolphi, IT/Facility Director*

Guests: *Nicole Pieterse, Counsel to THD; Thomas Kennedy, Counsel to THD; Pete & Shari Mitchell; Jennifer Fox; Stephen Elliot*

I. CALL TO ORDER

Larry Mallard called the Executive Session to order at 8:30 a.m. This meeting was held in the San Miguel County BOCC meeting room in the Miramonte Building on Colorado Avenue.

II. EXECUTIVE SESSION

Executive Session pursuant to C.R.S. 24-6-402(4)(b) for legal advice for specific issues related to acquiring property and determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators. Motion to enter Executive Session was made by the Chair (Larry), it was seconded and five Directors present voted to enter Executive Session. Present for the Executive Session were Larry Mallard, Davis Fansler, Carol Kammer, Richard Betts, Richard Cornelius, Tom Kennedy, Nicole Pieterse and Gordon Reichard. The Executive Session was not recorded as it was pursuant to C.R.S. 24-6-402(4)(b).

Larry Mallard read the board out of Executive Session at 9:30 am. Larry announced that the Board was returning to Open Session.

III. OPEN SESSION

The Board came back into Open Session at 9:30 a.m.

IV. MINUTES

The February 26, 2016 Regular Board Meeting minutes were reviewed.

Motion: There was a motion to approve the February 26, 2016 Regular Board Meeting minutes as circulated. The motion was seconded and carried by the five Directors present at the meeting.

V. MEDICAL STAFF REPORT – Dr. Dan Hehir

- No Report

VI. EXECUTIVE DIRECTOR’S REPORT – Gordon Reichard

The following represents the Board discussion of the Executive Director’s Report:

- Gordon related that the patient satisfaction scores remain very high through February.

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- On the TMC Dashboard, the Cash Days on Hand has dipped to 59 days at the end of February. The THD goal is 60 days.
- Eric Adolphi is completing the next iteration of the TMC cloud and starting the process to adapt the IT environment to the future CAH through collaboration with a cloud provider in Denver and a networking consultant (Mitchell & Co) from Carbondale. He also is pushing off capital and operating projects that are not mission critical until the budget comes back in line with projections.
- The May 3 THD election ballots are due to be mailed on April 18 to the District. The Progressive Women's Caucus will be hosting a Candidates Forum toward late April.
- On March 16, 2016 Gordon discussed the Annual Report with the SMC BOCC. The report was well received.

Emergency Department Report – Dr. Koelliker

Quality Assurance (QA) Update:

The QA meeting is next week.

Operational Update:

Dr. Diana Koelliker reported that they are continuing to be busy although just short of the 2015 volume. Last Sunday, they saw 32 patients between 10am and 8pm. it was a good thing that PC was not open because the ED used all of their beds and the PC's too. For Diana it just highlights how much we need our new med center. While the numbers are slightly down from last year, the issue is that the patients come in big rushes (bunches) and it is difficult to find rooms for them with only five beds. Because of the ski conditions, they are seeing a predominance of ski injuries in several geriatric patients on blood thinners. They have given blood twice in the last month and it was critical that the ED had it. Thanks to the TMCF and the Telluride Women Give program the ED has a new blood warmer and an infusion pump and a HandTevy (which is pediatric resuscitation equipment/supplies for a specific child's weight). Dr. HandTevy will come and train the staff this summer. Larry asked about the air evac situation this year. Diana stated that she has not noticed a change in the numbers.

Primary Care Department Report – Dr. Grundy

Quality Assurance Update:

PC QA is not until the end of the month.

Operational Update:

Dr. Grundy reported that in February, PC was 204 cases over last year's visits. PC is currently looking to hire a second BHC which will be funded through SIM grant. Sharon reported that the flu has not been prevalent this year. The PC visits have been mostly locals.

TMC Finance Department Update – Julie Wesseling

Finance Committee Update:

Richard Betts made the point that the Finance Committee asked that IT delay their capital and operating projects to the degree possible. Julie answered that everything will be delayed that can be.

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TMC Financial Statements:

Average charges in ER are up but the volume is down. PC's March visit will be right at their budgeted numbers. YTD, average charges in the Primary Care and the visits are up. TMC is seeing an increase in bad debt and financial hardship. The costs of services are up in primary care and the management team is working toward finding a good balance between what we can afford and patient safety. The Cash Days on Hand has dropped to 59 days. A new EMR/PM system prevented John Gardner (Yuma, Co hospital CEO) from dropping a bill for 120 days, hence TMC needs to have 120 Days Cash on Hand when they decide to make an EMR/PM system transition. Julie will be supplying Eric Adolph with an adjusted budgeted based on the adjusted revenues.

