

TELLURIDE MEDICAL CENTER 2016 STRATEGIC PLAN

TABLE OF CONTENTS

- I. MISSION / VISION / VALUES
- II. OVERVIEW
- III. SERVICES OFFERED
- IV. IMPORTANCE TO COMMUNITY
- V. AREAS SERVED AND MARKET ANALYSIS
- VI. CURRENT STRATEGIC POSITION
- VII. DESIRED FUTURE STRATEGIC POSITION
- VIII. PATIENT VISITS / TRENDS
- IX. EXISTING FACILITY
- X. NEED FOR AND BENEFITS OF A NEW FACILITY
- XI. PLANNING FOR A NEW FACILITY
- XII. TELLURIDE MEDICAL CENTER FOUNDATION
- XIII. RELATIONSHIP WITH ST MARY'S HOSPITAL
- XIV. PATIENT FEEDBACK
- XV. SWOT ANALYSIS - PRIORITIES
- XVI. 2016 STRATEGIC SUMMARY
- XVII. GOALS / OBJECTIVES / STRATEGIES
- XVIII. APPENDICES:
 - 1. Health Care Reform Assessment by **Health Care Futures** - January 2011
 - 2. Health Care Strategic Assessment by **Stroudwater** – September 2006
 - 3. Health Care Needs Assessment Report by the **Joffit Group** – Nov 2006
 - 4. **Alternative Futures Study**, Telluride Foundation, June 2009
 - 5. Health & Wellness Center Initiative, Final Report – January 2014

MISSION/VISION/VALUES

MISSION

The Telluride Medical Center provides high quality health care to all residents of and visitors to our region.

VISION

The Telluride Medical Center vision is to be recognized as the premier provider of health care in the region.

VALUES

CARE thru **TEAMWORK**

Compassion

Accountability

Respects, Retains and Supports High Quality Staff

Excellence

II. OVERVIEW

The Telluride Medical Center (TMC) operates two healthcare business units:

- 1) A Trauma & Emergency Services Department offering a full service Level V Trauma Center providing emergency care twenty-four hours a day seven days a week
- 2) A Primary Care Department that is a multi-specialty medical practice providing family practice, internal medicine, and visiting specialty care six days a week.

The Telluride Medical Center has one affiliated organizations: the TMC Foundation (see Section XI), a charitable fundraising organization.

The Telluride Medical Center is governed by the Telluride Hospital District (THD), a Special District established under Colorado law. THD receives tax support to enhance and promote local health care by providing emergency medical services. THD consists of a five-member Board of Directors elected by the district voters.

III. SERVICES OFFERED

Trauma and Emergency Services are offered twenty-four hours a day, seven days a week (24/7). Emergency Services is staffed by four full-time Board certified emergency medicine physicians with nurses and radiology technologists and occasional assistance from the Primary Care staff during peak times. The Telluride Medical Center is the sole provider of Trauma and Emergency Services within a 65-mile radius. Having a full service Level V Trauma Center in a community of this size is remarkable.

Primary Care Services are provided by with three physicians, three mid-level providers (two physician's assistant, nurse practitioner), nurses and medical assistants. Included in Primary Care services are additional medical services provided as a convenience to the community by visiting medical specialists who work with TMC's staff and utilize the resources of the medical center. Visiting physicians generally schedule their own appointments and bill for their services. Primary Care provides a number of services to benefit the community such as health education outreach services (Wellness Counseling, special events, diabetes education and an e-blast Medical Moments to patients), a semiannual health fair to provide health screenings and education, immunizations, and physical exams for school sports.

TMC's Radiology Department is staffed with licensed radiology technologists, who are certified to perform CT scans, x-ray procedures, and ultrasounds to support both Emergency Services and Primary Care. TMC is fortunate to have some-state-of-the-art equipment for a facility our size, including a digital x-ray and a 16 slice CT scanner.

TMC has state-of-the-art laboratory equipment that interfaces with the patient's electronic medical record. This allows for patient access to lab results via the web portal. The lab is a CLIA waived laboratory that operates 24 hours a day in order to provide prompt test results. TMC provided over 4,500 test results last year. The lab supports both Emergency Services and Primary Care.

TMC enjoys synergies and efficiencies as a result of the co-location of Primary Care and Emergency Care medical services. TMC is able to integrate patient care between Emergency and Primary Care, transitioning patients to an appropriate type of patient care and efficiently sharing resources during peak patient periods. Patients are encouraged to use primary care services when appropriate, rather than more expensive emergency services. The average emergency visit costs over three times that of a primary care visit.

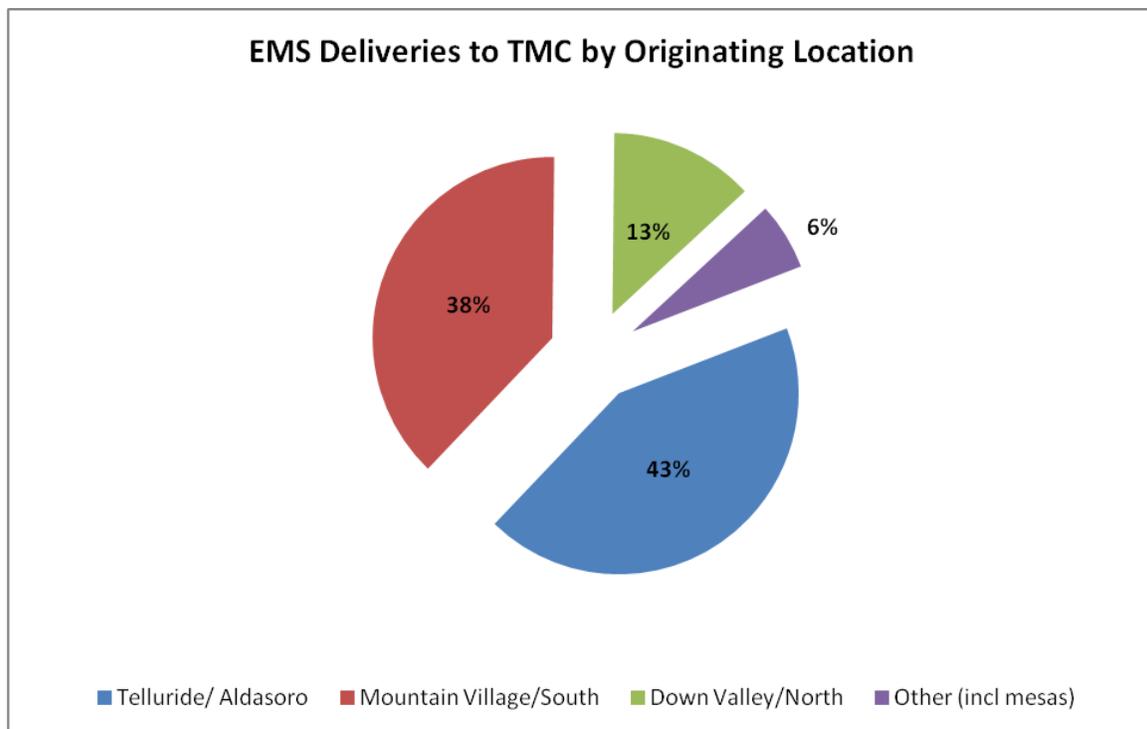
The Institute for Altitude Medicine was dissolved in December, 2015 as a Colorado non-profit corporation. However, Dr. Peter Hackett who is one of the foremost altitude medicine specialists in the world will continue to be available to consult with TMC providers and see patients with altitude concerns. The altitude of the town of Telluride is 8750 feet, and nearby mountains rise to over 14,000 ft. That means that residents and visitors live,

work, and play at relatively high altitudes. Dr. Hackett assists local residents to live well at high altitude. Additionally, Dr. Hackett conducts research and provides consulting services on a worldwide basis.

TMC provides bilingual care serving the Hispanic population which comprises approximately 12% of the local population.

IV. IMPORTANCE TO COMMUNITY

TMC is the only medical facility providing Primary Care and Emergency Medicine in the Telluride community. Since the nearest hospital is 65 miles away over mountain roads, the emergency and primary care medical services provided by TMC are critical to the patients and important to the local economy, which is based on tourism, outdoor recreation and real estate/construction. People are often drawn to the area for the challenging outdoor recreational activities, and unfortunately, injuries sometime happen. Without TMC, the community would have inadequate emergency or basic health services, and this would significantly impact residents, second home owners and tourism associated with outdoor activities and festivals. The chart below shows the approximate origin of Emergency Medical Service (EMS) deliveries to TMC.



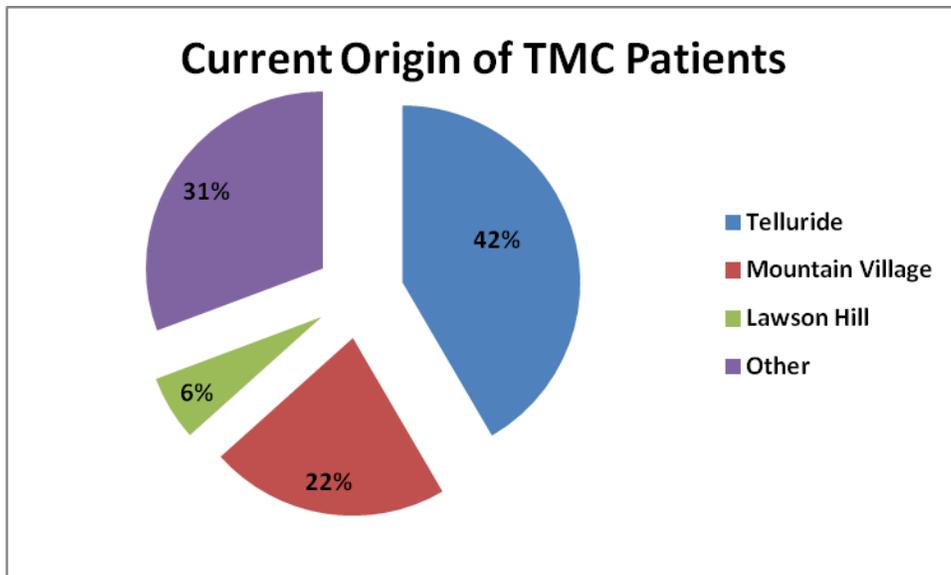
Access to 24/7 Emergency care that is staffed with Board Certified Emergency Medicine Physicians, nurses and radiology technologists is unheard of in a community with a small population like Telluride Hospital District. TMC is able to provide this outstanding level of care due to the fact that it receives approximately \$1.74 million annually in tax support in addition to annual net patient revenue of \$5.0 million. The tax support is necessary to subsidize the costs of providing Emergency Services on a 24/7 basis to a small population. The Primary Care practice at TMC is financially self-supporting through the fees they charge for their services.

TMC is the medical safety net for the local area and works closely with public health agencies in the region. TMC’s Mission is to provide high quality health care to all residents and visitors to the region. TMC treats a number of patients without the ability to pay for the full costs of their medical care, and TMC works with these patients to help make healthcare affordable. Any private medical practice operating independently within the service area would not be obligated to do this. However, the tax support that TMC receives effectively compels TMC to provide this critical service. Annually, the cost of the unreimbursed care that TMC provides has dropped 62% in the last

year due in part to Medicaid expansion under the Affordable Care Act. Unreimbursed care was approximately \$80,000 in 2015.

V. AREA SERVED AND MARKET ANALYSIS

Telluride Medical Center provides medical services to a small mountain resort community remotely located at an altitude of almost 9,000 feet and 65 miles from the nearest hospital. The year-round population within the Medical Center’s primary service area is roughly 7,000 people. The total available population increases significantly when TMC’s secondary service area encompassing Ridgway, Norwood, Nucla, Naturita, Montrose and Delta. However, the mountainous geography of the area and Telluride’s location at the end of a box canyon limit TMC’s market penetration in this secondary service area. A number of TMC patients do live in the secondary service area, and regularly commute to the Telluride area for work. Roughly, 20% of TMC’s visits are from patients that live outside of either the primary or secondary service area. These are generally visitors who become ill or are injured while they are here and need medical services which tend to be Primary Care and episodic emergency care. Approximately two thirds of TMC’s patients are full time residents and 15% are second homeowners. The chart below shows approximately where TMC Patients are housed while in the region.



TMC experiences significant seasonal fluctuations in patient volumes, particularly in emergency care, with a peak demand during the winter months and a smaller spike during the summer. This seasonal business model is driven by tourists during the ski season (late November to early April) and by summer visitors. Additionally, second homeowners are more likely to be in the area during these periods.

Telluride’s age mix and demographic make-up reflect a disproportionately younger and healthier population choosing to live in Telluride for its diversity of challenging outdoor mountain sports. This population’s utilization of health care resources is also generally limited to basic primary care and episodic emergency care.

TMC sees fewer senior citizens on Medicare than most medical facilities due to the smaller elderly population in the region but that group, along with patients on Medicare, has seen significant increases in recent years.

As one would expect, TMC treats a higher proportion of sports injuries than most medical facilities. This is due to the ski area and the many other outdoor sports and activities that take place locally. Telluride’s high altitude location and the number of visitors to the area who are not acclimatized to the altitude contribute to TMC treating an unusual number of altitude related illnesses. During the ski season, approximately 90% of the EMS and Telluride Ski Resort vans delivering injured skiers to TMC originate in Mountain Village.

VI. CURRENT STRATEGIC POSITION

The THD has either partnered with the Telluride Foundation to conduct strategic planning studies or commissioned several studies over the past ten years examining the future of healthcare in the District. In consideration of these studies it is the assessment of the THD Board of Directors that the medical center is functioning at its peak potential for services, programs and capacity given severe space constraints.

THD understands that the area residents and second homeowners would like the convenience of having additional medical services available locally, but the study conducted in late 2010 by Health Care Futures, confirmed that the local population base was insufficient to support more than a fraction of a full-time specialist in pediatrics, orthopedic services, mental health services, birthing, cardiology and ambulatory surgery (See Appendix 1). Consequently, the only economically feasible way to provide those services *has been* through visiting specialist programs.

Currently, the Telluride Medical Center has visiting specialist programs offering orthopedic, mental health, midwifery, urology, and ophthalmology services. Not all of the services identified in the Needs Assessment have been offered due to limited physical space available at TMC, insufficient demand, and difficulty in attracting providers due to lengthy drive times and inadequate regional supply of many of the needed specialties. It is hoped that pediatric and dermatologic services could be added in the next several years through visiting specialists.

TMC provides a bridge between local healthcare and regional health care services. TMC collaboratively identifies deficits in local community health care and strives to provide appropriate solutions such as visiting physicians or transition to tertiary care for those with a higher level of acuity.

Due to the lack of local acute services, a number of area residents seek medical treatment outside of Telluride. A number of those that obtain primary care services outside of the local area leave for obstetrics and to a lesser degree, pediatrics. With the District population growth projected to be limited, obstetrics is unlikely to be practical in Telluride because of the volumes required to have a high quality and economical birthing unit.

The potential utilization of additional medical services that could be offered locally is complicated by the fact that many tourists and second homeowners have relationships with medical providers near their primary residence. While they would certainly use Telluride for emergencies, they often prefer to access non-emergency healthcare back home.

VII. DESIRED FUTURE STRATEGIC POSITION

In 2012 the TMC Primary Care was one of 75 Colorado practices to participate in the multi-payor PC transformation program – Comprehensive Primary Care Initiative (CPCi). CPCi's goal is to transform practices into Patient Centered Medical Homes where through care management, population health of the District is improved, the cost of care is reduced and the patient and their family play a significant role in their own care and health. The CPCi program will expire December 31, 2016 after which TMC-PC has plans of partnering with regional providers and WHA's CCA (Community Care Alliance) as a member of the San Juan ACO (SJACO). Both the CPCi program and the SJACO will align THD to participate in Centers for Medicare and Medicaid Services (CMS) alternative payment methods (APM). The APM program is designed to transition practices (of all type) to reimbursement schemes to financially reward them for quality, improved clinical outcomes and reduced costs. The U.S. Department of Health and Human Services (HHS) aim to have 30% of U.S. health care payments in APMs or population based payments by year 2016, and 50% by year 2018. This significant transformation in payment methodology will shift the practice away from fee-for-service reimbursement to value based incentive population health payments. This transformation

represents a challenge for the Primary Care, the Patient Billing Office and for the Care Managers to shift their mindset away from the traditional practice of medicine to this new framework.

As mentioned later, THD has enjoyed a very beneficial affiliate relationship with St. Mary's Medical Center in Grand Junction since 2007. Over the coming years, THD will explore an additional affiliation with a nationally branded leading healthcare organization for the benefit of the District's patients. The desired benefits of the affiliation are improved local delivery of health care through high-quality, data-driven, evidence-based medical care, TMC physician's ability to consult with recognized physician experts, telehealth consultations for patients without traveling to these mega centers, TMC providers can attend seminar and symposiums put on by the national thought leaders, and use of their patient satisfaction tools and guidance.

As the District's Board of Directors plan for a new facility, they will consult national experts to discuss the "Future of Healthcare's" impact the design. Anticipated topics for consideration are:

- Human Genomics
- Artificial Intelligence – Watson & prosthetics
- Telehealth – For PC & Specialists (dealing with design and size)
- Informatics – Big Data, Population Health
- Biometrics – At home testing integrated with the patient's Medical Home
- Affiliation – For advanced cancer treatment in a rural setting etc.
- Pharmaceutical – Cancer Care
- Imaging – Ultrasound/Radiology (Home & Hospital)
- Patient Experience – This brings technology together with care.
- Architecture – This encompasses healing architecture, feng shui architecture principles, sustainable design, green building and energy efficiency.

The District Board of Director's vision for the new Medical Center is that it will receive a Federal designation as a Critical Access Hospital (CAH). Telluride has had a very distinguished history of healthcare with their first hospital opening in 1878 for the miners. The last hospital closed in 1963 forcing the District's population to drive no less than 65 miles for inpatient care. With the designation of the new facility as a CAH, less acute inpatient cases will be able to remain in Telluride close to friends and family. The Board has plans for four (4) inpatient beds to start with and is planning on the ability to add an additional four beds for a total of eight (8) beds when the need arises. CAH designation will help insure the long-term financial viability of the Medical Center.

The TMC has worked with the Tri-County Health Network (TCHN) over the last several years. TCHN's charter is to assist the regional healthcare providers to upgrade their health IT systems to better manage population health outcomes, improve the availability of behavioral health services and to improve access to care for underserved populations. THD's affiliation with TCHN has been recognized with assisting with all of these areas of care. In the future, integration of the Basin Clinic in Naturita, the Uncompahgre Medical Center in Norwood, and the Mountain Medical Clinic in Ridgway, the Telluride Medical Center along with the TCHN into a regional organization to improve the utilization of staffing and resources will be explored.

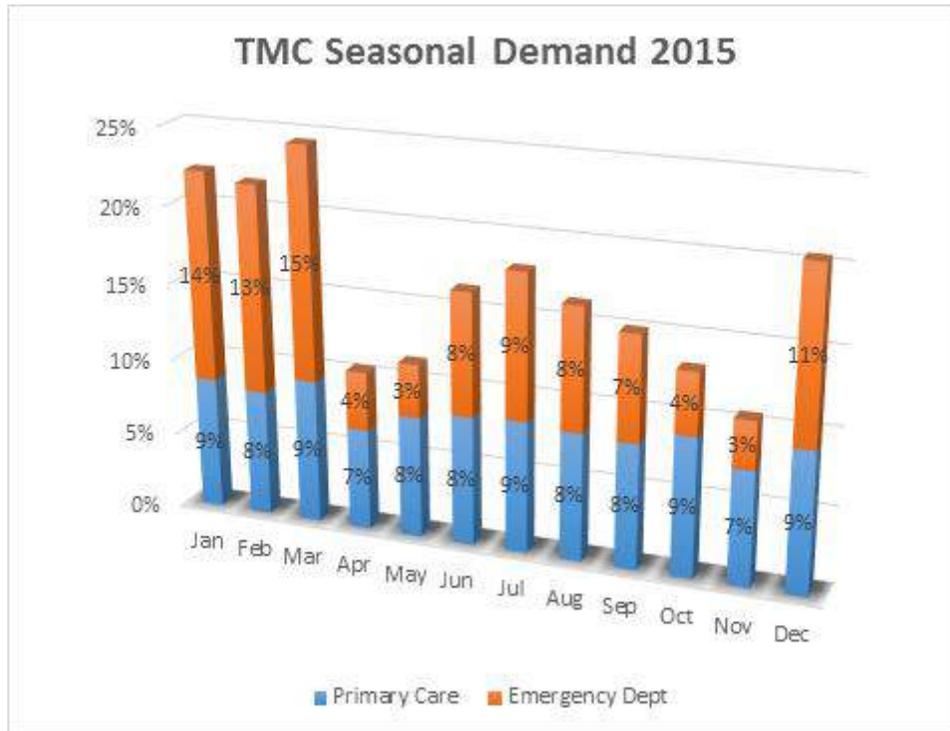
The District's relative lack of behavioral health services was identified through the Healthcare Needs Assessment completed by the Joffit Group (appendix 3). Primary Care integrated a Behavioral Health Counselor (BHC) in 2015 into their practice. Their first year was overwhelmingly successful and it has been identified that a second BHC will be added in 2016 to help with one-on-one counseling. The Mental Health Center has a psychiatrist at the medical center two, half-days per month to address the population that needs medication as part of their prescriptive care. Ongoing evaluation of the District's mental health needs will be done by the TCHN and TMC. TMC has no more space to add new behavioral health personnel so any further in-house expansion of this program will need to wait until a new facility is constructed.

Dr. Sharon Grundy, PC Medical Director brought to the attention that an ever increasing population in the District had expressed their desire to live out their life in Telluride. Traditionally, the over 65 years of age population would

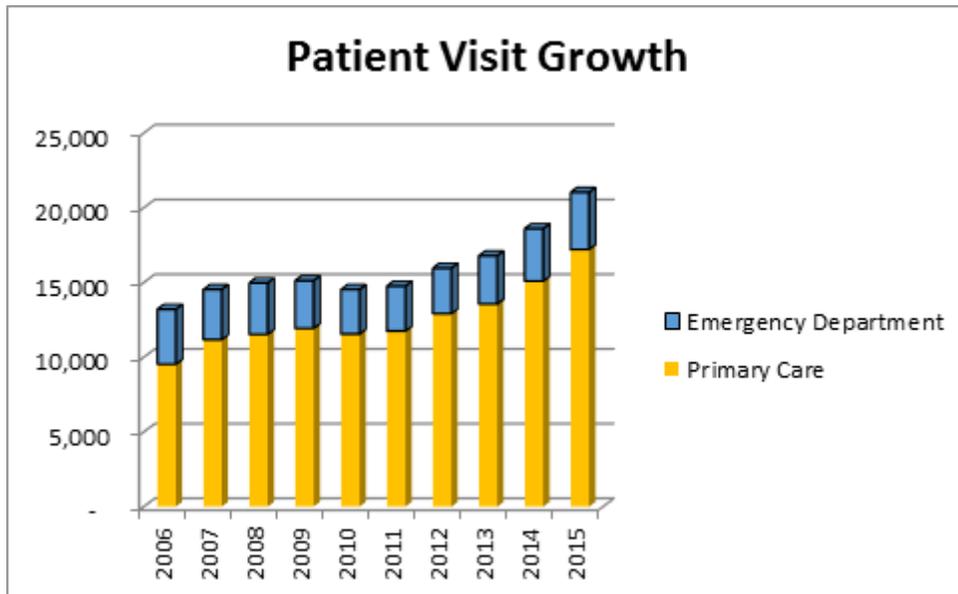
move to lower elevation so there was not a need for end of life care. Dr. Grundy together with the Tri-County Health Network developed a Palliative Medicine and Home Healthcare program for the District that extends critical end of life care to these individuals. Plans are underway to develop these services further and to add roles for volunteers and counselors to support the family with their end of life care needs.

VIII. PATIENT VISITS/TRENDS

Emergency Care is highly seasonal with peak months during the ski season and a smaller peak in the summer. Primary Care is a much steadier business.



The number of patient visits grew steadily during the last decade, flattened after the economic downturn in 2008, and has started climbing again and accelerating in 2012 after TMC became the only primary care provider in Telluride.



IX. EXISTING FACILITY

The current medical facility is approximately 10,000 square feet and is centrally located in the Town of Telluride. Access to the medical facility is via town bus, free gondola service, motor vehicle and foot. There is no helicopter landing pad for critical emergencies and limited room for emergency vehicles and parking. Currently, all medivac patients must first be transferred to the airport via ambulance to access a helicopter.

TMC does not own the building or the land. They are owned by the Idarado Mining Company and leased for a nominal amount. TMC subleases the facility from the Town of Telluride. The lease expires in 2032. As a condition of maintaining the facility lease, TMC is required to provide both primary care and emergency services at the current site. While the low financial cost of TMC's facility has been an advantage, the antiquated functional space has now become a major constraint.

The facility was originally built as a private residence in the 1960's and was never designed to be a medical center. Over the years, several additions were made to try to accommodate the growth in the region. By 2007, the combination of growth in patient volume at TMC, the aging and poorly built existing structure, the inadequate facility size, and the booming local economy led TMC to pursue a strategy to build a new facility. However, the economy collapsed before voters got to decide on the bond issue in November 2008, and as a result, TMC was left without land or funding to build a new facility.

Despite the depressed economy, the overcrowded situation in TMC's emergency room did not go away. TMC concluded that the only feasible option was to remodel the emergency department, expanding the building footprint to the maximum allowed on the site and making better use of existing space. This project was extremely successful. It was completed on schedule, before the start of the 2010/2011 ski season, and it was completed below budget.

In 2015, Mahlum Architects were retained to complete a conceptual plan of the new Medical Center. In the course of doing so, they determined that to replace the current facility with no expansion of services beyond those offered today, it would take 20,000 sq ft if built at the current medical facility construction code. Current space is extremely crowded even with the expansion of the Primary Care into the old administrative offices. The only way to expand the current facility would be to go up or down and that would necessitate that the building be scraped.

X. NEED FOR AND BENEFITS OF A NEW FACILITY

Although the emergency room remodel briefly took some pressure off the need for expansion, the lack of functional space has not gone away. During the first several months of 2013 and 2014, both primary care and emergency care rooms were completely full on numerous occasions and primary care was forced to turn away or shift patients to the Emergency Department. Planning for a new facility is now the key strategic issue for TMC.

A new medical facility for TMC should provide a number of advantages to the community:

- Have a Critical Access Hospital with inpatient beds
- Develop general and orthopedic surgery within two years of opening the new facility
- Helicopter access for critically ill or severely injured patients who require immediate transfer to a major tertiary hospital.
- Additional space for the growing primary care business.
- Additional space to accommodate more visiting specialists.
- Additional emergency care space.
- Procedure room which would allow ED staff or visiting specialists to do minor surgery.
- Observation beds for patients who require 24-hour monitoring.
- New office space for providers, patient care coordinators, and mental health counselors.
- Compliance with current standards and requirements for medical facilities.

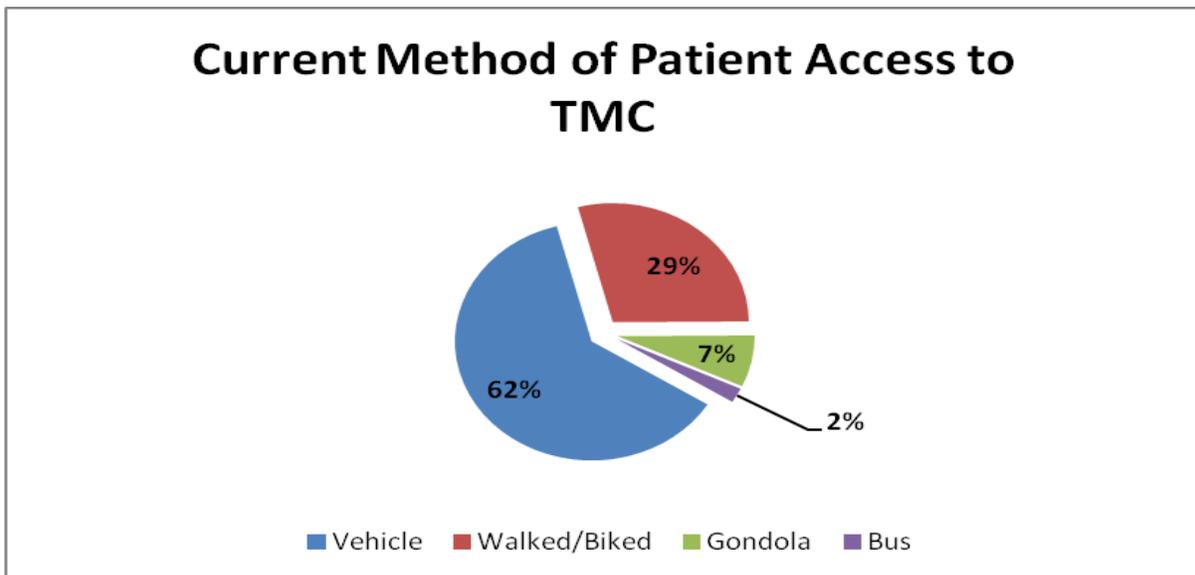
- Medicare/Medicaid reimbursement is cost based thus helping to stabilize THD’s financial future

The District has completed the conceptual plans during 2015 for a Critical Access Hospital (CAH). The addition of CAH beds in a new facility would allow the patient to receive professional medical care without the cost and the stress of a 65-mile trip to the nearest hospital. Having the CAH beds will allow TMC to receive better reimbursement from Medicare and Medicaid.

Having a procedure and an operating room for minor, general and orthopedic surgery will benefit a number of patients. Both TMC emergency medicine physicians and surgical specialists could perform procedures that will allow patients to stay and recover at home. This would save the patient from the inconvenience of traveling to another medical facility and would increase the service offerings and improve the financial viability of TMC.

XI. PLANNING FOR A NEW FACILITY

During the summer and fall of 2014 the District went through a lengthy and challenging site selection process. The THD Board has been actively searching for a site since 2006 and through a series of steps they have identified a site in the Town of Mountain Village suitable to build a new facility of up to 40,000 square feet, with adequate space to expand. The Site Selection process kicked off in March 2014 with pre-meetings with property owners who held suitable property. A Request for Information (RFI) was released March 18 that was designed to collect information from which to evaluate the relative merits of the parcels. Three property owners responded to the RFI – Big Dog Holdings (in Lawson Hill), Lawson Hill Property Owners Association and the Town of Mountain Village. The Town of Telluride did not respond to the RFI but instead later held a referendum asking the town’s electorate if they would approve the building of a new medical center on the RV Lot on the west side of town. The referendum received only 32% support and thus the opportunity for the medical center to remain in the Town of Telluride was closed. The Board’s goal was to conduct an open, fair and transparent site selection process. Planning for the new facility will stretch into mid-2016 with an advisory group assisting the THD Board with design, planning, construction and funding.



An agreement to acquire the Mountain Village (MV) property was approved by the THD Board in December 2014 and by the MV Town Council at their January 15, 2015 meeting. THD then signed the land conveyance agreement later in January and then closed on the property, June 29, 2015.

Beginning in January 2015, THD formed a Facilities Advisory Committee (FAC) to assist THD in defining a funding strategy for the new regional medical center located in Mountain Village. The THD Board has affirmed they will

fund the new facility through a combination of their own reserves, grants, philanthropy and a General Obligation Bond measure slated for November, 2016. The FAC includes Ron Allred (Chair) Davis Fansler, Jim Wells, Paul Major, Dan Tishman, as well as Larry Mallard and Dan Garner representing the THD Board of Directors and Gordon Reichard representing the Telluride Medical Center.

The THD Board retained the services of CCS, a capital campaign consulting firm in June, 2014. CCS then conducted a feasibility study in 2015 to determine the philanthropy capacity of the District. The findings of the Feasibility Study are as follows:

- Philanthropic Goals:
 - Base Financial Goal - \$12,000,000
 - Tier 1 Financial Goal - \$16,000,000
 - Stretch Financial Goal –\$25,000,000
- Pledges will come in over 5 years
- Recommend utilize the working goal of \$12,000,000

During 2015, THD studied the option to facilitate a small Primary Care presence in the Town of Telluride. The District feels that a Telluride Primary Care presence is essential to the efficiency of delivering services and is financially sustainable. The specific configuration and location has yet to be determined.

A business plan, including a financial sustainability analysis will be completed in early 2016

THD has employed the consulting expertise of Piper Jaffrey as their underwriter, the Turning Point Healthcare Advisors (TPA) as their financial model forecasters, CCS a capital campaign firm and Joe Kunkel of the Healthcare Collaborative Group. Over the course of six months, this group met with the Facilities Advisory Committee (FAC) and the Board on multiple occasions to assemble the funding strategy for the new facility. It was determined that the funds would come from THD reserves, philanthropy, federal, state, local and private grants and a General Obligation Bond in November, 2016. The Telluride Medical Center's capital campaign is scheduled to begin in early 2016. THD was successful in obtaining a Colorado Department of Local Affairs grant in December, 2015 for assistance with schematic drawing which will begin in May, 2016. The anticipated date for construction to begin is summer 2017 with a move in date roughly scheduled for January, 2019.

XII. TELLURIDE MEDICAL CENTER FOUNDATION

The Telluride Medical Center Foundation was established in 2009 to assist in raising money, primarily for facilities and equipment. The Foundation has assisted financially over the intervening years by purchasing capital equipment on behalf of the medical center thus defraying that cost for the medical center. The Telluride Medical Center Foundation is a public charity and is tax exempt under section 501 (c)(3) of the Internal Revenue Code. Contributions to the Telluride Medical Center are tax deductible.

XIII. RELATIONSHIP WITH ST. MARY'S HOSPITAL

Since 2007, TMC has had an informal affiliation with St. Mary's Hospital and Regional Medical Center in Grand Junction. St. Mary's is not the nearest hospital, but it offers the best tertiary services and medical capabilities on the Western Slope and has a progressive and forward thinking management team. St. Mary's has been very generous in helping TMC with administrative issues, continuous training and education for medical personnel, and providing purchasing power to lower the cost of medical supplies. TMC's management and St. Mary's management meet once or twice a year to discuss issues and review opportunities. This has resulted in a number of patient benefits such as smoother transfers for emergency care patients and the availability of blood supplies at TMC. A recent collaboration between St Mary's and TMC resulted in a very successful telemedicine education program for local diabetes patients.

XIV. PATIENT FEEDBACK

The Telluride Medical Center has collected patient satisfaction feedback since early 2009. Since then TMC has received over 3,000 responses of which the vast majority have been overwhelmingly positive. TMC has received less than 1% negative comments pertaining to billing, feedback on lab results, a desire for more diagnostic equipment and problems with insurance companies. As always, TMC balances patient satisfaction, operational efficiencies and resources available.

XV. SWOT ANALYSIS

The THD Board of Directors updated a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) in early 2015 and highlighted the following:

STRENGTHS (Internal)

- Healthcare providers
- Quality and compassionate care
- Medical safety net for the community
- Information Technology infrastructure relative to size of operation
- Comprehensive Care Management
- Advanced medical technological capabilities for the size of operation
- Synergy between departments
- High retention of professional staff
- Primary Care practice is financially self-supporting
- TMC has financial reserves
- TMC has overwhelmingly positive patient satisfaction survey responses
- Our ability to get practice transformation grants
- Integrative Mental Health Model

WEAKNESSES (Internal)

- Seasonal business model in the Emergency Department
- Timeliness of access to Primary Care appointments
- Ability to bill for services provided
- Balancing morale with our growth
- Burn-out of staff in growth environment
- Lack of space in current facility
- Front Office turn-over
- Some members of the district are opposed to a new facility or the move to MV
- Administration is off-site on the East End
- New CEO in the summer of 2016
- Board Members turn-over

OPPORTUNITIES (External)

- Supportive philanthropic population
- Regional collaboration (e.g.: Tri-County Health Network and San Juan ACO)
- Acquired an attractive MV site, at no cost, for a future medical center
- Satellite Urgent Care Clinic in the Town of Telluride when TMC moves to MV
- MV site is approved for future expansion should the opportunity warrant it
- A 2013 study affirmed the need for a new medical center facility and expanded services

THREATS (External)

Downward pressure on reimbursement

Other Payors following M/M reimbursement lead

Non-THD PC physician in Telluride after TMC moves to Mountain Village

TMC leave the Town of Telluride entirely

Opposition from District for moving TMC to Mountain Village

Not having an Anthem contract in the ER

Uncertain ability to float general obligation bond or mill levy in support of a new facility

THD May 2016 Board seat election

XVI. 2016 STRATEGIC SUMMARY

TMC is performing well and is in excellent position to continue to meet the primary care and emergency care needs of the community. TMC has a top-notch medical staff and some excellent state of the art medical equipment. Financial performance has been strong for a number of years, and TMC now has sufficient financial reserves. Most importantly, TMC has an excellent and well-earned reputation for providing high quality medical care.

There are a number of pressures on healthcare revenues and reducing costs continues to be a concern. Medicare payments have been cut, and insurance companies are trying to minimize any increases in reimbursement rates paid to providers for medical services. With the enactment of healthcare reform in 2010, TMC is seeing a trend to reimburse providers based on value and not volume. Value based reimbursement rewards providers that provide quality care and better population health management at a lower cost to the patient and third party payors. TMC is uniquely positioned to maximally take advantage of this new reality.

There are a number of new healthcare payment methodologies that have been established as part of healthcare reform. Emergency care should continue to be reimbursed on a Fee-For-Service basis. The importance of primary care providers in managing and coordinating all aspects of an individual's medical care to promote quality has been recognized. Cost effective improvements in population health will definitely result in changes to reimbursement. To this end, the TMC Primary Care has entered a relationship with CMS and regional payers to accept medical management for patients who use them as their medical home. Starting with 2014, this relationship became a shared savings program where the Primary Care shares in the savings generated from delivering higher quality and more efficient care to their medical home patients. The Western Health Alliance out of Grand Junction, Colorado has formed an initiative to bind together Western Slope hospitals and providers in the San Juan ACO to jointly accepting a management fee risk for care. This organization began empanelling patients January 1, 2016. TMC is an ex officio member of the SJACO board since their Primary Care is receiving a management fee through December 31, 2016. Plans are to join the SJACO beginning January 1, 2017.

TMC saw the downward trend in tax revenues reverse in 2016 for the first time since 2010. TMC's 2013 mill levy support is forecasted to be up by 10.7% which is a welcome relief in the face of the recent reductions and the trend by payors.

Information technology is becoming even more important in the healthcare business as organizations find that useful data enables decisions which improve health and reduce costs. TMC has had electronic patient medical records since 2014 and has had an effective practice management (billing) system for the last several years. TMC offers a patient portal providing patients with online access to healthcare providers, billing and prescriptions. TMC's imaging systems are connected to the Colorado Telehealth Network and TMC subscribes to the Quality Health Network for electronic data exchange of medical records across the Western Slope. Continued improvements in health information exchange will be critical to driving the regional relationships among healthcare providers that will accelerate with the implementation of healthcare reform. Additionally, a relatively small and remote facility like TMC has the ability to realize significant improvements in the availability of quality healthcare through increased use of telemedicine.

Overall, TMC will continue to focus on providing high quality healthcare in a more efficient and effective manner to reduce costs. TMC will continue to closely monitor the expected impact of healthcare reform. TMC will continue to work to increase the use of information technology and strengthen regional relationships.

THD has successfully begun to resolve its biggest issue, which is for TMC to replace its small and aging facility. TMC has acquired the land and now will explore all options for designing, constructing and funding a new regional healthcare facility.

TELLURIDE MEDICAL CENTER

Goals, Objectives & Strategic Actions

Three primary goals have been identified for the Telluride Medical Center.

1. **HELP MEET THE CURRENT AND FUTURE HEALTHCARE NEEDS OF THE COMMUNITY**
2. **OPERATE EFFICIENTLY AND ON A FISCALLY RESPONSIBLE BASIS**
3. **EDUCATE THE COMMUNITY ON HEALTH AND WELLNESS**

GOAL 1 - HELP MEET THE CURRENT AND FUTURE HEALTHCARE NEEDS OF THE COMMUNITY

Objective 1: Provide Quality Emergency Services to Meet Current and Future Needs, Save Lives and Prevent Medical Complications

Strategic Actions:

- Establish internal quality of care standards and measurements and report quarterly on status of meeting those measurements
- Recruit, retain and support certified and highly trained emergency room physicians, nursing, and radiology staff
- Maintain Level V Trauma designation
- Provide linguistically and culturally competent healthcare services
- Continue to meet Quality Improvement goals
- Maintain monthly Quality Assurance with peer review.

Objective 2: Provide Quality Primary Care Services that Meet Current and Future Needs

Strategic Actions:

- Continue and expand telemedicine programs
- Establish internal quality of care standards and measurements and report quarterly on status of meeting those measures
- Provide linguistically and culturally competent healthcare services
- Maintain and expand strategic relationship with a major regional hospital to provide access to expanded clinical resources and specialists
- Anticipate the healthcare needs of the community and provide the resources needed through the Medical Center, partnerships or joint ventures
- Maintain and expand patient chronic disease registries to improve health outcomes of Primary Care patients.
- Provide integrated behavioral health counseling
- Promote the Patient Managed Care services to optimize patient's quality of care and lower their costs.
- Maintain Meaningful Use II in 2016 for the Primary Care electronic medical record (EMR)
- Meeting the Comprehensive Primary Care Initiative (CPCI) Milestones in 2016
- Connect electronically with the state immunization registry
- Continue to support provider's continuing education needs
- Maintain monthly Quality Assurance with peer review.

Objective 3: Provide a Facility that is Conducive to Meeting Current and Future Healthcare Needs and Meets Health Facility Safety Standards

Strategic Actions:

- Secure the future by completing post-closing requirement for the MV land for new facility
- Form a Facility Advisory Committee, comprised of community leaders with the requisite skills and experience to assist with the design, construction and funding of a new regional medical center.
- Design and construct a new facility based on growth projections and services needed – by 2020
- Develop a phased fundraising/capital campaign in cooperation with the TMC Foundation and the Telluride Foundation.
- Consider a public financing ballot initiative in support of the new facility

Objective 4: Improve Access to Care

Strategic Actions:

- Collaboratively develop with the Tri-County Health Network (TCHN) the transformation of Primary Care.
- Work in tandem with other TCHN members, St. Mary's Hospital, Montrose Medical Center and QHN.
- In conjunction with the Tri-County Health Network, provide Palliative and Home Healthcare for the District
- Continue to accept Medicaid and Medicare patients
- Collaborate with TCHN to enroll community members in the state health insurance exchange.

Objective 5: Meet the current and future healthcare needs of the community through enhanced relationships with acute care facilities, local networks and through the regional health information exchange (QHN).

Strategic Actions:

- Continue to develop our Health Information System to enable Quality Health Network (QHN) and other members of the TCHN to do population health management
- Continue partnership with Telluride AIDS Benefit to provide free HIV testing
- With Telluride Town Council support, explore the possibility of a future satellite clinic in the Town of Telluride once the medical center moves to Mountain Village

GOAL 2 - OPERATE EFFICIENTLY AND ON A FISCALLY RESPONSIBLE BASIS

Objective 1: Operate with a positive cash flow

Strategic Actions:

- Maintain a minimum of 60 days of cash on hand at year's end
- Reduce costs and improve productivity while maintaining a quality patient experience
- Develop a merit based employee compensation and performance evaluation system in 2016.
- Improve or expand agreements with insurance providers to improve payment cycle and reimbursement rates
- Set and maintain a goal of annual gross margin of greater than 18% of Net Patient Revenue
- Maintain holds and manager hold claims below 10% of total Accounts Receivable
- Bad Debt as a percentage of Total Revenue is not to exceed 7%
- Develop dashboard of PC efficiency measures for PC Practice Manager to monitor

- Instruct TMC’s Payor Relations Agent to negotiate with payors reimbursement for PC being a Patient-Centered Medical Home (once certified) and Care Management fees through Complex Care Codes

Objective 2: Obtain external funding for major projects

Strategic Actions:

- Collaborate with TCHN to aggressively apply for all appropriate grants
- Maintain RHC membership helpful in receiving grants
- Conduct a philanthropic Capital Campaign in conjunction with a capital campaign consultant in support of a new facility
- Raise private donations through TMC Foundation solicitation of major gifts and other philanthropic activities
- Once property for a new facility is secured, retain Health Facilities to write capital grants

Objective 3: Complete infrastructure upgrades for efficient operations

Strategic Actions:

- Establish offsite IT replication backup
- Monitor the development of the ED EMR market and implement when conditions are favorable
- Investigate a practice management and EMR that can be phased in prior to moving into the Critical Access Hospital
- Maintain the Radiology PACS to serve images to regional providers

Objective 4: Develop an operating plan for a new medical center

- TMC Managers to assist in the design of a new facility so that operating costs will increase only to the extent necessary
- TMC Managers to develop operating strategies to reduce the cost of operating a new larger facility.

GOAL 3 - EDUCATE THE COMMUNITY ON HEALTH AND WELLNESS

Objective 1: Provide information to the community to enable them to make informed medical decisions

Strategic Actions:

- TCHN to provide Patient Navigator services enabling patients to find and use resources outside of TMC such as transportation or medical treatment
- Continue to publish the Telluride Medical Center Medical Moments
- Promote the use of Primary Care over Emergency care when appropriate
- Maintain and promote the patient portals
- Continue to provide discounted annual physicals and blood work during the month of May Health Fair

Objective 2: Provide information to the community regarding current services and demand for those services, and anticipated medical needs and resources required to provide them to gain community input and support

Strategic Actions:

- Continue the Patient Advisory Council to advise Primary Care regarding practice performance improvement
- Implement a communications plan using an outside Communications Consultant to assist with the General Obligation Bond measure
- Update and improve the TMC Website to improve the patient online registry and paperwork experience

- Place all resource documents and FAQ on the TMC Website to enhance community awareness of the new and justification for a new Medical Center
- Meet with and/or survey stakeholders and influential members of the community
- Publicize information on compassionate care and quality of care provided
- Provide information on Medical Safety Net and assisting the uninsured
- Participate in or drive regional medical planning and work with TCHN
- Create an awareness of services available and quality of care offered
- Produce Press Releases on screening activities, important health information and new services

Appendix #1

Health Care Futures Study

January 2011

Telluride Medical Center Health Care Reform Assessment

January 12, 2011



HealthCareFUTURESSM

Partners... Perspective

Contents

	<u>Page</u>
Study Objectives	3
Process Overview	4
Key Findings and Conclusions	
A. Health Care Reform	5
B. Relevant Market Analytics	19
C. Interview Themes	29
Conclusions/Recommendations	35

Study objectives

Based on the August 10, 2010 proposal, Health Care Futures was retained by the Board of the Telluride Medical Center (TMC) to:

- identify potential actions that TMC should take in response to the changing healthcare environment;
- assess the potential for a different or more directed relationship with a recognized regional provider such as Montrose Memorial Hospital or St. Mary's Hospital and Regional Medical Center; and
- as possible, identify the areas of opportunity for development of that relationship.

Process overview

This engagement was organized around the following key activities:

- Review of recent past planning documents for Telluride Medical Center
 - 2004 Jackson Organization Medical Needs Assessment
 - January, 2010 Affiliation and Transfer Agreement with St. Mary's Hospital and Medical Center
 - Stroudwater Associates, Strategic Assessment
 - Tri-County Health Alliance Strategic Opportunities and Proposed Implementation Plan, December, 2009
 - Tri-County Health Alliance Draft Business Plan, June 2010
 - Tri-County Health Alliance Assessment of Shareholder Interests, June 2010
 - Telluride Medical Center, Expansion and Remodeling of Emergency Department Business Case
 - Telluride Medical Center Strategic Plan, 2009 Update, and 2010-2013 Plan
 - Turning Point Healthcare Advisors, Inc. Space Plan
 - 2007-2009 audited financial statements
- Conduct interviews with select TMC Board and Management representatives, community leaders, regional health system leadership representatives, and
- Develop relevant market analytics as needed
- Conduct progress reports and updates with Medical Center leadership at key points in time.
- Develop summary report.

***Key Findings and Conclusions:
A. Health Care Reform Overview***

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

6

-
- **Two bills:** Six plus year phase-in (beginning in 2010) with many unknowns
 - **March 23** – Patient Protection and Affordable Care Act (the Patient Protection Act)
 - **March 30** – Health Care and Education Act of 2010 (the Reconciliation Act)
 - **Major Components:**
 - **Individuals:** Phase-in begins in 2014. Requirement to purchase health insurance or pay a tax of the greater of: \$700 per person or \$2,100 per family; or 2.5 percent of Adjusted Gross Income – exceptions for various situations including low income (below \$19K for families), American Indians, etc.
 - **Employers:** Effective 2014, if an employer has 50+ FTEs, it is required to offer “essential” health insurance or pay a tax of \$2K per FTE for every FTE over 30 (FTE defined as 30+ hours).
 - If a company has 200+ FTE employees, all employees must be enrolled in the health insurance plan offered by the company – the employee can elect to opt out.
 - Plans must offer a minimum essential benefit package with a major preventive care focus including covering 100 percent of preventive care costs.

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

7

- **Major Components (continued):**

- **Insurers:** Phase-in began in 2010

- New fees to sell insurance
- Development of new insurance exchanges – two per state (SHOP and CO-OP)
Insurers would bid to participate in one of the two. One needs to be not-for-profit
- Elimination of pre-existing conditions for children
- Elimination of opportunity to rescind coverage except for fraud
- Elimination of lifetime limits
- Cover children up to age 26
- Rebate for medical loss ratio less than 80 to 85 percent
- New oversight of premium increases – similar to state utility rate review commissions in place in most states
- Offer one of five defined benefit packages

- **Medicaid:** Phase-in transition begins in 2011

- Expand Medicaid to those at or below 133 percent of Federal Poverty Level. (\$29K for a family of four.)
- Federal government to provide more funding for States
- Increase Medicaid reimbursement for physicians for evaluation CPT codes to 100 percent of Medicare

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

-
- **Medicare:** Transition begins in 2011 with major rollout in 2012
 - Modify payments for Medicare advantage plans (Bush Era Medicare Managed Care)
 - Reduce disproportionate share hospital payments by 75 percent
 - Creation of new bodies within CMS
 - New Independent Payment Advisory Board. Review options and submit legislation to reduce Medicare per capita spending.
 - New Innovation Center. Identify future payment structures to reduce cost and improve quality.
 - For physicians, elimination of investments in new specialty hospitals as of January, 2011 and increased requirements for the physician to provide ownership information to patients and to CMS
 - Multiple adjustments to hospital reimbursement for re-admissions and/or infections (for both Medicare and Medicaid)
 - Major increase in fraud review
 - Develop a pilot program for bundled payment for to be determined diagnosis to start three days prior to admission and continue 30 days post admission
 - Develop a Value Based Purchasing Program for Medicare to pay hospitals and physicians based on quality outcomes. May be extended to nursing homes, ASCs and home care
 - Allow for the development of Accountable Care Organizations (though ill-defined)

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

9

-
- **What is an ACO?** Organization of hospitals, physicians and other providers who voluntarily indicate they are willing to come together and are able to accomplish the following:
 - ACOs would agree to manage all of the health care needs of a minimum of 5,000 Medicare beneficiaries for at least three years.. This requires enough primary care and specialist physicians along with at least one hospital.
 - Willing to **jointly** take responsibility for cost and quality across the continuum of care (continuum TBD).
 - **Who can be an ACO?**
 - Integrated Delivery System
 - PHO/IPA
 - Large group practice
 - **Requirements**
 - Formal organization that allows for shared risk
 - Critical mass of providers
 - ACOs must be patient-centered, i.e., provide individualized care to each patient.
 - Each ACO must employ telehealth and remote patient monitoring
 - ACOs must practice evidence-based medicine: utilize population-based data to create care programs to minimize adverse patient outcomes

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

10

-
- While the Patient Protection and Affordable Care Act created the Shared Savings Program and outlines the basic structure and requirements that an ACO must meet, Congress did not include much detail within the legislation.
 - The Secretary of Health and Human Services is to define the precise elements of the Shared Savings Program at a later date
 - **How does an ACO Work?** Much to be determined
 - While many of the details surrounding ACOs have not yet been determined, there are some clear guidelines ACOs will need to follow to be successful
 - Complete and timely information about patients and the services they are receiving
 - Technology and skills for population management and coordination of care
 - Adequate resources for patient education and self-management support
 - A culture of teamwork among the staff of the practice
 - Coordinated relationships with specialists and other providers
 - The ability to measure and report on the quality of care
 - Infrastructure and skills for management of financial risk
 - A chronic care network to provide extra support to patients who are often high-utilizers of the health care system
 - Hospitalist program
 - Supplemental repository for physician reporting of patient data
 - A commitment by the organization's leadership to improving value as a top priority, and a system of operational accountability to drive improved performance

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

11

-
- **Payment to ACOs:** Medicare shared savings program.
 - Initial payment to the ACO based on fee-for-service model
 - If the ACO meets quality targets it becomes eligible to share in cost savings from Medicare for that population
 - Difference between expected/threshold cost verses actual (threshold assumed to be less than actuarially determined expected) shared with ACO and Medicare
 - ACO's need to determine how to share FFS and savings revenue internally
 - **Patient involvement:** Many unknowns
 - Patient assignment to an ACO. It appears this will be determined based on the ACO that the primary care physician is part of
 - What about patients without a PCP?
 - Does the Medicare enrollee have a choice in terms of ACO and/or ACO components?
 - What about PCP's who are a part of multiple ACOs?
 - How to accommodate “out of network” referrals?
 - **Timing:**
 - The ACO initiative is scheduled to launch in January 2012, but the race to form ACOs has already begun. Hospitals, physician practices and insurers across the country, from New Hampshire to Arizona, are announcing their plans to form ACOs, not only for Medicare beneficiaries but for patients with private insurance as well.

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

12

- **Other items outlined.**
 - **Physician ownership of Hospitals:** No new physician owned Hospitals after January 1, 2011 – Medicare provider agreement required to be in place by December 31, 2010
 - **Hospital payments.**
 - **Hospital readmissions.** Beginning in FY 2012 (October 2011). Payments reduced based on preventable readmissions for AMI, heart failure and pneumonia patients
 - **Value based purchasing.** Beginning in FY 2013 a percentage of a hospital's Medicare payments will be dependant on the Hospital Quality performance. For some to be determined common and high-cost conditions
 - **Quality reporting.** By FY 2014, the HHS Secretary is required to develop additional quality measures
 - **Hospital acquired issues.** Beginning in FY 2015 hospitals that fall within the highest 25 percent of all hospitals for hospital acquired infections will face a to be determined payment penalty. 25 percent of the United States hospitals have to be in the top/bottom 25 percent
 - **Overall.** \$110B+ decrease in future reimbursement for hospital – reduce otherwise mandated increases
 - \$155B+ over 10 years.
 - **Fraud awareness and enforcement.** The reform legislation appears to indicate that ACOs as an example, are responsible for any fraud by any of its network members regardless of who provided the service that was deemed fraudulent.
 - Major increase in fraud enforcement and increased penalties. Politically strategic to publically find fraud or near fraud as a result of this legislation.

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

13

-
- **Taxes and Fees:** Phase-in began in 2010 – most start in 2012.
 - Annual fee on pharmaceutical companies to in essence sell drugs in the United States
 - Annual fee on health insurers to sell insurance products
 - Limit flexible spending contributions to \$2.5K per year
 - Exclude over the counter medicines from being able to be reimbursed via HSAs
 - On individual tax returns, increase the threshold for deducting health care costs to 10.0 percent from 7.5 percent today
 - For high income earners (\$250K), increase Medicare tax on wages to 2.35 percent from 1.45 percent and implement a 3.8 percent tax on unearned income (stocks, interest, etc.)
 - 40 percent excise tax for those plans with premiums over \$27.5K annually for family coverage. Does not apply to union negotiated plans
 - Individual tax if the individual elects to not purchase health insurance
 - Employer tax if the employer does not offer health insurance (50+ FTEs)
 - Ten percent tax on tanning services
 - Taxes on various medical devices such as pacemakers and replacement limbs

Overview – Health Care Reform Legislation

(Note: many details are still being determined)

14

-
- **Colorado facing \$2.2B budget deficit in 2011**
 - State budget cuts expected to target Medicaid and welfare programs, local governments, farmers and ranchers and anyone involved with building water projects. 2012 looks forward to further cuts of more than \$1 billion with primary, secondary and post-secondary education support targeted.
 - Consistent with many other states, Colorado is focusing on insurance and Medicaid reform
 - Increased managed Medicaid programming with greater care/health management focus (i.e. transition of Colorado Access Health Plan to Colorado Access Enhanced Primary Care Case Management) and more formal care management structures such as mandated patient centered medical homes.
 - Given the small and geographically distributed populations in San Miguel and Ouray counties, it is unlikely that significant changes in TMC's structure or care model to respond to government initiatives such as ACO demonstration projects can be justified. Rather, cooperative efforts (such as the Tri-County Health Network, QHN, and relationships with regional hospitals) to improve access to needed services, and better integrate care and information sharing across the region will likely provide a more viable solution to meeting the health care needs of the residents of Telluride and surrounding communities.

Although much has still to be determined about Health Care Reform (HCR), Health Care Futures offers the following hypotheses around care delivery, patient access and coverage

15

- **Reimbursement for providers (physicians and hospitals) will decline, though underserved and economically challenged areas will have some dispensation.**
 - Primary care physicians will (relative to other providers) experience enhanced reimbursement, beginning from government payers.
 - Specialist physicians will experience continued declines in reimbursement.
 - Areas like Telluride with limited Medicare and Medicaid activity, will in the near term be more insulated from reimbursement declines
- **Fewer and less qualified young people will be interested in medicine raising questions about opportunities in alternative care delivery model development.**
 - Medical school enrollments continue to decline.
 - Physicians are 32+/- years old when they complete their training, and increasingly looking for employment opportunities with large groups or health systems providing predictable income and work/life balance.
 - Recruitment into small rural practice settings like Telluride will experience greater difficulty .
- **Accountable Care Organizations will develop to focus initially on Medicaid populations, followed by Medicare and then commercial populations.**
 - With increased mandates for free care and coverage, more insurance plans will cost near or above the excise tax threshold (\$27.5K not indexed for inflation until 2020) -- patients may be forced into government sponsored exchanges.

Health Care Futures hypotheses regarding the outcomes of Health Care Reform (cont.)

16

- **Out of pocket health care costs will continue to increase for consumers.**
 - Higher fees for insurance and drug companies will be passed on to consumers.
 - More requirements for the insurer including elimination of co-pays, mandated 100 percent coverage for prevention and coverage of children to age 26 will increase insurance costs.
 - Higher out of pocket costs for consumers on top of local tax support of health care services will limit local population support for expanded health services in communities like Telluride.
- **Historically loose referral and patient treatment relationships will not succeed in the not-so-distant future requiring tighter care models.**
 - More tightly integrated (economically, clinically, technologically) care models across the care continuum and provider settings will become the norm. Small rural settings will look to integrated regional health information exchanges, telemedicine and closer organizational relationships to achieve desired improvements in care delivery access and quality.
- **Increased regulation and less profit will force continued health plan and provider consolidation, especially in “crowded” health care markets.**
 - Size of the organization/critical mass will be increasingly important to success, especially in metro areas.
 - Shared/bundled payments and incentives will necessitate increased collaboration/consolidation though timelines for such will vary by geography.

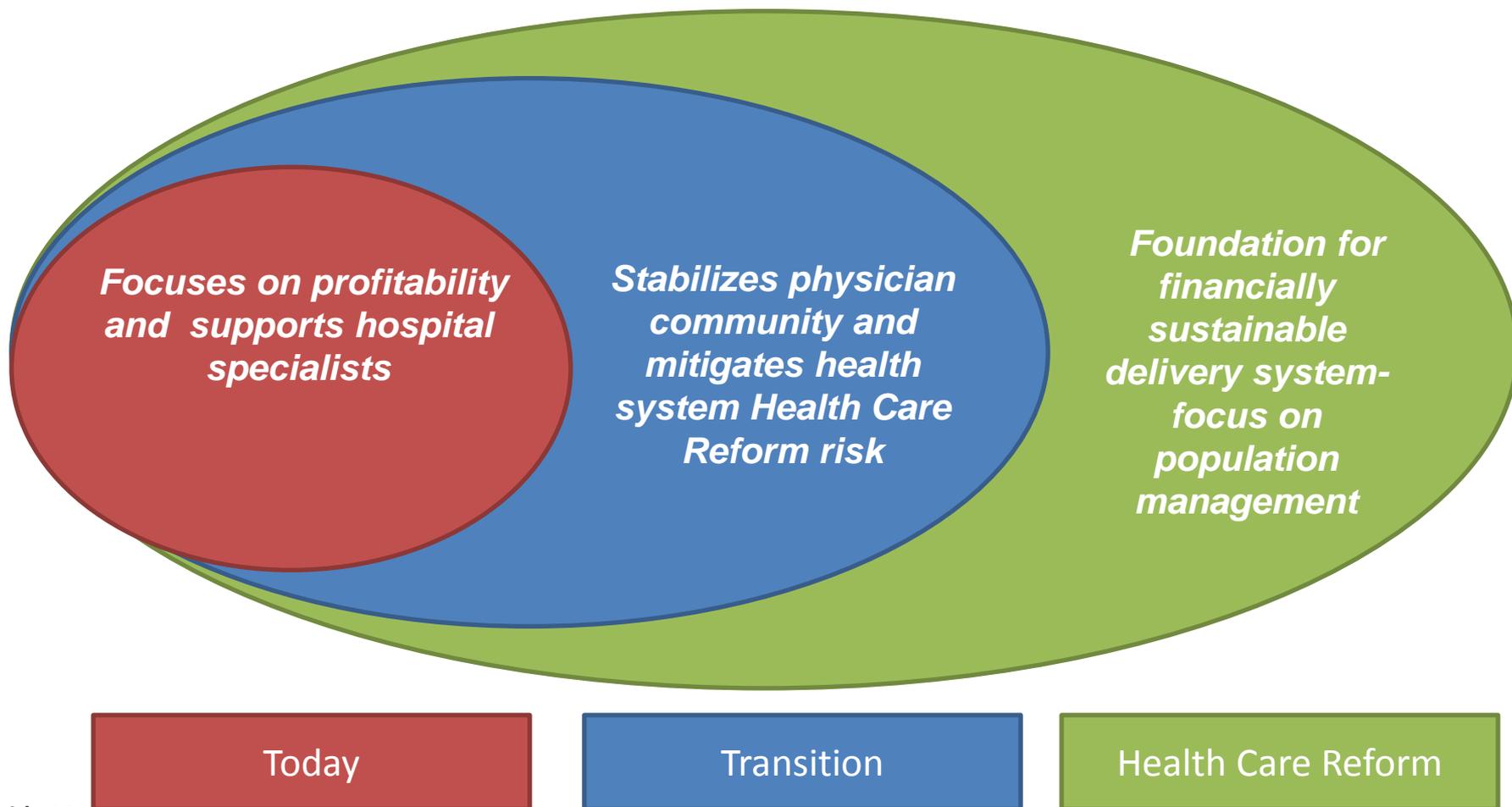
Several of the functional characteristics of Patient Centered Medical Homes, a key component of Health Reform, are already in place at Telluride Medical Center.

Principles	Description
Personal Physician	Patients maintain a relationship with a primary care physician
Physician Directed Medical Practice	Personal physician practicing at the top of his/her education curve, leads a team of care professionals and assumes overall responsibility for patients' ongoing care.
Whole Person Orientation	PCMH assumes responsibility for meeting/treating all patients' health care needs; appropriately coordinating team based approach to care with significant focus on care coordination.
Coordinated Care	PCMH model relies on significant role of patient care coordinator to anticipate and proactively address patient needs.
Quality and Safety	Evidenced based medicine, clinical information capture and accessibility, clinical decision support tools and patient participation guide patient care decision making.
Enhanced Access to Care	Patient access improved through open scheduling, expanded hours and alternative communication methods.
Payment	Payment appropriately recognizes value add associated with patient centered medical home design. (e.g., PMPM payment, FFS visits, P4P incentives, gain sharing on cost savings).

Fundamentally, PCMH models support an evolution of primary care; TMC, in its current primary care focus and patient population size and homogeneity, is well positioned to serve the Telluride community's needs under health reform

18

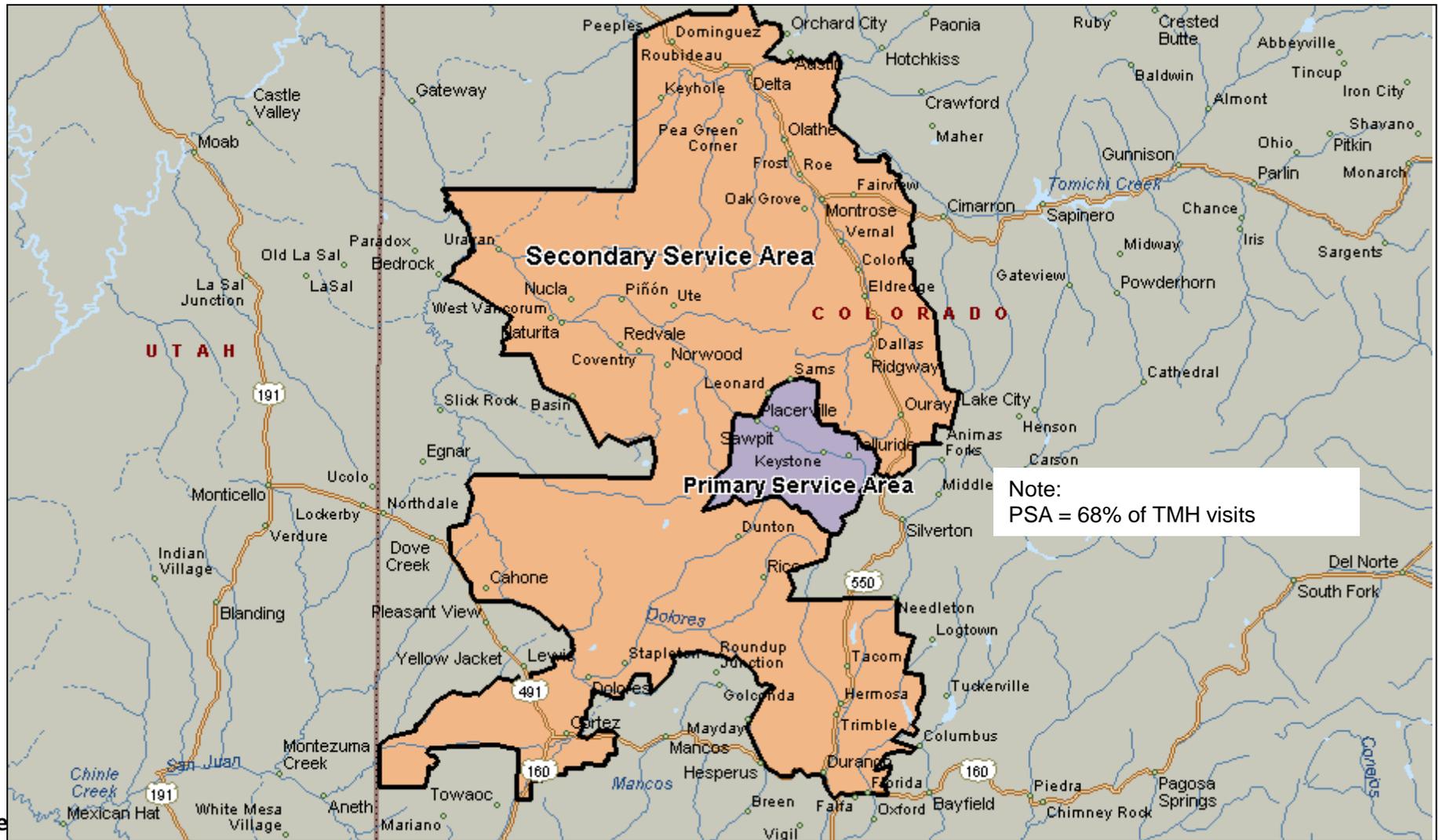
Health System – Primary Care Investment



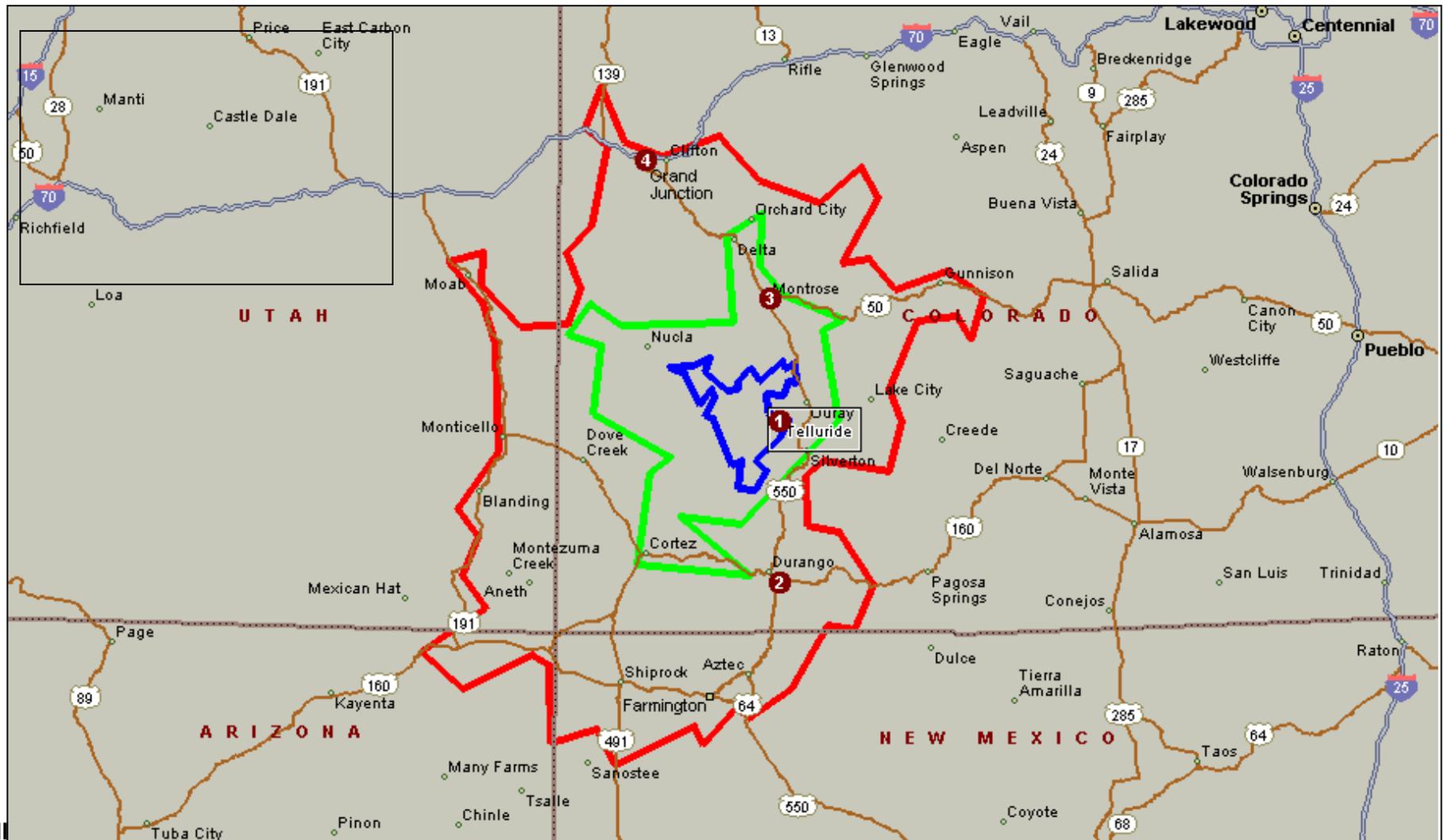
***Key Findings and Conclusions:
B. Relevant Market Analytics***

Nearly 70% of TMH's patients reside in small geographic area surrounding Telluride, and 20% reside out of state reflecting the area's tourist and second home destination status.

20



Due to Telluride's unique geography, access to other larger medical facilities and markets require substantial drive times, though resident trade patterns support such commutes. 21



Telluride's small population base (PSA of approx. 6,300) is insufficient to support full time med. and surg. specialty practices. Commute distances and regional physician supply levels limit securing specialty outreach to Telluride suggesting need for other solutions.²²

	Physician Demand / 100K Pop. (2009)			Physician Demand / 100K Pop. (2009)	
	HCF			HCF	
	Avg.**	PSA		Avg.**	PSA
Primary Care*	65.0	4.1			
Medical Specialties			Surgical Specialties		
Allergy/Immunology	1.3	0.1	Cardiovascular	0.8	0.1
Cardiology	5.8	0.4	Colon & Rectal	0.3	-
Dermatology	2.4	0.2	General Surgery	5.7	0.4
Endocrinology	1.1	0.1	Neurosurgery	1.0	0.1
Gastroenterology	3.1	0.2	Obstetrics and Gynecology	8.5	0.5
Hematology/Oncology	1.5	0.1	Ophthalmology	4.2	0.3
Infectious Disease	0.7	-	Orthopedic Surgery	5.5	0.3
Nephrology	1.0	0.1	Otolaryngology	2.5	0.2
Neurology	1.8	0.1	Plastic Surgery	1.2	0.1
Physical Medicine and Rehab.	1.2	0.1	Urology	2.6	0.2
Podiatry*	4.9	0.3	Vasc./Gen Surg.	1.5	0.1
Psychiatry	4.6	0.3	<i>Subtotal</i>	33.8	2.1
Pulmonary	1.7	0.1	Other		
Rheumatology	1.0	0.1	Anesthesiology	6.4	0.4
<i>Subtotal</i>	32.1	2.0	Emergency Medicine	5.3	0.3
			Pathology	1.8	0.1
			Radiology	7.1	0.4
			Psychiatry	4.7	0.3
			<i>Subtotal</i>	25.3	1.5
			Grand Total	156.2	9.7

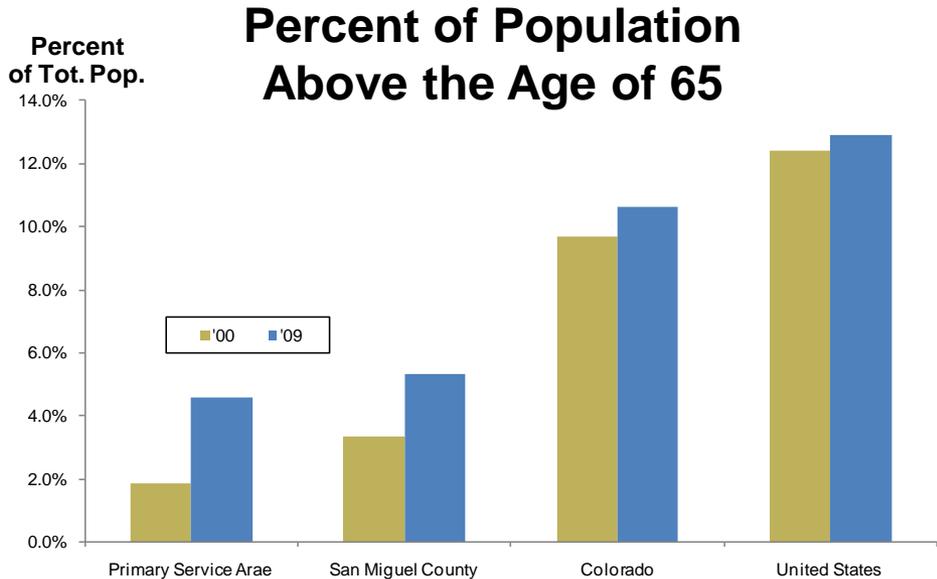
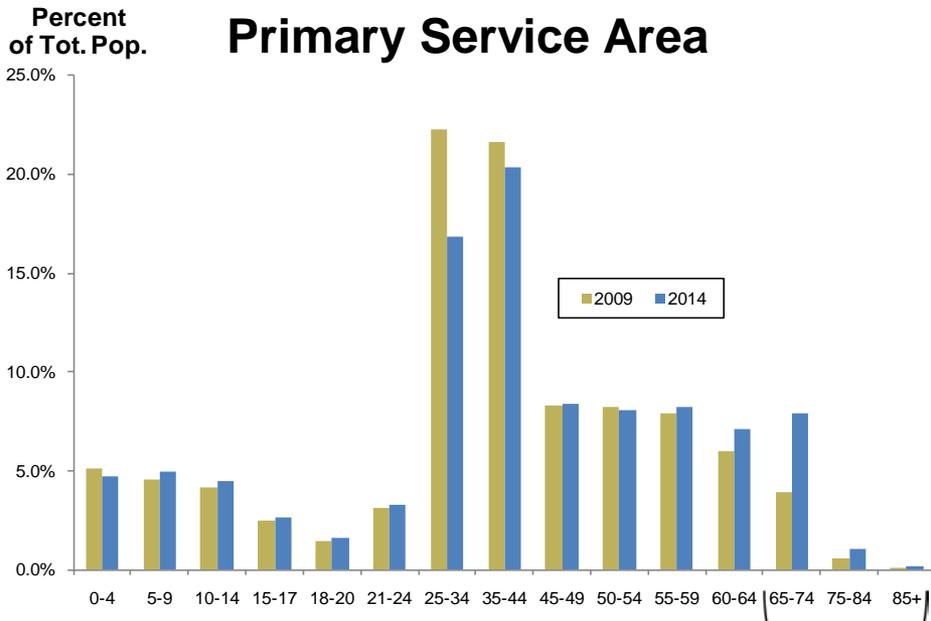
Notes: 1- Primary Care consists of General/Family Practice, Internal Medicine, and Pediatrics. 2 – HCF average determined using data from Solucient and Cattaneo and Stroud, as well as HCF experience. 3 - Podiatry ratio from Podiatric Medicine Workforce Study, December 2007, School of Public Health at Albany University. 4 – 2009 PSA projected population of 6,291

Sources: 1 - US Census Bureau; 2 - Claritas Population Data
 January 12, 2011
 Telluride Medical Center

The greater Telluride community has access to some visiting specialists, though this is largely limited to orthopedics to address the predominant trauma/sports injury needs in the area by providers pairing clinical work with vacation/second home status.

<u>Physician</u>	<u>Specialty</u>	<u>Frequency</u>	<u>Home Location</u>
Dr. Rosenthal	Cardiology	1/month (10 mos/year)	New Jersey
Montrose Midwifery	Obstetrics	2/month	Montrose
Dr. Beim	Orthopedics	2/month	Gunnison
Dr. Griggs	Orthopedics/Hand	2/month	Gunnison
Dr. Singh	Orthopedics	4/month	Montrose
Dr. Bynum	Orthopedics	2/month	Montrose
Purnell, et.al.	Orthopedics	2/month	Aspen
Dr. Dahl	Ophthalmology	4/month (5 mos/year)	Watertown, NY
Dr Ptak	Plastic Surgery	1/month	Scottsdale, AZ
Dr. Karls	Psychiatry/Psychology	4/month	Durango
Craig Peterson	Urology	1/month	Montrose

The percentage of Telluride's PSA population that is Medicare-eligible is comparatively small, reflecting its disproportionate attraction of younger, healthier residents.

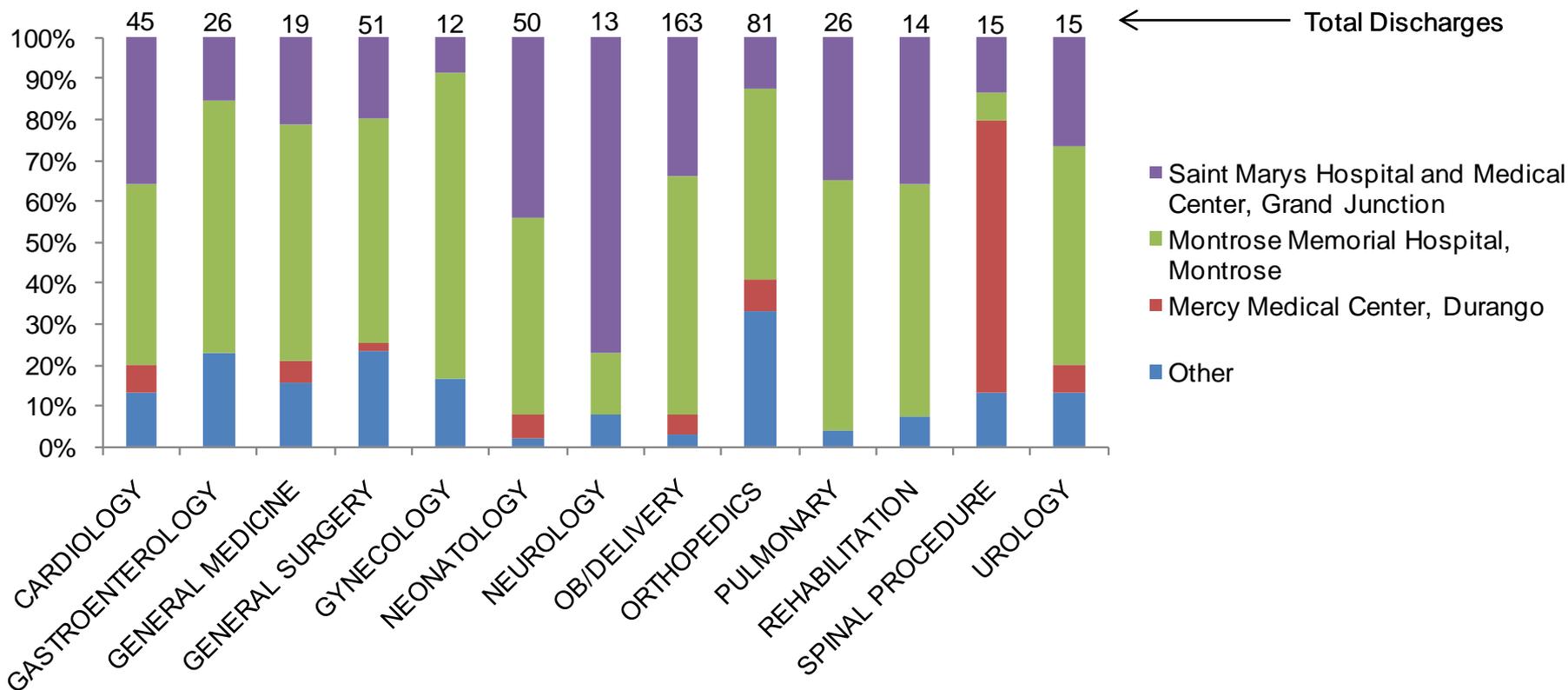


Est. 2009 Population (65+) = 4.6%
Est. 2014 Population (65+) = 9.1%

PSA Population	
Est. 2009	6,291
Est. 2014	6,910

Est. CAGR: 1.89%

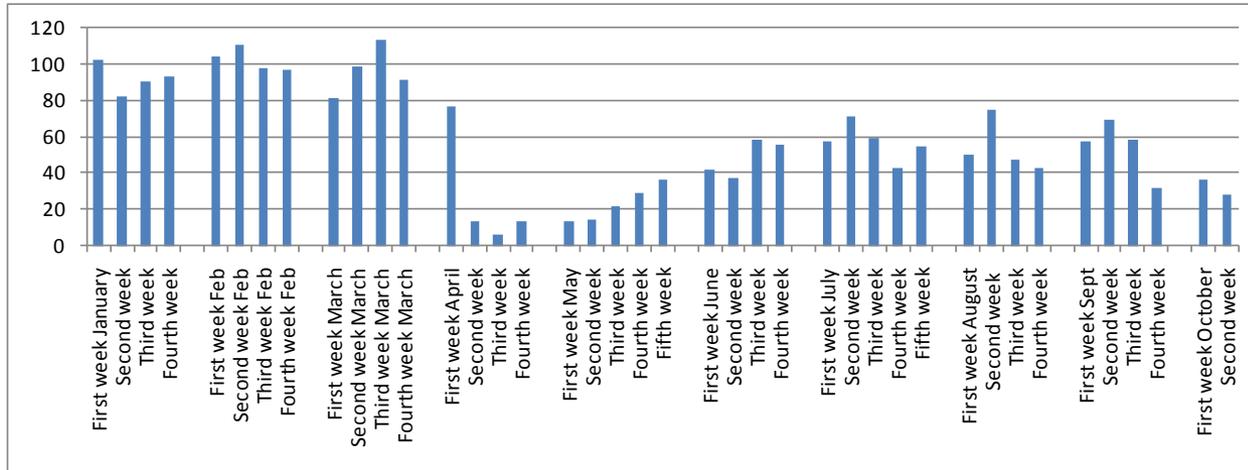
Overall, Montrose Memorial serves the largest number of inpatients from San Miguel County reflecting accepted travel patterns for health care services and proximity to Telluride. 25



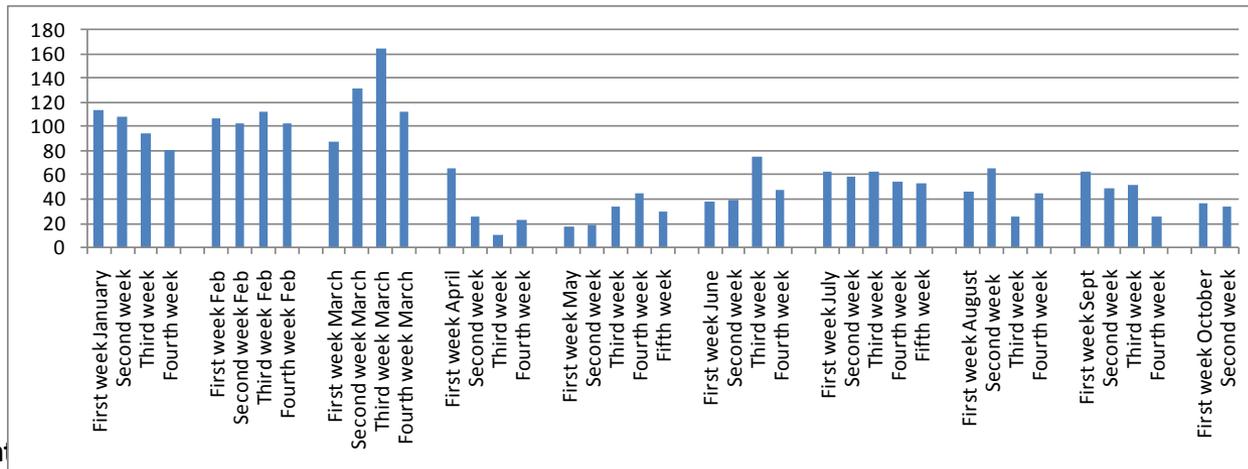
Note: The above figure reflects the combined discharges from CYs '08 and '09

As expected, TMC's ER visits are at their highest during peak ski season....

TMC ER Visits by Week - 2010

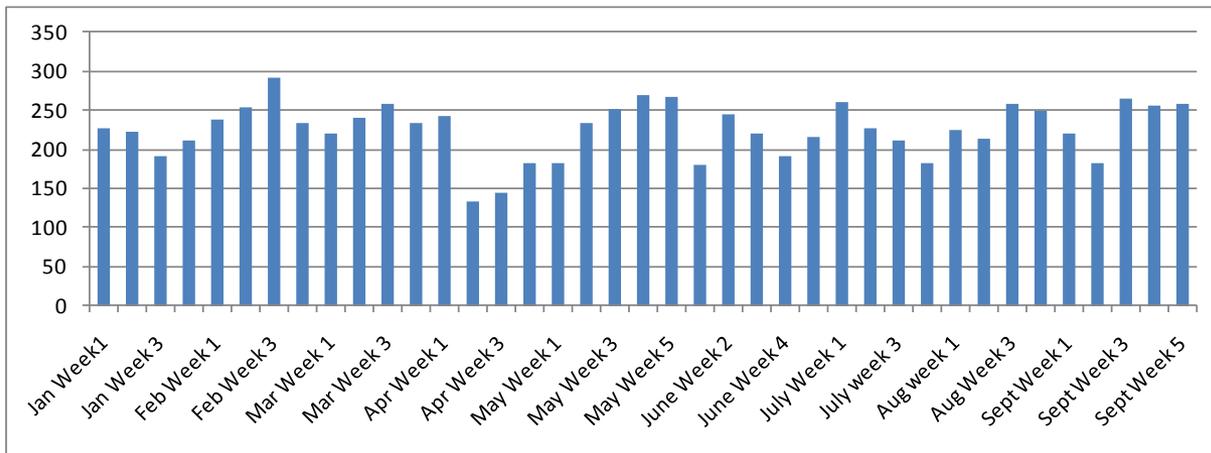


TMC ER Visits by Week - 2009

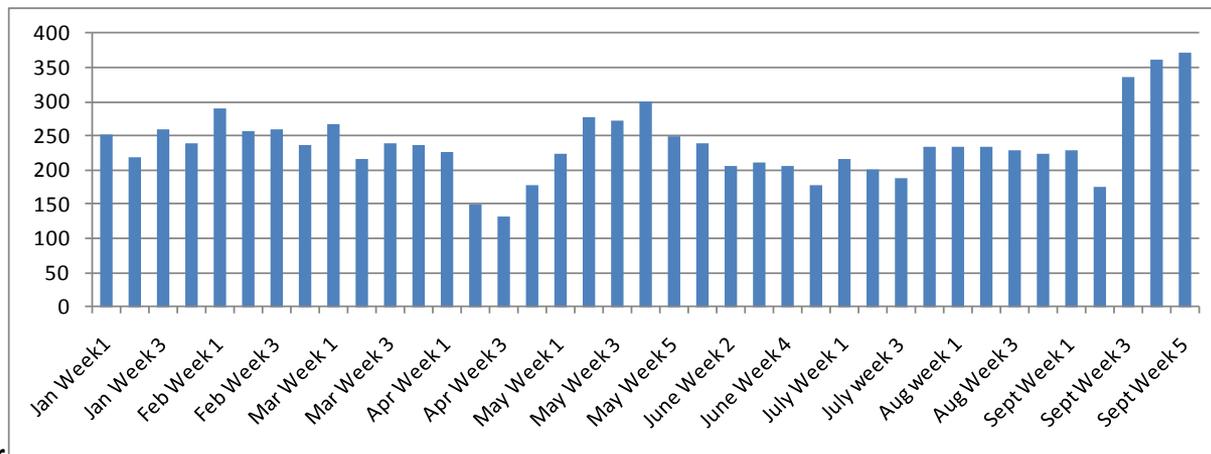


... while primary care volume remain relatively consistent through the year, and from 2009 to 2010.

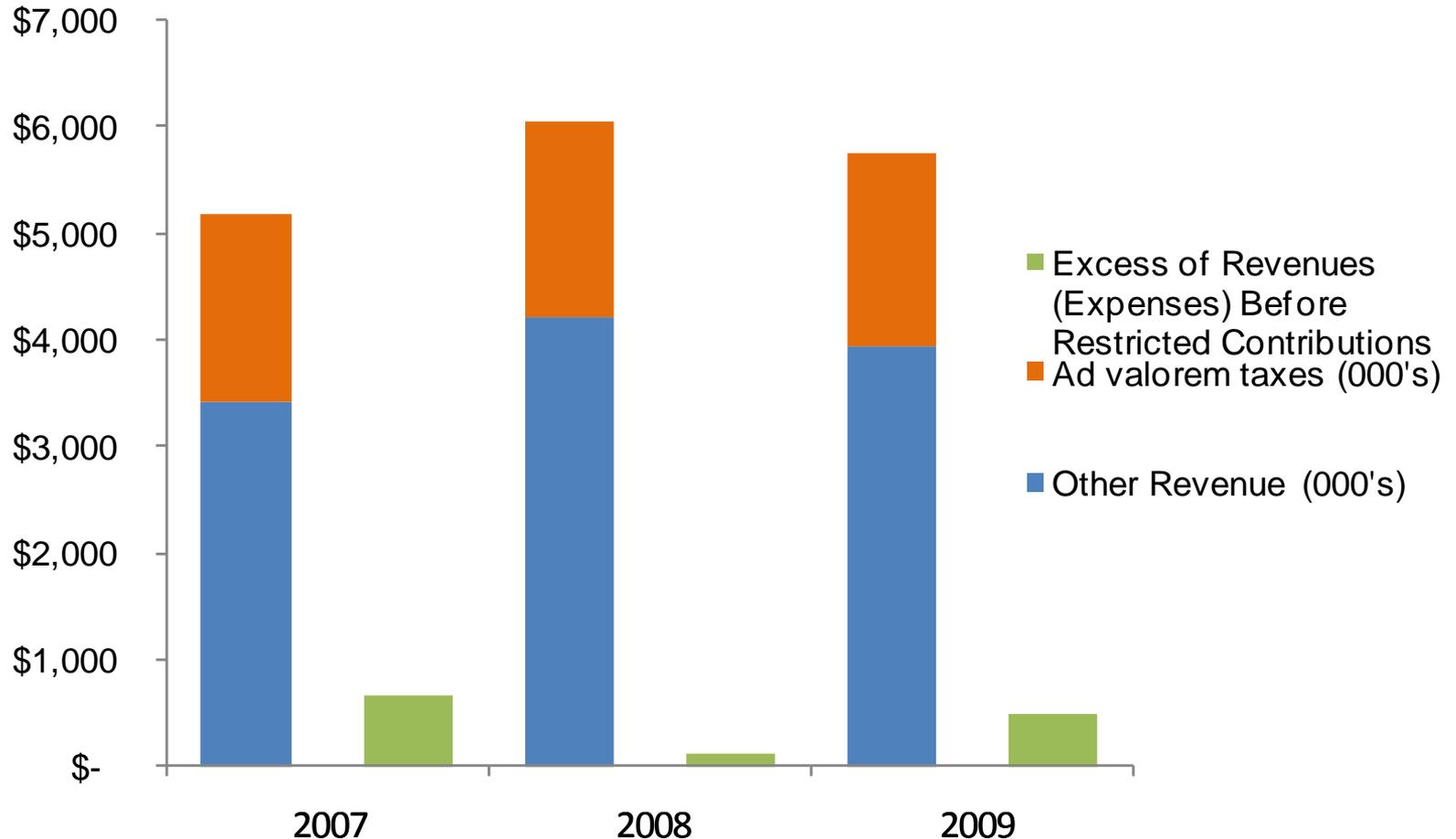
TMC Primary Care Visits by Week - 2010



TMC Primary Care Visits by Week - 2009



Approximately one third of TMC's revenue comes from tax support.



***Key Findings and Conclusions:
C. Interview Summary***

16 interviews were completed with key internal and external constituencies

Telluride Medical Center

- Dan Garner, TMC Board member
- Bill Grun, TMC Board member
- Sharon Grundy, MD, TMC
- Peter Hacket, MD, TMC
- Carol Kammer, TMC Board member
- Gordon Reichard, Administrator, TMC
- Julie Wesseling, Financial Manager, TMC

Telluride Community

- Tom Carnevale, Telluride Council member
- Davis Fansler, Telluride Foundation
- Paul Major, Telluride Foundation
- Bob Saunders, Telluride Council member

External Constituents

- Brian Barry, Director of Planning and Business Development, St. Mary's Hospital
- Michael McBride, President/CEO St. Mary's Hospital
- Dan Prinster, Vice President Business Development, St. Mary's Hospital
- Dennis Reuss, Director Technical Operations, Quality Health Network
- Mary Snyder, Chief Operating Officer, Montrose Memorial Hospital

Note: Interviews were attempted but not completed with:

- Dave Hample, Montrose Memorial Hospital
- Dave Riley, Telluride Ski Resort

Several key themes were derived from interviews completed.

31

-
- **The impact of national health reform initiatives on providers along the Western Slope, including TMC is not well understood or clearly envisioned.**
 - **Most interviewed identified the unique makeup of the greater Telluride population as in general being younger, healthier, and comparatively lower utilizers of health care services.**
 - Telluride is recognized as attracting residents who seek a community providing extensive and challenging outdoor recreational opportunities, and who can manage the added physical challenges of living at higher elevations.
 - Utilization of health services is perceived to be disproportionately skewed to primary and episodic emergency care versus specialty care with significant testing and interventional requirements. Providers locally and regionally agree with this assertion.
 - **Significant differences of opinion exist in the community regarding the health care delivery needs of the greater Telluride community and TMC service area, especially as it pertains to the changing environment**
 - Local residents recognize that significant differences of opinion that exist between full-time residents and second home owners as to desired levels of local health care services.
 - Most interviewed feel that the community is appropriately served for its size, acknowledging the need to and acceptability of travel to Montrose or Grand Junction for specialty physician and acute care services. Residents routinely travel to Montrose for shopping and other commerce.

Interview themes – continued.

-
- **Significant differences of opinion exist in the community regarding the health care delivery needs of the greater Telluride community ... (continued).**
 - Current access to specialists is viewed as fragmented and lacking in continuity, the result largely of second home owners who happen be specialty physicians willing to see patients periodically while in Telluride.
 - Existing physician and emergency services are viewed as being of high quality. Pediatrics, dermatology and mental health/chemical dependency were most often mentioned as areas of greatest interest to Telluride residents.
 - There is a strong opinion base that the taxing district is not supportive of expanding TMC service offerings or pursuing a facility replacement strategy at the expense of the district.
 - Agreement does exist that a facility solution will be required longer term to house current (and potentially new) service offerings.

 - **Most agree that TMC will benefit from its continued support of regional collaborative efforts designed to link providers in the region to address needs that independently the providers may not be able to address (e.g., behavioral services, dental, specialty physician services, chronic disease/population management).**

Interview themes – continued.

- **Most believe that TMC would benefit from a stronger relationship with a hospital partner, with strong preference for St. Mary’s Hospital and Regional Medical Center in Grand Junction.**
 - Alignment opportunities identified most often included joint investment in a replacement TMC facility in Telluride and specialty physician outreach clinics.
 - Montrose Hospital leadership suggested less interest in a more formal TMC relationship, (noting unfavorable past experience managing TMC), but remain supportive of and willing to participate in the Tri-County collaborative among other initiatives. Also willing to explore dermatology clinic in Telluride when second dermatologist arrives in Montrose in August, 2011.
 - Even at a travel distance of three hours, St. Mary’s is generally preferred to Montrose Hospital in terms of potential future alignment. TMC’s relationship with St. Mary’s Hospital and Regional Medical Center, albeit limited in scope, is viewed favorably by both parties. St. Mary’s leadership expressed willingness to explore continued opportunities to be supportive of TMC such as providing more predictable access to specialty physicians through exploration of telemedicine applications in dermatology, neurology, and cardiology.
 - St. Mary’s Management did, however, acknowledge considerations to such support including:
 - limited access to capital and competing needs “closer to home” considered to be a higher and better use of funds for St. Mary’s.
 - limited control over the specialty physicians on staff who are largely in independent practice.

Interview themes – continued.

-
- **QHN is viewed as an important step in positioning TMC and other providers in the region for potential health reform initiatives along the Western Slope.**
 - Development of an integrated information exchange is viewed to be critical to efficiently delivering care and managing resource utilization.
 - Suggestions that QHN be the conduit among Western Slope providers for ACO development.
 - **Significant concern exists regarding TMC’s facility condition and capacity for growth**
 - Differences of opinion exist regarding the location and funding of such a facility.
 - Renovation/redesign of existing space is expected to address aesthetic, flow and near-term capacity issues.
 - **Medical tourism was raised as a potential opportunity but most agreed it should fall outside of the TMC’s organizational and financial structures.**
 - Some mentioned the Steadman Clinic in Vail as a strategy to be replicated in Telluride.
 - Of those interviewed, few support the addition of services or programs that will require additional tax subsidization or significant economic risk.
 - Of those interviewed, few see the relevance or value of a medical tourism strategy in positioning TMC for likely changes in care delivery and reimbursement due to health reform. As a “district facility” receiving tax support, the population has voted in the past to support the use of tax dollars only for “basic care”. Most believed that the population’s opinions on this point have not changed.

Conclusions/Recommendations/Next Steps

Health Care Futures believes that TMC will be minimally affected by health reform in the near term and will benefit most from continued collaborative efforts with other Western Slope providers and related organizations on HIE and other integration efforts.

36

Conclusions:

- Telluride's small population base and geographic location limit TMC's ability to independently grow and expand its service offerings in a financially viable manner. TMC's need for tax support to cover the expenses associated with the emergency service is a clear example of this.
- Similarly, Telluride's age mix and demographic make up that reflect a disproportionately younger, healthier, (and wealthier) population choosing to live in Telluride for its diversity of challenging outdoor mountain sports. This population's utilization of health care resources is generally limited to basic and episodic primary and emergency care.
- The working design for an ACO pilot is built on three major principles: 1) local accountability for a defined population of patients; 2) payment reform based on shared savings; and 3) performance measurement, including patient experience data, clinical process and outcome measures. TMC's limited service offerings and resources (service capabilities, electronic health record, and service area with a small number of area residents receiving Medicare (and Medicaid) coverage, make it essential to partner with others to leverage available resources (HIE, specialty physician services, inpatient and post-acute services) and participate in an organized entity to manage care (accountable care organization, other) for these populations. It remains ill defined as to how CMS will deal with small rural providers under health reform, but will likely require inclusion into a larger regional and collaborative network.
- St. Mary's Hospital in Grand Junction and Montrose Memorial in Montrose are generally supportive of assisting TMC and the Telluride community address its health needs, but lack the depth of capital to fund their own local priority projects and take the financial risk of investing in the Telluride community. These provider further lack the depth of management and provider resources and alignment structures that would enable them to direct resources to the Telluride community. Collaborative initiatives though QHN and the Tri-County Health Network remain the most likely framework for TMC to secure additional resources and support.

Health Care Futures believes that TMC will benefit most from focused collaborative efforts with other Western Slope providers and related organizations both in terms of meeting current access needs and potential reform positioning.

37

Recommendations:

- TMC should remain focused on its core business of providing excellent primary and emergency care to area residents.
- TMC should work to expand its affiliation agreement (largely administrative and educational support currently) with St. Mary's to include:
 - expansion of telemedicine capabilities (jointly with MMH) to provide remote access to dermatology, and diabetic education, and pursuing foundation grant support of required telemedicine technology.
 - additional information technology connectivity (via QHN) for improved ability to manage care across provider settings and regional care continuum.
- TMC should continue to work with Montrose Memorial Hospital to secure as available:
 - additional information technology connectivity (via QHN) for improved ability to manage care across provider settings and regional care continuum.
 - additional specialty physician outreach (e.g., dermatology)
- TMC should work to position itself favorably for potential health reform initiatives by continuing to work with and support the development of Tri-County Health Network to:
 - assure inclusion in QHN's regional health information exchange leveraging investment in Athena Health electronic health record, and develop the resources to mine and utilize data (i.e., disease registries) for the effective management of high risk populations, and be positioned for potential ACO participation. Assure connectivity with St. Mary's and Montrose.
 - address areas of need that small Community Health Centers (TMC, Uncompahgre Medical Center) in the Tri-County area could not address independently (e.g., mental health, dental).
 - develop population management capabilities to monitor and manage care for potential value based reimbursements.
 - pursue regional grant opportunities including support for Care Coordinator.

Appendix #2

Health Care Strategic Assessment by Stroudwater

September 2006



TELLURIDE MEDICAL CENTER



**Strategic Assessment
September, 2006**

DRAFT

STROUDWATER ASSOCIATES

Table of Contents

Study Charge and Context	4
Summary of Key Findings and Recommendations	
Environmental Assessment.....	10
TMC Profile	10
TMC Service Area	16
Service Area Population Segments	22
Payer Mix.....	32
TMC Operational and Financial Performance	33
Options for Supporting TMC’s EC and CC	35
Discussion of MRI Service Feasibility.....	41
Discussion of Ambulatory Surgery / Outpatient Procedure Service Feasibility	44

Appendices:

Requirements for CAH designation

Primary Care Options Overview Table

- Requirements for Provider-Based Clinic Status

- Requirements for Rural Provider-Based Clinic Status

Guidelines for Provider Licensure in Colorado

CAH Feasibility Model

Study Charge and Context

The charge of this planning study funded by the Telluride Medical Capital Fund is to develop a long-term strategic direction for the Telluride Medical Center (TMC), coupled with a concrete business and financial plan detailing specific directions and next steps for effectively pursuing the vision.

Following TMC's termination of its management contract with Montrose Memorial Hospital in 2003, TMC was in a position of needing to re-establish an operating, financial, and management infrastructure from the ground up. Part of the tactical response by the Board was to bring in an interim contract management capacity, and to contract out for billing services. In addition to improving financial and management processes, part of the rationale for the split with Montrose was to establish sufficient autonomy to define TMC's future directions from a community perspective.

An early step in the process of developing a future vision for TMC was the completion of a needs assessment by the Telluride Foundation in the spring of 2004. Among the findings of this study were the following:

TMC was rated highest in terms of location, quality of emergency and primary care, and quality of providers.

- TMC was rated lower in terms of hours of operation, range of services available, time spent waiting to see a provider, and transparency of billing and payment information.
- More than half (60%) of consumers reported leaving the area for specialty services, and 38% reported leaving the area for primary care or outpatient surgery services.
- The majority of consumers (72%) are supportive of using tax dollars to support TMC, and 66% were supportive of additional tax assessments to offer more services at TMC.
- The services most frequently identified in the study as needing additional local capacity were, in order of priority, pediatric services, orthopedic services, behavioral health services, birthing, cardiology, and ambulatory surgery.

- Consumers are pleased with TMC's existing location, but would pick a Society Turn location if an alternative site is pursued.

Informed by this needs assessment, the following study is aimed at creating a clear vision for how needs can be addressed within a viable, sustainable business model.

The approach to answering this question was to review TMC's current environment using public data, site visits and interviews, review its current operating and financial status, develop a vision for a TMC that effectively addresses some of the themes identified in the needs assessment, and develop a business model for how this vision can be practically pursued.

The study process was guided by a Telluride Medical Economic Assessment Advisory Committee that is comprised of the following individuals:

Dr. Peter Hackett, TMC Staff
Becky Padilla, TMC Staff
Gary Hughes, TMC Staff
Bill Grun, Telluride Hospital District Board member
Dr. Rick Houck, Telluride Medical Capital Fund member
Davis Fansler, Mayor of the Town of Mountain Village
John Pryor, Mayor of the Town of Telluride
Elaine Fischer, San Miguel County Commissioner
Dr. David Homer, local private practitioner

The Advisory Committee provided only two guiding assumptions to this study:

1. The study was to assume that any recommendations requiring development of a new facility would not be implemented for at least five years.
2. If recommendations included a change in location of a TMC facility, it should be assumed that the associated real estate costs would be addressed via philanthropy.

The Advisory Committee was explicit in its intent that the findings and recommendations of this study were to be the independent conclusions of the consultants, and were not expected to necessarily reflect the opinions of the Advisory Committee or any of its individual members. While the Advisory Committee's input to this study was invaluable, it was advisory only, and the findings and recommendations represent the independent opinion of Stroudwater Associates.

Summary of Key Findings and Recommendations

The following points reflect the judgment of the consultants regarding those points presented and documented in the remainder of the report that are of particular importance in providing direction to subsequent decisions regarding the future of Telluride Medical Center.

It is worth noting that only a subset of the following recommendations are independent of issues related to the current facility. Recommendations related to new services and capabilities are dependent upon questions related to the current facility and its functional limitations being resolved.

The following recommendations can be evaluated independently of issues related to Telluride Medical Center's facility.

1. TMC should begin to prepare and submit cost reports in recognition of its existing Rural Health Center (RHC) status. This should include any retrospective cost reports that the Medicare/Medicaid Financial Intermediary will accept for prior years. This is estimated to generate approximately \$17,000/year in incremental revenue.
2. The Community Clinic (CC) practice should remain an employed model in order to achieve the financial benefits of provider-based RHC status. However, an incentive compensation plan should be established by 2007 that allows TMC to provide this service on a financial break-even basis. This can be accomplished by equitably allocating overhead to each physician provider, and allowing each physician to keep all cash receipts above their allocated overhead expense.
 - a. TMC would have the incentive to keep overhead at or below market levels and contract-based and RHC revenue above private practice levels given the options available to the current primary care medical staff either to leave or set up an independent private practice
 - b. The primary care physicians will have to determine how best to address the market's desire for continuity of care.
3. The procedure oriented specialties of orthopedic surgery, general surgery, plastic surgery, podiatry, gynecologic surgery, anesthesia, ENT surgery, urology, and gastroenterology should be actively encouraged to join the TMC medical staff and schedule clinic time. These specialties have minimal impact on primary care service volumes, and become a basis for achieving procedure volumes for a TMC ambulatory surgery center service, especially if they are included as investment partners with TMC.

4. Medical specialists such as pediatrics, neurology, cardiology, dermatology, allergy, rheumatology, endocrinology, oncology, etc. should be invited to be privileged as medical staff members based upon the recommendation of the CC physicians.
5. Dr. Peter Hackett has established an international reputation as a research scientist in the area of high altitude medicine. TMC's location at approximately 9,000 feet makes it a valuable resource for supporting clinical research in this area. TMC should seek to continue to expand its role in supporting the work of Dr. Hackett and the University of Colorado in this endeavor. This brings a variety of advantages to TMC, including recruitment and retention of clinical staff, the potential for grant funding for acquiring capital equipment, the ability to host conferences, and the ability to build a stronger relationship with the Medical Center at the University of Colorado.

The recommendations below are directly related to or dependent upon resolution of questions related to TMC's current facility.

1. TMC should acknowledge that its existing facility, which is leased for \$1/year from the Idarado Mining Company, is inadequate to meet peak volumes that it currently experiences. Given the growth in volume that continues to occur it will become increasingly inadequate to address future patient volumes efficiently and safely. It currently falls well below contemporary clinical and support space standards of functionality and design.
 - a. Making major investments in a facility that is not owned and is poorly designed and sited to support future growth would represent a poor business decision for TMC.
2. A new facility should be located in a manner that acknowledges that it will serve as a resource for San Miguel County, and not only a resource of the Town of Telluride. A location at or near Society Turn would be logical.
3. The vision of a new facility and an expanded clinical service program should serve as the case for a significant capital campaign by TMC.
4. Existing local healthcare providers have expressed little enthusiasm to participate in a new medical center campus. Concern is primarily based on potential location and lease rates. A facility master plan should still anticipate that these attitudes will change once the initial development

phase is successfully executed. It would be logical that pharmacy services, physical therapy services, and oxygen and other retail durable medical device services could be conveniently accessed at a single central location.

5. Assuming that a new TMC facility is developed on a new site, the campus plan should anticipate the ability to support Emergency Medical Services including garage space, dispatch, and a heliport for medical evacuation on the site. This would create the opportunity to share some staffing responsibilities in the EC. It would also facilitate ongoing training and integrated planning. In the future, the business merit of shifting Emergency Medical Services from the Fire District to the Hospital District should also be studied from a functional and efficiency standpoint.
6. An MRI service should be actively investigated by TMC. This should be considered in a business model that seeks philanthropic support for the equipment and space required, and aligns the financial interests of key physician-based specialists and TMC. Both (a) an “under arrangements” business model that allows physicians to share in the technical fee component on a “per click” basis without any investment requirements, and (b) a physician – hospital leasing model that provides a return to physicians independent of referrals should be specifically reviewed.
7. An ambulatory surgery service should be carefully evaluated by TMC. A preliminary financial assessment suggests that there is sufficient volume to potentially achieve financial viability assuming significant market share can be achieved. A business model that provides philanthropic support for equipment and space and aligns the financial interests of key physicians significantly improves the potential for business success. Development of a business plan sufficient to support solicitation of physician investors will provide a clear test of business merit.
8. TMC should consider seeking federal Critical Access Hospital (CAH) designation. This recommendation would enable TMC to potentially achieve the following outcomes:
 - a. Add limited overnight acute, observation, and skilled nursing level care. It is proposed that this be in the form of a 4-6 bed inpatient unit that would care for patients up to four days. However, it should not include obstetrics or other specialty services generally associated with larger community hospitals.
 - b. It would require development of a new facility, making it possible to address the facility issues summarized in point #2 above.

- c. It would allow the RHC to become provider based, which allows for “un-capped” cost-based reimbursement. The annual incremental value of this is estimated to be a minimum of \$17,000/year in additional revenue beyond that realized from utilizing TMC’s existing status as an RHC.
- d. It would provide a different platform for negotiating with all commercial payers, since the context will be hospital fee schedules vs. the existing clinic fee schedules that serve as the starting point for current contract discussions.
- e. It has the business potential to run profitability under a number of (but not all) service program scenarios. Its economic viability is maximized when services include MRI, ambulatory surgery, and rehabilitation services.
- f. This represents a clear new vision for TMC that allows it to structure a community campaign in a manner that differentiates the future from the status quo.
- g. Becoming a CAH does require the involvement of an acute care referral partner. Stroudwater believes that St. Mary’s in Grand Junction would be an ideal partner given its existing role as a trauma center and tertiary service provider as well as its history of working with smaller hospitals on the western slope of the Rockies. The breadth and depth of its affiliated specialist medical staff would also be a potential asset for specialty clinics and services at TMC, including the implementation of telemedicine services.

Environmental Assessment

TMC Profile

Telluride Medical Center (TMC) has served the residents of Telluride and surrounding communities since 1978. It is situated 60 miles and a mountain pass from the nearest hospital in Montrose, Colorado in an isolated but spectacular mountain valley.

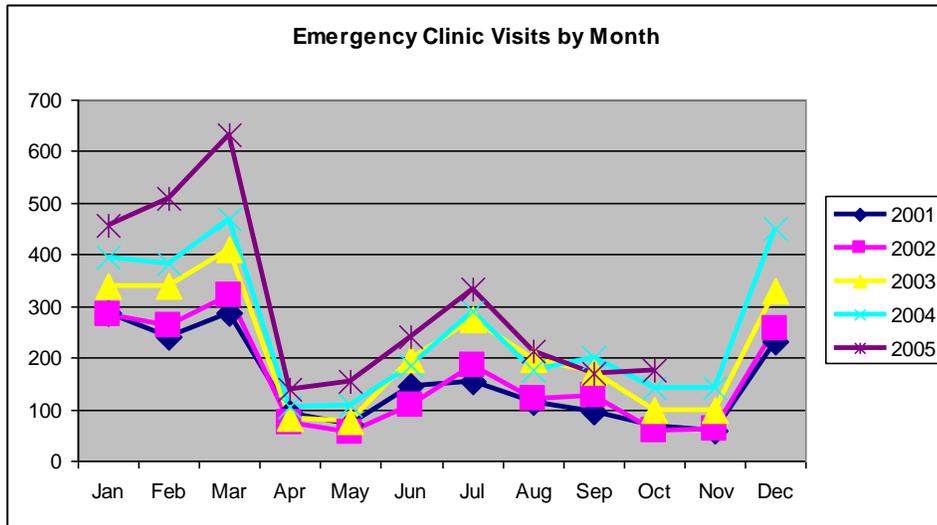
Name	City	State	Driving Mileage from Telluride	Drive Time
Southwest Memorial Hospital	Cortez	CO	75	1h 20m
Montrose Memorial Hospital	Montrose	CO	60	1h 37m
Animas Surgical Hospital	Durango	CO	71	1h 44m
Mercy Medical Center	Durango	CO	71	1h 44m
Delta County Memorial Hospital	Delta	CO	82	2h 4m
Community Hospital	Grand Junction	CO	122	2h 56m
St. Mary's Hospital and Medical Center	Grand Junction	CO	122	2h 56m
San Juan Regional Medical Center	Farmington	NM	122	2h 47m
Gunnison Valley Hospital	Gunnison	CO	125	2h 55m
Family Health West	Fruita	CO	134	3h 9m
Aspen Valley Hospital District	Aspen	CO	184	4h 48m

Source: American Hospital Directory.com

TMC operates two patient care business units – the Emergency Clinic (EC), which provides emergency and urgent care services, and the Community Clinic (CC), which is comprised of TMC's primary care practice. TMC offers family, preventive and emergency medicine. Clinical specialties include orthopedic care, sports medicine, and high altitude medicine. TMC is staffed by board certified Family Practice, Internal Medicine and Emergency Medicine physicians. Nationally certified nurse practitioners and physician assistants are joined by registered nurses and radiology technicians to provide patient care services. Ancillary services provided at TMC include the CT scanning, radiology, and laboratory diagnostic services.

In addition, numerous specialists conduct visiting clinics at TMC on a regular schedule. Orthopedics is the most frequent and highest volume set of specialty clinics. Other clinics include podiatry, cardiology, pain management, midwifery, urology, dentistry, general surgery and dermatology.

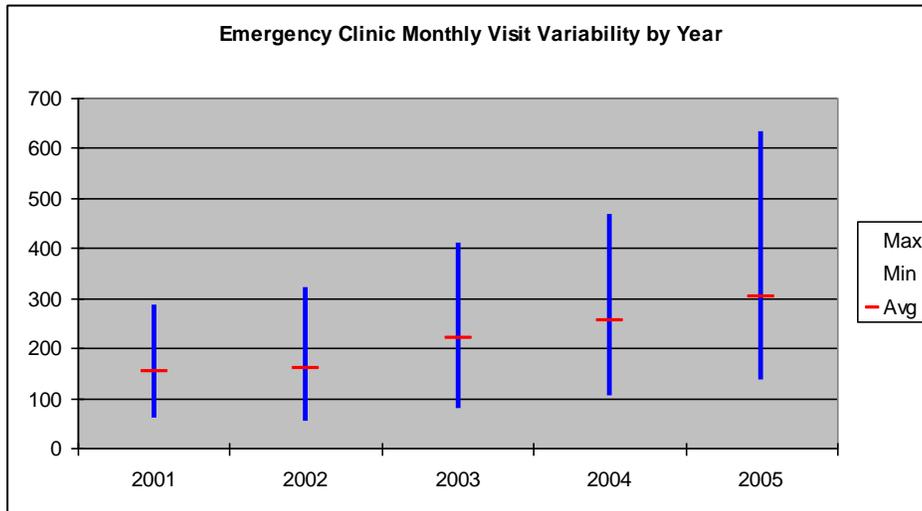
The Emergency Clinic provides emergency care on a 24/7 basis. These emergency services are partially funded via a tax district. In 2005, total tax support for the EC equaled \$1.16M. The EC experiences seasonal fluctuations in patient volumes that are driven by peak ski season and by summer visitors. However, as the graph below demonstrates, peak demand is much more pronounced during the winter months with a smaller spike in the summer.



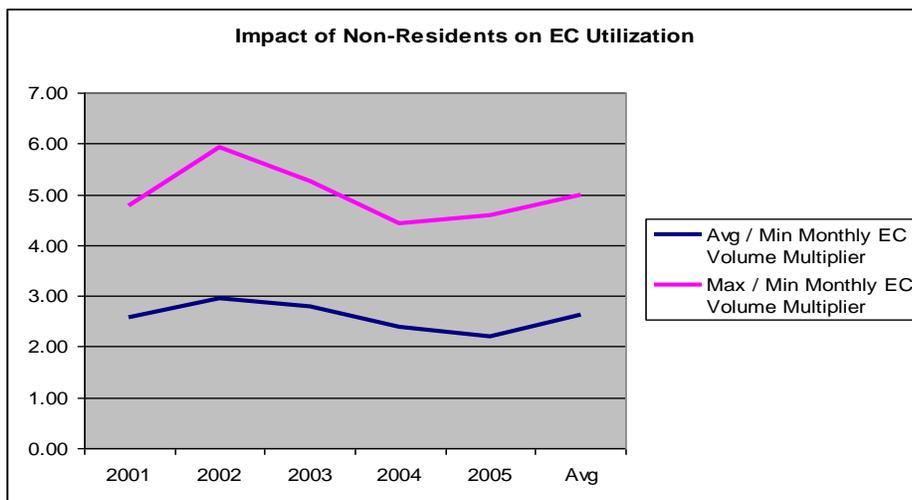
The following table details the EC's patient volume by month for 2001 through 2005. Source: TMC.

	2001	2002	2003	2004	2005	AVG
Jan	287	283	340	396	455	352
Feb	240	261	339	383	508	346
Mar	286	320	411	469	632	424
Apr	93	73	82	106	138	98
May	72	54	78	109	155	94
Jun	145	107	196	186	239	175
Jul	155	186	274	291	333	248
Aug	115	120	196	175	213	164
Sep	97	127	174	201	169	154
Oct	67	60	99	143	176	109
Nov	60	61	100	142	--	91
Dec	232	257	331	451	--	318
AVG	154	159	218	254	302	--

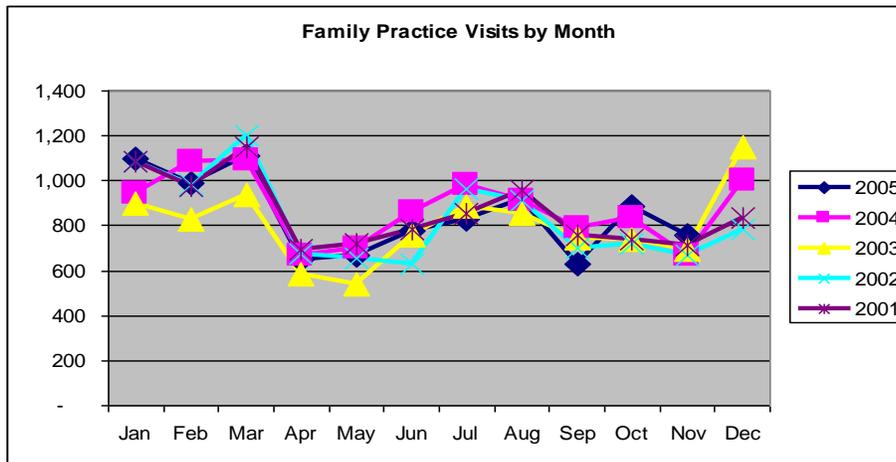
Volume in the EC has trended upward over the last five years. These increases in volume have not only occurred during peak periods but also during off-peak months as well. Minimum monthly patient volume has grown from 60 in 2001 to 138 in 2005, an increase of 130%. Peak monthly volume has grown from 287 in 2001 to 508 in 2005, an increase of 77%.



The chart below measures variability in monthly patient volumes in the EC based upon two indicators: the multiple of average to minimum monthly volume and the multiple of peak to minimum monthly volume. For 2001 to 2005, peak volume is 4.99 times minimum monthly volume while average monthly volume is 2.64 times minimum monthly volume. The month-to-month patient volume variability in the EC is as much as twice that experienced in the Community Clinic and more closely resembles Telluride’s seasonal fluctuation in visitors and economic activity.



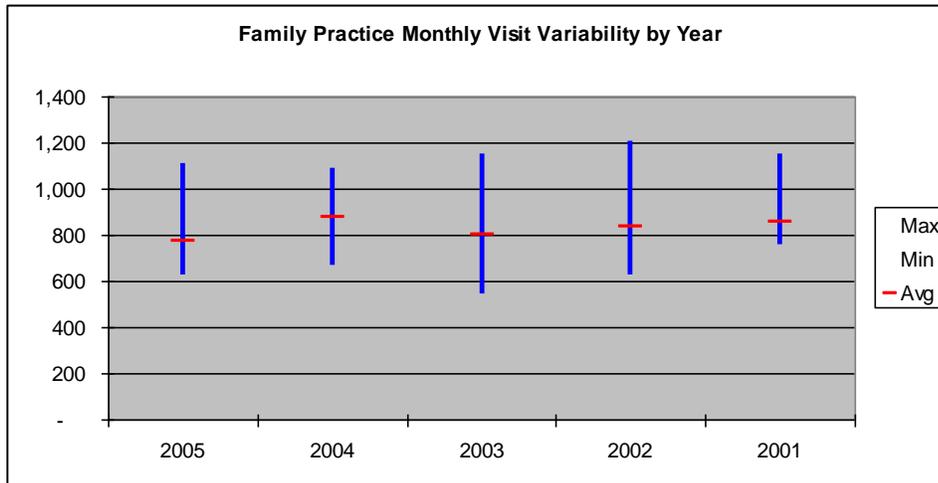
For the Community Clinic or Family Practice, month-to-month and seasonal variability in patient volumes is less pronounced. There is a peak in demand during the winter months from December through March but this spike is much less pronounced than the seasonal peak demand experienced by the EC.



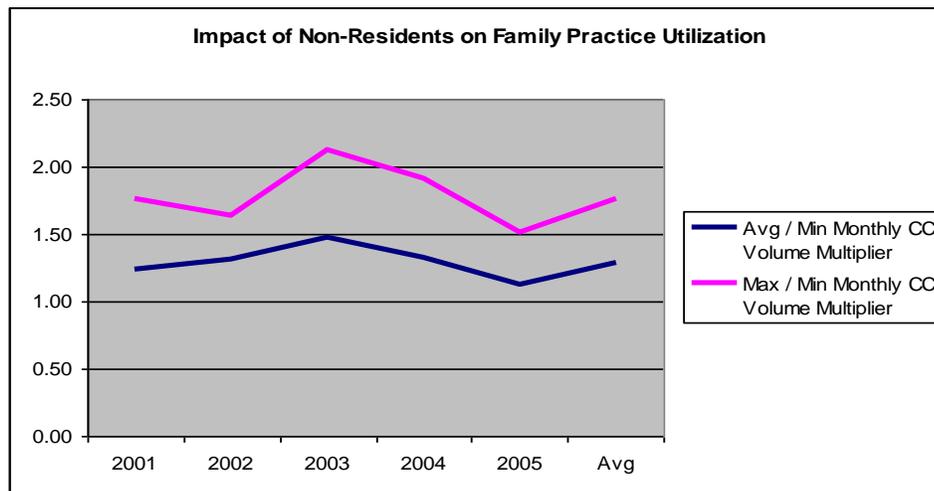
The table below details monthly patient volumes for the CC from 2001 to 2005.

	2001	2002	2003	2004	2005	AVG
Jan	1083	1083	901	944	1098	1022
Feb	975	980	828	1087	989	972
Mar	1149	1204	939	1093	1109	1099
Apr	692	677	585	667	646	653
May	717	657	542	701	666	657
Jun	784	630	755	861	774	761
Jul	857	962	884	985	827	903
Aug	955	914	855	914	921	912
Sep	761	703	746	788	629	725
Oct	738	717	737	836	889	783
Nov	715	665	694	670	756	700
Dec	837	781	1152	1000	--	943
AVG	855	831	802	879	846	--

Volume in the CC has been flat since 2001, decreasing slightly between 2001 and 2005 based upon monthly average patient visit volume. Minimum monthly volumes have actually declined between 2001 - 2005 (692-629). Peak monthly volumes for the same period have likewise declined slightly from 1149 to 1109. These trends are described in the following chart.



The chart below measures variability in monthly patient volumes in the CC based upon two indicators: the multiple of average to minimum monthly volume and the multiple of peak to minimum monthly volume. For 2001 to 2005, peak volume is 1.77 times minimum monthly volume while average monthly volume is 1.28 times minimum monthly volume. In both instances, seasonal variability in the CC is less than half that experienced by the EC.



Stroudwater Associates believes that the average to minimum volume multiple is a suitable proxy for the demand that non-residents place on current TMC services. Using the average to minimum monthly volume multiple (2.64x for the EC and 1.28x for the CC) enables us to allow for the normal seasonal and random fluctuations that occur at all healthcare providers while quantifying the difference in seasonal variability between the EC and CC.

For purposes of forecasting demand for healthcare services and healthcare providers, Stroudwater has employed the above multiples to account for non-

resident demand for healthcare services. For services related to emergent conditions and sports activity-related injuries, Stroudwater Associates has assumed a 2.5x multiplier to reflect the impact of visitors and seasonal residents on the demand for services above and beyond that generated by the service area's permanent residents. While a multiplier of 2.5x is lower than the five year average, this multiplier has trended down slightly from 2001 so Stroudwater has taken a more conservative approach in this case.

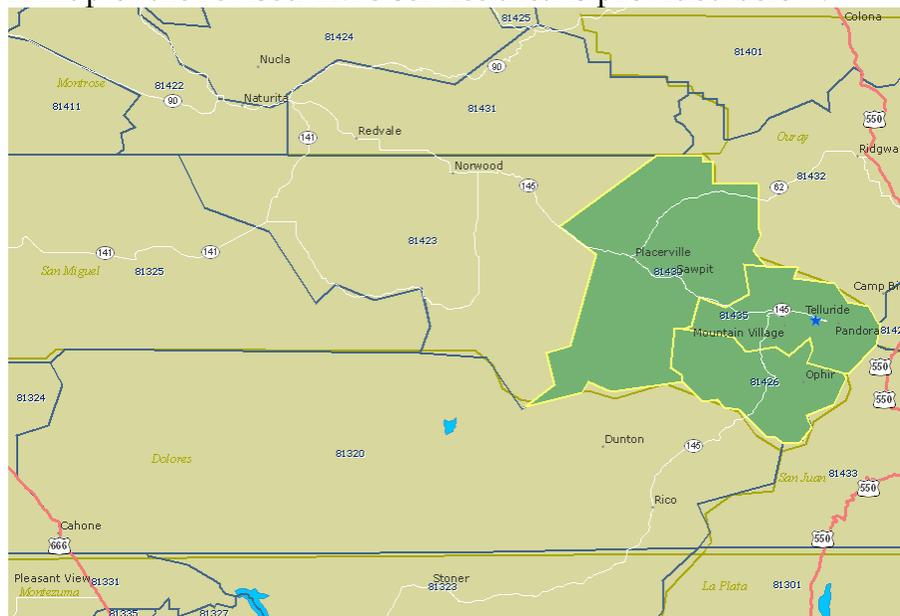
For other non-elective, urgent care services, Stroudwater has assumed a 1.3x multiplier to reflect the impact of seasonal and short-term visitors on these services. This multiplier reflects the seasonal average demand on the CC above its year-round minimum demand. For elective services, Stroudwater has assumed that there is no multiplier on the demand for healthcare services in Telluride from seasonal and short-term visitors. Later in the study, the potential for "medical tourism" for niche healthcare services will be discussed. Medical tourism would present an opportunity for TMC to realize volume from elective services provided to patients that reside almost exclusively outside Telluride's service area.

TMC Service Area

Stroudwater Associates has developed a service area definition for TMC that reflects Telluride's relative isolation and the specific realities of the area's road network. The first step in defining TMC's service area has been to conduct a drive time analysis for TMC and the Montrose Hospital in relation to key locations in the potential catchment area. A second component for defining the service area is to examine TMC's patient origin.

As a result of these analyses and feedback from the Advisory Committee, Ouray, Norwood and Ridgeway have been dropped from TMC's service area definition. To account for immigration from these areas, a 10% gross-up factor has been added to estimated service area demand to reflect demand for services at TMC from patients residing in these outlying areas. To account for non-permanent resident demand for services, Stroudwater has also added a multiple to service levels that accounts for peak season demand for emergent services (2.5x), urgent service (1.3x) and elective services (1.0x), respectively.

A map of the revised TMC service area is provided below.



Source: ArcGIS.

As the green shaded area above indicates, the TMC service area is comprised of the eastern portions of San Miguel County. The TMC service area includes Telluride (81435), Ophir (81426) and Placerville (81430). Together, these communities comprise 47.3% of CC BCBS patients and 27.1% of EC BCBS patients. An additional 5.5% and 4.0% of TMC BCBS patients for the CC and EC, respectively, come for communities surrounding TMC's service area.

This patient origin analysis indicates that 11.6% of TMC’s CC patients come from communities adjacent to the service area. The corresponding figure for the EC is 14.8%. Given this patient origin information, it would seem reasonable to conclude that 10% of CC patients come from communities adjacent to the TMC service area and 15% of EC patients come from communities adjacent to the TMC service area. The remaining balance of patients is generated by visitors and non-permanent residents.

The analysis of patient origin for TMC’s Blue Cross patients reveals that the EC and CC pull patients differently from within and outside the service area. The EC has a much larger proportion of Blue Cross patients from out of the area (68.9%) while the CC has a more concentrated patient origin pattern with a lower proportion of out-of-area patients (47.4%) that reflects visitors’ and commuters’ tendency to seek elective and preventive care closer to home and not while on vacation or at their second home. For the CC, 42.4% of Blue Cross patients are from Telluride versus 25.3% for the EC.

CC Blue Cross Patient Origin			EC Blue Cross Patient Origin		
Town	Patients	% CC Total	Town	Patients	% EC Total
Telluride	430	42.4%	Telluride	57	25.3%
Placerville	27	2.7%	Montose	4	1.8%
Norwood	26	2.6%	Norwood	2	0.9%
Ophir	22	2.2%	Ophir	2	0.9%
Ridgeway	12	1.2%	Placerville	2	0.9%
Rico	7	0.7%	Ridgeway	2	0.9%
Montose	6	0.6%	Naturita	1	0.4%
Ouray	3	0.3%	Ouray	0	0.0%
Naturita	1	0.1%	Rico	0	0.0%
Out of Area	481	47.4%	Out of Area	155	68.9%
Total	1015	100.0%	Total	225	100.0%

Source: TMC.

The following analysis provides a snapshot of TMC’s service area demographics. TMC’s service area includes Telluride, Placerville/Sawpit and Ophir. A striking feature of this 6,000+ population is the low proportion of senior citizens relative in the service area (2.9% in 2005) relative to the current national average (12.0%).

Another key demographic feature is that the market is growing. Projected growth between 2005 and 2010 is 12.4% and is viewed as unlikely to diminish in the decade or two that follow. A primary reason driving this assumption is that there remains additional residential build-out potential of nearly 100% beyond current levels in the combined areas of Lawson Hill, Aldasora, Ski Ranches, Mountain Village, and Telluride. [Source: Ron Allred]

TMC Service Area	2005 Population	2010 Population	Percent Growth
Service Area Total	6,036	6,785	12.4%
Population 65+ 2004	177	423	139.0%
Population 65+ 2009	2.9%	6.2%	

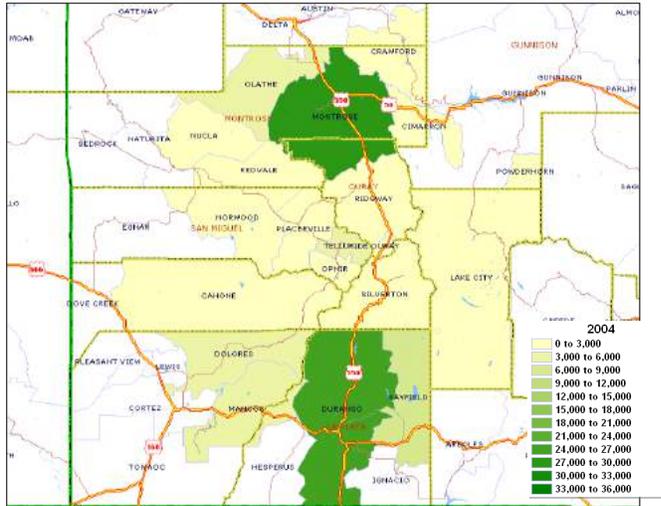
A more detailed demographic analysis is included below for the TMC service area.

TMC Service Area Population				
Age Cohort	2005 Population	2010 Population	Growth 2005-2010	% Growth 2005-2010
00-17	979	1,121	142	14.50%
18-44	3,150	3,092	-58	-1.80%
45-64	1,730	2,149	419	24.20%
65+	<u>177</u>	<u>423</u>	<u>246</u>	<u>139.00%</u>
	6,036	6,785	749	12.40%

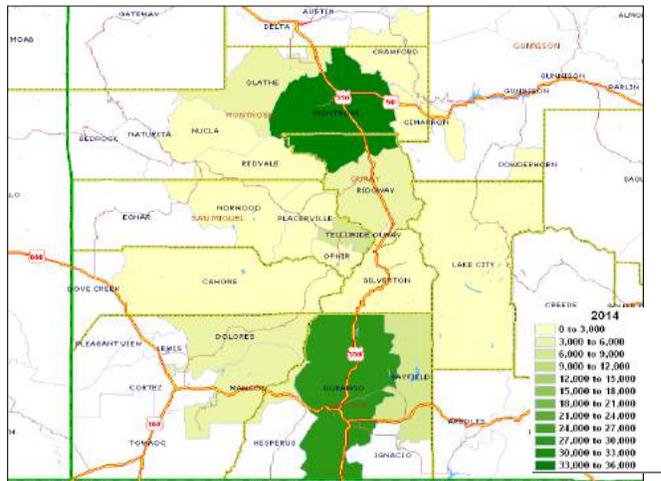
Source: Solucient.

The maps below present the population and projected growth of the region by ZIP Code. These maps help place the TMC service area in the context of the larger region.

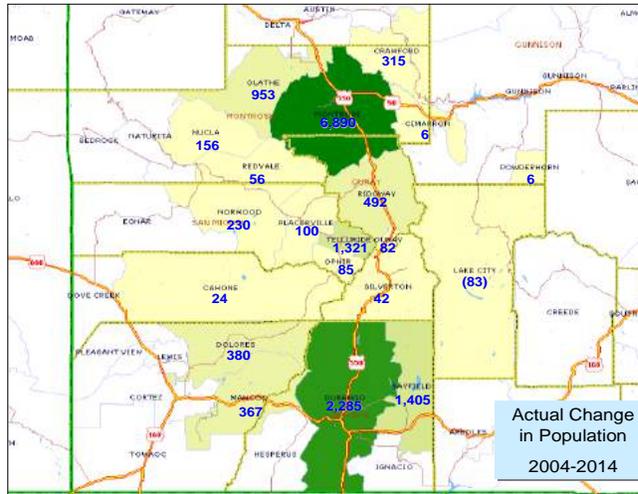
2004 Population of the Region by ZIP Code



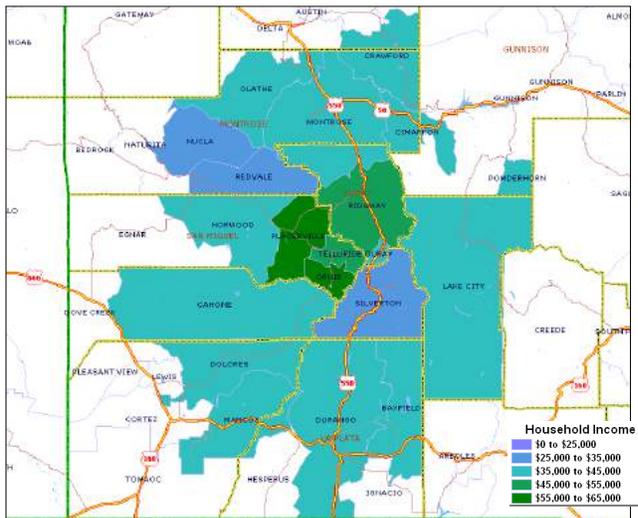
2014 Population of the Region by ZIP Code



2004 to 2014 Population Change by ZIP Code



2004 Median Household Income by ZIP Code



Source: Maptitude

The residents of TMC's service area create significant demand for healthcare services – even without inclusion of seasonal, vacationing and commuter populations. The table below highlights the demand for inpatient healthcare services. The number of inpatient stays generated by permanent residents of the TMC service area in 2005 is estimated at 249 and is projected to grow by 16.9% by 2010. Obstetrics related diagnoses accounted for 37.8% of inpatient cases, followed by orthopedics (14.9%), general surgery (8.0%), and gastrointestinal and pulmonology (4.8%). It is likely that the proportion of outpatient orthopedics cases for the TMC service area is far larger – given the relative youth of the population, active lifestyles, and sports related injuries.

MDC	2005 Inpatients				2010 Inpatients		'04 to'09 Growth
	Inpatients	% of Total Ptns	Days	% of Total Days	Inpatients	% of Total Ptns	
OB	94	37.8%	174	22.7%	94	32.3%	0.0%
Ortho	37	14.9%	116	15.1%	54	18.6%	45.9%
Gen Surg	20	8.0%	68	8.9%	24	8.2%	20.0%
GI	12	4.8%	26	3.4%	16	5.5%	33.3%
Pulm	12	4.8%	31	4.0%	15	5.2%	25.0%
Subtotal	175	70.3%	415	54.2%	203	69.8%	16.0%
Other	74	29.7%	351	45.8%	88	30.2%	
Total	249	100.0%	766	100.0%	291	100.0%	16.9%

Source: Solucient.

Given the patient origin analysis conducted on TMC's BCBS patients, we would expect an additional 10% of CC volume and 15% of EC volume to originate from adjacent surrounding areas. Accordingly, we would project between 10% to 15% additional volume for inpatient services in Telluride on top of the above volume estimates and projects from TMC's service area.

Additionally, given that TMC will not offer an OB service, we need to calculate inpatient market share based upon non-OB volumes for TMC. The following table provides estimated inpatient volumes for TMC in 2010, assuming different rates on market penetration for non-OB service.

2010 Solucient Inpatient Demand Projection - TMC Service Area			
TMC Service Area Admits	291		
Less OB	<u>94</u>		
Net Non-OB Admits	197		
	<u>60% Share</u>	<u>50% Share</u>	<u>40% Share</u>
2010 TMC Admits	118	99	79
Inmigration from SSA	<u>18</u>	<u>15</u>	<u>12</u>
Area Admits to TMC	136	113	91
Transient / Seasonal Admits*	<u>20</u>	<u>17</u>	<u>14</u>
Total Est. TMC Admits	156	130	104

*Assumed to represent 15% of demand from permanent residents.

Adding a non-permanent resident gross-up factor of 15% indicates that we assume a 10% market share of inpatient emergent care for non-permanent

residents. Stroudwater has assumed a 150% gross-up or 2.5x multiplier for emergent care services demand in the EC when peak seasonal demand and transient visitors are included. The above demand projection for inpatient services assumes only a 15% gross-up factor, resulting in an assumed 10% share of non-permanent resident demand for inpatient care.

Inpatient market share for Medicare patients is depicted in the following table. Given its status as the nearest acute care hospital, it is not surprising that Montrose is the market leader for inpatient services within the combined TMC primary and secondary service areas. St. Mary’s in Grand Junction is the next most significant inpatient presence. Currently, 100% of inpatient cases must leave the service area for inpatient acute care services. Much of the inpatient volume utilizing St. Mary’s will be either tertiary in nature or have a length of stay in excess of 4.0 days and is not appropriate for a critical access hospital setting.

Hospital	Medicare Market Share		
	2005	2004	2003
Montrose	48.7%	54.4%	48.3%
St. Mary's	31.3%	25.8%	30.6%
Mercy Medical Ctr	5.0%	4.2%	3.9%
Aspen Valley	4.3%	2.7%	1.0%
Other	10.7%	12.9%	16.2%
Total	100.0%	100.0%	100.0%

Source: Solucient.

Service Area Population Segments

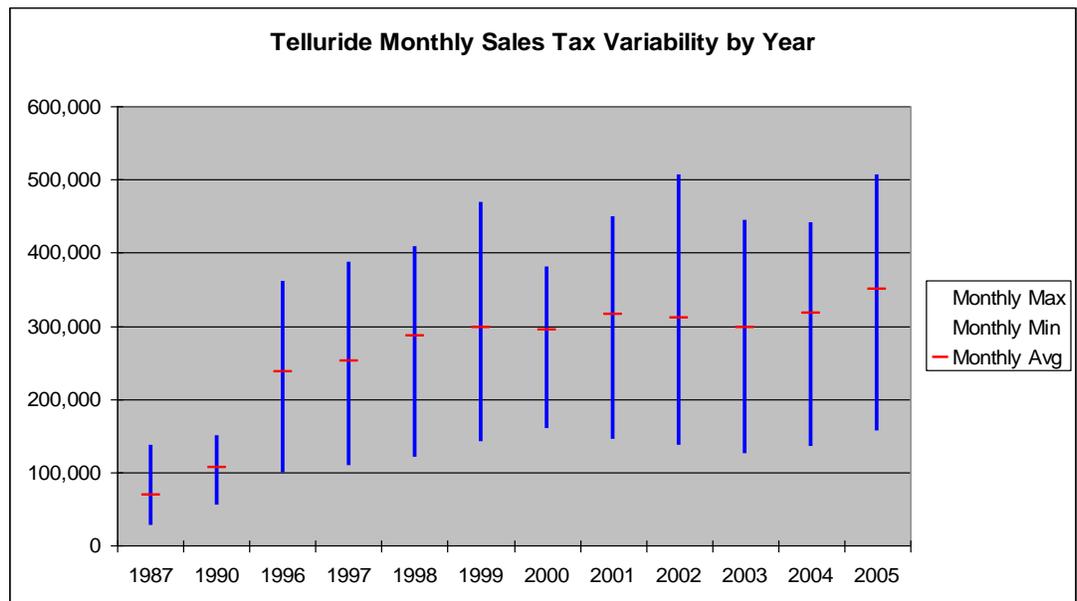
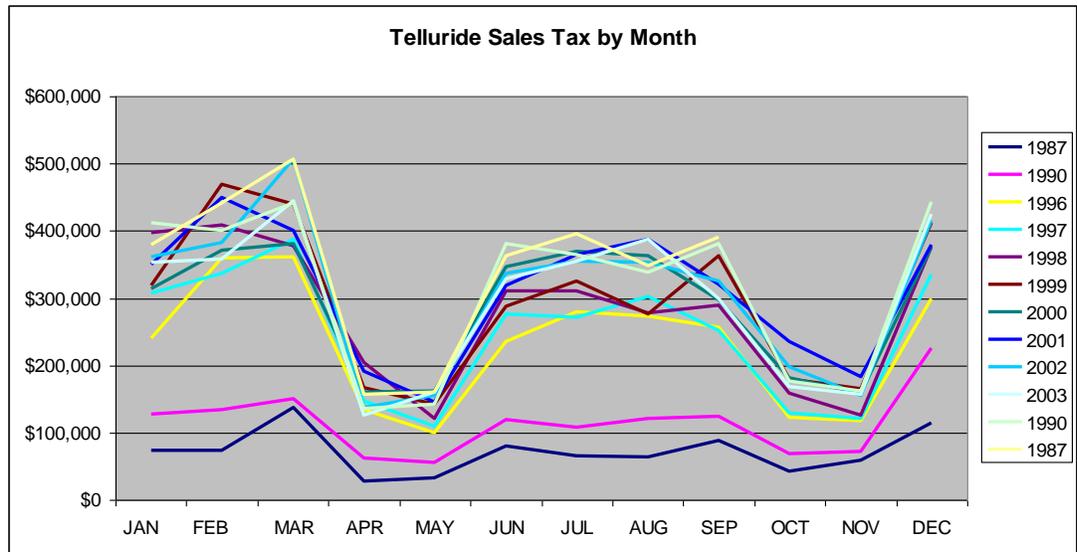
Stroudwater Associates conducted numerous analyses to quantify the impact of non-resident population segments on the utilization of local healthcare services. The following table describes these population segments and the analyses performed to quantify each segment’s impact on health service demand.

Telluride Service Area Population Segments

Population Segment	Quantity	Utilization Characteristics	Specialties
Year-round Permanent Residents	<ul style="list-style-type: none"> • 12,600 Total • 7,200 in PSA • 5,400 in SSA 	<ul style="list-style-type: none"> • Urgent care • Emergent care • Specialty services • Preventive Care • Primary care • Potential for elective procedures • Physical therapy / rehab services 	<ul style="list-style-type: none"> • FP/IM/Pediatrics • OB/Gyn • ED • Orthopedics • Podiatry • Urology • GI / Gen. Surgery • Dermatology • Anesthesia
Seasonal Residents >4 months; <12 months annually	TBD	<ul style="list-style-type: none"> • Urgent care • Emergent care • Limited primary care • Limited potential for elective procedures 	<ul style="list-style-type: none"> • FP/IM • OB/Gyn • ED • Orthopedics • Podiatry • Urology • GI • Dermatology • Anesthesia
Undocumented Workers	1,000 in San Miguel County	<ul style="list-style-type: none"> • Primary Care • Urgent Care • Emergent Care 	<ul style="list-style-type: none"> • FP/IM • ED • OB/Gyn
Commuters	4,000 vehicles daily	<ul style="list-style-type: none"> • Urgent care • Emergent care 	<ul style="list-style-type: none"> • FP/IM • ED
Vacationers <1 month annually	5,500 area hotel rooms	<ul style="list-style-type: none"> • Urgent care • Emergent care 	<ul style="list-style-type: none"> • ED • Orthopedics
Medical Tourists	TBD	<ul style="list-style-type: none"> • Potential for Elective Procedures 	<ul style="list-style-type: none"> • Plastics • Dermatology • Orthopedics • Anesthesia

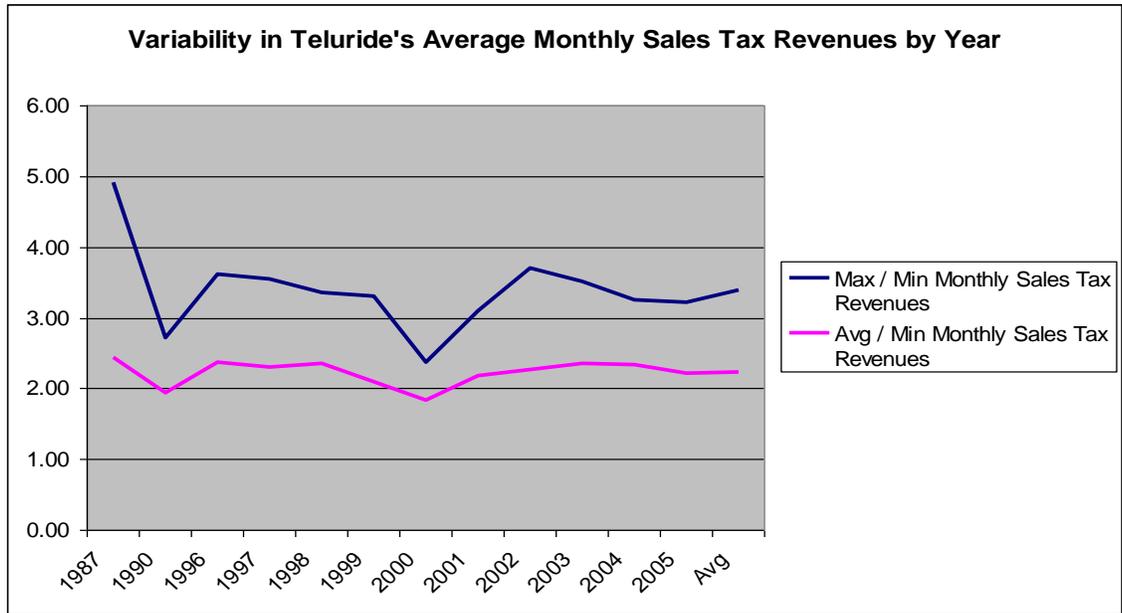
Source: Health Demographics, local estimates, CDOT, Convention and Visitors Bureau.

To quantify the magnitude of seasonal population spikes, Stroudwater Associates analyzed local sales tax revenue figures by month. The variability in local sales tax revenue generation by month for Telluride and Mountain Village is highly correlated to the monthly patient volume variability experienced by TMC's EC with an R² in excess of 90 percent. For Telluride, the seasonal variability in sales tax generated by month has increased considerably since 1987 and 1990 as the quantity of revenue generated has increased year to year.

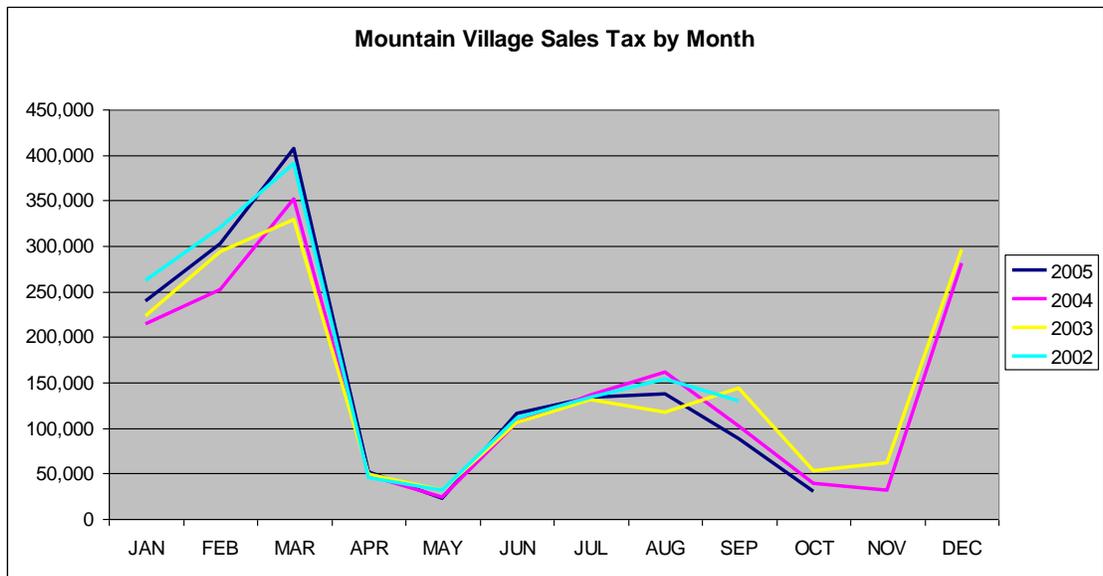


Source: Town of Telluride.

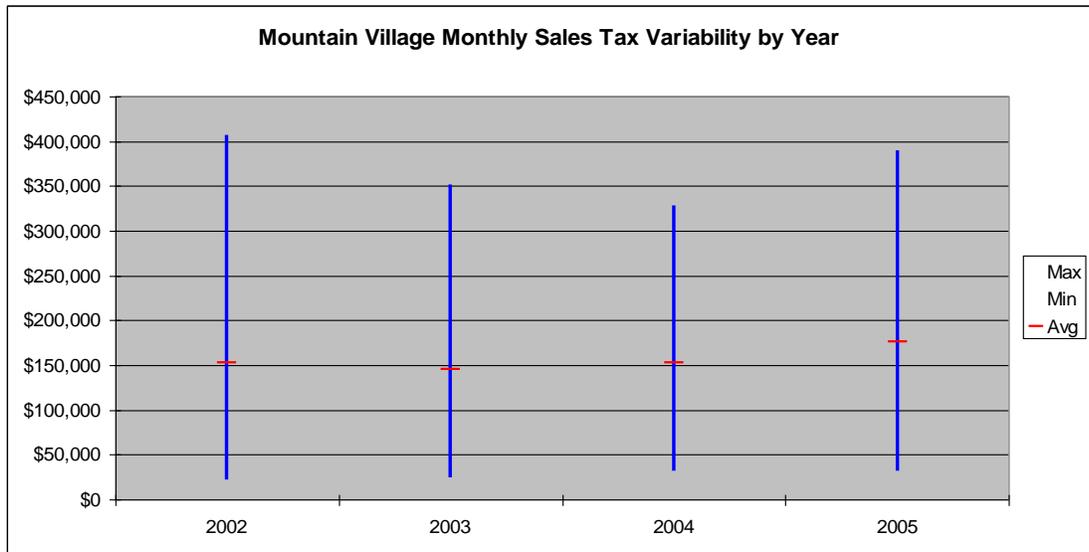
Variability in Telluride’s monthly sales tax revenue receipts is lower than monthly patient volume variability at TMC’s EC. Telluride’s maximum to minimum monthly sales tax revenue multiple (maximum revenues / minimum revenue) is 3.4 and the average to minimum monthly sales tax revenue multiple (average revenues / minimum revenues) is 2.2. This contrasts with the comparable variability metrics in the EC of 4.99 and 2.64, respectively.



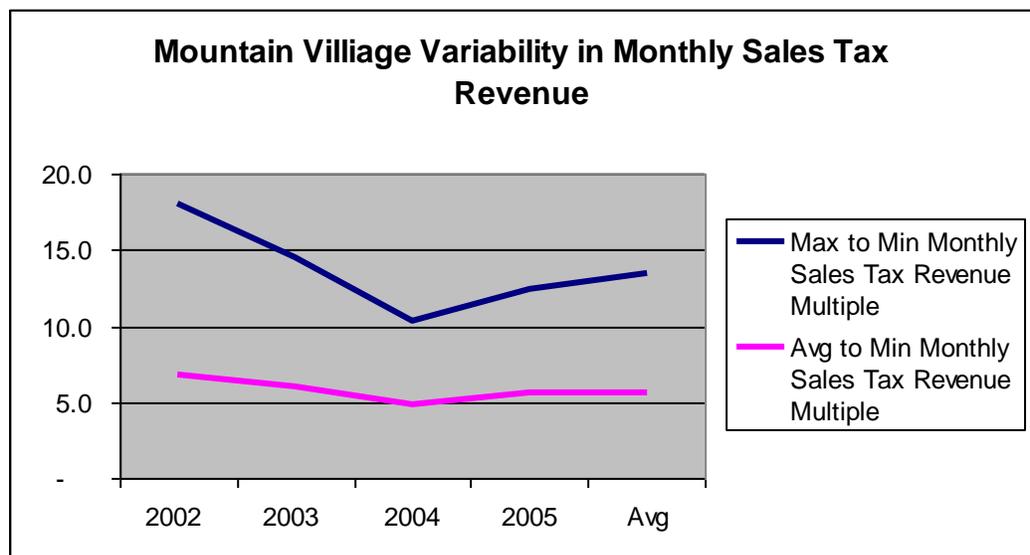
A comparable analysis of Mountain Village’s monthly sales tax receipts offers similar findings.



Mountain Village’s monthly sales tax revenues were flat from 2002 to 2004. For 2005 YTD, the average monthly sales tax receipts have experienced an increase due to more activity during the peak months of the year, as the following chart illustrates.

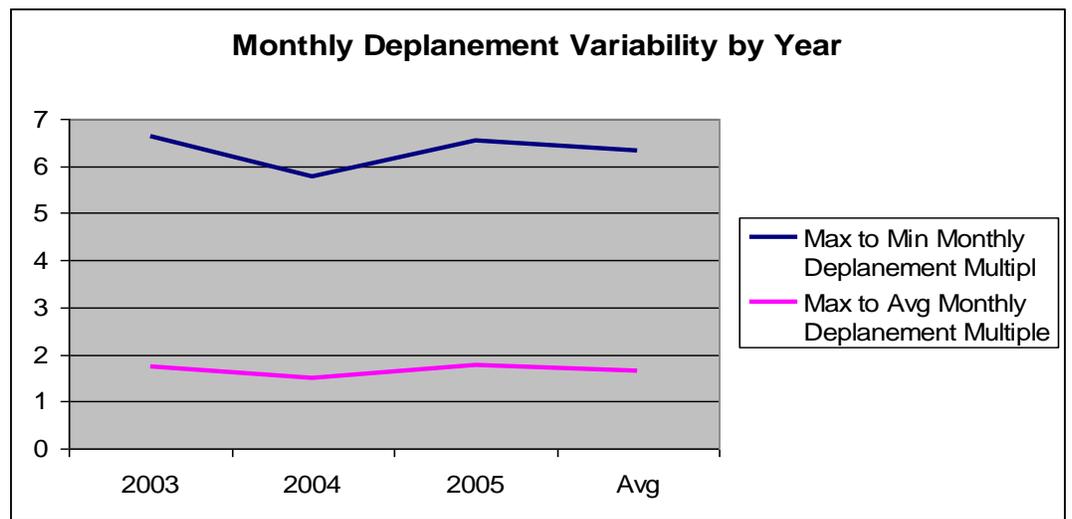
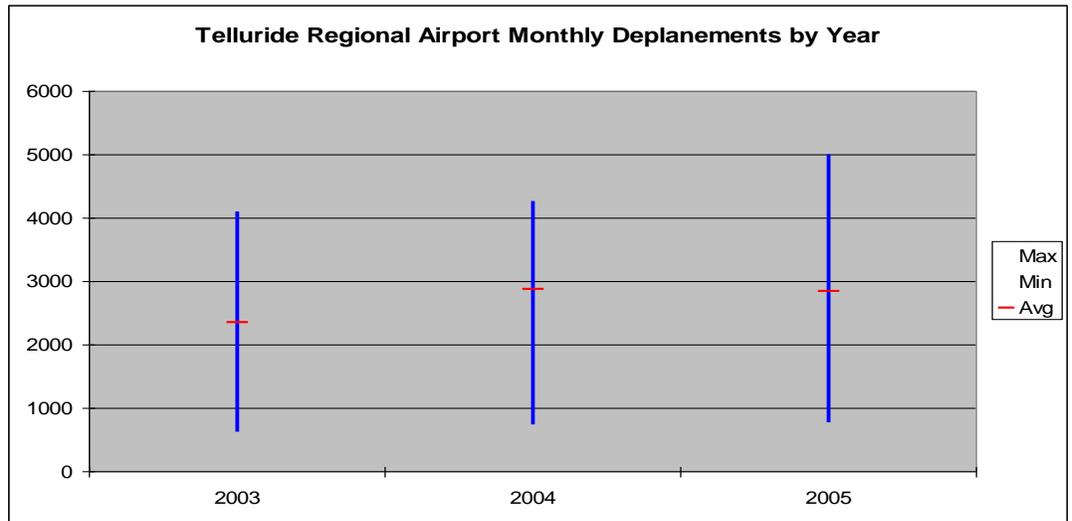
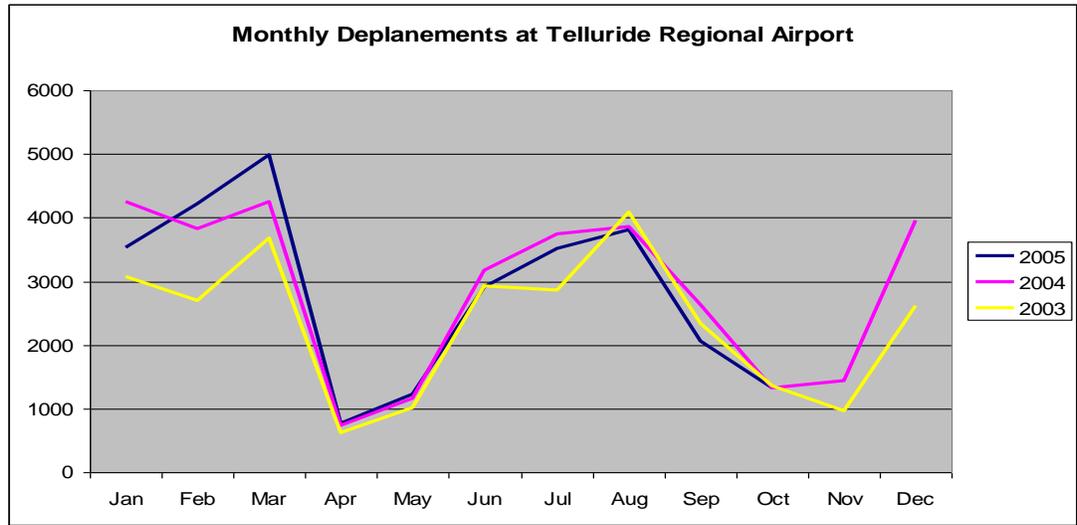


As the chart below indicates, Mountain Village experiences an extremely high maximum monthly revenue to minimum revenue multiple. This is the result of the extreme range between the peak sales tax revenue in March relative to the low revenue months of April-May and October-November. This pronounced variability is the result of the resort mountain village effect consistent with the changeover in activities immediately pre- and post-ski season.

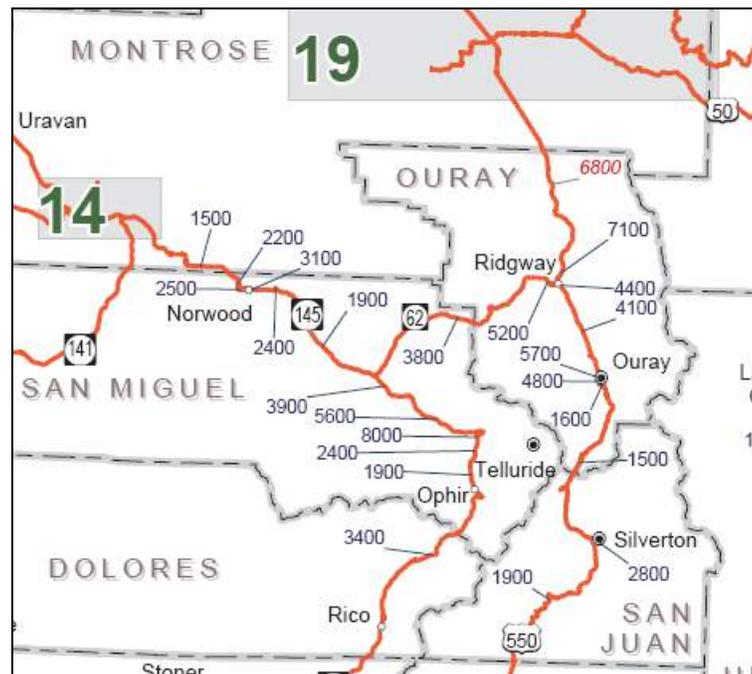


Source: Town of Mountain Village.

Stroudwater Associates also analyzed monthly deplanements at the Telluride Regional Airport. The monthly and seasonal variability in deplanements also exhibits a pattern that is consistent with patient volume activity in TMC's EC and local sales tax revenue receipts by month.



Source: Telluride Regional Airport.



Source: Colorado Department of Transportation.

The map fragment above depicts Colorado Department of Transportation annual average daily traffic counts for key routes within and adjacent to TMC's service area. The above traffic counts indicate an average annual daily traffic (AADT) count of 8,000 on Route 145 adjacent the turnoff to Telluride. Total reflects 5,600 vehicles coming and going toward Norwood and Ridgway and 2,400 vehicles coming and going toward Ophir and Rico.

Combined, the non-permanent resident population segments create significant demand for emergent and urgent care services beyond the requirements generated by the permanent population in TMC's service area. The best current estimate of the multiplier effect of non-resident populations on the demand for emergent care (EC) services is 2.5x base levels required by permanent residents and for the community clinic (CC) is 1.3x base levels. A critical opportunity for TMC to consider is the relative magnitude of emergent and urgent volume that currently leaves the area due to perceived or actual limits to TMC's clinical capabilities. For example, several orthopedists have indicated that additional sports medicine cases could be retained locally and the quality and continuity of care for such cases improved with the addition of MRI capability at TMC.

Another opportunity concerns demand for elective procedures. The consensus opinion is that most elective healthcare services will be performed near the permanent home of seasonal residents, vacationers and commuters. As a result, the multiplier effect of the non-permanent populations on demand for elective services at TMC is presumed to be minimal. A multiplier of 1.0x base levels required by permanent residents is employed on elective healthcare services as a result. However, Telluride is an attractive destination for “medical tourists” who might prefer to have cosmetic surgical procedures performed away from home in a beautiful locale by a nationally renowned surgeon. This opportunity will warrant additional scrutiny closer as a new facility is being designed and programmed.

As a result of these analyses, Stroudwater Associates believes that demand for healthcare services and professionals within TMC’s service area should be adjusted to reflect the specific multiplier effect for seasonal, vacationing and commuting populations specific to each category of healthcare service – emergent (2.5x), primary care (1.3x) and elective (1.0x). Accordingly, Stroudwater’s analyses of future demand for healthcare services and healthcare providers within TMC’s service area utilize the above multipliers. Projections for specific new potential services also employ a range of market share estimates to provide TMC with a range of possible outcomes for these initiatives.

Estimating market size for the TMC service area requires applying the multiples calculated above to estimates and projections of inpatient and outpatient services.

	2005	2010	Non-Resident Demand Multiplier	2005 Total Adj. Utilization	2010 Total Adj. Utilization
TMC Service Area Population	6,036	6,785			
Inpatients	249	291	1.15x	286	335
Ambulatory O/P Procedures	20,153	21,603	1.3x	26,199	28,084
Dx Radiology O/P Procedures	1,199	1,291	2.5x	2,998	3,228
Lab O/P Procedures	6,895	7,414	1.3x	8,964	9,638
ED / UC Visits	1,560	1,815	2.5x	3,900	4,538
Subtotal	29,807	32,123		42,060	45,487

Source: Solucient.

Source: Health Demographics.

The above estimates and projections suggest that the demand for inpatient services in TMC's service area will grow by 16.8% from 2005 to 2010. For the same time period, the increase in outpatient services is projected to be 8.1%.

A similar approach for estimating the impact of non-resident demand can be applied to the need for physicians by specialty. The increased demand for healthcare services resulting from non-resident populations within TMC's service area will impact the estimated need for physicians by specialty. The following table provides an overview of the projected need for physicians for key specialties including primary care, specialties that support the provision of surgical, diagnostic and emergency services as well as key surgical and medical specialties.

Specialty	Demand for Physician FTEs		2010 Local FTE Demand			Non-Resident Utilization Adjustment*	2010 Total FTE Demand		
	2005	2010	30%	40%	50%		30%	40%	50%
			Mkt Share	Mkt Share	Mkt Share		Mkt Share	Mkt Share	Mkt Share
FP/GP	2.4	2.7	0.82	1.10	1.37	1.3x	1.07	1.42	1.78
Internal Medicine	1.5	1.7	0.50	0.66	0.83	1.3x	0.64	0.86	1.07
OB/Gyn	0.7	0.8	0.24	0.32	0.40	1.3x	0.31	0.42	0.52
Pediatrics	1.0	1.1	0.32	0.43	0.54	1.3x	0.42	0.56	0.70
Primary Care	5.6	6.3	1.88	2.51	3.14		2.45	3.26	4.08
Emergency Medicine	-	-	0.00	0.00	0.00	2.5x	0.00	0.00	0.00
Anesthesiology	-	-	0.00	0.00	0.00	1.3x	0.00	0.00	0.00
Radiology	-	-	0.00	0.00	0.00	2.5x	0.00	0.00	0.00
Orthopedics	0.4	0.5	0.14	0.18	0.23	2.5x	0.34	0.45	0.56
EC Related Specialties	0.4	0.5	0.14	0.18	0.225		0.34	0.45	0.56
Cardiology	0.3	0.3	0.09	0.12	0.15	1.3x	0.12	0.16	0.20
Dermatology	0.2	0.2	0.06	0.08	0.10	1.0x	0.06	0.08	0.10
Hematology / Oncology	0.2	0.2	0.06	0.08	0.11	1.0x	0.06	0.08	0.11
Psychiatry	0.6	0.7	0.21	0.28	0.35	1.0x	0.21	0.28	0.35
Medical Specialties	1.2	1.4	0.42	0.56	0.70		0.45	0.60	0.75
Gastroenterology	0.2	0.2	0.05	0.07	0.09	1.0x	0.05	0.07	0.09
Podiatry	N/A	N/A	N/A	N/A	N/A	1.0x	N/A	N/A	N/A
ENT	0.2	0.2	0.07	0.09	0.11	1.0x	0.07	0.09	0.11
Neurosurgery	0.1	0.1	0.02	0.03	0.04	1.0x	0.02	0.03	0.04
General Surgery	0.7	0.8	0.24	0.32	0.40	1.3x	0.31	0.42	0.52
Plastic Surgery	0.1	0.1	0.02	0.02	0.03	1.0x	0.02	0.02	0.03
Urology	0.2	0.2	0.07	0.09	0.12	1.0x	0.07	0.09	0.12
Surgical Specialties	1.4	1.6	0.47	0.63	0.79		0.54	0.72	0.91
Other Specialties	1.0	1.1	0.32	0.42	0.53	1.0x	0.32	0.42	0.53
Total	9.57	10.8	3.23	4.30	5.38		4.09	5.45	6.82

Source: Solucient, GMENAC, Hicks & Glen, and Group Health.

*Low scenario assumes low mkt share & 235 surgical cases per FTE annually. 50% of OB/Gyn FTEs assumed to be surgical.

Orthopedics is projected to generate 400 cases annually per FTE - per Stroudwater's experience.

**High scenario assumes high mkt share & 275 surgical cases per FTE annually. 50% of OB/Gyn FTEs assumed to be surgical.

Orthopedics is projected to generate 400 cases annually per FTE - per Stroudwater's experience.

As previously noted, specialties directly involved in the provision of emergency care and sports medicine services as provided by the EC are estimated to experience a non-permanent resident demand multiplier of 2.5x. Those specialties providing primary care services similar to those offered by the CC are estimated to experience a non-permanent resident demand multiplier of 1.3x. Specialties that are elective in nature are not expected to be impacted by the influx of seasonal, vacationing, and commuter traffic.

Payer Mix

Gross payer mix for TMC's EC and CC is detailed below. There is a significant difference in the payer mix between these two business units, with the EC experiencing a higher proportion of self-pay and bad debt.

2005 CC Gross Payer Mix	
Blue Cross	19.8%
Rocky Mtn HMO	16.7%
Mountain Medical	8.7%
Other Commercial	12.7%
Self Pay - Collected	18.9%
Self Pay - Bad Debt	10.1%
Medicaid	3.9%
Medicare	5.8%
Work Comp	3.4%

2005 EC Payer Gross Payer Mix	
Blue Cross	28.9%
Rocky Mtn HMO	8.6%
Mountain Medical	4.5%
Other Commercial	15.1%
Self Pay - Collected	23.1%
Self Pay - Bad Debt	12.3%
Medicaid	0.6%
Medicare	4.8%
Work Comp	2.3%

Source: TMC.

TMC has elected not to renew its Blue Cross contract. In 2006 Blue Cross patients will be responsible for paying their TMC bills directly and will subsequently be reimbursed by Blue Cross. TMC assists its Blue Cross patients with their paperwork. Payer mix for FY 2006 YTD is provided below.

2006 CC Gross Payer Mix	
Blue Cross	22.0%
Contracted	40.0%
Non-Contracted	14.0%
Medicare	5.0%
Medicaid	3.0%
Self-Pay	16.0%
Total	100.0%

2006 EC Gross Payer Mix	
Blue Cross	25.0%
Contracted	20.0%
Non-Contracted	32.0%
Medicare	3.0%
Medicaid	1.0%
Self-Pay	19.0%
Total	100.0%

TMC Operational and Financial Performance (update)

An assessment of key operating and financial ratios at TMC sheds light on the recent performance of its two business units. From 2001 through 2005, EC visits have grown nearly 89% while CC visits have been flat, having fallen 2.1% over the same time period.

Comparing actual 2004 performance with budgeted 2006 performance indicates that TMC is projecting a 20.3% increase in revenue between 2004 and 2006 accompanied by a 0.1% increase in expense levels over the same time period. The change is most pronounced in the Community Clinic, where revenues are projected to increase more than 50% from 2004 to 2006 while expenses are expected to decline by 9.9% over the same time period.

The growth in CC revenues will be achieved from declining visits, projected to fall by 222 visits or 2.1% from 2004 to 2006. The CC will need to increase net revenue per visit by 66.5% from \$79 to \$132 between 2004 and 2006 to achieve these results.

For the EC, operating revenues are projected to increase almost 9% on visit growth of 18.3% from 2004 to 2006. This suggests a reduction in net operating revenue per visit of 8% over the same time period. EC staffing costs per visit are projected to decline by 30% from 2004 to 2006.

The CC is forecasted to offset a slight decline in visit volume by significantly increasing payment per visit. The EC will utilize growing volumes and a more

efficient staffing pattern to offset falling revenue per visit over the same time period.

The net effect of enhanced revenue yield per visit in the CC, growing visit volumes in the EC, and more efficient staffing patterns overall is projected profitability for the CC on a stand alone basis in 2006 coupled with a continued positive total margin for the EC after the benefit of the mill levy is included.

Revenue yield and staffing efficiency are the two variables for which TMC management has the greatest short-term control. TMC staffing expense as a percent of total expenses is projected to fall increase slightly in the EC while falling by more than five percentage points (from 84.8% to 79.2%) from 2004 to 2006. Given the large share of total TMC expenses represented by salaries, wages and benefits, effectively managing this expense category is essential to TMC's financial solvency.

Key Operating Trends at TMC						Budget	'01 to'05	'04 to '06
	2001	2002	2003	2004	2005	2006	Change	Change
EC Visits	1,849	1,909	2,620	3,052	3,492	3,610	88.9%	18.3%
CC Visits	10,263	9,973	9,618	10,546	10,913	10,324	6.3%	-2.1%
EC Total Margin				7.4%	3.2%	10.1%		
CC Total Margin				-52.4%	-22.6%	8.7%		
TMC Total Margin				-5.4%	0.5%	12.2%		
EC Total Revenues				\$ 2,503,685	\$ 2,399,833	\$ 2,736,296		9.3%
CC Total Revenues				\$ 917,800	\$ 1,032,792	\$ 1,380,746		50.4%
TMC Total Revenues				\$ 3,421,485	\$ 3,432,625	\$ 4,117,042		20.3%
EC Expenses				\$ 2,317,879	\$ 2,322,932	\$ 2,460,956		6.2%
CC Expenses				\$ 1,398,540	\$ 1,266,110	\$ 1,260,606		-9.9%
TMC Expenses				\$ 3,716,419	\$ 3,589,042	\$ 3,721,562		0.1%
EC % Staffing Exp / Total Exp				85.3%	84.3%	85.6%		0.4%
CC % Staffing Exp / Total Exp				89.2%	84.8%	79.2%		-11.2%
CC Staff Expense				\$ 1,977,074	\$ 1,959,230	\$ 2,105,623		6.5%
Staff Expense Per Visit				\$ 187.47	\$ 179.53	\$ 203.95		8.8%
CC Op Revenue				\$ 836,713	\$ 1,027,193	\$ 1,363,682		63.0%
CC Op Revenue Per Visit				\$ 79.34	\$ 94.13	\$ 132.09		66.5%
EC Staff Expense				\$ 1,247,902	\$ 1,073,812	\$ 998,753		-20.0%
Staff Expense Per Visit				\$ 408.88	\$ 307.51	\$ 276.66		-32.3%
EC Op Revenue				\$ 1,130,115	\$ 1,084,682	\$ 1,228,777		8.7%
EC Op Revenue Per Visit				\$ 370.29	\$ 310.62	\$ 340.38		-8.1%

Discussion Regarding Options for Supporting TMC's EC and CC

TMC is currently designated a Rural Health Center by the State of Colorado and CMS. This designation provides for enhanced reimbursement for Medicare and Medicaid patient visits for TMC. However, TMC is currently not billing for Medicare and Medicaid visits as a Rural Health Center (RHC) and is therefore not realizing the financial benefits of its RHC designation. Because TMC has a very low share of Medicare (4.2%) and Medicaid (1.8%) visits, the financial impact of the RHC designation is limited.

Stroudwater Associates' preliminary analysis indicates that billing as an RHC would provide an estimated \$17,000 additional reimbursement annually at current patient visit levels for Medicare and Medicaid. Should TMC experience additional Medicaid or Medicare patient visits, the financial benefit would increase. The table below details Stroudwater Associates' preliminary estimate of the impact from billing as an RHC.

Estimated Financial Impact of Operationalizing TMC's Rural Health Center Designation					
	Budget 2005	Budget 2006	Projected		
			2007	2008	2009
UC Patient Visits	3,492	3,610	3,732	3,858	3,988
CC Patient Visits	10,913	10,324	10,324	10,324	10,324
Subtotal TMC Patient Visits	14,405	13,934	14,056	14,182	14,312
Growth from Prior Year	5.9%	-3.3%	0.9%	0.9%	0.9%
% of Patient Visits Paid by Medicaid	4.2%	4.2%	4.2%	4.2%	4.2%
% of Patient Visits Paid by Medicare	1.8%	1.8%	1.8%	1.8%	1.8%
Estimated Medicaid Visits	605	585	590	596	601
Estimated Medicare Visits	259	251	253	255	258
Est. Visits Eligible for Enhanced Payment	864	836	843	851	859
Estimate of RHC Status Benefit Per Visit	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
Estimate of Provider Based RHC Status Per Visit	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
Annual Gain from Billing as an RHC	\$ 17,286	\$ 16,721	\$ 16,867	\$ 17,019	\$ 17,175
Annual Gain from Becoming Provider-Based RHC	\$ 34,572	\$ 33,442	\$ 33,734	\$ 34,037	\$ 34,350

Stroudwater Associates’ preliminary assessment also looked at the potential of TMC becoming a provider-based RHC. The advantage of this designation is that the enhanced cost-based payments for an RHC are no longer capped as a provider-based RHC. A more thorough analysis will be necessary to determine the precise impact of the provider-based designation, but Stroudwater’s experience with RHCs and provider-based RHCs indicates that an additional \$20 per Medicare and Medicaid visit is a reasonable estimate of the benefit attained through provider-based status. A greater benefit is possible, depending upon TMC’s cost-structure. Stroudwater’s preliminary assessment of the impact from TMC becoming a provider-based Rural Health Clinic is \$34,000 annually.

Fully implementing TMC’s RHC status will necessitate TMC to meet some additional requirements. The table below summarizes some of the key operational and managerial requirements associated with RHCs and provider-based RHCs.

Rural Health Clinic	Provider-Based Rural Health Clinic
<ul style="list-style-type: none"> • Any type of corporate status is allowable • Location is current HPSA, HPSP, or MUA • Midlevel practitioners provide service at least 50% of time clinic is open • Referral arrangements for hospital and specialty care • Policy and Procedure Manual • On-site survey by State Licensure Agency 	<ul style="list-style-type: none"> • Same as Rural Health Clinic, but also requires the following: • Main provider and department must be operated under same license • Full integration of clinical services with main provider • Full integration of financial operations with main provider • Public and payer awareness that RHC is part of main provider • RHC is operated under ownership and control of main provider • Location within a straight-line 35 mile radius of main provider, or • Exemption if main provider is within 75 miles and provides 75% share of care to be provided by clinic

The major stumbling block facing TMC in attaining the benefits of provider-based RHC status is that there are no entities that meet the 35 mile rule and the only entity that can meet the 75/75 exemption is Montrose. This option is not

palatable to TMC given the recent experience with Montrose as the manager of TMC. However, a solution does exist for TMC.

Because TMC is more than 35 miles from the nearest hospital, it is eligible to become a Critical Access Hospital (CAH). The main clinical and operational requirement of designation is to provide 24/7 emergency services with physicians on call and available on-site within 30-minutes. The inpatient component of a CAH can be skilled nursing beds and/or acute beds – not to exceed 25 total beds. There is no minimum bed size for a CAH. TMC’s Emergency Clinic operations as currently configured and a minimum complement of skilled nursing and/or acute care beds would enable TMC to become a CAH. The inpatient beds can be used interchangeably between acute care, observation, and skilled nursing purposes as long as the facility is appropriately licensed to provide acute and skilled nursing care. Stroudwater believes that attaining CAH status for TMC in conjunction with the affiliated primary care practice becoming a provider-based Rural Health Clinic could provide a necessary cornerstone for TMC to improve its financial future as well as to better meet the unique needs of Telluride and its environs.

Importantly, a Critical Access Hospital is required to have a referral partner to facilitate seamless referrals of cases that are inappropriate for a Critical Access Hospital given their expected length of stay, acuity and need for specialty care. St. Mary’s Hospital in Grand Junction might be an ideal referral partner given its resources, number of affiliated specialists, and track record in working with smaller hospitals on the western slope of the Rocky Mountains.

Stroudwater Associates is not suggesting that TMC should become a Critical Access Hospital to secure an additional \$34,000 in revenue annually. The enhanced reimbursement available to a CAH and affiliated RHC is only one part of the picture. As important for TMC’s future is the opportunity to expand the array of services and clinical capabilities available locally.

This opportunity has two clear benefits. First, TMC or its successor would retain a greater share of healthcare dollars spent by area residents – permanent, seasonal, transient – via the enhanced patient volumes associated with expanded clinical capabilities. Second, payers in Colorado routinely pay a percentage of hospital charges which is a potentially more advantageous payment methodology for TMC. The attached CAH financial analysis illustrates the advantages derived from both of these factors.

Stroudwater Associates did complete a financial feasibility analysis regarding the potential for TMC to convert to a Critical Access Hospital. This was done using a variety of scenarios, including: a) maintaining the existing CC/EC service program and only adding hospital beds to accommodate occasional medical admissions; b) adding an ambulatory surgery capacity to the above; c)

adding MRI services as well; and d) adding outpatient rehabilitation services as well. The results of each of these analyses are summarized in the following table, and the complete analysis of each iteration is included in the appendix.

**TELLURIDE MEDICAL CENTER
STATEMENTS OF OPERATIONS**

<i>The Accompanying Assumptions are Integral</i>					
	<i>2006 TMC Budget</i>	<i>Hospital No ASC, No MRI, No PT</i>	<i>Hospital ASC, No MRI, No PT</i>	<i>Hospital ASC, MRI, No PT</i>	<i>Hospital ASC, MRI, PT</i>
OPERATING REVENUE:					
Inpatient Revenue:					
General Acute		449,000	392,000	391,000	391,000
Swing Bed (SNF and NF)		69,000	59,000	56,000	104,000
Total Inpatient Revenue		<u>518,000</u>	<u>451,000</u>	<u>447,000</u>	<u>495,000</u>
Outpatient Revenue:					
Operating Room			363,000	354,000	349,000
Radiology - Diagnostic		721,000	700,000	697,000	696,000
CT Scan		234,000	225,000	224,000	224,000
MRI				594,000	593,000
Laboratory		322,000	299,000	297,000	296,000
Respiratory Therapy		52,000	51,000	51,000	51,000
Medical Supplies Charged to Patients		74,000	72,000	72,000	72,000
Drugs Charged to Patients		83,000	79,000	79,000	79,000
Emergency (see note below)	1,229,000	920,000	912,000	909,000	908,000
Outpatient Observation		54,000	54,000	54,000	54,000
Rural Health Clinic	1,364,000	748,000	728,000	722,000	719,000
Total Outpatient Revenue	<u>2,593,000</u>	<u>3,208,000</u>	<u>3,483,000</u>	<u>4,053,000</u>	<u>4,336,000</u>
Net Patient Revenue	<u>2,593,000</u>	<u>3,726,000</u>	<u>3,934,000</u>	<u>4,500,000</u>	<u>4,831,000</u>
Mill Levy Income	1,655,000	1,655,000	1,655,000	1,655,000	1,655,000
Other Operating Revenue	20,000	20,000	20,000	20,000	20,000
Total Operating Revenue	<u>4,268,000</u>	<u>5,401,000</u>	<u>5,609,000</u>	<u>6,175,000</u>	<u>6,506,000</u>
OPERATING EXPENSES:					
Salaries	2,212,000	2,745,000	2,825,000	2,865,000	2,960,000
Benefits, Supplies, & Other	1,212,000	1,748,000	1,808,000	2,003,000	2,067,000
Depreciation and amortization	264,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest	89,000	1,462,500	1,463,000	1,463,000	1,463,000
Bad debt expense (see note below)	-	-	-	-	-
Total Operating Expenses	<u>3,777,000</u>	<u>6,955,500</u>	<u>7,096,000</u>	<u>7,331,000</u>	<u>7,490,000</u>
GAIN (LOSS) FROM OPERATIONS	<u>491,000</u>	<u>(1,554,500)</u>	<u>(1,487,000)</u>	<u>(1,156,000)</u>	<u>(984,000)</u>
NONOPERATING REVENUE, NET					
Grants	34,000	34,000	34,000	34,000	34,000
Other Non-Operating					
Mill for Annual Debt Service (6.5%, 22.5M, 30y)		1,723,000	1,723,000	1,723,000	1,723,000
Total Nonoperating Gains, net	<u>34,000</u>	<u>1,757,000</u>	<u>1,757,000</u>	<u>1,757,000</u>	<u>1,757,000</u>
CHANGE IN NET ASSETS	525,000	202,500	270,000	601,000	773,000

Note: '06 revenue shown as net revenue per budget, '08 shown by department

Note: Revenues are shown on net basis, which includes adjustments to gross revenue for write off/bad debts

Since the core assumptions used are key to the results attained, following is a brief summary of the assumptions that were applied:

- Inpatient Assumptions
 - Acute Beds
 - 133 cases total
 - 15% of overall market share (2009 projected)
 - Swing Beds
 - Assumed 25% of total Medicare acute
 - Additional opportunity per transfer rule not considered
 - Observation Beds
 - 23-hour stays, assumed 150 days
 - Staffed in inpatient acute beds with low incremental costs
 - Average Daily Census
 - 3.5 Average length of stay generates 466 days, or 1.3 patients per day ADC
 - Payer Mix
 - 30% Medicare, 20% Medicaid/Self Pay, 50% Commercial
 - Contracting
 - Medicare - 101% of costs
 - Medicaid/Self - \$800 per day (net)
 - Commercial - \$1,600 per day (net)
- Outpatient Assumptions
 - Rate Setting
 - Ancillary markup on fully allocated costs = 3.0
 - Colorado average is 3.22
 - Average charge per X-Ray = \$390, net = \$313
 - Outpatient = higher fixed cost services, therefore lower pricing relative to costs
 - OR, ER, RHC = charges at 85% of costs
 - Example: Total RHC charges of \$1 million on 11,000 visits (\$92 per visit), net = \$74
 - Rehab services were included in one scenario and may or may not be jointly developed with existing PT like MRI/ASC model
 - Payer Mix
 - RHC and ER assumed at historical rates (5% Medicare/58% Commercial/37% all other)
 - Ancillary services assumed at 10% Medicare/58% commercial/32% all other
 - Except OR and Lab assumed to be 15% due to higher use rates by Medicare
 - Self-Pay/Collections

- Assumed at 25% of charges
 - ER net of \$57 per visit
 - RHC net of \$23 per visit
- Operating Cost Assumptions
 - Salary/Benefits
 - Assumed adding \$630,000 (06 budget = \$2.3M after grossing up to 2008 by 3% annually)
 - OR = \$190K salaries
 - Acute = \$125K (plus \$100K allocation from ER)
 - MRI = \$40K
 - ER = \$50K (net of shared with acute)
 - Overhead = \$225K (MR, admin, pharmacy, housekeeping, maintenance)
 - Maintain 25% O/H ratio
 - Benefits/other costs
 - Assumed adding \$372,000 (06 budget = \$1.3M after grossing up to 2008 by 5% annually)
 - Benefits increased by \$160K based on 25% of total additional staffing
 - Other costs related to supplies/cost of goods sold
 - Facility Costs
 - \$15,000,000 depreciated over 25 years (\$600K annually)
 - \$13.5M financed at 6.5% (\$878K first year)
 - Medicare capital paid at 101% of costs
 - Other Considerations
 - Working Capital Needs
 - Does not project for need in working capital
 - Conversion Sequence Assumptions
 - Without hospital license, TMC cannot open up as a CAH on day one
 - Must first open as general acute hospital, with approx. 6 month lag in getting license, then additional 3-4 month lag in conversion to CAH

Discussion of MRI Service Feasibility

The overall market for MRI services within the TMC service area is assumed to be much larger than national use rates would indicate. Applying national use rates to TMC's catchment area yields an estimated market of around 430 MRIs annually for the entire service area. However, this market size estimate is based on only the year-round, permanent resident population and national use rates.

The same Solucient forecasting tool estimates that annual CT utilization within the TMC service area is 646 cases in 2005. TMC's budget for FY 2006 assumes 446 CT procedures will be performed on-site translating into a 70% market share. However, it is likely that TMC's market share is actually lower as non-permanent residents will increase utilization of CT and MRI services. It is clear that for diagnostic services related to sports injuries associated with peak visitor activity, utilization of MRI services will outstrip projections.

For purposes of this assessment we have assumed that TMC will retain the equivalent of 70% of the 430 projected MRI cases in 2010. This assumption treats MRI retention of cases similarly to current experience with CT cases. Accordingly, we assume 300 MRI cases as the base case for TMC going forward.

Beyond service volumes, key drivers of financial feasibility include the ability of TMC to successfully negotiate more attractive payment terms for this service. Service volumes will be greatly affected by the degree to which local physicians will support the service. Nationally, the trend in MRI utilization along with other diagnostic modalities, has been increasing. With an underlying growing population, demand for MRI services in Telluride can be expected to increase in the coming years.

Expense Line Item	Nature of Expense	Scenario One:		Scenario Two:		Scenario Three:		
		All Costs Borne by Svc		MRI Unit Donated		MRI and Facility Donated		
Equipment Cap Ex	Fixed Annual Expense	\$	176,000	\$	-	\$	-	
Equipment Depreciation	Fixed Annual Expense	\$	160,000	\$	160,000	\$	160,000	
Service	Fixed Annual Expense	\$	7,500	\$	7,500	\$	7,500	
Personnel*	Fixed Annual Expense	\$	40,000	\$	40,000	\$	40,000	
Space Costs	Fixed Annual Expense	\$	40,000	\$	40,000	\$	-	
Utilities	Fixed Annual Expense	\$	25,000	\$	25,000	\$	25,000	
Overhead	Fixed Annual Expense	\$	50,000	\$	50,000	\$	50,000	
Film/Contrast	Variable Cost Per Scan	\$	40	\$	40	\$	40	
Supplies	Variable Cost Per Scan	\$	10	\$	10	\$	10	
Billing	Variable Cost Per Scan	\$	30	\$	30	\$	30	
Total Fixed Annual Expenses		\$	498,500	\$	322,500	\$	282,500	
Variable Costs Per Scan		\$	80	\$	80	\$	80	
Scenario One: Breakeven Analysis								
Annual MRI Scans			250		300		350	
Lost CT Volume**			10		12		14	
\$850 per Exam	\$	(309,100)	\$	(271,220)	\$	(233,340)	\$	(195,460)
\$1,000 per Exam	\$	(271,600)	\$	(226,220)	\$	(180,840)	\$	(135,460)
\$1,150 per Exam	\$	(234,100)	\$	(181,220)	\$	(128,340)	\$	(75,460)
Scenario Two: Breakeven Analysis with Donated MRI Unit								
Annual MRI Scans			250		300		350	
Lost CT Volume**			10		12		14	
\$850 per Exam	\$	(133,100)	\$	(95,220)	\$	(57,340)	\$	(19,460)
\$1,000 per Exam	\$	(95,600)	\$	(50,220)	\$	(4,840)	\$	40,540
\$1,150 per Exam	\$	(58,100)	\$	(5,220)	\$	47,660	\$	100,540
Scenario Three: Breakeven Analysis with Donated MRI Unit and Facility								
Annual MRI Scans			250		300		350	
Lost CT Volume**			10		12		14	
\$850 per Exam	\$	(93,100)	\$	(55,220)	\$	(17,340)	\$	20,540
\$1,000 per Exam	\$	(55,600)	\$	(10,220)	\$	35,160	\$	80,540
\$1,150 per Exam	\$	(18,100)	\$	34,780	\$	87,660	\$	140,540
Notes:								
* Personnel cost assumes additional RT coverage required during peak periods with RTs being cross trained across modalities. Without cross training, personnel costs could be expected to double.								
**MRI is assumed to cannibalize 4% of CT cases annually - this lost revenue has been incorporated into this analysis.								
Revenue foregone per lost CT scan: \$ 350								

Joint-venturing an MRI service with interested specialists is likely to best ensure that TMC and the community's investment in this new service will be successful. Specialists expressed significant interest in jointly owning an MRI service with TMC. To ensure that physicians utilize the MRI service, it is vital that ownership of the MRI service at TMC be as widespread as possible. TMC should not enter into a joint venture arrangement that would exclude key potential referrers for this service.

Should TMC pursue such a "syndication" model for this new MRI service, the MRI would not be eligible for cost-based reimbursement under RHC, provider-based RHC, or CAH status. However, the economics of MRI services are such that syndication of an MRI with referring physicians more than compensates for the foregone cost-based reimbursement. This decision is made easier for TMC given that Medicare and Medicaid patients comprise only 6% of TMC patient visit volume.

Stroudwater Associates tested the feasibility for MRI services by conducting a sensitivity analysis on several key assumptions: (i) annual MRI volume; (ii) average revenue per MRI, and; (iii) the impact of eliminating some of all capital costs via a community campaign. It was assumed that 4% of MRI volume would replace existing CT volume and that the additional staffing expense associated with the new MRI service would be offset via cross training.

A key consideration is the gains in reimbursement realized by becoming a CAH rather than a clinic. In Colorado, most payers pay a percent of hospital charges. This payment methodology can potentially be quite beneficial for providers when compared to clinic-based reimbursement methodologies. The Stroudwater sensitivity analysis depicts the MRI as a marginal proposition from a profitability standpoint. However, if the local medical community feels that such a diagnostic tool would benefit area residents and visitors who require imaging services, a more detailed feasibility study should be developed. At a minimum, plans for a future facility should include flexibility and possibly provisions for development of an MRI services at TMC.

It is important to note that the financial feasibility of an MRI service at TMC is greatly enhanced if the capital costs associated with such a service – equipment and facility costs – are assumed to be donated via a community capital campaign.

Discussion of Ambulatory Surgery / Outpatient Procedure Service Feasibility

Stroudwater has employed three methodologies for estimating the size of the market for ambulatory surgery services within TMC's service area. The first, depicted below, looks at the demand for physicians in the surgical specialties and applies an estimate of surgical activity generated per physician FTE across these specialties. The specialties assumed to generate ambulatory surgical cases are: obstetrics/gynecology, orthopedics, gastroenterology, podiatry, ENT, neurosurgery, general surgery, plastic surgery and urology.

Stroudwater has generated an estimate of physician FTE demand by specialty. The only specialty not included in the analysis is podiatry. The 2009 physician demand in FTEs was then adjusted for market share - scenarios from 30% to 50% - and also for the estimated impact of seasonality upon demand for services.

Specialties directly involved in the provision of emergent care and sports medicine were assumed to be in demand 2.5x above the requirements of permanent residents of the service area. For this analysis, only emergency medicine, orthopedics, and radiology are estimated to experience demand 2.5x the level required by permanent residents. Cardiology and general surgery were assumed to experience a somewhat elevated demand for services in line with primary care specialties (internal medicine, family practice, pediatrics, obstetrics/gynecology). Because these specialties are not involved in caring for sports related injuries, they are assumed to experience elevated demand in line with the experience of TMC's primary care practice or 1.3x the requirements of permanent residents of the service area. All other specialties are expected not to be impacted by the influx of non-permanent residents given the elective or scheduled nature of the services they provide. It is assumed that visitors schedule these procedures when they are at their permanent residence.

This methodology assumes ambulatory surgical volumes of between 299 and 545 cases annually for ambulatory surgery at TMC - given a market share range of 30% at the low end and 50% at the high end. This analysis yields an estimate of market size of 897 at the low end to 1,090 at the high end. Given the likelihood that most sports related injuries will be treated closer to visitors' permanent homes, the lower end of the market share range seems more plausible. It is important to note that a rule of thumb suggests that 1,000 cases annually is sufficient need for one ambulatory surgical operating room.

Specialty	Demand for Physician FTEs		Non-Resident Utilization Adjustment*	2010 Total FTE Demand			Physician FTE Basis	
	2005	2010		30%	40%	50%	Est. Low*	Est. High**
				Mkt Share	Mkt Share	Mkt Share	ASC Cases	ASC Cases
FP/GP	2.4	2.7	1.3x	1.07	1.42	1.78	0	0
Internal Medicine	1.5	1.7	1.3x	0.64	0.86	1.07	0	0
OB/Gyn	0.7	0.8	1.3x	0.31	0.42	0.52	37	72
Pediatrics	1.0	1.1	1.3x	0.42	0.56	0.70	0	0
Primary Care	5.6	6.3		2.45	3.26	4.08	37	72
Emergency Medicine	-	-	2.5x	0.00	0.00	0.00	0	0
Anesthesiology	-	-	1.3x	0.00	0.00	0.00	0	0
Radiology	-	-	2.5x	0.00	0.00	0.00	0	0
Orthopedics	0.4	0.5	2.5x	0.34	0.45	0.56	135	225
EC Related Specialties	0.4	0.5		0.34	0.45	0.56	135	225
Cardiology	0.3	0.3	1.3x	0.12	0.16	0.20	0	0
Dermatology	0.2	0.2	1.0x	0.06	0.08	0.10	0	0
Hematology / Oncology	0.2	0.2	1.0x	0.06	0.08	0.11	0	0
Psychiatry	0.6	0.7	1.0x	0.21	0.28	0.35	0	0
Medical Specialties	1.2	1.4		0.45	0.60	0.75	0	0
Gastroenterology	0.2	0.2	1.0x	0.05	0.07	0.09	13	25
Podiatry	N/A	N/A	1.0x	N/A	N/A	N/A	N/A	N/A
ENT	0.2	0.2	1.0x	0.07	0.09	0.11	16	30
Neurosurgery	0.1	0.1	1.0x	0.02	0.03	0.04	6	11
General Surgery	0.7	0.8	1.3x	0.31	0.42	0.52	73	143
Plastic Surgery	0.1	0.1	1.0x	0.02	0.02	0.03	4	8
Urology	0.2	0.2	1.0x	0.07	0.09	0.12	16	32
Surgical Specialties	1.4	1.6		0.54	0.72	0.91	128	249
Other Specialties	1.0	1.1	1.0x	0.32	0.42	0.53	0	0
Total	9.57	10.8		4.09	5.45	6.82	299	545

Source: Solucient, GMENAC, Hicks & Glen, and Group Health.

*Low scenario assumes low mkt share & 235 surgical cases per FTE annually. 50% of OB/Gyn FTEs assumed to be surgical.

Orthopedics is projected to generate 400 cases annually per FTE - per Stroudwater's experience.

**High scenario assumes high mkt share & 275 surgical cases per FTE annually. 50% of OB/Gyn FTEs assumed to be surgical.

Orthopedics is projected to generate 400 cases annually per FTE - per Stroudwater's experience.

A second methodology utilizes the proprietary demand forecasting models of Solucient. This model suggests that 2010 demand for ambulatory surgical procedures by permanent residents of the service area will be 1,590 cases. This permanent resident demand estimate for 2009 provides us with a low range estimate. Applying a multiplier of 1.3x to the permanent resident demand provides a high range estimate of 2,067 for total market ambulatory surgery procedures. Multiplying these estimates of total market size by our range estimates for TMC market share of 30% to 50% yields an estimated 2010 market potential for ambulatory surgeries at TMC of 620 to 1,033 cases annually.

	2005	2010	Non-Resident Demand Multiplier	2005 Total Adj. Utilization	2010 Total Adj. Utilization
TMC Service Area Population	6,036	6,785			
Inpatients	249	291	1.15x	286	335
Ambulatory O/P Procedures	20,153	21,603	1.3x	26,199	28,084
Dx Radiology O/P Procedures	1,199	1,291	2.5x	2,998	3,228
Lab O/P Procedures	6,895	7,414	1.3x	8,964	9,638
ED / UC Visits	1,560	1,815	2.5x	3,900	4,538
Subtotal	29,807	32,123		42,060	45,487

A third methodology to estimate the size of the ambulatory surgery market within the TMC service area is to apply use rates to the service area population. This methodology produces a range estimate of total market size of 788 to 1,025 for outpatient surgeries in the TMC service area. Once market share range estimates and non-permanent resident utilization multipliers are applied, the range estimate for an ambulatory surgery service at TMC is 260 to 733 cases annually.

Specialty	Commercial Rate Per 1,000	Medicare Rate Per 1,000	2004 Blended Use Rate For TMC Demographics	2009 Blended Use Rate For TMC Demographics	Projected 2004 Outpatient Surgeries	Projected 2009 Outpatient Surgeries
General Surgery	21.02	51.64	21.92	22.93	132	156
Orthopaedics*	--	--	--	--	--	--
ENT	15.32	9.92	15.16	14.98	92	102
Gastroenterology	14.81	52.77	15.92	17.18	96	117
Urology	6.64	29.36	7.31	8.06	44	55
Gynecology	8.15	3.63	8.02	7.87	48	53
Ophthalmology	4.91	108.96	7.96	11.40	48	77
Estimate for Orthopedics Cases*					123	229
Total Outpatient Surgeries in TMC Service Area					583	788
TMC Market Share Range Estimates for Outpatient Surgery Applied					2009 Low Estimate	2009 High Estimate
Multiplier for Non-Resident Utilization					1.0	1.3
10% Immigration Factor from Adjacent Areas					79	102
Revised Market Size with Non-Resident Demand					788	1,025
Estimated Market Share					30%	65%
Estimate of TMC Ambulatory Surgical Volumes					260	733

Source: Milliman & Robertson.
*Estimated at 400 cases per FTE for orthopedics, based upon Stroudwater experience.

For purposes of this preliminary ASC feasibility study, Stroudwater has employed an average of the three methodologies' range estimates. The resulting forecast market potential for an ambulatory surgery service at TMC is 393 cases to 770 cases annually. For comparison purposes, we also included the high end ranges estimate from the use rate methodology calculation (1,259 cases) as a point of reference in the feasibility assessment.

The preliminary ASC feasibility assessment shows an estimated breakeven at approximately 600 cases annually with all capital costs born by the new ASC

service, at 525 cases annually with the equipment donated and at 450 cases annually if the equipment and facility cost is completely offset via philanthropy. These breakeven volumes contrast with the projected range estimate for 2010 volumes of 393 to 770 cases. Clearly, community support for TMC's mission in the form of relieving the capital expense associated with developing an ASC and accessing services locally will be a significant factor in determining whether these contemplated services are feasible.

Expense Line Item	Nature of Expense	Scenario One:		Scenario Two:		Scenario Three:		
		All Costs	Born by Svc	Equipment Donated	Equip & Facility Donated			
Equipment Cap Ex	Fixed Annual Expense	\$	192,075	\$	-	\$	-	
Equipment Depreciation	Fixed Annual Expense	\$	174,614	\$	174,614	\$	174,614	
Service	Fixed Annual Expense	\$	50,000	\$	50,000	\$	50,000	
Personnel*	Fixed Annual Expense	\$	188,968	\$	188,968	\$	188,968	
Space Costs	Fixed Annual Expense	\$	70,000	\$	70,000	\$	-	
Utilities	Fixed Annual Expense	\$	25,000	\$	25,000	\$	25,000	
Overhead	Fixed Annual Expense	\$	50,000	\$	50,000	\$	50,000	
Supplies	Variable Cost Per Case	\$	90	\$	90	\$	90	
Services	Variable Cost Per Case	\$	32	\$	32	\$	32	
Other Costs	Variable Cost Per Case	\$	30	\$	30	\$	30	
Total Fixed Annual Expenses		\$	750,656	\$	558,582	\$	488,582	
Variable Costs Per Case		\$	152	\$	152	\$	152	
Ambulatory Surgery Market Size Projections		Physician FTE Based ASC Projection		Solucient ASC Projection		Use Rate Based ASC Projection		
Low Range Estimate - 35%		299		620		260		
High Range Estimate - 65%		545		1,033		733		
Estimates for TMC ASC Annual Volume		300		400		550		
Scenario One: Breakeven Analysis Fully Loaded Cost								
\$1,200 per Surgical Case	\$	(436,256)	\$	(331,456)	\$	(174,256)	\$	17,528
\$1,250 per Surgical Case	\$	(421,256)	\$	(311,456)	\$	(146,756)	\$	54,178
\$1,300 per Surgical Case	\$	(406,256)	\$	(291,456)	\$	(119,256)	\$	90,828
Scenario Two: Breakeven Analysis with Donated Surgical Equipment								
\$1,200 per Surgical Case	\$	(244,182)	\$	(139,382)	\$	17,818	\$	209,602
\$1,250 per Surgical Case	\$	(229,182)	\$	(119,382)	\$	45,318	\$	246,252
\$1,300 per Surgical Case	\$	(214,182)	\$	(99,382)	\$	72,818	\$	282,902
Scenario Three: Breakeven Analysis with Donated Equipment and Facility								
\$1,200 per Surgical Case	\$	(174,182)	\$	(69,382)	\$	87,818	\$	279,602
\$1,250 per Surgical Case	\$	(159,182)	\$	(49,382)	\$	115,318	\$	316,252
\$1,300 per Surgical Case	\$	(144,182)	\$	(29,382)	\$	142,818	\$	352,902
Notes:		* Personnel cost assume fixed staffing complement of 1 RNs, 1 OR techs and 1 manager. TMC should be able to leverage per diem and existing staff to provide a more flexible and efficient staffing pattern than the one modeled above.						

Stroudwater believes that joint-venturing an ambulatory surgery service with interested specialists will best ensure that TMC and the community's investment in this new service would be successful. Specialists expressed significant interest in exploring the feasibility of an outpatient surgery service and also potentially investing in such a service at TMC if it were deemed viable. Stroudwater recommends that TMC pursue broad physician participation. Stroudwater Associates believes that an exclusive arrangement with a single surgical group would unnecessarily exclude potential surgical procedures and undermine the ASC's feasibility.

Once again, it is important to note that should TMC pursue an “under arrangements” model for this new ambulatory surgery center (ASC), the ASC would be eligible for cost-based reimbursement under RHC, provider-based RHC, or CAH status.

Discussion of Other Service Opportunities

A new TMC facility would represent an important new community resource with the potential for consolidating a variety of health related services into a single “one stop” point of access for San Miguel County residents. Beyond the core services discussed above, a number of other important opportunities are worthy of consideration, as discussed below.

Ancillary Services

Existing non-TMC local healthcare providers have expressed little enthusiasm to participate in a new medical center campus. Interviews were completed with pharmacy, physical therapy, medical practice, and nursing service providers. Concerns were primarily focused on potential location, lease rates, and the desirability of duplicating services.

A facility and campus master plan should anticipate that these attitudes will change once the initial development phase is successfully executed. It would be logical that pharmacy services and physical therapy services in particular be available adjacent to a facility that provides emergency, primary care, and surgical services.

In addition to the above, TMC should also give consideration to providing on-site either directly or via contract oxygen and other retail durable medical device services (e.g. crutches, hospital beds, wheel chairs, etc.) that could be conveniently accessed in this single central location.

Finally, TMC’s services would be enhanced to the extent that bone densitometry and colonoscopy service capacities were available. While financial feasibility analyses were not completed for these two services, bone densitometry could be offered within the existing TMC facility with minor facility adjustments. If a new facility is developed, a procedure room that has the ability to provide colonoscopy examinations should be tested for economic viability, especially given that the recommended standard of care is annual examinations for patients over 50 years old.

Emergency Services

Assuming that a new TMC facility is developed on a new site, the campus plan should anticipate the ability to support Emergency Medical Services including garage space, dispatch, and a heliport for medical evacuation on the site. This would create the opportunity to share some staffing responsibilities in the EC. It would also facilitate ongoing training and integrated planning. In the future, the business merit of shifting Emergency Medical Services from the Fire District

to the Hospital District should also be studied from a functional and efficiency standpoint.

Research Services

Dr. Peter Hackett has established an international reputation as a research scientist in the area of high altitude medicine. TMC's location at approximately 9,000 feet makes it a unique resource for supporting clinical research in this field. TMC should seek to continue to expand its role in supporting the work of Dr. Hackett and the University of Colorado in this endeavor. This brings a variety of advantages to TMC, including recruitment and retention of top-flight clinical staff who also have an interest in research, the potential for grant funding for acquiring new medical equipment that can serve dual roles as clinical and research tools, and the ability to build clinical and research alliances with first tier organizations such as the University of Colorado.

The incremental space costs are likely to include space for research assistants and equipment that has clinical service applications. The potential return on this investment is typically substantial.

Medical Tourism Services

One of ideas identified during this planning process was to consider the development and promotion of medical tourism services. This refers to diagnostic or treatment services that are bundled into a spa or other recreational offerings accessed by the patient and/or a traveling companion.

Specific service ideas included plastic and orthopedic surgery. Several points are worthy of emphasis in this regard:

The current assumption is that it will be a minimum of five years before a surgical capacity will be available at TMC. It will be difficult to develop a specific plan for such services that far in advance.

Telluride is a destination resort of international renown with a loyal and growing following of visitors. However, its location at 9,000 feet which provides such an advantage for research purposes may be a liability in terms of medical tourism services. The impact of altitude on people varies widely, and could be exacerbated when coupled with the stress of surgical intervention. While this does not definitively dismiss this opportunity, it is an obstacle that will need to be carefully assessed.

Destination medical services are generally developed and promoted via a local champion with the reputation, tenacity, and business acumen to grow such a program over time. Currently, Stroudwater Associates is not aware of any clinical champion who has come forth to provide this leadership. Again, this is understandable given the current absence of a surgical capacity at TMC, coupled with its inability to present as an attractive, contemporary medical facility. Stroudwater Associates recommends that TMC not lead its program development efforts with this concept, but not dismiss it as a future possibility as a new facility and service program evolves.

Appendix #4

Health Care needs Assessment Report

“The Joffit Study”

November 2006



Local Health Care Initiative

Health Care Needs Assessment Report

November 10, 2006

**Cathy Battaglia, PhD, MSHA, RN
Shelley Reed, MSPH**

DRAFT

TABLE OF CONTENTS

Executive Summary.....	1
Introduction.....	5
Secondary Data Analysis.....	7
Introduction.....	7
Demographic Indicators.....	7
Health Statistics.....	8
Behavioral Risks.....	11
Community Health Care Services Inventory.....	14
Summary of Secondary Data.....	16
Primary Data Analysis.....	18
Introduction.....	18
Key Informant Survey.....	18
Population Survey Results.....	25
Findings and Analysis.....	31
Introduction.....	31
Findings.....	31
Conclusion.....	32
Next Steps.....	34
Introduction.....	34
Results of Advisory Panel Planning Meeting.....	34
Appendices.....	35
Appendix A – Community Health Care Services Inventory.....	35
Appendix B – Key Informant Survey.....	39
Appendix C – Key Informant Survey Results.....	45
Appendix D – Population Survey.....	56
Appendix E – Population Survey Results.....	61

Recommendations for Phase II of Local Health Care Initiative: Based on the research and analysis, the project team has identified the following health care service issues that should be explored during the next phase of Local Health Care Initiative:

1. Dental Care for Low-Income Populations
 - a. Lower percentage of children on Medicaid receive dental care in the region
 - b. No Medicaid dental providers in region and only two providers accept CHP+ dental insurance
2. Substance Abuse and Detoxification Treatment
 - a. Inpatient and outpatient treatment facility are unavailable locally
 - b. Binge drinking rates higher than national targets
 - c. Both key informants and general population cited this as an unmet need
3. Comprehensive Mental Health Treatment Options (including crisis management and inpatient care)
 - a. Outpatient treatment options are very limited in local area, especially for low-income or uninsured populations
 - b. Crisis management and inpatient facilities are not available locally
 - c. Key informants and general population cited this as an unmet need
 - d. Key informant were very dissatisfied with the care of mental illness, depression, and suicide
4. Comprehensive OB/GYN Care
 - a. Unable to receive full-term prenatal care, receive high-risk prenatal care or deliver a baby locally
 - b. Key informants and general population cited this as an unmet need
 - c. 36% of key informants were dissatisfied with prenatal care and thought it was an important service
 - d. Need to travel out of the area to receive mammograms
5. Community-based Assisted Living/Long-term Care Options
 - a. Key informants and general population cited this as an unmet need
 - b. Services are unavailable locally
6. Non-Emergent Medical Transportation
 - a. Key informants and general population cited transportation as a barrier to accessing care especially for certain segments of the population
 - b. Many needed health care services are lacking in the region and people need to travel to Montrose or Grand Junction.
 - c. Lack of a comprehensive public transportation system
 - d. Limited non-emergency transportation available locally
7. Provider Education and Outreach
 - a. Families with children living in poverty ranged from 6% to 9% in region
 - b. Children less than 18 years old living in poverty ranged from 10% to 18%

- c. Less than 2% of eligible children enrolled in the CHP+ program
 - d. Providers were unaware of how to help enroll low-income children into the CHP+ program
 - e. Low rates of immunization rates for Influenza and Pneumonia vaccines
 - f. Not all primary care providers participating in Vaccine for Children program
 - g. Key informants and general population cited dissatisfaction with local providers as a reason for leaving local community for health care services
 - h. Provider education regarding health screening, treatment of depression, and suicide prevention may help to improve key informant and general population's satisfaction with communities' response to these issues
8. Community Education and Outreach
- a. Population survey revealed the need for improving community awareness of local health care services. The general population stated they did not know if the following service were available in the community:
 - Tobacco cessation
 - Assistance with applying for Medicaid/CHP+
 - Health care services for non-English speaking patients
 - Treatment for mental health
 - Health care for low-income
 - Treatment for drug and alcohol abuse
 - Health care for seniors
 - b. General population cited the lack of pediatric care as an unmet need although in rural communities, family practice typically cares for both children and adult patients

The project team along with the Advisory Panel will develop a framework and a process for transitioning to Phase II of the Local Health Care Initiative. During this transition, the Advisory Panel will:

- Review the health care needs assessment report and identified health care service opportunities
- Review assessment of the current health care service delivery model
- Identify other groups or individuals that need to be involved in planning process
- Identify what resources are needed for program development and implementation
- Set priorities for moving forward

INTRODUCTION

The Health care needs assessment of San Miguel, Ouray and West Montrose counties is the first step in the Local Health Care Initiative. The specific goals of the Health care needs assessment are to identify:

1. Health issues of the community
2. Community’s health care resources
3. Disparities in health care delivery system
4. High risk populations
5. Recommendations for the second phase of Local Health Care Initiative

In order to accomplish these goals, the project team conducted a Health care needs assessment by:

- Assembling an Advisory Panel comprised of representatives from The Telluride Foundation, community leaders, health care providers, and residents to guide the assessment process
- Surveying providers, key informants, and the community
- Collecting and analyzing secondary data sources such as US Census Data, state health statistics and behavioral risk assessments

Table 1 identifies key activities accomplished during the Health care needs assessment process:

Table 1: Timeline of Key Activities

Timeline	Activity
Completed June 26th	Compiled Critical Information through Secondary Data Sources <ul style="list-style-type: none"> • Collected demographic and birth/death/disease/behavioral risks data from secondary sources. • Compiled/analyzed/prepared to present data
Completed June 27-29th	Completed first draft of Health Care Services Inventory <ul style="list-style-type: none"> • Compiled health services inventory from secondary sources • Conducted onsite interviews with majority of providers
Completed June 27-29th	Developed Interview Tool for Initial On-Site meetings and Conducted Web-based Providers Survey <ul style="list-style-type: none"> • Script onsite interview questions • Script online survey • Providers survey runs in tandem with key informant survey
Completed June 29th	Met with Advisory Panel and Local Providers <ul style="list-style-type: none"> • Presented secondary data • Presented key informant survey draft • Discussed population survey strategies • Conducted onsite provider interviews to gather information for health care services inventory
Completed August 9th	Met with Advisory Panel <ul style="list-style-type: none"> • Presented results of health services inventory • Presented results of test survey completed by Advisory Panel

Timeline	Activity
	<ul style="list-style-type: none"> • Discussed content and method of distribution for population survey
Completed September 25th	Researched Best Practices and Analyzed Primary Data <ul style="list-style-type: none"> • From survey result and health services analysis, determine greatest needs in community • Best Practices for similar challenges in other communities.
Completed September 29th	<ul style="list-style-type: none"> • Developed survey and conducted web-based key informant survey • Collected and analyzed survey results
Completed October 4th	Met with Advisory Panel to present findings and recommendations <ul style="list-style-type: none"> • Preliminary results presented from population survey • Advisory Panel recommended final report identify health care issues and gaps in health care services based on research • It was decided that there would be a final Advisory Panel meeting scheduled for November 17th to discuss and prioritize next steps
Completed October 20th	Conducted Follow-up key informant Interviews <ul style="list-style-type: none"> • Identified key informants to interview based on survey results/comments
Completed November 6th	Developed Tool and Conducted Population Survey <ul style="list-style-type: none"> • Script survey and submit for review by AP and survey tool expert/make revisions • Entered survey into online tool and invite responses by personal email • Collected and analyze survey results
November 17th	Facilitated Advisory Panel meeting to discuss findings and determine a plan for moving forward.

The Health care needs assessment report is organized in the following manner:

1. Presentation of Secondary Data – these data describe the characteristics of the population living in the study region (San Miguel, Ouray, and West Montrose counties) and were collected from various federal and state databases.
2. Presentation of Primary Data – primary data were obtained through provider interviews, a key informant survey, and a population survey. These data provided the project team with each group's perspective of current health care issues and the communities' response to these issues as well as identifying barriers to accessing health care.
3. Presentation of Findings and Analysis – based on research and analysis, the project team identified gaps in the current health care system and recommended next steps.

SECONDARY DATA ANALYSIS

Introduction

Secondary data, or data previously collected for other purposes or general information, was collected to assess the effect of the population profile on health care services utilization and to assist in planning for future needs of the community. This section describes the characteristics of the population, and provides an inventory of the health services that are currently available in the communities.

The secondary data section is comprised of:

- Demographic Indicators
- Health Statistics
- Behavioral Risk Statistics
- Community Health Services Inventory

Demographic Indicators

Demographic data was collected through U.S. Census Bureau website, using Census 2000 and American Factfinder search tools. Federal level data can be obtained at the county subdivision level, and thus data for west Montrose County reflects the Nucla, Naturita, and Paradox region of Montrose County.

Table 2: Population Profile

	W. Montrose County	Ouray County	San Miguel County
Total Population	2,776	3,742	6,594
Median Age	40.0	43.4	34.2
Age Group (%):			
0-19	28.0	24.0	19.0
20-30	8.0	7.0	3.0
31-45	21.0	22.0	30.0
46-64	27.0	34.0	11.0
>65	14.0	12.0	1.0
Percent Hispanic	16.4%	3.8%	8.3%
Household (%)			
• Family	67.2	71.3	47.2
• Family w/children	30.7	28.6	22.8
• Female HH w/children	5.6	4.4	4.3
• Individuals	32.8	23.5	32.7
• >65 years	27.6	5.5	2.5
Median Family Income	38,083	49,776	60,417
Unemployment Rate	5.1%	4.4%	5.2%
Poverty Level (%)			
• Families w/children	8.9	6.0	6.6
• Individuals	12.6	7.2	10.4

U.S. Census, 2000

The median age in San Miguel County (34.2) is noticeable lower than in either West Montrose (40) or Ouray (43.4) counties. The distribution of ages is similar in the three counties; however, there are a much smaller proportion of both seniors and "baby-boomers" (age 46-64) in San Miguel County. For planning purposes, it should be noted that close to one-third of the population in both West Montrose and Ouray Counties are in the 46-64 year-old age group, and will reach retirement age over the next 20 years. In west Montrose County, close to a third of the total households are comprised of persons over age 65 years. The median income in San Miguel County is 50% higher than that of West Montrose County. This is a critical difference for health care needs assessment purposes. There will likely be significant differences in the services most needed by these communities.

Health Statistics

Statistics specifically related to disparities in access to health care among populations include estimates of the levels of uninsured persons and persons living in poverty, especially the numbers of children in these circumstances. This data are collected by the state at the county level, and these numbers represent the entire county, including of all Montrose County, not just the west end of Montrose County.

Table 3: Health Needs Indicators

	San Miguel County	Ouray County	Montrose County	Colorado
Estimated Percent Uninsured	13.80%	13.10%	19.00%	15.10%
Estimated Percent Children Uninsured	12.00%	12.90%	16.50%	12.90%
Percent Under Federal Poverty Level	8.70%	7.60%	12.30%	10.00%
Percent Population Under 200% Poverty Level	23.20%	24.80%	35.10%	24.20%
Percent Children Under Age 18 in Poverty	11.20%	10.00%	17.80%	12.80%

Colorado Department of Health Care Policy and Financing, Fiscal Year 2004-2005 Annual Report; U.S. Census Bureau, Small Area Income & Poverty Estimates (SAIPE), 2003

Less than 2% of the population in this region is covered under the Children's Basic Health Plan (CHP+). {, 2005 #170} The gap between the percent of the population living at 200% below poverty and the percent living at 100% of poverty, those eligible for CHP+, can be estimated from this table at 12.5% (San Miguel), 17.2% (Ouray), and 12.8% (Montrose). The percentages of those living at 100% of the federal poverty level are reflective of Medicaid enrollment, which is 9.32% of the population in this region. {, 2005 #170}

Oral health plays a key role in the overall general health of a person. Dental care for children is important because oral health diseases are progressive and cumulative and become more complex and difficult to treat over time. Table 4 shows the proportion of children in the three-county area that have received dental evaluations and/or sealants (protective plastic coatings on molar teeth to prevent cavities).

Table 4: Oral Health Statistics

	San Miguel County	Ouray County	Montrose County	Colorado
Grade 3 Children with Untreated Tooth Decay ¹	21.4%	18.4%	30.2%	25.9%
Grade 3 Children with at Least One Dental Sealant ¹	39.6%	40.8%	30.4%	34.9%
Percent of Medicaid Enrolled Children Receiving Dental Services ¹	26.7%	26.7%	26.7%	31.1%
Percent of County Public Water Systems Population Receiving Fluoridated Water ²	24.0%	2.2%	97.1%	71.70%

1. Colorado Department of Health Care Policy and Financing, 2005

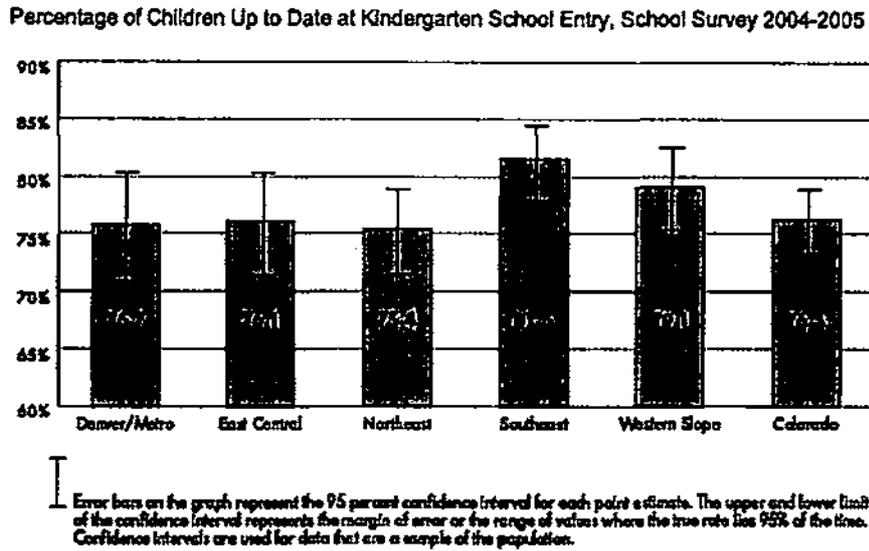
2. Center for Disease Control and Prevention, Oral Health Resources, July 2004

The proportion of children with untreated tooth decay, those having received dental sealants, and the percentage of Medicaid enrolled children having received dental services is comparable for these three counties, and with the state as a whole. Ouray County water systems are among

approximately 25% of Colorado water systems that are not supplemented with fluoride, Ouray County levels of fluoride in Ouray County are 0.27 milligrams per liter, which is below the recommended level of 0.7 milligrams per liter.

Figure 1 indicates how the Western Slope compared to the rest of the state for 2004-2005 immunization rates at the time of school entry. The “Western Slope” is a 20 county area west of the Continental Divide.

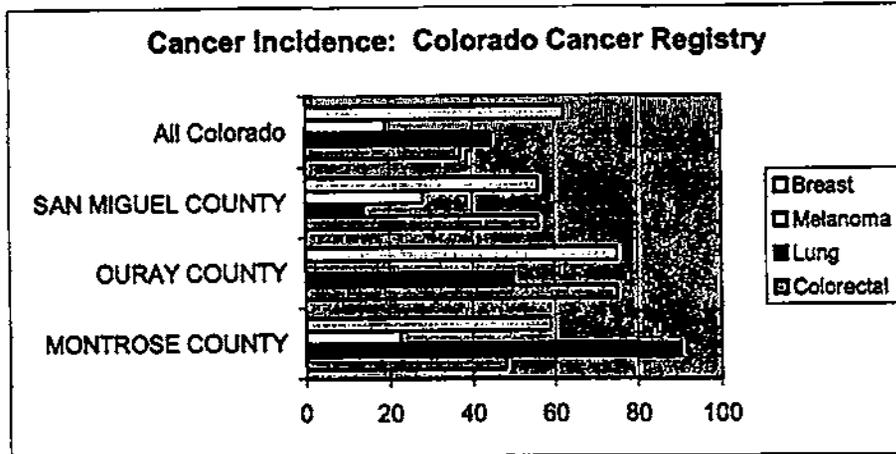
Figure 1: Immunization Rates



In 2005, 83.4% of three year-olds were fully vaccinated according to federal Centers for Disease Control and Prevention data. This brought the ranking for Colorado up from last place in 2003 and 44th place last year to 15th place for 2005. Although immunization rates are improving in Colorado, approximately 17% of children are still not receiving all needed vaccinations.

Figure 2 shows the rates of several kinds of cancer. Lung cancer rates in particular are higher in Montrose County than in Colorado or in the other counties. The rates of colorectal cancer are slightly higher in San Miguel than in the state as a whole. San Miguel does not have a high percentage of seniors, so the rate for this type of cancer is unusual. High incidence rates can be a result of better screening in a population, so careful interpretation is needed.

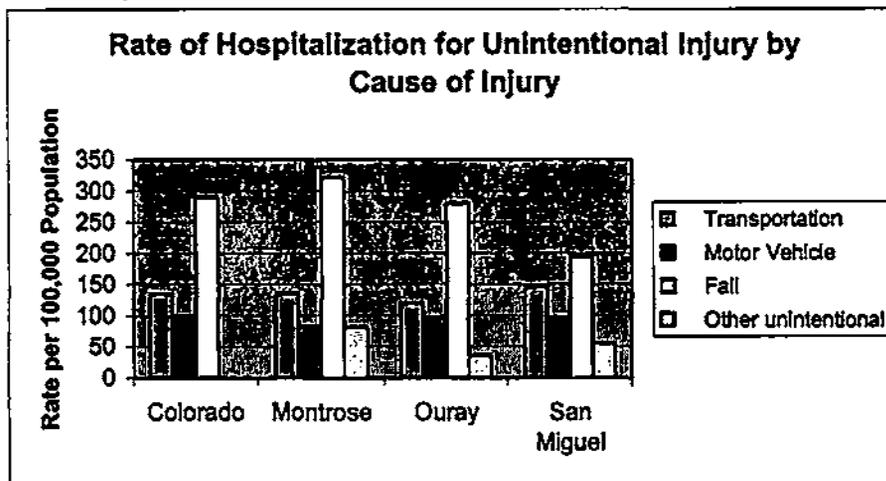
Figure 2: Cancer Incidence by County



Source: Health Statistics Section, Colorado Cancer Registry, Colorado Department of Public Health and Environment, 2004

Figure 3 shows the rates of hospitalization for injury due to falls are high in all three counties. These figures include both occupational and recreational falls. Motor vehicle injuries are comparable in the three counties, however injuries sustained in other types of transportation (for example, motorcycle, bicycle and pedestrian) are higher in San Miguel than in the state as a whole.

Figure 3: Hospitalization Rates for Injury by County



Source: Health Statistics Section, Colorado Department of Public Health and Environment, 2004

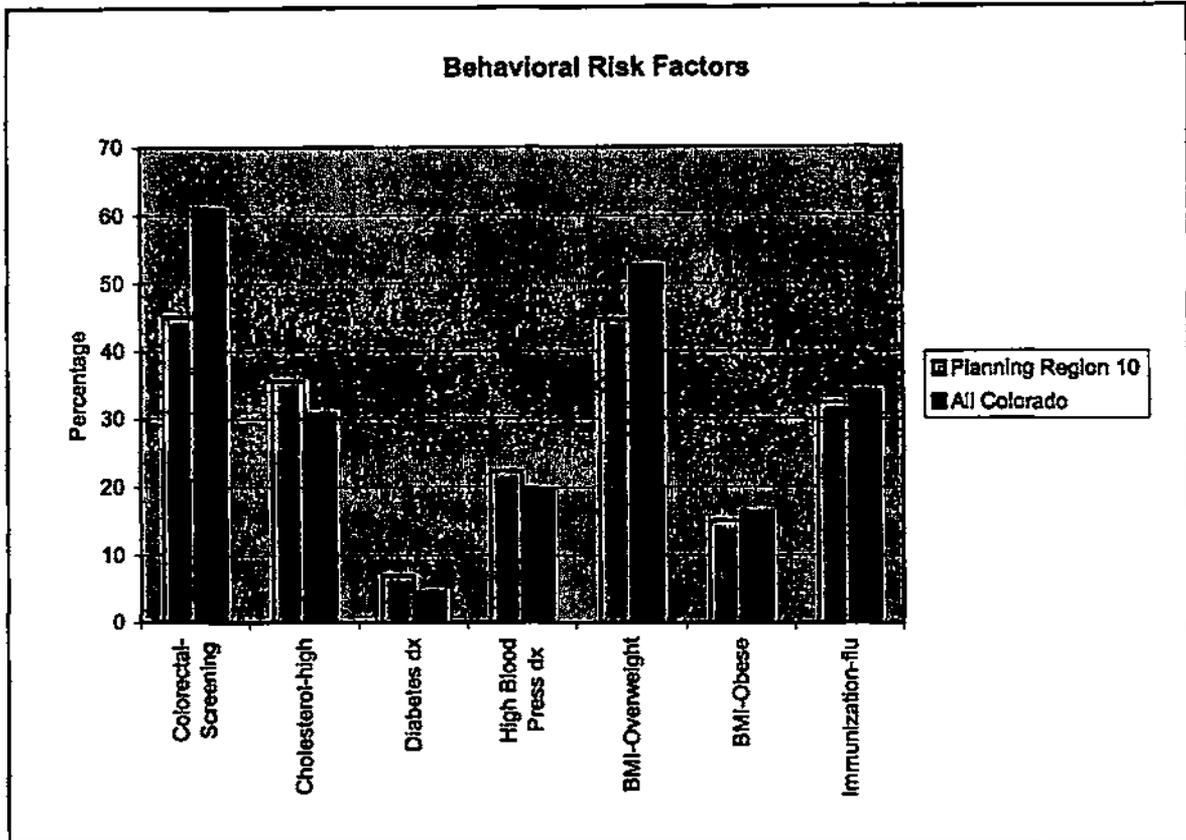
Behavioral Risks

The Colorado Behavioral Risks Factors Surveillance System (BRFSS) a system of telephone surveys sponsored by the Centers for Disease Control to monitor lifestyles and behaviors related to the leading causes of mortality and morbidity. In recent years, health professionals and the public have become increasingly aware of the role of such lifestyle factors as cigarette smoking, overweight, sedentary lifestyle, and the nonuse of seat belts in contributing to injury, illness and

death. The BRFSS sample reflects the state population, and 80% of respondents live in the urbanized Front Range areas of Colorado. Thus, the sample sizes for rural areas of Colorado are generally too small to produce reliable estimates. Producing estimates by Planning and Management Region (PMR) is a way of providing data for these areas with small populations. Planning Management 10 includes Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel Counties.

Healthy People 2010 is a comprehensive set of disease prevention and health promotion objectives for America developed by the U.S. Department of Health and Human Services. The national health objectives were designed to identify the most significant preventable threats to our health and to establish national goals to reduce those threats. *Healthy People 2010* illustrates the very best in public health planning. It establishes goals and targets to be achieved by the year 2010, and monitors progress over time.

Figure 4: Behavioral Risk Factors Surveillance Survey – Planning Management Region 10



Behavioral Risk Factors Surveillance Survey, 2004
 Planning Region 10: Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel Counties

The percentage of people who reported having been screened for colorectal cancer is lower in Planning Region 10 than in the state as a whole, while the percentages of people reporting ever having been diagnosed with high cholesterol, diabetes, or high blood pressure is higher than in the state. Forty to fifty percent (40-50%) of the population reporting a body mass index exceeding normal weight range is a concern both for these counties and for the entire state.

Table 5: A Comparison of Health Indicator Outcomes

Healthy People 2010 Objective	Healthy People 2010 Target	Colorado BRFSS Survey 2004	PMR 10 2002-2003
Health Insurance (Age >18)	100%	84%	77%
Pap Smear, ever	97%	96%	94%
Pap Smear, < 3 yrs	90%	84%	89%
Mammogram, < 2 yrs	70%	71%	73%
Fecal Occult Blood Test	50%	32%	33%
Sigmoidoscopy, ever (age >50)	50%	50%	33%
Diabetes, ever diagnosed	2.5%	4.3%	7%
Cholesterol Screening, <5 yrs	80%	72%	68%
Influenza immunization, <1 yr	90%	34%	32%
Pneumonia Vaccination, ever	90%	22%	23%
Obese, BMI >30	15%	17%	15%
Overweight, BMI >25	40%	53%	45%
High Blood Pressure, ever	16%	20%	22%
No Leisure time physical activity	20%	19%	22%
Binge Drinking, past month	6%	17%	14%
Cigarette smoking	12%	20%	15%
Seatbelts, always		79%	73%
Fruits >2/day & Vegetables >3 /day	50%	24%	23%

The areas where Planning Management Region 10 fall below the Healthy People 2010 goals are health insurance for adults (77% compared to 100%), screening for colorectal cancer (33% compared to 50%), and influenza and pneumonia vaccination 32% and 23% compared to 90%). Other areas of concern are the percentage of binge drinkers (14% for PMR 10, Healthy People goal is 6%), and diabetes diagnosis (7% for PMR 10, 2.5% for Healthy People goal). {, 2004 #172} {, 2006 #173}

Community Health Care Services Inventory

An assessment of health care services was accomplished in order to gain an understanding of the availability of health care services in the three-county region. The assessment of the health care services was compiled through general data collection and by interviewing providers. The following information was gathered:

- Inventory all health care service providers
- Assess capacity for current and future demand in primary health care services
- Determine the region's Health Professional Shortage Area status according to Health and Human Services Health Resources and Services Administration criteria

The following is a summary of the health care services available in the three-county area. The complete Community Health Care Services Inventory is located in Appendix A.

Primary Care Services: On-site interviews were conducted with Primary Care Providers in Nucla, Norwood, Telluride, and Ridgway. Providers offered a full range of primary care

services in office/clinics. Wait times for appointments were within national recommendations for primary care and urgent care services. Primary Care Providers had information available to Spanish-speaking patients, but did not have resources for patients that spoke other languages. All providers stated that there was capacity in the practice to increase their patient load without adding personnel.

Emergency Care Services: Emergency rooms and ambulance services were available to all communities. The Uncompahgre CHC in Norwood does not operate their emergency room 24/7, but that community has access to emergency services at the Basin Clinic.

Ambulance: Telluride Fire District EMS provides ambulance services to the Telluride area; Ouray County EMS serves that county. The communities of Norwood, Nucla and Naturita receive ambulance service from Norwood EMT.

Dental Care Providers: Telluride Dental and Norwood Dental accept CHP insurance for low-income patients through Delta Dental. Ridgway Dental has a practice in Ridgway, but only accepts private pay patients. There is not a dental practice that accepts Medicaid in San Miguel, Ouray, or the west end of Montrose County.

Mental Health Services: Midwestern Mental Health provides drug and alcohol treatment, acute care, school care, and individual therapy on a fee for service, sliding scale payment option. They are the Medicaid contract provider for the Western Slope Region. There is one psychiatrist available to each of the sites on a bi-weekly basis.

Physical Therapy: Physical Therapy Resources serves Nucla/Naturita and Norwood. Telluride Medical Center has established a referral system with Peak Performance in Mountain Village. A physical therapy satellite facility of Montrose Hospital is directly adjacent to Mountain Medical Center in Ridgway, serving Ridgway and Ouray.

Pharmacy: There is one pharmacy in each of the communities of Nucla, Telluride and Ridgway.

Home Health Care: Alpine Home Health in Montrose provides home health services to Ouray, San Miguel and Montrose counties.

Public Health Nursing Services: There are Public Health Nursing, or County Nursing, services in all three counties (San Miguel Public Nursing Service, Montrose County Health Service, Ouray County Public Health). These organizations have broad duties including well-child checks, immunization programs, family planning services, cancer screening programs, nutrition programs, and programs to assist seniors. Each is also tasked by the state with disaster planning, bioterrorism response, and community health issue responsibilities ranging from safe food and water to pandemic flu response.

Domestic Violence Intervention: The San Miguel Resource Center serves the three-county region, providing shelter and counseling to victims of domestic violence and abuse.

Health Professional Shortage Areas: The Health Resources and Services Administration of the U.S. Department of Health and Human Services has determined that certain geographical areas are considered health professional shortage areas based on the ratio of providers to population size, or a combination of population size and an unusually high need for providers. Unusually high need may be based on a higher than usual birth rate in the area, a high infant death rate, or more than 20% of the population having an income below the Federal poverty level.

- **Primary Care:** The ratio of population size to provider has been determined to be 3500:1. The western half of Montrose County, including the communities of Nucla and Naturita, is a Primary Care Health Professional Shortage Area (HPSA) based on the criteria. The Eastern half of Montrose County and all of Ouray County are HPSAs for Primary Care based on at least 30% of the population being below 200% of the Federal Poverty Level (FPL) and a provider ratio of at least 3000:1. San Miguel County is a partial HPSA based on provider ratio and percent population at or below 200% of the FPL.
- **Mental Health:** All three counties are considered HPSAs for Mental Health Care, based on the criteria of a provider ratio of 6,000:1 for mental health professionals; 20,000:1 for a population to psychiatrist ratio.
- **Dental Care:** None of the three counties are considered a Dental Care HPSA, based on the criteria of a provider ratio of 5,000:1. This means that for the populations of San Miguel (6,594), Ouray (3,742), and West Montrose (2,776) counties the presence of two dentists in Telluride, one in Ridgway, and the Community Dental Practice in the city of Montrose fulfills the criteria for the provider to population ratio. The Community Dental Clinic, in Montrose is a Dental Safety Net Provider, accepting CHP+ and Medicaid insurances.

Summary of Secondary Data

Primary care and emergency care, both treatment and emergency transportation, have a strong presence throughout the region. Twenty-four hour emergency care is available in Telluride and Naturita and is accessible to the other communities. However, the secondary data, including the health care services inventory, revealed several areas of concern.

The following health care issues have surfaced through analysis of secondary databases:

- **Level of poverty in the region** – there is a disproportionate share of uninsured and under-insured individuals
- **Vulnerable Populations** – Data revealed that children, seniors, and non-English speaking residents face barriers accessing health care in the region, especially if these groups are living in poverty
- **Lack of dental providers for low-income populations** – there are no dentists that accept Medicaid in the region and only two dentists that accept CHP+ dental insurance through Delta Dental
- **The incidence of cancer and limited access to cancer screening** – breast, colorectal, and lung cancers are all higher in this region and cancer screenings are not available locally

- Immunizations – childhood immunization rate is comparable to state rate, however this is still below national goals. Adult immunizations levels for influenza and pneumonia are well-below national goals
- Incidence of diabetes and obesity – the incidence of diabetes and obesity are slightly higher in the region than in the state
- Alcohol Abuse – rates of binge drinking is higher in the region than national targets

The health care services inventory revealed:

- There was a shortage of providers for acute care mental health treatment and dental care for low-income populations and that no long-term care and/or assisted living facilities were available locally.
- Pharmacy services, although present, appear to be vulnerable. Two pharmacies report they rely on the retail portion of their businesses rather than pharmaceuticals for their profit. A pharmacist reported that he is nearing retirement with no one having expressed interest in taking over his practice.
- There is also some vulnerability in the provision of home health care, in that one provider, Alpine Home Health in Montrose, covers a the entire western slope. The general manager of Alpine Home health has concerns with staffing and travel reimbursement for the continuance of services to the area.
- Although there is not an inpatient facility in any of the communities, this issue has been researched previously and will not be reviewed further for the purposes of this study.

PRIMARY DATA ANALYSIS

Introduction

In order to gain an understanding of key health issues, the project team conducted in-person or telephone interviews with health and human services providers in the three-county area and surveyed key informants and the residents of the three counties. Survey research is a leading form of data collection that provides for efficient collection of data over large populations, and can be done in person, by telephone, or through a public distribution mechanism.

Provider Interviews: Interviews were conducted with providers in the three-county region in order to describe project and to garner support for completing the key informant survey. In-person interviews were conducted with providers at Telluride Medical Center, Mountain Medical Center, Uncompahgre Clinic, and the Basin Clinic. The lack of local health care services was cited as a common health care need for these providers. Services that were lacking included: 1) ongoing and acute mental health treatment, 2) non-emergent transportation for the elderly and other vulnerable populations, 3) senior services such as long-term care facilities, 4) cancer screening services, and 5) care coordination.

Surveys: A key informant survey and population survey were designed and administered to gain information about a variety of topics including health status, behavioral health issues, and access to care. For ease of completion, these surveys were offered in two different formats (online and hand-written) in order to increase the return rate.

Key Informant Survey

Participants: Key informants included: Health Care Providers (MDs, Administrators, Clinic staff, EMS Public Health Providers, Public Health Providers, Social Services Agencies Community and Business leaders.

Survey Methodology: Key informants were identified by members of the Advisory Panel and were requested to participate in the health care needs assessment process by taking the Key Informant Survey online. An online survey tool was developed through the service "Survey Monkey" and the list management feature enabled researchers to directly contact key informants by personalized e-mail. The survey was available for several months. Invitations to take the survey were sent to 17 providers, 58 community and business leaders nominated by the Advisory Panel, and to the 12 members of the Advisory Panel for a total of 87 surveys. In addition to the invitees, 14 other surveys were completed for a total of 101 surveys that could have been returned.

Results of the Key Informant Survey: Overall response rate was 61% (62/101). Among providers that were invited to take the survey, the response rate was 41% (7/17). Among community and business leaders that were invited to take the survey, the response rate was 52% (30/58). All of the Advisory Panel members completed the survey (12/12). All counties and

communities were represented in the responses. There were 56/62 responses that had the county location identified. The response rate by county was:

- San Miguel County was 70% (26/37)
- Ouray County was 53% (18/34)
- Montrose County was 50% (6/12)
- Unknown Location was 55% (6/11)

Key informants were asked to respond to questions regarding health care and health service delivery issues in their community. Respondents were also asked to identify their perception of how the community is addressing key health care services. In addition, key informants were asked about potential solutions to health care issues and their priority for solving the identified issues.

The key informant survey will yield the following information:

1. Identification of the Importance of Health Care Issues and Current Perceptions of how the Community Addresses these Issues
2. Identification of Gaps in the Current Health Care Service Delivery Model
3. Identification of Health Care Services that are not Meeting the Needs of the Community
4. Identification of Process for Solving Health Care Service Issues

1. *Identification of the Importance of Health Care Issues and Current Perception of how the Community Addresses these Issues:*

Survey respondents were asked to rank the importance of several health care issues, health behaviors and issues related to accessing care. Additionally, key informants were asked to indicate their level of satisfaction with the community's response to health care issues. Some key informants reported that it was difficult to "rank" the importance of these health issues; they all seemed important, and the lower ranking of one or another should not be interpreted as being unimportant; rather, simply less important in comparison to the other issues presented.

Health Issues:

Childhood Immunizations: Key informants ranked childhood immunization the highest in importance as a health care issue. However, 64% of survey respondents indicated that they were either somewhat or very satisfied with the community response to this issue. Although data are not collected at the county level, Colorado's immunization rates for school entry age children remains less than optimal. The secondary data show there is room for improvement in the communities' response to immunizing children.

Obesity and Diabetes: The level of satisfaction with the community response to obesity and diabetes was very low (14% and 18% respectively) among key informants. This reaction to these issues is significant because respondents ranked the issues of Heart Disease and Stroke high among health issues (3rd and 5th respectively). Obesity and diabetes are major risk factors and precursor diseases to heart disease and stroke. Key informant response indicates that they would like to see more attention given to these issues.

The Colorado BRFSS indicates a statewide percentage of overweight adults of 53%, and a regional average of 45%. The Healthy People 2010 target is 40% or fewer adults with a Body Mass Index of greater than 25 (overweight). PMR 10 results showed 7% of the population having been diagnosed with diabetes; the Healthy People 2010 target is 2.5%. For high blood pressure, an indicator for heart disease and stroke, the PMR result is 22% of the population reporting ever having been diagnosed; the Healthy People target is 16%.

Sexually Transmitted Disease: Although Colorado Department of Public Health and Environment (CDPHE) Reportable Disease data does not indicate a high incidence of any sexually transmitted diseases in this region; the key informants were only 16% satisfied with the communities' response to the issue.

Health Behavior:

Alcohol Abuse and Smoking and Tobacco Use: These issues were ranked very high in importance and respondents indicated that they were not satisfied with the communities' response to all of these Health Behavior issues. BRFSS data show that for PMR 10, 14% of respondents reported binge drinking in the past month. The Healthy People 2010 target is 6%. For smoking, PMR, 10 respondents (15%) reported cigarette smoking; the Healthy People target is 12%.

Depression and Suicide: Key informants were not satisfied with the community's response to these mental health issues (Depression 48% and Suicide 42% not satisfied). A surveys of state and local rural health leaders finds mental health and mental disorders to be the fourth most often identified rural health priority. {Gamm, 2003 #171 }

The Healthy People 2010 mental health and mental illness goal is: Improve mental health and ensure access to appropriate, quality mental health services emphasizing access to treatment by mental health providers in rural areas.

Access to Services Issues:

Dental Care: Key informants were not very satisfied with the communities' response of dental care for low-income clients. Data from the Department of Health Care Policy and Finance (HCPF) supports this response. Fewer than 30% of Medicaid covered children received oral health care in the three-county region, and 20-30% of all third graders had untreated tooth decay. There is only one dental practice that accepts Medicaid in the region (Montrose Community Dental Clinic). Telluride Dental and Norwood Dental accepts CHP+ dental insurance through Delta Dental.

Mental Health Care: Key informants were very dissatisfied (54%) with the community's response to mental health care as well. Mental health issues are clearly important to key informants based on responses to health care access and health behavior questions and they see a need for better delivery of mental health care.

When key informants were asked what reasons would they give for their dissatisfaction with the community's response to the issues they have identified, they stated:

- Nonexistent Services (services were not available and no services for uninsured)
- Payment systems (too expensive and not covered by insurance)
- Lack of Community Education

Two themes emerged when key informants were asked about what solutions they would propose to address these needs:

- The need for public access or low cost clinic services
- The need for community education for health issues such as immunizations and behavioral related issues (drug use and sexually transmitted disease)

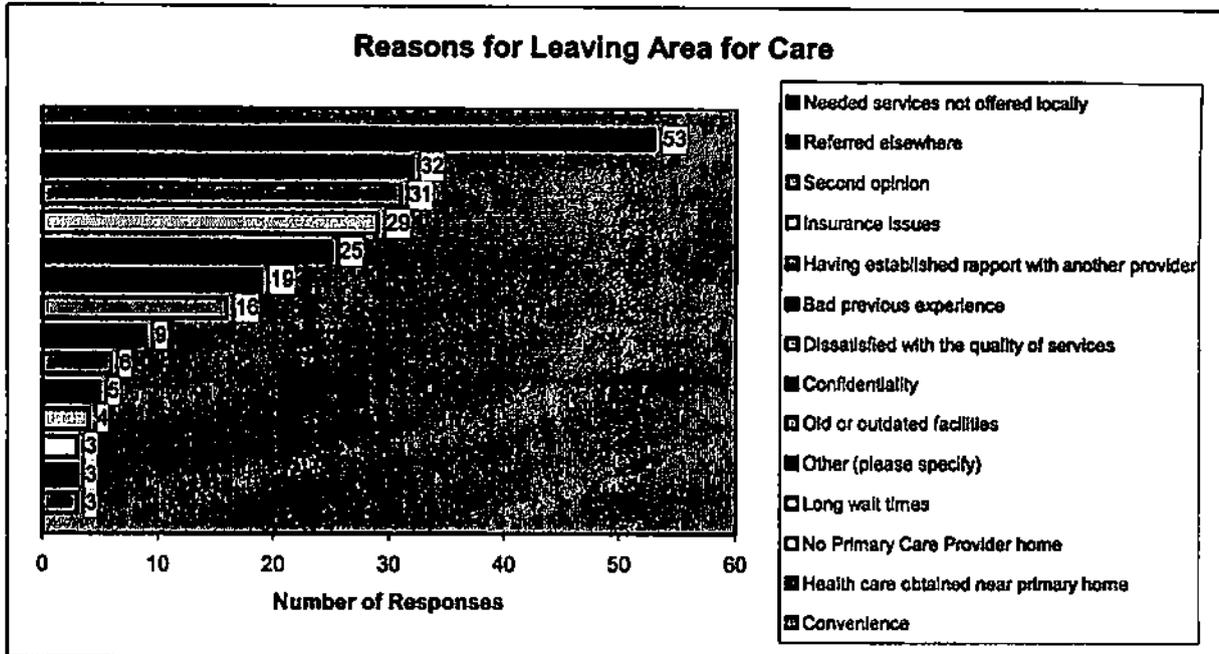
2. *Identification of Gaps in the Current Health Care Service Delivery Model:*

Key informants were asked to identify gaps in the current health care delivery system. The project team needed to understand where gaps exist in the current delivery system and to evaluate if one or more segments of the population were disproportionately affected by these gaps.

Key informants identified vulnerable or underserved populations. Respondents were able to check all groups that applied, as well as adding in groups that were not included. The answers to this question will assist planners in validating these perceptions with the community, as well as addressing the needs of the identified groups in the strategic plan. Key informants most often indicated that the working uninsured, undocumented immigrants, non-English speaking, and seniors were an underserved population in the communities.

When Key informants were asked what issues necessitate travel outside of the immediate community for health care, they provided the following reasons illustrated in Figure 5:

Figure 5: Reasons for Leaving the Area for Care



Traveling outside of area: The reason most often given for having to travel outside of the area for care was that the needed service was not offered locally. Other reasons included having been referred elsewhere, or seeking a second opinion. Insurance issues were also a factor. During Phase II of the Local Health Care Initiative, further research should include which insurance plans are accepted by providers in the area compared to who the major carriers are in the area.

Key informants were also asked to identify specialty services that they would like to see added to their community. This question identifies gaps in services offered and services desired. Once these gaps are known, realistic solutions can be applied. Results of this question are given in Table 6.

Table 6: Specialty Services to Add to the Community

Ranked Response
Acute/Detox/Substance Abuse Care
Dental/Orthodontics for low income
Assisted Living
Pediatrics
Long Term Care
Senior Services
Birthing Center
Ambulatory Surgery
Inpatient/Hospital Care

The services respondents would most like to see added to their communities are Dental Care for low-income (34%), Acute Detox and Substance Abuse Care (39%), (tied for first), as well

EXECUTIVE SUMMARY

The health care needs assessment of San Miguel, Ouray and West Montrose counties is the first step in the Local Health Care Initiative. The specific goals of the health care needs assessment are to identify:

1. Health Care Issues of the Community
2. Vulnerable Populations
3. Disparities in the Health Care Services Delivery System
4. Health Care Resources in the Community
5. Implementation recommendations for local health care interventions

In order to accomplish these goals, the project team completed the health care needs assessment using the following strategies:

- Assembled an Advisory Panel comprised of representatives from The Telluride Foundation, community leaders, health care providers, and residents to guide the assessment process
- Conducted primary data collection through surveys of providers, key informants, and the general population
- Collected and analyzed secondary data sources such as US Census Data, state health statistics and behavioral risk assessments
- Created a comprehensive community health care services inventory

Health Care Issues of the Community: The findings of the health care needs assessment revealed community health issues and gaps in the current health care services delivery model. Major health care issues were identified as:

- Oral Health Care - the lack of dental care providers for low income residents
- Substance and Alcohol Abuse - treatment options are needed for acute detox episodes
- Childhood and Adult Immunization Rates - compliance with childhood and adult immunization requirements (Influenza and Pneumonia)
- Obesity and Diabetes - the incidence of Obesity and Diabetes is high throughout the region
- Incidence of Cancer – Cancer rates are high and a lower percentage of people in the region obtain recommended cancer screening services, especially for colorectal and breast cancers
- Mental health treatment options – especially crisis intervention requiring inpatient services

Vulnerable Populations: The health care needs assessment identified several groups that had less than optimal access to health care services. As in other rural communities, people living in poverty have the most difficulty accessing health care services. Many services are not available locally, necessitating the need to travel long distance for needed care. This is especially true for specialty care or oral care providers. Other groups such as: 1) children, 2) seniors, and 3) non-English speaking residents also faced barriers to access health care services in the region.

Disparities in the Health Care Services Delivery System: Gaps in the current health care service delivery system have also been identified. These gaps include available services that are not meeting the needs of the community as well as health care services that are not available in the region.

For various reasons, several health care services currently offered in the community do not adequately meet the needs of the community. Based on research and analysis of current health care services inventory, key informants and the general population survey results, the following services were not meeting the needs of the community:

- Mental health treatment options
- OB/GYN/ Prenatal care
- Non-emergency medical transportation
- Dental care for low-income populations

The following services are unavailable locally. Key informants and the general population identified the lack of these services are may be associated with adverse health care outcomes as in the case of alcohol and substance abuse treatment options or may just be a preference as with long term care and pediatric services:

- Substance abuse treatment
- Acute detox treatment
- Assisted living and long term care options
- Pediatric services

Community Health Care Resources: An assessment was made of the health care services that are currently available in the Local Health Care Initiative study region. This assessment was accomplished through on-site interviews with providers and the Advisory Panel as well as by collection of data pertaining to services in the area. The findings of the assessment were compiled to form a complete inventory of health care services.

The findings of the assessment demonstrated adequate primary care providers, public health nursing services, and emergency services (including ambulance service) in Telluride, Norwood, Ridgway, Ouray, the communities in the West End of Montrose County. However, the project team found several examples of stress in the current health care delivery system due to inadequate provider coverage. Consequently there is vulnerability in the provision of the following services:

- Mental Health
- Pharmacy Services
- Home Health Care
- Specialty Care

The assessment showed there is a lack of health care providers in the areas of acute care mental health care treatment, including inpatient care, substance abuse treatment, including detoxification treatment services, oral care for low-income residents, and community-based long-term care providers, including assisted living facilities.

as an Assisted Living facility (41%). Key informants were asked to identify additional specialty care services not listed in the survey that they would like to see added to their community. Respondents stated:

- Mental Health
- OB/GYN
- Adult Day Care
- Preventative/wellness care
- Nursing Home Care,
- Pediatric Specialists,
- Oncology services

3. Identification of Health Care Services that are not Meeting the Needs of the Community

In addition to understanding gaps in the current health care system, it is crucial to know if current health care services need to be improved. Key informants were asked of the services currently available in their communities, which three were most in need of improvement. This question identifies perceptions about current services and is invaluable to planners for future services. Strengthening the current services is an important strategy to meet health care needs. Table 7 shows the ranked responses in order of services most in need of improvement.

Table 7: Existing Services Most In Need of Improvement

Ranked Response
Mental Health Treatment
Non-emergency Transportation
Emergency Services-Treatment
OB/GYN
Family/General Practice
Emergency Services-Transport
Cardiology
Pharmacy
Orthopedics
General Surgery
Ophthalmology
Dermatology
Podiatry

Of the services currently offered in their communities, the three most in need of improvement according to respondents are Mental Health Treatment (42%), Non-Emergency Transportation (25%), and OB/GYN Providers (31%). Strengthening these services should become an important part of future planning.

When key informants were asked if there were any additional services currently available in their community that needed improvement, they stated:

- Oral Care
- Alcohol Treatment
- Substance Abuse Treatment
- Improved Access to Primary Care Physicians

4. Identification of Process for Solving Health Care Service Issues

During the assessment process, key informants were asked what organizations or persons should be involved in addressing the identified needs. Key informants indicated that several organizations should be involved in the process of addressing health care needs in the community. These organizations included government social services, private foundations, and nonprofit organizations. Elected officials were also named frequently, indicating that key informants believe that these officials have a role in addressing the communities' health issues.

Key informants were asked what elements they felt were important to the success of designing new programs needed to solve the identified problems. Respondents felt the following were essential elements:

- Ongoing funding/Sustainability
- Communication between organizations
- Common goals among organizations
- All stakeholders are invited to participate
- Culturally competent planning and administration

Key informants were asked what additional elements were important to the success of designing new programs needed to solve the identified problems. Several key informants listed some form of oversight as a requirement for success. For example, a regional committee of health care providers was suggested, as was the formation of strategic relationships to provide a continuum of care. Planning according to the culture and character of the existing community was also considered important to several key informants. Determining whether some issues should be addressed at a local, regional or national level was also mentioned. Staffing issues were cited as an important element for success, specifically that trained personnel have affordable and desirable places to live.

Key Informant Survey Summary: The results of the key informant survey indicated a desire for future planners to focus on the health care treatment of the following health issues:

- Mental health illnesses
- Substance abuse
- Obesity
- Dental care for low-income populations

Health care services for vulnerable populations such as children, seniors, uninsured and under-insured populations also require future attention according to results of the key informant survey. These health care services include:

- Senior services such as assisted living/long term options
- Non-emergent medical transportation

- Childhood immunization

Population Survey Results

Survey Methodology: Residents were invited to take the population survey by one or more methods. Copies of the survey were placed in 7,790 post office boxes in 8 zip codes, which included the communities of Ouray, Ridgway, Telluride, Ophir, Placerville, Norwood, Naturita, Nucla, and Paradox. In addition, surveys were available at the major health and human service providers, including Telluride Medical Center, Basin Clinic, Uncompahgre Clinic, Mountain Medical Center, the three county nursing services, and the San Miguel Resource Center. Fliers were also distributed through a local payroll service, inviting people to participate in the survey by logging in through a link on the Telluride Foundation website. The survey was also translated in Spanish so language was not a barrier for residents to provide input.

Results of the Population Survey: The total number of responses returned was 307. A total of 7,790 surveys were distributed in post office boxes. In addition, several hundred surveys were distributed through the region for residents to complete. There were six surveys returned in Spanish. The overall response rate was 3.9%.

Although the following information will be valuable in determining unmet health care needs in the region, it may not be representative of segments of the population since it is a small sample size and may have a selection bias.

Respondents to the population survey were predominately female (71%). The 46-64 year old and over 65 year-old age groups were over-represented since the actual proportions of these age groups in the communities are less (Table 8).

Table 8: Comparison of Survey Respondents and Actual Age Group Percentages

Age Group	Survey Respondents	Actual Combined County Population
<20	0%	23%
20-30	7%	5%
31-45	29%	26%
46-64	53%	21%
>65	12%	7%

Respondents were overwhelmingly full time residents (96%). The distribution of employment status was 40% employed full time, 27% employed part-time, 20% retired, 15% seasonal, and 3% unemployed. The most common industry given in which respondents were employed was education, followed by health care, retail, non-profits, service industry, and construction, though each of these counted for less than 10 % of the total.

The percentage of responses by zip code region compared to the percentage of survey distribution by zip code showed that Telluride, Norwood, and the west end of Montrose County were well represented:

- Telluride and surrounding areas, 50% (55%);
- Ridgway and Ouray, 14% (21%);

- Norwood, 9% (10%);
- Nucla/Naturita/Paradox, 18% (14%).

Residents were asked to respond to questions regarding health and health care issues in their communities. Questions were presented in three sections:

1. Health Care Services
2. Personal Health Care Usage
3. Health Behaviors

1. Health Care Services

Survey respondents were asked to indicate their level of awareness and satisfaction with health services currently offered in the community. The results will yield the populations' knowledge of health care services and an understanding of how well these services are meeting the needs of the community and what barriers may exist.

Level of Awareness: Respondents accurately identified the availability of such services as opportunities to reduce obesity (60%), vaccinations for children (60%), services for victims of domestic violence (58%), care for pregnant women (47%), and screenings and other preventive health care services (47%). Thirty percent (30%) of respondents indicated that they felt that dental services for low-income populations were not available.

The majority of respondents indicated that they were not aware of the availability of such services as treatment for drug and alcohol abuse (35%), health care for seniors (44%), or of programs to help people stop smoking (53%). Most residents indicated that they did not know if services were available for non-English speakers (53%), or to help eligible residents enroll in public health insurance (57%). Since these health care services are available in the community, these results show that community education and outreach is needed.

2. Personal Health Care Usage

Respondents were asked a series of questions regarding their personal health care usage. The results of these types of questions will help the project team understand health care services obtained during the past year. Additionally, respondents were asked if they have a medical home and if they leave the community to obtain care.

Personal Health: When asked to rate their health, respondents said they had excellent (36%), very good (37%), good/fair (25%), and poor (2%) health status. Seventy-one percent (71%) of respondents have a primary care "medical home," a single person they consider their primary care provider. An additional 15 respondents stated that they consider a clinic their medical home, which increases the percent of respondents that have a medical home to 75%. This is an important predictor of overall health and receiving adequate health care.

The most common reason given by respondents for not having a medical home was:

- Uninsured (30%)
- Receive their care from a specialist (18%)
- Receive care near their primary residence (13%)

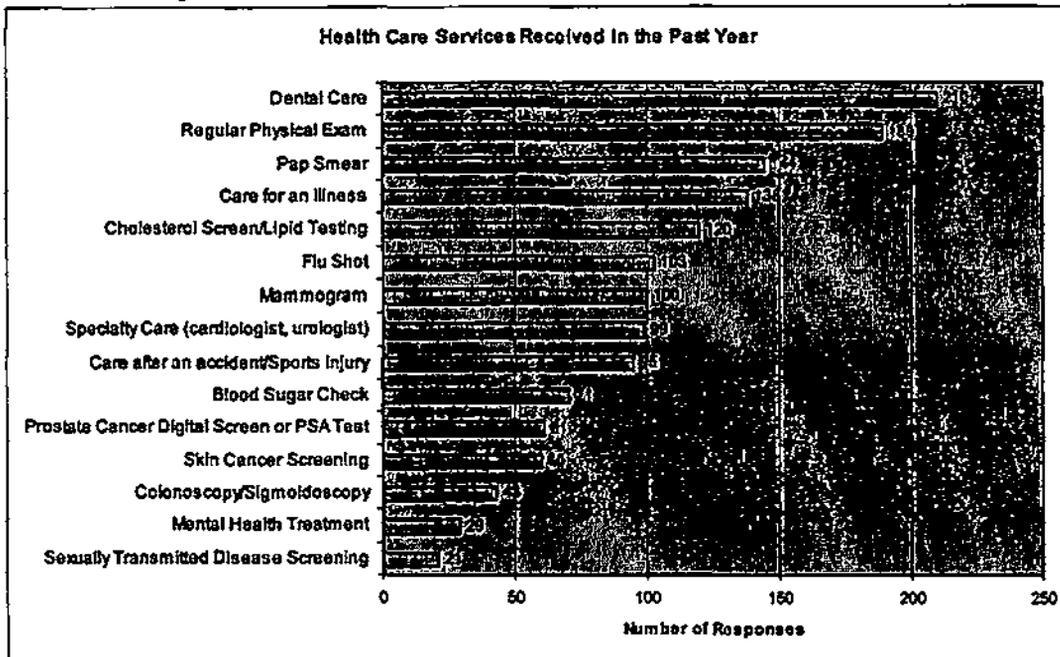
Insurance: Eighty-three percent (83%) of respondents indicated that they were covered by health insurance. Of those, 43% have employer-based insurance, 41% have individually purchased insurance, 15% have Medicare, 5% have Medicaid, and 1.6% were covered by CHP+.

For respondents without health insurance, the most common reason given was that they could not afford it (81%), followed by their employer does not offer health insurance (35%), or they chose not to be covered by health insurance (12%).

Fifty-nine percent (59%) of respondents indicated that they do not have dental insurance. Of those respondents that do have dental insurance, 17% indicated that they could not find a dentist that accepted their insurance.

Services received over the past year: Respondents were asked to indicate what health care services they had received over the past year. Results are given Figure 6.

Figure 6: Health Care Services Received in the Past Year



Seventy-two percent (72%) had received dental care and 64% a regular physical exam in the past year. Cancer screenings for women were reported in the 30-50% range, and other types of cancer screenings were accessed to a smaller degree (15-20%). Primary care services were obtained by 35-45% of respondents. Thirty-four percent (34%) stated they had received specialty care in the past year, although most respondents (70%) indicated they do not require the ongoing care of a specialist.

Travel: Seventy-seven percent (77%) of respondents indicated that they travel out of the immediate area for health care. The most common reasons given were:

- Established care with an outside specialist (47%)
- Referred out of the area (33%)

- Dissatisfaction with local providers 19%
- Concerned about confidentiality 7%
- Cost or availability of dental care 2%

The most common reasons given were that they have established care elsewhere or that they were referred to an outside specialist. An increased awareness of visiting specialist schedules for both providers and residents may help alleviate the need to travel outside of the local area. The reasons for dissatisfaction with local services should be further investigated as a future step in the Local Health Care Initiative since this was identified by 19% of respondents.

Satisfaction with Health Care Services: Respondents were asked to rank the services currently available in their communities that they felt were most in need of improvement. The services most often mentioned by respondents were:

- Dental care for low-income populations
- Geriatric/Senior Care
- Mental Health Treatment
- Home Health Care
- Hospice Care

Unavailable Health Care Services: Respondents were then asked to list the services not currently offered in their community that they would most like to see added. These included:

- Assisted Living
- OB/GYN
- Pediatrics
- Acute Detox Treatment
- Substance Abuse Care
- Non-Emergency Transportation

Many of the above health care services were also identified by the key informants notably, 1) mental health treatment, 2) dental care for low-income populations, 3) assisted living, 4) OB/GYN care, and 5) substance abuse/detox treatment.

3. Health Behaviors

Respondents were asked a series of questions regarding their personal health behaviors. Four of these responses can be directly compared to the Colorado BRFSS survey results (Table 9). Answers to these questions will demonstrate how respondents compare to residents of surrounding counties and to residents of the state overall in terms of personal behaviors that affect their health.

Table 9: Survey Results Compared to Healthy People 2010 Targets and Colorado BRFSS Survey

Healthy People 2010 Objective	Healthy People 2010 Target	Colorado BRFSS Survey 2004	PMR 10 2002-2003	Population Survey Results*
Health Insurance (Age >18)	100%	84%	77%	83%
Influenza immunization, <1 yr	90%	34%	32%	35%
Binge Drinking, past month	6%	17%	14%	4%
Cigarette smoking	12%	20%	15%	10%

Results of the population based survey showed a higher proportion of the population having health insurance (83%) than the results for surrounding counties (77%). Results for the population survey showed comparable results for influenza immunization (35%). However, this is still well below the Healthy People 2010 target of 90%. Results of the Population study for binge drinking and cigarette smoking were below the results reported for surrounding counties, and below the targets set for Healthy People 2010 (4% vs. the 6% goal for binge drinking, and 10% vs. 12% goal for cigarette smoking).

While the proportions of people over age 18 with health insurance, and the number of people receiving influenza vaccinations are comparable to the proportions in the rest of the state, both are lower than the Healthy People recommendations. Immunization rates and programs to help residents with alcohol abuse and tobacco cessation may be addressed through improved community and primary care outreach and education. Insurance is an issue that is expressed by population survey respondents in several ways, including not being able to afford insurance and not being able to find providers who accept their insurance.

Population Survey Summary: The results of the population survey indicated a need to focus on increasing the availability of health care services such as:

- Mental health services
- Substance abuse services
- Access to care for low-income residents
- Services for seniors (Assisted Living, Home Health and Hospice)
- OB/GYN care
- Pediatrics

According to results of the population- based survey, future attention is needed to breakdown the following barriers to care:

- Insurance issues (not having insurance or insurance not being accepted locally)
- The need to travel out of the area to obtain desired services
- The lack of non-emergent transportation for medical care

Results of the population survey indicated a need for increased community awareness of:

- Tobacco Cessation Programs
- Assistance in applying for public insurance
- Health care for non-English speaking residents
- Treatment for mental health
- Health care for low income
- Treatment for drug and alcohol abuse
- Health care for seniors

FINDINGS AND ANALYSIS

Introduction

Three major sources of information were used to analyze the health care needs of the area. These were 1) secondary databases and the Health Care Services Inventory, 2) the key informant survey, and 3) the population survey. Each source offered a unique insight into the needs of the community, and they coalesced to form a clear assessment of the region's health care needs.

Findings

Health Care Issues: The key informants and the general population agreed that several health care issues were of concern and these health care issues were also noted to be of concern in the health statistics data.

The following major health issues emerged from all data sources:

- Oral Health Care - the lack of dental care providers for low income residents
- Substance and Alcohol Abuse - treatment options are needed for acute detox episodes
- Childhood and Adult Immunization Rates - compliance with childhood and adult immunization requirements (Influenza and Pneumonia)
- Obesity and Diabetes - the incidence of Obesity and Diabetes is high throughout the region

Additional health issues were noted either in the health statistics or the survey results:

- The lack of cancer screening services
- The incidence of cancer in the region
- Mental health treatment options – especially crisis intervention requiring inpatient services

Current Health Care Services Not Meeting the Needs of the Community: Services currently offered in the community may not adequately meet the needs of the community. For example, there may be a lack of providers, providers do not accept a particular health care insurance carriers or service is only available on a limited basis.

Key informants and the general population agreed that the following health care services were not meeting the needs of the community and therefore, required some consideration:

- Mental health treatment options
- OB/GYN/ Prenatal care
- Non-emergency medical transportation
- Dental care for low-income populations

Health Care Services that are Unavailable in the Region: Key informants and the general population identified the following services as being unavailable locally. The lack of these services are may be associated with adverse health care outcomes as in the case of alcohol and substance abuse treatment options or may just be a preference as with long term care and pediatric services:

- Substance abuse treatment
- Acute detox treatment
- Assisted living and long term care options
- Pediatric services

Conclusion

Based on the research and analysis, the project team has identified the following health care service issues that should be explored during the next phase of Local Health Care Initiative:

1. Dental Care for Low-Income Populations
 - a. Lower percentage of children on Medicaid receive dental care in the region
 - b. No Medicaid dental providers in region and only two providers accept CHP+ dental insurance
2. Substance Abuse and Detoxification Treatment
 - a. Inpatient and outpatient treatment facility are unavailable locally
 - b. Binge drinking rates higher that national targets
 - c. Both key informants and general population cited this as an unmet need
3. Comprehensive Mental Health Treatment Options (including crisis management and inpatient care)
 - a. Outpatient treatment options are very limited in local area, especially for low-income or uninsured populations
 - b. Crisis management and inpatient facilities are not available locally
 - c. Key informants and general population cited this as an unmet need
 - d. Key informant were very dissatisfied with the care of mental illness, depression, and suicide
4. Comprehensive OB/GYN Care
 - a. Unable to receive full-term prenatal care, receive high-risk prenatal care or deliver a baby locally
 - b. Key informants and general population cited this as an unmet need
 - c. 36% of key informants were dissatisfied with prenatal care and thought it was an important service
 - d. Need to travel out of the area to receive mammograms
5. Community-based Assisted Living/Long-term Care Options
 - a. Key informants and general population cited this as an unmet need
 - b. Services are unavailable locally

6. Non-Emergent Medical Transportation

- a. Key informants and general population cited transportation as a barrier to accessing care especially for certain segments of the population
- b. Many needed health care services are lacking in the region and people need to travel to Montrose or Grand Junction.
- c. Lack of a comprehensive public transportation system
- d. Limited non-emergency transportation available locally

7. Provider Education and Outreach

- a. Families with children living in poverty ranged from 6% to 9% in region
- b. Children less than 18 years old living in poverty ranged from 10% to 18%
- c. Less than 2% of eligible children enrolled in the CHP+ program
- d. Providers were unaware of how to help enroll low-income children into the CHP+ program
- e. Low rates of immunization rates for Influenza and Pneumonia vaccines
- f. Not all primary care providers participating in Vaccine for Children program
- g. Key informants and general population cited dissatisfaction with local providers as a reason for leaving local community for health care services
- h. Provider education regarding health screening, treatment of depression, and suicide prevention may help to improve key informant and general population's satisfaction with communities' response to these issues

8. Community Education and Outreach

- a. Population survey revealed the need for improving community awareness of local health care services. The general population stated they did not know if the following service were available in the community:
 - Tobacco cessation
 - Assistance with applying for Medicaid/CHP+
 - Health care services for non-English speaking patients
 - Treatment for mental health
 - Health care for low-income
 - Treatment for drug and alcohol abuse
 - Health care for seniors
- b. General population cited the lack of pediatric care as an unmet need although in rural communities, family practice typically cares for both children and adult patients

NEXT STEPS

Introduction

This health care needs assessment is the cornerstone of the Local Health Care Initiative and future strategic planning. Setting priorities cannot be accomplished without gaining an understanding of the community's health care needs and concerns. Addressing the health care service issues identified during the assessment is the next step in the planning process.

The project team along with the Advisory Panel will develop a framework and a process for transitioning to Phase II of the Local Health Care Initiative. During this transition, the Advisory Panel will:

- Review the health care needs assessment report and identified health care service opportunities
- Review assessment of the current health care service delivery model
- Identify other groups or individuals that need to be involved in planning process
- Identify what resources are needed for program development and implementation
- Set priorities for moving forward

Results of Advisory Panel Planning Meeting

To be added after November 17, 2006

**APPENDIX A
COMMUNITY HEALTH CARE SERVICES INVENTORY**

Health Services	Nucla/Naturita	Norwood		Telluride		Ridgway	Ouray
Primary Care Providers	Basin Clinic	Uncompahgre Clinic	Norwood Family Medicine	Telluride Medical Center,	David Homer, MD	Mountain Medical Center	None
Urgent Care/Extended Hours	Basin Clinic- 24/7	9-5 M-F and Evening Hours M & Thurs.		Telluride Medical Center - 24/7	No	Mountain Medical Center -9-5 M-F Saturday 9 am-12 pm	None
24 Hour Emergency Care	Yes-Basin Clinic	None		Yes	No	None	None
Insurances Accepted	Medicare, Medicaid, CHP+, All major insurers accepted. United Healthcare contract pending.	Medicare, Medicaid, CHP+, All major insurers accepted. No known exceptions.		Medicare, Medicaid, CHP+, RMHP, BC/BS, Sloan's,	Medicare, Medicaid, RMHP, BC/BS, Sloan's, All major insurers	Medicare, Medicaid, CHP+, (RMHMO, No new patients), BC/BS, PHCS, Great West, United/PacifiCare, Sloan's, MMA	None
Office Procedures	Dermatology BX	Colposcopy, Dermatology BX		Dermatology BX	Dermatology BX	Dermatology BX	None
Radiology Procedures	X-Ray	X-Ray		X-Ray, Ultrasound, CT scan	X-Ray	X-Ray	None
Laboratory Facilities	Moderate Complexity Lab, Minimal microscopic pathology	Minimal Complexity Lab, Minimal microscopic pathology		Medium Complexity Lab, Minimal microscopic pathology	Minimal Complexity Lab, Minimal microscopic pathology	Minimal Complexity Lab, Microscopic pathology	None
Treatments	Minor ophthalmology, minor orthopedics	Minor ophthalmology, Minor orthopedics		Minor ophthalmology, Minor orthopedics	Minor ophthalmology, Minor orthopedics	Ophthalmology, Minor orthopedics	None

Health Services	Nucla/Naturita	Norwood		Telluride		Ridgway	Ouray
Health Education	Yes	Yes		Yes	Yes	Yes	Yes
Primary Care Capacity	Yes	Uncompahgre Clinic Yes – can increase number of patients per day without adding providers		Telluride Medical Center Yes – would need more room and support staff. During ski season, ED is at capacity	Yes, 25-30% increase	Mountain Medical Center Yes – can increase number of patients per day without adding providers	N/A
Primary Care Appointment Wait Time	Basin Clinic - Same day for routine and urgent care	Uncompahgre Clinic - Same day for routine and urgent care		Telluride Medical Center - Same day for routine and urgent care.	Same day for routine and urgent care, 1 month for physicals	Mountain Medical Center - Same day for urgent care and 1 week for physicals	N/A
Dental Services	None	Norwood Dental		Telluride Dental	Ken Hodges, DDS	Ridgway Dental Clinic	None
Dental Services- Dental Insurances Accepted		Most employer provided insurances; self-pay; CHP through Delta Dental		Most employer provided insurances; self-pay; CHP through Delta Dental		Private Insurance Only	None
Mental Health	Midwestern Mental Health Center	Midwestern Mental Health Center		Midwestern Mental Health Center	Psychological Associates		Midwestern Mental Health Center
Mental Health Services Offered	Psychiatrist-biweekly Drug/alcohol Group Individual therapy, Medicaid contract, Schools, Acute Care (24/7), police referral	Psychiatrist-biweekly Drug/alcohol Group Individual therapy, Medicaid contract, Schools, Acute Care (24/7), police referral		Psychiatrist-biweekly Drug/alcohol Group Individual therapy Medicaid contract, Schools, Acute Care (24/7), police referral			Psychiatrist-biweekly Drug/alcohol Group Individual therapy Medicaid contract, Schools, Acute Care (24/7), police referral

Health Services	Nucla/Naturita	Norwood		Telluride		Ridgway	Ouray
Inpatient Mental Health Care	Colorado West Inpatient in Grand Junction	Colorado West Inpatient in Grand Junction		Colorado West Inpatient in Grand Junction			Colorado West Inpatient in Grand Junction
Physical Therapy	Physical Therapy Resources	Physical Therapy Resources		Referral to Peak Performance Therapy in Mountain Village		Montrose Memorial Hospital (Rehab Satellite)	Montrose Memorial Hospital (Rehab Satellite)
Domestic Violence	San Miguel Resource Center	San Miguel Resource Center		San Miguel Resource Center		San Miguel Resource Center	San Miguel Resource Center
Public Health	Montrose County Health Service	San Miguel Public Nursing Service		San Miguel Public Nursing Service		Ouray County Public Health	Ouray County Public Health
Public Health Services	Social Services/Well Child Welfare, Senior meals and Transportation, Regional AAA, Homemaker Program, Immunizations, School nurse, Family Planning, STD Testing	Family Planning, Women's health, physical exams, STD testing, Colorado Cancer Control Program, WIC, Child Immunization, Well child check		Family Planning, Women's health, physical exams, STD testing, Colorado Cancer Control Program, WIC, Child Immunization, Well child check		Well Child Checks Family nurse partnership Providers, Nutritionist, Behavioral Health School nursing, Homemaker	Well Child Checks Family nurse partnership Providers, Nutritionist, Behavioral Health School nursing, Homemaker
Home Health Care	Alpine Home Health	Alpine Home Health		Alpine Home Health		Alpine Home Health	Alpine Home Health
Home Health Care- Insurances Accepted	Private Pay Private Insurance Medicare Medicaid	Private Pay Private Insurance Medicare Medicaid		Private Pay Private Insurance Medicare Medicaid		Private Pay Private Insurance Medicare Medicaid	Private Pay Private Insurance Medicare Medicaid
Alternative Health Care						Ridgway Integrative Medicine	Alternative Providers through Ouray County Public Health: Energy and Pain Management

Health Services	Nucla/Naturita	Norwood		Telluride		Ridgway	Ouray
Pharmacy	Apothecary	None		Sunshine		Ridgway Pharmacy	None
Ambulance	Served by Norwood EMT	Norwood EMT		Telluride Fire District: EMS		Ridgway Ambulance	Ouray County EMS

**APPENDIX B
KEY INFORMANT SURVEY**

Introduction to the Survey:

The Telluride Foundation was recently awarded a grant to pilot a Local Health Care Initiative. This Initiative will use local expertise to identify critical health care concerns and needs. Once these health issues have been identified, programs will be developed and implemented that provide solutions to the unmet needs. This Health care needs assessment of San Miguel, Ouray and West Montrose counties is the first step in the Local Health Care Initiative. The Telluride Foundation and Advisory Panel are asking you to complete this survey as part of the health care needs assessment. This survey will provide us with valuable information that will help us to accomplish our goals.

1. In the table below, rank the importance of each medical issue 1 through 7, 1 being most important, and 7 being least important.

	Most Important	2	3	4	5	6	Least Important
Childhood Immunizations							
Heart Disease							
Stroke							
Diabetes							
Cancer							
Obesity							
Sexually Transmitted Diseases							

2. In the table below, rank the importance of each health behavior issue 1 through 7, 1 being most important, and 7 being least important.

	Most Important	2	3	4	5	6	Least Important
Alcohol Abuse							
Smoking and Tobacco Use							
Illegal Substance Abuse							
Depression							
Suicide							
Domestic Abuse							
Motor Vehicle Accidents							

3. In the table below, rank the importance of each access to health service issue 1 through 10, 1 being most important, and 10 being least important.

	Most Important	2	3	4	5	6	7	8	9	Least Important
Access to care for: Children										
Seniors										
Adults										
Non-English speakers										
Dental Care for low-income										
Prenatal Care										
Mental Health Care										
Ambulance Services										
Urgent Care Services										
Emergency Care Services										

4. For these health issues, please indicate how satisfied you are with the community's response to the issue.

	Not Satisfied	Less Satisfied	Neutral	Somewhat satisfied	Very Satisfied
Childhood Immunizations					
Heart Disease					
Stroke					
Diabetes					
Cancer					
Obesity					
Sexually Transmitted Diseases					
Alcohol Abuse					
Smoking and Tobacco Use					
Illegal Substance Abuse					
Depression					
Suicide					
Domestic Abuse					
Motor Vehicle Accidents					

5. For these access to health services issues, please indicate how satisfied you are with the community's response to the issue.

	Most Important	2	3	4	5	6	7	8	9	Least Important
Access to care for: Children										
Seniors										
Adults										
Non-English speakers										
Dental Care for low-income										
Prenatal Care										
Mental Health Care										
Ambulance Services										
Urgent Care Services										
Emergency Care Services										

6. What reasons would you give for your dissatisfaction with the community's response to the issues you have identified? (Pick all that apply)

- Services not available
- Services are too expensive
- Services not covered by insurance
- No services for the uninsured are available
- Not enough providers for the service
- Hours are not convenient
- Location is not convenient
- No translation services for non-English speakers
- No community response at all
- Other (please specify)

1. Briefly discuss what solution you would propose to addressing those issues for which you have indicated you are not satisfied with the community's response.

2. What barriers exist to solving these needs? (Pick all that apply)

- No resources to pay for the service
- Individual doesn't have insurance
- Provider doesn't accept individual's insurance
- Non-emergency Transportation to the provider
- Emergency transportation-not available or cannot afford
- Providers and their staff are not culturally competent

- There are language barriers in providing care
 - The services are not available
 - Public policies do not support providing the service
 - Funding source policies do not support providing the service
 - There is a social stigma to accessing the service
 - There is a fear of confidentiality not being maintained
 - Other _____
3. Are there specific populations in the community that you believe are not being served? (Pick all that apply)
- Senior Citizens
 - Children
 - Disabled Persons
 - Non-English speaking
 - Undocumented immigrants
 - Working uninsured
 - Women with health issues
 - Men with health issues
 - Other (Please Specify)
4. What organizations or persons should be involved in addressing these needs? (Pick all that apply)
- Government Social Services
 - Elected Officials
 - Non-Profit Organizations
 - Foundations
 - School Boards
 - Churches/Religious Groups
 - Civic Organizations (Rotary Club, Red Cross, etc.)
 - Business Leaders
 - Health Care Professionals
 - Mental Health Workers
 - Other _____

5. What elements are important to the success of designing new programs to solve these needs? (Rank in order of importance 1 through 5, 1 being most important and 4 being least important)

	Most Important	More Important	Important	Less Important	Least Important	N/A
Ongoing Funding/Sustainability						
Communication between organizations						
Common goals among organizations						
All stakeholders are invited to participate						
Culturally competent planning and administration						

6. Are there elements not listed in question 12 which you feel are important to the success of designing new programs?

7. What issues necessitate travel outside of the immediate community (greater than 30 miles) for health care? (Pick all that apply)

- Needed services not offered locally
- Having established rapport with another provider
- Insurance issues
- Referred elsewhere
- Bad previous experience
- Dissatisfied with the quality of services
- Long wait times
- Old or outdated facilities
- Convenience
- Confidentiality
- Second opinion
- Health care obtained near primary home
- No Primary Care Provider "home"
- Other _____

8. Identify which three of the following services in your community are most in need of improvement, 1 indicating the highest priority, 2 the next highest, and 3 the third highest.

	Highest	Second Highest	Third Highest	Not a Priority	Not Available
Family/General Practice					
Emergency Services-Transport					
Emergency Services-Treatment					
Non-emergency Transport					
Pharmacy					
Mental Health Treatment					
General Surgery					
Orthopedics					
Cardiology					
OB/GYN					
Dermatology					
Ophthalmology					
Podiatry					

9. Are there services not listed in question 16 that you feel are in need of improvement?

10. What specialty services would you like to see added in your community? (Prioritize top 3 services, with 1 being the highest priority, 2 the next highest, and 3 the 3rd highest).

	Highest	Second Highest	Third Highest	Not a Priority	Already Available
Dental/Orthodontics for low income					
Senior Services					
Acute/Detox/Substance Abuse Care					
Pediatrics					
Birthing Center					
Ambulatory Surgery					
Inpatient Hospital Care					
Long Term Care					
Assisted Living					

11. Are there specialty services not listed in question 18 that you would like to see added in your community?

12. What is the Zip Code where you live?

13. What is the Zip Code where you work?

**APPENDIX C
KEY INFORMANT SURVEY RESULTS**

Health Care Issues: (Questions 1 and 4)

Survey respondents were asked to rank the importance of several health care issues, and then to indicate their level of satisfaction with the community's response to those issues. The combined results of these questions are listed in the following table.

Key Informant Survey Response: Health Care Issues

Health Care Issues	Ranking of Importance	Level of Satisfaction with Community Response		
		Not/Less Satisfied	Neutral	Somewhat/Very Satisfied
Childhood Immunization	1	15%	20%	64%
Cancer	2	23%	44%	33%
Heart Disease	3	15%	44%	41%
Diabetes	4	22%	53%	18%
Stroke	5	17%	51%	32%
Obesity	6	43%	45%	12%
Sexually Transmitted Disease	7	38%	47%	16%

Health Behaviors: (Questions 2 and 4)

Survey Respondents were asked to rank the importance of several Health Behavior issues and then to indicate their level of satisfaction with the community's response to those issues. The combined results of these questions are listed in the following table.

Key Informant Survey Response: Health Behavior Issues

Health Behavior Issues	Ranking of Importance	Level of Satisfaction with Community Response		
		Not/less Satisfied	Neutral	Somewhat/Very Satisfied
Alcohol Abuse	1	61%	24%	15%
Domestic Abuse	2	66%	19%	15%
Illegal Substance Abuse	3	45%	17%	38%
Depression	4	48%	36%	16%
Smoking and Tobacco Use	5	48%	31%	21%
Suicide	6	42%	44%	14%
Motor Vehicle Accidents	7	25%	37%	37%

Access to Care: (Questions 3 and 5)

Survey respondents were asked to rank the importance of several Access to Services Issues, and then to indicate their level of satisfaction with the community's response to those issues. The combined results of these questions are listed in the following table.

Key Informant Survey Response: Access to Service Issues

Access to Services Issue	Ranking of Importance	Level of Satisfaction with Community Response		
		Not/less Satisfied	Neutral	Somewhat/Very Satisfied
Children	1	23%	13%	64%
Seniors	2	25%	23%	52%
Emergency Care Services	3	13%	20%	67%
Ambulance Services	4	7%	13%	80%
Prenatal Care	5	36%	20%	46%
Urgent Care Services	6	13%	18%	61%
Mental Health Care	7	54%	26%	20%
Adults	8	20%	18%	62%
Dental Care-Low Income	9	59%	36%	5%
Non-English Speaking	10	28%	48%	25%

Key Informants were asked what reasons they would give for their dissatisfaction with the community's response to the issues they have identified: (Question 6)

Respondents identified:

- Nonexistent Services (services were not available and no services for uninsured)
- Payment systems (too expensive and not covered by insurance)
- Lack of Community Education

Comments:

- The mental health system for the western slope is almost nonexistent. (Ouray)
- Agencies outside our area do not understand we are 2 hours from hospital services (Nucla)
- Medicare denying payments, Medicaid not covering, no resources for indigent care, custodial care expensive and less than adequate (Montrose)
- No bilingual counselors (Telluride)
- Despite epidemics of Influenza & Whooping Cough in Ouray County we still have parents that are unwilling to immunize their children we lack proper education regarding infectious disease-(Ridgway)
- NEED ER FACILITY(Ridgway)

Key Informants were asked to briefly discuss what solutions they would propose to addressing those issues for which they indicated they were not satisfied with the community's response: (Question 7)

Two themes emerged from the responses to this open-ended question:

- The need for public access or low cost clinic services
- The need for community education for health issues such as immunizations and behavioral related issues (drug use and sexually transmitted disease)

Comments:

- Need more community education (Telluride)
- Providing dental care in San Miguel County for low-income children and lack of affordable emergency and primary care for low income. Having vouchers available on a

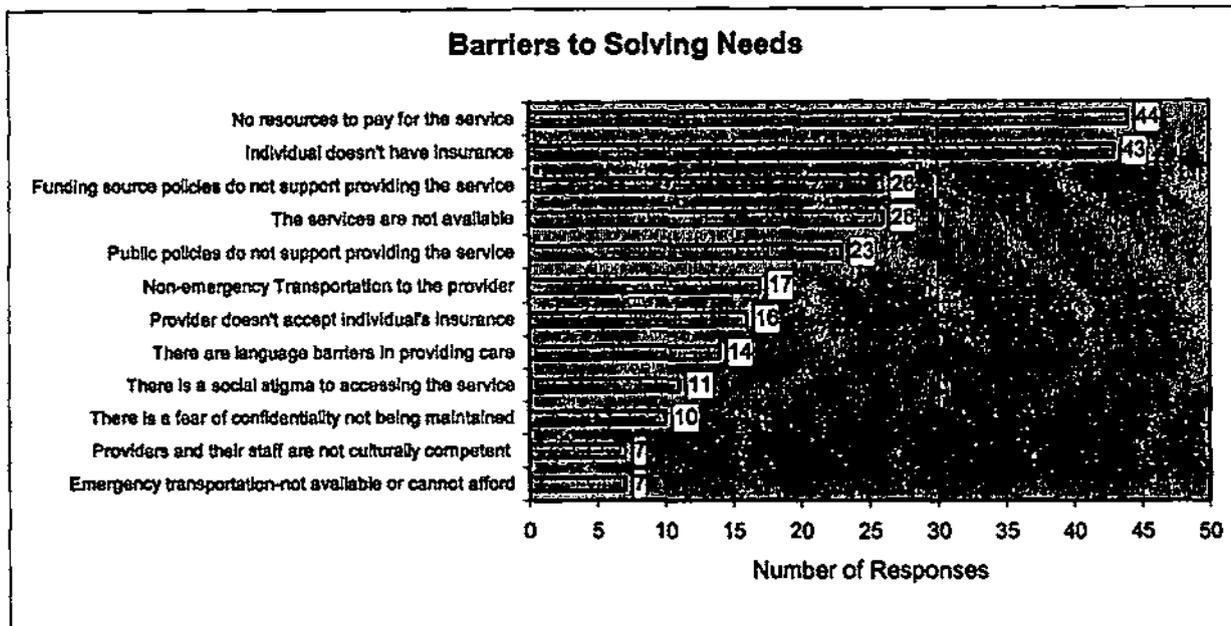
case-by-case basis for individuals needing medical/dental care with no source of payment. (Telluride)

- As I am not a health care worker and do not have experiential data, I can't answer these questions with certainty. My choices above were made more from my opinion about how approachable/achievable some issues are through education/outreach [i.e. obesity, sexually transmitted disease, substance abuse (meth)]. Re: Number 3 above, all are important and difficult to rank. (Norwood)
- Universal health insurance more providers affordable preventative care for children mobile health van to visit remote areas of the service region (Telluride)
- More adult mental health treatment beds/facilities so patients can be admitted for tx & observation. Currently only the MOST serious even have a shot at one of the 9 adult beds for the entire western slope. Everyone else signs a note stating they won't try and hurt themselves again and is cut loose. (Ouray)
- No dental services in our area, decreased social service personnel, and a volunteers EMT staff that is overworked and under equipped. (Nucla)
- Care access for seniors is difficult, Medicare is denying many payments now, trying to reduce the budget, the senior population is in great need for medication management services, many of them are on multiple medications, more than seven and cannot keep them straight, forget to take them one of the biggest causes of hospitalizations, falls in the senior population. There is no funding for any of this, many of the senior are unable to afford private pay services. Access to DSS services is very difficult due to the fact that each county serves as its own SEP (single point entry) and taking on the task of getting someone assistance is really difficult as every county has different procedure, the eligibility techs are not user friendly. In providing home health services in the western slope we are faced with many obstacles, one of them is driving with gas at \$3 gallon and more, it is difficult keeping employee's, I would like to see some sort of federal/state gas voucher system, we cannot serve our sickest population if we cannot get to them, we do reimburse 40 cents a mile, but its not enough, we have no reimbursement mechanism for this. I would like the legislators to visit our sick and needy and understand what we go through to provide health care here on the western slope... We need better access to these entitlement programs, and a few less restrictions on who and how we provide care, I would like to see the counties step up their immunization programs, and be consistent with their TB program, in each county there is a different opinion who should receive treatment, their standards are different, TB is on the rise. I could go on and on. There are a lot of unmet needs. (Montrose)
- We need socialized medicine!! (Ouray)
- Development of a public access clinic in each of our towns, in particularly, in Ouray where there is currently no medical or dental clinic. Mental health services need to be provided in supportive and non-clinical manners, and in the form of prevention, as well as treatment (81427) (Ouray)
- I would propose more public education and outreach to help people learn more about the various problems that are out there. (Mtn Village)
- Ouray County does pretty well (Ouray)
- To my knowledge there are no low-income dental services for adults. No mental health care for uninsured or under insured. (Ridgway)

- Reasonable insurance available to all. Knowledgeable staff and quality facilities. Care and follow-up on care. (Norwood)
- Possibly have more educational programs, or support groups to encourage people to take control of their health issues. (Ouray)
- Better breadth and depth of rotation of visiting specialists from neighboring secondary/tertiary care facilities. Better funded community programs for alcohol and substance abuse. (Mtn Village)
- The health issue with which I am involved is breast cancer screening for low-income non/insured women. I am sorry that I do not have the information to participate in the last two sections. (81435) (Mtn Village)
- Medical expenses are very high, even with insurance one must come up with high amounts of co-pay. One cannot afford to become sick, even if they work, have insurance and take care of themselves well. The uninsured are at very high risk for disease and the economic devastation that it produces should they become ill. Also there is a very low awareness for the drug and alcohol use/abuse in our county. The numbers of arrests continue to increase and the number of drug busts increase, however not much time and effort goes into prevention and control. (Ouray)
- Hah, strike gold and fund 24 hr emergency care (on call is fine) in Norwood. Telluride's 24 hr emergency care service level is good. Consider hospital/clinic based ambulance services to increase QA/QI and improve standardization. This removes the ambulance services from fire politics (Norwood and Telluride) and places them into clinic politics...under a physician filter. (Telluride)
- Schools and health facilities must work together with communities to insure that all members are taken care of in terms of health care. (Ridgway)
- The community should have a plan and commitment to provide health care services to all of the children, regardless of income or insurance coverage. (Telluride)
- Since I live in Paradox, I don't expect the location of clinics to ever become convenient. However, extended hours at the current clinics would help. (Paradox)
- I would like to see a local Non-English speaking outreach program funded by private monies that provides a link to healthcare and other social resources. Our agriculture, restaurant and constructions industries introduce many non-English speaking to Ouray County, but I do not see a viable resource that helps with integration of immigrants to the services that our county provides. WE NEED TO EDUCATE PARENTS ABOUT THE NECESSITY OF IMMUNIZING THEIR CHILDREN!!!! (Ridgway)
- More publicity might help on some of these issues. Many people still want to deny that some of these problems exist. (Ouray)
- Appealing to our State's Legislators to curb the costs of healthcare and to add low-income dental plans. (Ridgway)
- As far as I know there is no access at all for low-income people to dental services. It seems there should be some access provided through some kind of program. If a person's dental health is poor so is the rest of their health! Norwood, in particular, lacks access to 24-hour care as the clinic is strictly 8-5 M-F. 24 hour is provided by the local volunteer ambulance service or by driving to Naturita, Telluride or Montrose Hospital. It is very expensive to provide urgent or emergency after-hours care but should be available and not rely strictly on volunteers. (Norwood)

Key Informants were asked what barriers exist to solving the health care needs in your community: (Question 8)

Identification of barriers by the key informants is an important step in the process of developing solutions to health care delivery problems. Results of this question are given in the following figure.

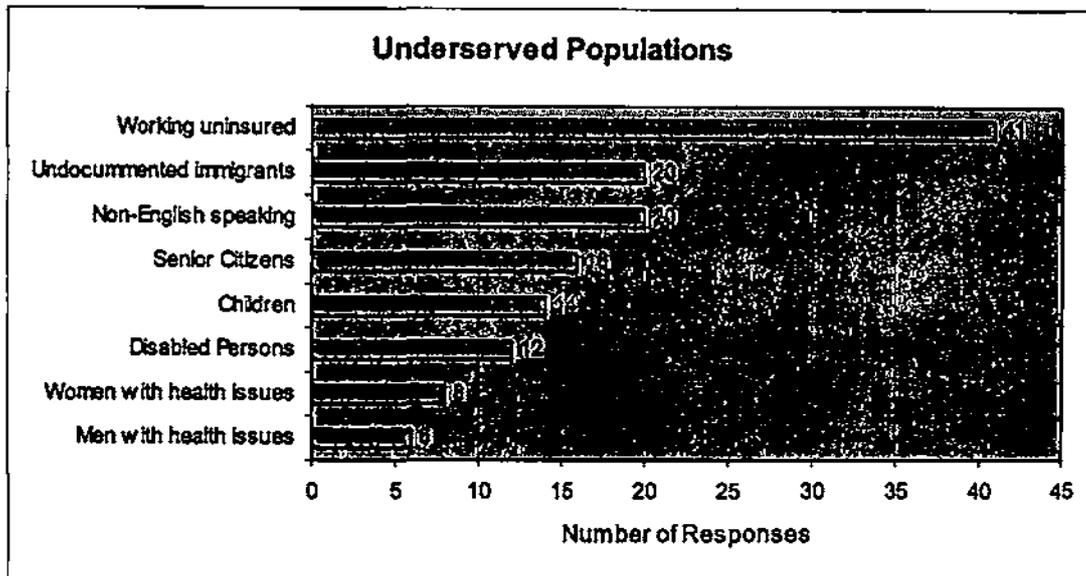


Comments:

- No follow-up by law enforcement or social services on assaults, drugs, and child abuse complaints. (Nucla)
- Altitude is an issue; demographics, as well, make senior care likely less of a local issue.(Mtn Village)

Key informants were asked if there are specific populations in the community that they believed are not being served: (Question 9)

Respondents were able to check all groups that applied, as well as adding in groups that were not included. The answers to this question will assist planners in validating these perceptions, as well as addressing the needs of the identified groups in a strategic plan. The following figure shows the responses to this question.

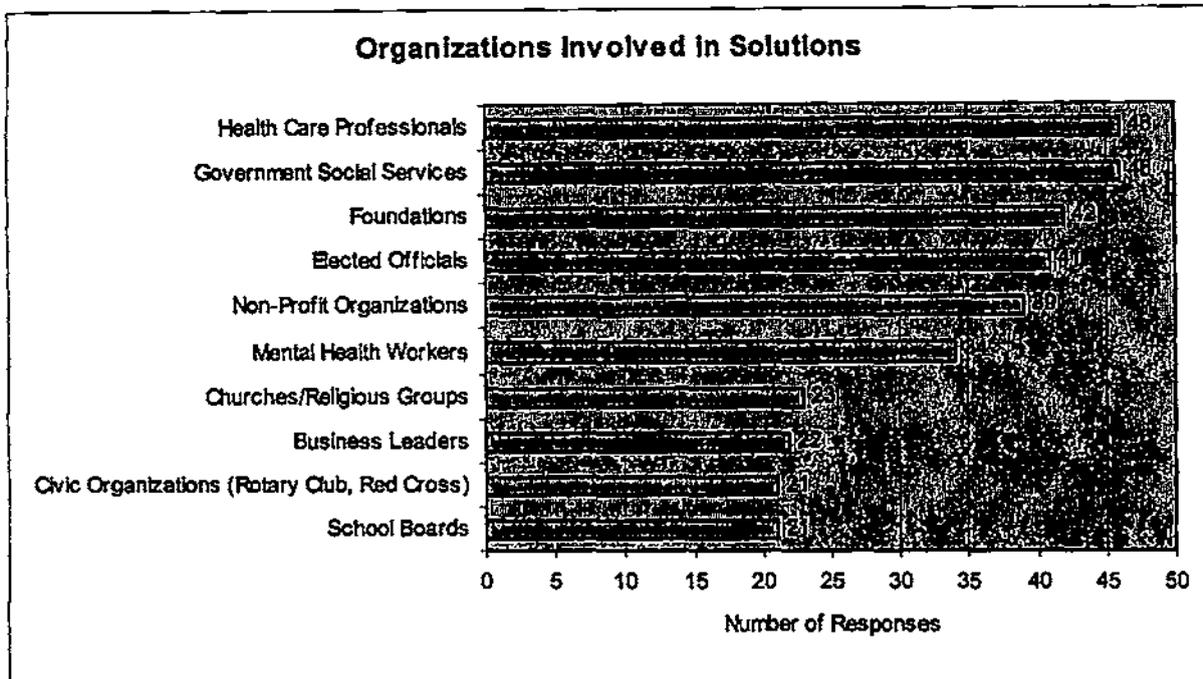


Comments:

- Mental health, alcohol & substance users/abusers (Ouray)
- youth with addiction issues (Telluride)
- NEED NURSING HOME FACILITY IN RIDGWAY (Ridgway)

Key Informants were asked what organizations or persons should be involved in addressing the identified needs: (Question 10)

The answers to this question reveals what key informant's believe about the responsibilities of the various entities listed. By identifying these beliefs, planners can either validate or dispel these beliefs through community education, engagement of these entities, and development of relationships that bridge these entities to reach solutions. Results of this question are given in the following figure.



Comments:

- Everyone has a stake in the health of the community (Telluride)
- Ideally, health care is a public responsibility. When private entities become involved there is less permanence and often limited access to the service (Telluride)
- Hospital District (Mtn Village)
- In small communities everyone has to work together. (Paradox)

Key informants were asked what elements they felt were important to the success of designing new programs to solve the identified needs: (Question 11)

The answers to this question reveal what respondents feel are the essential elements that predict a program’s successful implementation and will help planners engage people and organizations by ensuring that the important predictors of success will be considered in program planning. The results of this question are given in the following table.

Elements of a Successful Program	
Ranked Responses	
	1
Ongoing funding/Sustainability	2
Communication between organizations	3
Common goals among organizations	4
All stakeholders are invited to participate	5
Culturally competent planning and administration	6

Key informants were asked what elements not listed in the survey were important to the success of designing new programs to solve the identified needs: (Question 12)

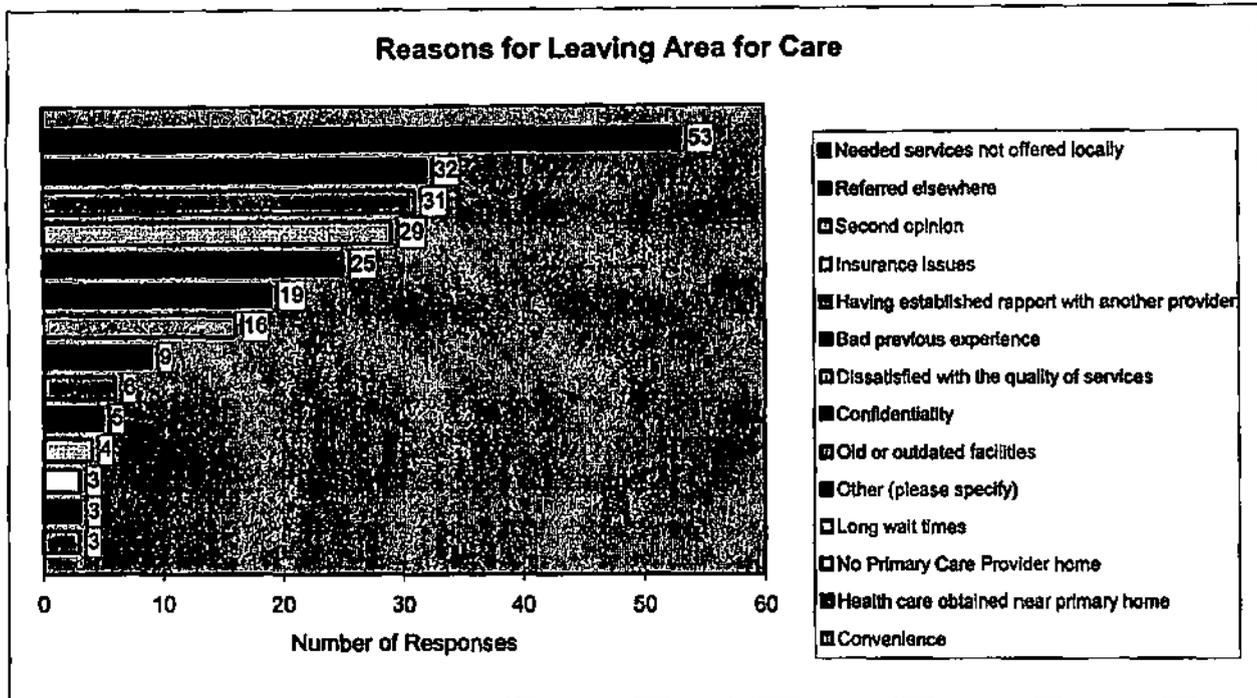
Several key informants listed some form of oversight as a requirement for success. For example, a regional committee of health care providers was suggested, as was the formation of strategic relationships to provide a continuum of care. Planning according to the culture and character of the existing community was important to several key informants, for example, whether some issues should be addressed at a local, regional or national level. Staffing issues were also cited as an important element for success, specifically that trained personnel have affordable and desirable places to live.

Comments:

- Planning must be in context of our natural, economic and cultural environments (Telluride)
- Adequate funding and staffing for in-house tx beds as well as a series of community out patient support/tx facilities. (Ouray)
- Determine needs and whether or not those needs should be met locally, regionally, etc. Deliver the necessary funding, facility and strategic relationships (i.e., other medical centers) to assure delivery and access to continuum of care. (Mtn Village)
- I ranked these elements, however, they all are important to solving the problems. Without anyone, the effort could fail. (81435) (Mtn. Village)
- There needs to be a regional Committee of Health Care Providers (Telluride Med Ctr, Telluride Family Practice, San Miguel and West-End Nursing Services, 2 med practices in Norwood, Basin Clinic in Naturita, Social Services, Mental Health, private psych therapists), all of the Hospital Boards, Telluride Foundation, San Miguel Resource Ctr. (Telluride).
- Trained personnel who have a desirable and an affordable place to live. (Paradox)

Key informants were asked what issues necessitate travel outside of the immediate community for health care: (Question 13)

Responses to this question will identify trends that can be appropriately addressed. Negative experiences leading to services being obtained elsewhere can be further explored for solutions. Understanding referral patterns due to either preference or insurance requirements is critical to planning future services. The results of this question are given in the following figure.



Comments:

- One of my children has a common developmental disability. Although his health care needs are minimal, local providers are 'afraid' to work with him because of a perceived difference
- Main issues are either service (i.e. specialty) is not available or better care is viewed as available elsewhere. Telluride is seen as being only able to handle primary care and triage/ stabilizing patients in need of more complex care. (Mtn Village)
- NO ACCESS TO ER OR NURSING HOME FACILITY (Ridgway)
- No after hours emergency/urgent care facilities available. (81423) (Norwood)

Key Informants were asked of the services currently available in their communities, which three were most in need of improvement: (Question 14)

This question identifies perceptions about current services and is invaluable to planners for future services. Strengthening the current services is an important strategy to meet health care needs. The following table shows the ranked responses in order of services most in need of improvement.

Existing Services Most In Need of Improvement

Ranked Response
Mental Health Treatment
Non-emergency transportation
Emergency Services-Treatment
OB/GYN
Family/General Practice
Emergency Services-Transport
Cardiology
Pharmacy
Orthopedics
General Surgery
Ophthalmology
Dermatology
Podiatry

Key Informants were asked if there were services currently available in their communities not listed in the survey, which three were in need of improvement: (Question 15)

Dentistry and alcohol/substance abuse were two services not listed in the survey that key informants felt needed improvement. Also mentioned, were better access to primary care physicians, and several services, which are not currently available, like nursing home care, pediatric specialists, and oncology services.

Comments:

- Pediatrics Dental Care (Telluride)
- We need pediatric care specialists in east and west end communities Internal medicine (Telluride)
- Alcohol & substance abuse Tx/detox (Ouray)
- Dental (Nucla)
- We need more access to physicians, currently there is as long as a90 day wait to get in, hence this leads to cluttered ER's and virtually no urgent care clinics, walk in rural health clinics. (Montrose)
- Well childcare. Preventative mental health services (81427) (Ouray)
- Pediatrics, internal medicine, ENT (mainly pediatric), oncology/hematology. (Mtn Village)
- NURSING HOME (Ridgway)

Key informants were asked to identify specialty services that they would like to see added to their community: (Question 16)

This question identifies gaps in services offered and services desired. Once these gaps are known, realistic solutions can be applied. Results of this question are given in the following table.

Specialty Services to Add to the Community

Ranked Response
Acute/Detox/Substance Abuse Care
Dental/Orthodontics for low income
Assisted Living
Pediatrics
Long Term Care
Senior Services
Birthing Center
Ambulatory Surgery
Inpatient/Hospital Care

Key informants were asked to identify specialty services not listed in the survey that they would like to see added to their community: (Question 17)

Mental Health, OB/GYN, adult day care, and preventative/wellness care were all given as desired services to add to the community.

Comments:

- Mental Health affordable (Telluride)
- OB/GYN (Telluride)
- Adult day care (Montrose)
- Preventative and wellness care (81427) (Ouray)

**APPENDIX D
POPULATION SURVEY**

Dear Community Members,
We are asking you, our neighbors and friends, to complete this survey to help us better understand your health care needs. This information will assist The Local Health Care Initiative, a project of the Telluride Foundation, to identify critical health care needs and create strategic partnerships for health promotion programs in San Miguel, Ouray, and West Montrose counties.

DROP-OFF LOCATIONS
Post Offices• Libraries•
Medical Centers• Health
Care Providers• Telluride
Foundation

Once you have completed the survey, please take to a drop-box location convenient to you, or mail to Telluride Foundation, 620 Mountain Village Blvd., Ste 2B, Telluride, CO 81435 or take the survey online at: www.telluridefoundation.org/survey

1. In your opinion, how available are each of these services in your neighborhood or community? Please express your opinion by checking the appropriate column.

Health Issue	Available	Mostly Available, but Sometimes Not Available	Rarely Available, but Sometimes Available	Not Available	Don't Know
Vaccinations for children					
Screenings and other preventive health care services.					
Opportunities for physical activities to reduce obesity					
Health care services for low income populations					
Assistance in applying for Medicaid or the State Children's Health Insurance Plan					
Programs to help people quit smoking					
Treatment for alcohol and drug abuse					
Dental Care for low-income populations					
Health care for Non-English speakers					
Health care for seniors					
Treatment for mental health problems					
Care for pregnant women					
Services for victims of domestic violence					

2. How do you rate your health?

- Excellent Good, Fair
- Very Good Poor

3. Are you covered by health insurance or some other kind of health plan?

- YES (Go to #4) NO (Go to #5)

4. What kind of insurance do you have for yourself and family?

- Medicare
- Medicaid
- Employer Provided Insurance
- Individually/Family Purchased Insurance
- State Children's Health Insurance Plan (CHP+)
- Other _____

5. If you do not have insurance, what are the reasons?

- Choose not to
- Can't afford
- Employer doesn't offer
- Lost coverage under someone else's policy
- Insurance company refused coverage
- Lost eligibility under Medicaid/medical assistance
- Other _____

6. Can you find a dentist that accepts your insurance plan?

- YES NO No dental insurance

7. Do you have one person you think of as your personal doctor or primary care provider?

8. If not, why don't you have a primary care provider? (Choose one)

- No insurance/Too expensive/can't afford it
- Cultural/Language barriers
- Get medical care from a specialist
- Get medical care near my primary residence
- Don't want a primary care provider
- Transportation is a problem
- Other _____

9. Check any of the following health care services that you or your family have received in the past year:

- Regular Physical Exam
- Specialty Care (cardiologist, urologist, etc)
- Dental Care
- Mammogram
- Pap Smear
- Colonoscopy/Sigmoidoscopy
- Skin Cancer Screening
- Prostate Cancer Digital Screen or PSA Test
- Glaucoma Test
- Blood Pressure Check
- Cholesterol Screen/Lipid Testing
- Blood Sugar Check
- Sexually Transmitted Disease Screening
- Mental Health Treatment
- Flu Shot

10. Do you require the ongoing care of a specialist?

YES NO Not Sure/Not Applicable

11. Do you or your family travel outside of your local area (greater than 30 miles of where you live or work) for health care? YES NO

12. If you obtain services outside of your local area, indicate the reasons? (Check all that apply)

- I have established care with an outside specialist
- I was referred elsewhere
- I am dissatisfied with the quality of care with local providers
- I am concerned that my health history will not be confidential if I see local providers
- Other _____

13. Of the services that already exist in your community, select three that you feel are most in need of improvement.

- Dental/Orthodontics for low-income
- Home Health Care
- Hospice Care
- Geriatric/Senior Care
- Non-Emergency Transportation
- Pharmacy
- Mental Health Treatment
- Other _____

14. Of the services that do not currently exist in your community, select three that you would most like to see added.

- Oncology
- Pediatrics
- OB/GYN
- Nursing Home
- Assisted Living
- Acute/Detox/Substance Abuse Care
- Other _____

15. During the past 30 days did you have at least one drink of any alcoholic beverage? YES
NO

16. On the days you drank, how many drinks did you have on average?

- 1 drink 2-3 4-5 6 or more N/A

17. Which of the following best describes your tobacco use?

- Never used tobacco
- Use tobacco daily
- Use tobacco occasionally
- Used to use tobacco, but quit

18. If you currently use tobacco, which tobacco products do you use?

- Cigarettes
- Cigar/pipe
- Smokeless tobacco/chew
- Other _____

19. Do you wear a helmet for outdoor activities such as motorcycle riding, skateboarding, bicycle riding, or snowboarding?

YES NO If Yes, name activity or activities _____

20. In the past year, were you ever hit or harmed (such that you required medical attention) by a spouse or other family member? YES NO

21. What is your gender? M F

22. What is your age?

23. What is the zip code where you live?

24. What is the zip code where you work?

25. Are you a full time or part-time resident of the county? Full-time Part-time

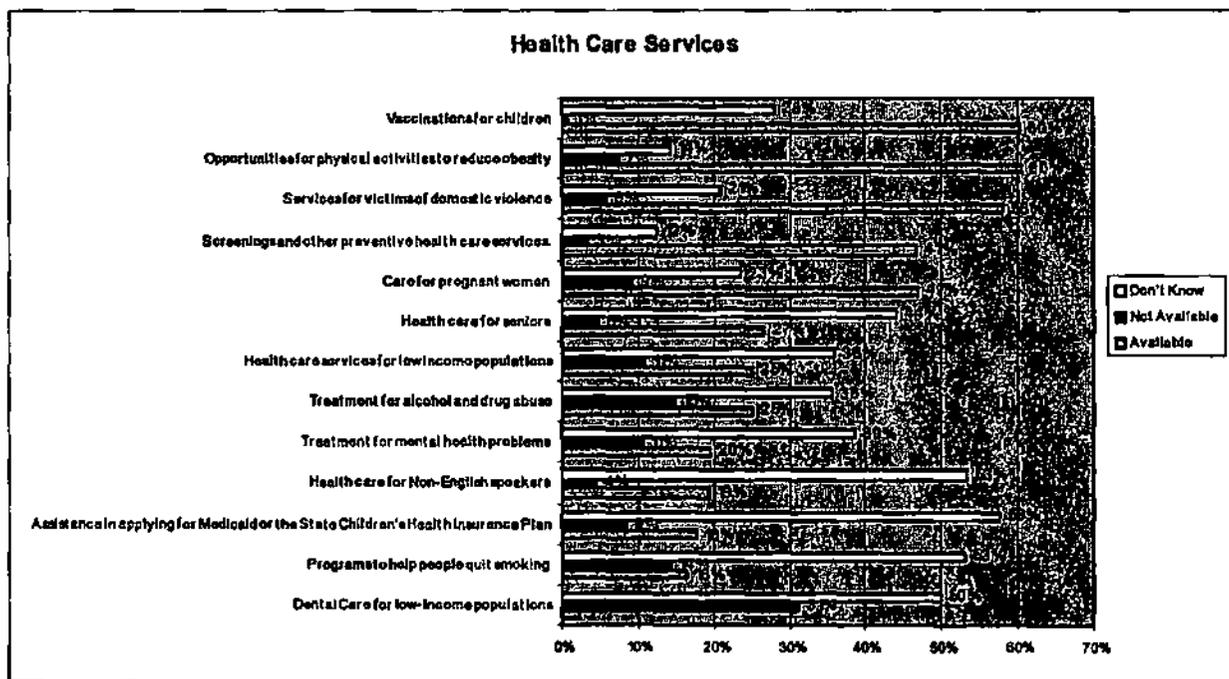
26. What is your employment status?

- Unemployed
- Employed Full Time
- Employed Part Time or Seasonal
- Self-Employed
- Retired

27. In what industry(ies)?

APPENDIX E POPULATION SURVEY RESULTS

Health Care Services: Respondents were asked to give their opinion on the availability in their community of a list of health related services. Although four categories of responses were given (Available, Mostly Available, Rarely Available, Not available, and Don't Know) the majority of responses fell the categories of "Available", "Not Available", or "Don't Know". (Question 1)



Personal Health Care Usage: Respondents were asked a series of questions regarding their personal health care usage.

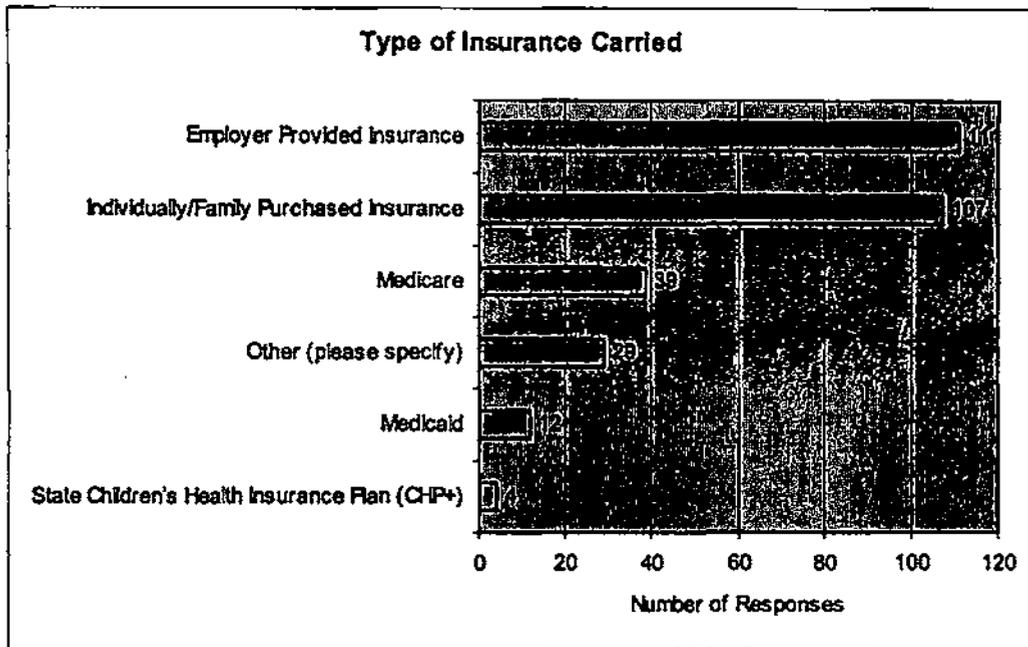
- How do you rate your health? (Question 2)

Excellent	36%
Very Good	37%
Good/Fair	25%
Poor	2%

- Are you covered by health insurance? (Question 3)

Yes	83%
No	17%

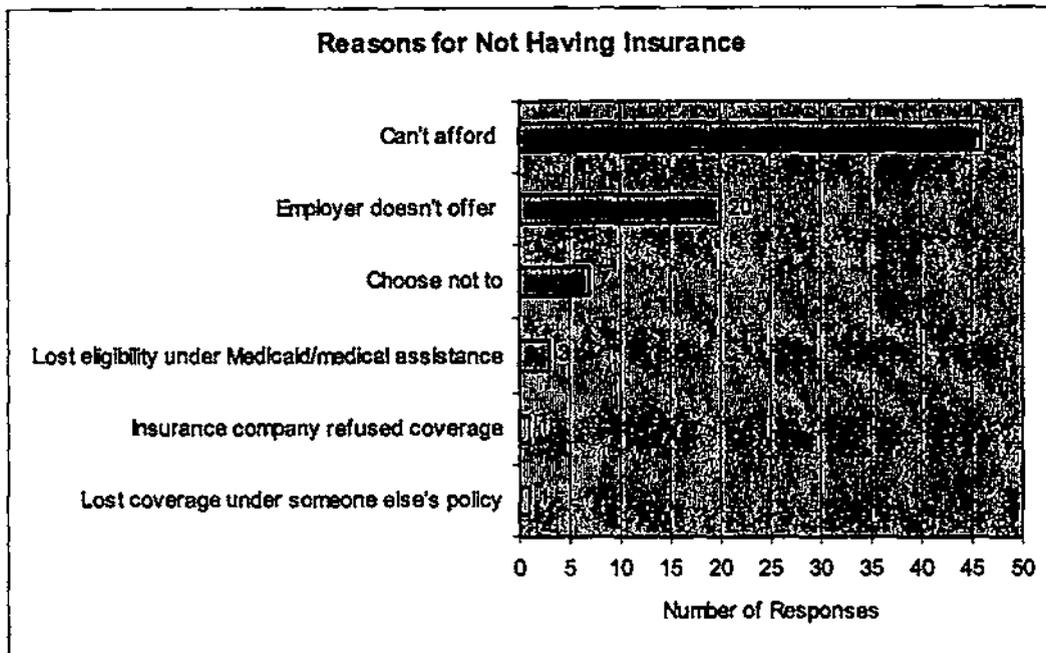
- What type of insurance do you have for yourself and family? (Question 4)



Comments:

- AARP Supplementalx2
- BCBS
- But am dropping it - can't afford for me or kids
- COBRA
- Cover Colorado
- For kids at insane rates
- Heath Savings Accountx2
- HMO
- Major Medical
- Medicare Supplementx5
- Non subsidized employer group insurance
- PeraCare
- Private health plan
- Retirement supplement HMO
- Rocky Mtn. HMO thru PERA
- Tricarex2
- VA

- If you do not have insurance, what were the reasons (Respondents could choose all that apply, accounting for greater than 100% in responses). (Question 5)



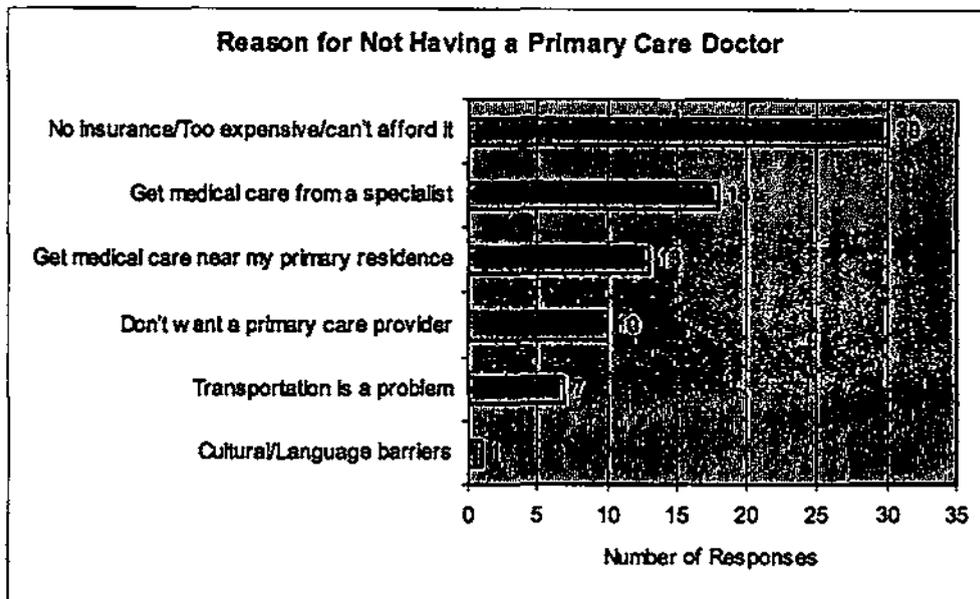
Comments:

- Almost too expensive
 - Can't afford supplemental
 - I am seriously considering dropping my insurance due to high costs and meager benefits.
 - I mainly use alternatives to conventional medicine and few health plans cover anything that I do when I need health assistance.
 - I'm a vet and can go to VA hospital
 - Insurance for family is excessively expensive and may have to be dropped over \$900.00/month.
 - Kids are covered under CHP+
 - Self employed - expensive
 - Telluride has so much out of net work Dr.s, everything is so far away
 - Too expensive³
- Can you find a dentist that accepts your insurance plan? (Question 6)

Yes	27%
No	17%
No dental insurance	59%
 - Do you have one person you think of as your personal doctor or primary care provider? (Question 7)

Yes	70%
No	29%
Unsure	2%

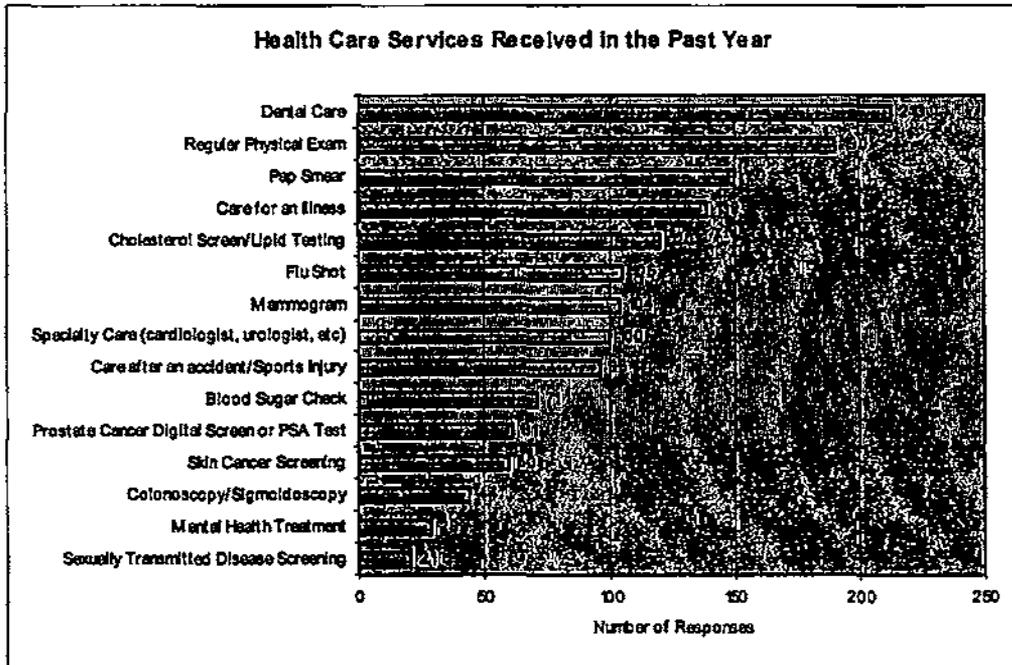
- If not, why don't you have a primary care provider? (Question 8)



Comments:

- Alternative approaches
- Because the person I see locally is who will take insurance or how is available without going to emergency care.
- Clinic type of care 15
- Don't accept my insurance - Ridgway
- Don't go much except San Miguel Nursing annual pap
- Don't need a primary Care Provider
- Don't use many medical services
- Dr. retired - haven't found another
- Had few problems, no need
- Have not found one I really like
- Haven't chosen one yet
- Haven't found one I like and I lean toward alternative healthcare and naturopathic medicine
- Healthy
- I seek assistance from various individuals based on my health needs at the time.
- Lack of trust
- Medical Center does not accept Blue Cross/Blue Shield
- Not enough choice of doctors
- Primary care Basin Clinic at Naturita
- Scheduling
- Self insured/don't think insurance co. are interested in my health, only money coming in.
- Use VA system

- VA hospital
- Check any of the following health care services that you or your family have received in the past year. (Question 9)



Comments:

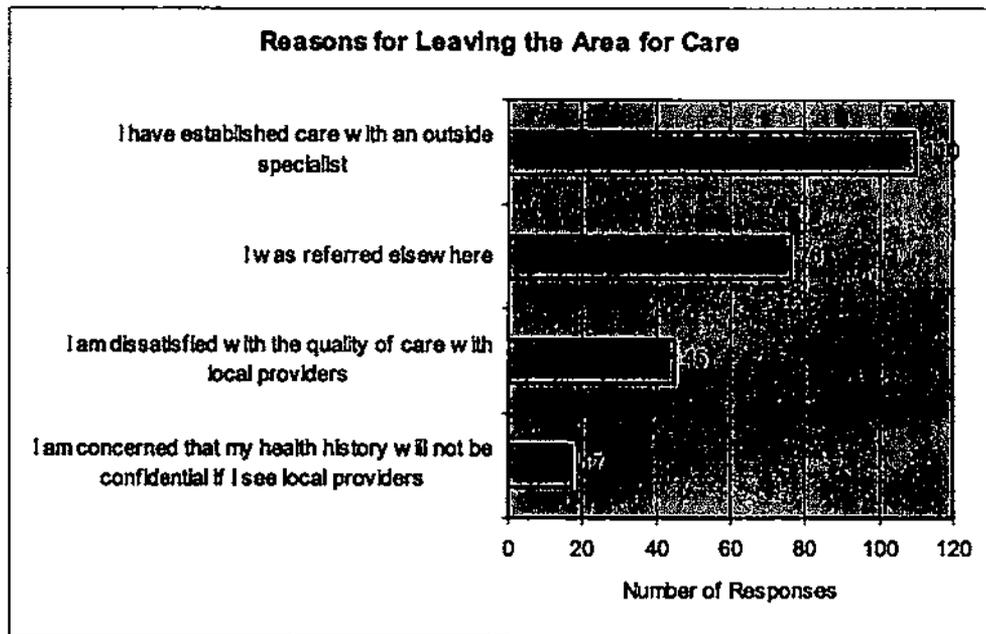
- Against belief
 - Alternatives: Traeger, Accupuncture
 - Cbc/differential
 - Chiropractic - wellness
 - Eye exam
 - Health fair
 - Mayo does my big once a yr check up.
 - None
 - Pre & post-natal care
 - Thermography breast scan
 - UTI
- Do you require the ongoing care of a specialist? (Question 10)

Yes	24%
No	70%
Not sure	5%

- Do you or your family travel outside of you local area (greater than 30 miles of where you live or work) for health care? (Question 11)

Yes 77%
No 23%

- If you obtain services outside of you local area, indicate the reasons. (Question 12)



Comments:

- Affordable care in Norwood!
- All there is
- Also get local care
- Annual chest x-rays - physical
- Availability of specialists in area is another issue, as well as quality
- Better service/cheaper
- Daughter's pediatrician is in Montrose
- Dental only - costs
- Dentist too expensive
- Didn't like local provider (MD) bedside manner (rude)
- Don't have heart spec. or dentist taking Medicaid
- Daughter has health history requiring visits to children's hospital in Denver and also doesn't like local dentists.
- Established Dentist outside of area
- Find covered doctors/specialists
- Had before we had services
- Health ins accepted
- Hip surgery
- I am dissatisfied with the cost of care with local dental providers

- I get mammograms at Montrose Memorial Hospital
- I use the Pediatricians in Montrose
- Insurance not accepted locally
- It doesn't exist here
- It's over 35 miles to the largest city with medical services.
- Kids live in Auburn, California
- Labor & Delivery and related OB care
- Live remotely
- Local care too expensive!
- Location
- Location of VA hospital
- Mammogram
- Many services are not available in Ouray County.
- Many services not available locally
- Mayo does our once a yr check up... they have everything under one roof.
- Must travel. Telluride Clinic not a United Healthcare provider.
- Natural health pediatrician not here
- No dentist. The one 20 miles away does not accept Medicaid
- No doctors
- No heart specialist and dentist won't take Medicaid
- No heart specialist, dentist don't take Medicaid
- No local eye doctor
- No midwifery/ob service here in Ridgway
- No ob gyn here
- No services exist here
- No 'set' professional for certain medical services (Pediatrician, Guinccelqgis)
- No VA
- None available to psychiatric for son
- Not available in community
- Not available in my community.
- Not enough TRICARE Prime providers in this area
- Only limited services available here
- Orthopedic surgery not available here
- Prefer Montrose dentist
- Prefer to see a pediatrician in Montrose vs. a general pract. in Telluride
- Quality concerns and not available locally
- Quality not good locally.
- Quality of care (non-existent on W. Slope)
- Saw one specialist
- Screenings and diagnostics not available
- Service not available here
- Services only available there
- Some procedures not available locally
- Specialist

- Specialist not available
 - Specialists
 - Specialists needed are not available locally
 - Specialists only available outside the 30 mile radius
 - Specialty services not available when treatment needed
 - The closest hospital and spec. services is approx. 45 miles away
 - There are no heart specialists and dentist don't take Medicaid
 - There are no specialist for heart or dentist that take Medicaid
 - Too far from local providers
 - Travel due to work, services not available, friends & family in medical profession other places, Sunshine Pharmacy too expensive
 - Travel outside for specialist
 - Treatment required not available (surgery particularly)
 - Unavailable locally
 - Use VA and pers dentist
 - VA Hospital - Grand Junction
 - VA Regional Center
 - Wanted a provider knowledgeable about alternative treatments
 - Where I live
- Of the services that already exist in you community, select three that you feel are most in need of improvement. **(Question 13)**

Dental/Orthodontics for low-income	67%
Geriatric/Senior Care	38%
Mental Health Treatment	35%
Other (please specify)	31%
Home Health Care	31%
Hospice Care	20%

Comments:

- A place where you can go if you have different medical problems because they send you to Montrose for everything.
- A program for lower middle class not just below poverty level
- Adult dental-low income, high risk family services
- Alcohol education/treatment
- Alternative health care for low income. Dermatologist for low income.
- Alternative medicine
- Alternative for first line.
- And everyone
- Any low-income services
- Assisted living, senior activity program, nursing home
- Audiology - seniors low income
- Cardiologist urgent care
- Chemical dependency

- Clinic being in United Healthcare/network provider
- Community offers no options for the hundreds of people who don't get insurance thru an employer because they are part time or seasonal. How many fundraiser ads have you seen in the Daily Planet to raise money for locals without insurance?
- Competition/more qualified doctors
- Dental
- Emergency Care
- Emergency Medical Care
- Female
- Female - HRT menopause
- Feminine care/OBGYN
- G practitioner
- General affordable doctor when sick or hurt
- Health care here seems to be entirely adequate
- Health care insurance!!!
- Heart spec.
- Heart specialist needed and dentist needed to take Medicaid
- Hospice care is good - we need nurses
- I am content
- Increase Alcoholics Anonymous times and locations. Increase in Pediatric dentist. Increase in local prenatal care Increase dermatologist
- Lack of 'integrative medicine' combined with 'western medicine'
- Local prenatal
- Low cost fitness options in winter months
- Low income medical
- Low income well child care
- Mammogram
- Medicines
- More orthopedic
- Natural health pediatrician
- Need in-home care and heart specialist. Need total Medicaid.
- No heart specialist and dentist won't take Medicaid
- No heart specialist, dentist don't take Medicaid
- No opinion
- No preference
- None
- OB/Gyn, Commonly used specialists like allergist, urologist, etc
- Oculist
- Oculist
- Pediatrician, Obstetrics
- Pediatrics
- Permanent full time on-site Mont. County H&HS caseworker for west end of Montrose County
- Pre-deportation screening

- Preventative
- Preventative health - classes, etc.; access to AED's
- Primary care providers
- Same doctor/practice more than 20 years
- Services for 'illegal' residents who are a vital part of our community. Access to services is being threatened and/or denied by local foundations and government supported entities.
- Single payer health
- Skin cancer preventive treatment
- Specialist doctors in town
- substance abuse prevention/treatment
- Telluride is our second home so I don't know that our response is useful here.
- The nursing clinic and medical center
- Unsure
- Variety of specialists need to be brought here
- We have a lot of seniors.
- We'd love to have a hospital here...!!!!
- Wellness care

- Of the services that do not currently exist in your community, select three that you would most like to see added. (Question 14)

Assisted Living	39%
OB/GYN	34%
Pediatrics	29%
Acute Detox/Substance Abuse Care	27%
Other (please specify)	26%
Non-Emergency Transportation	27%
Nursing Home	21%
Oncology	16%
Pharmacy	15%

Comments:

- 24 hour walk in clinic
- Affordable dentistry
- Allergist
- Alternative medicine
- Ambulatory Surgical Center
- Better diagnostics, more qualified MDs
- Better pharmacy
- Better womens health
- Cardiac pacemaker check-ups w/electrophysiologist
- Cardiologistx2
- Covered lab work
- Dental
- Dental

- Dentist for Wiewr Montrose County
- Dentist, psychiatrist
- Derm, orthopod
- Dermatologistx2
- Diabetes prevention and care
- Drug store needs competition. bad attitude. more dermo drs. how about i was very impressed with meridian derm clinic. in englewood ,colo. they removed my basel cell skin cancer on my nose flap.
- Emergency surgery
- Extended clinic availability
- Eye doctor
- Gastroenterologist
- Group health insurance
- Heart specialist x2
- Heart, dental that accept Medicaid
- Longer hours
- Low cost fitness options in winter months
- Low income
- Low income dental services
- Mammogram, periodontic
- Mammograms
- Maybe another clinic would be better because this clinic doesn't see every patient, especially during the winter.
- Mental health
- Mental health psychiatric
- Most services are available, few are affordable.
- No heart specialist and dentist won't take Medicaid
- No heart specialist, dentist don't take Medicaid
- None! This question is biased towards increasing services since it doesn't have none as an option.
- Opthamologist x2
- Dentist
- Orthodontics x4
- Preventative x2
- Primary care providers
- Scale in the Basin clinic for wheelchair
- Some of these services are provided here: OB/GYN, Pediatrics and Pharmacy. Oncology may not be appropriate for a community of our size (to be able to supply top quality services). Nursing Home and Assisted Living may not make much sense at high altitude.
- Telluride is our second home so I don't know that our response is useful here.
- Tricare Prime providers
- Urgent care (Ridgway)
- Wellness covered by insurance

Health Behaviors: Respondents were asked several questions related to their personal health behaviors.

- During the past 30 days did you have at least one drink of any alcoholic beverage? (**Question 15**)

Yes	73%
No	27%

- On the days you drank, how many drinks did you have on average? (**Question 16**)

1 drink	42%
2-3	41%
4-5	2%
6 or more	2%
N/A	13%

- Which of the following best describes your tobacco use? (**Question 17**)

Never used tobacco	56%
Use tobacco daily	10%
Use tobacco occasionally	5%
Used to use tobacco, but quit	30%

- If you currently use tobacco, which tobacco products do you use? (**Question 18**)

Cigarettes	73%
Cigar/pipe	7%
Smokeless tobacco/chew	13%
Other	7%

Comments:

- Organic tobacco

- Do you wear a helmet for outdoor activities such as motorcycle riding, skateboarding, bicycle riding, or snowboarding? (**Question 19**)

Yes	56%
No	40%

- o If yes, name activity or activities:

Biking/mountain biking (33), skiing/snowboarding (28), motorcycle riding (5), horseback riding (3).

Comments:

- 4-wheeling
- Bicycle
- Bicycle
- Bicycle
- Bicycle

- Bicycle
- Bicycle
- Bicycle riding
- Bicycle riding
- Bicycle riding
- Bicycle riding, climbing
- Bicycle slowly - 'senior' exercise
- Bicycle, snowboarding
- Bicycling
- Bicycling
- Bike
- Bike riding
- Bike riding
- Bike riding
- Bike riding
- Bike riding (bicycle)
- Bike riding, kids use helmets for skiing
- Bike, horseback riding
- Biking
- Biking
- Biking snowboarding
- Biking, horseback riding
- Biking, just got helmet for skiing - haven't worn yet
- Biking, skating, skiing, snowboarding
- Biking, skiing
- Biking, skiing, motorcycle
- Biking, Skiing, Rollerblading, Motorcycling
- But this snowboarding season, yes
- Cycling
- Dirt bike, snowboard
- Don't do such activities
- Horseback riding
- I do not participate in those activities
- I don't do either
- I personally do not partake of any activities that require a helmet but my children always use a helmet
- Motorcycle riding, rock and ice climbing, mountain biking
- Motorcycle
- Motorcycle
- Motorcycle riding
- Motorcycle riding
- Motorcycling, biking
- Mountain bike, ski
- Mountain biking

- Mountain biking, climbing when necessary
 - Mtn biking skiing
 - N/A
 - N/A
 - N/A
 - N/A
 - N/A
 - N/A
 - Skateboard, Mountain bike, Ski/snowboard
 - Ski, bike, ATV
 - Skiing x8
 - Skiing and horseback riding.
 - Skiing and motorcycle
 - Skiing, Bicycling
 - Skiing, bike
 - Skiing, bike riding
 - Skiing, biking
 - Skiing, biking
 - Skiing, biking
 - Skiing, biking, motorcycling
 - Skiing, mtn. biking
 - Snowboarding, biking, climbing
 - Snowboarding, motorcycle
 - Sports
 - Too old
 - What about skiing?? I don't snowboard, but I do ski and wear a helmet.
 - Working in a hazardous environment
- In the past year, were you ever hit or harmed (such that you required medical attention) by a spouse or other family member? (Question 20)

Yes	1%
No	99%

Finally, respondents were asked a series of demographic questions including:

- What is your gender (Question 21)

Female	71%
Male	29%
- What is your age? (Question 22)

Age Group	Survey Respondents	Percentage of Age Group in Study Area
<20	0%	23%
20-30	7%	5%

31-45	29%	26%
46-64	53%	21%
>65	12%	7%

- **What is the zip code where you live? (Question 23)**
 - Telluride 50%
 - Norwood 9%
 - Ouray/Ridgway 14%
 - Nucla/Naturita/Paradox 18%
- **What is the zip code where you work? (Question 24)**
 - Telluride 48%
 - Norwood 6%
 - Ouray/Ridgway 8%
 - Nucla/Naturita/Paradox 10%
- **Are you a full time or part-time resident of the county? (Question 25)**
 - Full time 96%
 - Part time 4%
- **What is your employment status? (Question 26)**
 - Employed full time 40%
 - Self-employed 27%
 - Retired 20%
 - Part time/seasonal 15%
 - Other 4%
 - Unemployed 3%

Comments:

- Disabled x4
- Full-time wife/mom x4
- Housewife (not retired)
- In medical leave
- Volunteer; spouse works full time
- Ft. attendant
- **In what industry(ies)? (Question 27)**
The industries most often cited by respondents were:
 Education (24), Health care (13), Retail (13), Nonprofits (10), Service (11), and Construction (9).

Comments:

- 2 jobs, construction and writing
- Accounting
- Agriculture

- Airlines
- Architect
- Architect development, Landlord: Building Management
- Architecture
- Architecture
- Art
- Arts & Crafts
- Auto repair
- Automotive, body shop
- Banking
- Banking
- Behavioral health
- Carpentry
- Child care. Question #1 comment: 'Please help with assistance for low-income dental work!'
- Clark's Market Question #1 Medical care for elderly: 'Depends on what kind of service'; Care for pregnant women: 'In Telluride it isn't available, they have to come from Montrose'
- Cleaning
- Clerk
- Coal mining
- Comments: Question 10 - I am not a viable candidate for interferon Rzbavarzn. I have had HVC for 30+ years. Question 11 - On occasion, mostly to Grand Junction for test procedures. Question 16 - recovering alcoholic/appzct (20 years sober). Treatment for alcohol and drug abuse - marked Not Available, noted Excluding AA
- Construction x6
- Construction Comment - Treatment for alcohol and drug abuse: 'Poor'
- Construction & development property management
- Construction/lodging
- Consultant x3
- County government
- County government
- Craniosacral therapy & Massage therapy
- Dental
- Design
- Design. I like our small facility and have chosen to live here 15 yrs knowing that sometimes I have to travel for medical care - keep it small and simple!
- Development/Real Estate
- 'did not complete the remainder of the survey'
- Disabled and have Hepatitis C Comment on Question 11 - Dental 100 miles
- Distributing
- Doctor
- Education x14

- Education Comment by 'opportunities for physical activities to reduce obesity' - write 'only walking, nothing else' Top of form: 'It depends on what you mean by neighborhood or community. I live in Paradox and the closest clinic is 30 miles away in Naturita. Most of these things are probably available there, but not available in Paradox.'
- #9 Specialty Care: 'Otolaryngologist'
- Education / Financial
- Education, Manufacturing
- Educational, medical professions Registered to vote
- Engineering
- Entertainment
- Environment
- Farming
- Festival
- Finance
- Food service
- Government
- Government
- Government
- Government
- Government agency
- Grocery store manager
- Health Note for Opportunities for physical activities to reduce obesity: Pool would help.
- Health & Human Services
- Health care
- Health care Question #6 - noted 'but not a lot of choice'
- Health care/mental health/substance abuse
- Healthcare
- Healthcare
- Healthcare
- Homemaker
- Horse
- Hospitality
- Hospitality/destination clubs
- Hotel Telluride
- House cleaning
- Houses
- Housewife
- Housing construction, remodeling, etc

- Housing consultant
- Human Services
- Human services
- Husband is an attorney
- Husband is school teacher
- Information Technology
- Interior design
- Land preservation and house caretaking
- Landscaping
- Landscaping, graphics
- Law
- Law
- Law firm
- Legal
- Library
- Lodging
- Maintenance
- Management - art. Comment: I would like to see a regional health care plan for middle income.
- Management consultant Prevention services non-existent.
- Manufacturing
- Massage therapist, spa and self-employed
- Media
- Medical
- Medical
- Medical
- Mental health/counseling
- Miscellaneous
- Mom
- Montrose resident Question #9 - Dental Care - noted 'my kids'
- Mountainfilm office
- Music teacher Comment: It would be great to get a health insurance like Ithaca in NY state
- Non profit
- Nonprofit
- Non-Profit
- Non-profit
- Non-profit Agriculture
- Non-profit and restaurant
- Non-profit foundation
- Non-profit organization
- Non-profit Sector
- Non-profits
- Note by Question #1: If it's not affordable, it's not really available.

- **Office Comment: I think that the town or county should look into offering a group medical insurance plan that residents could enroll in. Individual plans are expensive and tend to be less comprehensive than group plans.**
- **Ouray School District and City of Ouray(husband)**
- **Outdoor recreation, Environmental Education, Science and Research**
- **Own liquor store**
- **Painter (artist) professional**
- **Power generation and transmission**
- **Power producer**
- **Previously: Computer Communications & International Sales.**
- **Professional**
- **Public**
- **Public transportation**
- **Publishing/editing**
- **Ranching**
- **Ranching**
- **Real estate**
- **Real Estate Development**
- **Real Estate Development**
- **Real estate/development**
- **Resource management**
- **Restaurant**
- **Restaurant**
- **Restaurant**
- **Retail**
- **Retail and Organic/natural foods**
- **Retail sales**
- **Retail sales**
- **Retail sales**
- **Retail, food, insurance financing, telephone business rep**
- **Retired aerospace manager**
- **Retired software developer**
- **RN - Medical**

- Sales Note next to Question 1 - Health care for Non-English speakers: Who cares! We need to worry about the natives of this country.
- San Miguel County open space & recreation program
- School
- School
- School
- School - teacher
- School and real estate
- School district secretary/bookkeeper
- Science All very good for such a small community we have tremendous health care!!
- Secretary
- Service x10
- Service Question 1 - Treatment for mental health problems: 'not for low income' Question 15: Once last month - not a drinker Question 20: Verbally, yes No anonymous help available here when needed. Low income single mom with MANY healthcare GAPS.
- Ski
- Ski area; environmental work
- Ski industry & consulting for non-profits
- Ski instructor
- Ski, art It would be great if drug and alcohol counselors would move here as there are many 12 step folks here wanting therapy
- Skiing area
- Social work
- Sport and education
- Store
- Store Clerk/Librarian/Volunteer
- Teach/cleaning Montrose resident by 1/4 mile
- Telluride ski
- Therapeutic body work
- This survey sheet is not 'senior' user friendly - small print - format hard to read. Would prefer just listing few main issues... e.g. better use of present (often very good-e.g. Norwood Clinic) facilities but with such limited service hours.
- Tourism
- Tourism, health and wellness
- Tourism/lodging
- Travel agent
- Uranium
- Uranium and Vanadium milling
- Utility
- Vacation lodging - service
- Various including construction, service, festival and film production,
- Veterinary
- Visitors Center

- **Visual arts/fabrication**
- **Water system operation and management**
- **Wine sales**

Appendix #6

Alternative Futures Study

Sponsored by the Telluride Foundation

June 2009



ALTERNATIVE FUTURES FOR THE REGION OF TELLURIDE, COLORADO

THE STUDY AREA



STUDY METHODOLOGY AND ASSUMPTIONS

- The modeling approach treats the study area acts as a bounded system - residential location choices do not extend outside of the study boundary.
- The economic downturn is not incorporated into the study.
- Parcel-based scale: the study units are developable private parcels of land.
- The study is designed to model regional scale processes and to achieve aggregate level results. There will be errors at the parcel-level.
- This study is based on imperfect data and data combined from several sources. Data problems persist. Improved data integrity would increase the robustness of the results. Data quality does not prevent us from drawing useful conclusions.
- All models are wrong; some are useful.

COMPONENTS INCLUDED IN THIS STUDY

- Future housing patterns and demographic change
- Transportation
- Visual quality
- Wildlife habitat and ecology

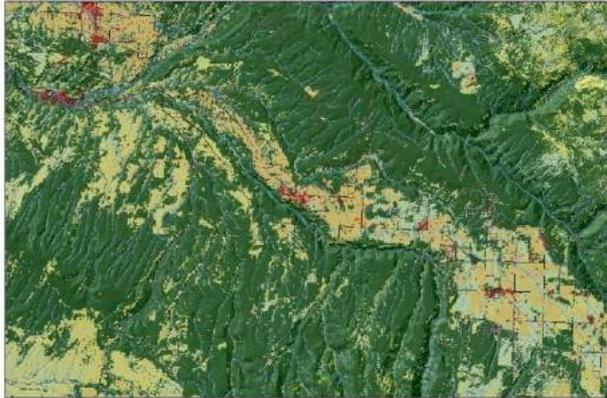
NOT INCLUDED IN THIS STUDY

- Climate change
- Forest ecology and fire
- Energy use and air pollution
- Water quantity and quality

1. How is the Telluride region described?
2. How does the Telluride region function?
3. Is the Telluride region working well?
4. How might the Telluride region be altered?
5. What differences might the changes cause?
6. How should the Telluride be changed?

1. How is the Telluride region described?

LAND USE / LAND COVER 2008



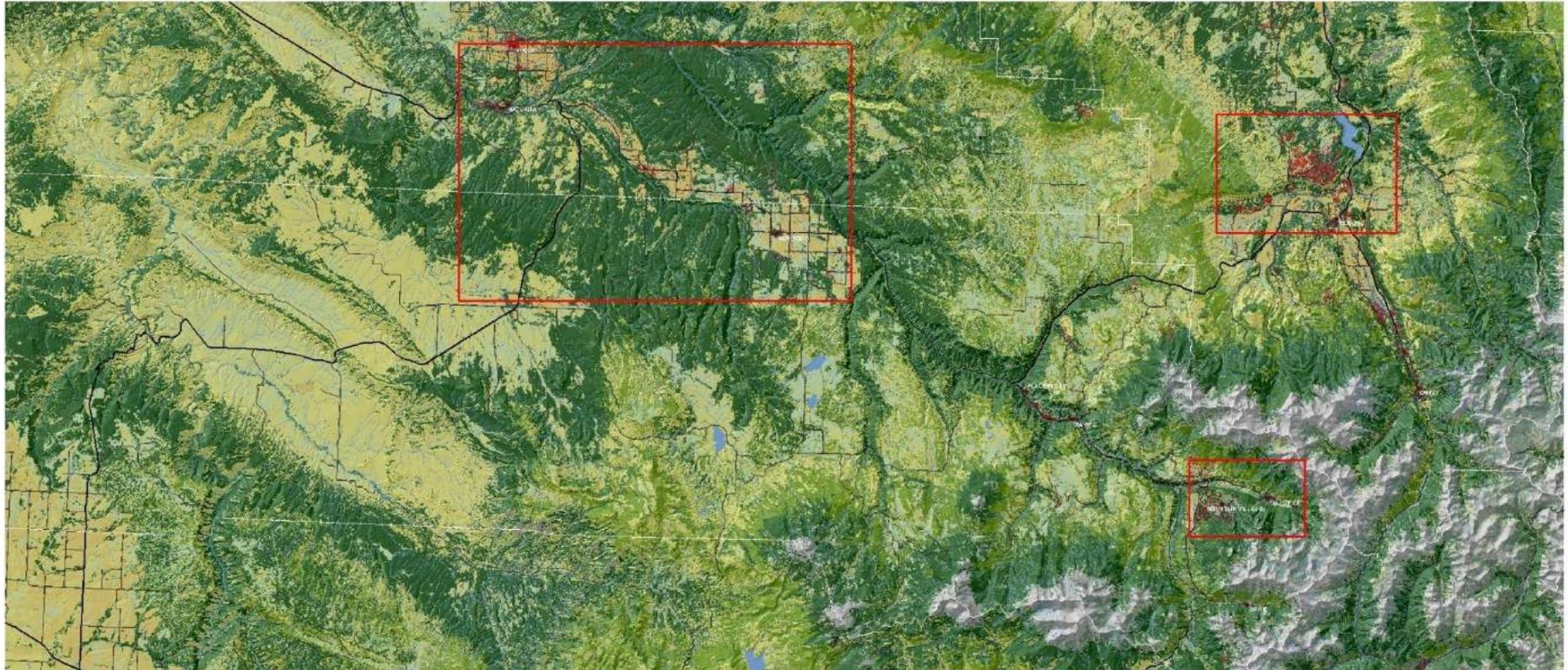
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



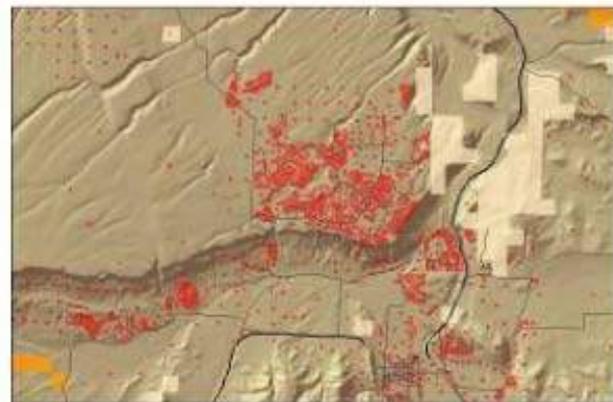
PUBLIC LANDS



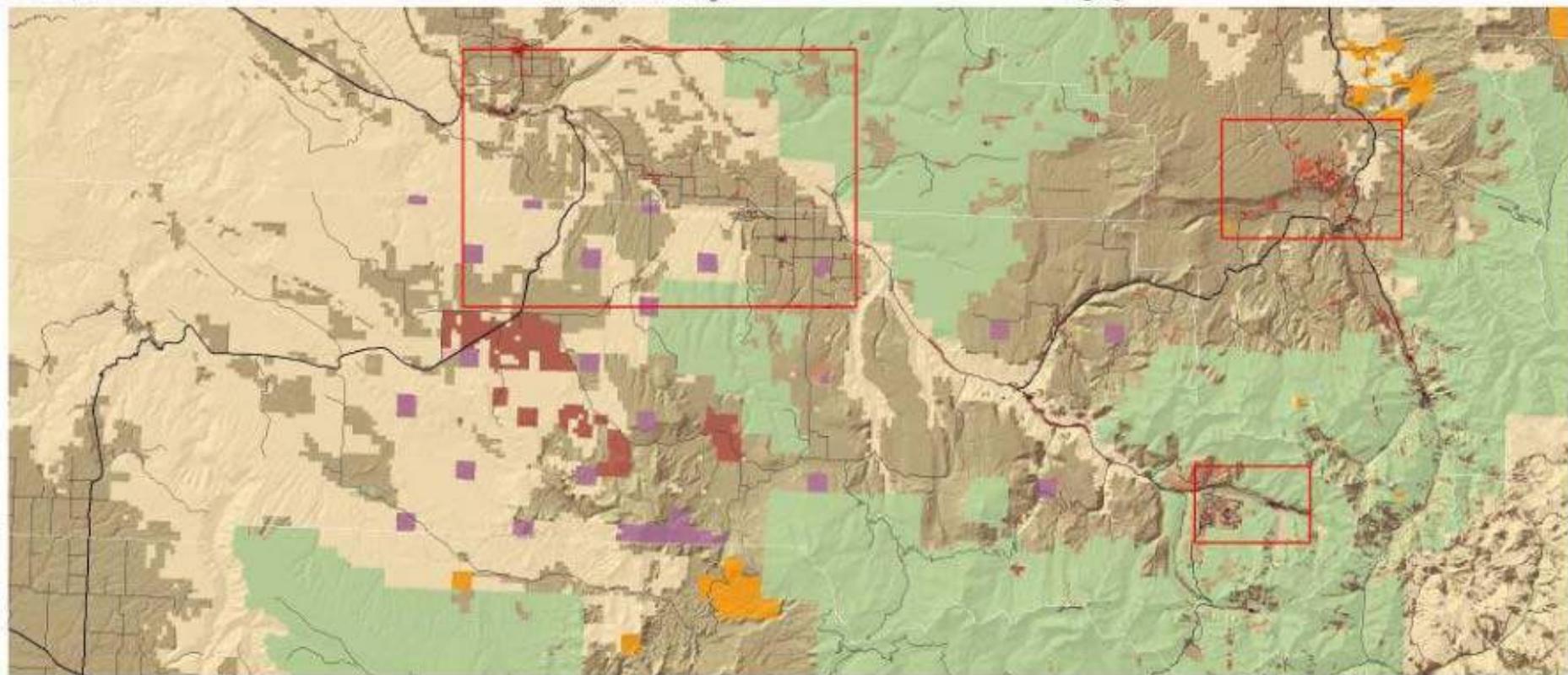
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway

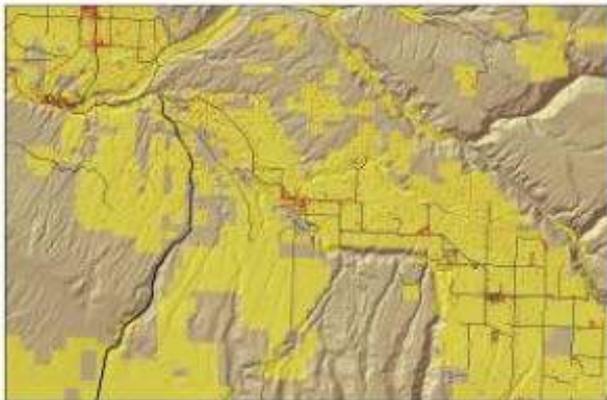


Urban/Built BLM CDOW COLORADO MUNICIPAL OTHER EXEMPT STATE USFS

5 Miles



ALL PRIVATE LANDS



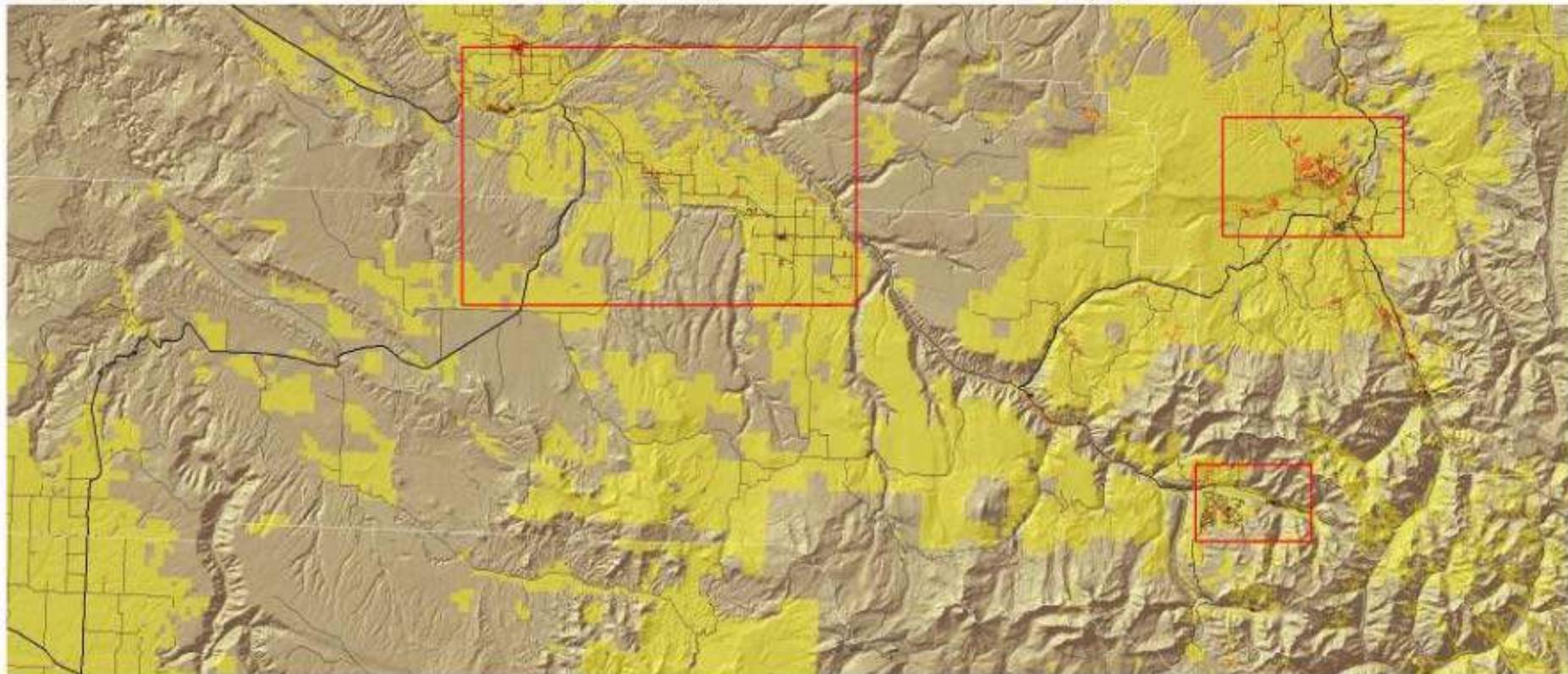
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Private Land
Urban/Built

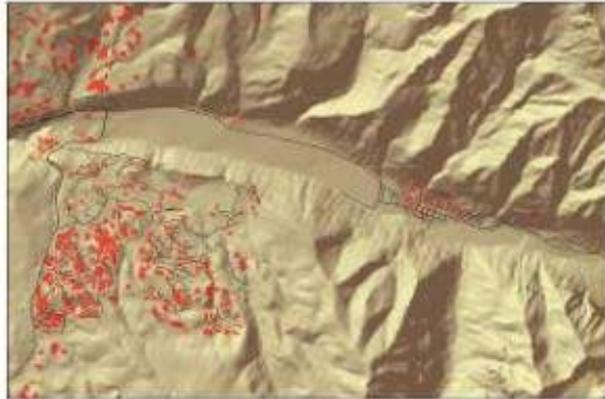
5 Miles



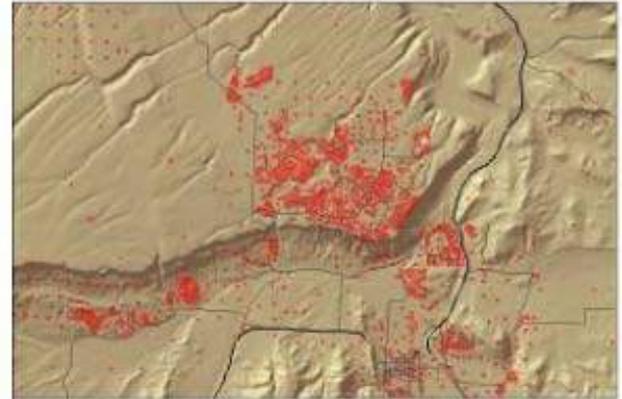
BUILT AREAS



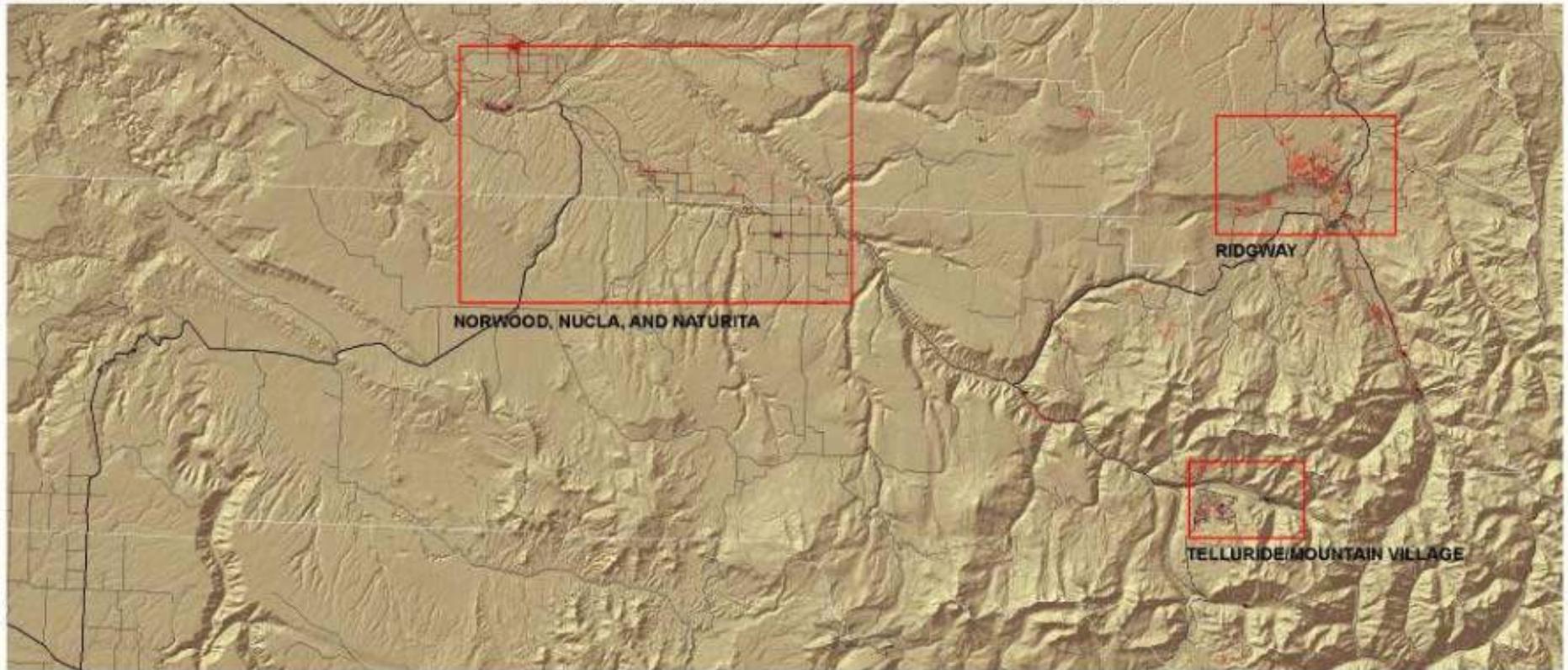
Norwood, Nucla & Naturita



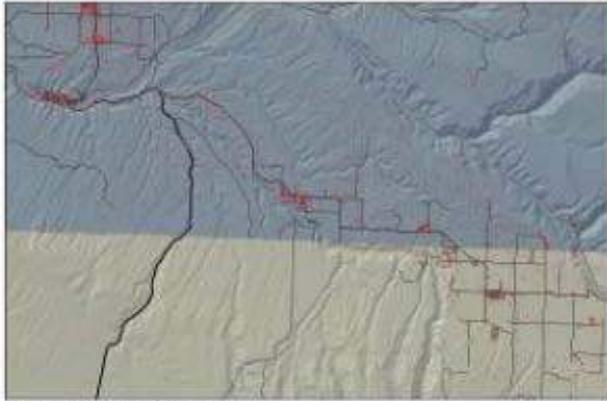
Telluride/Mountain Village



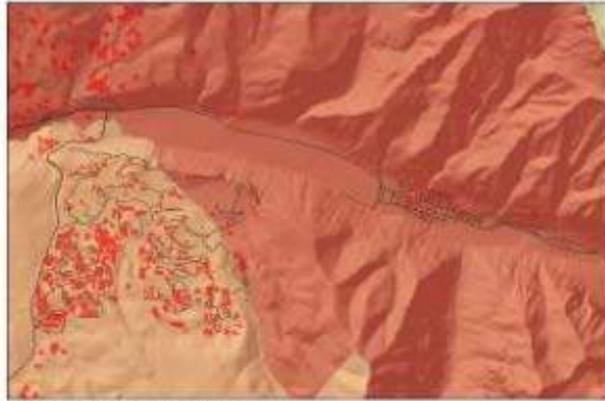
Ridgway



MEDIAN HOME VALUE | CENSUS BLOCK GROUPS



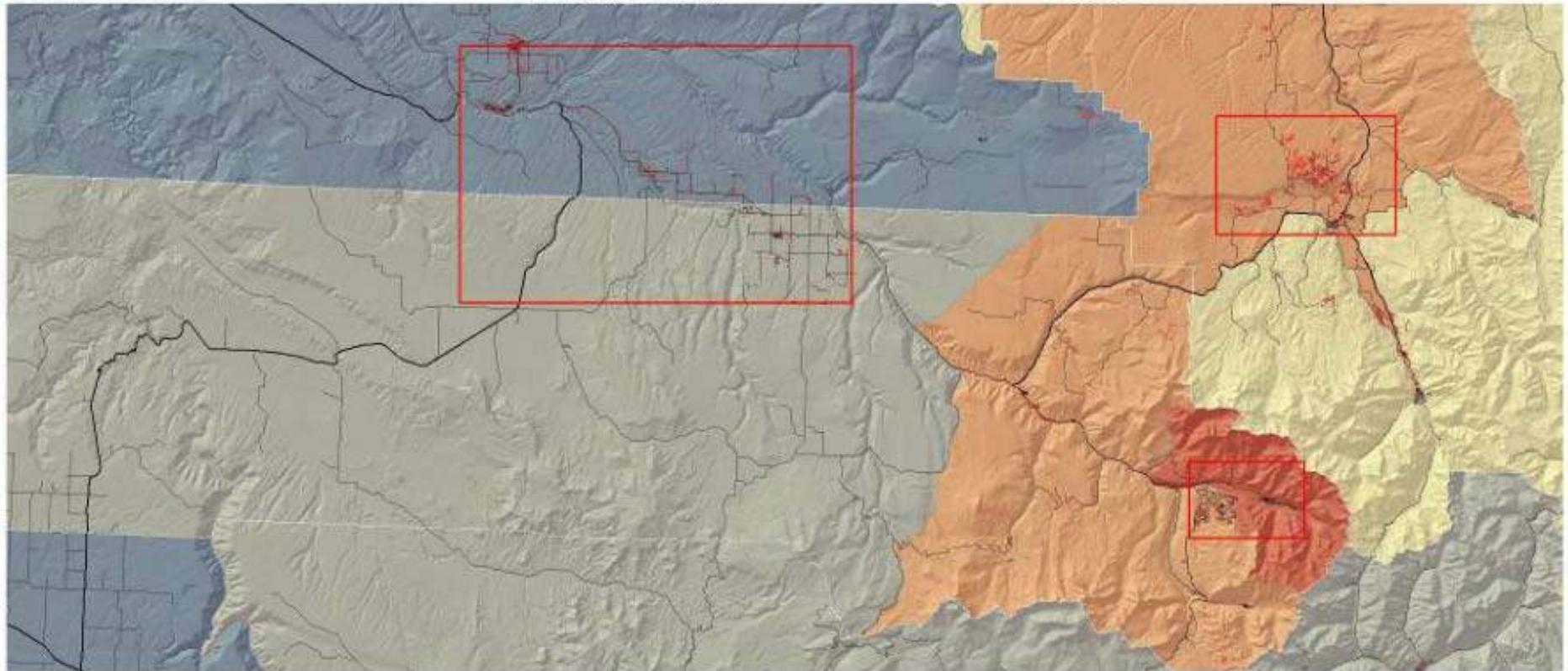
Norwood, Nucia & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built Median Home Value

Urban/Built	\$77,585.00 - \$119,886.00	\$119,886.01 - \$197,917.00	\$197,917.01 - \$327,500.00	\$327,500.01 - \$417,778.00	\$417,778.01 - \$635,220.00
-------------	----------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------

5 Miles



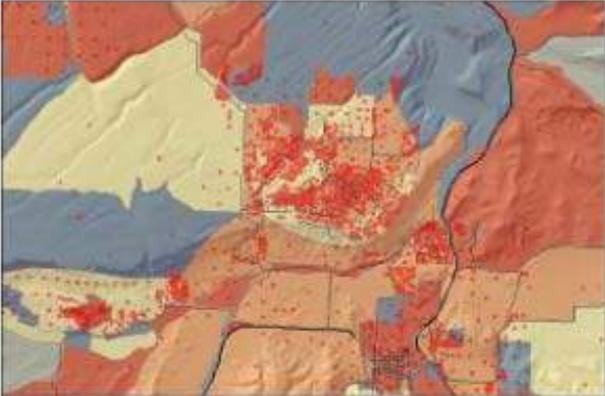
PERCENT OCCUPANCY | CENSUS BLOCKS



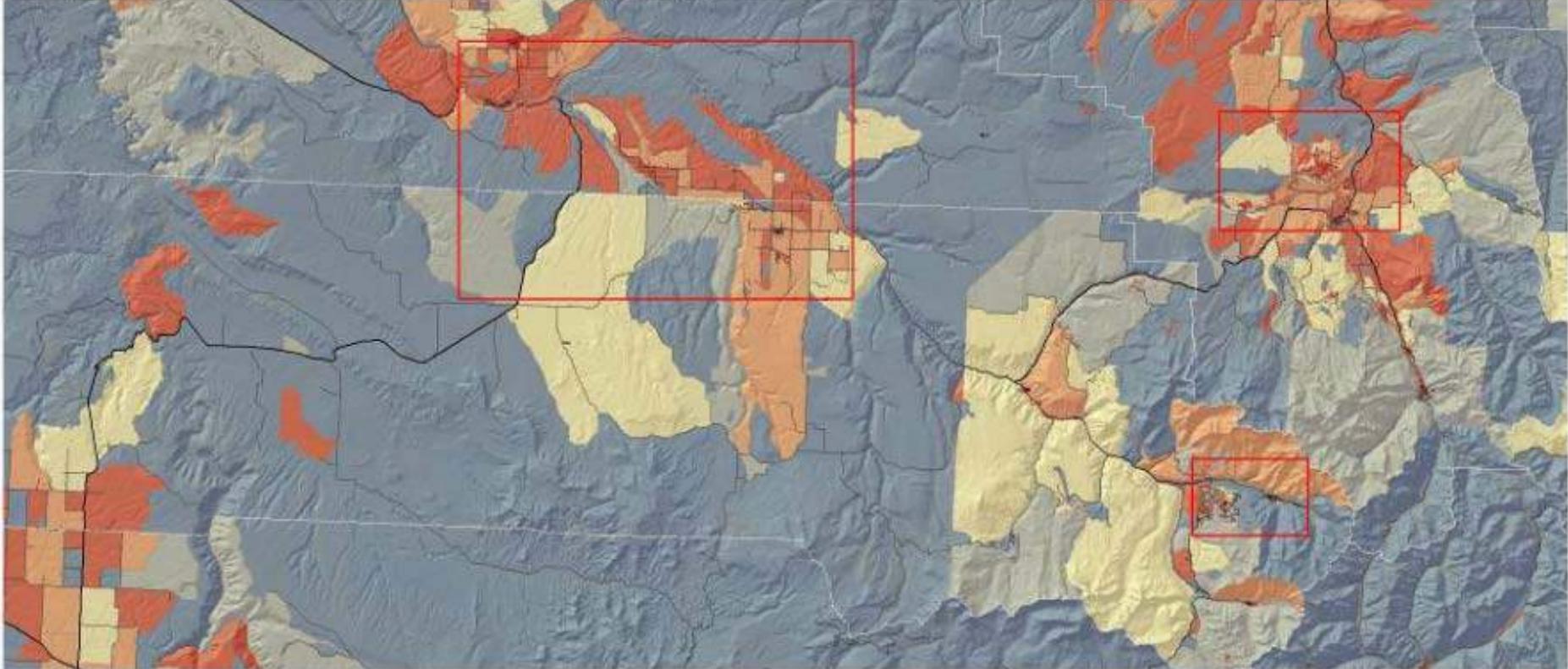
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway

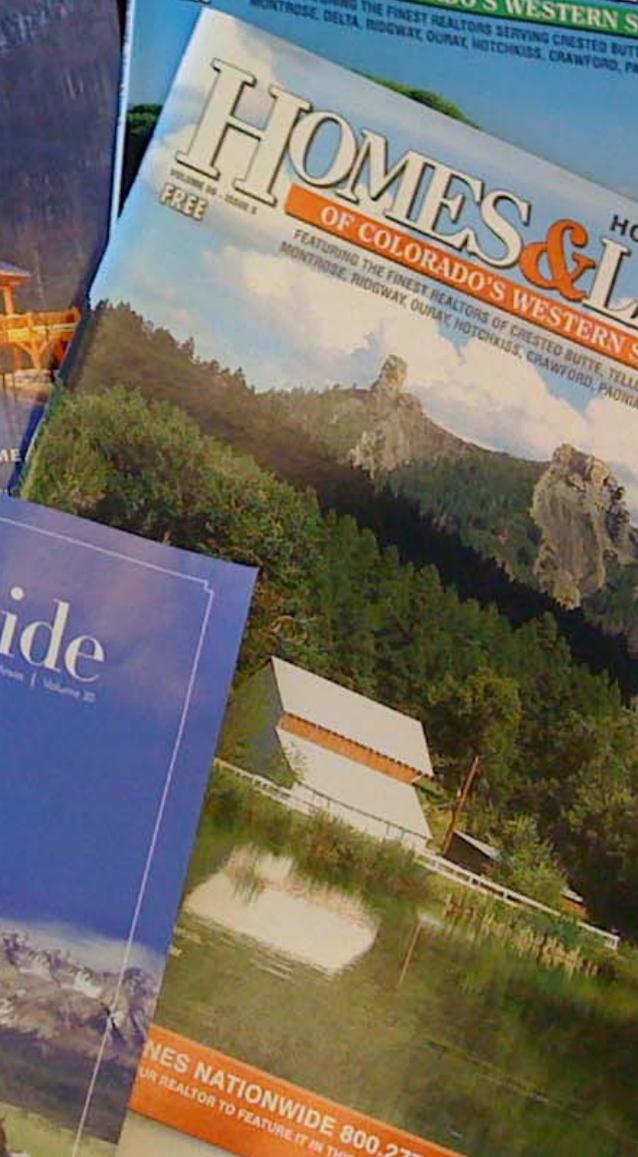
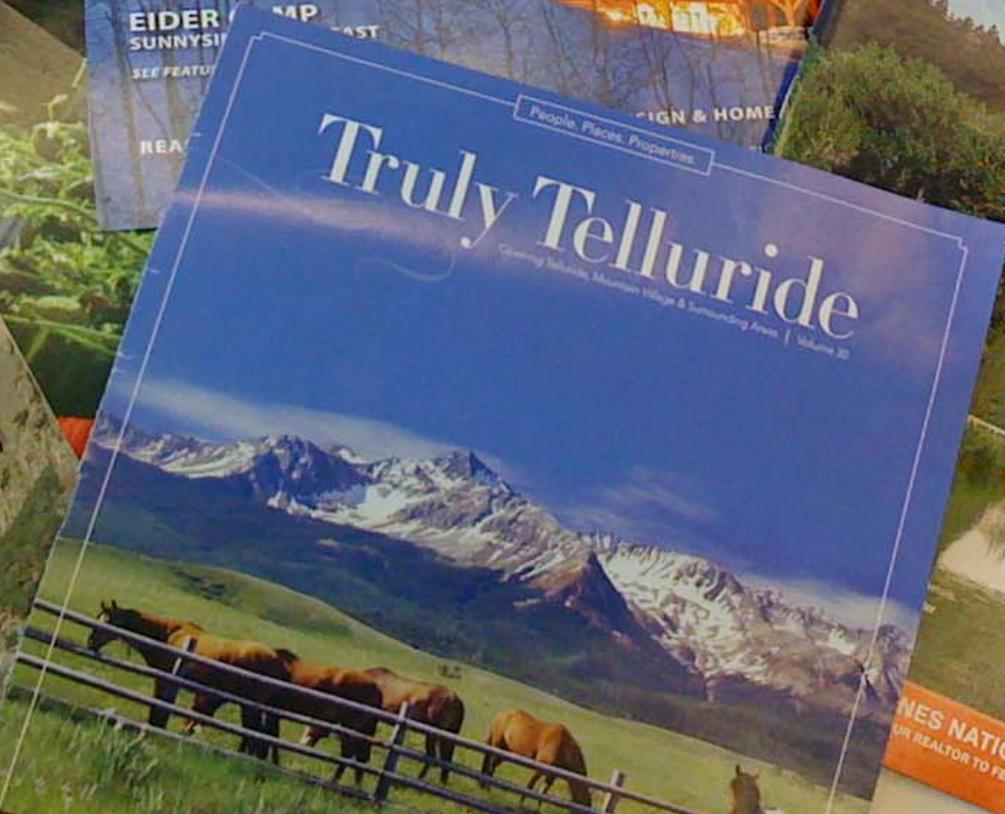
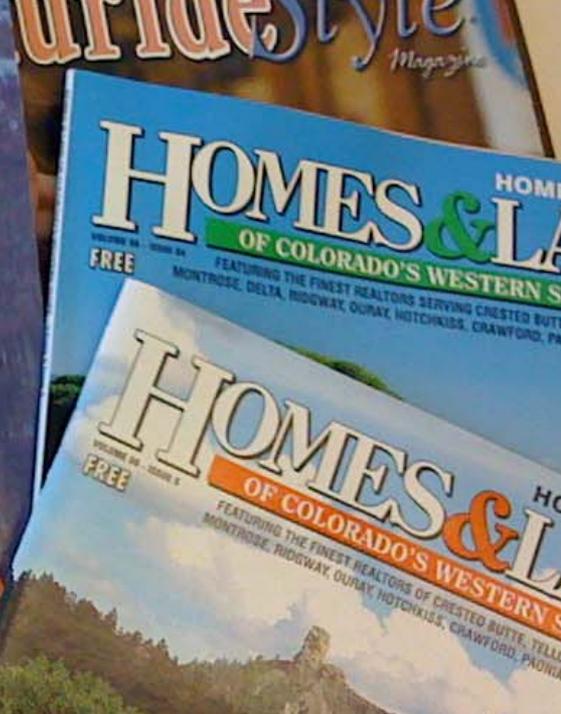


Urban/Built Percent of Housing Units Occupied by Renters and Owners

0% - 20%	21% - 52%	53% - 72%	73% - 90%	91% - 100%
----------	-----------	-----------	-----------	------------

5 Miles



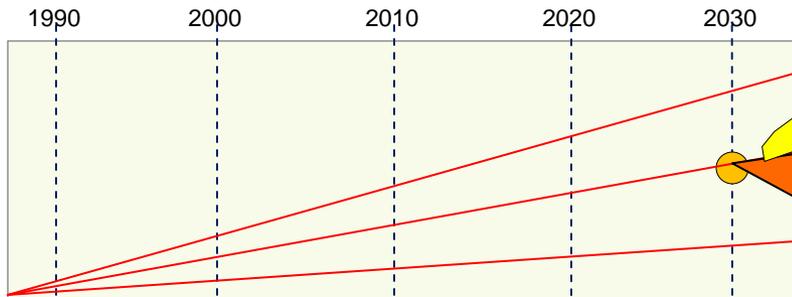


2. How does the Telluride region function?

POPULATION ASSUMPTIONS

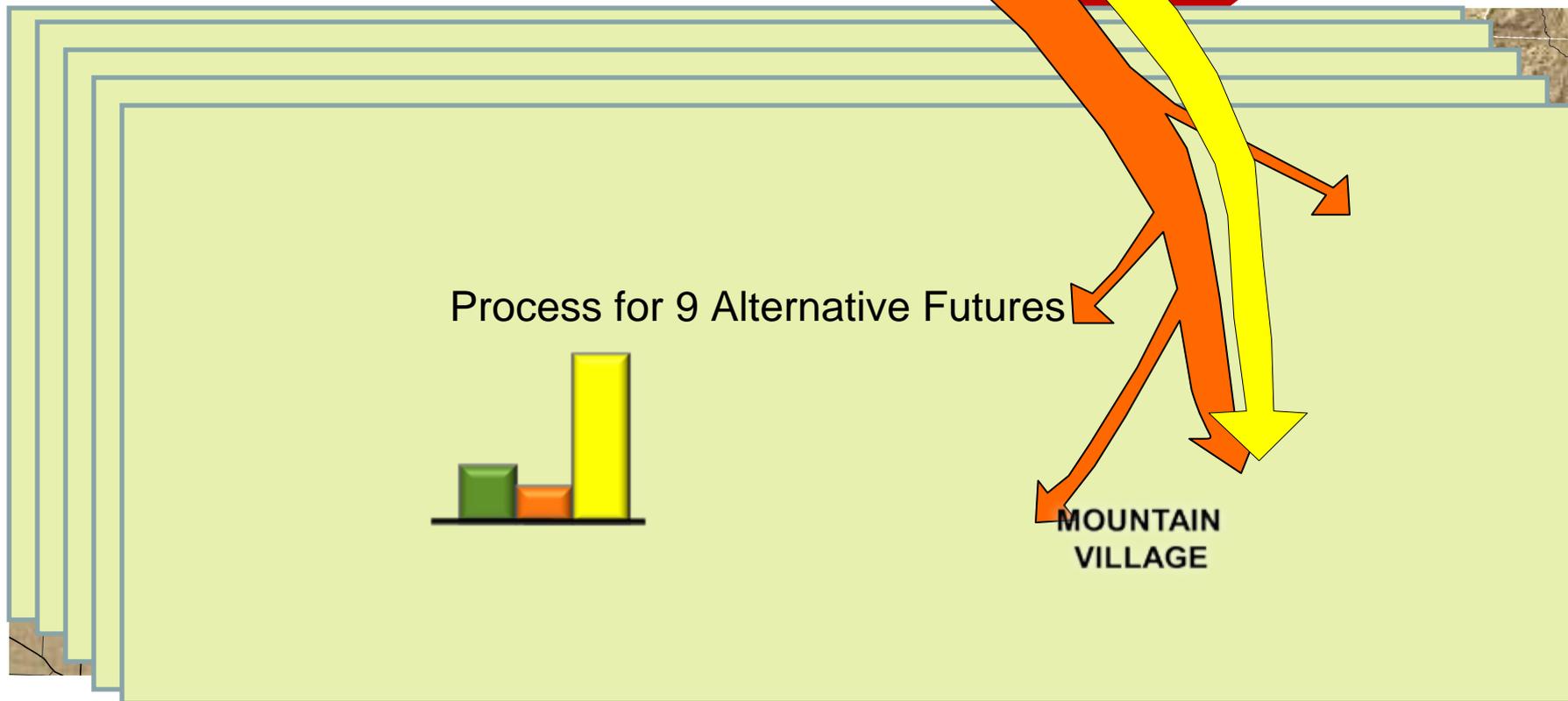
(based on assumed continuation of exogenous demands for S, T.)

POPULATION GROWTH



REGULATORY SCENARIOS

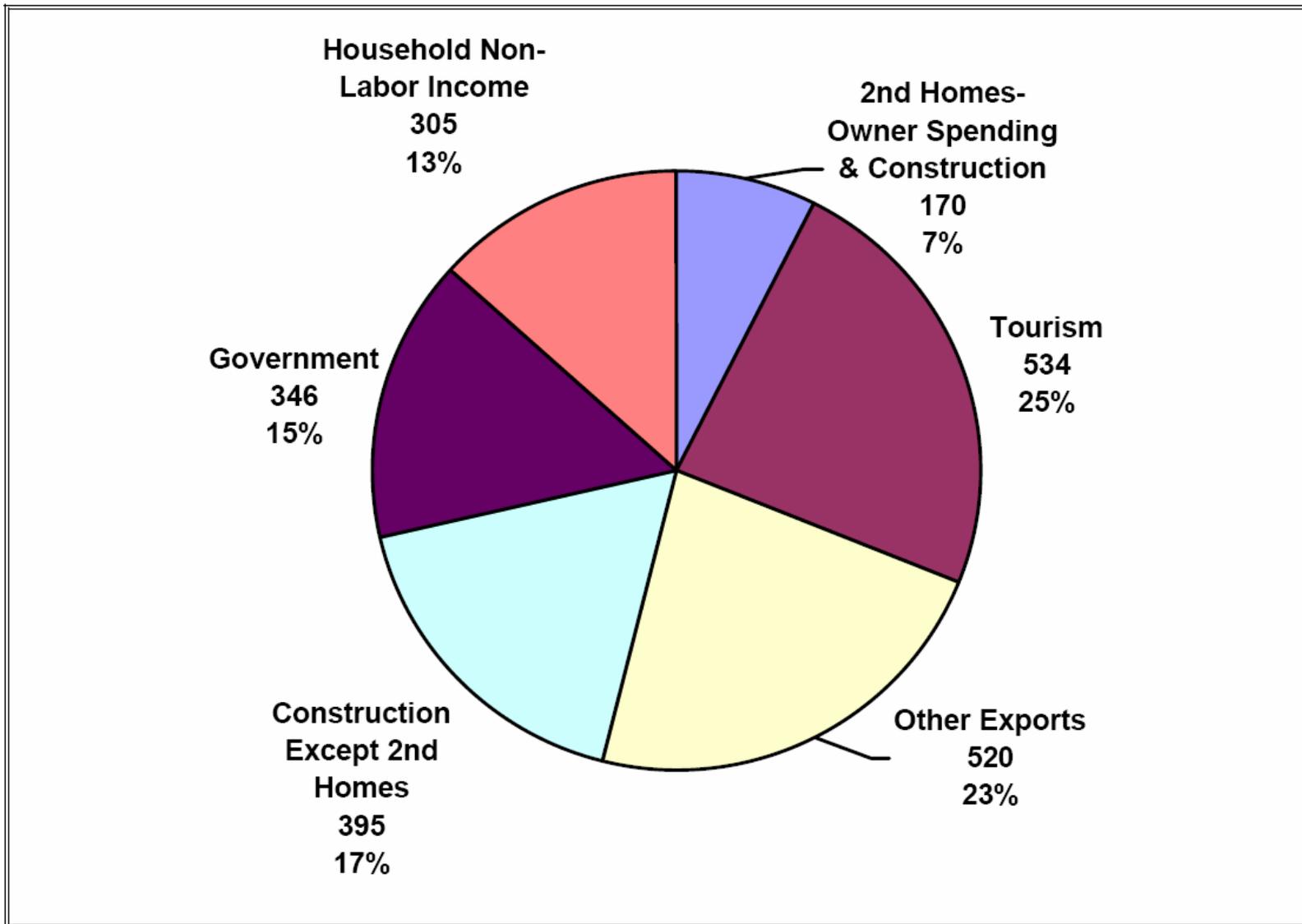
Current Regulation	Proactive Regulation	Other
	Scenario Impacts	



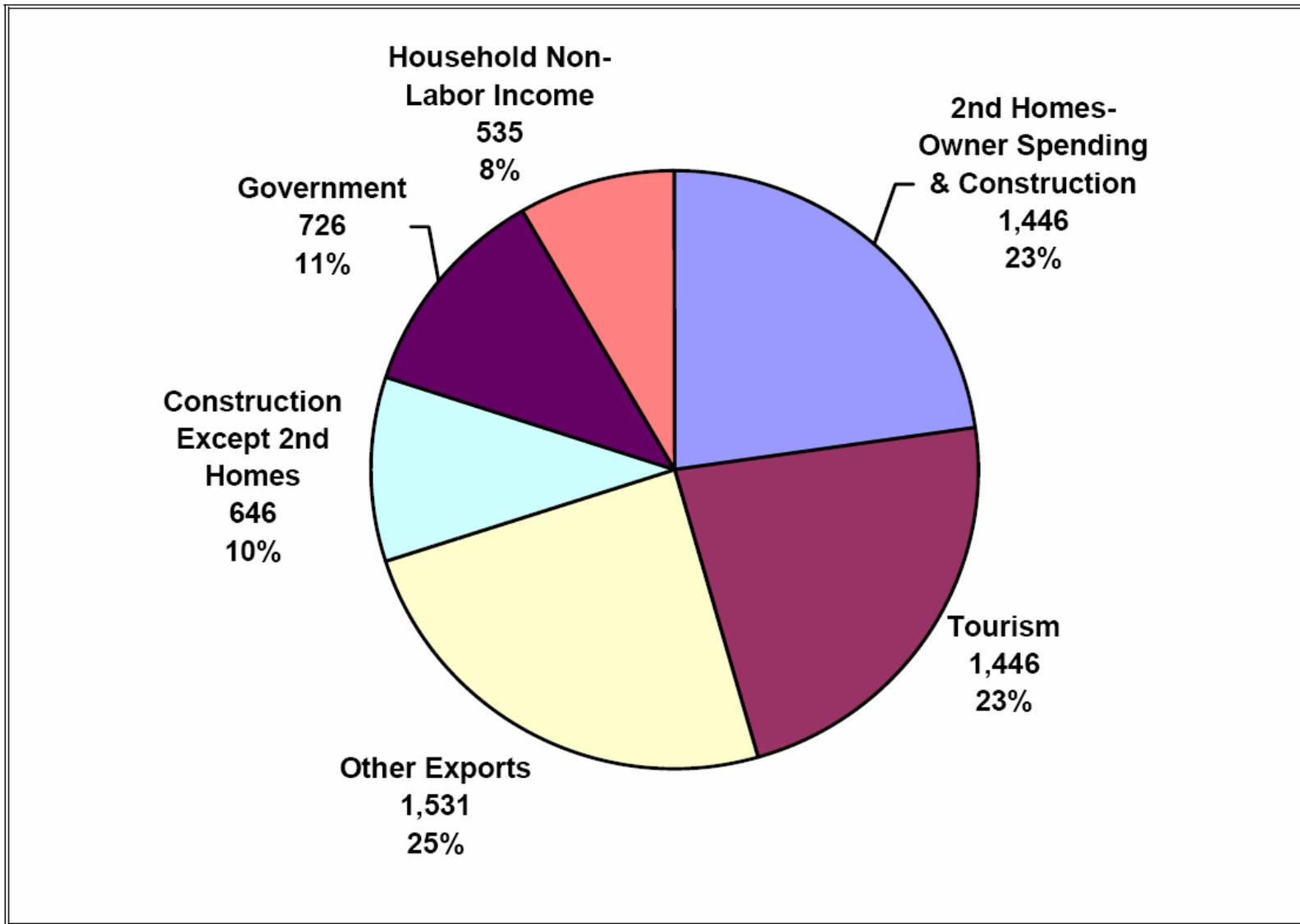
Not enough available land

3. Is the Telluride region working well?

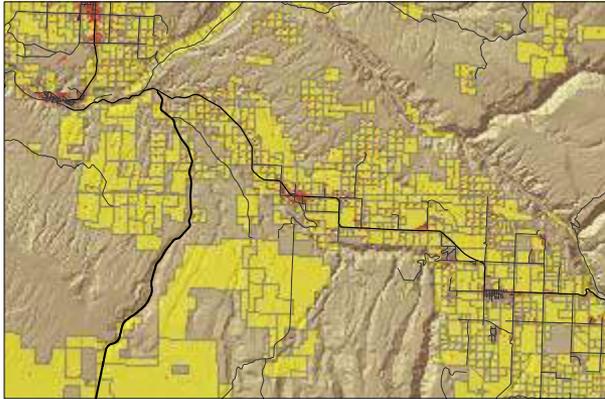
OURAY COUNTY – JOBS BY SECTOR



SAN MIGUEL COUNTY – JOBS BY SECTOR



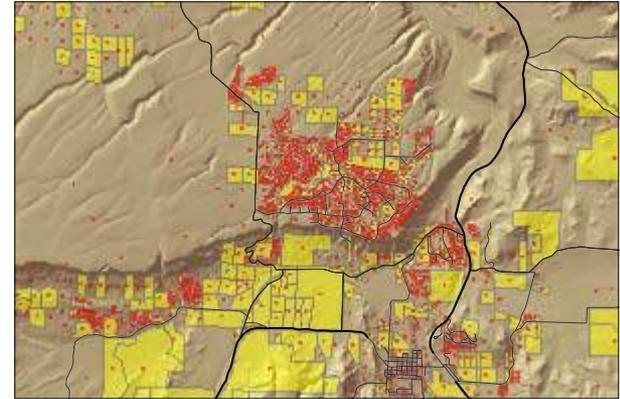
DEVELOPABLE LAND - PRIVATE



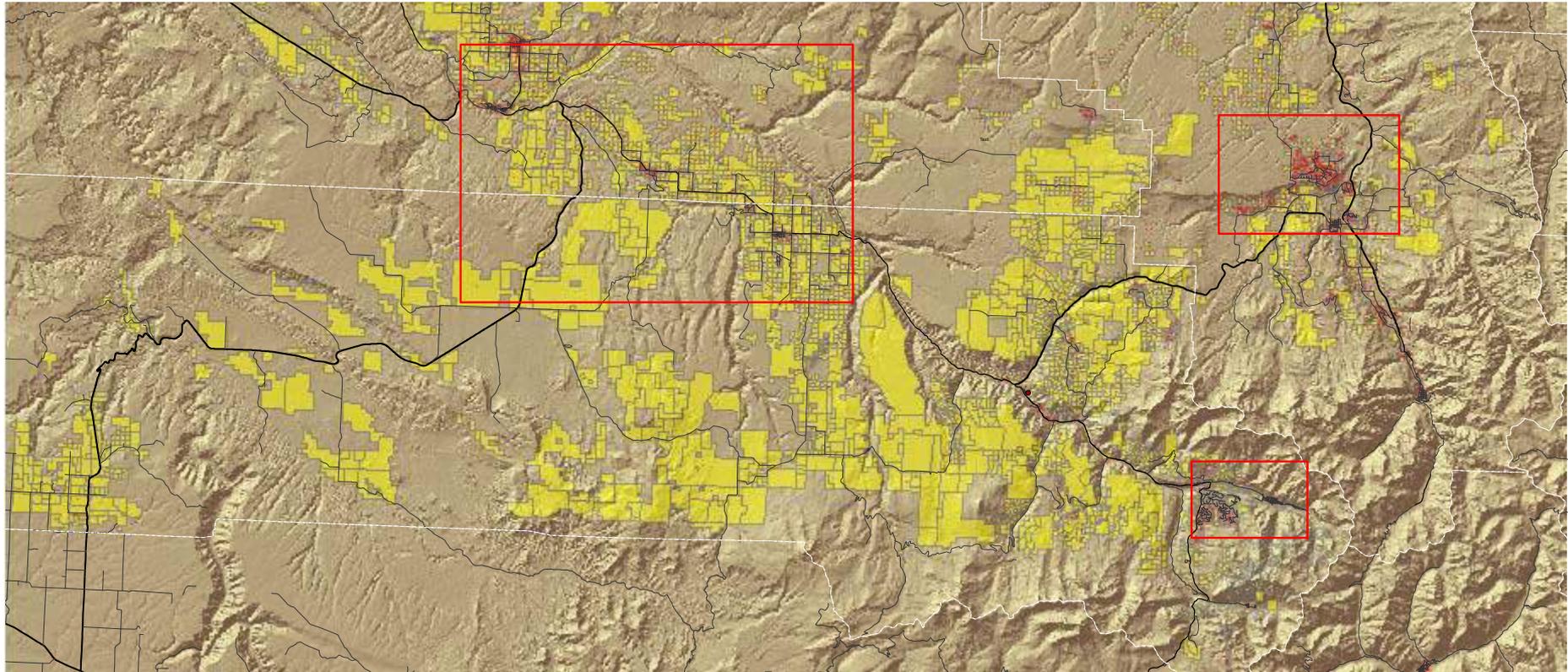
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built
Private Parcels

5 Miles

TIME TO NEAREST ROAD



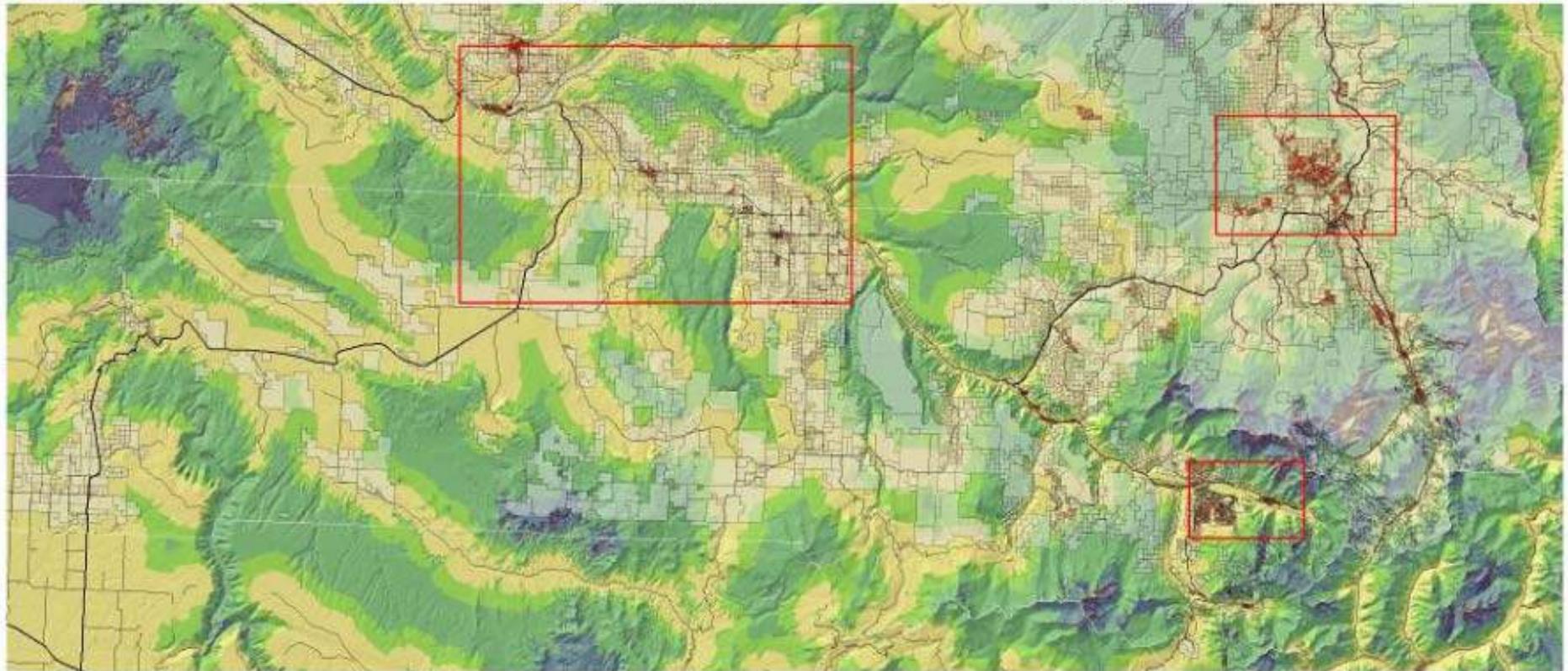
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway

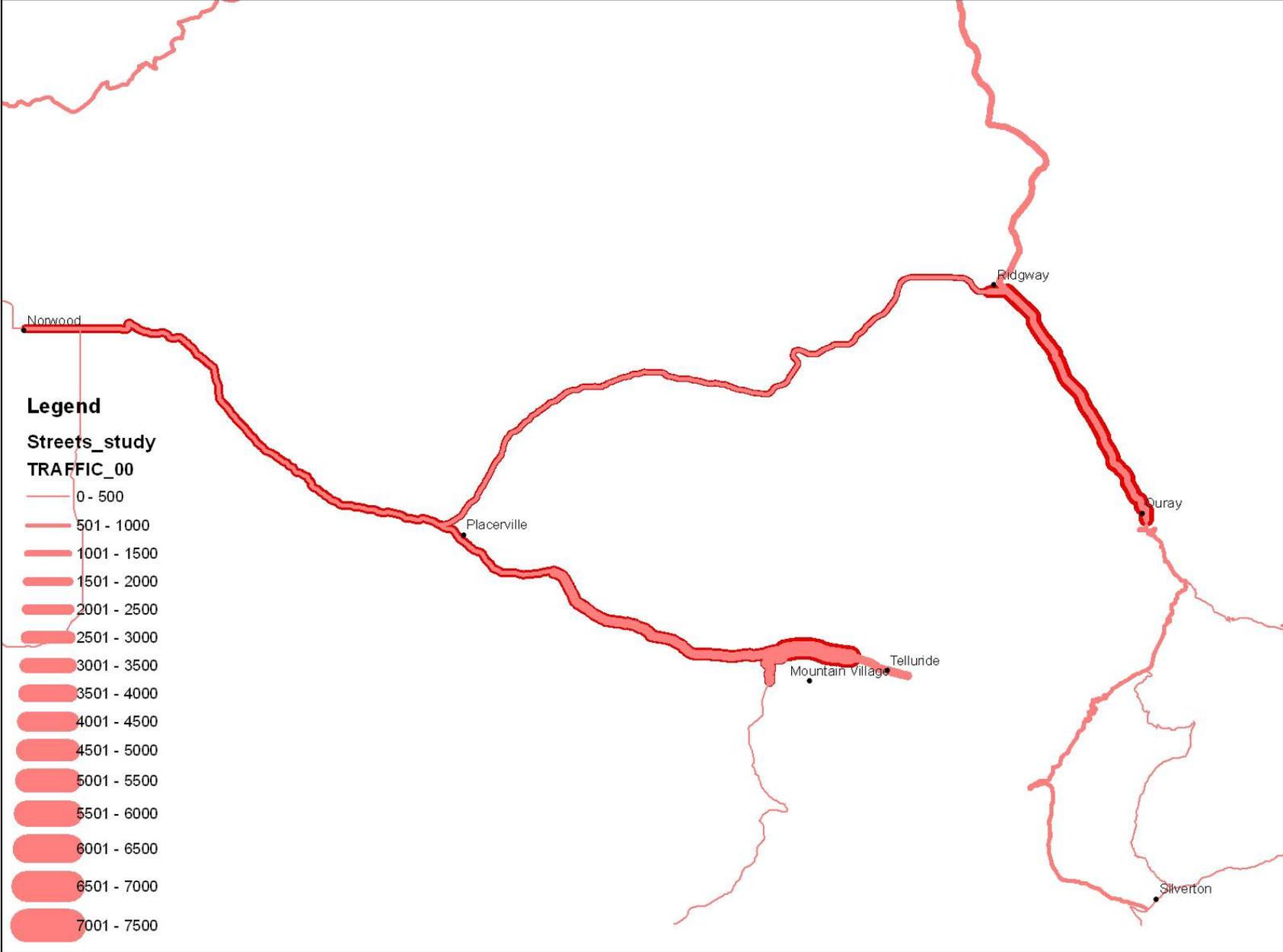


Urban/Built Private Parcels Minutes Drive to Nearest Maintained Road 0-5 6-10 11-30 31-45 46-60

5 Miles



TRAFFIC







PHOTOGRAPH SORTING



+



-

Visual Preference

INTERVIEW SAMPLE

Total Sample: 101

	#
Residents	80
Tourist	21

	#
Male	44
Female	59

	#
Younger	35
Older	66



4.60



3.08



3.84



3.50



3.46



3.38



3.24



3.13



4.34



3.94



3.82



3.57



3.46



3.35



3.22



3.12



4.11



3.92



3.80



3.55



3.44



3.34



3.18



3.11



4.10



3.91



3.75



3.53



3.42



3.30



3.17



3.09



3.99



3.87



3.72



3.53



3.42



3.25



3.15



3.09



3.08



2.96



2.78



2.89



2.52



2.31



1.97



1.74



3.04



2.92



2.76



2.88



2.51



2.26



1.92



1.70



3.02



2.91



2.75



2.88



2.43



2.18



1.92



1.68



3.01



2.90



2.72



2.55



2.34



2.14



1.80



1.68



3.01



2.84



2.71



2.54



2.31



2.11



1.76

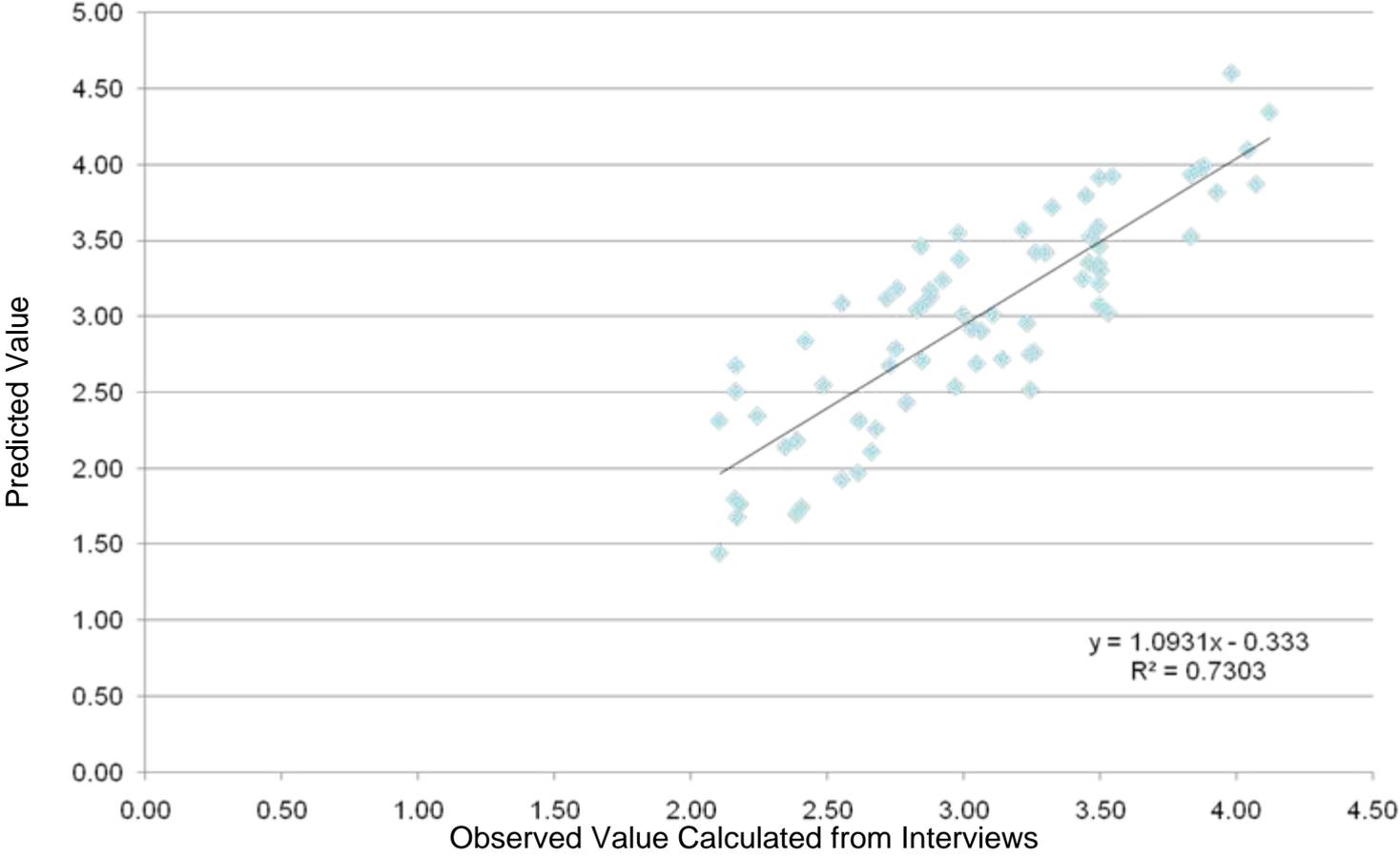


1.44

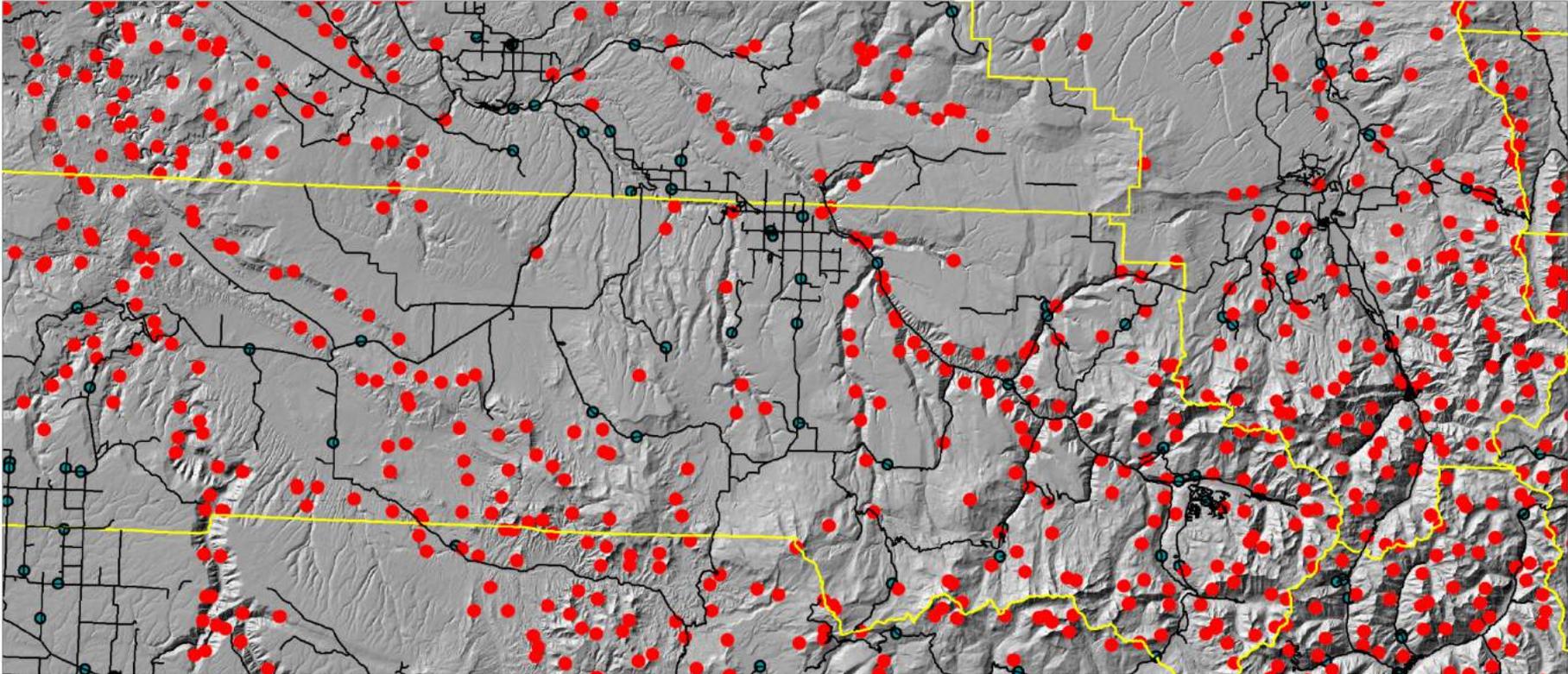
VISUAL PREFERENCE FACTORS

- + mountain views
- + historic character
- + “naturalness”
- + water views
- + canyon views
- + distant views
- - new development
- and these are especially important in the near views from public roads

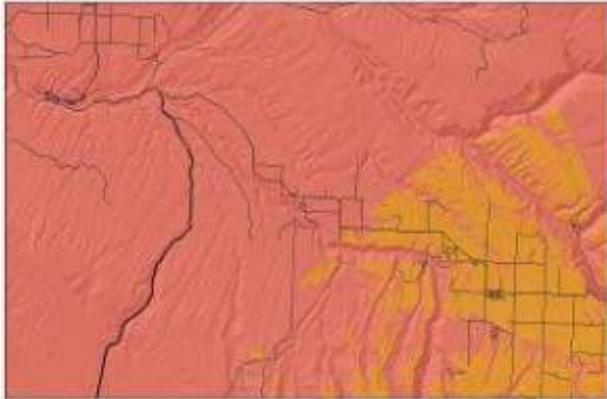
VISUAL PREFERENCE MODEL



MOUNTAIN AND CANYON SEARCH POINTS



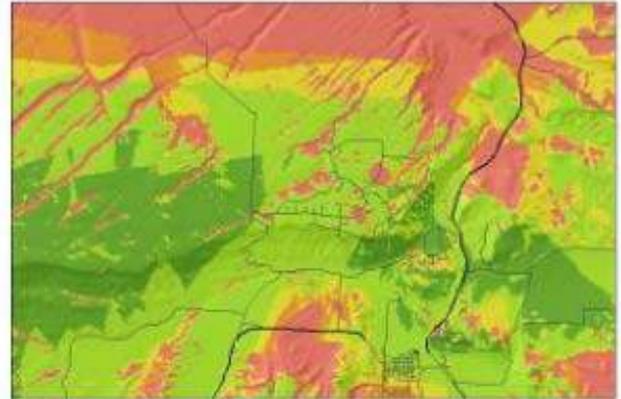
MOUNTAIN VIEWS



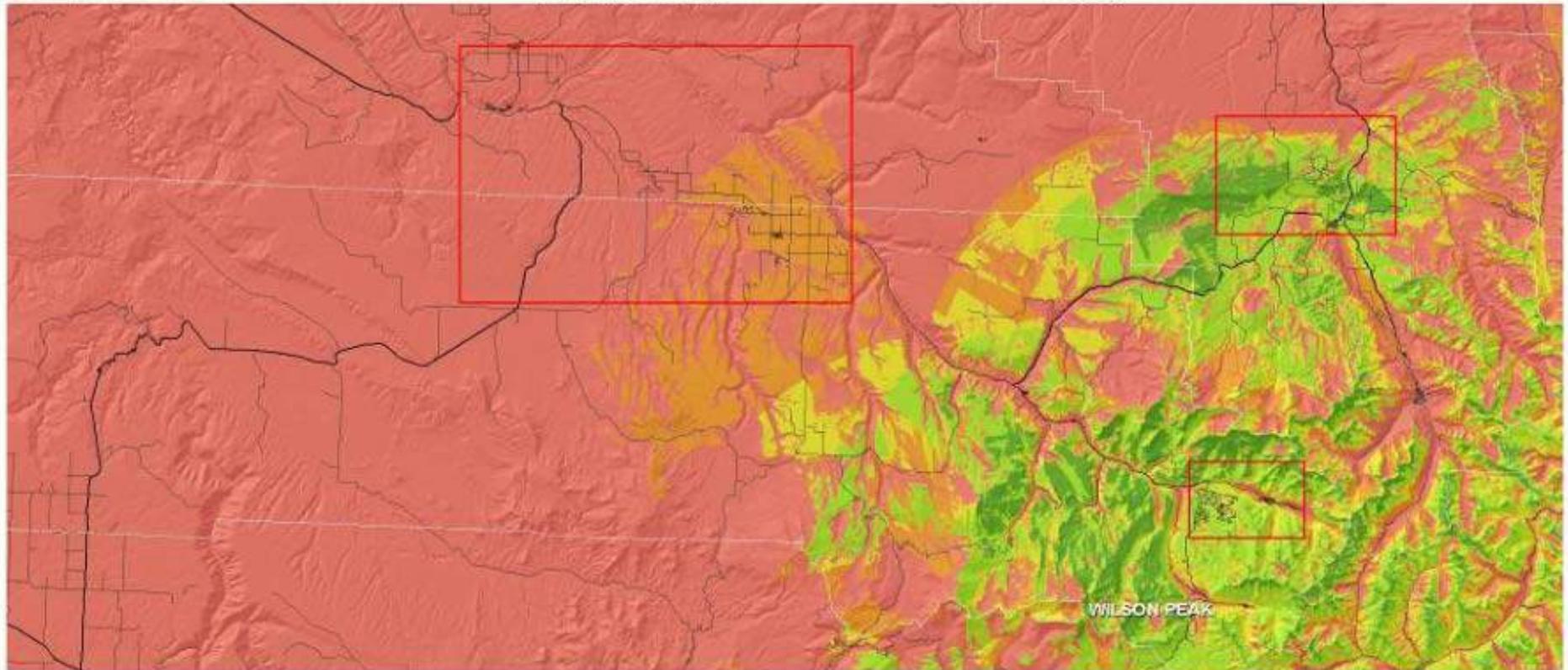
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Number of Visible Peaks 0 1 2-3 4-10 >10

5 Miles



VISUAL PREFERENCE



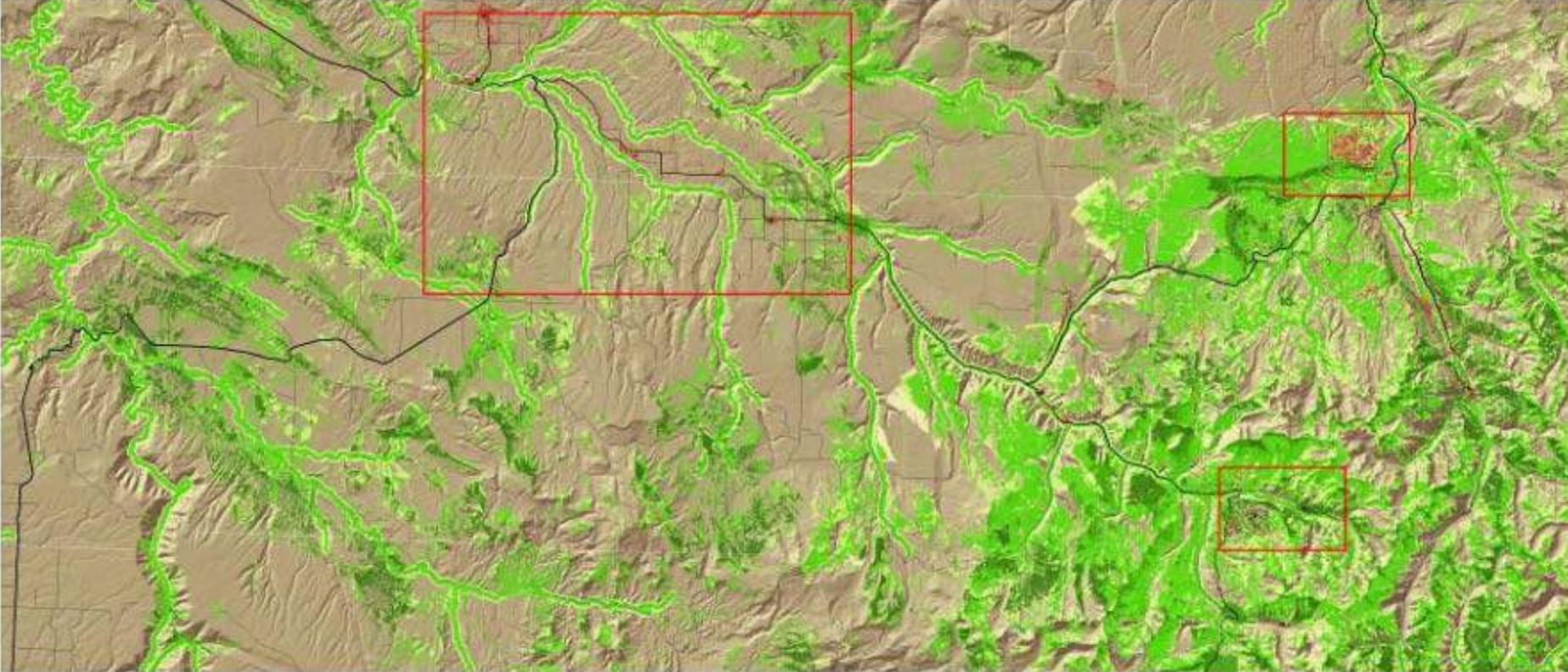
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Moderate Moderately High High Very High Extraordinary Urban/Built

4. How might the Telluride region be altered?

DEFINITION OF THE SCENARIOS

The scenarios are based upon several factors:

- Exogenous economic forces
 - Alternative economic demand trajectories for second homes, tourism;
 - Different levels of natural resource extraction

- Alternative public policy sets
 - Alternative regulation for defining developable areas
 - Allowable densities
 - Affordable housing policy

ECONOMIC TRAJECTORIES

Economic drivers create demand for new land uses and public services

- **Low growth**
 - Historic growth in second homes and tourism
- **High growth**
 - Strong growth in tourism and second homes
- **Natural resource extraction**
 - Substantial development of mineral extraction in the west

FULL-TIME RESIDENTS AND SECOND HOME OWNERS

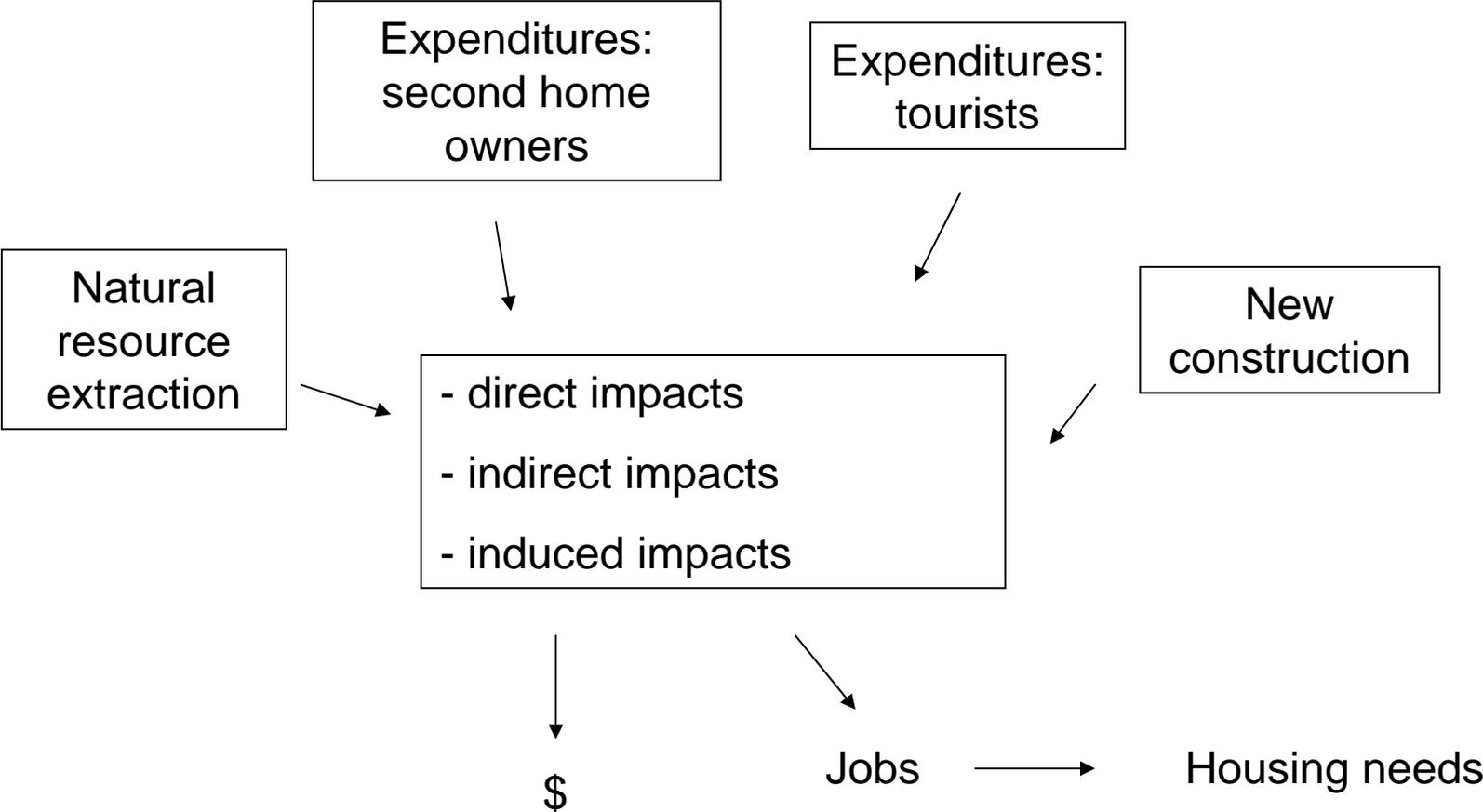
Second-home owners:

- Less demand for government services, health care, schools, water and energy
- Higher property taxes
- Higher RETT receipts

Full-time residents:

- Year-round demand for government services
- Year-round demand for water and energy
- Year-round traffic with a greater willingness to ride on public transport
- Children in schools
- Health care
- Full-time presence in civic life of the community

ECONOMIC MODELING



EMPLOYMENT AND HOUSING GROWTH

	Employment		Annual
	<u>2000</u>	<u>2006</u>	<u>growth</u>
San Miguel County	7307	8594	2.7%
Ouray County	2524	3159	3.8%

Annual growth in jobs 250 - 350 per year

Housing units needed for new employees 125 – 175 per year

Current housing stock 8897 housing units

HOUSING GROWTH

	1990	2000	2006	average annual growth 1990-2006
San Miguel County	2635	5,197	6,082	5.4%
Ouray County	1507	2,146	2815	4.0%

POPULATION GROWTH

	1990	2000	2006	average annual growth 1990-2006
San Miguel County	3653	6,577	7,328	4.4%
Ouray County	2295	3,724	4340	4.1%

SUBSIDIZED HOUSING

- Average number of DR units per year, SMC 2000–2006 31

- Future assumptions of DR units per year
 - Complete current projects
 - Trend 30
 - High 45

- Total Trend 600
- Total high 900

PROJECTED HOUSING GROWTH OVER 20 YEARS

Second home growth 2010 - 2030

Low	% yearly growth	High	% yearly growth
1738	1.9%	4193	3.9%

Full-time resident housing growth 2010 - 2030

Low	% yearly growth	High	% yearly growth
1159	1.0%	2795	2.2%

PROJECTED TOURISM GROWTH OVER 20 YEARS

Annual growth rates

	YEARS 0 - 10	YEARS 11- 20
Low	2%	1%
High	4%	2%

LAND USE POLICY I

Public policy decisions define the supply of developable land

- **Current regulation**
 - All land is available for development except areas protected by current law
- **Proactive**
 - Areas protected by law and areas with high cultural, historical, visual or environmental value are not available for development

LAND USE POLICY II

Public policy decisions define the supply of developable land

- **Current density**

Prevailing land use zoning rules apply

- **High density**

Relaxation of current zoning requirements to allow higher density in developable areas

LAND USE POLICY FACTORS – CURRENT

A number of factors constrain the location of future development

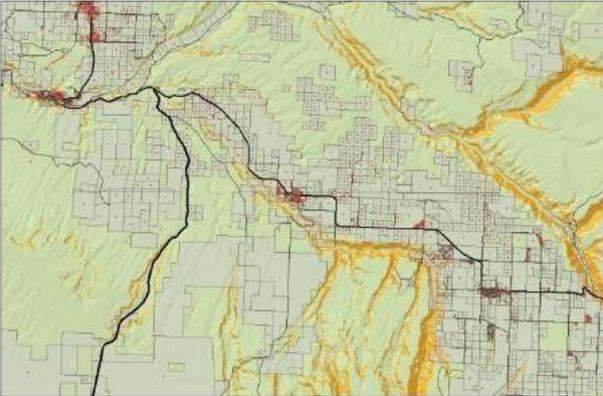
- Laws
- Public land
- Private/local conservation
- Water and wetlands
- Road right-of-way and buffers
- Terrain slope constraint

ZONING AND DEVELOPMENT CAPACITY MAPPING

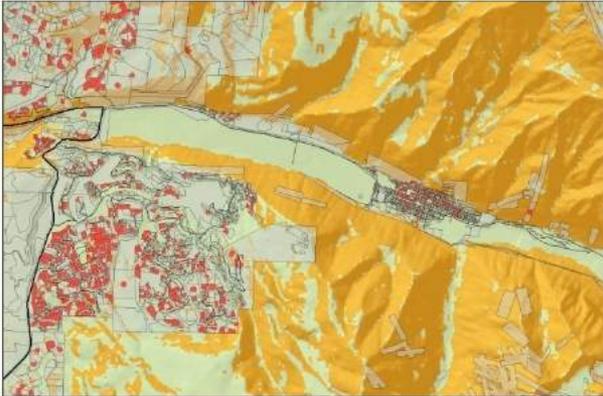
Within developable areas, there are additional constraints on the maximum permissible density

- Residential housing densities
- Potential development units
- Density bonuses for affordable and employee housing

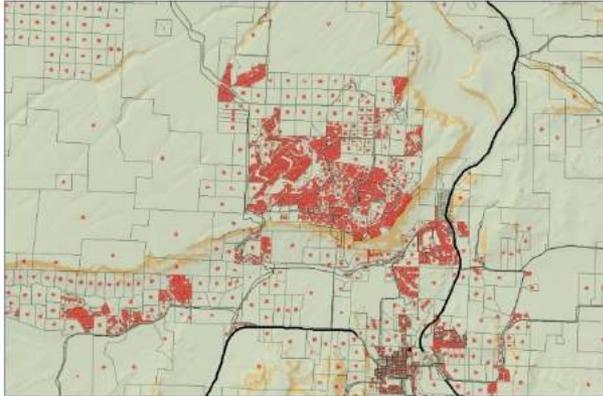
PRIVATE PARCELS AND SLOPES



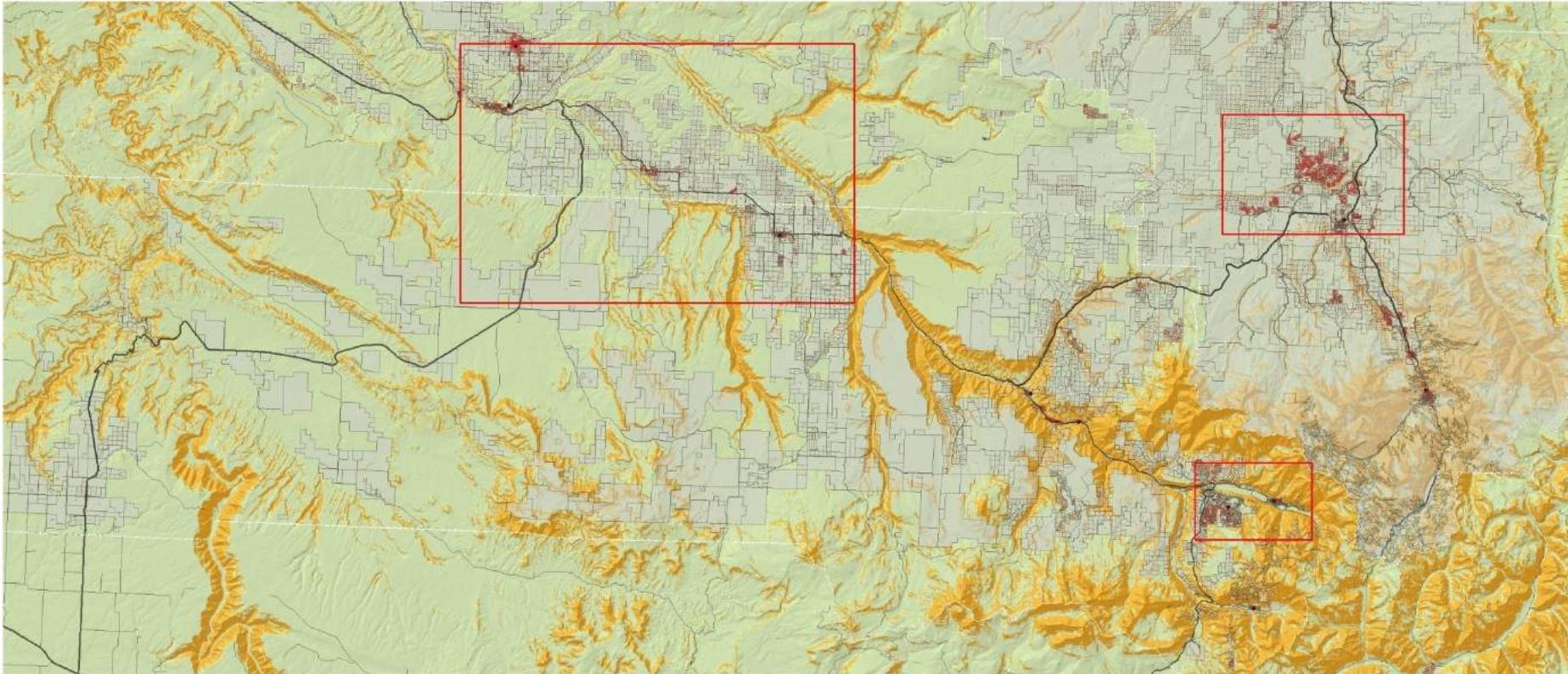
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built Slopes greater than 45% Slopes less than 45% Private Parcels

5 Miles



LAND USE POLICY FACTORS – PROACTIVE CONSTRAINT SET

This set includes those factors of the 'current laws' set plus additional areas for protection

- Laws
- Public land
- Private/local conservation
- Water and wetlands
- Road right-of-way and buffers
- Terrain slope constraint
- Protection of most preferred views from main roads
- Enhanced riparian and wetland buffers
- Restrictions on mineral extraction on public lands
- Enhanced protection of historic landscapes

SCENARIOS

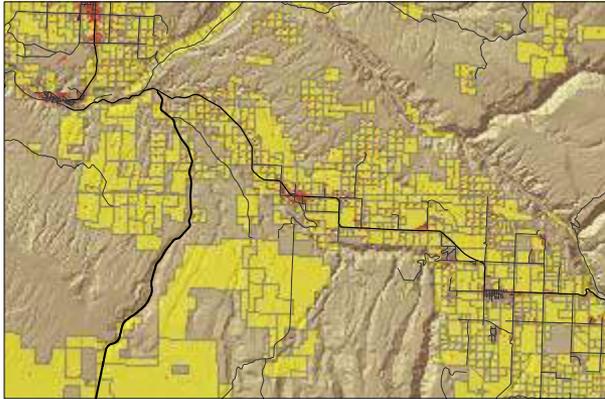
Scenario	Economic trajectory	Land use policy				High subsidized housing	Mineral extraction
		Current regulations	Proactive	High density	High density - Proactive		
1	Low growth	x					
2	High growth	x					
3	Low growth		x				
4	High growth		x				
5	High growth			x			
6	Low growth				x		
7	High growth				x		
8	High growth	x				x	
9	High growth	x					x

ATTRACTIVENESS MODELING

- Full-time residents
 - Attractiveness is a function of proximity to roads, markets and employment
- Second-home owners
 - Attractiveness is a function of proximity to TMV, recreation, and visual quality.

A statistical model is used to estimate the attractiveness of each developable parcel in the study area for full-time residents and second-home owners

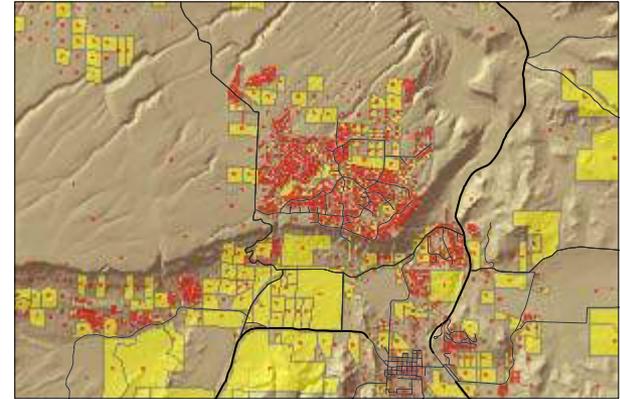
DEVELOPABLE LAND - PRIVATE



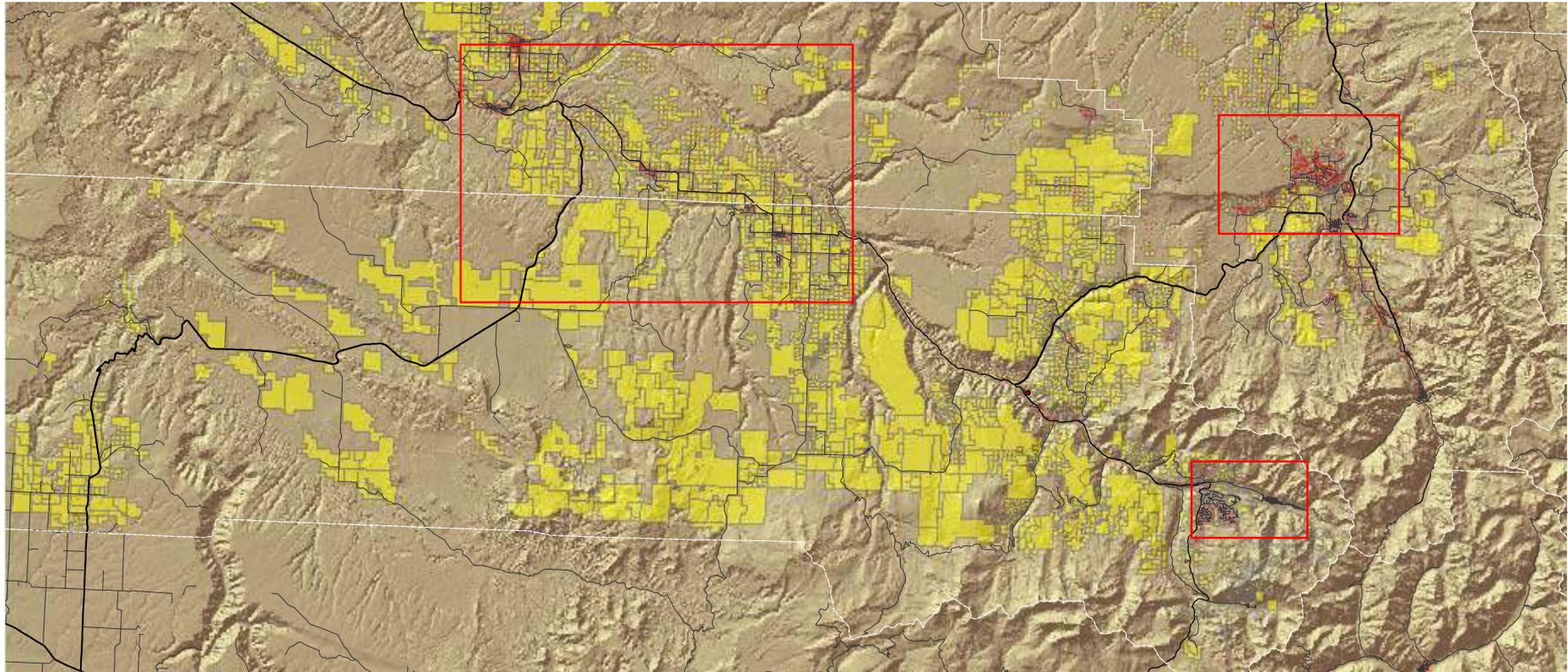
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built
Private Parcels

5 Miles

TIME TO NEAREST ROAD



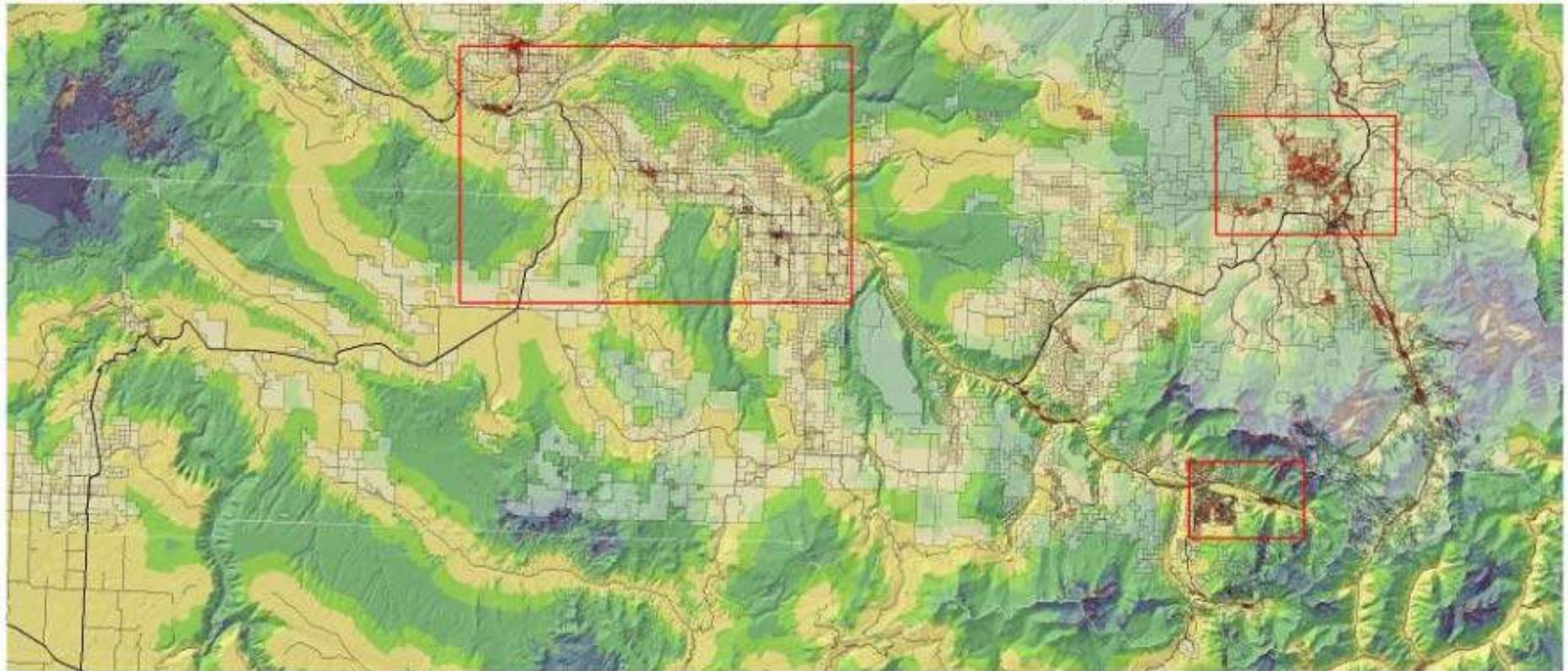
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built Private Parcels Minutes Drive to Nearest Maintained Road 0-5 6-10 11-30 31-45 46-60

5 Miles



VISUAL PREFERENCE



Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



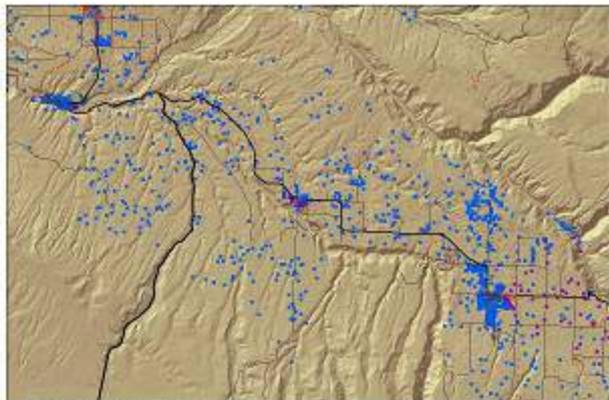
Moderate Moderately High High Very High Extraordinary Urban/Built



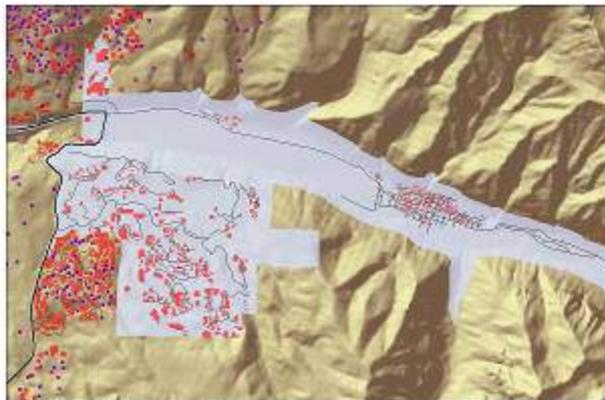
ALLOCATION SEQUENCE

- Project total demand for second homes and full-time residential units
- Define and allocate deed-restricted housing
- Allocate demand for new second homes in TMV
- Allocate remaining houses in TMV
- Calculate excess demand for TMV
- Allocate demand for second homes in remainder of study area
- Allocate demand for full-time residential units in remainder of study area

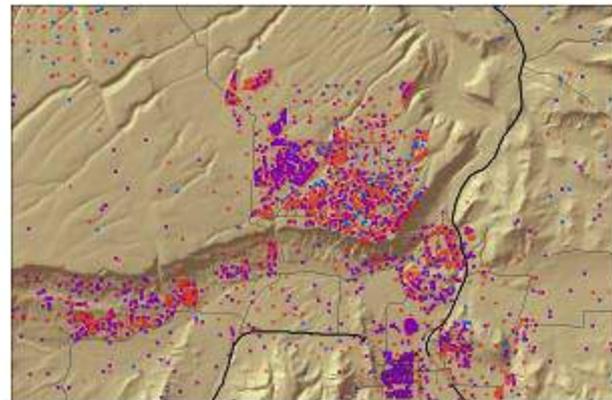
HIGH GROWTH SCENARIO



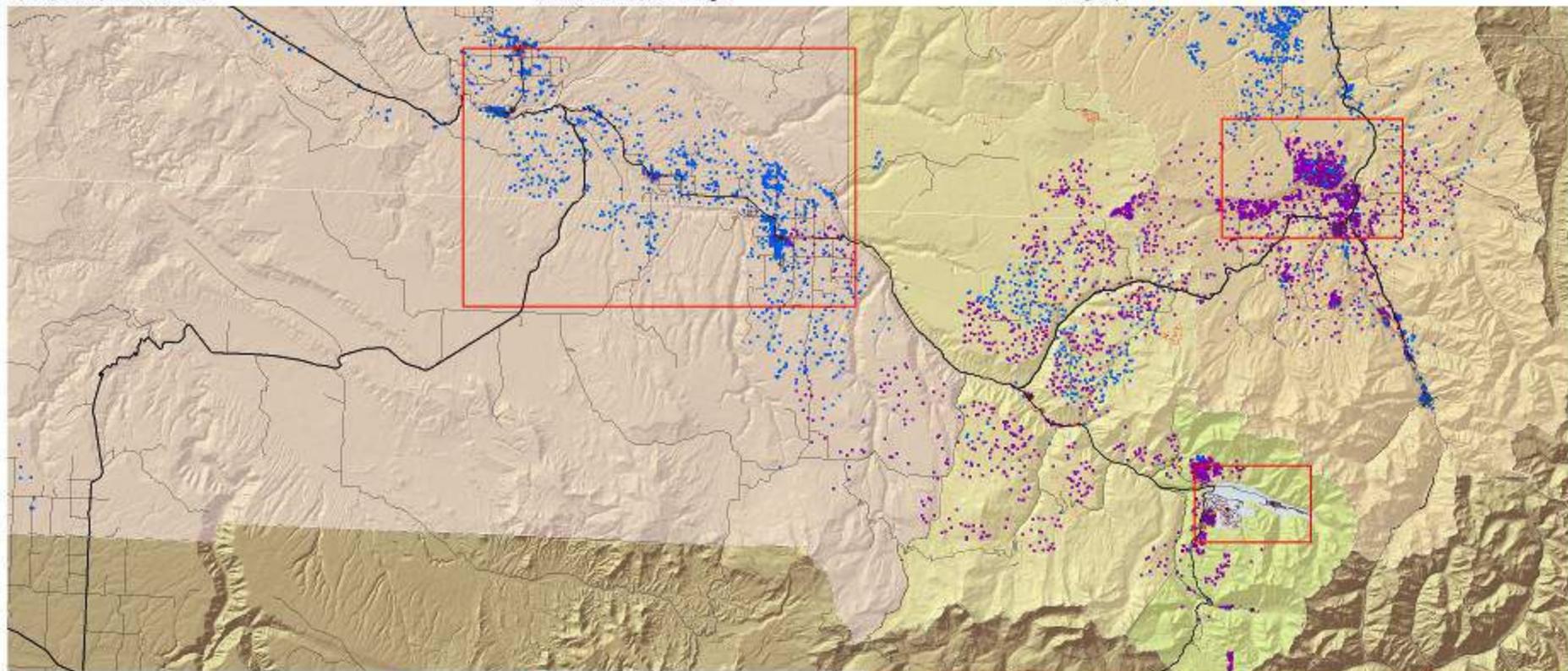
Norwood, Nucla & Naturita



Telluride/Mountain Village



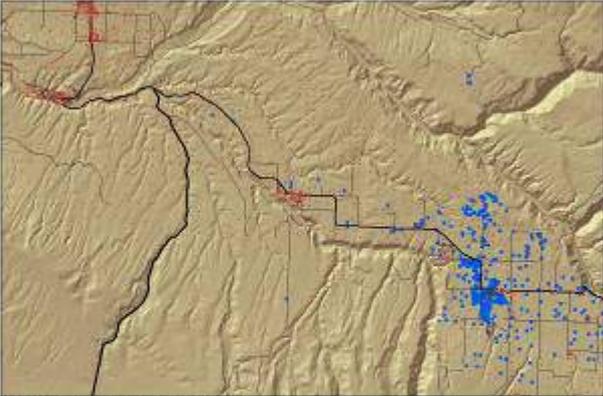
Ridgway



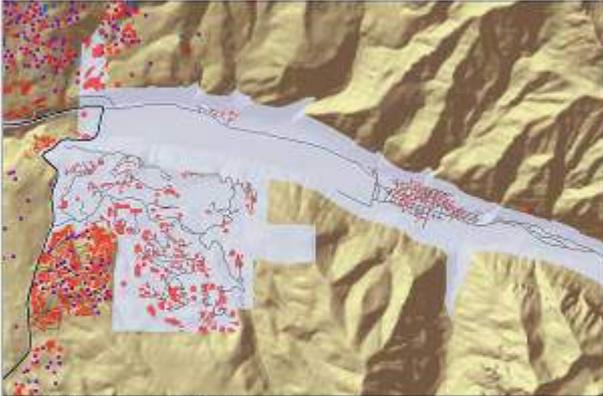
5 Miles



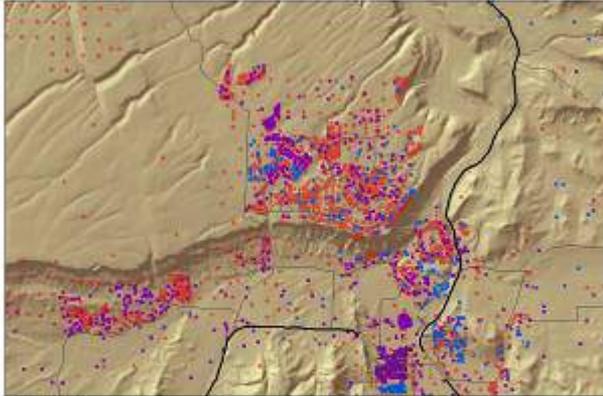
LOW GROWTH SCENARIO



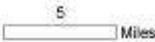
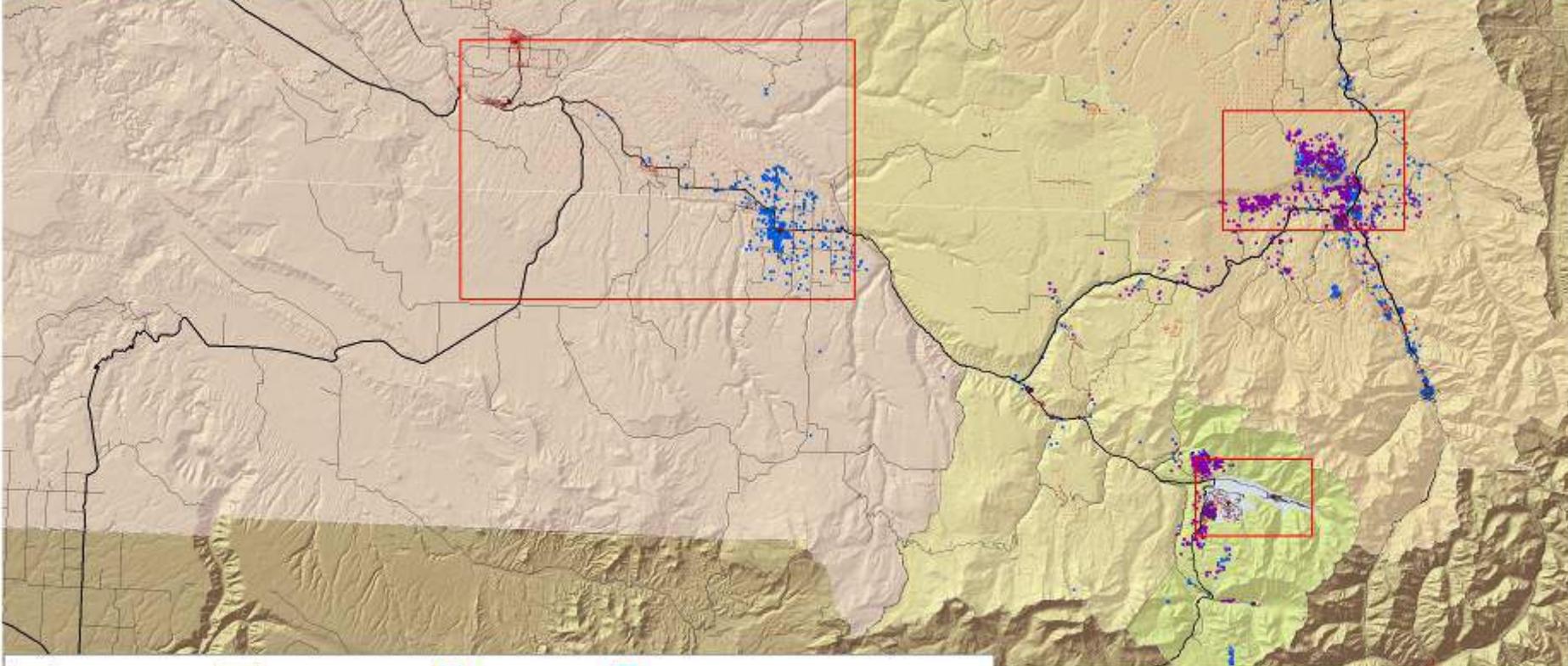
Norwood, Nucla & Naturita



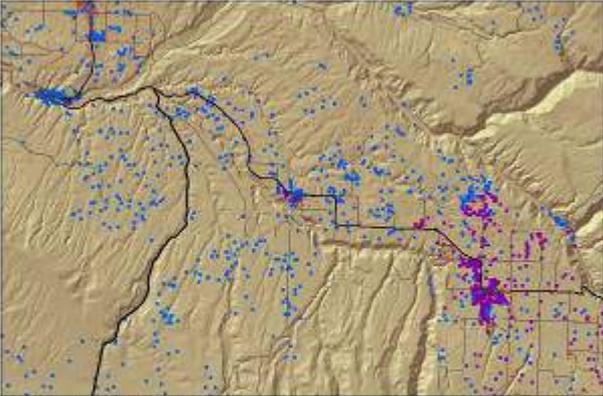
Telluride/Mountain Village



Ridgway



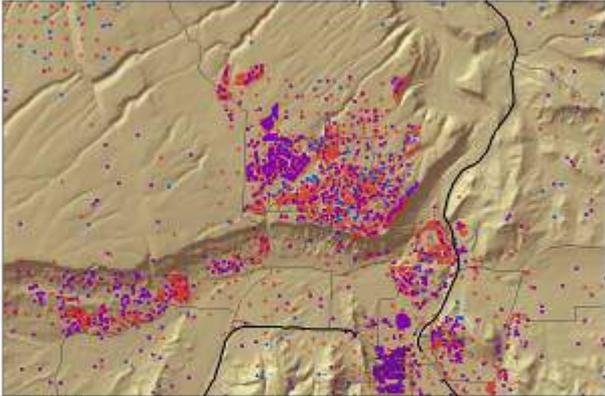
HIGH GROWTH PROACTIVE SCENARIO



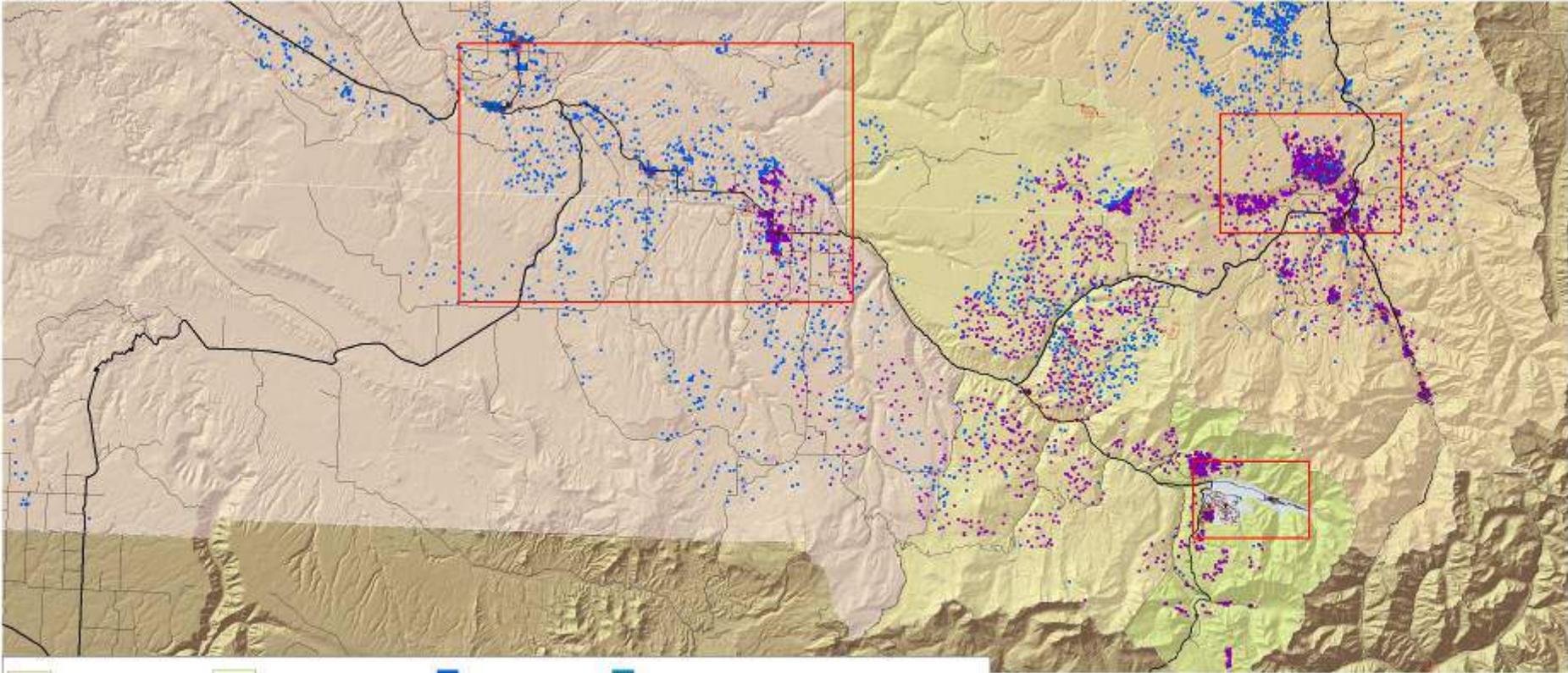
Norwood, Nucla & Naturita



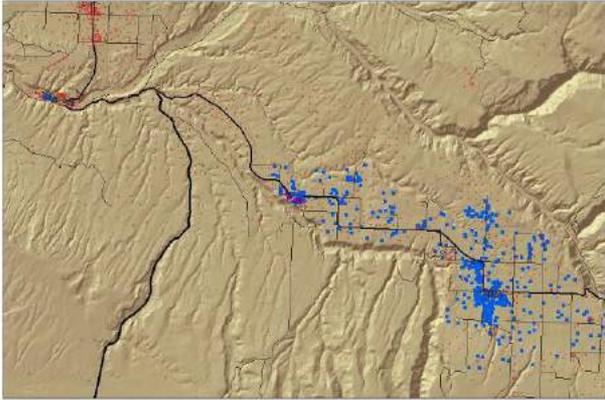
Telluride/Mountain Village



Ridgway



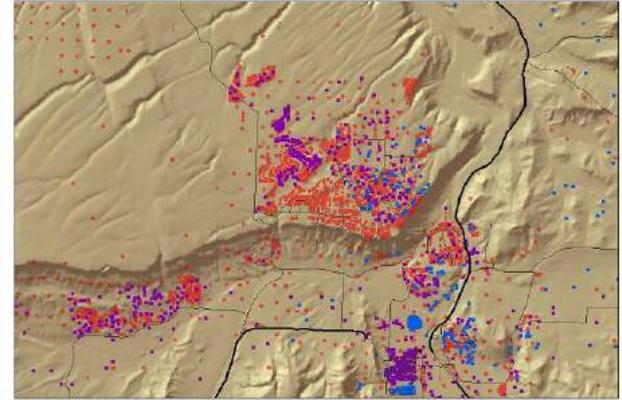
LOW GROWTH PROACTIVE SCENARIO



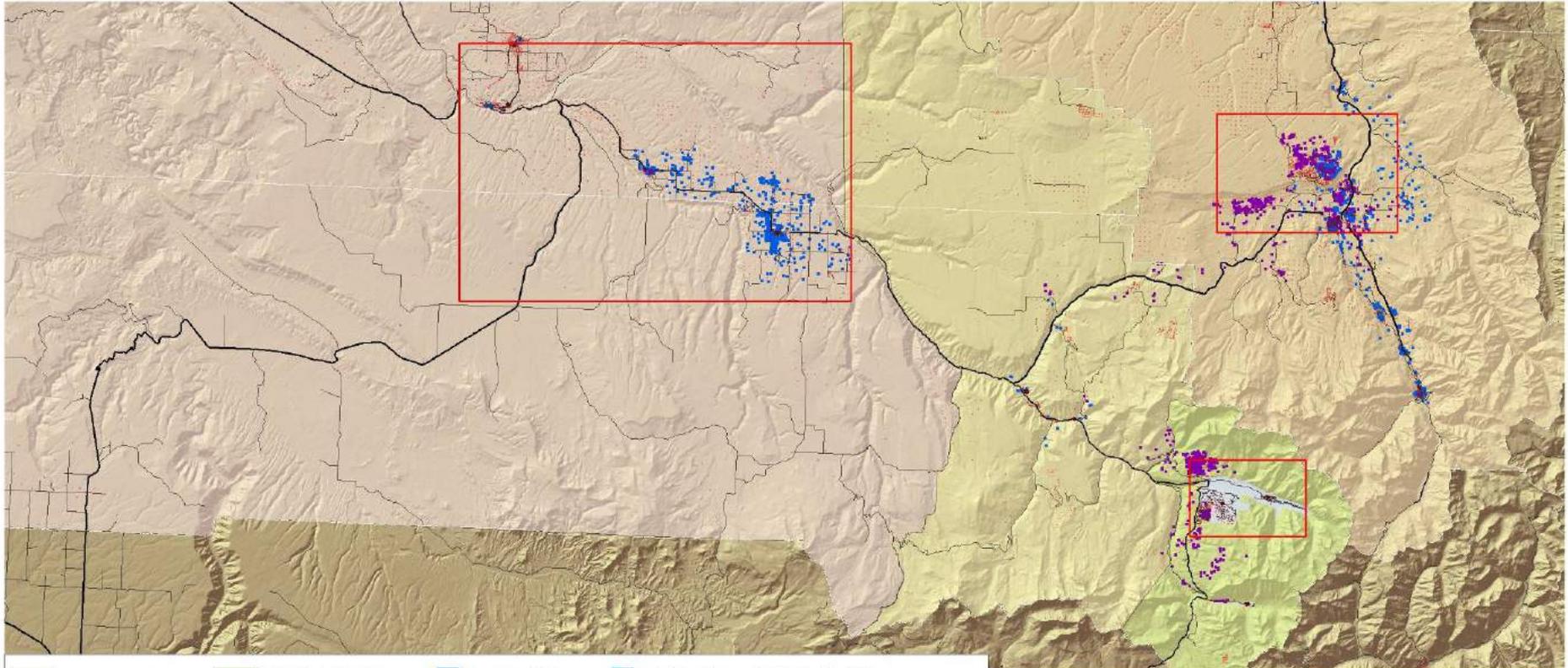
Norwood, Nucla & Naturita



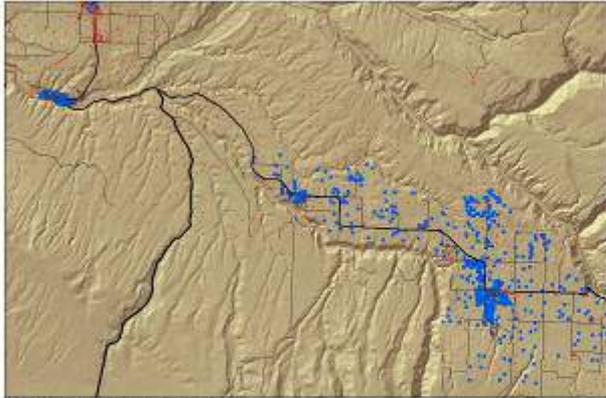
Telluride/Mountain Village



Ridgway



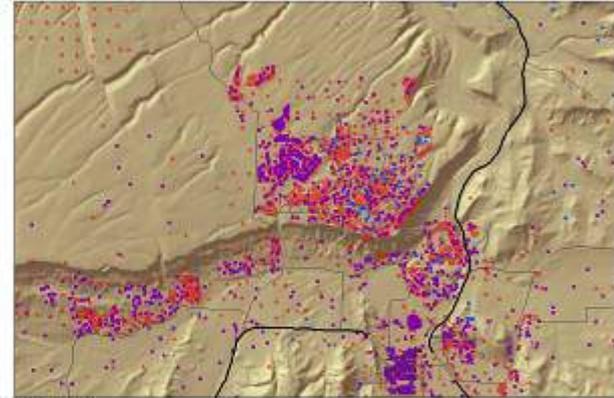
HIGH GROWTH + HIGH DENSITY SCENARIO



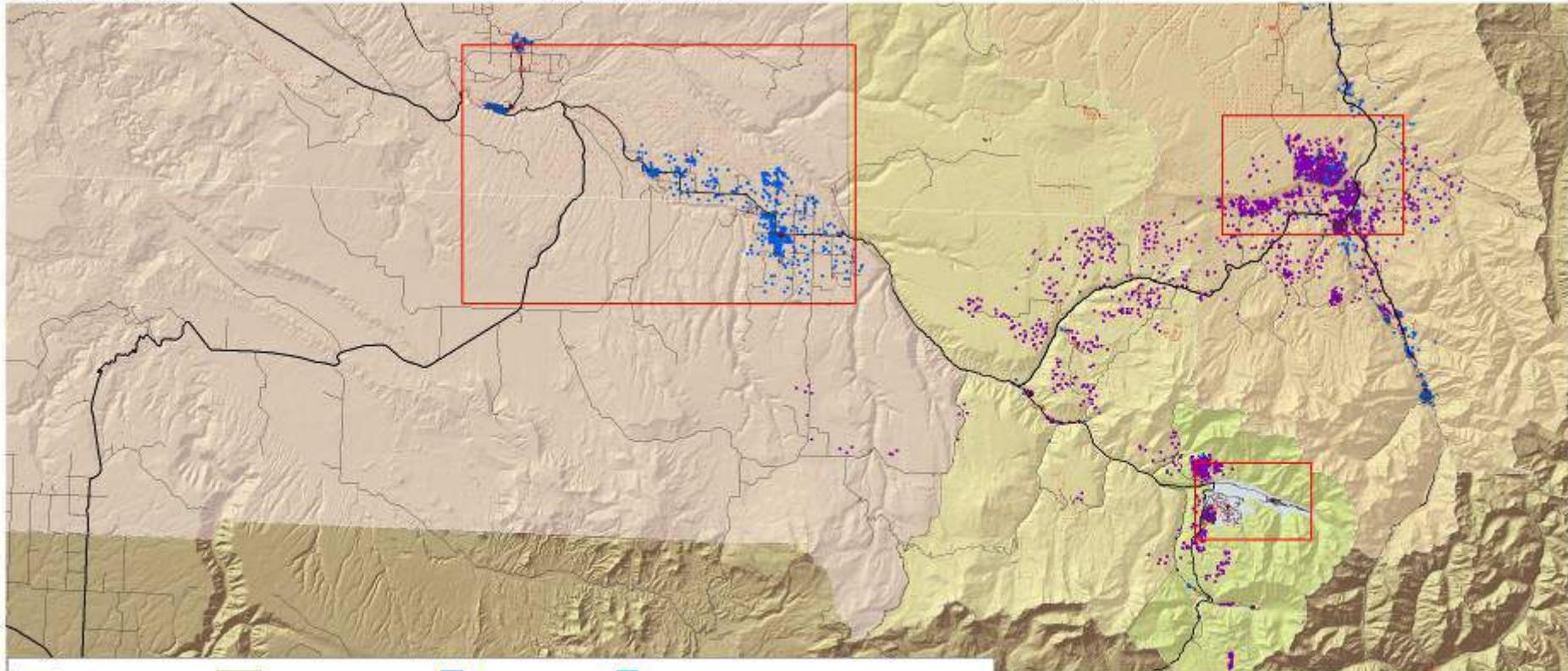
Norwood, Nucla & Naturita



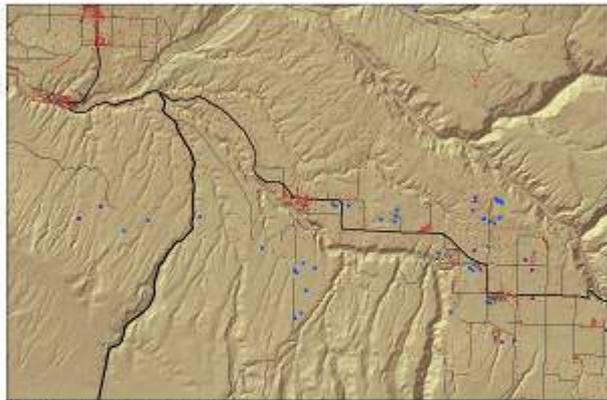
Telluride/Mountain Village



Ridgway



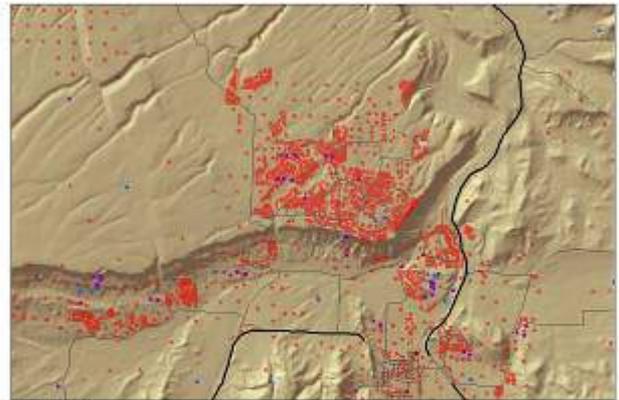
LOW GROWTH PROACTIVE + HIGH DENSITY SCENARIO



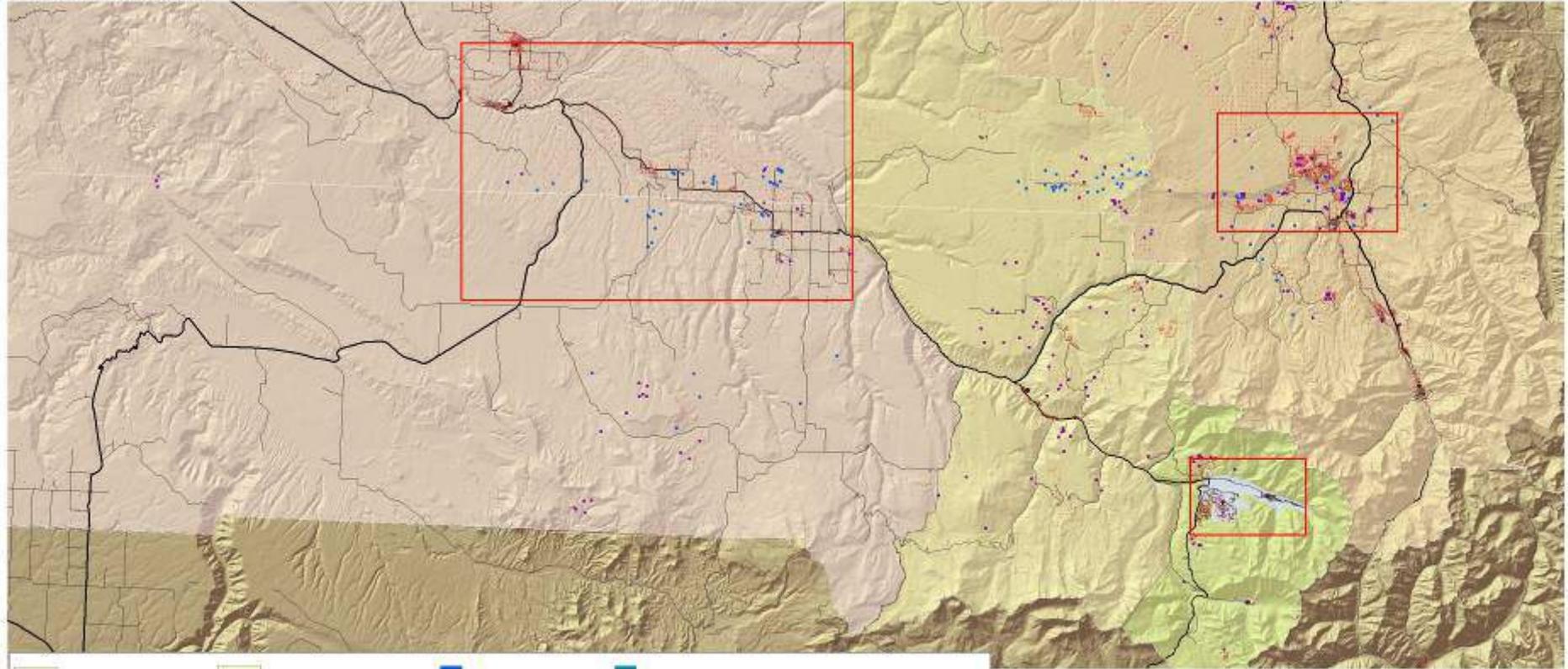
Norwood, Nucla & Naturita



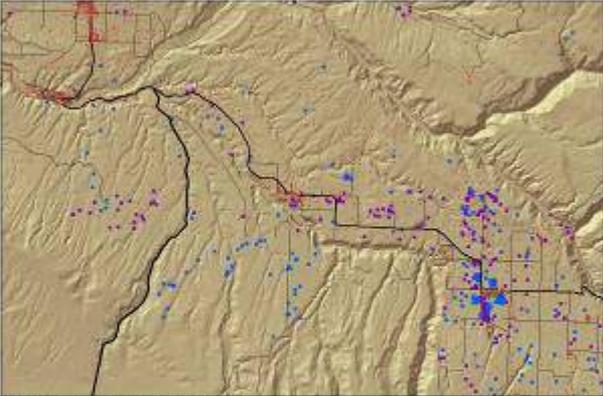
Telluride/Mountain Village



Ridgway



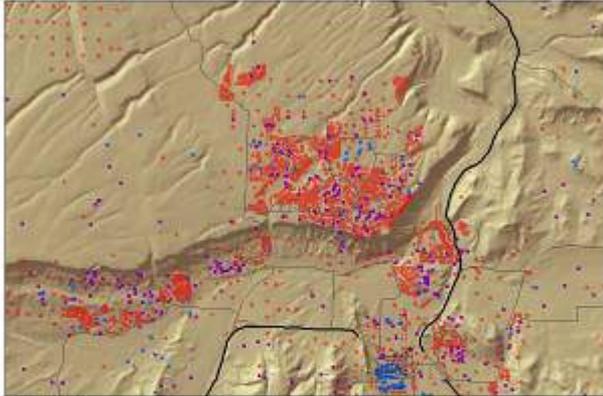
HIGH GROWTH PROACTIVE + HIGH DENSITY SCENARIO



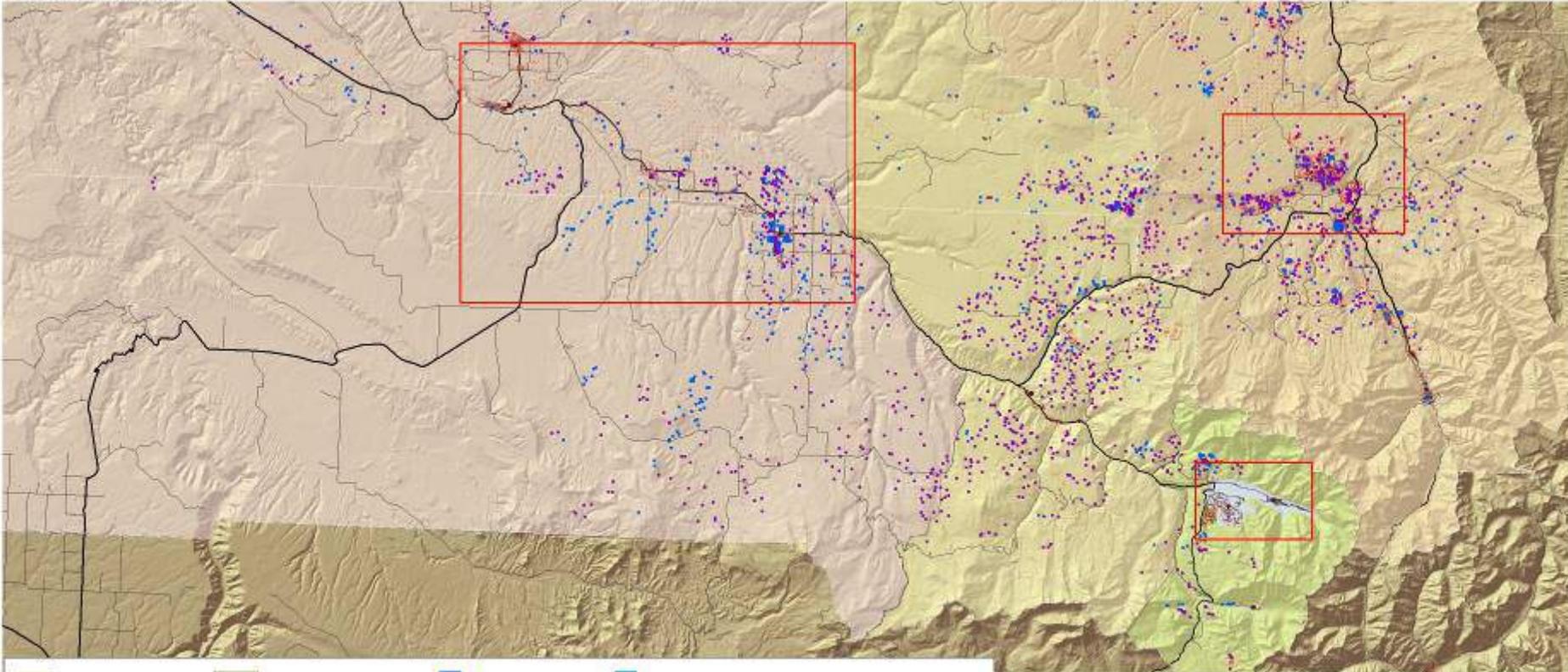
Norwood, Nucla & Naturita



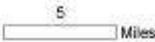
Telluride/Mountain Village



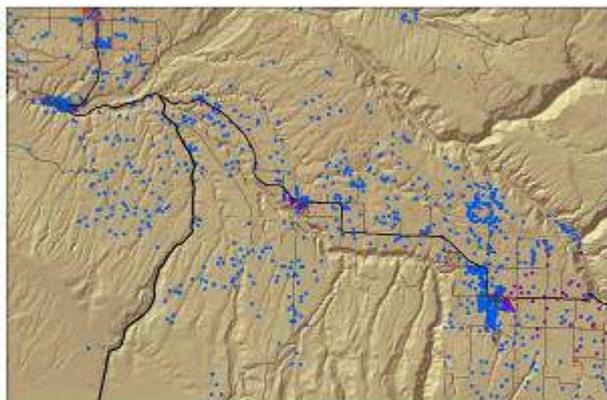
Ridgway



Down Valley + Mesas	Telluride + Mtn. Village	Year Round Homes	Subsidized Homes in Telluride/Mtn. Village
Ouray	West	Second Homes	Existing Urban/Built



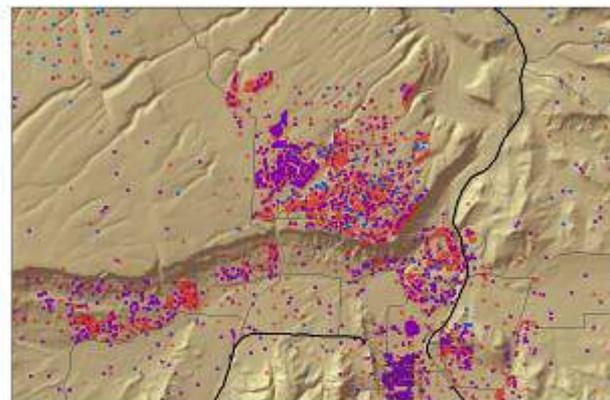
HIGH GROWTH + NATURAL RESOURCE EXTRACTION SCENARIO



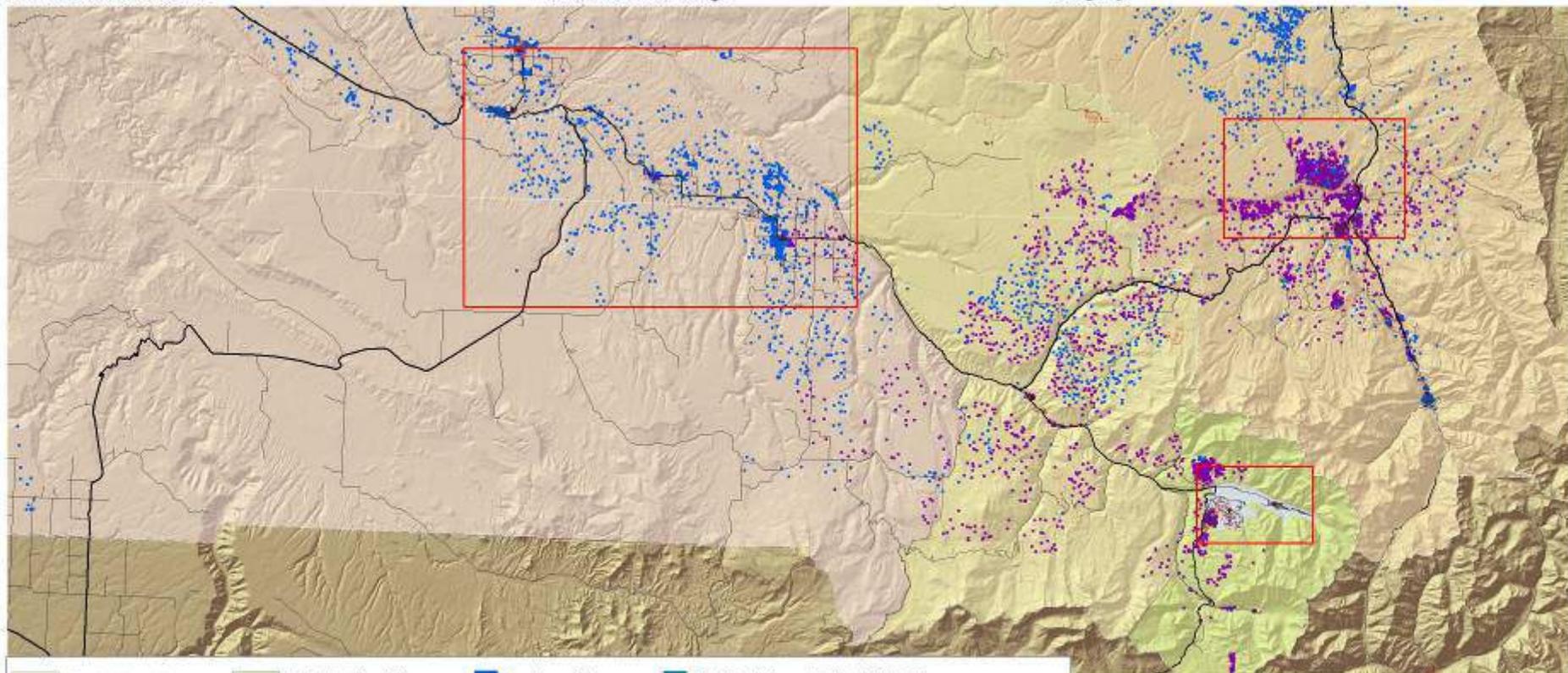
Norwood, Nucla & Naturita



Telluride/Mountain Village

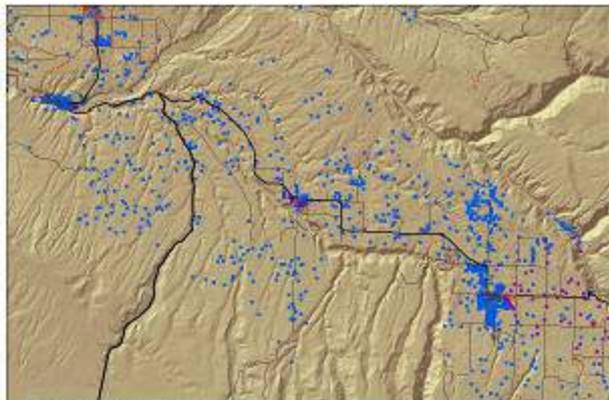


Ridgway

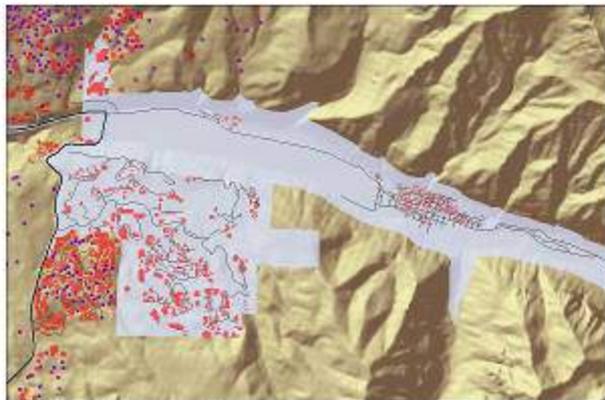


5. What differences might the changes cause?

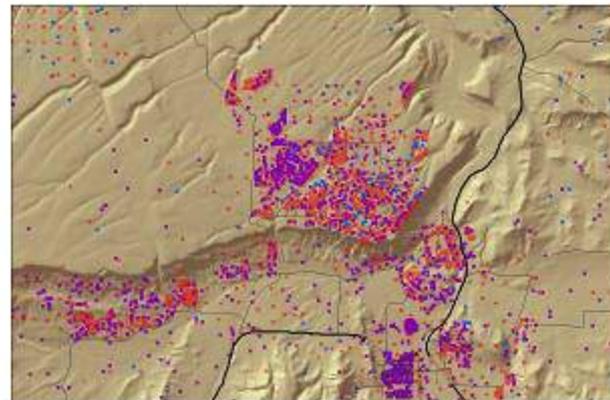
HIGH GROWTH SCENARIO



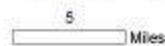
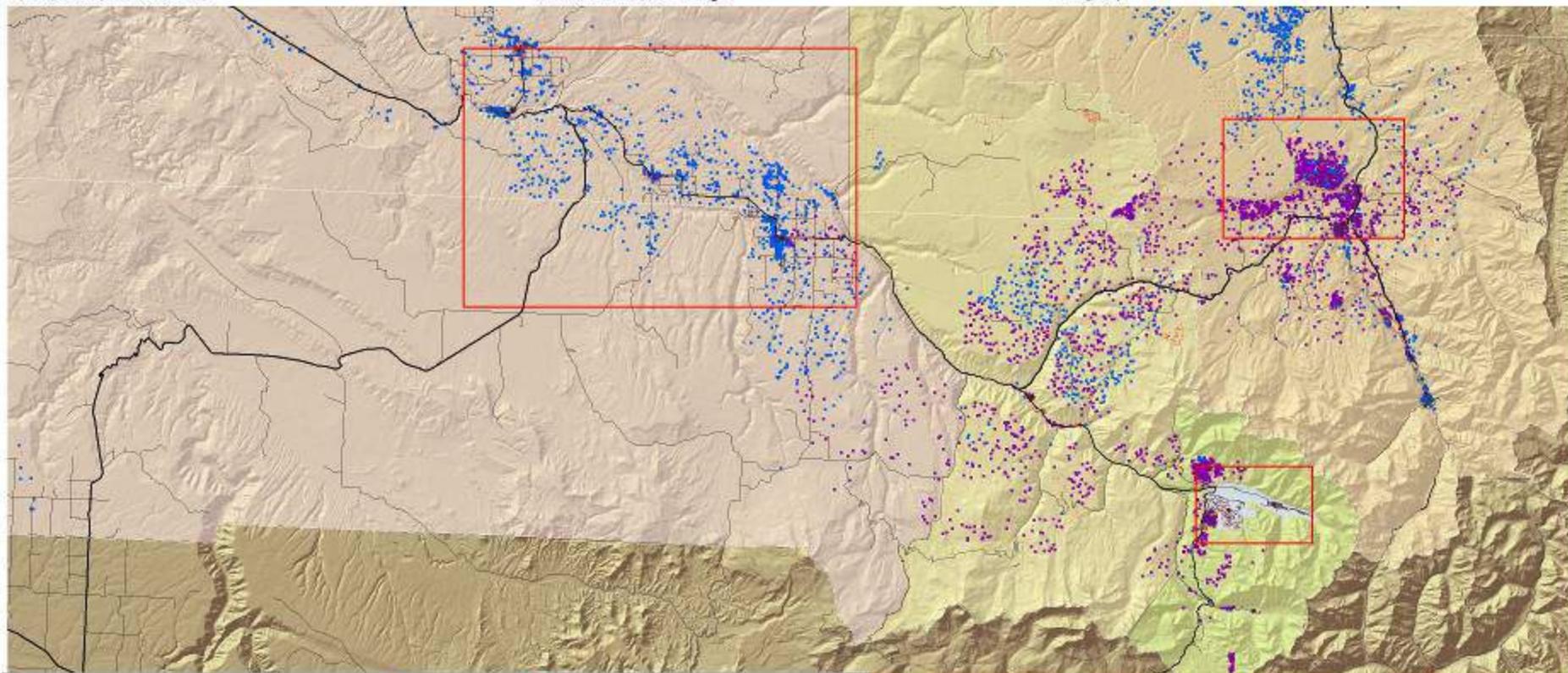
Norwood, Nucla & Naturita



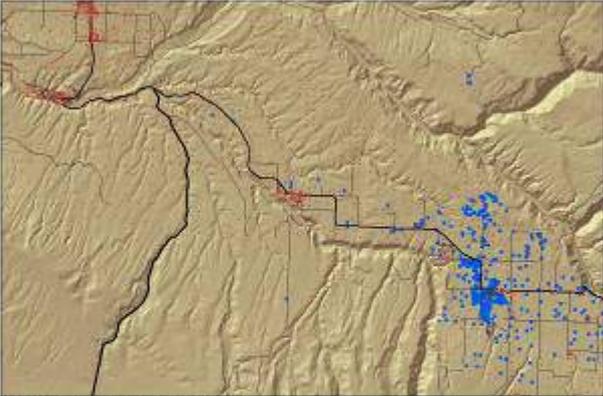
Telluride/Mountain Village



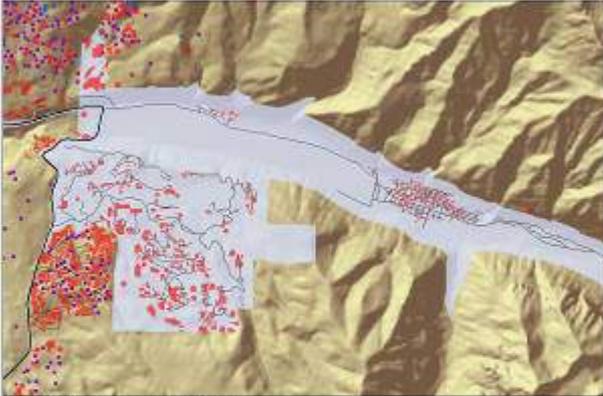
Ridgway



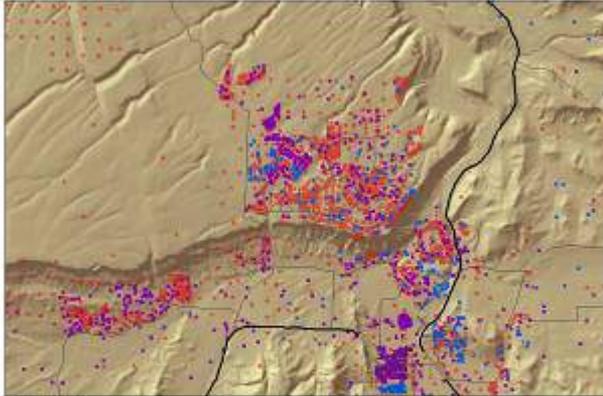
LOW GROWTH SCENARIO



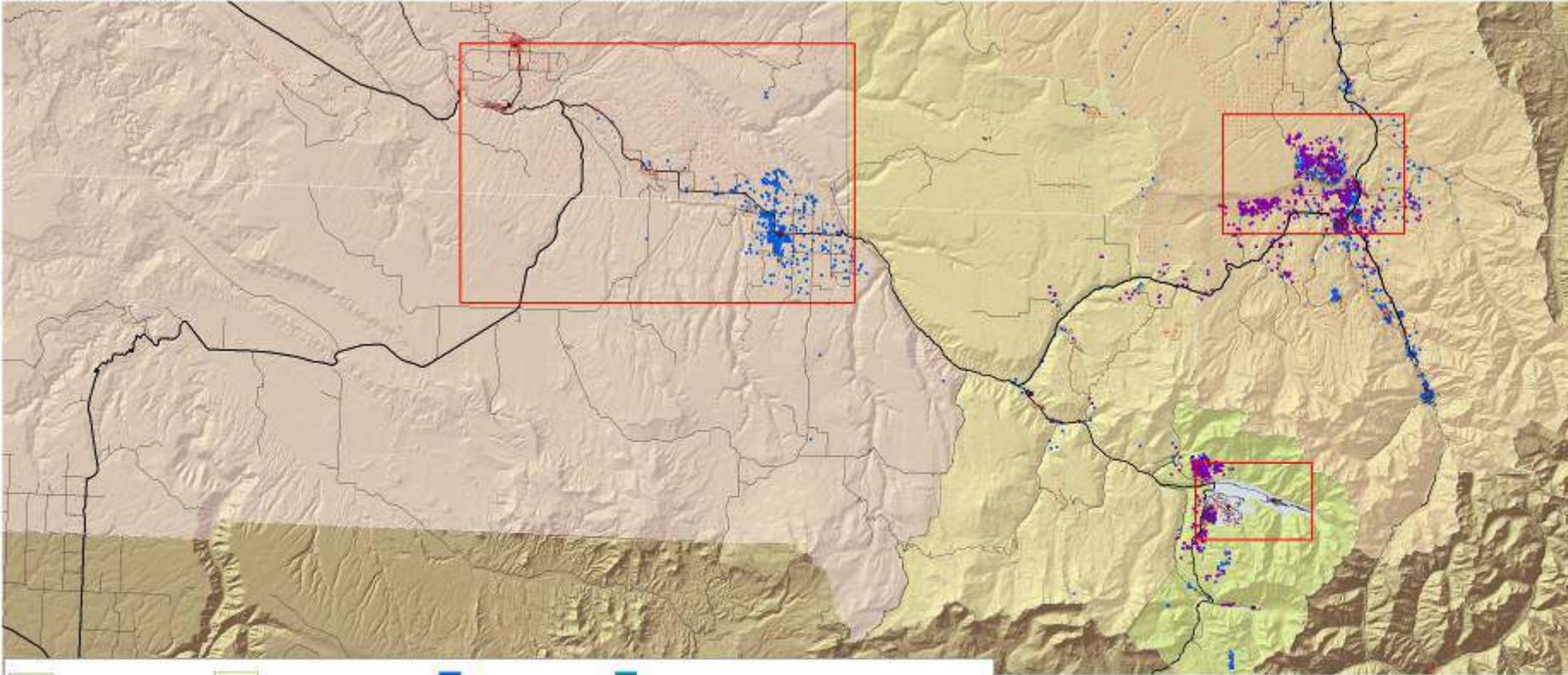
Norwood, Nucla & Naturita



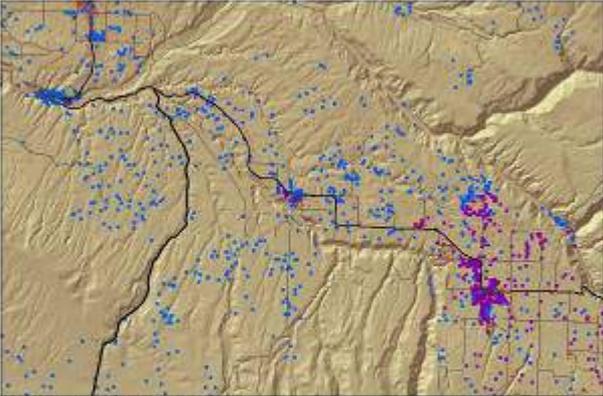
Telluride/Mountain Village



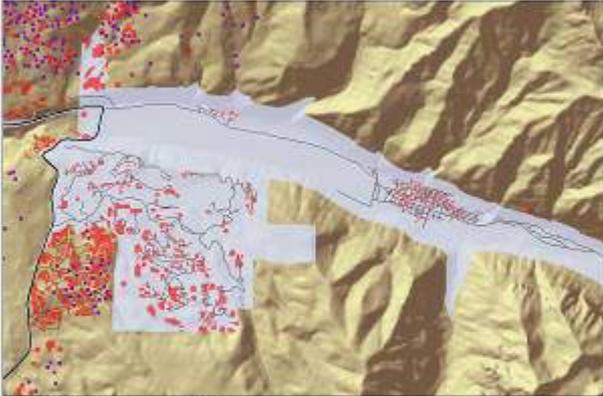
Ridgway



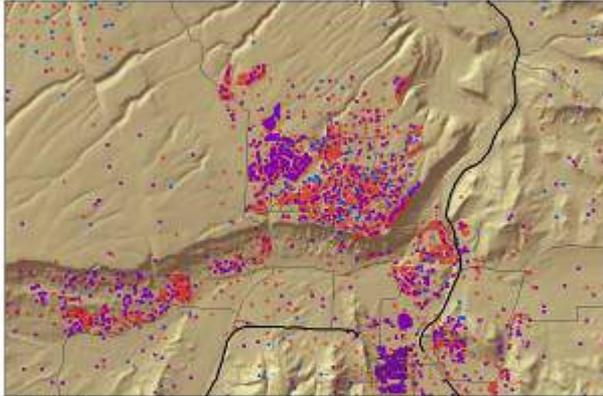
HIGH GROWTH PROACTIVE SCENARIO



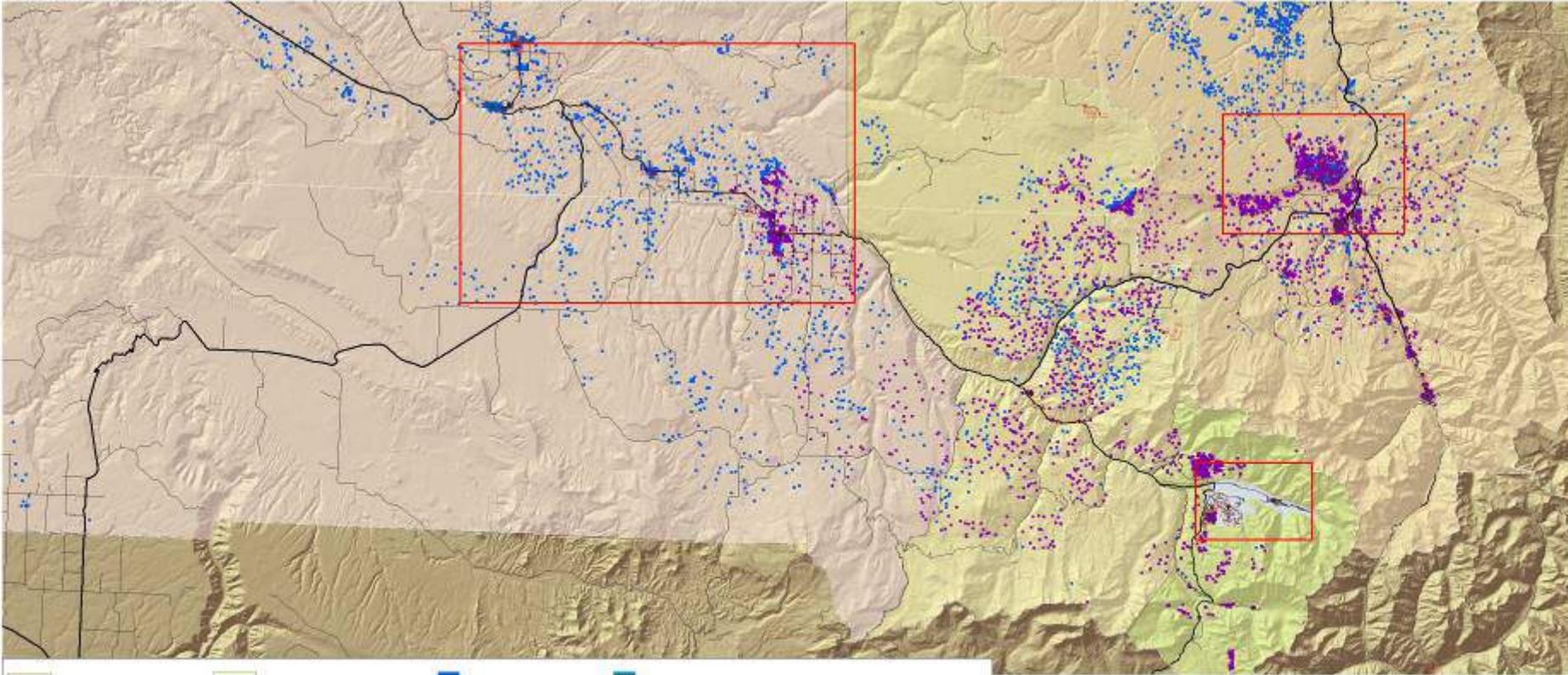
Norwood, Nucla & Naturita



Telluride/Mountain Village



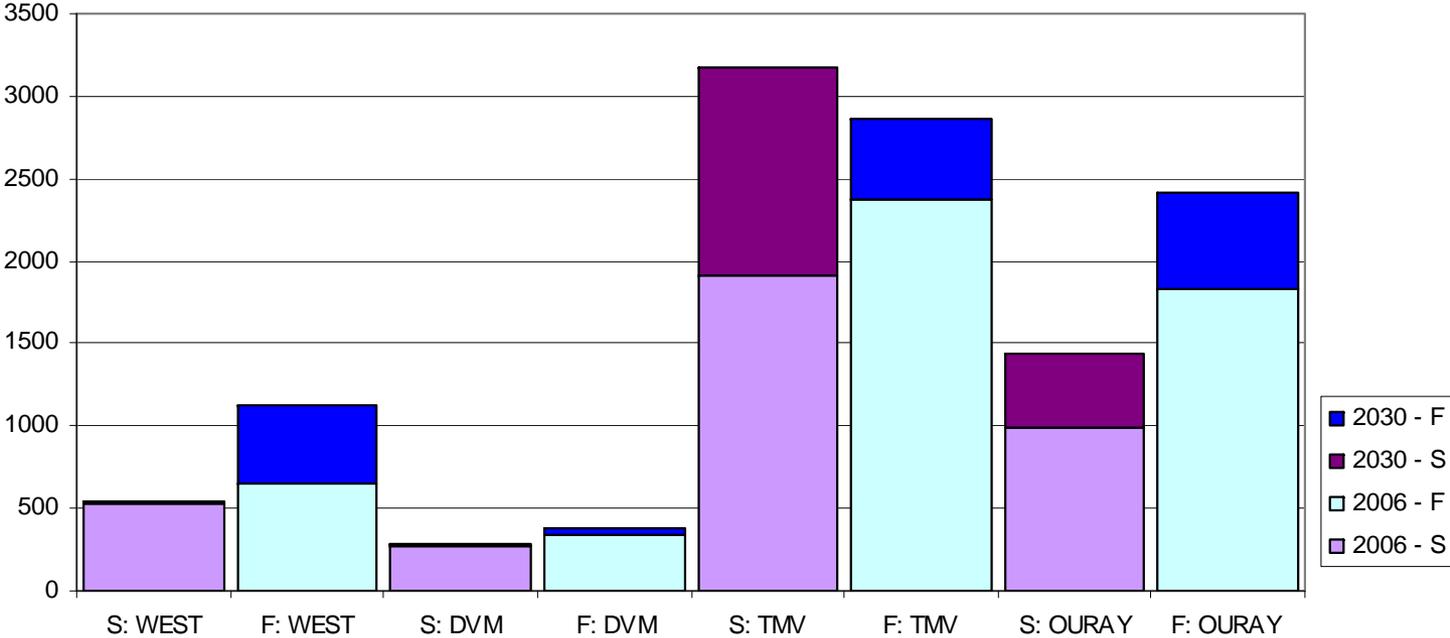
Ridgway



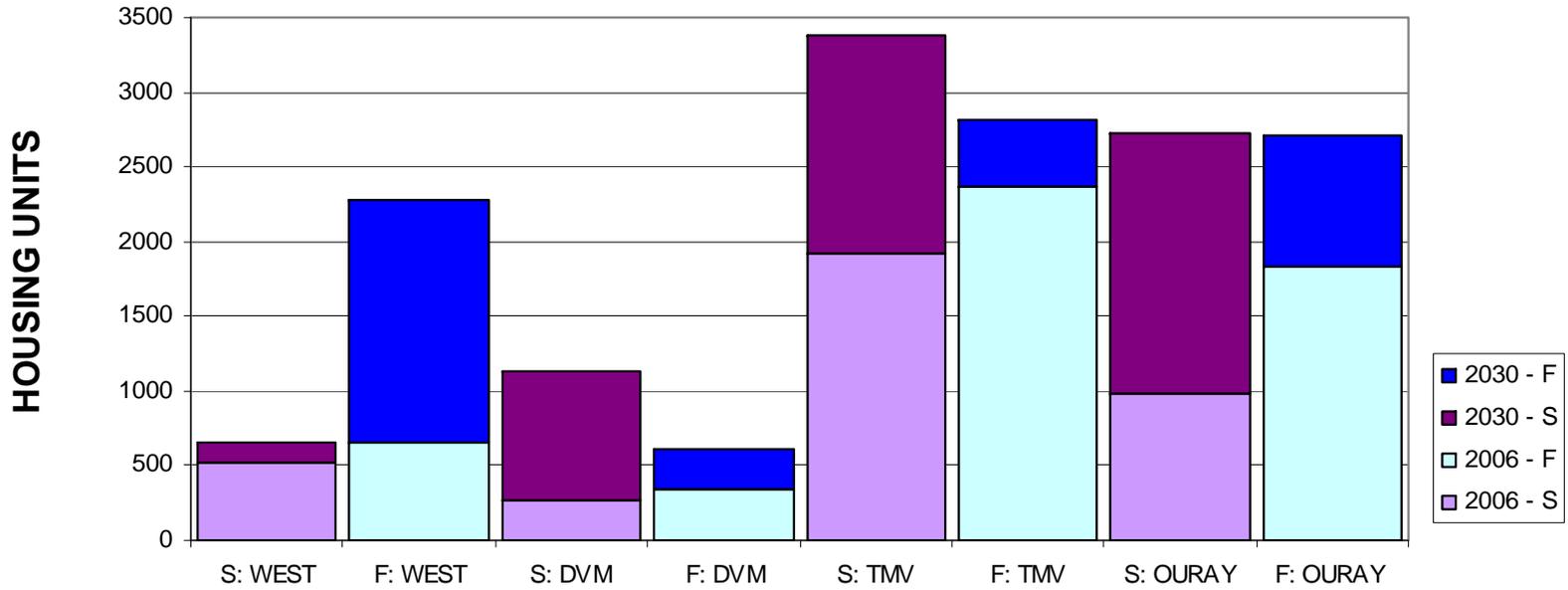
Down Valley + Mesas	Telluride + Mtn. Village	Year Round Homes	Subsidized Homes in Telluride/Mtn. Village
Ouray	West	Second Homes	Existing Urban/Built

LOW GROWTH - HOUSING ALLOCATION

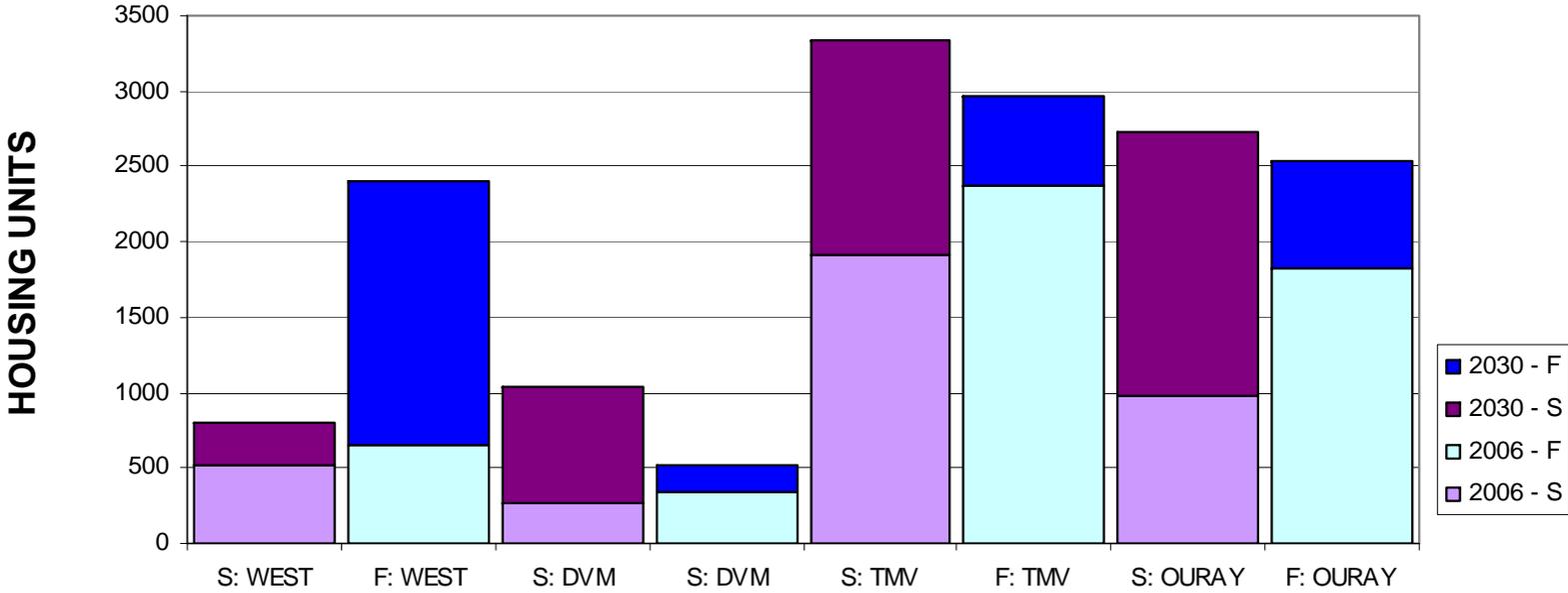
HOUSING UNITS



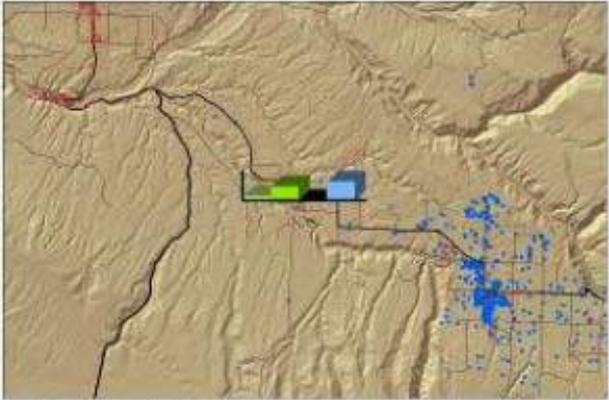
HIGH GROWTH - HOUSING ALLOCATION



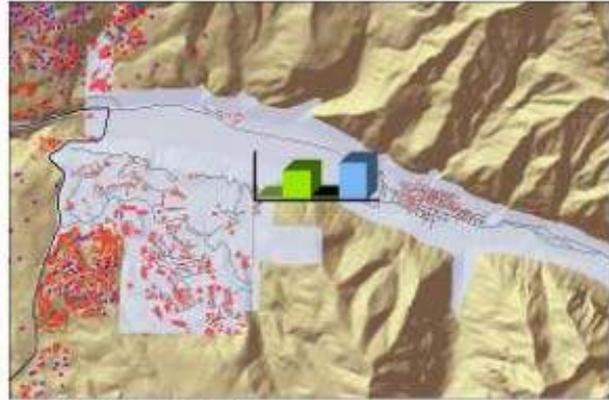
HIGH GROWTH PROACTIVE - HOUSING ALLOCATION



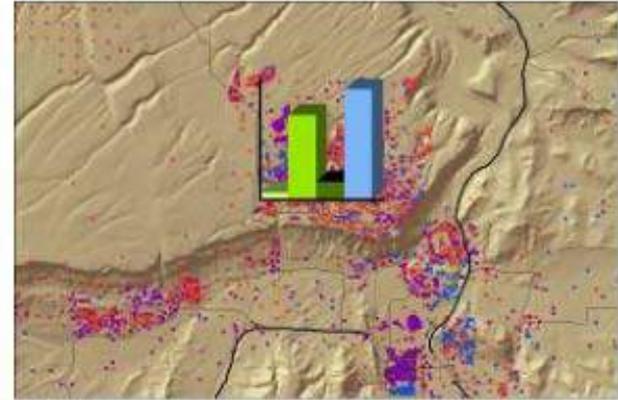
LOW GROWTH SCENARIO: VISUAL IMPACTS



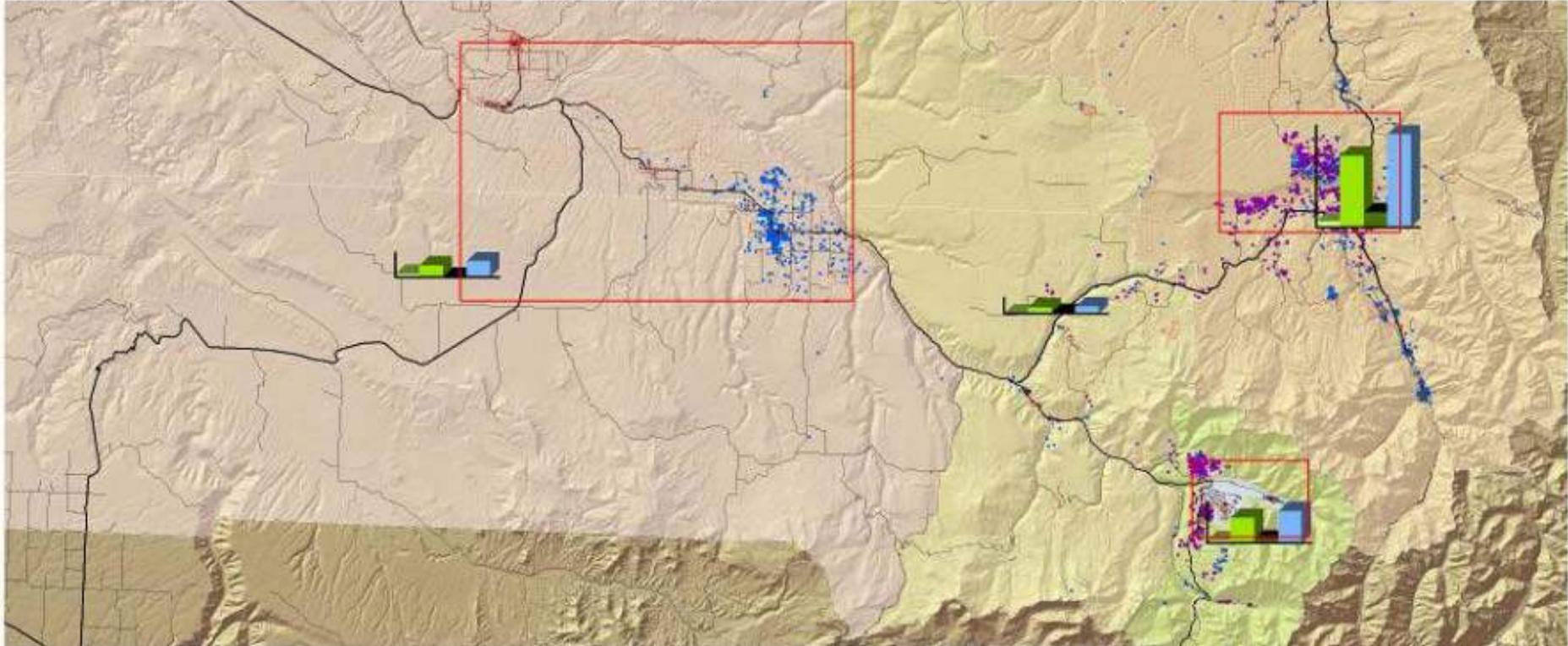
Norwood, Nucla & Naturita



Telluride/Mountain Village

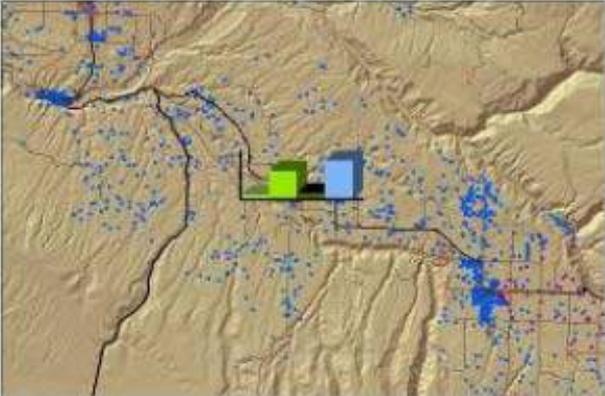


Ridgway



Urban/Built	Telluride + Mtn. Village	Year Round Homes	Number of Acres with Visual Impacts	
Down Valley + Mesas	West	Second Homes	Extraordinary Visual Quality	High Visual Quality
Curry			Moderate Visual Quality	Total Acres with Visual Impacts

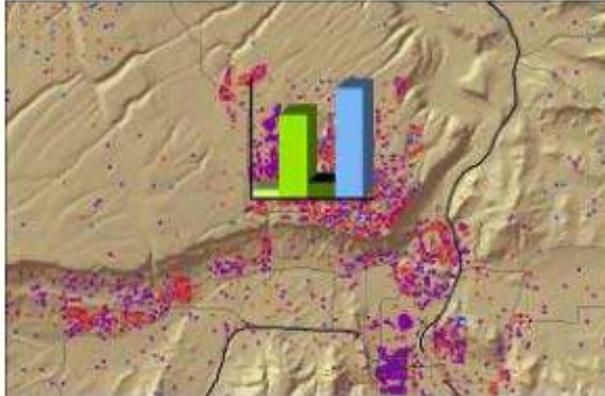
HIGH GROWTH SCENARIO: VISUAL IMPACTS



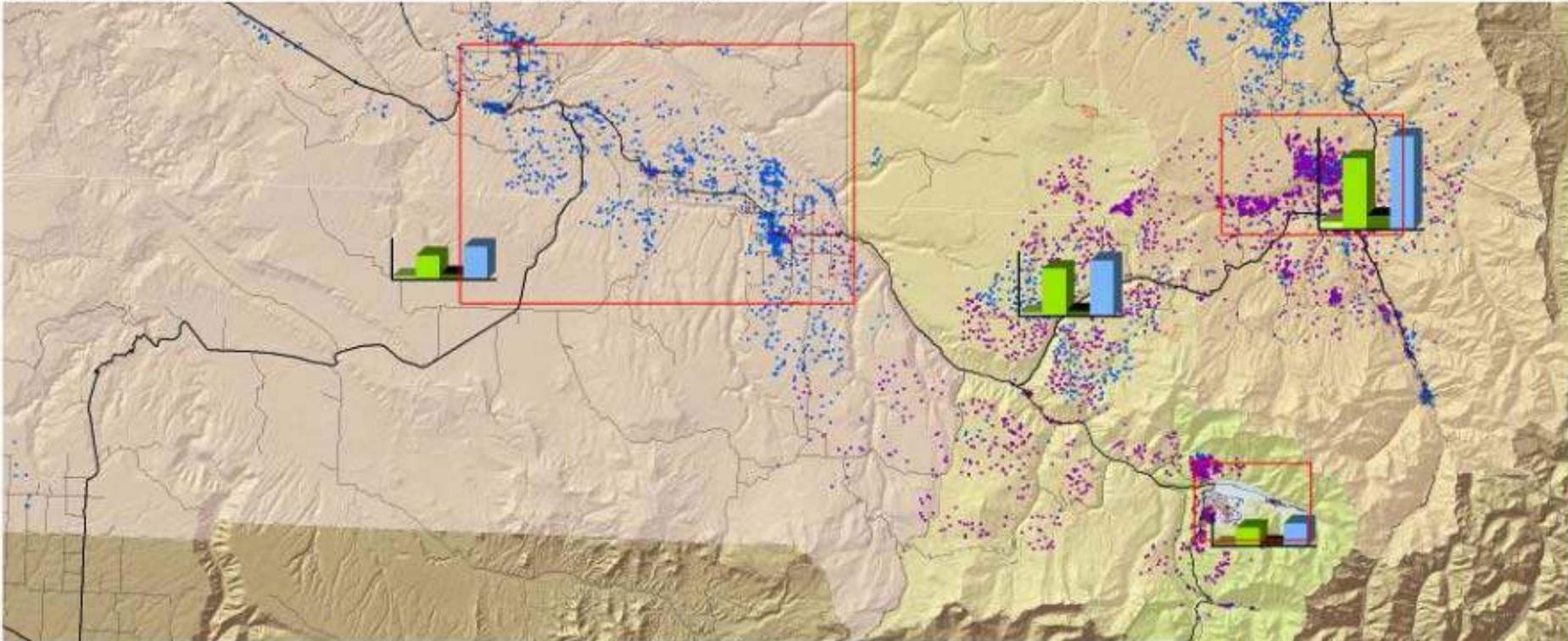
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Urban/Built	Telluride + Mtn. Village	Year Round Homes	Moderate Visual Quality	Extraordinary Visual Quality
Down Valley + Mesas	West	Second Homes	High Visual Quality	Total Acres with Visual Impacts
Duray				

Number of Acres with Visual Impacts



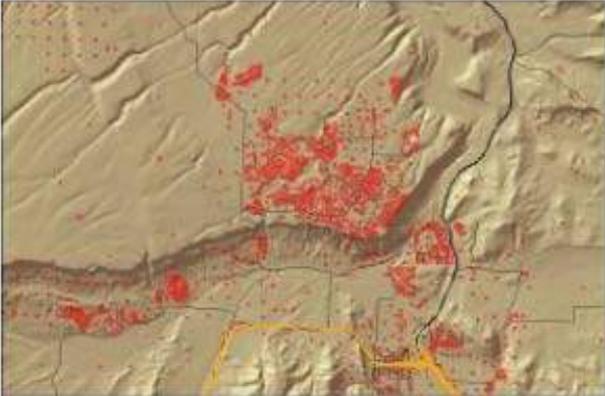
CURRENT | IMPACT ON REGIONAL TRANSPORTATION



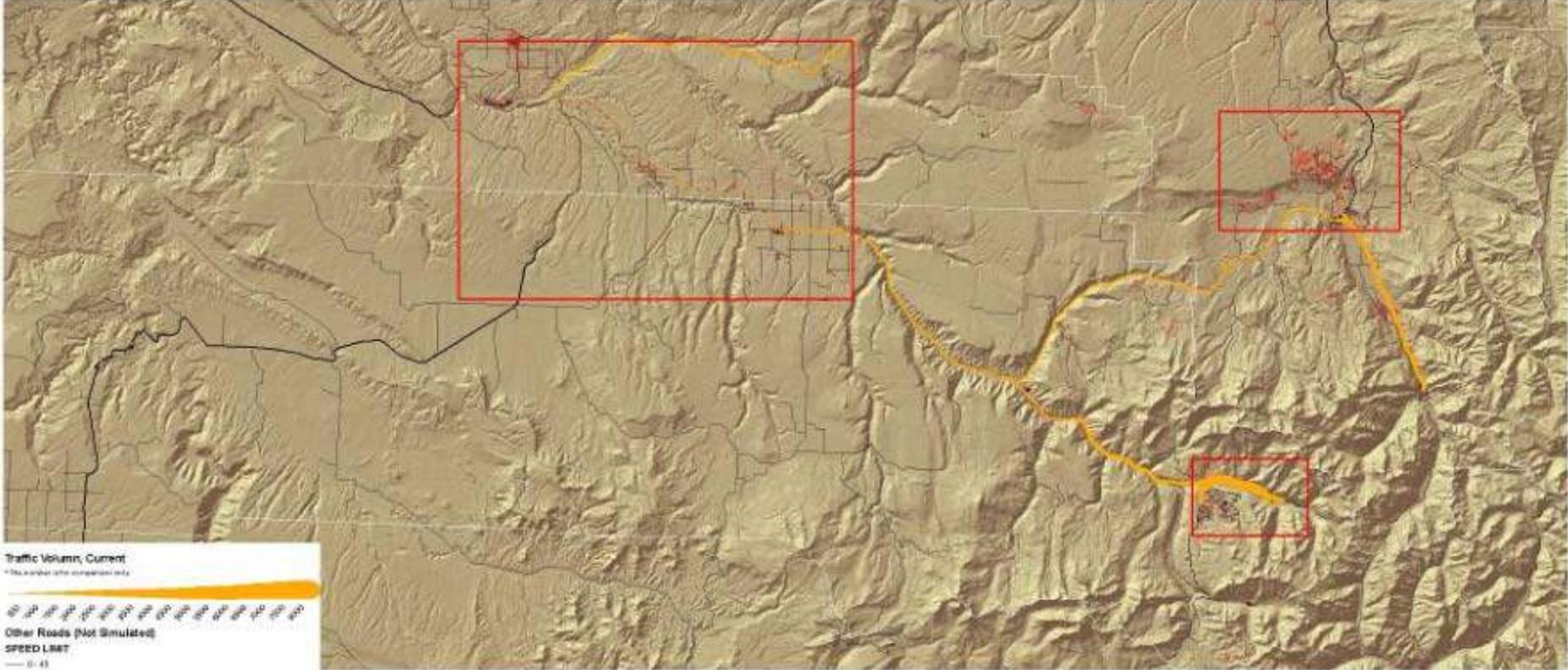
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



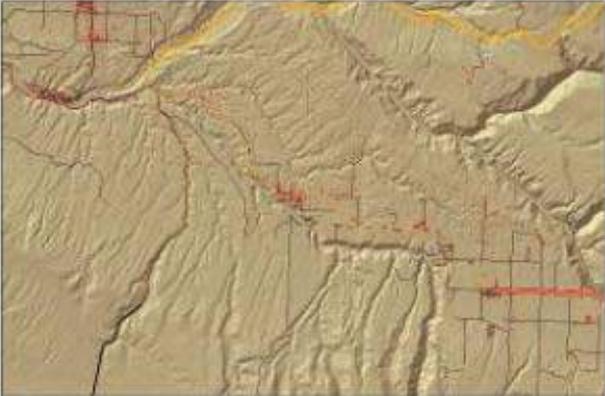
Traffic Volume, Current
*This number only represents only

Other Roads (Not Simulated)

SPEED LIMIT

- 0 - 45
- 45 - 55
- 55 - 65

LOW GROWTH | IMPACT ON REGIONAL TRANSPORTATION



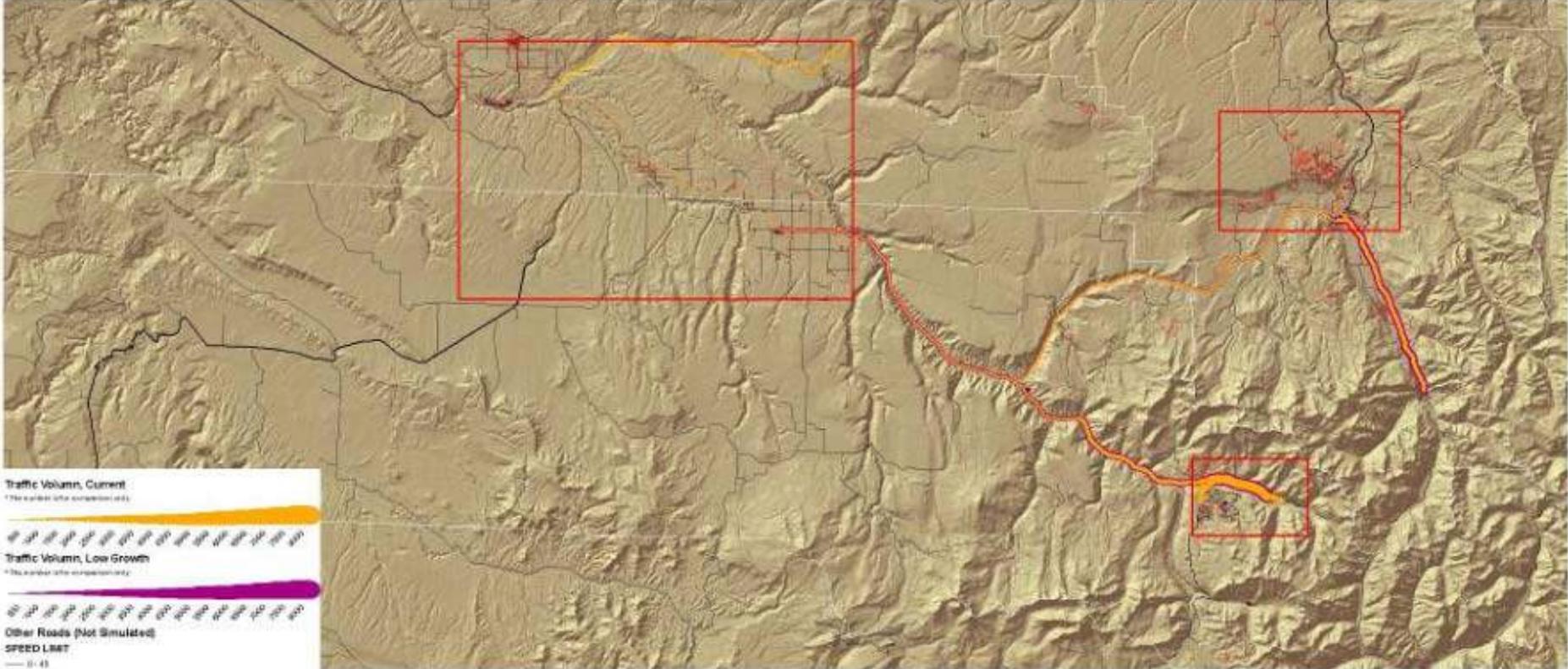
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Traffic Volume, Current
* The number after completion only

Traffic Volume, Low Growth
* The number after completion only

Other Roads (Not Simulated)

SPEED LIMIT

- 0 - 45
- 45 - 55
- 55 - 65

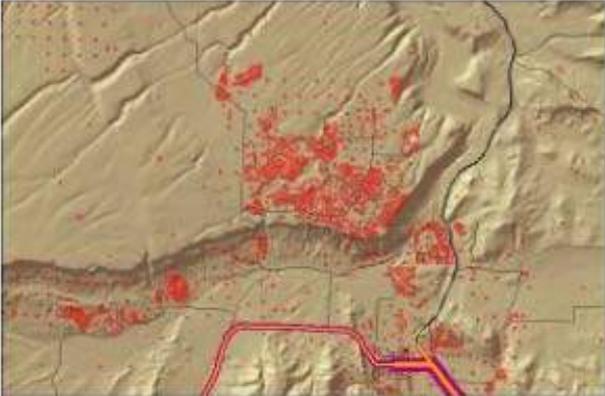
HIGH GROWTH | IMPACT ON REGIONAL TRANSPORTATION



