

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
June 14, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Shelle Diehm, SHS Interim CFO	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Orly Lucero, Board Member	David Faulkner, SHS Interim CEO	
Gala Pock, Board Member (once reappointed)	Lisa Gates, SHS CNO	Excused/Absent:
Sean Flaherty, Board Member (once appointed)	Joe Thomason, SVP Operations of CHC	Bryson McCabe, MCHD Attorney
	20+ members of the public, including SHS employees, and current and retired physicians	Keenen Lovett, MCHD Attorney
Also Present:		Heidi Trainor, MCHD CPA
Kelly McCabe, MCHD Attorney		Bill Thompson, Board Member once reappointed
		Shirley Jones, SHS Board Chairperson

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:01 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Secty/Treas for MCHD Board, showing a quorum was not reached.		
Changes to Agenda	Mr. Dobry requested a change in order of agenda, moving Board Member appointment above public comment so that a quorum was able to preside over the remaining meeting.	The Board confirmed the agenda change.	
Board Member Appointment(s)	MCHD Attorney Kelly McCabe advised that there were three interested applicants for 4 open seats on the MCHD Board. These applicants are Gala Pock, Bill Thompson and Sean Flaherty. This appointment will be until the next election in May of 2024.	It was moved and seconded to appoint Sean Flaherty Bill Thompson Gala Pock to the Board of Directors by Rob Dobry. Seconded by Orly Lucero. Motion carried, none opposed.	
Public Comment/Introductions	20+ members of the public, including retired physicians Robert Heyl, MD; Karla Demby, MD; Brian Demby, MD; and Doug Bagge, MD who provided a letter to MCHD board, added as Handout 3 was read aloud by Dr. Heyl. This letter expressed concerns related to health system operations, healthcare standards, recruiting challenges and concern for the loss of family birthing putting families in danger having to travel to Durango as well as concern for the future success of the community. MCHD		

	<p>must set the standard. No outside company like CHC should be doing that.</p> <p>Additionally, 10 other community members as well as response from MCHD Board members and CHC, summarized as follows:</p> <ul style="list-style-type: none"> • Concern about the health impacts to the community women and children with this pause. Huge risk to maternal and infant morbidity and mortality. This will put the risk management burden on less qualified Emergency Room, EMS and emergency management programs. • Those in attendance offered their assistance in collaboration development of ways to solve the problem. The public implored MCHD to take a stronger role and influence in healthcare operations, noting many opinions were that SHS leadership and CHC leadership are not satisfactory. Since their arrival in 2018, problems that were promised to be solved have not been solved. Providers continue to leave, including 5 primary care providers leaving within the last 12 months. Current physicians working OB and Pediatrics would consider leaving if they were not able to continue with deliveries. Because these are married couples to other specialists, those specialists would leave the area as well, putting the hospital in a difficult situation. • SHS Pediatrician Moriah Tarpey and OB/Gyn Physician Jessica Kaplan expressed frustration that they were not involved in any discussion or meeting to help problem-solve or collaborate to deal with these challenges. They found out the same day everyone else did and were just told it was closing. This is not any way to deal with a problem. It was noted by Dr. Kent Aikin that, “the only time CHC is willing to share in a dialog is when there is a crisis.” • Community comment generally expressed frustration that they had approved the two tax initiatives, one to build the new patient wing and last year’s removal of the sunset on the sales tax revenue. The public pays taxes to make sure these things don’t happen and comprehensive care for all in the community is available. • CHC SVP Joe Thomason (management company for Southwest Health System, Inc.) apologized for the 		
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	<p>execution of the pause in these services. He stated that the communication, preparation and process in which this was done was poor and understands why the community is upset. Mr. Thomason advised that the hospital is not in danger of closing. Many small hospitals are having to make hard decisions related to deliveries as this service requires significant resources to be done safely and correctly. In rural areas where recruitment and availability of highly-skilled professionals is minimal, a hospital like SHS is forced to pay exorbitant rates to get physicians from other areas to fly in and fill the schedule to ensure 24/7/365 coverage of OB services.</p> <ul style="list-style-type: none"> • Mr. Thomason stated that in addition to the closing, SHS completed a reduction in force today resulting in the loss of 9 positions at SHS. In order to avoid these hard decisions, we need to find a less expensive way to provide care. The salaries, wages and benefits have become an overwhelming burden for rural facilities all over the country. • MCHD Attorney Kelly McCabe thanked the public for coming and sharing their concerns. MCHD is very interested in hearing what the public has to say. SHS Board of Directors has struggled for years to have enough members to have a quorum. The MCHD/SHS lease is 25 years old. MCHD's role is the management of the physical plant, while SHS's is the operation of the health services, however, Mr. McCabe feels that MCHD can help and control the ultimate results. MCHD works hard to represent the community. The MCHD board thanked the public for coming and participating and sharing their concerns. Any community is only as strong as its institutions. Mr. Dobry encouraged those attending to get involved and consider joining a board; community support and involvement is necessary for success. MCHD knows the community wishes to have healthcare; their affirming vote on tax initiatives has proven that. 		
<p>Consent Agenda</p>	<p>May 10, 2023 MCHD Regular Meeting Minutes Payment of Bills</p>	<p>It was moved and seconded to approve the consent agenda as presented. MOTION: Rob Dobry SECOND: Orly Lucero Motion carried.</p>	