TMCF Fundraising and Operational Update – Kate Wadley

- HandTevy has been ordered and will be here in June
- Kate is developing more information about a new facility endowment to share with the Board
- John Pryor, Davis Fansler and Kate are continuing to discuss pre-Capital Campaign issues
- Play for Pink golf tournament is in August this year
- TMCF had a record year last year for the end of the year appeal

VII. COMMITTEE REPORTS

Land/Facilities – Davis Fansler & Larry Mallard

Larry updated the board on the wetlands and the process with evaluating the SMVC property at Society Turn. THD has a response due to the US Army Corps of Engineers (USACE) on March 25. Will meet with the Town of Mountain Village and ask that they seek an accelerated wetlands decision. THD has retained an attorney to help complete an evaluation on the SMVC site at the request of the USACE.

Communications – Carol Kammer/Richard Betts

Communication is rescheduled for next week.

Personnel – Carol Kammer/Davis Fansler

Carol has been signing off on the TMC Policies and Procedures for the board. She suggests that the policy should be changed to require the board member(s) to just sign off on the new or revised policies annually.

THD has worked with Baker/Tilly who has screened roughly 600 CEO candidates. The recruiter has contacted each Critical Access Hospital (CAH) in the western United States and talked with their CEO about the position. THD has brought six candidates on-site and has paired them down to two finalists. One of the finalists is on-site today and the other withdrew. Next Monday the recruiter will present new candidates for the board to consider. The Search Committee is comprised of: Larry Mallard, Carol Kammer, Dr. Sharon Grundy, Dr. Diana Koelliker, Andrew Karow and Lynn Borup. Larry made a point of recognizing Carol for the full time work she has put in on the CEO search. John Gardner

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will be doing a presentation at the Wilkinson Public Library today at 2 pm on what is a CAH.

Strategic Plan –
No Report

VIII. OLD BUSINESS

Richard Cornelius and Dr. Diana Koelliker met in response to a Sheriff Bill Masters' email about TMC's ability to be proactive regarding certain repeat detox patients. Richard will meet with Sheriff Masters to listen and discuss some possible suggestions to ease the issue. Sharon asked that mental health be involved. Larry asked that there be an update at the next board meeting from Richard.

IX. NEW BUSINESS

The board changed the August 26 meeting to August 19; the September 30 meeting to Sept 16 and the November 18 meeting to October 28. Gordon will email the updated meeting schedule to the board members.

X. PUBLIC COMMENT

Shari Mitchell had a question – With regards to the new potential site has the Board made a decision? Larry said we have not been able to evaluate the site enough to make a decision but we will and then submit to the USACE. We own the site in MV but its use is contingent on the wetlands permit. The first domino to fall is a decision on the wetlands permit.

Dr. Solomon's question – Was the SMVC property offered for lease? Larry responded – Yes, it was and it was offered to THD through the USACE. They have made it clear that it is *not* for sale.

Shari Mitchell's question about the election – Who is eligible to vote? Larry – All registered voters in the R-1 School District and second homeowners who have their primary residence in Colorado. Mail in ballots will be sent to everyone, including the second homeowners with their primary residence in Colorado.

Dr. Solomon's comment: Up until THD signed a property agreement with MV the messaging was great. But since then the whisper campaign that is opposed to the project are passing around rumors as facts and then the Board are not rebutting them so the rumors appear to be factual. The whisper campaign is stating that there will be a bunch of detox patients and aliens walking through the MV because of the med center. Allen acknowledged that we will get opposition no matter where the medical is located. You need to be out there defending your decisions.

Larry, the detox is nowhere in our plan. Bill Masters has made it clear that it should not be in the med center in MV. The rumor mill is toxic in Telluride and we don't really try to combat that by giving them a stage. We've had 47 public meeting to address issues and there will always be people who will oppose what we can do.

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Kate Wadley's comment – This is a very sensitive topic to me. THD has developed a 2 page Fact Sheet and it is on our website. She encouraged everyone to read it and share it. Kate suggested that there should be a forum at the Palm like they did for the Valley Floor to address what is happening with the site.

Dr. Grundy hears the rumors a lot from her patients. She pointed out that this was the first time we have had visitors to the board meeting and she appreciates that they are asking good questions. She expressed her gratitude for the great job the board is doing to be open and transparent on the new facility project.

Carol, we have a Communications Committee that updates the messages all the time and reaches out to the community via Press Releases and public forums.

Larry, the site will be contentious no matter where it is. For the board, it is all about the right facility at the right price regardless of location. The polarizing part is the site. Telluride has the disease called "sudden expertism." We'll run into passion no matter where we go. The community supports the facility and understands the urgency of a new facility.

Shari Mitchell's comment – I live in MV and I hear a lot of this. Everyone support the THD and a new hospital site.

Carol, A concern we all feel is the urgency for a new facility and the grave impact of the delay.

Davis, there is no denying the trajectory of the medical center's volumes. If we have to wait another 3 years we are going to be jeopardizing the health, safety and wellness of the community. If every step we take there are a lot of headwinds that is going to be a huge issue and have consequences. If it is going to take 5 years to get it done it is going to cost more and be more difficult to get funding.

Kate, we are at that tipping point now. This is serious. Please convey the message to others.

Davis, the new facility as proposed, we can deviate on the scope of services but we have our providers working with one arm tied behind their back. Having more advance diagnostics and more capacity to provide a more effective clinical care package to the community is important.

Pete, I keep hearing that a lease is not viable.

Larry, we can do the math on a lease but the question is how can we afford a \$1m⁺ lease when the medical center may make \$300,000 each year. When we go to a CAH we cannot write off everything greater than the fair market value of lease so it would dramatically impact the finances. We think we can raise money philanthropically for building a facility but we can't raise money to lease a building.

Pete, it is not the term or length of the lease that is critical

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Richard C – it is both

Davis, under cost based reimbursement; THD can get reimbursed for the fair market value of the lease. If the only way to get a facility is a lease, then the risk corridors go up. We risk not getting voter support for a mill levy to support the lease.

Pete, have you talked to Neil Blue or Nicole Champine?

Larry, yes we have and it has only been in general terms. Not owning the current facility is a problem now and one we would like to avoid for our grandchildren with a new location.

Davis, the USACE asked us to provide an overview of the SMVC site and the viability to them. We are going to ask that this be done quickly.

Pete, sometime developing a relationship with a landowner takes time. Neil Blue doesn't have a lot of love for us and so it is going to take time.

Richard B, I've been here 30 years and I know these people. We have a contract in MV and we are trying to get closure with where we are at now.

Pete, we are a week away from needing to file a response to the USACE.

Davis, we might ask for an extension to the USACE deadline.

Sharon, we have a free piece of land so we have an obligation to taxpayers

Shari Mitchell's question – a lease isn't reimbursed under CAH?

Davis, can't write off landlord profit.

Richard C, and that bleeds through to the other insurance carriers

Sharon, we cannot move into a new facility with the kind of reimbursement we have now

Dr. Solomon, have you considered having the specialists find space outside of the current med center. Not a great idea to have the CEO off site because he won't have a good feel for what is happening at the med center.

Davis, if this draws out much longer we will have to engage in contingency planning.

Sharon, if we are here for another 5 years, we are in trouble.

Eric Adolphi, we will have to have that conversation.

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XI. PUBLIC MEETING ADJOURNMENT

The public meeting was adjourned at 10:42.

XII. EXECUTIVE SESSION

At 10:45 a.m., Larry Mallard called for a motion to enter Executive Session for the purpose of discussing a personnel matter pursuant to C.R.S. 24-6-402 ((4)(f)(I)). The motion was seconded and approved by the five Directors present.

I, Larry Mallard, Board Chair, hereby attest that the recording of this Executive Session reflects the actual contents of the discussion and has been made in lieu of any written minutes, to satisfy the recording requirements of the Open Meetings Law. I will retain the recording of the Executive Session for a period of 90-days past today. The time is now 11:59 a.m. and we now conclude the Executive Session and return to General Session.

XIII. OPEN SESSION

Motion: A motion was made to approve 75 percent of the Executive Director's FY 2015 Incentive. The motion was seconded with all five of the Director's present voting in favor.

XIV. ADJOURNMENT

Larry moved for adjournment at 12:02 pm.



Carol Kammer, Secretary
Telluride Hospital District Board

Minutes prepared by Gordon Reichard