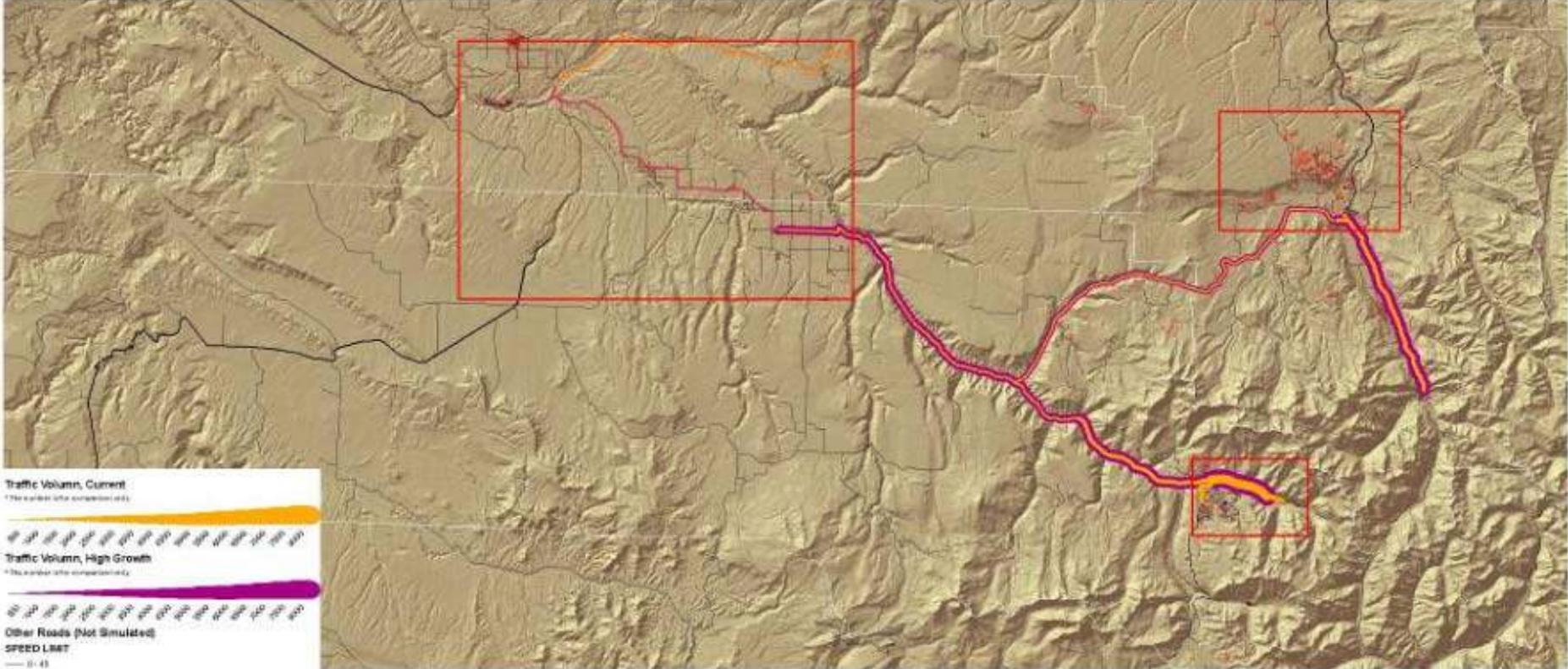
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Traffic Volume, Current
* The number of the comparison only

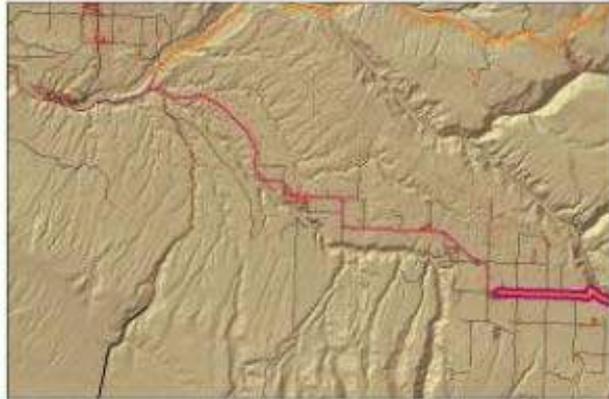
Traffic Volume, High Growth
* The number of the comparison only

Other Roads (Not Simulated)

SPEED LIMIT

- 0 - 45
- 45 - 55
- 55 - 65

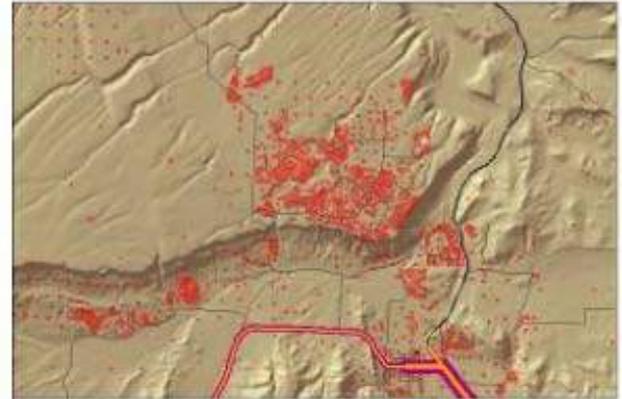
HIGH GROWTH PROACTIVE | IMPACT ON REGIONAL TRANSPORTATION



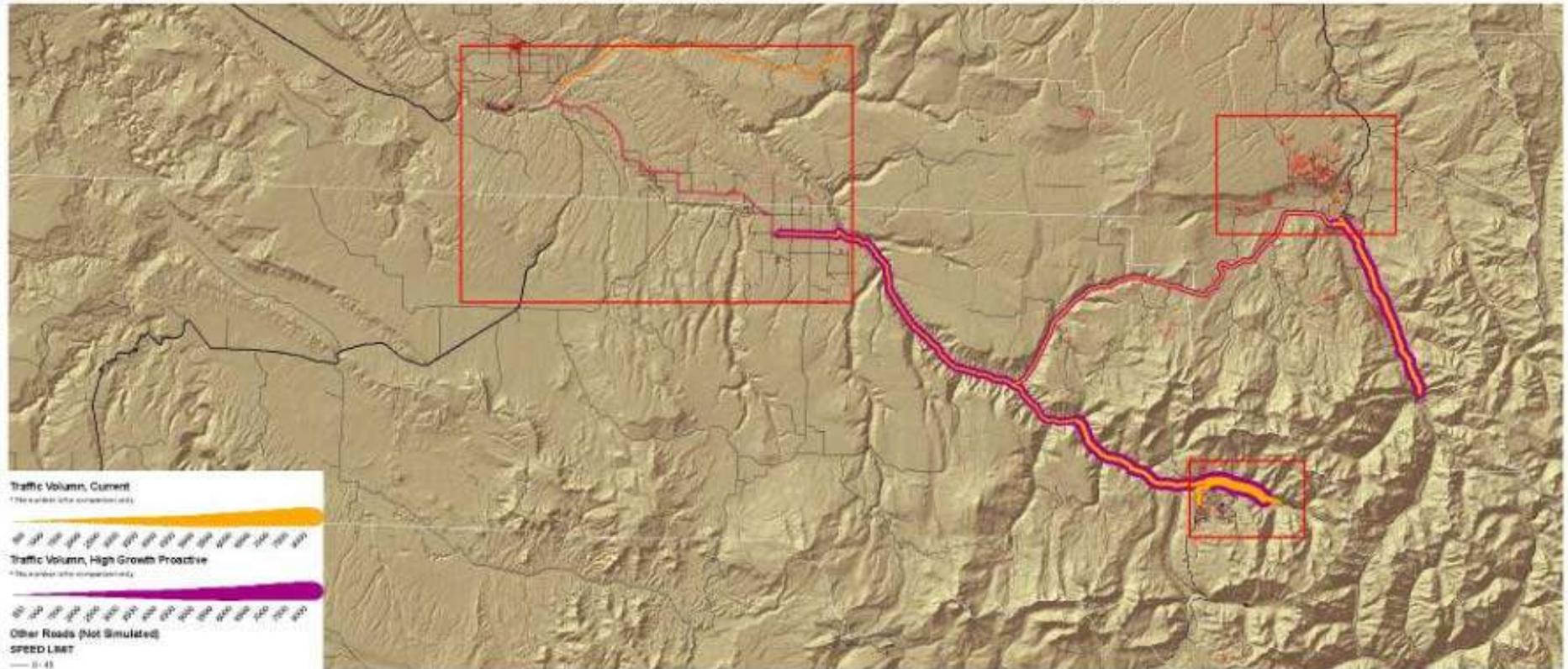
Norwood, Nucla & Naturita



Telluride/Mountain Village



Ridgway



Traffic Volume, Current
* The number after comparison only



Traffic Volume, High Growth Proactive
* The number after comparison only



Other Roads (Not Simulated)

SPEED LIMIT

— 0 - 45

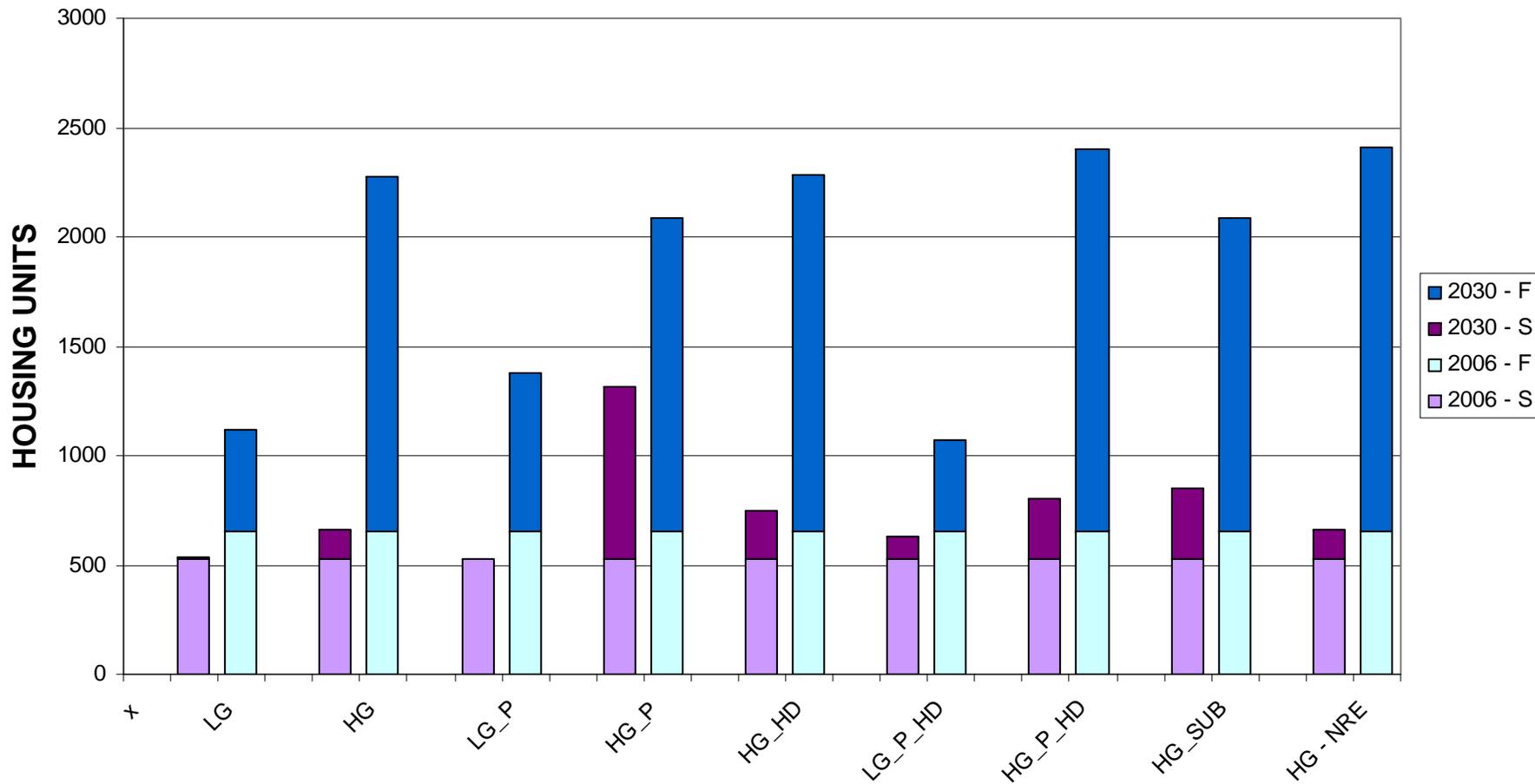
— 45 - 55

— 55 - 65

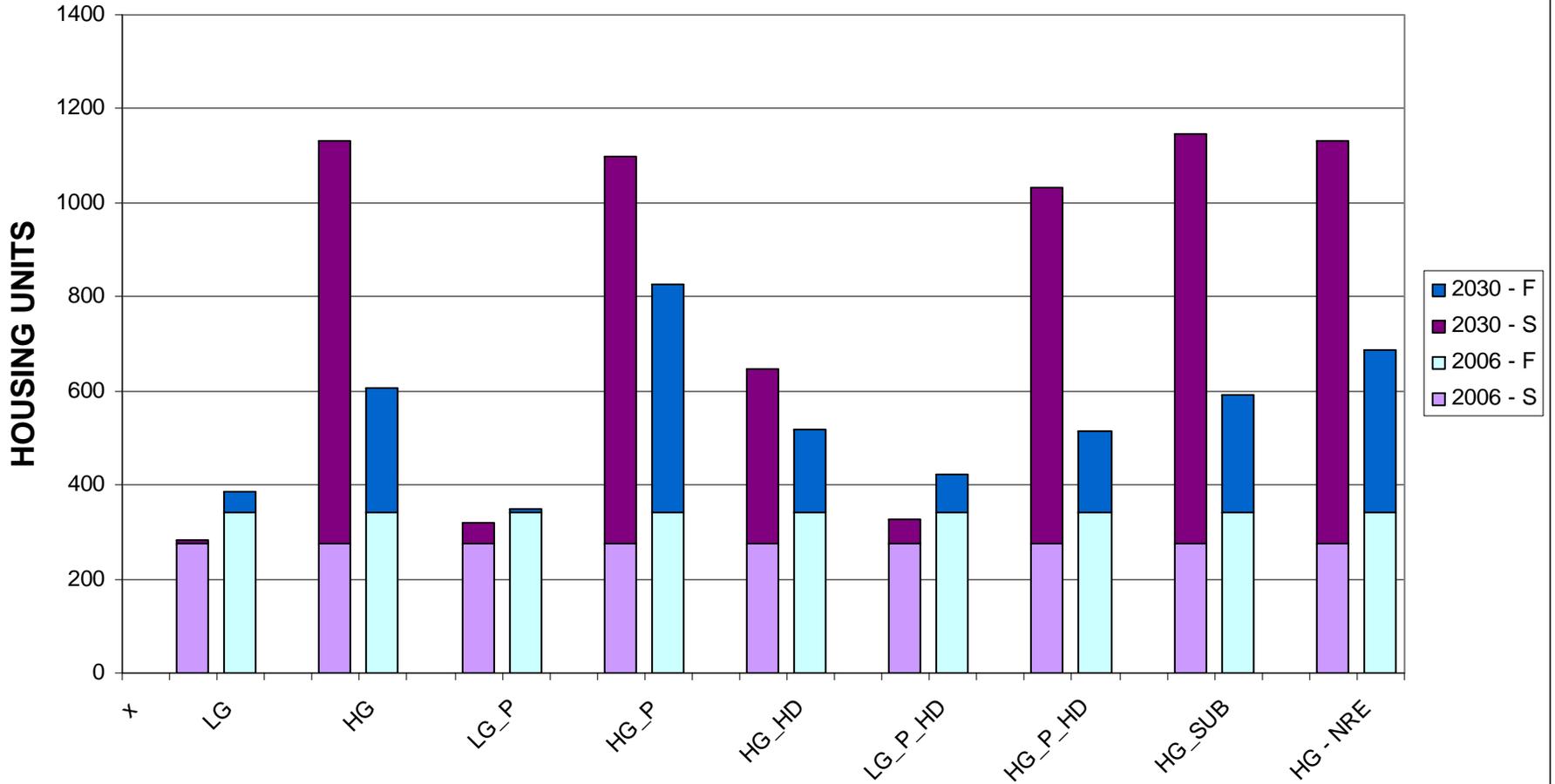
5 Miles



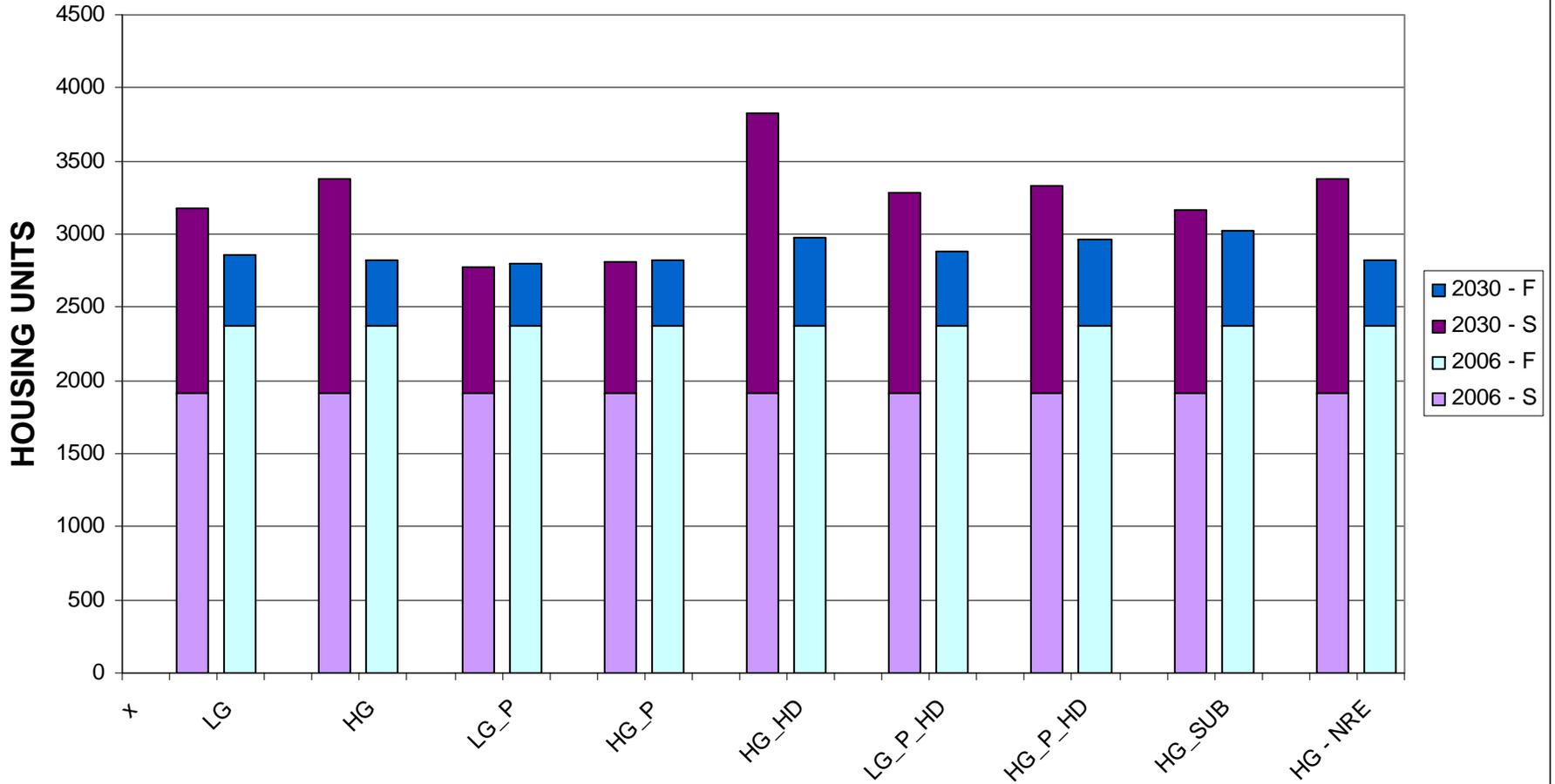
HOUSING ALLOCATIONS BY SCENARIO - WEST



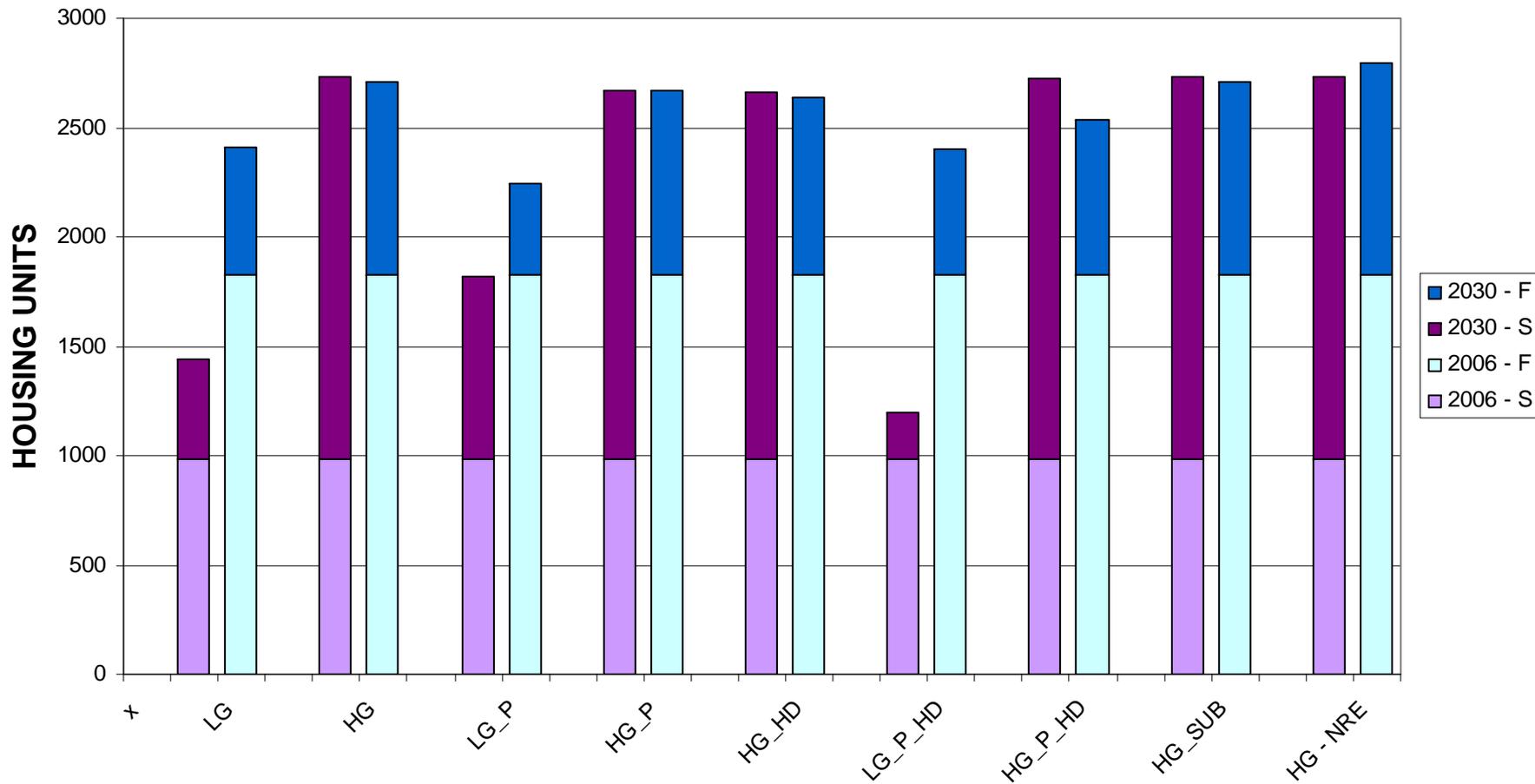
HOUSING ALLOCATIONS BY SCENARIO - DVM



HOUSING ALLOCATIONS BY SCENARIO - TMV



HOUSING ALLOCATIONS BY SCENARIO - OURAY



6. How should the Telluride region be changed?

CONCLUSIONS

- TMV is exporting the demand for housing. There is little available land remaining and that which remains is valuable.
- Under current zoning assumptions, the region will have developed much if not all available land in thirty years.
- The consequences of this will be felt across the region. Further increases in land values will cascade throughout the region instigating secondary displacement from currently more affordable areas.
- There is considerable leeway to expand or contract housing development through adjusting density levels across the region. The solutions to housing challenges may be based on a combination of loosening and tightening constraints geographically across the region.

CONCLUSIONS

- Market forces are pushing towards greater economic segregation of the region. Pushing against market forces is very expensive.
- Providing subsidized housing for key segments of the population of TMV such as teachers and municipal workers is feasible.
- At a wider scale, preventing the continued displacement from TMV of resident employees is likely to be prohibitively expensive.

CONCLUSIONS

- Traffic will be highly problematic based on the assumption that you can't increase the road capacity. Parking will be also be a serious problem.
- It is essential to design and implement a bus-based transportation system. Local zoning should take into account access to transportation.

CONCLUSIONS

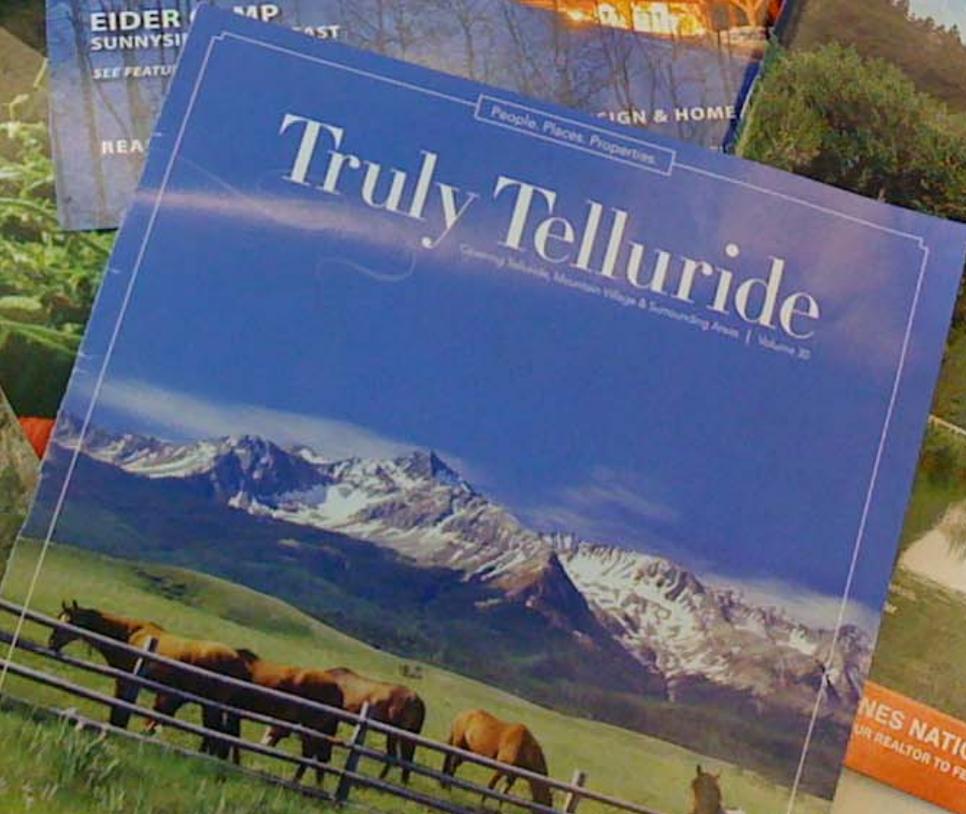
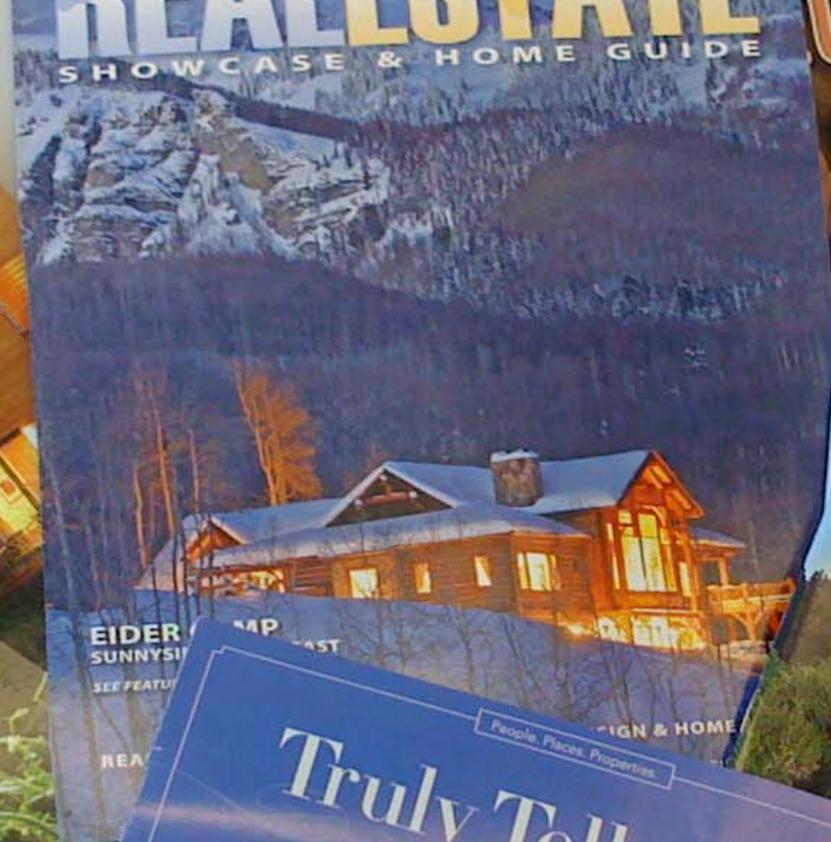
- The ecological, economic and social effects of any future natural resource extraction will be felt primarily in the western areas of the region.
- Oil, gas and uranium may benefit the nation, companies and employees, but will have a profound effect on quality and character on the western portion of the region.

CONCLUSIONS

- Maintaining the character of the region will be a challenge. It is highly likely that the landscape will change from one of isolated urbanized areas separated by beautiful natural landscapes to a more generally urbanized landscape. This will be especially the case in the public views from the region's roads. This may impact the perception of the Telluride region as an attractive destination, and this in turn may negatively impact the region's economic future.

CONCLUSIONS

- Future challenges in housing, transportation and the provision of government services are at their core regional issues (and much more so than in other areas). Effective regional integration will require much greater cooperation and coordination among the different towns and across county boundaries and would necessitate a reorientation of many policy decisions to a multijurisdictional level.





ALTERNATIVE FUTURES FOR THE REGION OF TELLURIDE, COLORADO

<http://www.futures.mit.edu/telluride>

Telluride Health and Wellness Center Initiative

Final Report

January 2014

Contents

I. Executive Summary	Page 2
II. Background and Guiding Principle	Page 3
III. Charter	Page 4
IV. Community Council Members	Page 5
V. Business model and site comparison	Page 6
VI. Interim Community Council Report	Pages 7 - 33
VII. Halsa - Provider Program Report and Priorities	Pages 34 - 56
VIII. Frauenshuh - Site Preliminary analysis	Pages 57 - 81
IX. Engaged Public – Public input report	Pages 82 - 101

I. Executive Summary

The objectives of the Health & Wellness Facility Initiative were to:

- 1) Re-affirm the need for new Telluride Medical Center (TMC) facility
- 2) Investigate interest from other providers to enter and expand in the market
- 3) Analyze four available parcels of land for a new medical facility
- 4) Investigate a “developer financed” facility model

Three expert firms were hired to assist with meeting the above objectives, including

- 1) Halsa Advisors (<http://halsaadvisors.com>)—a facilities advisory firm to analyze programming and potential provider interest
- 2) Frauenshuh (<http://frauenshuh.com>) – healthcare facility real estate developers to analyze potential parcels of land
- 3) Engaged Public (<http://www.engagedpublic.com>) – public engagement firm to collect public input

Three sites emerged as feasible to develop, which were supported by the listed stakeholders

- 1) Telluride RV parcel
 - i) Telluride Hospital District (THD) and Town of Telluride
- 2) Society Turn parcel
 - ii) THD, Telluride Fire District/Emergency Medical Services (EMS), San Miguel County and private landowner
- 3) MV parcel
 - iii) THD and Town of Mountain Village

The concept of a developer financed/market driven facility was validated; key validation points included that:

- 1) A new facility could meet sq. ft. market rents
- 2) There was additional provider interest in entering or expanding in Telluride market
- 3) Opportunities for expanded integrated health and healthcare delivery existed

Two business models emerged from the analysis process:

- 1) A market driven/developer financed option – financed by developer with stakeholder governance
- 2) A public financed option with a voter referendum led by the Telluride Hospital District.

This report summarizes the consultants’ findings and provides a business model and a comparison of the three sites.

Next Steps include:

- 1) Setting a timeline for new facility development
- 2) Creating a site RFP to determine entitlements and acquisitions costs
- 3) Forming a new governance structure if the non-public financed option is pursued

A special thanks goes out to the donors, executive committee, and community council members for their time, resources and leadership.

II. Background and Guiding Principle

Project Scope

The objective of the Telluride Health and Wellness Center Project is to explore the public, developer and healthcare provider interest in expanding and consolidating local healthcare, health and wellness services through construction of a financially self-sustaining healthcare facility or campus.

This will be accomplished through a combination of:

- Actively engaging the public on attitudes, needs and suggestions.
- Soliciting advice and feedback from a group of community leaders.
- Conducting a parcel analysis by a qualified healthcare real estate developer.
- Conducting a healthcare services market analysis by a qualified healthcare consulting firm that will identify both opportunities for and interest among selected healthcare providers in delivering additional health and wellness services and under what conditions.
- Securing sufficient funding to finance this phase of the project.
- Make an analysis of the financial sustainability of additional or expanded services.
- Evaluate and determine the viability partnering with a qualified developer to build and finance the facility.

The deliverable from the project will be a determination on the viability of a sustainable business plan that partners with a qualified developer, and, if appropriate, selection of a developer and formation of the governance structure for the next stage of the project.

Guiding Principles

- 1) Genuine and active public participation is vital to determining the community's health and wellness needs now and into the future.
- 2) The medical center needs a new facility given its current facility's age, location and space and licensing constraints and to meet the burgeoning demand, changing patient needs, and variety of future health care models.
- 3) An opportunity may exist to expand the scope of healthcare services offered in the Telluride region based on a suitable site and a sustainable business plan. Additional services not presently available could be included in a facility and/or campus, providing costs savings and regional economic development.
- 4) Limited sites in Telluride, Mountain Village and Society Turn are available that should be evaluated, as they may be suitable for the current and expanded facility needs.
- 5) Plans should be developed that will avoid additional district tax levies, and the facility should be financially self-sustaining.

III. Charter

Roles and Responsibilities

Executive Committee

- The Executive Committee is responsible for managing and directing all aspects of this project.
- The Executive Committee shall utilize any funds raised specifically for this project to obtain advice and services from independent consultants and other experts.
- At the conclusion of this project the Executive Committee shall be responsible for producing a report including findings and recommendations.
- The Executive Committee consists of four members: Bill Grun, John Pryor, Davis Fansler and Paul Major, all of whom bring a good balance of skills, geographic representation, local knowledge and experience, healthcare knowledge, and business acumen.

Community Council

- The Community Council is responsible for providing on-going advice and feedback to the Executive Committee regarding the project in order to help serve as a communications link between the project and the community.
- The Executive Committee will hold periodic meetings with the Community Council to keep them informed and to solicit their feedback.
- The Community Council will be selected by the Executive Committee to represent a broad spectrum of the community including homeowners, second homeowners, business owners, local healthcare services, local leaders and other community members.
- The role of the Community Council is advisory only. Members will be expected to be knowledgeable about project material and information, attend meetings in person or by telephone, provide feedback to the Executive Committee, and to serve as an accurate source of project information to the community.

Telluride Foundation

- The Telluride Foundation is the facilitator of this project. It will provide administrative, organizational, and accounting support as well as the legal structure to allow charitable contributions to fund the project, and to contract for the services of consultants.
- The Telluride Foundation has contributed the services of Paul Major and an assistant to this project.
- The Telluride Foundation is not responsible for directing or funding this project, or for the findings and recommendations of this project.

Telluride Medical Center

- The Telluride Medical Center has provided information to this project regarding past analyses related to forecasted regional demand for various medical services as well as information related to TMC's own new facility requirements and potential local building sites.
- The Telluride Medical Center will collaborate with the Executive Committee to review potential building sites and other facility related issues to help ensure that any potential recommendations fully consider TMC's requirements.
- Telluride Medical Center Foundation: The Telluride Medical Center Foundation has contributed the services of Kate Wadley to help raise money specifically for this project.

IV. Community Council Members

- Ron Allred - former developer and owner, Telluride Ski & Golf Resort
- Michael Armstrong – second homeowner; chairman of the board of trustees of Johns Hopkins Medicine, the Johns Hopkins Health System, and the Johns Hopkins Hospital
- Lynn Borup - Executive Director, Tri-County Health Network
- Chris Chaffin - Principle, ChaffinLight
- Dylan Brooks – local business owner, Lawson Hill resident
- Davis Fansler – Former Mayor of Mountain Village; Director, Health Care Practice, Wipfli LLP
- Stu Fraser - Mayor, Town of Telluride
- Ginny Gordon - local business owner
- Bill Grun – Chair, Telluride Hospital District Board
- Dr. Sharon Grundy - Medical director, Telluride Medical Center
- Paul Hobby - second homeowner; chair Baylor Medical System
- Dan Jansen - Mayor, Town of Mountain Village
- Dr. Diane Koelliker - Emergency Department Director, Telluride Medical Center
- Larry Mallard - local business owner and TMC Board member
- Paul Major – President and CEO, Telluride Foundation
- Joan May - County Commissioner, San Miguel County
- Melissa Plantz - local business owner
- John Pryor – Former Mayor of Telluride; Principal, Telluride Venture Partners, LLC, Oakland Hospital LLC
- TD Smith - Managing Director, Telluride Real Estate Corporation

Health & Wellness Center Site and Business Plan Comparisons

1/10/2014

	Developer Financed			Publicly Financed
Location	Society Turn	MV 1007-1008	Telluride RV Lot	
Business Plan	Market driven	Market driven	Market driven	Publicly Subsidized
Construction	Developer led	Developer led	Developer led	THD Led
Ownership	Developer/ Investors	Developer	Developer	THD
Structure Size	40k SF (plus 20K SF EMS)	40K SF	21K SF	30K SF
Operating model	Integrated and expanded health services	TMC Comm Clinic and ER with limited specialty/ procedures	TMC Comm Clinic and ER with limited specialty/ procedures	TMC Comm Clinic and ER with limited specialty/ procedures
Affiliation (Baylor or other)	Yes	Possible	Possible	Possible
Specialty services	Expanded, centralized, integrated	Limited, integrated	Limited, integrated	Limited, integrated
Wellness opportunity	Yes	No	No	No
Est Construction Cost (Per GSF)	\$17M	\$17M	\$14M	\$20M
Financing (est.)	Developer Financed	Developer Financed	Developer Financed	Publicly Financed
Developer	\$10M	\$17M	\$10M	NA
Tax	NA	NA	NA	\$16M
Charitable	\$7M	?	\$4M	\$4M
Other	Newmont lease buyout	Town of MV; Newmont lease buyout	Newmont lease buyout	Newmont lease buyout
Public vote	No	No	No	Yes
Anchor Tenants	TMC and EMS	TMC	TMC	TMC
Occupancy Costs				
TMC	\$300K/year	\$300K/year	\$300K/year	None
EMS	TBD	NA	NA	NA
Other tenants	\$40/GSF	\$40/GSF	NA	TBD
Site Development Costs	TBD	TBD	TBD	TBD
Land Acquisition Costs	TBD	TBD	TBD	TBD
Adjacent heli pad	Ground	Roof top	Roof top	Roof top
Adjacent Parking	Yes	Yes	Limited	Limited
Expansion	Yes	No	No	No
Regional Economic Impact	Incremental Increase	Current	Current	Current
Service leakage	Lesser	Status quo	Status quo	Status quo
Meet Healthcare Trends (ACA)	Greater	Static	Static	Static
Internal Stakeholders	Private land owner, County, TMC and EMS	Town of Mountain Village and TMC	Town of Telluride and TMC	Town of Telluride, TMC and Public

Telluride Health & Wellness Facility

Update - September 16, 2013

The Status

We're at a substantive point in the information and analysis process with extensive provider market information, thorough parcel analysis and broad public input.

With the help of consultants, we're going through an interactive process of determining:

- the local and regional health and medical provider interest to service our market
- what the tenant cost per sq. foot might look like in a new facility
- the suitability of various parcels of land in terms of access, zoning, etc...
- developer ability to bring product to market
- public input

Key Question to Answer

Are there enough anchor tenants (market interest), in addition to TMC, and a suitable parcel of land, for a developer to build and finance a new facility?

This analysis specifically concerns the feasibility of a market driven/developer financed facility.

Guiding Funding Assumptions

Irrespective of the path it takes or the amount of available cash flow currently available to TMC, it will require substantial funding for a new facility for construction costs and/ or increased rental costs

- Sources are private (philanthropy, investor) and/ or public (mill levy, bond, etc.)
- Any investor (developer, bondholder) will require a ROI. Any mill levy increase will raise taxes
- Public sources to build a new facility have been pursued and failed; philanthropy is untested but has been generally understood as needed under some scenario's

Two Programming/Business Tracks Emerged

- “Retail” track:
 - TMC as anchor tenant
 - Other tenants include local PT, fitness, chiropractor, pharmacy, mental health, visiting specialists, etc...
 - Pedestrian access sensitive
- “Healthcare” track:
 - TMC and Fire/ Emergency Services as anchor tenants
 - Other tenants include pharmacy, mental health, visiting specialists, wellness, etc...
 - Airport and regional road access for ambulance

Master Program Framework

The following framework was developed to identify services that support the Health and Wellness vision and to provide a rationale for potential prioritization and/or phasing of the facility development..

<p>Tier 1 Services</p> <p>Services that exist today and are currently located at TMC; our core Mission services</p>	<ul style="list-style-type: none"> • Emergency Dept. • Primary Care Clinic • Radiology • Admin/Support
<p>Tier 2 Services</p> <p>Services that currently exist in the community but that are in separate locations; potential to incorporate more integrally into Medical Home model; good potential for synergies</p>	<ul style="list-style-type: none"> • Mental Health • Pharmacy • Physical Therapy • Complementary Medicine / Wellness • EMS • Helicopter Landing Zone
<p>Tier 3 Services</p> <p>Services that do not currently exist in the community but that could be supported; impact to both operations and space</p>	<ul style="list-style-type: none"> • Visiting Specialist Clinic • Overnight Beds / CAH Designation • Minor Procedures • MRI
<p>Tier 4 Services</p> <p>Services that currently exist in the community but that are in separate locations; potential to include within "Health/Wellness Neighborhood" but limited synergies with other clinical services</p>	<ul style="list-style-type: none"> • Dental Services • Orthodontics • EMS / Ambulance Facility • Fitness Center
<p>Tier 5 Services</p> <p>Services that do not currently exist in the community but that could serve as a destination center of excellence; likely to require independent business plan and outside investors along with significant will to "pull" customers to Telluride</p>	<ul style="list-style-type: none"> • High Altitude Training (ex. HYPO2) • Destination Wellness Center (ex. Andrew Weil Integrative Wellness Program, Tucson, Ariz., The Ranch at Live Oak, Malibu, CA) • Destination Program – Plastics, Ortho, other

Preliminary Master Program

Note: All indicated master program space requirements are in Departmental Gross Square Feet (DGSF); program numbers will likely need to be refined subsequent to tenant review of marketing package completed by Frauenshuh.

	Program Area	Program DGSF	Program Basis	Potential Tenant	Contact
Tier 1 Programs	Telluride Medical Center				
	Emergency Department	4,200	7 exam/treatment rooms		
	Imaging	1,800	Includes Rad, CT, U/S, EKG		
	Primary Care	5,400	peak 4 providers in clinic; 9 exam; incl. PFT, Stress		
	Altitude Medicine		Incl. in other spaces – PFT, Stress		
	Administration	1,400			
	Staff Quarters	1,400			
Tier 3 Programs	Facility Support	2,200			
	Visiting Specialist Clinic	1,000	2 exam rooms; leased to independent visiting specialists		
	Observation Beds	800	Two for Critical Access designation		
	Procedure Room	500			
	Mobile MRI		Provide access for mobile MRI		
	Helicopter Landing Zone		Site impact; proximate to ED		
	TMC Subtotal	18,700		Telluride Medical Center	Gordon Reichart
	Visiting Specialist Clinic	2,000	2 providers in clinic; 4 exam rooms	Montrose Medical Center	Mary Snyder, COO
Tier 2 Programs	Mental Health Offices	500		Midwest Mental Health	Jon Gordon
	Home Health	2,000		Sinfonia Health, other potential	Fletcher McCusker
	Pharmacy***	1,800		Sunshine Pharmacy	Mark Watenpaugh
	Physical Therapy***	2,500		Peak Performance, other potential	Mark Campbell
	Chiropractic	1,000		Adams Chiropractic Clinic, other potential	John Belka, DC
Tier 4 Program	Fitness***	2,000		8750 ALT, other potential	Dennis Lankes
	Dentist	1,800		Telluride Dental	Dr. Grady, DDS
	Crossfit	5,000		Telluride Gymnastics & CrossFit	
	TOTAL	37,300			
Tier 5 Program	Other Potential Programs		Require further development		
	EMS/Ambulance Garage	20,000	Plug number per Davis Fansler and Paul Major	Telluride Fire Department	John Bennett
	High Altitude Training	TBD	Likely use of TMC diagnostics and partnering with other entities for accommodations and training facilities		
	Baylor	TBD	Potential collaboration in Ortho, Altitude Med, and Telemed		

*** Denotes programs most sensitive to location; will likely not participate if located at Society Turn

Parcel Evaluation Criteria

Score 1 -5 INFRASTRUCTURE/ACCESS TO UTILITIES & PARKING

Proximity and availability of required utilities in appropriate size/quantity to adequately serve immediate and future needs. Ability of the site to fulfill basic parking requirements for the facility.

Score 1 -5 SITE ACCESS/EMS/HELIPAD

Appropriate access for community members (pedestrian and vehicular), EMS vehicles and helicopter.

Score 1 -5 PARCEL AVAILABILITY/ENCUMBRANCES

Opportunity to align development parameters to allow for aggressive progress toward design and construction start.

Score 1 -5 APPROVAL PROCEDURES/TIMEFRAME

Required municipal stages of approval and associated timeline conducive to an aggressive development schedule.

Score 1 -5 FUTURE EXPANSION POSSIBILITIES

Opportunity for subject property to support additional construction or expanded specialties and services following initial program development.

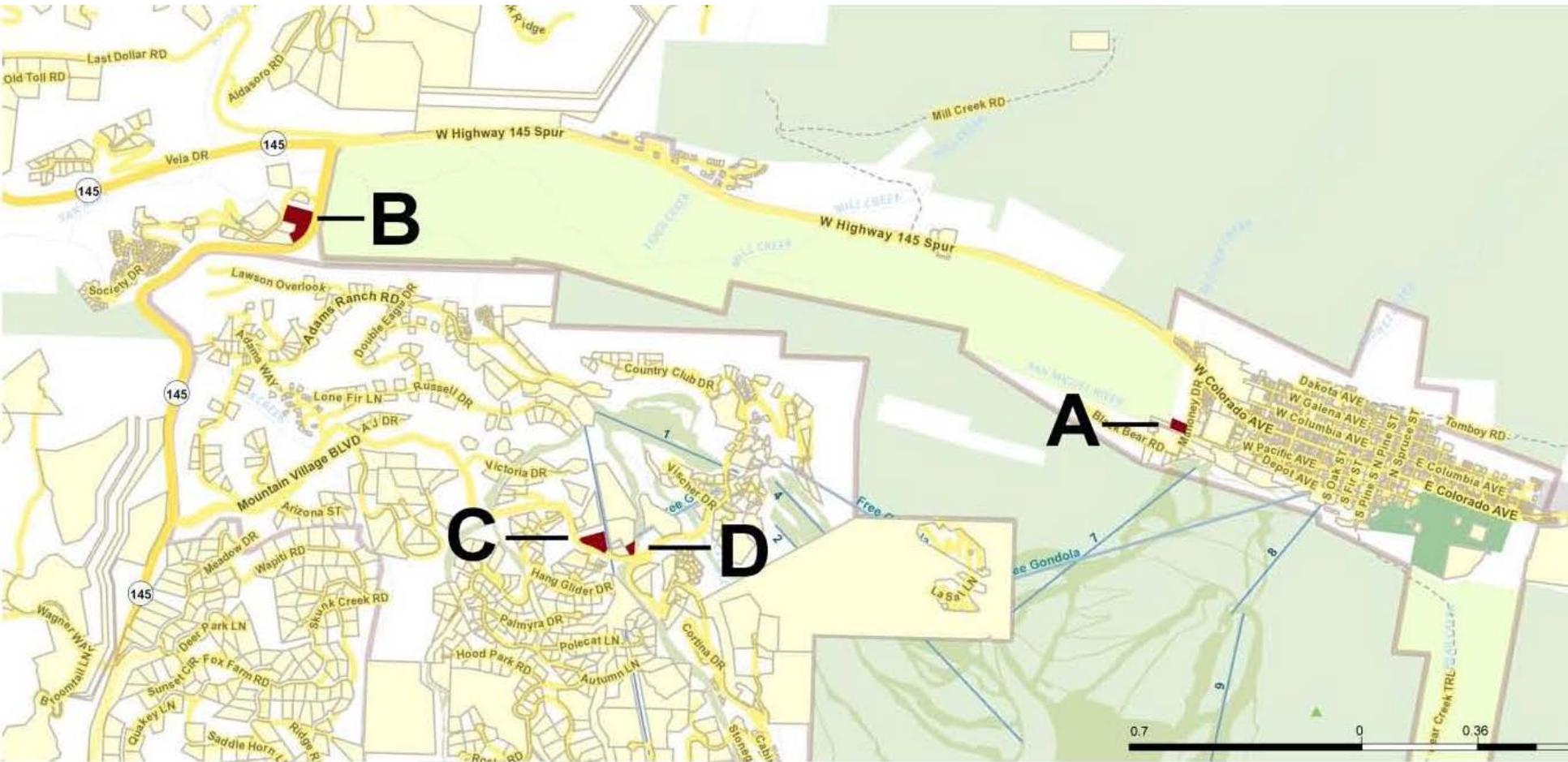
Score 1 -5 ADJACENCIES (PROGRAMMATIC)

Can clinical programmatic components be optimally located relative to the site and each other on/within the subject parcel?

Score 1 -5 SUSTAINABLE OPPORTUNITIES

Does the parcel possess the opportunity to foster green building principals utilizing specific exposures, green building systems and LEED principals?

Locations and Land Parcels



Parcel A - TOT



DRAWING NOT TO SCALE
BOUNDARY DIMENSIONS APPROXIMATE

Parcel B – Society Turn



Parcel C – MV 1007-1008



Parcel D – MV Town Hall



Initial Conclusions

A few initial conclusions emerged from Halsa (consultant analyzing potential service provider interest), Frauenshuh (consultant analyzing potential parcels of land) and the public.

- Programming adjacencies are critical to provider attractiveness. Meeting these adjacencies requires a minimum 17,000 sq.ft. ground floor.
- Adjacent helicopter access required.
- Adequate adjacent parking required (generally up to 5 spaces per 1000 SF).

Initial Conclusions

- Given the locations of the parcels, only a “Retail” track would make sense on the TOT and MV parcels and only a “Healthcare” track would make sense on the Society Turn parcel.
- Ensure market adjacency requirements are met that additional providers have indicated are essential for them.
- Ensure any specific site constraints are met in terms of building footprint.
- Ensure a reasonable rent/sq. ft. so that additional providers will be interested in participating.
- Ensure the developer’s return is sufficient that they are interested in building and/or financing the facility.

Initial Conclusions

- One of the MV parcels has a footprint that's too small to accommodate the required minimum ground floor programming.
 - Further TMV input is required on the other site
- Helicopter access could only be provided on the roof of the TOT and MV parcels while it could be provided on the ground at the Society Turn parcel.
 - Due to the structural building requirements for a rooftop helipad, this will increase building costs.
- Given its footprint and the parking requirements, the TOT and MV parcel requires an adjacent parking structure to be built.
 - This will result in an increase in building costs.
- Society Turn parcels' zoning allows a health/professional/office facility and will receive TOT water/sewer approval.
- Given the footprint requirements it is assumed at least a two story structure on all parcels will be required.

TOT Parcel

SITE AREA:	42,400 SF (APPROX.) – Medical Center Site only
MEDICAL CENTER STRUCTURE:	39,000 GROSS SQUARE FEET 19,500 SF FOOTPRINT – 2 LEVELS ROOFTOP
HELIPAD:	11 TOTAL PARKING SPACE ON SITE
PARKING:	470 PARKING SPACES ON ADJACENT CITY LOT (280 SURFACE SPACES AND 190 CAR PARKING DECK)

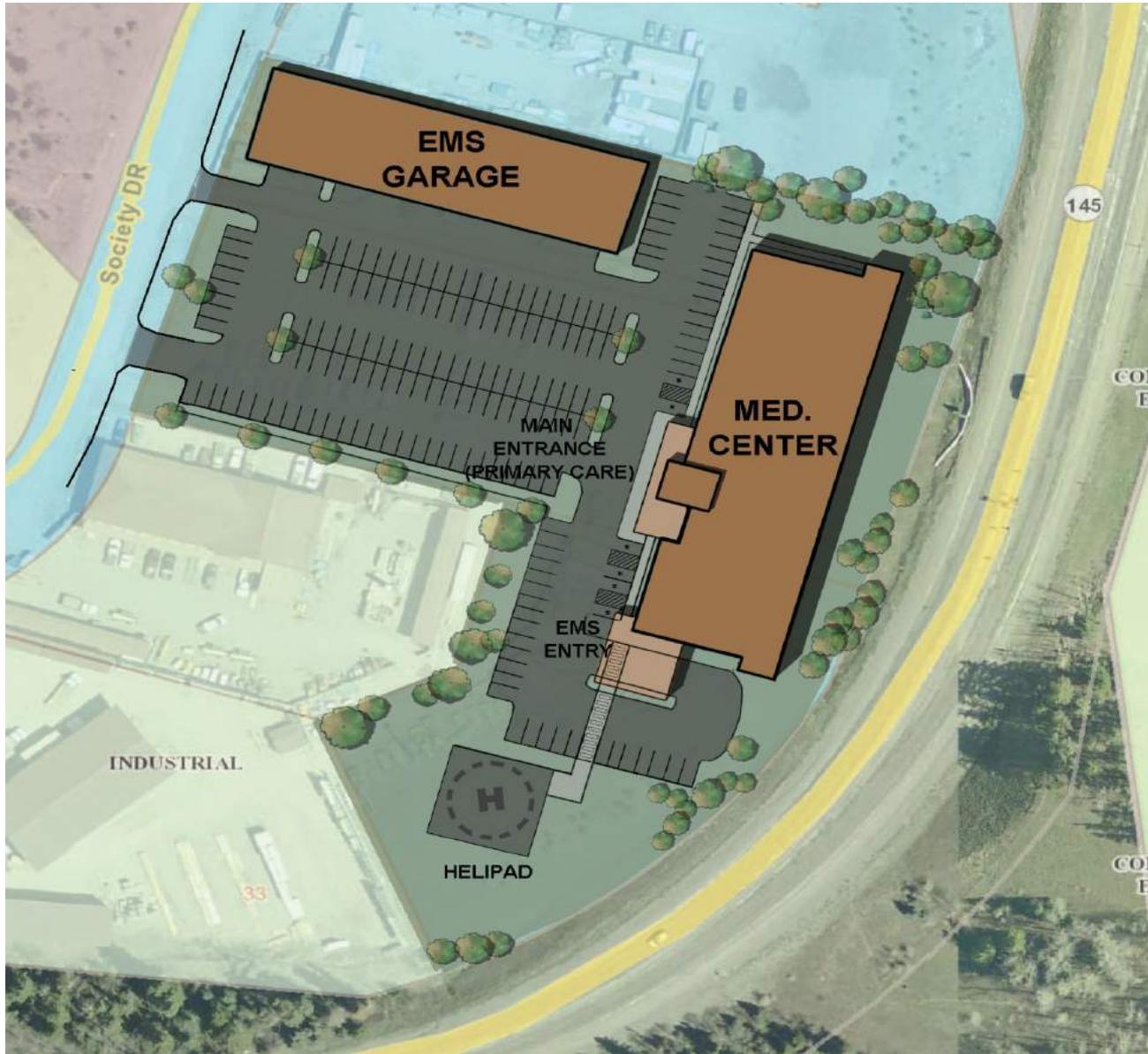


Society Turn Parcel

SITE AREA:
MEDICAL CENTER STRUCTURE:

HELIPAD:
PARKING:

180,770 SF (APPROX.)
39,000 GROSS SQUARE FEET
19,500 SF TMC FOOTPRINT – 2 LEVELS plus SEPARATE 15,000 SF EMS GARAGE
ON-GRADE
175 TOTAL PARKING SPACE



TOWN OF TELLURIDE SITE			SOCIETY TURN SITE			EMS BUILDING AT SOCIETY TURN SITE		
Size Assumption			Size Assumption			Size Assumption		
* Based on Preliminary Master Program provided by Halsa Advisors			* Based on Preliminary Master Program provided by Halsa Advisors					
Telluride Medical Center	18,700		Telluride Medical Center	18,700				
Specialty & Expansion Tenants	19,300		Specialty & Expansion Tenants	19,300		EMS	20,000	
Total Rentable Square Feet	38,000		Total Rentable Square Feet	38,000		Total Rentable Square Feet	20,000	
Total Gross Square Feet	40,000		Total Gross Square Feet	40,000		Total Gross Square Feet	20,000	
Cost Assumptions			Cost Assumptions			Cost Assumptions		
Land:	\$ -		Land:	\$ -	per gsf	Land:	\$ -	per gsf
Building Cost:	\$ 250.00	per gsf	Building Cost:	\$ 200.00	per gsf	Building Cost:	\$ 175.00	per gsf
Site Work:	\$ 6.50	per gsf	Site Work:	\$ 5.00	per gsf	Site Work:	\$ 5.00	per gsf
Tenant Improvements (\$35.00/ rsf):	\$ 33.25	per gsf	Tenant Improvements (\$35.00/ rsf):	\$ 33.25	per gsf	Tenant Improvements (\$35.00/ rsf):	\$ 8.75	per gsf
Parking Structure:	\$ 143.75	per gsf	Parking Structure:	\$ -	per gsf	Parking Structure:	\$ -	per gsf
Additional Hard Costs:	\$ 15.42	per gsf	Additional Hard Costs:	\$ 9.56	per gsf	Additional Hard Costs:	\$ 10.49	per gsf
Soft Costs:	\$ 35.28	per gsf	Soft Costs:	\$ 33.58	per gsf	Soft Costs:	\$ 28.98	per gsf
Development Overhead and Construction Interest:	\$ 28.81		Development Overhead and Construction Interest:	\$ 19.86	per gsf	Development Overhead and Construction Interest:	\$ 15.35	
Total Estimated Project Cost:	\$ 513.00	per gsf	Total Estimated Project Cost:	\$ 301.25	per gsf	Total Estimated Project Cost:	\$ 243.57	per gsf
Vacancy Assumptions			Vacancy Assumptions			Vacancy Assumptions		
Year 1:	20.0%		Year 1:	20.0%		Year 1:	20.0%	
Stabilized:	5.0%		Stabilized:	5.0%		Stabilized:	5.0%	
Financing Assumptions			Financing Assumptions			Financing Assumptions		
LTV:	75.0%		LTV:	75.0%		LTV:	75.0%	
Interest Rate:	5.0%		Interest Rate:	5.0%		Interest Rate:	5.0%	
Term:	10		Term:	10		Term:	10	
Amortization:	20		Amortization:	20		Amortization:	20	
Year 1 Required Rents			Year 1 Required Rents			Year 1 Required Rents		
Net Rent:	\$ 46.50	per rsf	Net Rent:	\$ 27.25	per rsf	Net Rent:	\$ 18.75	per rsf
Estimated Operating Expense:	\$ 14.00	per rsf	Estimated Operating Expense:	\$ 14.00	per rsf	Estimated Operating Expense:	\$ 12.00	per rsf
Gross Rent:	\$ 60.50	per rsf	Gross Rent:	\$ 41.25	per rsf	Gross Rent:	\$ 30.75	per rsf
Inflation Assumption:	2.0%		Inflation Assumption:	2.0%		Inflation Assumption:	2.0%	
Note:			Note:			Note:		
This analysis includes a 200 space parking structure with connecting bridge built over the lot adjacent to the proposed site. Net rent rates without the cost of this structure included would be \$31.75 psf.						Tenant improvements are calculated on 25% of the rentable square feet. This assumes a 75/25 split between garage and office space for EMS.		

Emerging Developments/Next Steps

- Baylor College of Medicine in Houston has indicated interest in working with us to establish:
 - Telemedicine for specialty and sub-specialty
 - Affiliation and “branding” association
- TOT parcel zoning will be put to a public vote in November. The vote would allow zoning for development that could include a medical facility.
- Fire & EMS team has indicated interest in locating their services with a new medical facility at Society Turn, assuming their space/access requirements are met.

Emerging Developments/Next Steps

- We need to engage the public in terms of the analysis to date. The form and content of this report needs to be decided.
- We need to understand TMC's rent and/or capital investment threshold for the new facility.
- We need to more fully understand if the Fire District's timing is on a parallel track with this effort.
- We need to get a handle on the land parcel acquisition costs in order to factor them into the financial analysis.
- We need to discuss and determine a new structure to further the analysis that includes the developer, parcel owners and anchor tenants.

Summary

- A market driven/developer financed new facility for TMC is a option
- Expanded services and more integration into the market would strengthen TMC, including ACA implementation, be welcomed by public
- Two market tracks have emerged – retail and healthcare
- The parcel at Society Turn for healthcare and TOT RV and MV for retail are viable

Introduction

Halsa Advisors has prepared the following document in order to present initial findings across three areas of planning to date:

1. Market Assessment
2. Emerging Interview Themes and Initial Observations
3. Preliminary Program Considerations

Halsa has synthesized previous planning analysis and conclusions to confirm direction, integrate with current planning efforts, and address gaps as appropriate. Reviewed planning documents include, among others:

- Telluride Medical Center (TMC) Strategic Plan, 2013
- Patient Utilization Assessment – Turning Point, 2013
- TMC Feasibility Analysis – Mahlum Architects, 2008
- TMC Program – Stroudwater and Neenan, 2006

This document will continue to evolve over time based on results of regional/national interviews, TMC, and community feedback.

Market Assessment

The Market Assessment incorporates previously completed studies and new analyses by Halsä Advisors and is meant to provide a foundation for planning. The review is broadly organized into the following elements:

- Service Area
- Isolation Factor
- Demographics
- Seasonality
- Health Reform
- Physician Need
- Diagnostic and Treatment Demand

Service Area

Turning Point Healthcare Advisors' assessment of patient utilization determined a four-ZIP Code primary service area for Telluride Medical Center. They also analyzed inpatient and outpatient data for the 11 most proximal counties. Key findings from their report include:

- Overall population growth in the primary service area of about 0.64% per annum over the next five years
- Nearly 85% of inpatients residing in the PSA sought care at one of three hospitals: Montrose Memorial Hospital (~50%); St. Mary's in Grand Junction (~23%); or Mercy in Durango (~11%)
- Hospital-based outpatient services were more fragmented than inpatient services in the PSA, with seven hospitals accounting for roughly 85% of the market in 2012

Hälsa Advisors updated the demographic study with the latest population estimates from Claritas for the PSA. We observed a notable distinction between the updated population estimates based on Claritas data, and the population estimates conducted previously that were based on a mix of ESRI and Claritas data. The updated population figures suggest that the PSA has about 15.5% fewer residents than indicated in Turning Point's study.

ZIP Code	City	Claritas		ESRI & Claritas*	
		2013	2017	2013	2017
81320	Rico	626	637	587	599
81426	Ophir	387	399	333	341
81430	Placerville	672	695	694	702
81435	Telluride	4,954	5,239	6,528	6,710
Total		6,639	7,055	8,142	8,352

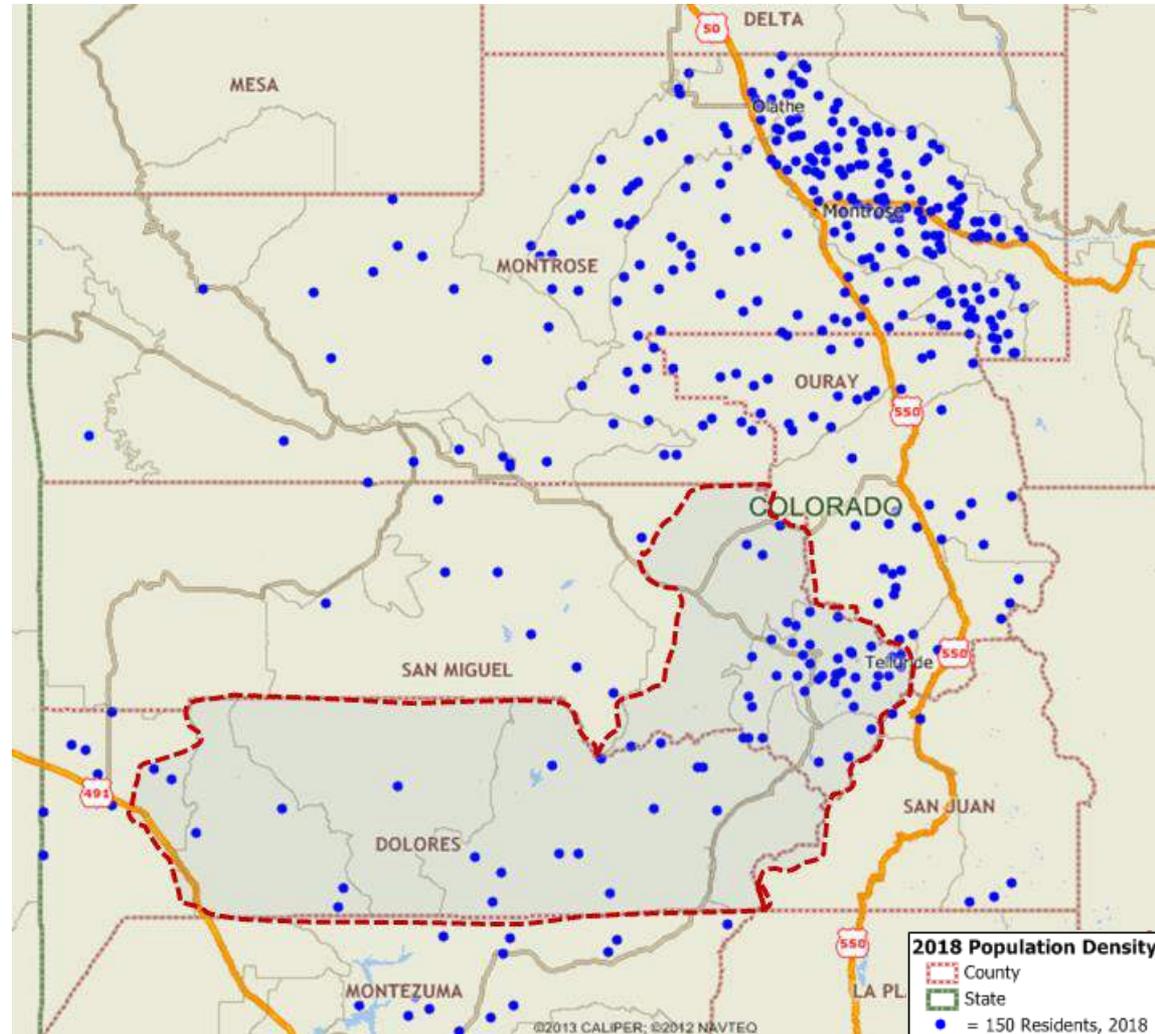
*Turning Point Healthcare Advisors (Jan., 2013)

Service Area

On the map to the right, the red-dashed line indicates the PSA as defined by Turning Point, and the blue dots represent projected 2018 population density in increments of 150 residents.

- Approximately 75% of residents in the PSA are located within Telluride (ZIP Code 81435)
 - As addressed on the next slide, the broad westward extension of PSA ZIP Code 83120 (Rico) may end up overestimating the size of the primary market
- Montrose, the nearest large community, has more than 4 times as many residents as Telluride

2018 Population Density

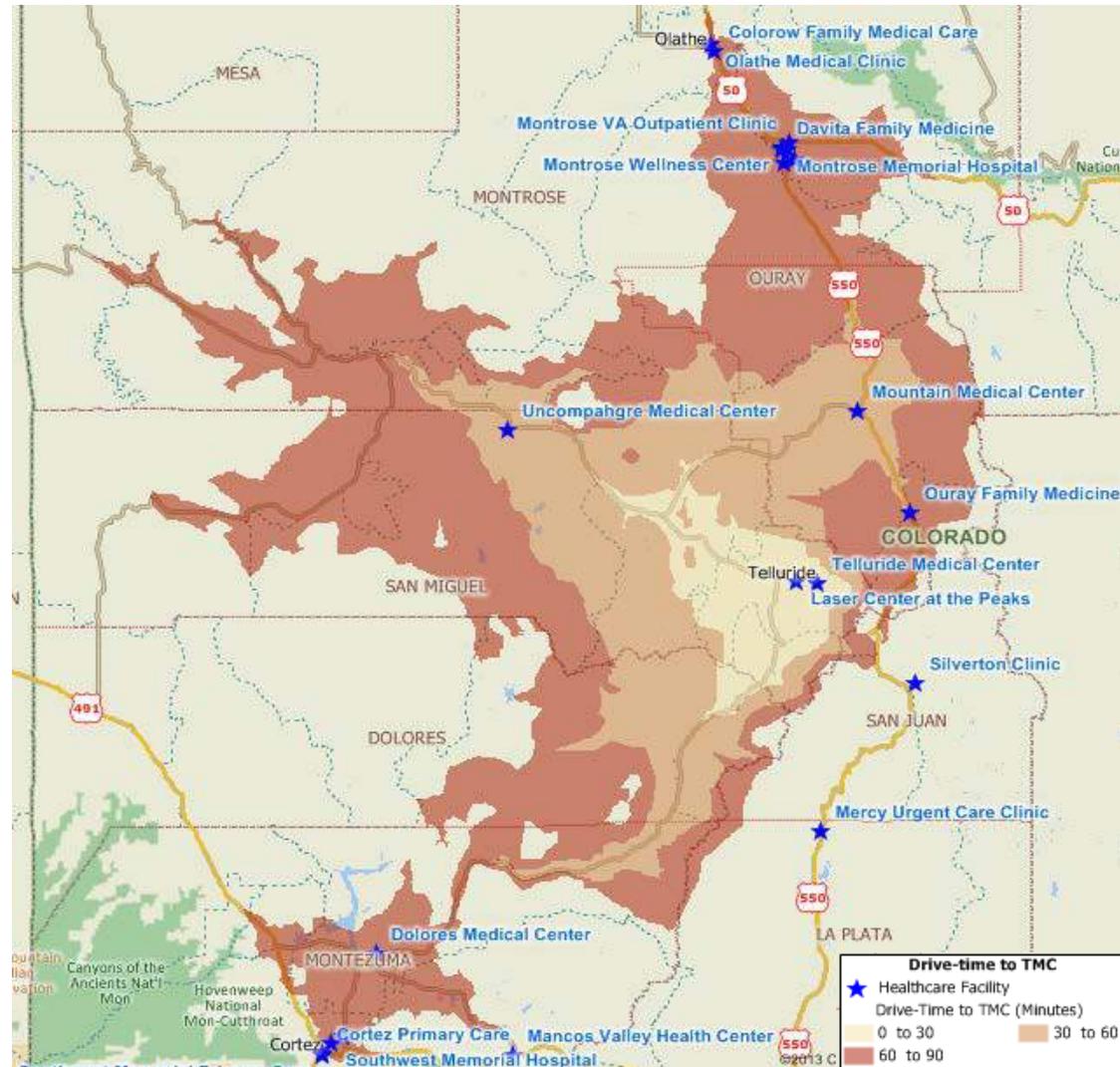


Isolation Factor

An analysis of 30 minute, 60 minute, and 90 minute drive-time radii around TMC illustrates the isolated nature of the community.

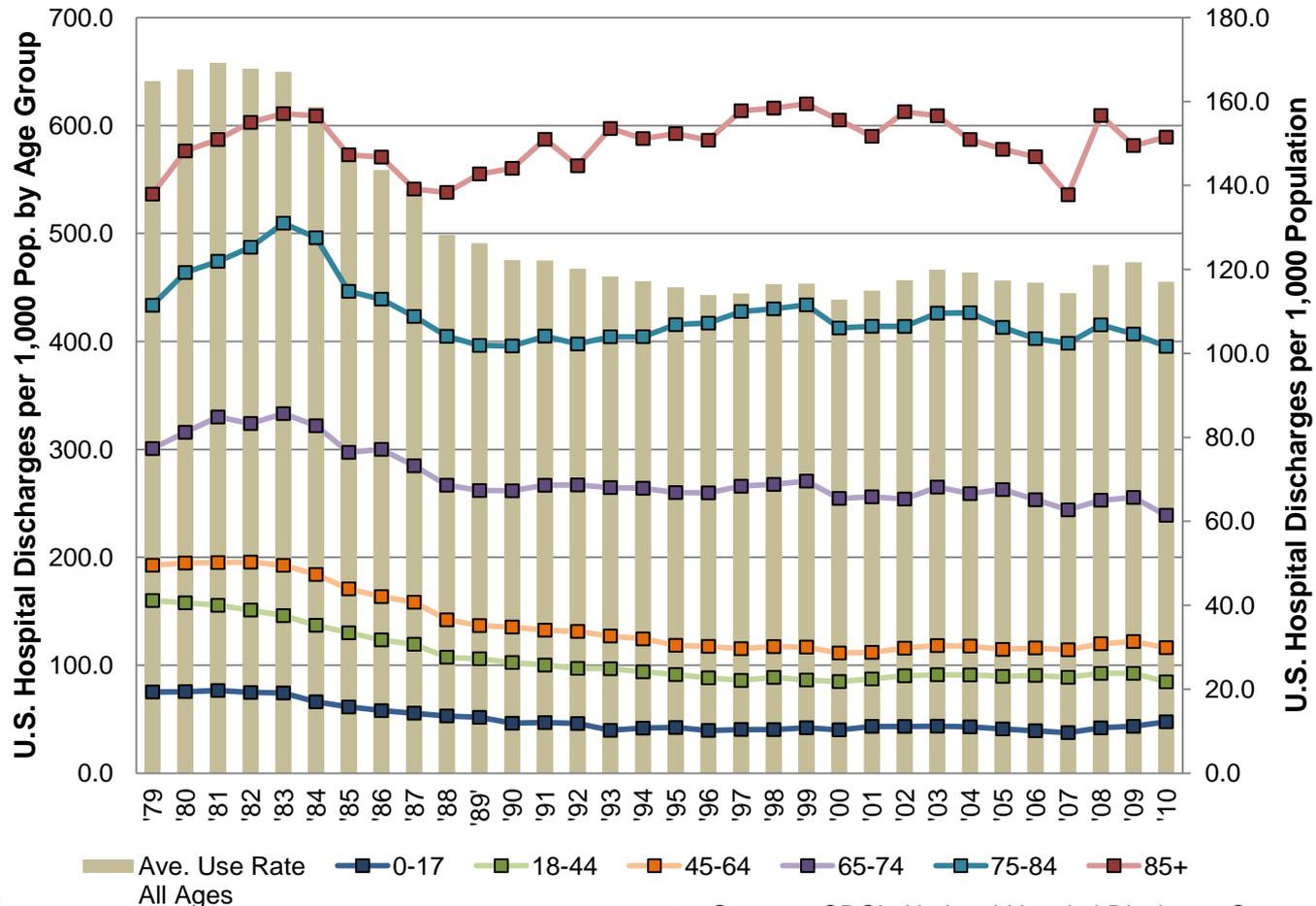
- As noted in the TMC Strategic Plan 2013, the mountainous geography of the area and Telluride's location at the end of a box canyon limit accessibility to Telluride, particularly from the east
- The nearest hospital is 65 miles away
- Telluride is approximately a 90 minute commute from Montrose, and a greater than 90 minute drive from Cortez

Drive-Time to Telluride



Demographic Assessment

Prior studies have downplayed the influence of population aging in Telluride because (1) the community is relatively young, and (2) its residents and visitors tend to be healthier. However, given that elderly residents use health care at multiples of younger age cohorts, we believe it is critical to understand population growth on an age-adjusted level.



Demographic Assessment – Aging Impact

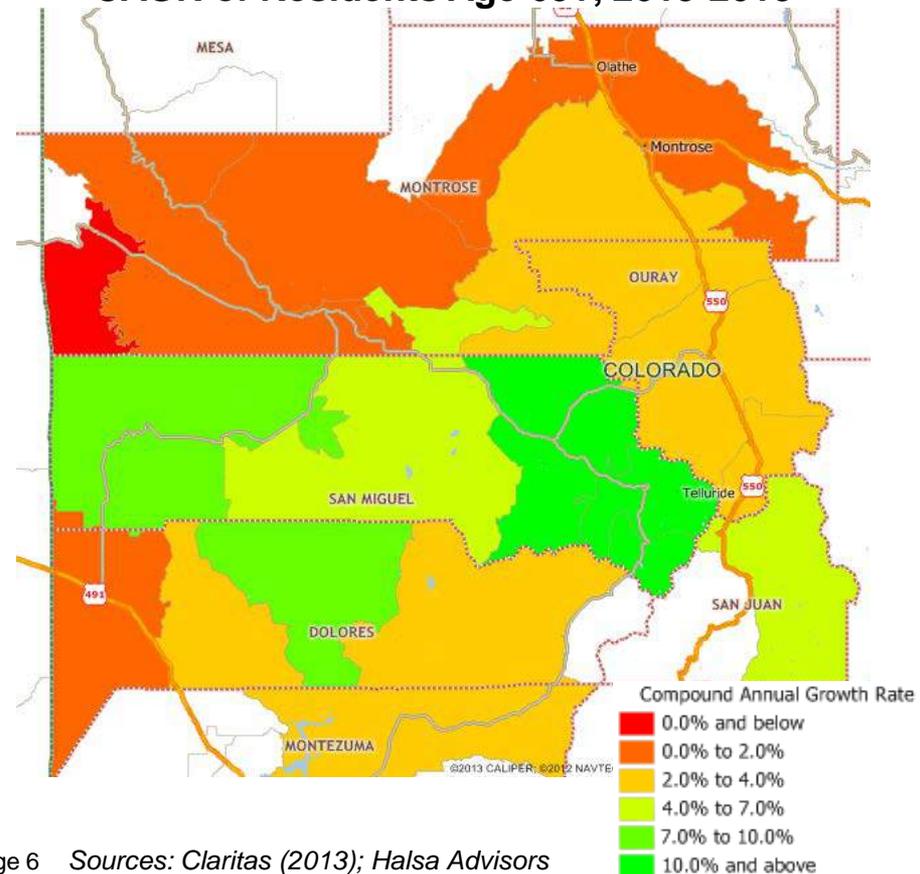
Halsa Advisors updated the demographic profile for the primary service area, as well as for the five most proximal counties. Though Telluride is a young community by national standards, this may be changing slowly, with net population loss projected for the 18 to 44 age group, and close to or more than double digit compound annual growth projected in all senior age groups.

Age Group	Primary Service Area			CAGR*	
	2000	2013	2018	'00-'13	'13-'18
0-17	907	1,315	1,445	2.9%	1.9%
18-44	3,195	2,605	2,431	-1.6%	-1.4%
45-64	1,421	2,111	2,219	3.1%	1.0%
65-74	127	491	737	11.0%	8.5%
75-84	43	101	195	6.8%	14.1%
85+	15	16	28	0.5%	11.8%
Total	5,708	6,639	7,055	1.2%	1.2%

*Compound Annual Growth Rate

Age Group	Five-County Service Area			CAGR*	
	2000	2013	2018	'00-'13	'13-'18
0-17	11,087	12,619	12,639	1.0%	0.0%
18-44	16,112	16,170	15,955	0.0%	-0.3%
45-64	11,765	16,030	15,074	2.4%	-1.2%
65-74	3,188	5,779	6,801	4.7%	3.3%
75-84	2,049	2,631	2,935	1.9%	2.2%
85+	772	1,206	1,246	3.5%	0.7%
Total	44,973	54,435	54,650	1.5%	0.1%

CAGR of Residents Age 65+, 2013-2018



Demographic Assessment – Aging Impact

By 2018, the majority of communities are projected to have seniors account for more than 20 percent of the total population.

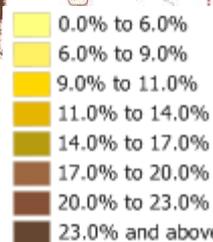
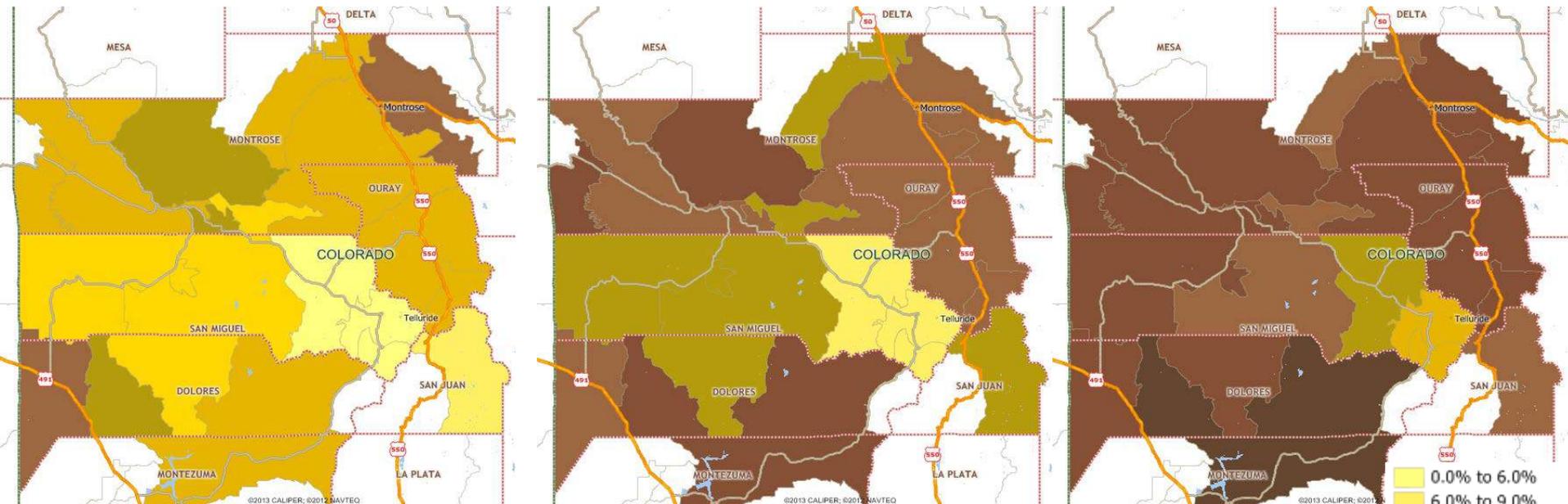
- Not only do elderly groups utilize dramatically more inpatient and outpatient services than younger groups, but they are much less willing to travel to receive care

Percent of Population Age 65+

2000

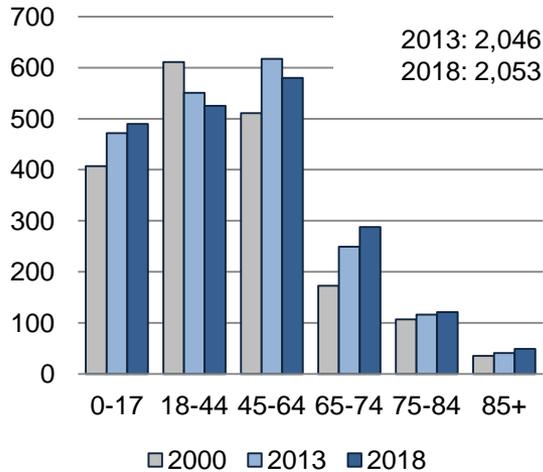
2013

2018

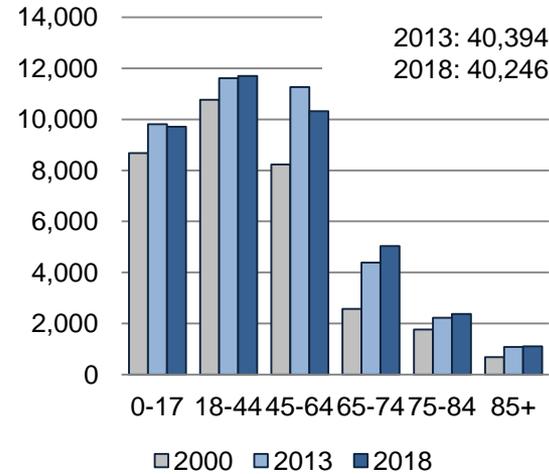


Demographic Assessment - Summary by County

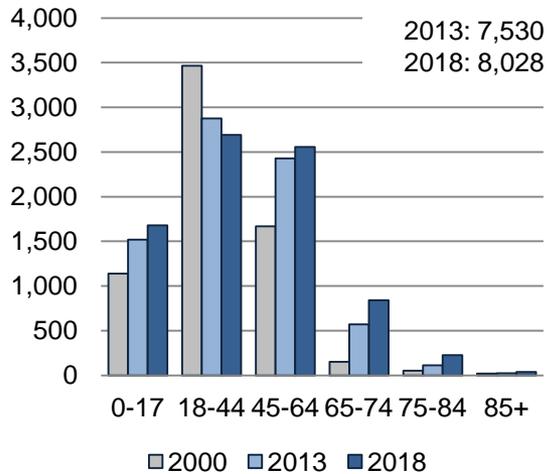
Dolores County



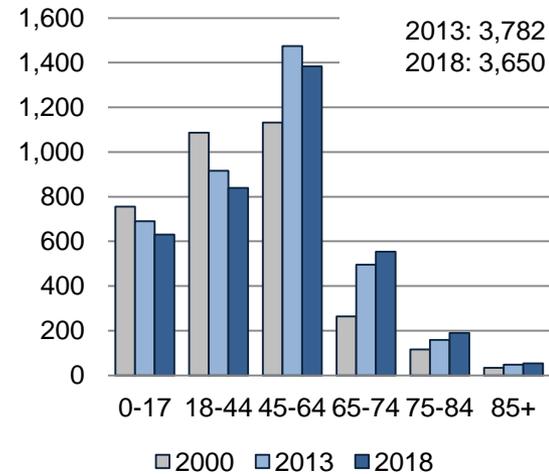
Montrose County



San Miguel County



Ouray County

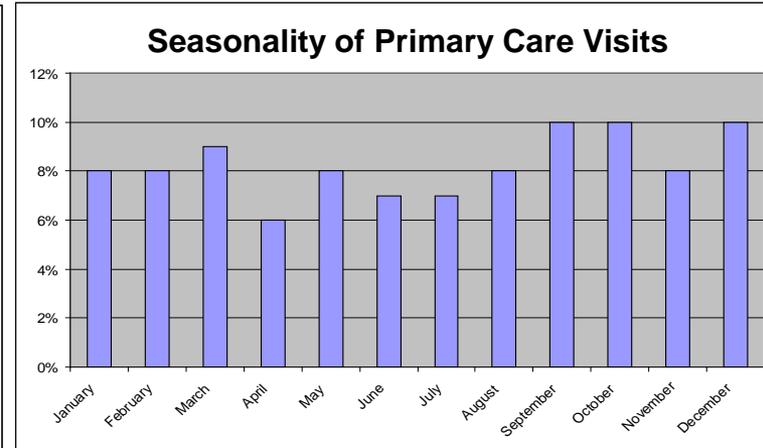
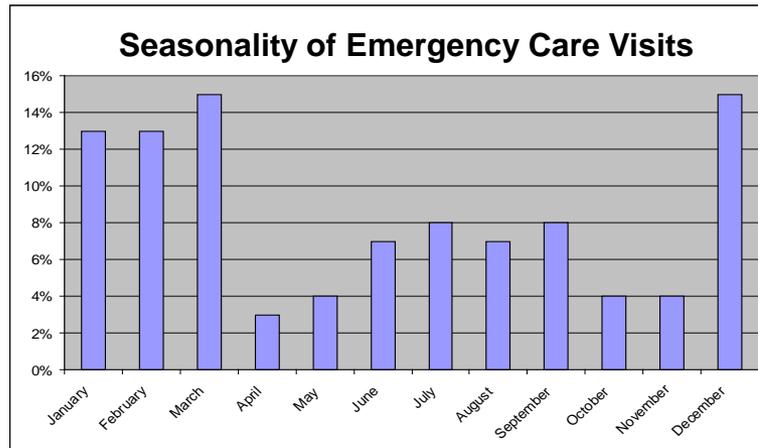


Seasonality Factor

Previous studies have highlighted how seasonal tourism and migration patterns of second homeowners in Telluride affects local demand for health care. It is important to comprehensively investigate this issue and its corollary implications on capacity planning.

According to the TMC Strategic Plan 2013:

- ~20% of TMC's visits are from patients whose primary residence is outside of the service area
- TMC experiences high seasonal fluctuations in patient volumes for emergency care, and to a much lesser extent primary care
- This seasonal business model is driven by tourists and second homeowners during the winter ski season (late November to early April) and summer
- Among the tourist and temporary resident population, the need for health care tends to be skewed to primary care and emergency care. They also tend to have relationships with providers near their primary residences, and often prefer to access non-emergency healthcare elsewhere.



Physician Need

A Health Care Needs Assessment was completed in 2006, which identified six services “needing additional local capacity”: pediatric services, orthopedic services, mental health services, birthing, cardiology and ambulatory surgery.

The Stroudwater Report, also completed in 2006, identified family and general practice, internal medicine, obstetrics and gynecology and pediatrics as the highest demand services followed by emergency medicine, anesthesiology, radiology and orthopedics.

The most recent study, conducted in late 2010 by Health Care Futures, confirmed that the local population base was insufficient to support more than a fraction of a full-time physician in most specialties. One of the recommendations was to continue to work closely with regional providers to improve access to specialty coverage both in terms of visiting specialists and through telemedicine.

- Small population base, geographic isolation, and inadequate regional supply of many of the needed specialties have proven to be barriers in attracting a more broad array of regular, visiting specialists

Physician Need – PSA

Halsa Advisors utilized updated population statistics and a proprietary model to estimate physician need by specialty for the Telluride PSA and Montrose County, based on national, age-adjusted physician-to-population ratios.

- Outputs of our model—presented on the next slide—project physician need at 2018 irrespective of practice location (e.g., hospital, MOB, specialty center)
- Physicians age 63 and above were excluded from the supply estimate in the baseline assessment
- Physician supply estimates were calculated based on publicly available information (e.g., physician registries, hospital websites)

Our findings are largely consistent with prior studies. With respect to the primary service area, the greatest need appears to be primary care physicians, particularly in the fields of internal medicine and pediatrics, and to a lesser extent obstetrics. Other higher need specialties include psychiatry, anesthesiology, cardiology, and orthopedic surgery.

Physician need in Montrose is greatest in specialty medicine, particularly cardiology, gastroenterology, pulmonary disease and critical care. Other higher need specialties include psychiatry, anesthesiology, radiology, and urology.

- Primary care physician demand appears to be fully met in Montrose, with the exception of obstetrics

	Supply	Baseline Demand		Surplus (Deficit)			Supply	Baseline Demand		Surplus (Deficit)	
Specialty	(Phys.)	Telluride PSA		Telluride PSA 2018		Specialty	(Phys.)	Montrose		Montrose 2018	
PRIMARY	3.0	6.2	4.9	(3.2)	(1.9)	PRIMARY	36.0	35.9	28.5	0.1	7.5
Family Medicine	3.0	2.4	1.9	0.6	1.1	Family Medicine	14.0	13.4	10.6	0.6	3.4
Internal Medicine	0.0	2.2	1.8	(2.2)	(1.8)	Internal Medicine	13.0	12.6	10.1	0.4	2.9
Ob/Gyn	0.0	0.7	0.5	(0.7)	(0.5)	Ob/Gyn	2.0	3.6	2.8	(1.6)	(0.8)
Pediatrics	0.0	0.9	0.8	(0.9)	(0.8)	Pediatrics	7.0	6.3	5.0	0.7	2.0
SPECIALTY MEDICINE	0.0	2.3	1.9	(2.3)	(1.9)	SPECIALTY MEDICINE	5.0	14.3	11.5	(9.3)	(6.5)
Allergy/Immunology	0.0	0.1	0.1	(0.1)	(0.1)	Allergy/Immunology	0.0	0.5	0.4	(0.5)	(0.4)
Cardiology	0.0	0.5	0.4	(0.5)	(0.4)	Cardiology	1.0	3.7	2.9	(2.7)	(1.9)
Dermatology	0.0	0.2	0.2	(0.2)	(0.2)	Dermatology	2.0	1.3	1.0	0.7	1.0
Endocrinology	0.0	0.1	0.1	(0.1)	(0.1)	Endocrinology	0.0	0.5	0.4	(0.5)	(0.4)
Gastroenterology	0.0	0.3	0.2	(0.3)	(0.2)	Gastroenterology	0.0	1.5	1.2	(1.5)	(1.2)
Hematology/Oncology	0.0	0.2	0.2	(0.2)	(0.2)	Hematology/Oncology	1.0	1.5	1.2	(0.5)	(0.2)
Infectious Disease	0.0	0.1	0.1	(0.1)	(0.1)	Infectious Disease	0.0	0.6	0.5	(0.6)	(0.5)
Maternal-Fetal Medicine	0.0	0.0	0.0	(0.0)	(0.0)	Maternal-Fetal Medicine	0.0	0.2	0.2	(0.2)	(0.2)
Neo-Perinatal Medicine	0.0	0.1	0.1	(0.1)	(0.1)	Neo-Perinatal Medicine	0.0	0.4	0.3	(0.4)	(0.3)
Nephrology	0.0	0.1	0.1	(0.1)	(0.1)	Nephrology	0.0	0.8	0.7	(0.8)	(0.7)
Neurology	0.0	0.2	0.2	(0.2)	(0.2)	Neurology	1.0	1.4	1.1	(0.4)	(0.1)
Pulm. Dis. & Critical Care	0.0	0.2	0.2	(0.2)	(0.2)	Pulm. Dis. & Critical Care	0.0	1.3	1.1	(1.3)	(1.1)
Rheumatology	0.0	0.1	0.1	(0.1)	(0.1)	Rheumatology	0.0	0.5	0.4	(0.5)	(0.4)
SURGERY	1.0	2.2	1.8	(1.2)	(0.8)	SURGERY	11.0	12.7	10.2	(1.7)	0.8
Cardiothoracic Surgery	0.0	0.1	0.1	(0.1)	(0.1)	Cardiothoracic Surgery	0.0	0.6	0.5	(0.6)	(0.5)
Colon & Rectal Surgery	0.0	0.0	0.0	(0.0)	(0.0)	Colon & Rectal Surgery	0.0	0.2	0.2	(0.2)	(0.2)
General Surgery	1.0	0.5	0.4	0.5	0.6	General Surgery	3.0	3.0	2.4	(0.0)	0.6
Neurological Surgery	0.0	0.1	0.1	(0.1)	(0.1)	Neurological Surgery	0.0	0.6	0.5	(0.6)	(0.5)
Ophthalmology	0.0	0.4	0.3	(0.4)	(0.3)	Ophthalmology	3.0	2.2	1.8	0.8	1.2
Orthopedic Surgery	0.0	0.4	0.4	(0.4)	(0.4)	Orthopedic Surgery	4.0	2.5	2.0	1.5	2.0
Otolaryngology	0.0	0.2	0.2	(0.2)	(0.2)	Otolaryngology	0.5	1.2	0.9	(0.7)	(0.4)
Plastic Surgery	0.0	0.1	0.1	(0.1)	(0.1)	Plastic Surgery	0.5	0.8	0.7	(0.3)	(0.2)
Urology	0.0	0.2	0.2	(0.2)	(0.2)	Urology	0.0	1.2	1.0	(1.2)	(1.0)
Vascular Surgery	0.0	0.1	0.0	(0.1)	(0.0)	Vascular Surgery	0.0	0.3	0.3	(0.3)	(0.3)
OTHER	4.0	3.4	2.7	0.6	1.3	OTHER	21.0	19.4	15.5	1.6	5.5
Anesthesiology	0.0	0.8	0.7	(0.8)	(0.7)	Anesthesiology	3.0	4.7	3.8	(1.7)	(0.8)
Emergency Medicine	3.0	0.7	0.5	2.3	2.5	Emergency Medicine	11.0	3.7	3.0	7.3	8.0
Pathology	0.0	0.3	0.2	(0.3)	(0.2)	Pathology	1.0	1.6	1.3	(0.6)	(0.3)
Phys Medicine & Rehab	0.0	0.2	0.1	(0.2)	(0.1)	Phys Medicine & Rehab	1.0	1.0	0.8	0.0	0.2
Psychiatry	0.0	0.8	0.6	(0.8)	(0.6)	Psychiatry	2.0	4.5	3.6	(2.5)	(1.6)
Radiation Oncology	0.0	0.1	0.1	(0.1)	(0.1)	Radiation Oncology	1.0	0.5	0.4	0.5	0.6
Radiology	1.0	0.6	0.5	0.4	0.5	Radiology	2.0	3.3	2.7	(1.3)	(0.7)

Diagnostic and Treatment Demand - Ambulatory Surgery

The 2006 Stroudwater Report recommended TMC offer ambulatory surgery services. However, the Telluride Hospital District board decided not to pursue these recommendations, largely on account of insufficient projected volumes to keep surgeons and medical staff proficient; inadequate economic prospects; recruiting and staffing challenges; and patient safety concerns—the nearest hospital is more than 65 miles away.

The TMC Strategic Plan 2013 document detailed that a number of Telluride residents seek surgical treatment outside of the service area. However, it was found that even if surgery were provided locally, many residents would still seek care outside of the service area because they already have trusting relationships with a specialist in another community.

Halsa Advisors used a proprietary approach to forecast ambulatory surgery demand by specialty in a given market, based on national, age-adjusted surgery rates, population demographics, OR throughput, and competitor dynamics.

Our findings suggest that there is insufficient surgical volume generated from the PSA to drive a sustainable program in this area.

D&T Modality	Telluride PSA Surgery Demand		Telluride PSA OR Need	
	2013	2018	2013	2018
Surgery	1,186	1,353	0.93	1.06
Cardio/Vascular	30	36	0.02	0.03
ENT	83	90	0.07	0.07
Neurosurgery	73	83	0.07	0.08
OB/GYN	67	70	0.05	0.05
Ophthalmology	132	180	0.07	0.09
Orthopedics	194	211	0.14	0.15
Urology	38	45	0.02	0.03
General / All Other	568	640	0.49	0.56

Diagnostic and Treatment Demand - Other

We employed a similar approach to forecast ambulatory volumes for several common diagnostic and treatment modalities. The assessment suggests that the provision of most D&T modalities in Telluride would be underutilized assets, though they may be an essential complement to expanded specialty care (e.g., TMC’s visiting specialists program), or simply a convenient offering for local residents and visitors.

- Given the above-average use of emergency services in the Telluride area, and considering significant seasonality factors, the need for D&T modalities may be understated in our study, particularly in those most associated with trauma care, such as general radiography, CT, ultrasound, and to a lesser extent MRI.

D&T Modality	Telluride PSA D&T Procedure Demand		Telluride PSA D&T Unit Need	
	2013	2018	2013	2018
CT	620	690	0.14	0.15
MRI	410	450	0.21	0.23
Mammo	1,080	1,200	0.24	0.27
General Radiography	2,830	3,230	0.63	0.72
Ultrasound	960	1,010	0.32	0.34
Cardiac Echo	330	400	0.17	0.20
GI/Endo	200	240	0.17	0.20
Chemotherapy	290	360	0.77	0.96

Emerging Interview Themes

We have found good support among providers for the integrated Patient Centered Medical Home (PCMH) concept and the potential to work jointly among other clinical services and the existing TMC

- Mental Health, Pharmacy, Therapy, Nutrition, Wellness

We have found general support for an integrated health and wellness neighborhood concept – something beyond any concept seen elsewhere

- Practitioners at all levels of training and licensure/certification working together to prevent, diagnose, treat, restore

Location is important – most prefer (and some require) a location within Telluride or Mountain Village with accessibility to gondola; Society Turn acceptable for medical services but a less attractive option for other, every-day types of services

The need for a Recreation Center with pool has been identified by multiple interviewees

Two key challenges –

- How do we proceed fairly? How do we choose who's in and who's out?
- What will it cost? How can we afford it?

Initial Observations - Facilities and Operations

Achieving our required adjacencies will be challenging; achieving our preferred adjacencies will be an even bigger challenge

- ED must be adjacent to imaging
- ED should be adjacent to the primary physicians' clinic
- Primary Care medical home providers should be adjacent to the primary physicians
- Visiting specialty physicians should be adjacent to the primary physicians

Ability to provide adjacent helipad will differ depending on location; highest degree of likely opposition at Telluride or Mt. Village sites

Expansion potential – most likely scenario is a two phase development

- Some services likely to start in phase 2; some phase 1 services may expand as the new facility takes root and succeeds

Alienation factor – How do we choose who is in and who is not?

- Pharmacy
- Chiropractic
- Trainers/fitness providers

Program Framework

<p>Tier 1 Services</p> <p>Services that exist today and are currently located at TMC; our core Mission services</p>	<ul style="list-style-type: none"> • Emergency Dept. • Primary Care Clinic • Visiting Specialist Clinic • Radiology • Admin/Support
<p>Tier 2 Services</p> <p>Services that currently exist in the community but that are in separate locations; potential to incorporate more integrally into Medical Home model; good potential for synergies</p>	<ul style="list-style-type: none"> • Mental Health • Pharmacy • Physical Therapy • Complementary Medicine/Wellness • EMS • Helicopter Landing Zone
<p>Tier 3 Services</p> <p>Services that do not currently exist in the community but that could be supported; impact to both operations and space</p> <p>STILL UNDER EVALUATION</p>	<ul style="list-style-type: none"> • Overnight Beds? • Infusion? • Endoscopies/Minor Procedures? • Other? <p>STILL UNDER EVALUATION</p>
<p>Tier 4 Services</p> <p>Services that currently exist in the community but that are in separate locations; potential to include within “Health/Wellness Neighborhood” but limited synergies with other clinical services</p>	<ul style="list-style-type: none"> • Dental Services • Orthodontics • Fitness Center
<p>Tier 5 Services</p> <p>Services that do not currently exist in the community but that could serve as a destination center of excellence; likely to require independent business plan and outside investors along with significant will to “pull” customers to Telluride</p>	<ul style="list-style-type: none"> • High Altitude Training (ex. HYPO2) • Destination Wellness Center (ex. Andrew Weil Integrative Wellness Program at Miraval Resort and Spa, Tucson, Ariz., The Ranch at Live Oak, Malibu, CA, Esalan, Rancho La Puerta)

Contacts

	Program Area	Program DGSF	Program Basis	Potential Tenant	Contact
Tier 1 Programs	Telluride Medical Center				
	Emergency Department	4,200	7 exam/treatment rooms		
	Imaging	1,800	Includes Rad, CT, U/S, EKG		
	Primary Care	5,400	peak 4 providers in clinic; 9 exam; incl. PFT, Stress		
	Altitude Medicine		Incl. in other spaces – PFT, Stress		
	Administration	1,400			
	Staff Quarters	1,400			
Tier 3 Programs	Facility Support	2,200			
	Visiting Specialist Clinic	1,000	2 exam rooms; leased to independent visiting specialists		
	Observation Beds	800	Two for Critical Access designation		
	Procedure Room	500			
	Mobile MRI		Provide access for mobile MRI		
	Helicopter Landing Zone		Site impact; proximate to ED		
	TMC Subtotal	18,700		Telluride Medical Center	Gordon Reichart
	Visiting Specialist Clinic	2,000	2 providers in clinic; 4 exam rooms	Montrose Medical Center	Mary Snyder, COO
Tier 2 Programs	Mental Health Offices	500		Midwest Mental Health	Jon Gordon
	Home Health	2,000		Sinfonia Health, other potential	Fletcher McCusker
	Pharmacy***	1,800		Sunshine Pharmacy	Mark Watenpaugh
	Physical Therapy***	2,500		Peak Performance, other potential	Mark Campbell
	Chiropractic	1,000		Adams Chiropractic Clinic, other potential	John Belka, DC
Tier 4 Program	Fitness***	2,000		8750 ALT, other potential	Dennis Lankes
	Dentist	1,800		Telluride Dental	Dr. Grady, DDS
	Crossfit	5,000		Telluride Gymnastics & CrossFit	
	TOTAL	37,300			
Tier 5 Program	Other Potential Programs		Require further development		
	EMS/Ambulance Garage	20,000	Plug number per Davis Fansler and Paul Major	Telluride Fire Department	John Bennett
	High Altitude Training	TBD	Likely use of TMC diagnostics and partnering with other entities for accommodations and training facilities		
	Baylor	TBD	Potential collaboration in Ortho, Altitude Med, and Telemed		

*** Denotes programs most sensitive to location; will likely not participate if located at Society Turn

Small Footprint

	Program Area	Program DGSF	Program/Adjacency Requirements	1st Floor	2nd Floor	Other Floor
Tier 1 Programs	Telluride Medical Center					
	Emergency Department	4,200	Requires 1st floor with good walk-in and ambulance access	4,200		
	Imaging	1,800	Requires adjacency to ED	1,800		
	Primary Care	5,400	Optimal location adjacent to ED but potential to place on 2nd level		5,400	
	Altitude Medicine		Located in Primary Care space			
	Administration	1,400	Flexibility with location			1,400
	Staff Quarters	1,400	Flexibility with location			1,400
Tier 3 Programs	Facility Support	2,200	Flexibility with location			2,200
	Visiting Specialist Clinic	1,000	Requires adjacent location to Primary Care; no separate entrance		1,000	
	Observation Beds	800	Requires adjacency to ED	800		
	Procedure Room	300	Requires adjacency to ED	300		
	Mobile MRI		Provide access for mobile MRI; external footprint to add fixed in future			
	Helicopter Landing Zone		Proximate to ED; horizontal is preferred but vertical is possible			
	TMC Subtotal	18,500				
Tier 2 Programs	Visiting Specialist Clinic	2,000	Optimal location adjacent to Primary Care; no separate entrance		2,000	
	Mental Health Offices	500	Requires immediate adjacency with Primary Care		500	
	Home Health	2,000	Flexibility with location			2,000
	Pharmacy	1,800	Location by ED and/or Primary Care with good access to customers	1,800		
	Physical Therapy	2,500	Optimal location on 1st floor but potential for higher floor; good access			2,500
Tier 4 Program	Chiropractic	1,000	Flexibility with location			1,000
	Fitness	2,000	Optimal location on 1st floor but potential for higher floor; good access			2,000
	Dentist	1,800	Flexibility with location			1,800
	TOTAL	32,100		8,900	8,900	14,300
Tier 5 Program	Other Potential Programs		Require further development			
	High Altitude Training	TBD	TBD			
	Baylor	TBD	TBD			
	Note: Bolded comments represent required adjacencies					

Large Footprint

	Program Area	Program DGSF	Program/Adjacency Requirements	1st Floor	2nd Floor	Other Floor
Tier 1 Programs	Telluride Medical Center					
	Emergency Department	4,200	Requires 1st floor with good walk-in and ambulance access	4,200		
	Imaging	1,800	Requires adjacency to ED	1,800		
	Primary Care	5,400	Optimal location adjacent to ED but potential to place on 2nd level	5,400		
	Altitude Medicine		Located in Primary Care space			
	Administration	1,400	Flexibility with location			1,400
	Staff Quarters	1,400	Flexibility with location			1,400
Tier 3 Programs	Facility Support	2,200	Flexibility with location			2,200
	Visiting Specialist Clinic	1,000	Requires adjacent location to Primary Care; no separate entrance	1,000		
	Observation Beds	800	Requires adjacency to ED	800		
	Procedure Room	300	Requires adjacency to ED	300		
	Mobile MRI		Provide access for mobile MRI; external footprint to add fixed in future			
	Helicopter Landing Zone		Proximate to ED; horizontal is preferred but vertical is possible			
	TMC Subtotal	18,500				
Tier 2 Programs	Visiting Specialist Clinic	2,000	Optimal location adjacent to Primary Care; no separate entrance	2,000		
	Mental Health Offices	500	Requires immediate adjacency with Primary Care	500		
	Home Health	2,000	Flexibility with location			2,000
	Chiropractic	1,000	Flexibility with location			1,000
	Wellness	3,000	Optimal location on 1st floor but potential for higher floor; good access			3,000
	EMS/Ambulance Garage	20,000	Accommodates administrative and residence functions along with 2 ambulances and a ladder truck; 5,000 sf is medical office space and 15,000 is garage space that may be near but not necessarily fully integrated with remaining building	15,000		5,000
Tier 3 Program	Dentist	1,800	Flexibility with location			1,800
	Crossfit	5,000	Requires minimum 18' ceiling height			5,000
	TOTAL	53,800		31,000		22,800
Tier 5 Program	Other Potential Programs		Require further development			
	High Altitude Training	TBD	TBD			
	Baylor	TBD	TBD			

Note: Bolded comments represent required adjacencies

Priorities - Retail

	Program Area	Program DGSF	Priority			Comment
			High	Medium	Low	
Tier 1 Programs	Telluride Medical Center					
	Emergency Department	4,200	4,200			
	Imaging	1,800	1,800			
	Primary Care	5,400	5,400			
	Altitude Medicine					
	Administration	1,400	1,400			
	Staff Quarters	1,400	1,400			
Tier 3 Programs	Facility Support	2,200	2,200			
	Visiting Specialist Clinic	1,000	1,000			
	Observation Beds	800	800			
	Procedure Room	300	300			
	Mobile MRI					
	Helicopter Landing Zone					
	TMC Subtotal	18,500	18,500	0	0	TMC is the core of the development
	Visiting Specialist Clinic	2,000	2,000			CEO and COO at Montrose indicated a serious interest in establishing a visiting specialist clinic that they could rotate their employed specialists through. This would represent a marked programmatic improvement for the community.
Tier 2 Programs	Mental Health Offices	500	500			Director from Midwest Mental Health indicated serious interest in planning 2-3 offices in close proximity to the primary care clinic to support a patient centered medical home concept. Like TMC, this group is challenged from a funding standpoint.
	Home Health	2,000		2,000		Owner, Fletcher McCusker, is interested in bringing one of his Home Health franchises to Telluride. Their would be some potential for programmatic synergies but primarily this space is administrative and could be anywhere.
	Chiropractic	1,000			1,000	Dr. Belka expressed some interest in participating within a health and wellness development. There will only be limited programmatic synergies. Decision will be driven heavily by lease rate.
	Physical Therapy	2,500		2,500		Director of Peak Performance indicated an interest in participating. There would be some moderate potential for programmatic synergies, however, his decision will largely be drive by lease rate.
Tier 4 Programs	Dentist	1,800			1,800	There will be little programmatic synergy and decision will be driven entirely by lease rate.
	TOTAL	28,300	21,000	4,500	2,800	
Tier 5 Program	Other Potential Programs					
	High Altitude Training	TBD				
	Baylor	TBD				

Priorities - Health Care

	Program Area	Program DGFSF	Priority			Comment
			High	Medium	Low	
Tier 1 Programs	Telluride Medical Center					
	Emergency Department	4,200	4,200			
	Imaging	1,800	1,800			
	Primary Care	5,400	5,400			
	Altitude Medicine					
	Administration	1,400	1,400			
	Staff Quarters	1,400	1,400			
Tier 3 Programs	Facility Support	2,200	2,200			
	Visiting Specialist Clinic	1,000	1,000			
	Observation Beds	800	800			
	Procedure Room	300	300			
	Mobile MRI					
	Helicopter Landing Zone					
	TMC Subtotal	18,500	18,500	0	0	TMC is the core of the development
	Visiting Specialist Clinic	2,000	2,000			CEO and COO at Montrose indicated a serious interest in establishing a visiting specialist clinic that they could rotate their employed specialists through. This would represent a marked programmatic improvement for the community.
Tier 2 Programs	Mental Health Offices	500	500			Director from Midwest Mental Health indicated serious interest in planning 2-3 offices in close proximity to the primary care clinic to support a patient centered medical home concept. Like TMC, this group is challenged from a funding standpoint.
	Home Health	2,000		2,000		Owner, Fletcher McCusker, is interested in bringing one of his Home Health franchises to Telluride. Their would be some potential for programmatic synergies but primarily this space is administrative and could be anywhere.
	Wellness	6,000		6,000		Contact of Paul Majors has indicated an interest in Wellness Center space if located at Society Turn
	EMS/Ambulance Garage	20,000		20,000		Potential interest by TFPD pending outcome of Master Plan study.
Tier 4 Program	Dentist	1,800			1,800	There will be little programmatic synergy and decision will be driven entirely by lease rate.
	Crossfit	5,000				Owner has indicated interest in participating. There will only be limited programmatic synergies. Decision will be driven heavily by lease rate.
	TOTAL	55,800	21,000	28,000	1,800	
Tier 5 Program	Other Potential Programs					
	High Altitude Training	TBD				
	Baylor	TBD				

Telluride Medical and Specialty Center

Creating a Vision for the Future of Health and Wellness in the Greater Telluride Region



DRAFT – Initial Site Assessment/Threshold Analysis

PREPARED FOR:



PRESENTED BY:

FRAUENSHUH INC.
&
SPERIDES REINERS ARCHITECTS



FRAUENSHUH
Commercial Real Estate Group

June 4, 2013



FRAUENSHUH
Commercial Real Estate Group

June 4, 2013

Via email delivery to: paul@telluridefoundation.org

Paul Major
Telluride Foundation
220 East Colorado Avenue, Suite 106
P.O. Box 4222
Telluride, CO 81435

Re: Initial Site Assessment and Threshold Analysis

Dear Mr. Major,

It is our pleasure to deliver to you the enclosed Site Assessment/Threshold Analysis of four potential sites for an integrated health, wellness and medical center facility development to serve the greater Telluride and Mountain Village area.

The four sites that were studied are as follows:

- SITE A** - Town of Telluride Site
- SITE B** - Society Drive Site
- SITE C** - Mountain Village 1007-1008 Site
- SITE D** - Mountain Village Town Hall Site

The enclosed assessment is intended to serve as information and guidance in determine further evaluation of one or more of the identified sites as a potential location for this project.

We look forward to continuing to support the evaluation and feasibility study of this project with the Telluride Foundation and its project team.

Sincerely,

A handwritten signature in black ink, appearing to read 'David M. Anderson'.

David M. Anderson
Senior Vice President

A handwritten signature in black ink, appearing to read 'Elliot D. Zismer'.

Elliot D. Zismer
Associate

A handwritten signature in blue ink, appearing to read 'Eric A. Reiners'.

Eric A. Reiners
Principal, SRa

Enclosure

Executive Summary

Introduction

Frauenshuh has been engaged by the Telluride Foundation (Foundation) to conduct an initial assessment of the potential health care facility development capacity, suitability and preliminary feasibility issues associated with four sites in the area serving the communities of Telluride and Mountain Village. The assessment is intended to serve as information and guidance in determine further evaluation of one or more of the identified sites as a potential location for local healthcare facility development that would include the Telluride Medical Center (TMC) and specialty care providers as an integrated health and wellness center for the greater area.

The communities of Telluride and Mountain Village possess unique physical, historic and local economic attributes that challenge many conventional considerations involved in the design and delivery of local and regional healthcare services. It is a reality, however, that the local region must maintain and develop new and expanded healthcare resources including practitioners, as well as equipment, technologies and facilities that ensure the timely and effective delivery of health care services both for primary and ambulatory specialty care. It is evident that the most vibrant and attractive communities are those that possess superior healthcare services as a driving force or strong complement to the strength of their greater community assets.

About the Sites

A total of four (4) sites were evaluated during the scope of this assessment. Two of the sites reside in Mountain Village, one in Telluride and one in the County of San Miguel. The four sites were identified for their generally known capacity to accommodate commercial development and specifically as having potential as suitable sites for local medical and healthcare related service delivery. Each of the sites possesses unique characteristics that are considered strengths as well as weaknesses as an area health care facility destination. It is important to note that the assessment does not weigh factors associated with community preference or geo-political reasons or rationale for one site versus another. These considerations will be further weighed in studies to be conducted by consultants retained by the Telluride Foundation that will further define and assess such issues.

Site Evaluation Criteria

The assessment set out to apply a score to a set of seven (7) evaluation criteria that focus on key factors that are relevant to the consideration of a site as a health and wellness center location. These criteria are further described and defined as follows:

- Infrastructure/ Access to Utilities & Parking
- Site Access/ EMS/ Helipad
- Parcel Availability/ Encumbrances
- Approval Procedures/ Timeframe
- Future Expansion Possibilities
- Adjacencies (Programmatic)
- Sustainable Opportunities

A score ranging from 1-5 (one being lowest and five being highest) was applied to each of the criteria for each site and a total score ranking was reached as a basis of measurement and comparison of the sites.

Economic Considerations

It is important to also note here that economic variables, while evaluated and further discussed in this assessment, were not used as a measurement in the site evaluation comparison. There are several reasons for this. First, there have been no formal discussions with any of the property owners relative to the cost to acquire or develop the properties. Second, the design and development constraints for each of the sites are significant on different levels. For example, the Town of Telluride site would appear to require structured parking to adequately serve the facilities. While structured parking is a sizeable investment, various means of financing and delivering this type of infrastructure through creative means such as tax increment financing and local bonding authorities may off-set the economic limitations each site may present.

The economic evaluation of the sites is intended to provide guidance and serve as a basis of discussion about the magnitude of the investment in building and infrastructure that would be involved in the venture. Development economics will become an important component of the evaluation of one or more of the preferred sites that emerge as opportunities for this community asset. For the purpose of this analysis we have ranked the properties according to a “Cost to develop” magnitude of order (Low, Medium, High) evaluation. In addition, financial, capital and health care market realities, including financing terms, investor returns, lease rates, appraisal value and bonded debt obligations will become central to the decisions to be made locally regarding economic and project feasibility.

Site Evaluation Results

The result of the site evaluation process using the eight (8) evaluation criteria is as follows:

Site	Score	Ranking	Average Score	Cost to Develop
Society Drive	25	1	3.57	Low
MV 1007-1008	25	1	3.57	High
MV Town Hall	20	3	2.85	High
Town of Telluride	19	4	2.71	High

A detailed description of the site assessment and scoring is included in the attached package. While each of the sites scored comparatively high on certain criteria, each site scored comparatively low on others. This created an overall ranking that placed each of the sites within just points from the highest to lowest. As such, none of the sites would appear to eliminate themselves on low scoring (sites averaging a score below 2.5 would be strong candidates for elimination). Conversely, none of the sites emerged as a clear “front-runner” in the criteria ranking (sites averaging a score of 4.25 or above would be considered a front-runner caliber site).

Conclusions and Recommendations

The objective of this phase of work was to assess the potential health care facility development capacity, suitability and preliminary feasibility issues associated with four sites in the area serving the communities of Telluride and Mountain Village. Each of the sites possesses unique characteristics that are considered strengths as well as weaknesses as an area health care facility destination. While economic variables were not applied to the scoring of the sites, development economics will become an important component of the evaluation of one or more of the preferred sites that emerge as opportunities for this community asset.

Community preference or geo-political reasons or rationale for one site versus another were not factors considered in this analysis. These considerations will be further weighed in studies to be conducted by consultants retained by the Telluride Foundation that will further define and assess such issues.

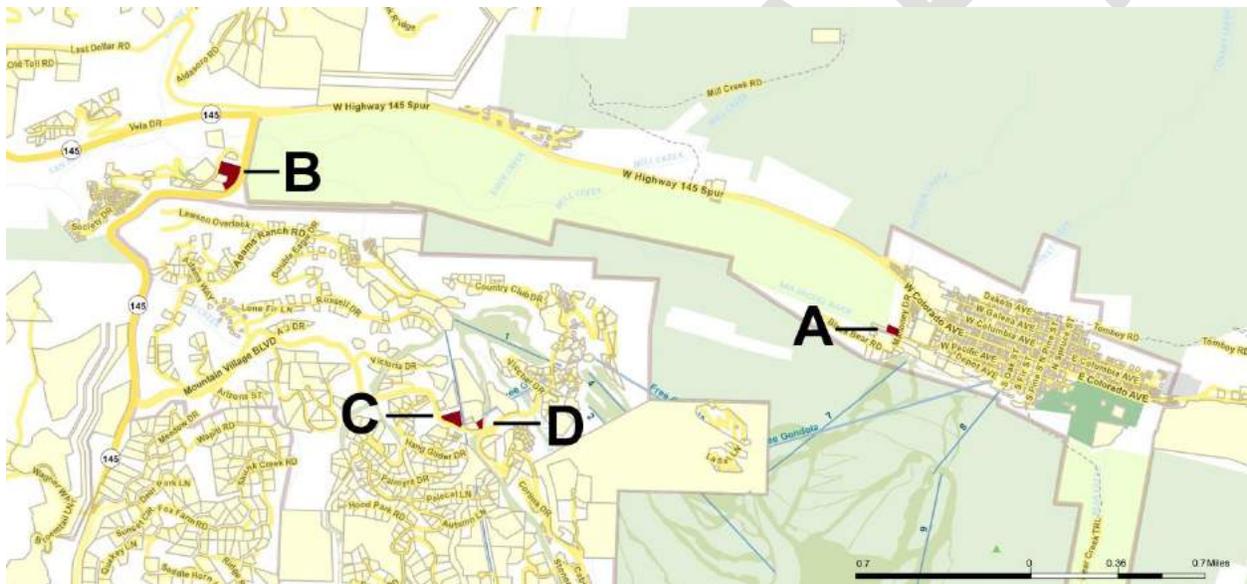
Frauenshuh would recommend the following “next-steps”:

- Authorize marketing consultants to evaluate market potential of the local health care services market, assess demand and determine “threshold” issues for new provider entrants into the Telluride-Mountain Village region.
- Gather community input on alternatives for the “vision” of healthcare and wellness care delivery in the Telluride-Mountain Village region including geo-political considerations regarding location and access to facilities.
- Narrow the evaluation to at least two preferred alternatives for more in depth analysis and feasibility study (based on this report and the findings in outcomes of the activities in the bullet points above). Formalized communications with the property owners of select alternatives and preliminary engineering and design studies would be initiated.



SITE LOCATION MAP

Telluride / Mountain Village



SITE A - Town of Telluride Site

SITE B - Society Drive Site

SITE C - Mountain Village 1007-1008 Site

SITE D - Mountain Village Town Hall Site



PARCEL ASSESSMENT MATRIX CRITERIA

Telluride - Mountain Village Medical Center Site Selection

- Score 1 -5 INFRASTRUCTURE/ACCESS TO UTILITIES & PARKING**
Proximity and availability of required utilities in appropriate size/quantity to adequately serve immediate and future needs. Ability of the site to fulfill basic parking requirements for the facility.
- Score 1 -5 SITE ACCESS/EMS/HELIPAD**
Appropriate access for community members (pedestrian and vehicular), EMS vehicles and helicopter.
- Score 1 -5 PARCEL AVAILABILITY/ENCUMBRANCES**
Opportunity to align development parameters to allow for aggressive progress toward design and construction start.
- Score 1 -5 APPROVAL PROCEDURES/TIMEFRAME**
Required municipal stages of approval and associated timeline conducive to an aggressive development schedule.
- Score 1 -5 FUTURE EXPANSION POSSIBILITIES**
Opportunity for subject property to support additional construction or expanded specialties and services following initial program development.
- Score 1 -5 ADJACENCIES (PROGRAMMATIC)**
Can clinical programmatic components be optimally located relative to the site and each other on/within the subject parcel?
- Score 1 -5 SUSTAINABLE OPPORTUNITIES**
Does the parcel possess the opportunity to foster green building principals utilizing specific exposures, green building systems and LEED principals?



Town of Telluride Site

Telluride, CO

LOT DATA:	Parcel ID:	Pearl Lot Parcel B
	Parcel Size:	Approximately 42,380 SF
	Boundaries:	Mahoney Drive to the east Pearl Lot Parcel A (Under Conservation) to the north Townhouse Development (Private) to the west San Miguel River to the south

LOT NARRATIVE SUMMARY:

The RV Lot has unfettered access to required building and site utilities, some of which already enter or traverse the site. The parcel scored the highest of all those considered in this category. The RV Lot also offers easy pedestrian access, vehicular access and EMS access in addition to the opportunity to offer direct helicopter transport to and from the site. However, the basic timeline for municipal approvals and requisite stages of preliminary development extend well into 2014. This in turn presses the schedule for building design and construction through a period that would extend into the fourth quarter of 2015, or even the first half of 2016.

Unfortunately, the basic parcel size together with the components that comprise its immediate surroundings – river, roadway, housing development, and wetland – will not support or offer any future expansion beyond the initial construction. Additionally, the site must continue to act as a thoroughfare for the affordable housing development recently completed directly to the west of the site. No other access is available to this development other than through the RV Lot. These factors combine to create the lowest score of all potential sites when considering the possibility of providing expansion opportunity and additional specialties or medical services in the future. The site is also severely limited in its capacity to provide basic parking requirements for the facility. Any reasonable amount of parking provided on site will have to be supplied by the existing parking lot to the South.

Municipal government support for locating the medical center in Telluride is very high, despite the tight programmatic fit on the RV Lot and compressive dimensional limitations that could ultimately affect the efficiency and efficacy of the building program components, the limited opportunity to harness solar exposure and sustainable building strategies, or ever expand the program and building in this location.

The Town of Telluride site places considerable restriction on expansion options for the site. The small footprint will force a vertical structure resulting in a premium on building shell construction. It is estimated that building cost per square foot will increase by 20%.

TOWN OF TELLURIDE SITE SCORING MATRIX

INFRASTRUCTURE	ACCESS	ENCUMBRANCES	APPROVALS	EXPANSION	ADJACENCIES	GREEN BUILDING	COST
3	4	4	2	1	2	3	HIGH

TOWN OF TELLURIDE TOTAL SITE SCORE

19

TOWN OF TELLURIDE SITE

Telluride, CO



DRAWING NOT TO SCALE
BOUNDARY DIMENSIONS APPROXIMATE



Society Drive Site

San Miguel County, CO

LOT DATA: Parcel ID's: HUB2B, HUB2C, HUB2E
 Parcel Size: Approximately 180,772 SF
 Boundaries: Highway 145 to the east and south
 Society Drive to the west
 Commercial property and Gas station (Private) to the north

LOT NARRATIVE SUMMARY:

Society Drive Lot has access to required utility infrastructure; however, this access is encumbered by a utility access agreement with the town of Telluride that must be modified in conjunction with the Lawson Hill Property Owners in order to complete the development. It is understood that this agreement will be achievable if the Society Dr. site is chosen based on the other factors described in this analysis. Additionally, although vehicular, EMS and helicopter access to this site are all good given its central valley location half way between Mountain Village and Telluride, direct pedestrian access is the least ideal of all sites considered.

The basic timeline for municipal approvals and requisite stages of preliminary development also lowered the viability of this site. A schedule that includes reconfiguring the boundaries of the included parcels to accommodate the county's requirement for 175 parking spaces, amending the Mater Plan governing the site, re-zoning, completing a traffic study, completing the P.U.D. process, amending the utility agreement, and getting an approved building design proposal could easily extend well into 2014. This again extends the schedule for building design and construction through a period that would stretch into the fourth quarter of 2015, or potentially the first half of 2016.

The basic parcel size and configuration is one of the best of the sites evaluated. Its total area, relatively flat terrain and available options for site access points and site circulation will support a variety of opportunities for future expansion beyond the initial construction. The site also benefits from high visibility and flexibility afforded by its boundary dimensions. These factors combine to create one of the

highest scores of all potential sites when considering the possibility of providing expansion opportunity and additional specialties or medical services in the future. The site also offers the highest potential for harnessing solar exposure and other sustainable building strategies much more effectively than north-facing and physically sheltered sites.

Society Drive provides the most economically favorable conditions in regards to the physical site. Relatively flat topography will require little site work and ample space will allow the facility to expand horizontally. In addition, the site offers enough space to position the required helipad at ground level rather than on the roof of the facility. Pricing for Society Drive is used as the baseline for this analysis because of the conditions described above.

SOCIETY DRIVE SITE SCORING MATRIX

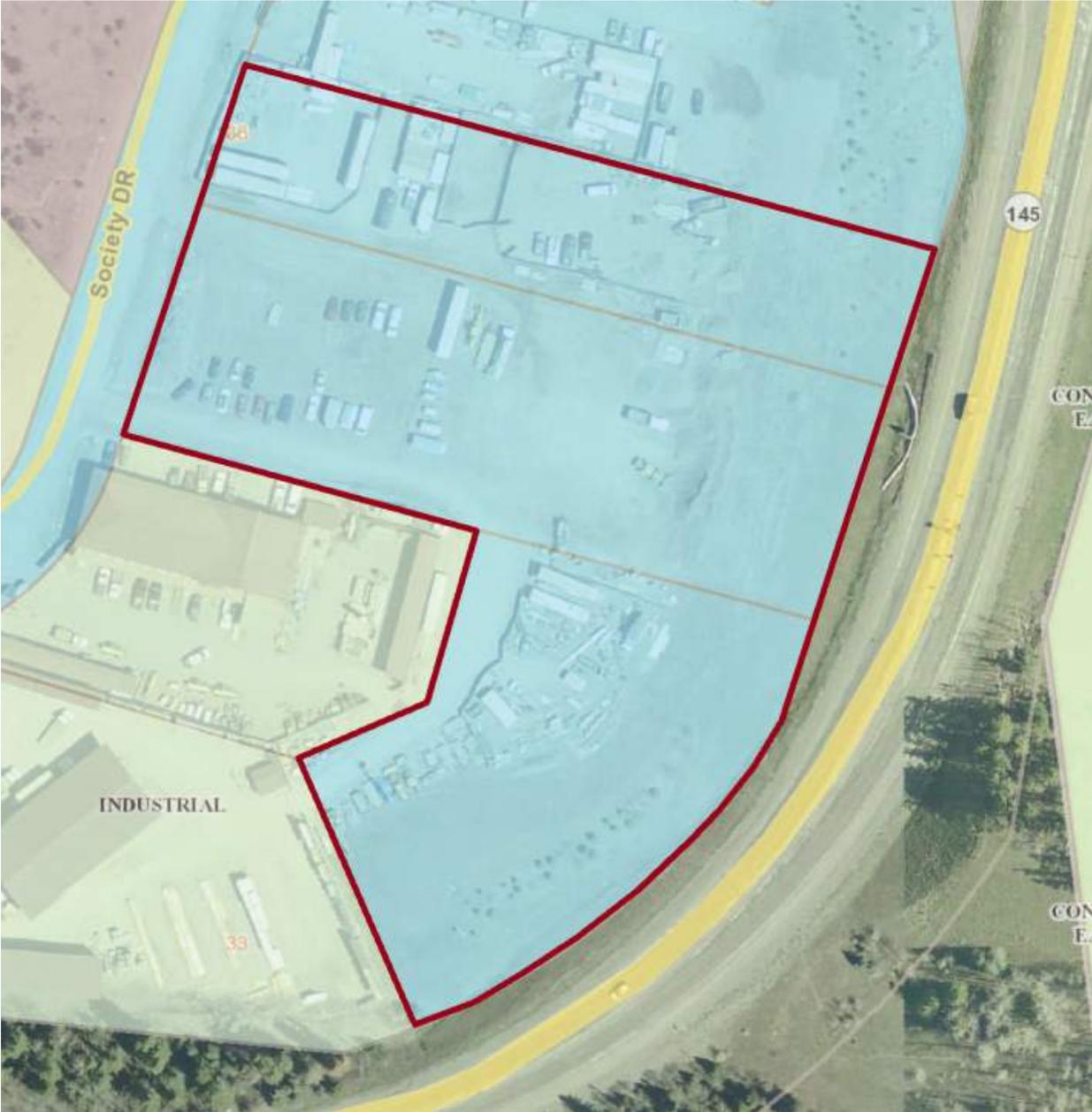
INFRASTRUCTURE	ACCESS	ENCUMBRANCES	APPROVALS	EXPANSION	ADJACENCIES	GREEN BUILDING	COST
3	3	4	2	4	5	4	LOW

SOCIETY DRIVE TOTAL SITE SCORE

25

Society Drive Site

San Miguel, CO



DRAWING NOT TO SCALE
BOUNDARY DIMENSIONS APPROXIMATE



Mountain Village 1007-1008 Site

Mountain Village, CO

LOT DATA: Parcel ID's: Lot 1007 – Lot 1008
Parcel Size: Approximately 92,600 SF
Boundaries: Triangular site:
Mountain Village Boulevard to the south and west
Town Hall, Parking Ramp and Grocery to the east
Village Court Apartments to the north

LOT NARRATIVE SUMMARY:

The Mountain Village 1007-1008 site has access to required utility infrastructure and the site can also readily be configured to accommodate necessary vehicular, EMS and helicopter transport access. Direct pedestrian access to the site is good for Mountain Village residents, and the site also accommodates direct ski-in and ski-out access.

Municipal approvals and requisite stages of preliminary development are the most expeditious of the sites evaluated. The total approval schedule timeline covering required municipal steps through final design review was the shortest in Mountain Village of all sites reviewed as a part of our analysis. Mountain Village has preemptively revised their Comprehensive Plan and initiated the rezoning processes to facilitate the development of a medical facility in Mountain Village. Remaining steps in the approvals process will include vacating and re-aligning of the west-bound lane of Mountain Village Blvd., Design Review Board approval, and final development submittal. The total schedule could be completed in a few months and the site, if selected, could be ready for development early in 2014. This in turn creates a schedule for building design and construction that is far earlier than sites located in Telluride or Society Turn.

The basic parcel size, when combined with vacated land area from Mountain Village Blvd. is one of the best of the sites evaluated, even when setting aside a portion of the site for future use by the school

district. Its total area, together with the configuration of surrounding terrain and available options for site access points and site circulation will support a variety of options for the final building configuration and some additional opportunities for future expansion beyond the initial construction. The site also benefits from some flexibility afforded by its boundary dimensions. These factors combine to create a high score when considering the possibility of providing expansion opportunity and additional specialties or medical services in the future.

Finally, municipal government support for locating a medical center in this location is extremely high in Mountain Village as exhibited by the preemptive steps already in process at the municipal level to help expedite development potential. The town of Telluride and remote surrounding areas that will also provide patronage to the facility may find the mountainside location less desirable, but the parcel holds one of the highest potentials for effectively arranging the internal and external components of the Medical Center program components. Unfortunately, the north-facing slope of the mountainside location and sheltering terrain does not lend high potential for harnessing quality solar exposure and some other sustainable building strategies.

The Mountain Village 1007-1008 site has two primary economic considerations that will increase the baseline assumptions. The location will require the repositioning of Mountain Village Blvd. along with some grading to the existing site. In addition, the size of the lot will force the building to expand vertically and necessitate the required helipad to be placed on the roof. It is estimated that these items will increase the building shell cost by 20%, the site cost by 30%, and add approximately \$150,000 for repositioning the road.

MOUNTAIN VILLAGE LOTS 1007-1008 SITE SCORING MATRIX

INFRASTRUCTURE	ACCESS	ENCUMBRANCES	APPROVALS	EXPANSION	ADJACENCIES	GREEN BUILDING	COST
4	3	4	4	4	4	2	HIGH

MOUNTAIN VILLAGE LOTS 1007-1008 TOTAL SITE SCORE

25

Mountain Village 1007-1008 Site

Mountain Village, CO



DRAWING NOT TO SCALE
BOUNDARY DIMENSIONS APPROXIMATE



Mountain Village Town Hall Site

Mountain Village, CO

LOT DATA:	Parcel ID's:	Parcel D, Medical Center Site
	Parcel Size:	Approximately 14,572 SF
	Boundaries:	Town Hall parking lot to the west Gondola To the north Ski Run to the east Mountain Village Blvd. to the south

LOT NARRATIVE SUMMARY:

Mountain Village Town Hall Site has access to required utility infrastructure and the site can also readily be configured to accommodate necessary vehicular, EMS and helicopter transport access (rooftop). Direct pedestrian access to the site is good for Mountain Village residents, and the site also accommodates direct ski-in and ski-out access.

Municipal approvals and requisite stages of preliminary development in Mountain Village are the most expeditious of the sites evaluated. The total approval schedule covering required municipal steps through final design review will be the shortest in Mountain Village of all sites reviewed as a part of our analysis. Mountain Village has preemptively revised their Comprehensive Plan and initiated the rezoning processes to facilitate the development of a medical facility in Mountain Village. Remaining steps in the approvals process will include Design Review Board approval, and final development submittal. The total schedule could be completed in a few months and the site, if selected, could be ready for development early in 2014. This in turn creates a schedule for building design and construction that is far earlier than sites located in Telluride or Society Turn.

The basic parcel size in combination with its topography is constrictive, even when considering that parking will be accommodated in the existing surface lot directly in front of the site, and the parking ramp located behind Town Hall. Its total buildable area, together with the configuration of surrounding

terrain and available options for site access points and site circulation will support limited options for the final building configuration, and will not provide many additional opportunities for future expansion beyond the initial construction. The site also suffers from some inflexibility created by its fixed adjacencies including the Town Hall building, Mountain Village Boulevard, and the ski run to the east. These factors combine to create a low score when considering the possibility of providing expansion opportunity and additional specialties or medical services in the future.

Once again, municipal government support for locating a medical center in this location is extremely high as exhibited by the steps already in process at the municipal level to help expedite development potential and the establishment of a parcel specifically guided and dedicated to medical programs. However, the town of Telluride and remote surrounding areas that will also provide patronage to the facility may find the mountainside location less desirable.

The Medical Building site, due to the limited flat region on the parcel and steep grades that dominate the rest of it, will be slightly restrictive in the efforts to effectively arranging the internal and external components of the Medical Center program components. Unfortunately, the Medical Building Site also suffers from the same short-comings as the Town Hall Center site in Mountain Village given the north-facing slope of the mountainside location and associated terrain – it does not lend itself to the potential for harnessing quality solar exposure, nor does it easily accommodate other sustainable building strategies.

The Mountain Village Town Hall site has two primary economic considerations that will increase the baseline assumptions. The location’s topography will require additional site work in order to accommodate the prospective medical center. In addition, the restrictive size of the lot will force the building to expand vertically and necessitate the required helipad to be place on the roof. It is estimated that these items will increase the Building Shell cost by 20% and the Site Work by 30%. While parking capacity may be available nearby (i.e. existing parking structure), the ability to expand parking in optimal proximity to the building is a significant constraint.

MOUNTAIN VILLAGE TOWN HALL SITE SCORING MATRIX

INFRASTRUCTURE	ACCESS	ENCUMBRANCES	APPROVALS	EXPANSION	ADJACENCIES	GREEN BUILDING	COST
3	3	4	4	2	2	2	HIGH

MOUNTAIN VILLAGE TOWN HALL TOTAL SITE SCORE

22

Mountain Village Town Hall Site

Mountain Village, CO



DRAWING NOT TO SCALE
BOUNDARY DIMENSIONS APPROXIMATE

Telluride Health and Wellness Site Threshold/ Fit Analysis (by ranking)

Rank	SITE	PHOTO	TOTAL SITE AREA (APPROX)	SITE BUILDING CAPACITY	NUMBER OF FLOORS/ FOOTPRINT/ PARKING	ZONING/LAND USE CONTROLS	SCHEDULE CONSIDERATIONS	ECONOMIC CONSIDERATIONS
1	Society Turn Lots		108,770	40,000	2 Floors 20,000 sf footprint 287 Total parking spaces on site (175 dedicated to transit, 112 dedicated to medical center)	Zoning able to accommodate medical facility.	Amendment to master plan, utility agreement and P.U.D process could extend approvals into 2014.	- Est. Hard Costs PSF: \$245 - Est. Soft Costs PSF: \$45 - Est. Total Costs PSF: \$290 * The economic analysis does not make assumptions on extraordinary conditions such as environmental, soils capacity and other zoning constraints that could add additional premium to development costs.
	Criteria	Grade						
	Surrounding Infrastructure/ Access to Utilities	3						
	Site Access/ EMS/ Helipad	3						
	Parcel Availability/ Encumbrances	4						
	Approval Procedures/ Timeframe	2						
	Future Expansion Possibilities	4						
	Adjacencies (Programmatic)	5						
	Sustainable Opportunities	4						
	TOTAL	25						
2	Mountain Village 1007-1008		92,000	40,000	3 Floors 13,350 sf footprint 75 Parking Spaces On Site Balance Of Spaces Provided In Ramp	Zoning able to accommodate medical facility.	Shortest approval process. Preemptive zone changes to comprehensive plan will reduce approval process to a few months.	- 30% premium on site work - 25% premium on building shell due to vertical expansion and rooftop helipad. - Est. Hard Costs PSF: \$302 - Est. Soft Costs PSF: \$53 - Est. Total Costs PSF: \$355 * The economic analysis does not make assumptions on extraordinary conditions such as environmental, soils capacity and other zoning constraints that could add additional premium to development costs.
	Criteria	Grade						
	Surrounding Infrastructure/ Access to Utilities	4						
	Site Access/ EMS/ Helipad	3						
	Parcel Availability/ Encumbrances	4						
	Approval Procedures/ Timeframe	4						
	Future Expansion Possibilities	4						
	Adjacencies (Programmatic)	4						
	Sustainable Opportunities	2						
	TOTAL	25						

Telluride Health and Wellness Site Threshold/ Fit Analysis (by ranking)

Rank	SITE	PHOTO	TOTAL SITE AREA (APPROX)	SITE BUILDING CAPACITY	NUMBER OF FLOORS/ FOOTPRINT/ PARKING	ZONING/LAND USE CONTROLS	SCHEDULE CONSIDERATIONS	ECONOMIC CONSIDERATIONS		
3	Mountain Village Town Hall		14,600	40,000	4 Floors 10,000 sf footprint 12 Parking Spaces Dedicated In Existing Parking Lot Balance of Spaces Provided In Ramp	Zoning able to accommodate medical facility.	Shortest approval process. Preemptive zone changes to comprehensive plan will reduce approval process to a few months.	<ul style="list-style-type: none"> - 30% premium on site work - 25% premium on building shell due to vertical expansion and rooftop helipad. - Est. Hard Costs PSF: \$298 - Est. Soft Costs PSF: \$53 - Est. Total Costs PSF: \$351 <p>* The economic analysis does not make assumptions on extraordinary conditions such as environmental, soils capacity and other zoning constraints that could add additional premium to development costs.</p>		
									Criteria	Grade
									Surrounding Infrastructure/ Access to Utilities	3
									Site Access/ EMS/ Helipad	3
									Parcel Availability/ Encumbrances	4
									Approval Procedures/ Timeframe	4
									Future Expansion Possibilities	2
									Adjacencies (Programmatic)	2
Sustainable Opportunities	2									
TOTAL	20									
4	Town of Telluride Pearl Property		42,400	40,000	4 Floors 10,000 sf footprint 30 Spaces On-Site	Zoning able to accommodate medical facility.	Approval process will extend into 2014 which could push completion into 2015 or 2016.	<ul style="list-style-type: none"> - 20% premium on building shell due to vertical expansion. - Est. Hard Costs PSF: \$296 - Est. Soft Costs PSF: \$54 - Est. Total Costs PSF: \$350 <p>* The economic analysis does not make assumptions on extraordinary conditions such as environmental, soils capacity and other zoning constraints that could add additional premium to development costs.</p>		
									Criteria	Grade
									Surrounding Infrastructure/ Access to Utilities	3
									Site Access/ EMS/ Helipad	4
									Parcel Availability/ Encumbrances	4
									Approval Procedures/ Timeframe	2
									Future Expansion Possibilities	1
									Adjacencies (Programmatic)	2
Sustainable Opportunities	3									
TOTAL	19									

Summary for Internal Use

Telluride Health Ideas Public Engagement Website

Round One Summary

The Telluride Foundation launched a public engagement initiative focused on health and wellness issues, including future programs and/or facilities to support the community's vision for health in the area. Round one of questions launched on Thursday, May 30th and had a soft ending on Wednesday, June 26th. The questions and specific areas of emphasis were developed in collaboration with the Telluride Foundation and stakeholder interviews. Several types of questions were asked including open-ended, idea generation items—such as what is your vision for a healthy Telluride?—to the more concrete—such as selecting the top five healthcare priorities available in Telluride.

The ideas submitted on the site are “crowd sourced.” This means other users can add to ideas submitted by their peers and provide an initial assessment on favorability. The online opportunity provide an easy way to include Coloradans who do not ordinarily attend public meetings and those second homeowners who may not be able to attend face-to-face meetings.

Telluride Health Ideas Page Activity

- 2,849 page views
- 303 site visits
- TellurideHealthIdeas has 62 registered site users. Only users who registered were allowed to comment, vote on ideas and participate in polls. Zip code, age and gender are required to become a registered user on the site

In response to several community members having difficulty navigating the site, the Telluride Foundation created an online survey with similar questions. Where appropriate, those data have been incorporated into this report.

IDEAS SUBMITTED BY USERS ON WEBSITE AND ON SURVEY

20 ideas were submitted online by users representing a range of views, perspectives and backgrounds. There were 26 responses on Constant Contact Survey. This section summarizes the ideas raised in both the website and the survey.

QUESTION 1: VISION

The first question on the site asked, what is your vision for a healthy Telluride? (Only asked on TellurideHealthIdeas.org, not on Survey). The following ideas are in order of popularity, or in other words, which ideas crowd sourced to the top. By and large, building a recreation center in Telluride was the most popular idea. There were also several users concerned about the aging population in Telluride and it becoming more and difficult to live in or visit Telluride unless there is access to broader and more specialized medical services.

Theme: Build a Recreation Center

- a) Sharon G: *Rec Center for all ages to exercise when the weather is poor.*

The community needs to work together on ideas and not limit our possibilities due to small groups' narrow views. There have been too many good things held back by certain governmental institutions. A rec center would be a positive addition to this community and there is potential to provide additional preventative/wellness services attached to such a center (such as physical therapy, strength training and conditioning, etc.)

- b) Blythe S: *An affordable recreation center and a health food store.*
Eating well and exercising are the two biggest ways we can prevent disease and illness. Having a rec center could provide year-round opportunity for exercise. And having a health food store that lasts could be a place where we can make healthy food choices.
- c) David C: *Incorporate a rec center with this health care facility.*
The Idarado site east of town probably has numerous clean up issues but would provide a large footprint for a rec center on the scale of those found in Cortez, Gypsum and Boulder.
- d) Betsy M: *A recreation center with a 'real' indoor pool - everyone swims!*
A rec center (like Durango, Montrose, etc.) would be ideal. Something with a year round indoor pool, hydrotherapy/hot tub, kid pool (i.e. zero entry like the Salida pool), gym, indoor track, climbing wall etc. Not only would a rec center be great for our locals, it would be a great tourist draw especially in the winter - for those that don't ski.

Theme: New Medical center

- a) Mark B: *Think broader than just a new clinic*
Telluride has always out-classed other resorts because of alternative thinking (and lifestyles). That same philosophy should carry over to the medical center. It's my opinion that a clinic should be a destination for those seeking alternative solutions to their health problems with world class visiting medical professionals. The new facility should be the cornerstone of a new tourism base in Telluride for health and wellness; should be large enough to attract the best medical minds either to live and work in Telluride or attend medical conferences that push the bounds of health care. I see a marriage between the clinic, the Peaks and its outdoor healthy programs and spa and what would be the Telluride Health and Medical Institute. And certainly if the new facility can do all of the above, then is surely can continue to meet the basic community needs to take care of the many families that live there.
- b) Stuart F: *One stop health care in the area of greatest population density*
A health and wellness center in Telluride. More of the primary population lives in that area as well as a substantial amount of guests year round. It should include physical rehab as well as specialized services so that we don't have to travel to Montrose or Grand Junction. It should cover all age groups from infants to seniors.
- c) Dennis M: *Buy tailings pile east of Town Park and put med center there.*
The Town of Telluride should buy the tailings pile east of Telluride. Being a superfund site it should have little assessed value. Plenty of room for a huge medical/health facility, helipad, Festival Grounds for events like Bluegrass (with a large stage facing south for noise control, and perhaps permanent seating similar to the Miller Summerfest Stage in Milwaukee), recreation center, parking, etc.

Other ideas that did not gain much traction or support include:

- Excellent Healthcare with an E.R. that accepts BC/BS
- Proactive preventative care locally
- More specialized practices - especially cardiology

QUESTION 2: LOCAL ECONOMY AND HEALTHCARE

When asked how the health of local residents and access to healthcare services impact the local economy, many users made the correlation that a healthy workforce equals a healthy economy. (This question was asked on both TellurideHealthIdeas.org and the online survey.)

Crowd sourced to the top on website: Stuart F: *Provide high quality care here*

We need to be able to build the confidence level in our region that will cause all primary residents and guests to think of our center before all others. It needs to be readily accessible to the broadest population base and it needs to promote itself as the place to take care of your physical and mental issues.

Theme: Preventative care should be the focus

- a) Jules W: *Create a culture of health awareness*
Educate how we can reduce cost with preventative medicine.
- b) Betsy M: *Preventative Medicine should be primary goal*
A large med center with alternative options available would be great but it would have to be affordable. But, it should not be exclusionary - all PT's, massage therapists, acupuncturists should get the business even if they don't buy in to the centralized med center. A bigger ER with a helicopter pad would be nice but should be located in the town of Telluride (pearl property?!).
- c) Commitment to a healthy lifestyle and adequate prevention services result in lower per capita health-care costs (survey)
- d) Easy access translates to more preventive care, more urgent care and less ER visits (survey)

Theme: Lower healthcare premiums (all from online survey)

- a) Too many underinsured, specifically retail workers are without insurance involved in adventurous/risky activities. Could better educate employees or employers on availability and costs. These patients cost our local healthcare system a lot of money, as well as the patient who is strapped with a potentially high medical bill from injury.
- b) Good overall health of the community could transfer into lower healthcare premiums.

Theme: Expanding care in Telluride (all from online survey)

- a) As much basic health care should be provided for within a community. This provides a community with a feeling of security and safety. In addition, it provides economic benefit by keeping money flowing and recirculating within the community.
- b) The facility is not in good condition, but TMC works with what they have and do everything possible. The Village and Town are running out of space to build, the new TMC must be large enough to accommodate the growing population's needs.
- c) If services could be provided locally less dollars would be spent shopping/eating out/etc. in other communities.
- d) Due to our remote access it is important to have basic quality primary and emergency services in order to sustain a vibrant community.
- e) The lack of local services necessitates time off work to travel to receive those services and thus result higher expense to replace the worker while they are gone. The combined impact on the employer and the employee deprives the local economy of dollars.
- f) Workforce productivity is negatively impacted by a deficiency in healthcare services.
- g) I think the more access to healthcare services is available, the more viable our workforce is.
- h) Health care services not provided within the community must be sought after outside the community. In some cases, this is appropriate as the economics of scale may not support specialty fields within the community. Public subsidizing of these services may be an undue burden on the citizens, given all the varied needs that have to be provided for with even a small population.
- i) If there is good affordable care, locals will use it and stay in better health and keep their health care dollars nearby.

Theme: Aging population leaving

- a) Direct impacts include the fact that many of us travel for basic care and it would be better to keep those dollars in the community. Longer term, mountain towns are aging and folks continue to move away for basic care and a better health center could help to retain more residents for longer. An affiliation with a larger hospital in GJ would make this even more compelling.
- b) With aging demographics and second home owners, more specialties are needed and there should be health and wellness and longevity programs that attract tourists.

- c) I am a 72 year old man who is a part time resident of Mt Village. My wife and I are in Telluride 3-4 months annually. At some point in the foreseeable future, we will either stop coming to Telluride or reduce the amount of time we spend there. This will be because:
- We are no longer able to ski, hike, etc. because our physical condition has deteriorated;
 - The altitude and severe climate have become hard to handle;
 - Health services that we may require are too far away. That could refer to many things, but most likely it will be the needed for cardiac or cancer care

QUESTION 3: A HEALTHY COMMUNITY

When asked what the best ways to keep the Telluride community healthy, many people responded that they need affordable, healthy food choices. Also a priority for improving the health of the community is a new recreation center and more education on health and wellness and preventative healthcare.

Theme: No improvements needed

Access to great outdoor activities

We already have a great farmer's market

We have a wonderful Telluride Medical Center with outstanding healthcare providers who deliver excellent care.

We really do not have to do anything more

Theme: More food choices

Inexpensive access to fresh fruit & veggies

Access to affordable nutritious foods/organic produce, reasonably priced

Access to healthy foods and healthy prepared foods

Grocery stores could attempt to have better quality produce

Better access to affordable, nutritious food would be another way to keep the community health

Theme: Healthcare Improvements/ Expanding care

Ability to see a specialist locally

Ensure all community members are insured

Improved access to quality, evidence-based, best practice health care would be one way to keep the Telluride community healthy

Holding Primary Care Physicians to high standards and putting them in touch with peers would help them to practice current and best medicine

Providing care management in the community would improve transitions and maintenance of health

Theme: New Recreation Center

Recreational facilities that can be used year round.

More indoor recreational activities such as a recreational center would enhance Telluride for both local residents and visitors

Would love to see a community center to provide affordable access to gym/swimming etc. year round

Add a rec center

Affordable recreational opportunities

Theme: Education and Preventative Care

Greater public education regarding access to health care for low income people who do not qualify for Medicaid

Many people do not know how to have a balanced diet or how to properly exercise

Preventive care and more basic services here so that they are utilized consistently, versus forcing long drives that tend to get deferred.

TMC health seminars for health issues

Annual physical examinations for everyone

Keeping kids healthy starts with elementary school and teaching the fundamentals of diet and exercise.

Need LIFESTYLE/DIET counseling. I feel diet (and exercise) are critical to being healthy and are not sufficiently a part of preventative medicine. It should be a part of every consult.

Theme: Miscellaneous

More hand sanitizer stations offered around town

Business supported rec activities for the employees. Incentives for biking to work, losing weight, reducing alcohol consumption, etc.

Changing the party culture of the town, encouraging more athletic events and reducing the number and volume of the party related festivals. Let's cut back on all of the alcohol inspired concerts and reduce the number of tickets for sale

QUESTION 4: IMPROVING HEALTH IN TELLURIDE

When asked what the best ways to improve health, healthcare and wellness in the Telluride community, many responded with ways to improve collaboration between other healthcare facilities and professionals, ideas for expanding care in Telluride and thoughts on improving wellness and education on health living. This question was asked on the TellurideHealthIdeas site and the online survey.

Theme: Collaboration with other hospitals and healthcare professionals

- a) Stuart F: *Speakers on a variety of topics related to health services*
It should focus on not just getting over an illness or accident but also to educate on how to avoid illness and accidents. Preventive tips.
- b) Virginia L: *Bring in specialists more frequently and provide a location for them to see patients*
- c) I would like to see collaboration with Public Health and the grants that are available through State Public Health.
- d) bring in local specialists or use telehealth
- e) Helpful to have a connection to a larger medical facility in Denver.

Theme: New Medical center/ Healthcare Improvements/ Expanding care

- a) Tricia M: *New Medical Center as envisioned near the Pearl Property.*
Aspen has done a great job with this. As we all get older, we need medical facilities in close proximity. I fear my family will have to leave someday as my significant other requires constant medical care which we are currently receiving at the Mayo and Mercy in Durango.
- b) ensure local providers accept Medicaid & CHP+
- c) We are seriously lacking Pediatric care
- d) Urgent Care option or just more availability to a physician in the high season
- e) A local facility with a broader array of services, both preventive and basic
- f) Keep TMC Primary Care and the ER as one unit
- g) Communicate the importance of the medical center in town. Stop letting the people who are here for half the year decide about the health services of our permanent residents
- h) Need affordable health care
- i) Add more services. Would be so great if we had regular ortho care here, and people didn't have to travel for it. Or pediatric. Or ob/gyn. And mental health, and dermatology. Etc.
- j) Also, in my ideal world, acupuncture, homeopathy, chiropractic, herbal therapy, massage, etc. would be covered with insurance!

Response to comment about improving TMD: The Telluride Medical Center is bringing in a healthcare coordinator who will monitor patients with chronic diseases and make sure they follow prescribed regimens. Health educations is being offered to chronically ill citizens via teleconferencing with St. Marys. Periodic health

events are conducted to offer low cost physical exams and other screenings. I am not sure how else we can "improve".

The Telluride Medical Center is awesome, because the practitioners have adapted over the years to the changing desires of patients. There is integrative medicine, and more alternatives offered to standard allopathic care. The more we do this the better. I do think that classes like Lynn Mayer teaching nutrition classes at the library are hugely beneficial, and we need more, more, more of them. Classes on stress management would be good too, but I don't if people would attend, like they do nutrition classes.

Theme: Wellness/Education on services available and healthy living/New recreation center

- a) Blythe S: I can't think of a better idea to improve our health than through our diet and exercise. A rec center and health food store could provide this.
- b) More affordable programs offered by the recreation center
- c) Produce guide or provide 211 for all services/entities that offer health & wellness services to educate community on what exists, financial requirements, & other pre-reqs for participating
- d) Marlene S: Use summer months to conduct a series of town hall meetings
- e) assist individuals in enrolling in insurance programs
- f) The best ways to improve health are through education and better distributors of food.
- g) Educate local Employers or Human Resource Departments on what employee health insurance covers, so they may explain to their employee's company benefits. So many people do not fully take advantage of their coverage. By having the patient understand what medical care is available would expand the chances of improved health care.
- h) Improve diets and lifestyles.
- i) Attract good professionals who have a stake in the community. Change the culture to one that embraces wellness.
- j) Access to exercise and screenings. However, I am not particularly interested in getting my services here. I have established relationships with doctors in my hometown.
- k) Add a rec center that has all the attractive ways to exercise.
- l) I would like to see a Rec Center that is affordable for working residents.
- m) Continuing education presentations at the library with Q&A sessions are helpful. Getting people involved in their own healthcare via patient portals, education material and access to their Primary Care provider allowing them to make their own healthcare decisions will help improve their health and well-being.
- n) Community center
- o) Outreach in the communities who do not have access to health care, care managers to help residents navigate through the health care system, collaboration and better communication between community health care providers.

QUESTION 5: OVERCOMING OBSTACLES TO CARE

We asked: How can the Telluride community better care for those who have obstacles to healthcare? The general response to this question was that there are many services available, but there needs to be more education on how to access these services and what people are eligible for. Also, for those who do not have healthcare currently, many suspect federal healthcare reform will fix this. This question was asked on the TellurideHealthIdeas site and the online survey.

Theme: Current programs and services are serving the needs, but we can improve education on what is available

- a) Sharon G: *Maintain current projects for the underserved*
With the help of the Telluride Foundation, Tricounty Health Network, Telluride Medical Center and San Miguel County Nursing locals in the region have access to help with insurance enrollment, non-

emergency transportation, dental screening for the young, sliding scale clinics, health fairs, local community health workers, a clinic that takes Medicare and Medicaid. We are fortunate however it remains a struggle to maintain these valuable assets.

- b) Marketing what is available through the Daily Planet, etc.
- c) Ongoing community education
- d) We need to make sure all that will be gaining health insurance understand their options. If they do not understand their options, they will most likely get something they do not need or want. Also, if the clinic would lower prices, it would be more reasonable to be a patient there. I only go there for things that I absolutely need done.
- e) Better education of what is available. For example many of the younger population's high cost medical bills come from an injury and they are not insured. If they were to get just an accident policy they could avoid some of these high cost bills and accident insurance is affordable
- f) Better education on the importance of having planned to cover healthcare costs and resources explaining different options available
 - a) Public Service campaigns by the community and social services to educate the community
 - b) More public forums of discussion- such as newspaper articles, "how to" work shops, a designated person within the community who can be easily accessed
 - c) Having a resource guide available to all would help

Theme: Expand services and scope

- a) Stuart F: *Broaden our scope*. We have very little community focus on seniors, which should be expanded. That population is growing and with an average age in Telluride in its mid-30's we need to make sure that seniors feel that they can also get excellent advice and care.
- b) Transportation to specialists in Montrose, Durango and GJ could be helpful, however, the Telluride Medical Center is striving to bring visiting specialists to Telluride each month. The only barrier is the willingness of some specialist to come to Telluride - perhaps a community subsidy might expand this program.
- c) Write Grants for financial assistance for The Medical Center! TMC is a non-profit organization, currently there is one generous Donator who gives TMC a large amount of funding, but they have chosen only to allow it to Hispanic population.
- d) Organize an insurance co-op to reduce costs
- e) A mill levy for the new facility. Enough to take care of those in dire need but not enough to socialize medicine in Telluride.
- f) Access to govt programs supplementing income/ food distribution/ health care
 - 1) Have a financial hardship program
 - 2) Have a Care Coordinator in Primary Care
 - 3) Have obs beds
 - 4) Have minor surgery capabilities
 - 5) Have home health care
 - 6) Have complementary medicine

Theme: Support of federal healthcare reform

- a) I support a federal safety net for all citizens when it comes to healthcare
- b) With Obamacare coming to CO, we should be able to increase our coverage of residents and visitors alike. The facility would become a magnet for preventive care and health fairs that raise awareness and access
- c) Medicaid is there for these folks, as well as Obamacare
- d) Socialized medicine! Single payer reform!
- e) Reform is needed that subsidizes indigent care by the federal government
- f) Medicaid will be expanding under the AHCA

Original idea

On a more visionary scale, if Telluride wants to lead by example, I am curious as to what it would cost for the community to "self-insure" itself. For example, I pay over \$5,000/year in health insurance. I would gladly give that to a local health care provider to provide me with basic services and cover my services needed outside the community, when necessary. If the Telluride region has 7,000 people and half of them sign up for this service, that's over \$17 million, the majority of which would stay here in the community.

What is the word or phrase you would use to describe health, healthcare and wellness in the Telluride community? (MindMixer & Constant Contact)

Active	Excellent	Isolated
Active	Excellent	Longevity
Adequate	Exercise	Magnificent
Adequate	Expensive	Minimal
Basic	Expensive	Nutrition
Basic	Expensive	Patched-together
Caring	Expensive	Poor
Community	Happiness	Preliminary
Community	Health-conscious	Quality
Compassionate	Healthy	Responsible
Critical	Healthy	Small
Do we have one?	Healthy	Vibrant
Engaged	Hypocritical	Well-intended
Essential	Improving	Wonderful

Voting on healthcare services (MindMixer & Constant Contact)

Health care service	Number who voted
Primary Care	37
Dermatology	35
Mental/Behavioral Health	31
Women's Wellness/OBGYN	26
Dentistry	25
Alternative Medicine	24
Pediatrics	24
Physical Therapy	24
Orthopedics	22
Telemedicine (video access to specialists and services)	20
Substance Abuse	17
Cardiac/Heart Care	16
Chiropractic	16
Optometry/Eye Care	13
24 Hour Pharmacy	11
Emergency Care*	11
Hospice/Palliative Care	8
Oncology/Cancer Care	8
Gastroenterology	4
Neurology	4
Orthodontics-	1

*Not included as an option to vote on in online survey

Comments on this question about services:

- Most of these already exist in some form in Telluride. Others are one hour away.
- Also, just because the services should be provided does not mean they should be provided at a central facility.
- I have established relationships with all of these services in my hometown -- these are top notch. Furthermore, people here can get these services in Montrose and Grand Junction. There is no reason to duplicate them here.
- Some of this seems kind of ridiculous to consider... I don't see us having oncology here. Or even hospice, really, given the demand.
- Need to add mammography/DEXA

Summary for Internal Use

Telluride Health Ideas Public Engagement Website

Round Two Summary

The Telluride Foundation launched a public engagement initiative focused on health and wellness issues, including future programs and/or facilities to support the community’s vision for health in the area. Round two of questions launched on Friday, July 5th and had a soft ending on Monday, July 22nd. The questions and specific areas of emphasis were developed in collaboration with the Telluride Foundation and stakeholder interviews. Most of the questions in this second round read much like a survey, providing users with a select set of answer choices. The open-ended, idea generation items asked users to submit a photo of what a healthy telluride means to them and one word to describe Telluride. These two questions were also included in round one.

Telluride Health Ideas Page Activity

- 2,914 page views (up from 2,849 page views in round one)
- 709 site visits (up from 303 site visits in round one)
- TellurideHealthIdeas.org has 75 registered site users (up from 62 users during round one). Only users who registered may comment, vote on ideas and participate in polls. Zip code, age and gender are required to become a registered user on the site

TELLURIDEHEALTHIDEAS.ORG & CONSTANT CONTACT SURVEY RESULTS

Twenty-six ideas were submitted online by users representing a range of views, perspectives and backgrounds. Twenty two users responded to the Constant Contact survey sent out. Both platforms had identical questions and slight variations in answer choices offered. This section summarizes the ideas raised by users as well as the results of the survey questions that were asked. Responses to surveys are ordered by most votes to least votes.

QUESTION ONE: WHAT DOES HEALTH AND WELLNESS IN TELLURIDE MEANS TO YOU

1. Which of the following are important to incorporate into a Telluride Health & Wellness Center?

Nutrition/healthy eating counseling	18 votes
Mental/Behavioral Health	16 votes
Physical Therapy	14 votes
Exercise Physiology	13 votes
Sports medicine	13 votes
Substance Abuse	12 votes
Alternative Medicine	11 votes
Women's Wellness	11 votes
Lifestyle coaching	10 votes
Telemedicine (video access to specialists and services)	10 votes
Chiropractic	8 votes
Altitude Physiology**	6 votes
Acupuncture	6 votes
Weight loss counseling	6 votes
Other	2 votes

** Option not offered on MindMixer site

OTHER: Financial wellness

COMMENTS:

- There already are good physical therapists here; Medical Center should not impede on these service. The same for acupuncture. Focus on services that ARE NOT available, which have been checked above.
- I have posted this in other areas on the site. I cannot stress enough about how vital this is in any wellness plan. The results I have seen myself - drastically reduced stress, resulting in drastically reduced health issues.
- "The new world of healthcare reform" ?...unproven, untested and mostly a self-responsibility. No "Center" will work for the poor or the responsible intelligentsia. Pie in sky expensive waste.
- None of these need to be combined unless they are located in the same or nearby building. No operational or legal combination is necessary or necessarily desired.

2. Given that Telluride is too small to support every service, how can we improve the ability for people to access health care services elsewhere?

Telemedicine	18 votes
Public transportation	10 votes
Private ride share	4 votes
Other	5 votes
We don't need to make any changes to access care*	2 votes
None of the above	2 votes

*Option not offered on Constant Contact survey

OTHER:

- Visiting specialist several times a month
- Part time doctors
- Improve the Medical Center
- Provide a location that is easily accessible year round to all patients
- Education

COMMENTS:

- I don't think there should be a problem unless it is an elderly or sick person who lives alone. The community usually steps in to help these people.
- We need to provide the facilities and financial incentives so more specialist spend time in Telluride on a regular basis e.g. Dr Singh for orthopedic. Also, empty nester or semi-retired doctors who want a shorter work week and/or a better quality of life should be recruited.
- I personally had a very negative experience at the Medical Center and doubt I would ever return. The doctor & nurse were fantastic. Everyone else - SCARY. If you want good health care then the wellness side has to mesh with the medical side, in a way that doesn't terrify everyday citizens.

3. It is important to have an emergency helicopter (“Flight for Life”) landing area:

Immediately adjacent to the Telluride Medical Center	25 votes
At least 15 minute drive away from the Center	4 votes
Not necessary	0 votes
Other	0 votes

COMMENTS:

- It may be more important to have an emergency helicopter close to the ski area. How many ski injuries require it vs. other injuries?
- Define 15 minutes? Maybe 5 minutes... with only one road in and out of town this leaves too much risk to a critical situation.
- What do the experts say?
- Is 15 minutes too far?
- Ponderous obviousity.
- BY Christine O: Why have you left out one of the biggest factors to wellness? Financial Wellness! The statistics are staggering. 70% of American's experience stress related illnesses (US Department of Health and Human Services). Sever and prolonged stress in financial in nature can have a serious effect on a person's physical and mental health (Consumer and Family Sciences of Purdue University). In a LinkedIn survey 64% said that finance is the biggest cause of stress in life. And, 40% of employees admit that stress over money negatively affects their productivity.

QUESTION TWO: TRAVELING OUTSIDE OF TELLURIDE FOR HEALTHCARE

1. Why do you go outside Telluride for health and healthcare services?

Service not offered in Telluride	21 votes
Prefer outside provider	10 votes
Specialist recommended by primary care provider	8 votes
Local provider is not in health plan network	5 votes
I don't travel outside of Telluride for healthcare services*	1 vote
Other (preference and proven expert sources)	2 votes

*Option not offered on Constant Contact survey

COMMENTS:

- Only go outside Telluride for Gyn.
- We need more board certified doctors. Some local docs are not board certified in the specialties we need, so we travel.
- The medical center scares me.
- World class specialists are desired by affluent residents.
- I prefer to get all my care in Telluride to the degree possible. The providers here are first class, their care is excellent and I don't have to wait to be seen. Waits of up to 2 hours are not uncommon at the Stedman Clinic when I went there for specialty care.

2. When you leave Telluride for health and healthcare services, what preparations and or considerations do you make?

Travel time away from home	19 votes
Travel costs	16 votes
Time off from work	13 votes
Transportation issues (public transportation, ride- share, medical shuttle)	3 votes
Not applicable to me*	2 votes
Childcare Arrangements	1 vote
Other	0 votes

*Option not offered on Constant Contact survey

COMMENTS:

- The medical facilities have world class physicians for heart, cancer and wellness.
- The dominant factor is the quality of care. We travel and spend the time to get better docs.
- This is part of living in a small community.
- Sure it costs to go outside of Telluride for care but anytime I would go for specialty care in the big city, I would have to take time off work.

3. When you leave Telluride for health and healthcare services, what other things do you combine the trip with?

Groceries	21 votes
Shopping*	18 votes
Eating out	14 votes
Other Appointments*	12 votes
Entertainment	6 votes
Business meetings	5 votes
Need to leave valley	5 votes
None of the Above	3 votes
Other	1 vote

*Option not offered on Constant Contact survey

COMMENTS:

- Telluride will always be a second home for me.
- Norwood
- We spend thousands in Montrose that we would rather spend in Telluride.
- All trips to Montrose, GJ or Durango are planned for multiple needs.
- I do this regardless - I don't shop, grocery shop, or eat out here.

4. Would you use similar health or healthcare service offered in Telluride if:

Telluride providers were similar in skill and quality as outside provider	17 votes
Care was covered as “in-network” for my health plan	14 votes
I am unwilling to change provider	5 votes
Other	3 votes
Not applicable to me*	1 vote
Other**	1 vote

*Option not offered on Constant Contact survey

** Option not offered on MindMixer site

COMMENTS:

- While I appreciate what you are trying to do, the specialists that I have access to would never be available here.
- Would much prefer to have all of my health services based in TELLURIDE
- It is not likely we can ever financially justify highly skilled specialists. We have highly skilled primary care and ER physicians.
- I would certain use the specialist in Telluride if it was for a service they were qualified to perform. For instance, I would not have a joint replaced here, cardiac or neuro surgery here etc. General surgery, peds, ob/gyn, minor orthopedics okay but really not much else.

5. The elevation of Telluride affects:

None of the above	13 votes
Exercise	6 votes
How long I plan to live in or visit Telluride	6 votes
Sleep	6 votes
My daily life	4 votes
It does not affect me	1 vote
Other	1 vote

COMMENTS:

- Living in Telluride improves all of the above!
- Only a positive good air quality
- It’s fine
- Once retired, I plan to spend the winters where it is much warmer and has NO snow!!!
- COMMENT BY Karen D: There is excellent doctor service and nursing staff at Telluride Medical Center. We wish we did not have to travel so far for specialist services, such as neurology, rheumatology, and gastroenterology.

QUESTION THREE: HEALTHCARE SERVICES OFFERED

Which of the following health and healthcare services do you use that are currently offered locally within Telluride?

Primary Care	16 votes
Physical Therapy	13 votes
Dentistry	12 votes
Optometry/Eye Care	7 votes
Chiropractic	6 votes
Orthopedics	4 votes
Mental/Behavioral Health	4 votes
Alternative Medicine	4 votes
24 Hour Pharmacy	3 votes
Women's Wellness OBGYN/Pre-natal	1 vote
Substance Abuse	1 vote
Ear, nose and throat	1 vote
Pediatrics	1 vote
Cardiology	1 vote
Dermatology	1 vote
Telemedicine (video access to specialists and services) and Allergist	0 votes
Other	1 vote
None	1 vote

COMMENTS:

- Emergency care. Also, because I am here for 3 to 4 months in the summer, I have used the physical therapy (Peaks Performance) which is outstanding.
- Faulty question- some of these are not offered. If they are, it is a secret

Which services do you currently leave Telluride for?

Dermatology	12 votes
Optometry/Eye Care	8 votes
Orthopedics	7 votes
Women's Wellness OBGYN/Pre-natal	7 votes
Primary Care	6 votes
Dentistry	5 votes
Ear, nose and throat	4 votes
Allergist	4 votes
24 Hour Pharmacy	3 votes
Mental/Behavioral Health	2 votes
Other	2 votes
Cardiology	2 votes
Alternative Medicine	1 vote
Pediatrics	1 vote
Physical Therapy	1 vote
Telemedicine (video access to specialists and services)	1 vote

Chiropractic	1 vote
None	1 vote
Substance Abuse	0 votes
Other	4 votes

OTHER: Mammogram and Colonoscopy; Orthodontics; Urologist; Pharmacy

When you leave Telluride for health and healthcare services, where do you go?

Montrose	15 votes
Grand Junction	12 votes
Durango	10 votes
Denver*	1 vote
Not applicable to me	1 vote
Other	8 votes

*Option not offered on Constant Contact survey

OTHER: Norwood; Norwood; Basalt; Vail Valley MC- Stedman Clinic; Chicago; Los Angeles; Arizona

Which services would you expect to leave Telluride for, even if they are currently available locally or they became available locally? Why?

Cardiology	9 votes
Primary Care	6 votes
Women's Wellness OBGYN/Pre-natal	6 votes
Dermatology	5 votes
Orthopedics	5 votes
Ear, nose and throat	4 votes
Optometry/Eye Care	3 votes
Dentistry	2 votes
Allergist	2 votes
Mental/Behavioral Health	2 vote
Physical Therapy	1 vote
Alternative Medicine	1 vote
Other	7 votes
None	1 vote
Pediatrics, Telemedicine (video access to specialists and services), Substance Abuse, Chiropractic, 24 Hour Pharmacy	0 votes

OTHER: Mammo/colonoscopy; Oncology, radiology; Gastroenterology; Pharmacy

COMMENTS:

- None if competently offered
- BY Julie W: With any serious condition, I would prefer to be in a bigger facility that specializes in the treatment.

QUESTION 4: TELLURIDE SHOULD BE KNOWN FOR...

If Telluride were known as a center of excellence in health, wellness, or healthcare, what would that look like to you?

Website responses:

- **Broader than just a building**
Idea by Mark B: A center of excellence in health would be more than a building but a multi-faceted health and wellness ecosystem that would be center on the new facility but include other facilities in the region such as the Peaks for physical wellness. The goal should be to attract those who are seeking an awakening in health to Telluride to grow the tourist base. Seminars, panels, ropes course, spa, spiritual guidance, etc. should be part of this new ecosystem of wellness. Think broader than a clinic.
- **Putting a new facility around the existing excellence**
Idea by Julie W: We have so many talented providers in this area it would be a challenge not to offend existing providers by limiting access. The facility would need to have one stop access with choices of providers.

Constant Contact responses:

- Having a presence in schools for nutrition, substance abuse and mental illness/depression detection. Access to Flight for Life for the vehicular and adventure/recreational accidents that occur in town and in the backcountry.
- A "center" with experts who organize and teach wellness.
- Primary care, ER services, Search and Rescue, EMT services, Integrative Medicine, Integrative Pharmacy, Life Coaches, Mental Health Services, Physical Activity Coaching/programs, Medical Transport to Montrose, Grand Junction, and Durango. Employment/Career counseling - without a job/roof/food, health and wellness will not be a priority.
- I don't see it. Most people are going to seek advanced medical attention in Grand Junction, Denver or a larger city. I can't see how it would work economically in a size this town; you will not have the volume to attract the best specialists.
- A regional center that would draw from the whole four corners. Pull people in from Montrose, Durango and Grand Junction because of breadth and quality of service. Like Vail does for Front Range.
- I would love to have an affordable exercise facility in Telluride with cardio and strength conditioning options available.
- Become nationally recognized or known in a few key practice areas that are relevant to our area (e.g. orthopedics, altitude, sports medicine, etc.), and become competent to retain more locals in the other practice areas of medicine.
- Not much different. To me it looks like pure recreation. People don't come here to get "healed" they come here to play.
- Available year round near the center of population. Not reliant upon the gondola. Near pharmacies and other doctors.
- Not important to me. I want basic and emergency services and don't expect too much in a county that does not even have a traffic light.
- No idea... ideological impractical concept.
- Great Primary Care and Emergency physicians who can hand off medical needs to specialists in Montrose, GJ and/or Durango - we have that now.
- Really not much different from today. No world class specialist is going to risk a 7 digit income to come to Telluride to set up shop. We can have the complementary medicine elements but I don't see that a 'quality' surgery center is financially feasible with the low volumes we would have. We could get all excited about have the Mayo Clinic de Telluride and over build just to have the carrying cost down the road. I appreciate the care with which you are going about your study and hope that the right answers will be borne out in the end.

QUESTION 5: TELL US WHAT YOU THINK

What other thoughts do you have on the potential for a new health and wellness center in Telluride?

Website response:

- **Alternative Medicine**

Idea by Mark B: Given Telluride's history and alternative lifestyles, I believe any new facility should include a 'center for alternative medicine'. Such a 'center' could sponsor conferences and bring other like-minded people to town. One must look at the clinic as more than just a building but a catalyst for bringing new people to town and provide current residents with other forms of medicine outside the mainstream.

Constant Contact responses:

- These are food for thought: How do current programs work to turn around the drunk/stoned homeless community members' lives? How do current programs work to comfort the non-Anglo, Hispanic communities who run the kitchens and laundry facilities for resorts.
- I don't think a fat farm will work here, if that is what you are thinking. The altitude is too much of a challenge.
- I want to be armed with the knowledge needed to make the best choice for myself and my family when it comes to our health care coverage, but when I review the various health care plans that exist today, I find the whole process overwhelming and daunting. I think it would be helpful if there was someone in this region who didn't work for an insurance company (or get a kickback) but had the knowledge and experience to assist and educate individuals about their health insurance options in such a way that makes sense - laymen's terms. The health insurance companies I have dealt with (CNIC, BC/BS, UnitedHealth) use too much industry jargon, and don't always share all the pertinent information needed to make an educated decision. To have someone in this region who can cut through the fine print and really tell me what I will receive with plan x, y and z would be well worth the consultation fee.
- A very important consideration is the urgent care we provide our visitors. The tourists drive our economy and making a bad experience (e.g. injured while skiing) as pleasant as possible will have a huge multiplier effect for us. Currently, an injured skier endures a sketchy toboggan ride, to then be put in a junky old van for a bumpy drive to a loading dock. After recovering, the patient has to walk or find a ride back to the gondola or their rental unit (many haven't rented a car and we don't have reliable taxi service). Our locals will always be able to figure out how to find the local health care; our tourists who have a bad experience may never come back. We need a ski-in ski-out, gondola accessible facility with lots of parking and services to ensure our guest have a great urgent care experience.
- Sorry to keep repeating - but I'm not sure where all this data is going. I believe there has to be a piece on financial wellness - not just because this is how I make a living; but, because of the results I have seen with my clients who are able to obtain that financial wellness. And how it significantly lowers their stress levels, and significantly helps their overall health - mental and physical.
- It needs to be in Telluride not in an area that cannot be reached readily by walking, bus service or bicycling.
- Bigger is not always better. Do a few things and do them well. If one were to move to a town the size of Telluride and expect a cardiologist you really need a psychiatrist.
- Forget about it.
- The primary need is to build a new long lasting Medical Center. The rest is window dressing.

What is the word or phrase you would use to describe health, healthcare and wellness in the Telluride community? (Only asked on the website, NOT constant contact)

Active	Exercise	Magnificent
Active	Expensive	Minimal
Adequate	Expensive	Nutrition
Adequate	Expensive	Out-patient-facility
Basic	Expensive	Patched-together
Basic	Facility	Poor
Caring	Financial-wellness	Preliminary
Community	Happiness	Quality
Community	Health-conscious	Reliable
Compassionate	Healthy	Responsible
Critical	Healthy	Small
Do we have one?	Healthy	Vibrant
Engaged	Hypocritical	Well-intended
Essential	Improving	Wonderful
Excellent	Isolated	
Excellent	Longevity	