REPORTS and ACTION ITEMS			
<p>Operations Report – David Faulkner CEO- Interim</p>	<p>SHS Interim CEO David Faulkner reviewed the enclosed report, including:</p> <ul style="list-style-type: none"> • Recruitment is underway for provider positions with the upcoming retirement of Dr. Pyle and openings for Internal Medicine. • SHS will continue to work with Dr. Stanwix, who was filling in at the Mancos Clinic with the departure of Dr. Barry. Dr. Eversole has expressed interest in moving to the Mancos Clinic to build his practice and lead the team there. • Mr. Gene Miller, Interim Practice Administrator arrived on May 15th to replace Will Jansen. • Ms. Shelle Diehm, Interim CFO arrived on May 22nd with the departure of Julie Leonard. • Once the new permanent CEO has arrived, the positions above will be advertised. • Mr. Faulkner advised that 9 administrative positions were a part of a reduction in force completed today. These were not clinical positions and there are no more reductions planned at this time. • Since the submission of this report, SHS has announced the “pause” of the Family Birthing Center services beginning on July 1, 2023. The Press Release on this topic came out June 7th. <p>MCHD Attorney Kelly McCabe expressed frustration that no SHS Board member was in attendance tonight, as well as lack of communication in general. MCHD wishes to assist SHS with debt burden by reamortizing the debt with the removal of the sunset on the sales tax approved by votes last year. This removal, in collaboration with the bank syndicate funding the 2016 Revenue Bonds, as currently drafted, will alleviate some cash requirements, and release funds currently reserved under the current debt terms that would assist SHS in meeting its debt requirements and might have avoided the current situation requiring closure.</p>	<p>Since the announcement, SHS has scheduled a public forum to allow the public to speak to the board. This is scheduled for tomorrow, June 15th in the EMS Bay at 6pm. Mr. Johnson expressed concern that he had not been informed of this meeting ahead of time.</p> <p>Mr. Faulkner confirmed with Mr. McCabe that an agreement had been reached and the language and it is being drafted with terms all parties have affirmed their acceptance of.</p>	

<p>Finance Report – Shelle Diehm CFO Interim</p>	<p>Interim CFO Shelle Diehm was introduced to the MCHD Board. She is an CHC VP who is providing interim CFO services until a permanent CFO has been identified and recruited.</p> <ul style="list-style-type: none"> • April was a challenging month, as SHS tries to maintain Days Cash on Hand. Cash collections were \$6.03M • EBIDA for April was -\$415,112, \$933k under budget. • YTD EBIDA is -\$546. By just breaking even, SHS does not have cash to pay down debt. This is why SHS is making operational changes, such as Family Birthing Center pause of operations, to save these expenses. • Operational costs of contract labor have significantly increased expenses. SHS is trying to recruit so they don't have to use contracted physicians and nurses. • While SHS expects to receive more cash in May and June, there are 3 payrolls in June totaling \$1.1M per payroll approximately. 	<p>Mr. Flaherty requested that graphs be included in the report for at-a-glance trend assessment of the Operational Analysis (pg 33).</p>	<p>SHS – Ms. Diehm</p>
<p>March Financial Report – Robert Dobry, Scty/Treasurer</p>	<p>Mr. Dobry reported on sales tax revenue is down around 25% of the marijuana sales tax, due to no longer having surrounding state residents coming to Colorado as their states have now approved marijuana sales. The compiled sales tax total for this month (all 3 forms) is \$168,567.28 for the month of April.</p> <p>Mr. Dobry presented an amended Supplemental Budget for 2022 (Handout 2) for board consideration. This adjustment is due to the additional work in the Phase II project, the water project and the storage facility.</p> <p>Mr. Dobry reviewed the Hartford Invoice from Handout 2 for the annual Fidelity insurance for MCHD totaling \$279 for the year.</p>	<p>It was moved and seconded to approve the Supplemental 2022 Budget as amended and presented (Handout 2). MOTION: Gala Pock SECOND: Orly Lucero Motion carried.</p> <p>It was moved and seconded to pay the Hartford Invoice as presented. MOTION: Orly Lucero SECOND: Gala Pock Motion carried.</p>	
<p>Facility Report</p>	<p>Mr. Johnson advised that Montezuma Valley Irrigation is holding a special meeting on June 27th at 7pm. As MCHD owns 5 shares, it was recommended at a representative attend and vote on behalf of MCHD.</p> <p>IT Sewer Renovation request and invoices from SHS were reviewed by the MCHD Board. It was decided by MCHD not to reimburse for this request. MCHD's focus is reamortization. No action was taken on this item.</p>	<p>It was moved and seconded to appoint Orly Lucero as MCHD representative to vote on behalf of MCHD board at the meeting scheduled for June 27th. MOTION: Rob Dobry SECOND: Gala Pock Motion carried.</p>	

	Handout 1 was reviewed by the Board. This is the proposed Infrastructure Scoping prepared by Mazzetti and outlines the description of 10 projects, followed by a preliminary estimate from Nunn construction for each of the projects on the last page of the handout. These items will be reviewed by the Facilities Committee		
Foundation Report	NO meeting this month.		
Attorney Report	Nothing further to report in regular session.		
Executive Session		It was moved and seconded to adjourn the meeting into Executive Session pursuant to §24-6-402(4)(b) C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to the master lease revisions and financial obligations at 7:20 pm MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.	
Adjournment		Executive Session was entered at 7:20 pm, and exited at 7:50 pm. No decisions were made. The Board adjourned the meeting at 7:50pm.	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer