



NOTICE OF REGULAR BOARD MEETING OF
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT
d/b/a PAGOSA SPRINGS MEDICAL CENTER

Tuesday, May 25, 2021, at 5:30 PM

The Board Room (**direct access – northeast entrance**)
95 South Pagosa Blvd., Pagosa Springs, CO 81147

**ALL ATTENDEES MUST BE SCREENED PRIOR TO MEETING & MUST
WEAR A MASK DURING MEETING**

Please use this link to join the meeting: <https://us02web.zoom.us/j/85395501309>

or telephone (346) 248-7799 or (669) 900-6833

Zoom Meeting ID: **853 9550 1309**

AGENDA

1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD

- a) Confirmation of quorum
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest
- c) Approval of the Agenda (and changes, if any)

2) PUBLIC COMMENT (This is an opportunity for the public to make comment and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Heather Thomas, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.)

3) DECISION AGENDA

a) 2020 Audit

- i) Zoom presentation of the [2020 audit report](#) and opinion of the auditor by Kami Maztek of Dingus, Zarecor & Associates, PLLC. As noted in the financial report, the auditor presented (via Zoom) the audit to the PSMC Finance Committee; the Finance Committee recommends the Board accept the audit. The first 3 pages of the audit report summarizes its scope of work and opinion.
- ii) Consideration of [Resolution 2021-07](#) acceptance of the 2020 audit of the Upper San Juan Health Service District.

- b) **Regulatory – Annual Quality Assurance and Performance Improvement Plan**
 - i) Overview of the reasons for, and scope of, PSMC's [Quality Assurance and Performance Improvement Plan](#).
 - ii) Consideration of [Resolution 2021-08](#) regarding acceptance of the Quality Assurance and Performance Improvement Plan.
- c) **Regulatory – Annual Program Evaluation for 2020**
 - i) Overview of the reason for, and scope of, PSMC's [Annual Program Evaluation for 2020](#).
 - ii) Consideration of [Resolution 2021-09](#) regarding acceptance of the PSMC's Annual Program Evaluation for 2020.

4) REPORTS

- a) **Oral Reports** (may be accompanied by a written report)
 - i) ~~Chair Report~~ ~~Chair Greg Schulte~~
 - ii) CEO Report Dr. Rhonda Webb
 - iii) ~~Executive Committee~~ ~~Chair Schulte and Vice Chair Mees~~
 - iv) ~~Foundation Committee~~ ~~Dir. Mees, Dir. Dr. Pruitt and CEO R. Webb~~
 - v) Facilities Committee Dir. Mees, Dir. Daniels, and COO K. Douglas
 - vi) Strategic Planning Committee Dir. Schulte, Dir. Cox and CEO R. Webb
 - vii) Finance Committee & [Report](#) Dir. Ziegler and CFO C. Keplinger
- b) **Written Reports** (*no oral report unless the Board has questions*)
 - i) [Operations Report](#) COO-CNO, Kathee Douglas
 - ii) [Medical Staff Report](#) Chief of Staff, Dr. Ralph Battels

5) CONSENT AGENDA (The Consent Agenda is intended to allow Board approval, by a single motion, of matters that are considered routine. There will be no separate discussion of Consent Agenda matters unless requested.)

- a) Approval of Board Member absences:
 - i) Regular meeting of 05/25/2021
- b) Approval of Minutes for the following meeting(s):
 - i) [Special Meeting of 04/29/2021](#)
- c) Approval of [Medical Staff report](#) recommendations for new or renewal of provider privileges.

6) OTHER BUSINESS

Board member feedback on [draft Community Report](#).

7) ADJOURN



Board of Directors
 Upper San Juan Health Service District
 doing business as Pagosa Springs Medical Center
 Pagosa Springs, Colorado

We have audited the financial statements of Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (the District) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the allowance for uncollectible accounts and contractual adjustments is based on historical collection rates and an analysis of the collectibility of existing accounts receivable.
- Management's estimate for third-party settlements is based on interim payments, District expenses, and patient statistical data.
- Management's estimate of the liability for employee health insurance claims incurred but not reported is based on historical data regarding the average cost and timing of employee health insurance claims.
- Management's estimate of CARES Act Provider Relief recognized is based on qualifying lost revenues and qualifying expenses based on current guidance.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Board of Directors
Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Management has determined that the exclusion of the Dr. Mary Fisher Medical Foundation doing business as Pagosa Springs Medical Center Foundation from the financial statements is immaterial to the financial statements taken as a whole. Dr. Mary Fisher Medical Foundation doing business as Pagosa Springs Medical Center Foundation's total assets at December 31, 2020, were approximately \$791,000.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Directors
Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
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Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of budget and actual revenues and expenses, which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
May 10, 2021

4th Annual EXCEL DZA Seminar

The Davenport Hotel, Spokane, Washington

TRAINING

Upper San Juan Health Services District

October 25-27, 2011

doing business as
Pagosa Springs Medical Center

Basic Financial Statements and
Independent Auditors' Reports

December 31, 2020 and 2019



DINGUS | ZARECOR & ASSOCIATES PLLC
Certified Public Accountants

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Pagosa Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the COVID-19 pandemic has created economic uncertainties which negatively impacted the healthcare industry. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 14. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of budget and actual revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of budget and actual revenues and expenses is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
May 10, 2021

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Management's Discussion and Analysis
Years Ended December 31, 2020 and 2019**

Our discussion and analysis of Upper San Juan Health Service District doing business as Pagosa Springs Medical Center's (the District's) financial performance provides an overview of the District's financial activities for the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the District's financial statements, which begin on page 8.

Financial Highlights

- The District's net position increased \$2,123,358, or 19.4 percent, in 2020, and \$1,188,618, or 12.2 percent, in 2019.
- The District reported operating loss in 2020 of \$1,223,671 and operating income in 2019 of \$242,441. Income in 2020 decreased by \$1,466,112, or 604.7 percent, over the income reported in 2019. Operating income in 2019 increased by \$701,700, or 152.8 percent.
- Nonoperating revenues increased by \$1,422,405, or 417.7 percent, in 2020 compared to 2019. Nonoperating revenues decreased by \$17,713, or 5.5 percent, in 2019 compared to 2018.

Using this Annual Report

The District's financial statements consist of three statements—a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. These financial statements and related notes provide information about the activities of the District, including resources held by the District that are designated for specific purposes by contributors, grantors, or enabling legislation.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

Our analysis of the District's finances begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These statements report the District's net position and changes in it. The difference between assets and liabilities is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's patient base and measures of the quality of service it provides to the community, as well as the local economic factors to assess the overall health of the District.

The Statement of Cash Flows

The final required statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. This statement provides meaningful information on how the District's cash was generated and how it was used.

The District's Net Position

The District's net position is the difference between its assets and liabilities reported in the Statements of Net Position on pages 8 and 9. The District's net position increased by \$2,123,358, or 19.4 percent, in 2020, and \$1,188,618, or 12.2 percent, in 2019.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Management's Discussion and Analysis (Continued)
Years Ended December 31, 2020 and 2019

Table 1. Net Position

	2020	2019	2018
<i>Assets</i>			
Current assets	\$ 24,763,261	\$ 13,073,610	\$ 12,780,705
Capital assets, net	22,271,693	21,645,485	23,141,917
Other noncurrent assets	878,731	1,572,068	1,059,386
Total assets	\$ 47,913,685	\$ 36,291,163	\$ 36,982,008
<i>Liabilities</i>			
Current liabilities	\$ 11,469,024	\$ 4,828,495	\$ 5,994,804
Capital lease obligations, less current maturities	61,030	270,221	461,822
Long-term debt, less current maturities	22,048,284	18,991,684	19,650,128
Total liabilities	33,578,338	24,090,400	26,106,754
<i>Deferred inflows of resources, property tax revenue</i>	1,277,441	1,266,215	1,129,324
<i>Net position</i>			
Net investment in capital assets	2,991,549	1,478,152	2,144,329
Restricted	878,731	1,572,068	1,059,386
Unrestricted	9,187,626	7,884,328	6,542,215
Total net position	13,057,906	10,934,548	9,745,930
Total liabilities and net position	\$ 47,913,685	\$ 36,291,163	\$ 36,982,008

The significant changes in assets and liabilities in 2020 were as follows:

- Total assets for the District were \$47,913,685 at the end of 2020, an increase of \$11,622,522 over the balance of \$36,291,163 at the end of 2019.

Current assets increased \$11,689,651 from \$13,073,610 in 2019 to \$24,763,261 in 2020 due to increased cash and cash equivalents primarily from significant Medicare Accelerated Payments and CARES Act Provider Relief receipts. Net patient receivables of \$3,420,336 in 2020 decreased \$1,004,726 from \$4,425,062 at the end of 2019.

- Total liabilities for the District were \$33,578,338 in 2020, an increase of \$9,487,938 from the balance of \$24,090,400 in 2019.

Current liabilities increased \$6,640,529 from \$4,828,495 at the end of 2019 to \$11,469,024 at the end of 2020 primarily due to significant balances related to Medicare Accelerated Payments payable and unearned CARES Act Provider Relief Fund.

Long-term debt and capital lease obligations increased \$2,847,409 from \$19,261,905 in 2019 to a balance of \$22,109,314 in 2020.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Management's Discussion and Analysis (Continued)
Years Ended December 31, 2020 and 2019

Operating Results and Changes in The District's Net Position

In 2020, the District's net position increased by \$2,123,358, or 19.4 percent, as shown in Table 2. The District's net position increased by \$1,188,618, or 12.2 percent, in 2019.

	2020	2019	2018
<i>Operating revenues</i>			
Net patient service revenue	\$ 32,142,883	\$ 32,584,951	\$ 31,220,161
340b contract pharmacy	1,818,620	1,842,227	1,873,822
Electronic health records incentive payment	-	143,657	428,940
Grants	181,058	-	-
Other revenue	185,820	227,806	194,897
Total operating revenues	34,328,381	34,798,641	33,717,820
<i>Operating expenses</i>			
Salaries and benefits	22,441,169	21,986,392	21,997,862
Supplies	5,795,916	4,915,129	4,128,476
Depreciation	1,793,074	1,877,244	2,343,494
Other	5,521,893	5,777,435	5,707,247
Total operating expenses	35,552,052	34,556,200	34,177,079
<i>Operating income (loss)</i>	(1,223,671)	242,441	(459,259)
<i>Nonoperating revenues (expenses)</i>			
Property taxes	1,405,122	1,262,092	1,251,238
Interest expense	(947,263)	(1,014,962)	(988,821)
CARES Act Provider Relief Fund	1,234,026	-	-
Interest income	71,033	93,383	60,383
Total nonoperating revenues, net	1,762,918	340,513	322,800
Excess of revenues (expenses) before capital grants and contributions	539,247	582,954	(136,459)
<i>Capital grants and contributions</i>	1,584,111	605,664	488,472
Change in net position	2,123,358	1,188,618	352,013
Net position, beginning of year	10,934,548	9,745,930	9,393,917
Net position, end of year	\$ 13,057,906	\$ 10,934,548	\$ 9,745,930

Operating Results

The first component of the overall change in the District's net position is operating income – the difference between the revenue and the expenses incurred to perform those services. Operating income decreased \$1,466,112 from 2019 to 2020.

The primary components of the change in operating income for 2020 compared to 2019 are:

- Net patient service revenue decreased \$442,068 due to a decrease in patient volumes during the COVID-19 Pandemic.
- Supplies expense increased \$880,787 due primarily to the expansion of services for oncology and COVID-related supplies needed.

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Management's Discussion and Analysis (Continued)
Years Ended December 31, 2020 and 2019**

Overall, net patient service revenue decreased between 2019 and 2020 by \$442,068. In 2019, overall net patient service revenue increased \$1,364,790 from 2018.

Nonoperating Revenues and Expenses

Nonoperating activity for 2020 and 2019 consists primarily of property taxes levied for repayment of the District's bonds, interest expense, and interest income. Net nonoperating revenues and expenses increased by \$1,422,405, or 417.7 percent, in 2020.

The District recognized Provider Relief Funds of \$1,234,026 during 2020.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating results and nonoperating revenues and expenses discussed earlier.

Capital Asset and Debt Administration

Capital Assets

Net capital assets increased in 2020 by \$626,208, or 2.9 percent, from 2019. This net increase includes purchases (including construction in progress) of \$2,419,282 and depreciation expense of \$1,793,074. Net capital assets decreased \$1,496,432, or 6.5 percent, from 2018 to 2019. This net decrease includes purchases (including construction in progress) of \$384,505 and depreciation expense of \$1,877,244.

At the end of 2020, the District had \$22,271,693 invested in capital assets, net of accumulated depreciation, as detailed in Note 4 to the financial statements.

Debt

At December 31, 2020, the District had \$19,204,134 in long-term debt obligations, a decrease of \$884,869 from December 31, 2019. At December 31, 2019, the District had \$20,089,003 in long-term debt obligations.

The District's formal debt issuances must be approved by the District's Board of Directors. The amount of debt issued is subject to limitations that apply to the District. There have been no changes in the District's debt ratings in the past two years.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's office, at Pagosa Springs Medical Center, 95 S Pagosa Blvd, Pagosa Springs, CO 81147.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Statements of Net Position
December 31, 2020 and 2019

ASSETS	2020	2019
<i>Current assets</i>		
Cash and cash equivalents	\$ 17,120,704	\$ 5,078,831
Receivables:		
Patient accounts	3,420,336	4,425,062
Property tax levy	1,277,441	1,266,215
Estimated third-party payor settlements	760,708	281,268
Other	294,660	305,726
Inventories	1,651,313	1,517,700
Prepaid expenses	238,099	198,808
Total current assets	24,763,261	13,073,610
<i>Noncurrent assets</i>		
Cash and cash equivalents, restricted for debt service	878,731	878,731
Cash and cash equivalents, restricted for capital purchases	-	693,337
Capital assets, net	22,271,693	21,645,485
Total noncurrent assets	23,150,424	23,217,553
Total assets	\$ 47,913,685	\$ 36,291,163

See accompanying notes to basic financial statements.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Statements of Net Position (Continued)
December 31, 2020 and 2019

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2020	2019
<i>Current liabilities</i>		
Accounts payable	\$ 738,456	\$ 1,495,531
Refunds payable	501,098	497,072
Accrued compensation and related liabilities	1,234,855	1,930,464
Unearned CARES Act Provider Relief Fund	3,858,789	-
Medicare Accelerated Payments payable	4,224,952	-
Accrued interest payable	75,965	78,330
Current maturities of capital lease obligations	169,909	187,098
Current maturities of long-term debt	665,000	640,000
Total current liabilities	11,469,024	4,828,495
<i>Noncurrent liabilities</i>		
Paycheck Protection Program loan	3,740,044	-
Capital lease obligations, less current maturities	61,030	270,221
Long-term debt, less current maturities	18,308,240	18,991,684
Total noncurrent liabilities	22,109,314	19,261,905
Total liabilities	33,578,338	24,090,400
<i>Deferred inflows of resources , property tax revenue</i>	1,277,441	1,266,215
<i>Net position</i>		
Net investment in capital assets	2,991,549	1,478,152
Restricted	878,731	1,572,068
Unrestricted	9,187,626	7,884,328
Total net position	13,057,906	10,934,548
Total liabilities, deferred inflows of resources, and net position	\$ 47,913,685	\$ 36,291,163

See accompanying notes to basic financial statements.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2020 and 2019

	2020	2019
<i>Operating revenues</i>		
Net patient service revenue	\$ 32,142,883	\$ 32,584,951
340b contract pharmacy	1,818,620	1,842,227
Electronic health records incentive	-	143,657
Grants	181,058	-
Other	185,820	227,806
Total operating revenues	34,328,381	34,798,641
<i>Operating expenses</i>		
Salaries and wages	19,159,427	18,652,428
Employee benefits	3,281,742	3,333,964
Professional fees and other purchased services	2,142,812	2,414,581
Supplies	5,795,916	4,915,129
Utilities	361,181	470,670
Depreciation and amortization	1,793,074	1,877,244
Leases and rentals	438,284	519,307
Repairs and maintenance	549,092	538,506
Provider fees	800,963	716,909
Insurance	327,437	313,793
Other	902,124	803,669
Total operating expenses	35,552,052	34,556,200
<i>Operating income (loss)</i>	(1,223,671)	242,441
<i>Nonoperating revenues (expenses)</i>		
Property taxes	1,405,122	1,262,092
Interest expense	(947,263)	(1,014,962)
CARES Act Provider Relief Fund	1,234,026	-
Interest income	71,033	93,383
Total nonoperating revenues, net	1,762,918	340,513
Excess of revenues before capital grants and contributions	539,247	582,954
<i>Capital grants and contributions</i>	1,584,111	605,664
Change in net position	2,123,358	1,188,618
Net position, beginning of year	10,934,548	9,745,930
Net position, end of year	\$ 13,057,906	\$ 10,934,548

See accompanying notes to basic financial statements.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
<i>Cash flows from operating activities</i>		
Receipts from and on behalf of patients	\$ 34,486,789	\$ 33,367,913
Electronic health records incentive	-	143,657
Other receipts	377,944	227,806
Payments to and on behalf of employees	(23,136,778)	(21,924,572)
Payments to suppliers and contractors	(12,243,762)	(10,417,689)
Net cash provided by (used in) operating activities	(515,807)	1,397,115
<i>Cash flows from noncapital financing activities</i>		
Receipt of CARES Act Provider Relief Funds	5,092,815	-
Receipt of Medicare Accelerated Payments	4,224,952	-
Proceeds from the Paycheck Protection Program	3,740,044	-
Property taxes	1,405,122	1,262,092
Net cash provided by noncapital financing activities	14,462,933	1,262,092
<i>Cash flows from capital and related financing activities</i>		
Principal payments on capital lease obligations	(226,380)	(202,200)
Principal payments on long-term debt	(640,000)	(610,000)
Purchase of capital assets	(2,419,282)	(378,419)
Interest paid on long-term debt and capital lease obligations	(968,072)	(1,035,410)
Capital grants and contributions	1,584,111	605,664
Net cash used in capital and related financing activities	(2,669,623)	(1,620,365)
<i>Cash flows from investing activities, investment income</i>	71,033	93,383
Net increase in cash and cash equivalents	11,348,536	1,132,225
Cash and cash equivalents, beginning of year	6,650,899	5,518,674
Cash and cash equivalents, end of year	\$ 17,999,435	\$ 6,650,899

See accompanying notes to basic financial statements.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Statements of Cash Flows (Continued)
Years Ended December 31, 2020 and 2019

	2020	2019
<i>Reconciliation of Cash and Cash Equivalents to the Statements of Net Position</i>		
Cash and cash equivalents	\$ 17,120,704	\$ 5,078,831
Cash and cash equivalents, restricted for debt service	878,731	878,731
Cash and cash equivalents, restricted for capital purchases	-	693,337
Total cash and cash equivalents	\$ 17,999,435	\$ 6,650,899
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</i>		
Operating income (loss)	\$ (1,223,671)	\$ 242,441
<i>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities</i>		
Depreciation and amortization	1,793,074	1,877,244
Provision for bad debts	1,730,053	3,470,960
(Increase) decrease in assets:		
Receivables:		
Patient accounts	(725,327)	(2,791,962)
Estimated third-party payor settlements	(479,440)	-
Other	11,066	24,005
Inventories	(133,613)	29,111
Prepaid expenses	(39,291)	12,683
Increase (decrease) in liabilities:		
Accounts payable	(757,075)	16,937
Refunds payable	4,026	216,144
Accrued compensation and related liabilities	(695,609)	61,820
Estimated third-party payor settlements	-	(1,762,268)
Net cash provided by (used in) operating activities	\$ (515,807)	\$ 1,397,115

See accompanying notes to basic financial statements.

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements
Years Ended December 31, 2020 and 2019**

1. Reporting Entity and Summary of Significant Accounting Policies:

a. Reporting Entity

Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (the District) was organized to operate, maintain, and provide health services to the citizens of Archuleta County and a small portion of Hinsdale and Mineral Counties in the state of Colorado. As organized, the District is exempt from paying federal income tax. The District is governed by a Board of Directors consisting of members that must be qualified electors of the District. Members are elected to staggered four-year terms of office.

The District operates a licensed 11-bed hospital, a rural health clinic, and an ambulance service in Pagosa Springs, Colorado. The services provided include medical-surgical, pediatrics, surgery, emergency room, oncology, pain management, clinic, and related ancillary services (laboratory, imaging, cardiology, physical therapy, respiratory therapy, etc.).

b. Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Enterprise fund accounting – The District's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Inventories – Inventories are stated at cost on the first-in, first-out method. Inventories consist of pharmaceutical, medical-surgical, and other supplies used in the operation of the District.

Capital assets – The District capitalizes assets whose costs exceed \$5,000 and have an estimated useful life of at least two years. Major expenses for capital assets, including repairs that increase the useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses as incurred. Capital assets are reported at historical cost or their estimated fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and computed using the straight-line method.

Useful lives are estimated as follows:

Buildings and improvements	5 to 39 years
Equipment	2 to 20 years

Upper San Juan Health Service District
 doing business as Pagosa Springs Medical Center
 Notes to Basic Financial Statements (Continued)
 Years Ended December 31, 2020 and 2019

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Accrued compensated absences – Employees earn paid time off on regular hours actually worked at varying rates depending on years of service. Employees must be full-time with at least one month of continuous employment in order to earn paid time off. Accumulated paid time off cannot exceed 298 hours. All paid time off is accrued and expensed when earned.

Bond premiums – Bond premiums are being amortized on a straight-line basis over the life of the bond issue.

Net position – The net position of the District is classified into three components. *Net investment in capital assets* consists of the District's capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is composed of noncapital assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the District. *Unrestricted net position* is composed of remaining net position that does not meet the definition of *net investment in capital assets* or *restricted*.

Restricted resources – When the District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

Operating revenues and expenses – The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing healthcare services — the District's principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisitions, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services other than financing costs.

Grants and contributions – From time to time, the District receives federal, state, and county grants, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Grants that are unrestricted or that are restricted to a specific operating purpose are reported as operating revenues. Grants that are used to subsidize operating deficits are reported as nonoperating revenues. Contributions, except for capital contributions, are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Reclassifications – Certain items included in the accompanying 2019 financial statements have been reclassified to conform to the 2020 presentation, with no effect on the previously reported change in net position.

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019**

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Upcoming accounting standard pronouncements – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. The new guidance is effective for the District's year ending December 31, 2022, although earlier application is encouraged. The District has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The new guidance is effective for the District's year ending December 31, 2021. Management is currently evaluating the effect this statement will have on the financial statements and related disclosures.

Subsequent events – Subsequent events have been reviewed through May 10, 2021, the date on which the financial statements were available to be issued.

2. Bank Deposits and Investments:

Deposits:

Under Colorado State statute, the Commercial Bank Code Public Deposit Protection Act of 1989 (PDPA) protects public funds held in bank deposit accounts in the event that the bank holding the public deposits becomes insolvent. As defined by the PDPA, deposit accounts include checking, savings, bank money market, and certificate of deposit accounts. Banks must deliver bank assets (usually securities) to a third-party institution, which are pledged to the Colorado Division of Banking, for all Colorado public depositors.

The District's deposits and certificates of deposit are entirely covered by the Federal Deposit Insurance Corporation or by deposits collateralized by securities not held in the District's name under the PDPA.

Investments:

Colorado State statutes authorize the District to invest in obligations of the United States Treasury, agencies and instrumentalities, commercial paper, repurchase agreements, money market funds, and local government investment pools with a maturity date of no more than five years from the date of purchase.

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019**

2. Bank Deposits and Investments (continued):

Investments (continued)

Custodial credit risk – Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of the deposits or investments that are in the possession of an outside party. The District's investment policy does not contain policy requirements that would limit the exposure to custodial credit risk for investments.

Credit risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is typically measured by the assignment of a rating by a nationally recognized statistical rating organization. The District has a policy specifically requiring or limiting investments of this type.

Concentration of credit risk – Concentration of credit risk is the inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (investments acquired from a single issuer). The District has a policy limiting the amount it may invest in any one issuer or multiple issuers.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates could adversely affect an investment's fair value. The District has a policy specifically managing its exposure to fair value losses arising from changing interest rates.

At December 31, 2020 and 2019, the District had invested \$1,602,444 and \$1,590,828, respectively in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by Colotrust. Colotrust funds carry a Standard & Poor's AAA rating. There is no custodial interest rate or foreign currency risk exposure. Colotrust operates like a 2a-7 external investment pool and investments in the pool are valued at \$1 net asset value (NAV) per share. The underlying investments held by Colotrust are valued at fair value.

The District's remaining investments at December 31, 2020 and 2019, were in money market funds, with a carrying value of \$2,387,504 and \$1,909,873, respectively. Of the amounts, \$878,731 in both 2020 and 2019 are restricted by the bond agreement for debt reserve.

The District's investments are recorded as cash equivalents.

Fair value measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's money market funds are valued using quoted market prices (Level 1) as of December 31, 2020 and 2019.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

3. Patient Accounts Receivable:

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of patient accounts receivable, the District analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The District's allowance for uncollectible accounts for self-pay patients has decreased significantly from the prior year due to a decrease in self-pay accounts receivable balances. The District does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors.

Patient accounts receivable reported as current assets, consisted of these amounts:

	2020	2019
Receivable from patients and their insurance carriers	\$ 3,519,195	\$ 4,879,242
Receivable from Medicare	1,197,613	1,430,071
Receivable from Medicaid	285,150	451,152
Total patient accounts receivable	5,001,958	6,760,465
Less allowance for uncollectible accounts	1,581,622	2,335,403
Patient accounts receivable, net	\$ 3,420,336	\$ 4,425,062

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

4. Capital Assets:

Capital asset additions, retirements, transfers, and balances were as follows:

	Balance December 31, 2019	Additions	Retirements	Transfers	Balance December 31, 2020
<i>Capital assets not being depreciated</i>					
Land	\$ 101,000	\$ -	\$ -	\$ -	\$ 101,000
Construction in progress	73,031	1,414,384	-	-	1,487,415
Total capital assets not being depreciated	174,031	1,414,384	-	-	1,588,415
<i>Capital assets being depreciated</i>					
Building and improvements	27,057,488	317,765	-	-	27,375,253
Equipment	10,395,757	687,133	-	-	11,082,890
Total capital assets being depreciated	37,453,245	1,004,898	-	-	38,458,143
<i>Less accumulated depreciation for</i>					
Building and improvements	(7,463,345)	(1,165,865)	-	-	(8,629,210)
Equipment	(8,518,446)	(627,209)	-	-	(9,145,655)
Total accumulated depreciation	(15,981,791)	(1,793,074)	-	-	(17,774,865)
Total capital assets being depreciated, net	21,471,454	(788,176)	-	-	20,683,278
Capital assets, net of accumulated depreciation	\$ 21,645,485	\$ 626,208	\$ -	\$ -	\$ 22,271,693

Construction in progress at December 31, 2020, consisted of costs for the upgrade of the hospital heating, ventilation, and air conditioning system. The project is scheduled to be completed in July 2021, with additional costs of approximately \$200,000.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

4. Capital Assets (continued):

	Balance December 31, 2018	Additions	Retirements	Transfers	Balance December 31, 2019
<i>Capital assets not being depreciated</i>					
Land	\$ 101,000	\$ -	\$ -	\$ -	\$ 101,000
Construction in progress	38,505	34,526	-	-	73,031
Total capital assets not being depreciated	139,505	34,526	-	-	174,031
<i>Capital assets being depreciated</i>					
Building and improvements	27,019,152	38,336	-	-	27,057,488
Equipment	10,149,875	311,643	(65,761)	-	10,395,757
Total capital assets being depreciated	37,169,027	349,979	(65,761)	-	37,453,245
<i>Less accumulated depreciation for</i>					
Building and improvements	(6,283,884)	(1,179,461)	-	-	(7,463,345)
Equipment	(7,882,731)	(697,783)	62,068	-	(8,518,446)
Total accumulated depreciation	(14,166,615)	(1,877,244)	62,068	-	(15,981,791)
Total capital assets being depreciated, net	23,002,412	(1,527,265)	(3,693)	-	21,471,454
Capital assets, net of accumulated depreciation	\$ 23,141,917	\$ (1,492,739)	\$ (3,693)	\$ -	\$ 21,645,485

5. Employee Health Self-insurance:

The District established a self-insurance fund for employee medical care that is administered through Meritain Health. Specific and aggregate stop-loss coverage on the health plan is provided to limit the ultimate exposure of the District.

The District has recorded the estimated liability for self-insurance claims in the statements of net position, in accrued compensation and related liabilities. The income and expenses related to administration of self-insurance and the estimated provision for claims liabilities are recorded in the statements of revenues, expenses, and changes in net position, in employee benefits expense.

The District accrues an incurred but not yet reported liability for plan claims that have been incurred but have not yet been reported to the District. The District has also purchased a supplementary insurance policy to cover claims in excess of \$50,000.

	2020	2019
Claim liability, beginning of year	\$ 274,024	\$ 277,761
Current year claims and changes in estimates	1,653,521	1,782,014
Claim payments	(1,698,147)	(1,785,751)
Claim liability, end of year	\$ 229,398	\$ 274,024

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

6. Long-term Debt:

A schedule of changes in the District's long-term debt is as follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
<i>Long-term debt</i>					
Limited Tax General Obligation Bonds, Series 2006 and Limited Tax General Obligation Bonds, Series 2007	\$ 9,025,000	\$ -	\$ (320,000)	\$ 8,705,000	\$ 335,000
Improvement and Refunding Revenue Bonds, Series 2016 A (Tax Exempt) and Refunding Revenue Bond Series 2016 B (Taxable)	10,240,000	-	(320,000)	9,920,000	330,000
2007 bond premium	232,442	-	(13,346)	219,096	-
2016 bond premium	134,242	-	(5,098)	129,144	-
Total long-term debt	19,631,684	-	(658,444)	18,973,240	665,000
<i>Capital lease obligations</i>					
Stryker equipment lease	145,810	-	(64,805)	81,005	64,804
Dell server lease	57,645	-	(57,645)	-	-
Wells Fargo equipment lease	251,471	-	(101,537)	149,934	105,105
Synoptek telephone lease	2,393	-	(2,393)	-	-
Total capital lease obligations	457,319	-	(226,380)	230,939	169,909
	\$ 20,089,003	\$ -	\$ (884,824)	\$ 19,204,179	\$ 834,909
	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
<i>Long-term debt</i>					
Limited Tax General Obligation Bonds, Series 2006 and Limited Tax General Obligation Bonds, Series 2007	\$ 9,330,000	\$ -	\$ (305,000)	\$ 9,025,000	\$ 320,000
Improvement and Refunding Revenue Bonds, Series 2016 A (Tax Exempt) and Refunding Revenue Bond Series 2016 B (Taxable)	10,545,000	-	(305,000)	10,240,000	320,000
2007 bond premium	245,788	-	(13,346)	232,442	-
2016 bond premium	139,340	-	(5,098)	134,242	-
Total long-term debt	20,260,128	-	(628,444)	19,631,684	640,000
<i>Capital lease obligations</i>					
Stryker equipment lease	216,014	-	(70,204)	145,810	64,804
Dell server lease	76,681	-	(19,036)	57,645	18,317
Wells Fargo equipment lease	349,691	-	(98,220)	251,471	101,584
Synoptek telephone lease	14,740	2,393	(14,740)	2,393	2,393
Total capital lease obligations	657,126	2,393	(202,200)	457,319	187,098
	\$ 20,917,254	\$ 2,393	\$ (830,644)	\$ 20,089,003	\$ 827,098

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

6. Long-term Debt (continued):

The terms of the District's long-term debt follow:

Health Care Services Enterprise Improvement and Refunding Revenue Bonds, Series 2016A (Tax Exempt) and Refunding Revenue Bonds, Series 2016B (Taxable), in the original amounts of \$9,590,000 and \$1,545,000, respectively. The bonds are secured by net medical center revenue. The bonds mature annually at amounts ranging from \$330,000 to \$680,000 with semiannual interest payments at rates ranging from 2.75 percent to 6.125 percent, through June 1, 2046.

Limited Tax General Obligation Bonds, Series 2006, in the original amount of \$9,470,000. The bonds bear interest rates varying from 4 percent to 5 percent. An additional \$2,530,000 in bonds was issued in January 2007 for a total issue of \$12,000,000. The additional bonds bear interest at rates varying from 3.6 percent to 4.0 percent. The bonds mature annually at amounts ranging from \$335,000 to \$730,000, with semiannual interest payments through June 2037. The bonds are additionally secured by net medical center revenue.

Scheduled principal and interest repayments on the long-term debt are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 665,000	\$ 905,397	\$ 1,570,397
2022	690,000	877,409	1,567,409
2023	595,000	851,641	1,446,641
2024	620,000	825,809	1,445,809
2025	645,000	798,253	1,443,253
2026-2030	3,710,000	3,523,889	7,233,889
2031-2035	4,660,000	2,566,100	7,226,100
2036-2040	3,525,000	1,463,500	4,988,500
2041-2045	2,835,000	663,484	3,498,484
2046	680,000	20,825	700,825
	\$ 18,625,000	\$ 12,496,307	\$ 31,121,307

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

6. Long-term Debt (continued):

The terms of the District's capital lease obligations follows:

- Synoptek telephone lease, paid in full during 2020.
- Wells Fargo equipment lease, due in monthly installments of \$9,402, including interest at 3.37 percent, through May 2022; collateralized by equipment with a cost of \$455,148 and accumulated depreciation of \$248,649 and \$176,471 as of December 31, 2020 and 2019, respectively.
- Dell server lease, paid in full during 2020.
- Stryker equipment lease, due in monthly installments of \$6,076, including interest at 2.32 percent, through April 2022; collateralized by equipment with a cost of \$290,974 and accumulated depreciation of \$236,416 and \$163,673 as of December 31, 2020 and 2019, respectively.

Scheduled principal and interest payments on capital lease obligations are as follows:

Years Ending December 31,	Principal	Interest	Total
2021	\$ 169,909	\$ 11,551	\$ 181,460
2022	61,030	3,082	64,112
	\$ 230,939	\$ 14,633	\$ 245,572

7. Paycheck Protection Program Note Payable:

In April 2020, the District was granted a loan from First Southwest Bank in the aggregate amount of \$3,740,044, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) Provider Relief Fund, which was enacted March 27, 2020.

The PPP loan, which was in the form of a Note dated April 20, 2020, matures on April 1, 2025, and bears interest at a rate of 1 percent per annum. The Note may be prepaid by the District at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred after February 15, 2020. The District intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The District believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

The District applied for PPP loan forgiveness in August 2020. The anticipated loan forgiveness will be recorded as a Gain on Forgiveness of Paycheck Protection Program loan in the statements of revenues, expenses, and changes in net position for the year ending December 31, 2021.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

8. Net Patient Service Revenue:

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the District recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the District's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the District records a significant provision for bad debts related to uninsured patients in the period the services are provided. The District's provision for bad debts and writeoffs has decreased significantly from the prior year due to significantly improved collections of patient accounts. The District has not changed its charity care or uninsured discount policies during fiscal years 2020 or 2019. Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2020	2019
Patient service revenue (net of contractual adjustments and discounts):		
Medicare	\$ 14,194,536	\$ 14,592,624
Medicaid	3,331,856	4,030,720
Other third-party payors	11,676,098	12,287,759
Patients	2,433,032	2,809,043
Provider fee	2,520,101	3,081,149
	34,155,623	36,801,295
Less:		
Charity care	282,687	745,384
Provision for bad debts	1,730,053	3,470,960
Net patient service revenue	\$ 32,142,883	\$ 32,584,951

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – The District has been designated a critical access hospital and the clinic a rural health clinic by Medicare. The District is paid on a cost reimbursement method for substantially all services provided to Medicare beneficiaries. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after the submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.
- *Medicaid* – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicaid outpatient services are paid based on prospectively determined rates. Rural health clinic encounters are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by Medicaid. Physician services are reimbursed on a fee schedule.

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019**

8. Net Patient Service Revenue (continued):

- The District also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately \$350,000 and decreased by approximately \$55,000 in the years ended December 31, 2020 and 2019, respectively, due to differences between original estimates and final settlements.

During the year ended December 31, 2017, the District received notice that their Medicaid rural health clinic rates were being updated to the higher of the prospectively determined rate or the cost per encounter as determined by the District's annual Medicare cost reports. Rate reconciliations are being conducted by the Colorado Department of Health Care Policy and Financing. As a result, Medicaid claims from 2016-2018 are being reprocessed, resulting in a payback of approximately \$633,000 that was accrued at December 31, 2018. Net patient service revenue decreased by approximately \$31,000 in the year ended December 31, 2019, due to differences in the original estimates and final settlements. For the years ended December 31, 2020 and 2019, the District has estimated a receivable of approximately \$280,000 and \$243,000, respectively, for the rate reconciliation.

Under the Colorado Health Care Affordability Act (Act), the District pays provider fees to the state of Colorado. The provider fees are based on inpatient days and outpatient charges. The District also receives various supplemental payments from the state of Colorado under this Act.

The District provides charity care to patients who are financially unable to pay for the healthcare services they receive. The District's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the District does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The District determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended December 31, 2020 and 2019, were approximately \$163,000 and \$421,000, respectively. The District did not receive any gifts or grants to subsidize charity services during 2020 and 2019.

9. CARES Act Provider Relief Fund:

In April 2020, the District received \$5,092,815 of funding from the CARES Act. These funds are required to be used to reimburse the District for healthcare-related expenses or lost revenues that are attributable to coronavirus. The District has recorded these funds as unearned grant revenue until eligible expenses or lost revenues are recognized. During the year ended December 31, 2020, the District recognized \$1,234,026 of grant revenue from these funds. The District had \$3,858,789 remaining as of December 31, 2020, to use for healthcare-related expenses or lost revenues that are attributable to coronavirus in the next fiscal year.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

10. Property Taxes:

The Archuleta, Hinsdale, and Mineral County Treasurers act as agents to assess and collect property taxes levied in the county for all taxing authorities. Property taxes are levied and assessed in December on property values assessed as of January 1 of the prior year.

Taxes are due in two equal amounts by February 28 and June 15, or all may be paid by April 30. The assessed property is subject to lien on the levy date. Taxes estimated to be collectible are recorded as revenue in the year of the levy by the District. No allowance for uncollectible taxes receivable is considered necessary at the statement of net position dates. A deferred inflow of resources and a receivable were recorded at December 31, 2020 and 2019, for taxes levied for 2021 and 2020, respectively.

For 2020, the District's regular tax levy was \$3.884 per \$1,000 on a total combined assessed valuation of \$328,483,239, for a total regular combined levy of \$1,277,441. For 2019, the District's regular tax levy was \$3.884 per \$1,000 on a total assessed valuation of \$325,481,370, for a total regular levy of \$1,266,215.

11. Defined Contribution Plans:

The District provides retirement benefits for all its employees through a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan). In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Under the defined contribution retirement plan, the District is required to contribute 6 percent of employee compensation to the Plan.

Employees are required to participate in the Plan upon the first day of the payroll period after the employee's date of hire. The Plan provides retirement benefits based upon the employee's vested account. A participant becomes 100 percent vested upon completion of five years of covered service. Contributions by employees are immediately vested. Amounts forfeited by employees who leave employment before they become fully vested are applied to reduce future employer contributions. Under the Plan, employees direct the investment of both the employee and employer contributions among several investment options available through an outside plan administrator. Employer contributions to the Plan totaled approximately \$1,186,000 and \$1,115,000 for the years ended December 31, 2020 and 2019, respectively. Employee contributions to the Plan totaled approximately \$1,186,000 and \$1,115,000 for the years ended December 31, 2020 and 2019, respectively.

District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only at termination, retirement, or death. The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

The District made all required funding payments during the year.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

12. Risk Management and Contingencies:

Risk management – The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Medical malpractice claims – The District has professional liability insurance with COPIC Insurance Company (COPIC). The policy provides protection on a “claims-made” basis whereby only malpractice claims reported to the insurance carrier in the current year are covered by the current policies, as well as past incidents that are reported during the current term. The malpractice insurance provides \$1,000,000 per claim of primary coverage with an annual aggregate limit of \$3,000,000. The policy has a deductible of \$50,000 per claim.

No liability has been accrued for future coverage of acts, if any, occurring in this or prior years. Also, it is possible that claims may exceed coverage available in any given year.

Industry regulations – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of various statutes and regulations by healthcare providers. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes the District is in compliance with fraud and abuse as well as other applicable government laws and regulations. If the District is found in violation of these laws, the District could be subject to substantial monetary fines, civil and criminal penalties, and exclusion from participation in the Medicare and Medicaid programs.

Taxpayer’s Bill of Rights – Colorado voters passed an amendment to the state constitution, Article X, Section 20, known as the *Taxpayer’s Bill of Rights*. This amendment has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of this amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance.

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Notes to Basic Financial Statements (Continued)
Years Ended December 31, 2020 and 2019

13. Concentration Risks:

Patient accounts receivable – The District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	2020	2019
Medicare	29 %	24 %
Medicaid	12	14
Other third-party payors	36	38
Patients	23	24
	100 %	100 %

Physicians – The District is dependent on local physicians and mid-level providers practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or changes in their utilization patterns may have an adverse effect on District operations.

14. COVID-19 Pandemic:

The COVID-19 pandemic has created economic uncertainties which may negatively impact the District's financial position. Beginning in March 2020, the District began experiencing significant declines in revenues due to the state of Colorado temporarily suspending all elective surgeries and other elective procedures. In addition, the District has experienced declines in volumes of outpatient and ancillary services, such as radiology, laboratory, emergency department, and clinic visits.

The District received government grants as described in Note 9 above, as well as obtaining the PPP loan described in Note 7 above, as part of the federal government's response to the pandemic. Medicare sequestration has been suspended from May 1, 2020 through December 31, 2021, which will increase Medicare reimbursement by 2 percent.

In addition to accepting funding from the CARES Act and other funding sources noted above, the District resumed the services that had been temporarily suspended. However, the pandemic continues to affect the District's operations. The ultimate COVID-19 pandemic effect on the District's financial position is unknown at this time.

15. Purchase Commitment:

The District entered into a lease agreement in September 2020 for MRI equipment and an MRI modular building for a total cost of approximately \$1,700,000. The equipment and building are expected to be placed into service in May 2021.

SUPPLEMENTAL INFORMATION

Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Schedule of Budget and Actual Revenues and Expenses
Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Operating revenues</i>			
Net patient service revenue and 340b contract pharmacy	\$ 29,231,216	\$ 31,441,402	\$ 2,210,186
Provider fees	2,900,000	2,520,101	(379,899)
Grants	1,036,000	181,058	(854,942)
Other	2,663,500	185,820	(2,477,680)
Total operating revenues	35,830,716	34,328,381	(1,502,335)
<i>Operating expenses</i>			
Salaries and wages	19,283,002	19,159,427	123,575
Employee benefits	3,832,085	3,281,742	550,343
Professional fees and other purchased services	2,588,569	2,142,812	445,757
Supplies	4,779,415	5,795,916	(1,016,501)
Utilities	556,733	361,181	195,552
Depreciation and amortization	1,844,097	1,793,074	51,023
Leases and rentals	459,396	438,284	21,112
Repairs and maintenance	575,315	549,092	26,223
Insurance	304,700	327,437	(22,737)
Provider fees and other	1,458,962	1,703,087	(244,125)
Total operating expenses	35,682,274	35,552,052	130,222
<i>Operating income (loss)</i>	148,442	(1,223,671)	(1,372,113)
<i>Nonoperating revenues (expenses)</i>			
Property taxes	1,200,000	1,405,122	205,122
Interest	(1,102,802)	(947,263)	155,539
Provider Relief Fund	-	1,234,026	1,234,026
Interest income	-	71,033	71,033
Total nonoperating revenues, net	97,198	1,762,918	1,665,720
Excess of revenues before capital grants and contributions	245,640	539,247	293,607
<i>Capital grants and contributions</i>	200,000	1,584,111	1,384,111
Change in net position	\$ 445,640	\$ 2,123,358	\$ 1,677,718

See accompanying independent auditors' report.

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Pagosa Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated May 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
May 10, 2021

**Upper San Juan Health Service District
doing business as Pagosa Springs Medical Center
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020**

The audit for the year ended December 31, 2019, reported no audit findings, nor were there any unresolved prior year findings from years ended December 31, 2018, or prior. Therefore, there are no matters to report in this schedule for the year ended December 31, 2020.

**Upper San Juan Health Service District
doing business as
Pagosa Springs Medical Center**

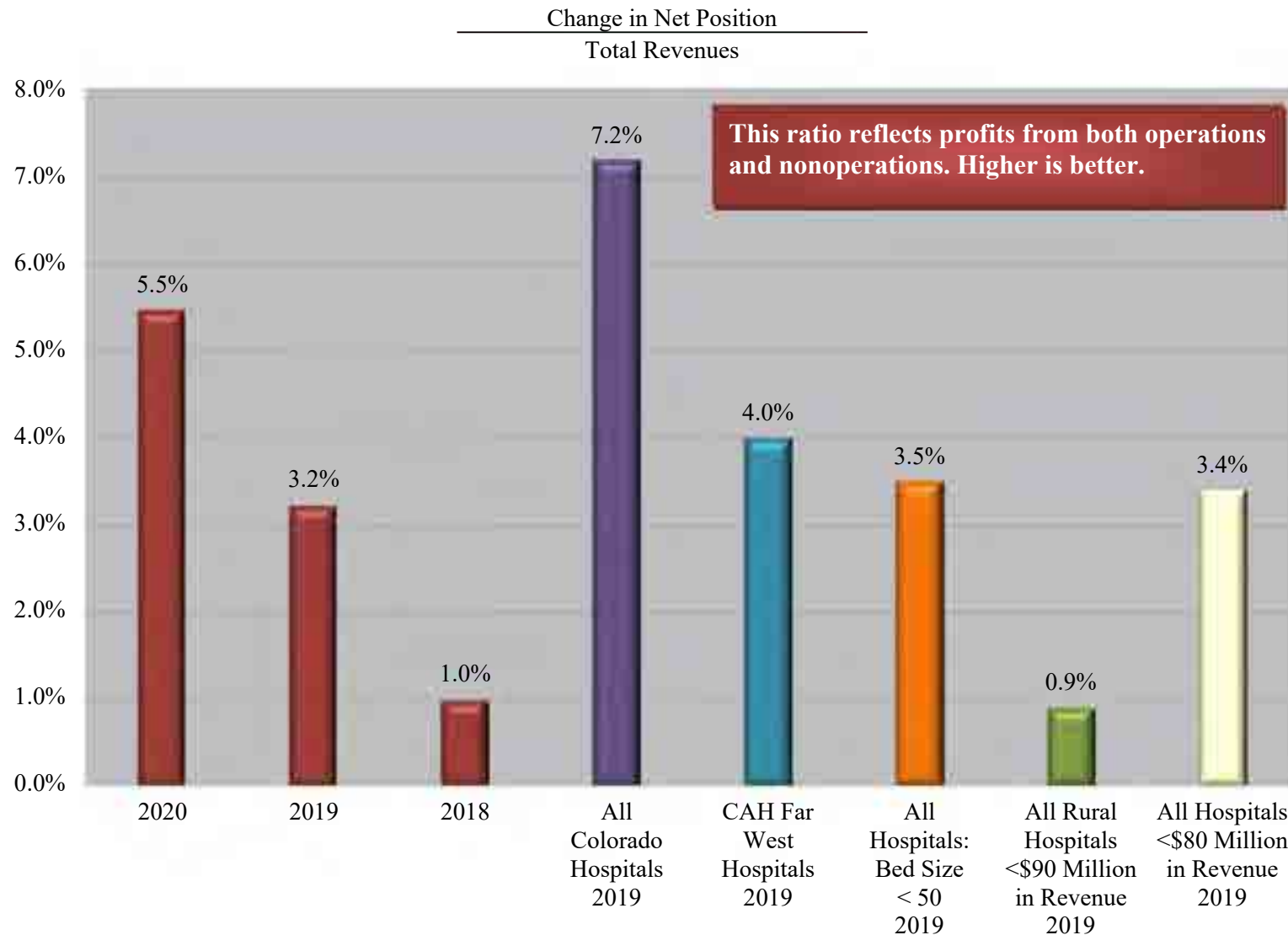
Financial Indicators

December 31, 2020

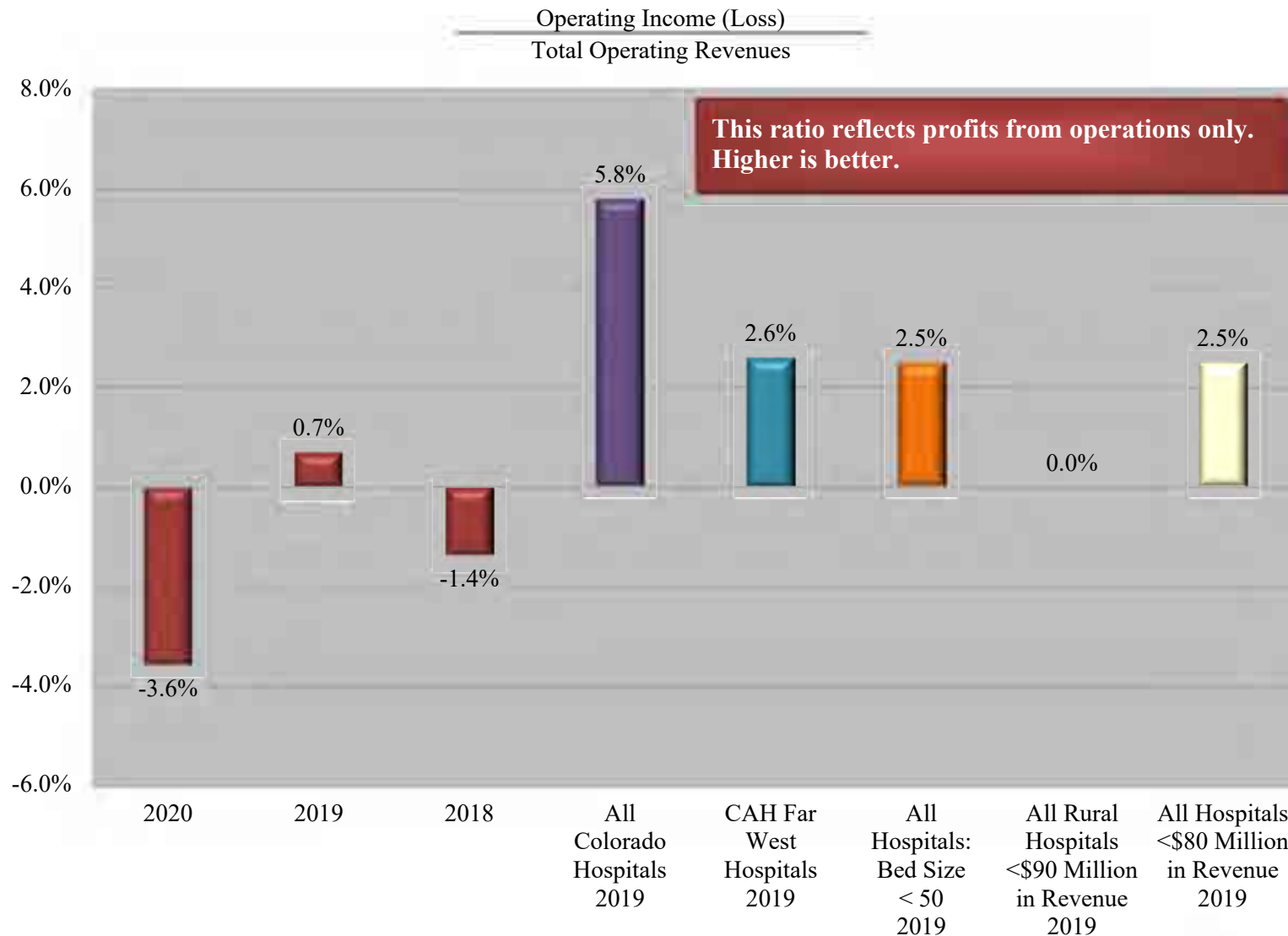


DINGUS | ZARECOR & ASSOCIATES PLLC
Certified Public Accountants

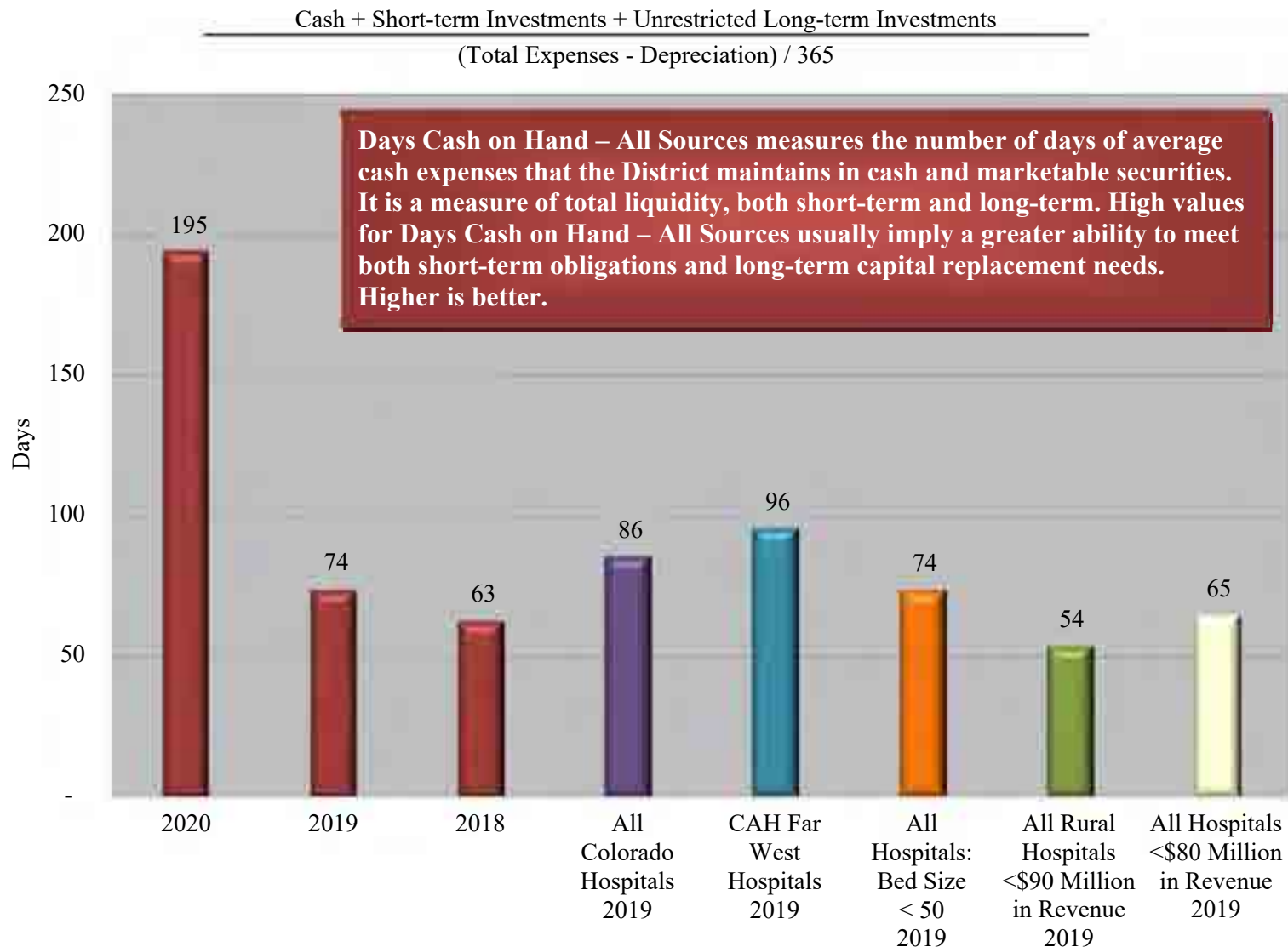
Total Margin



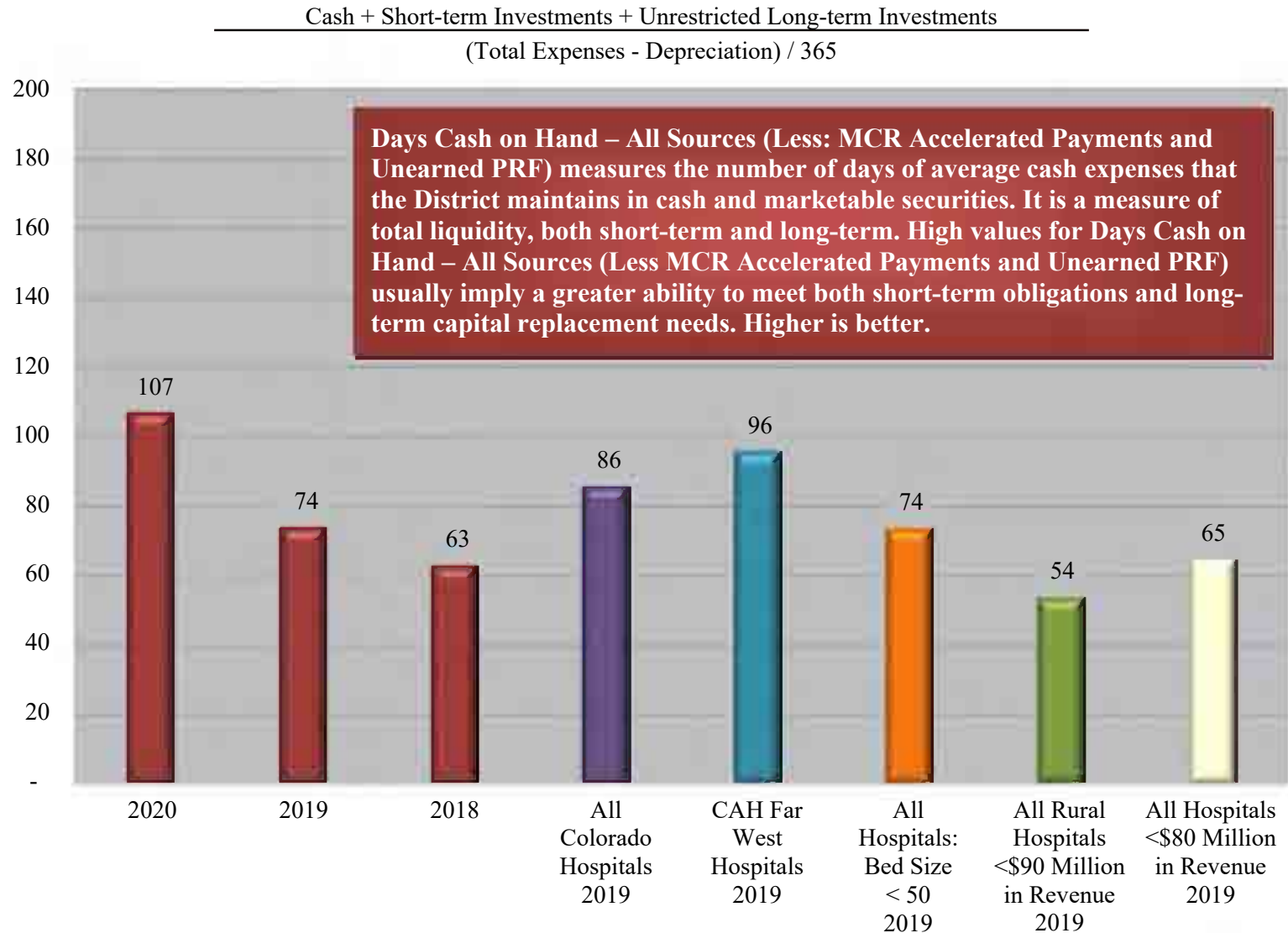
Operating Margin



Days Cash on Hand – All Sources

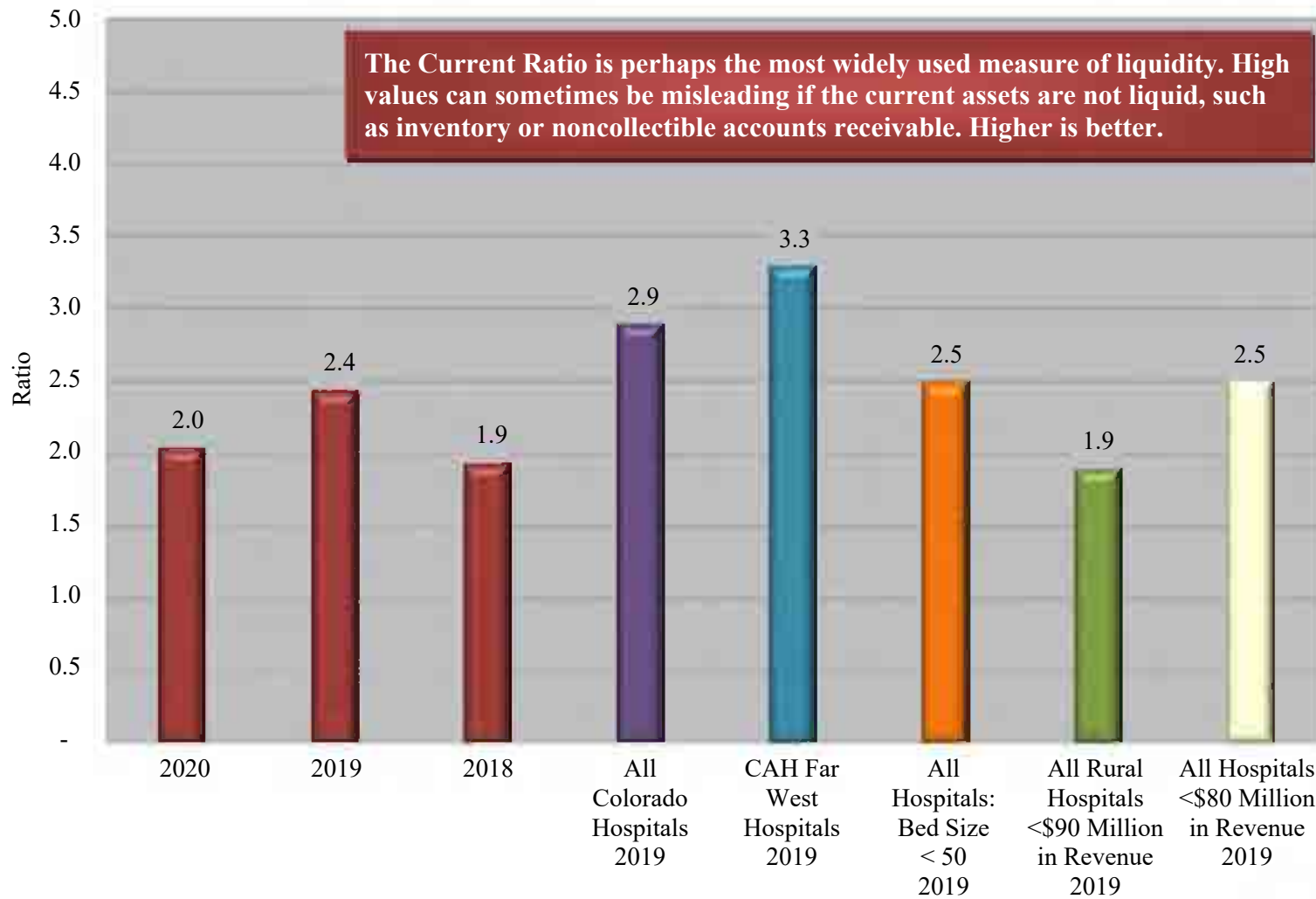


Days Cash on Hand – All Sources (Less: MCR Accelerated Payments and Unearned PRF)

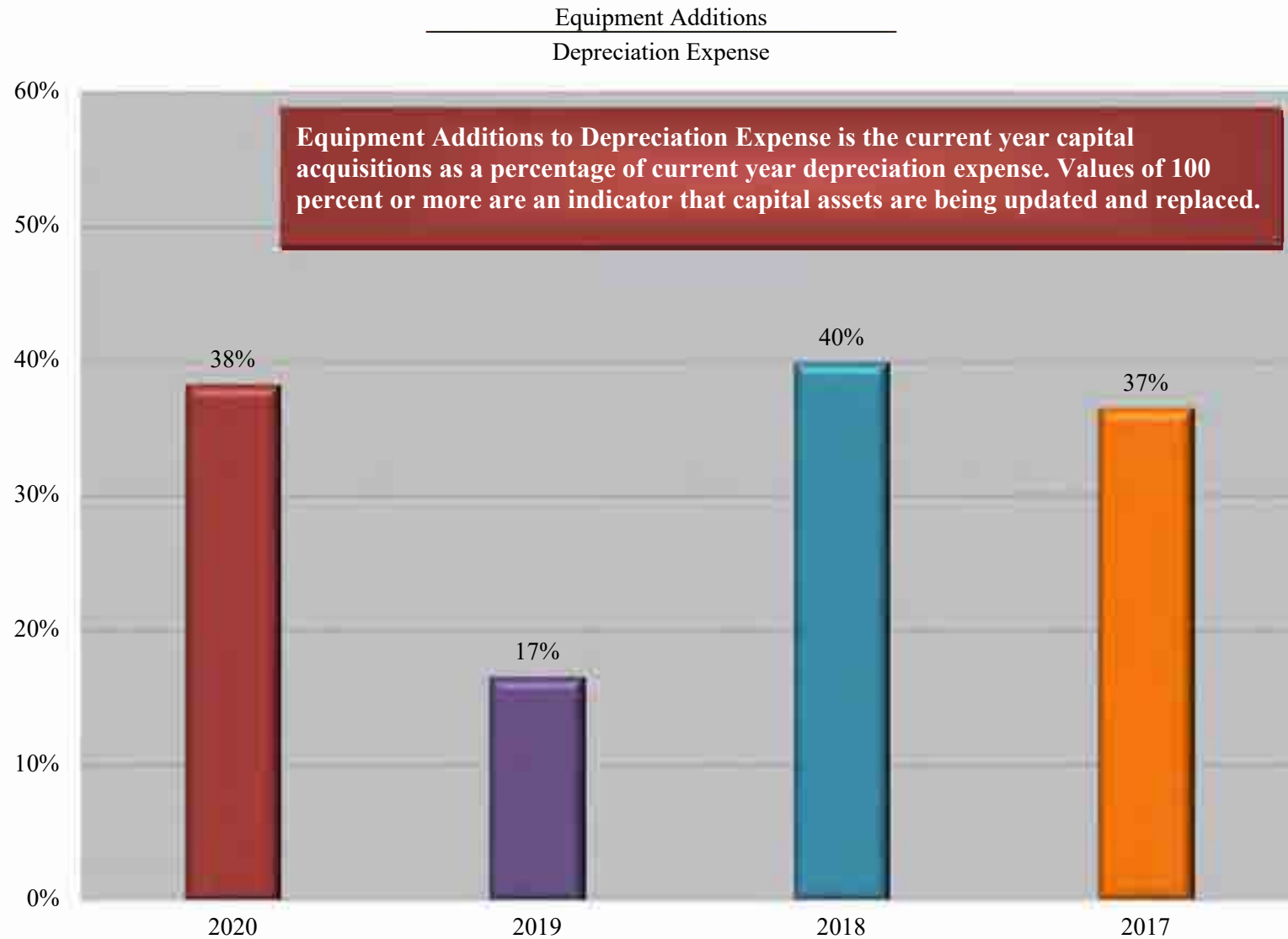


Current Ratio

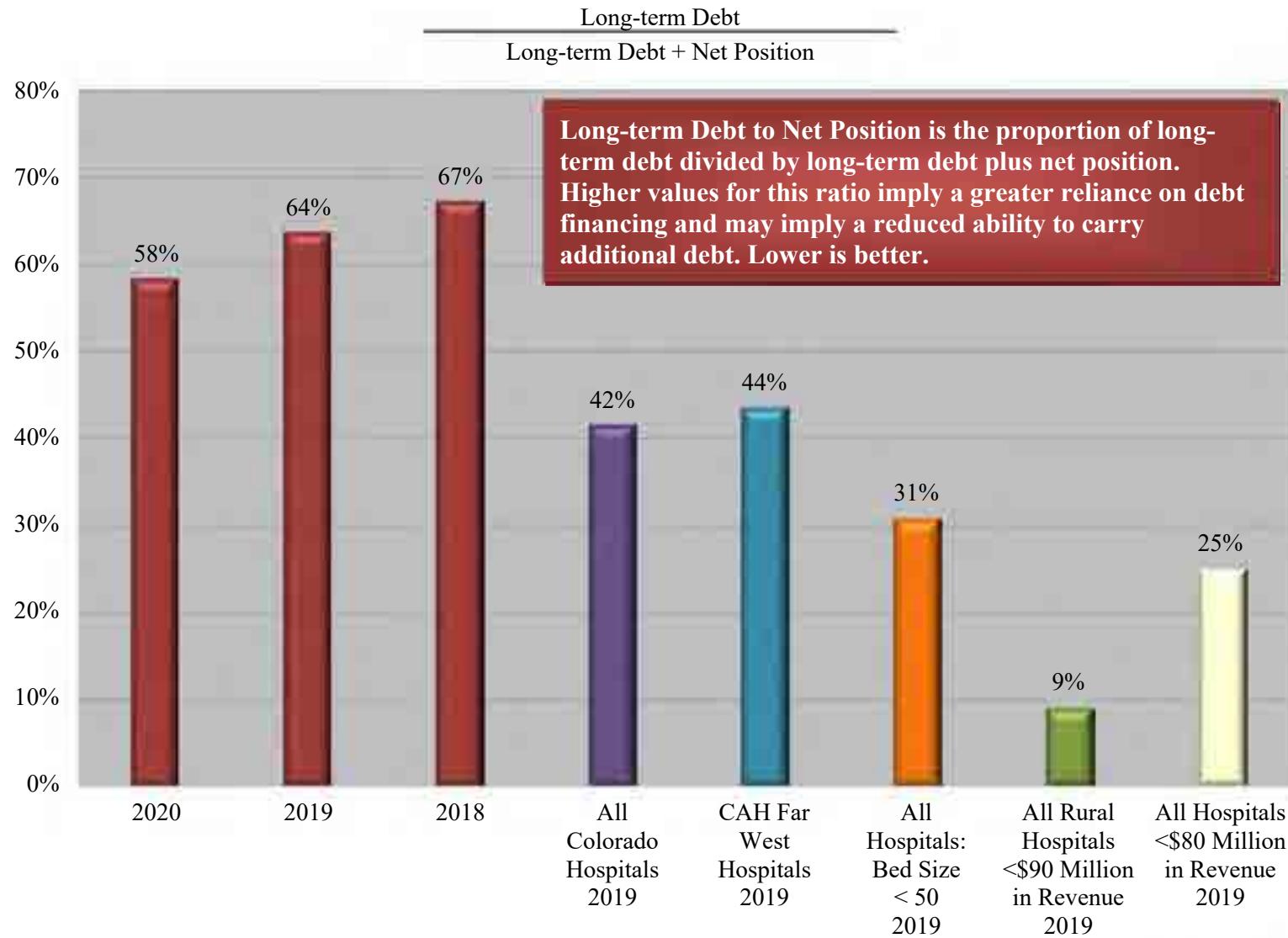
$$\frac{\text{Total Current Assets}}{\text{Current Liabilities}}$$



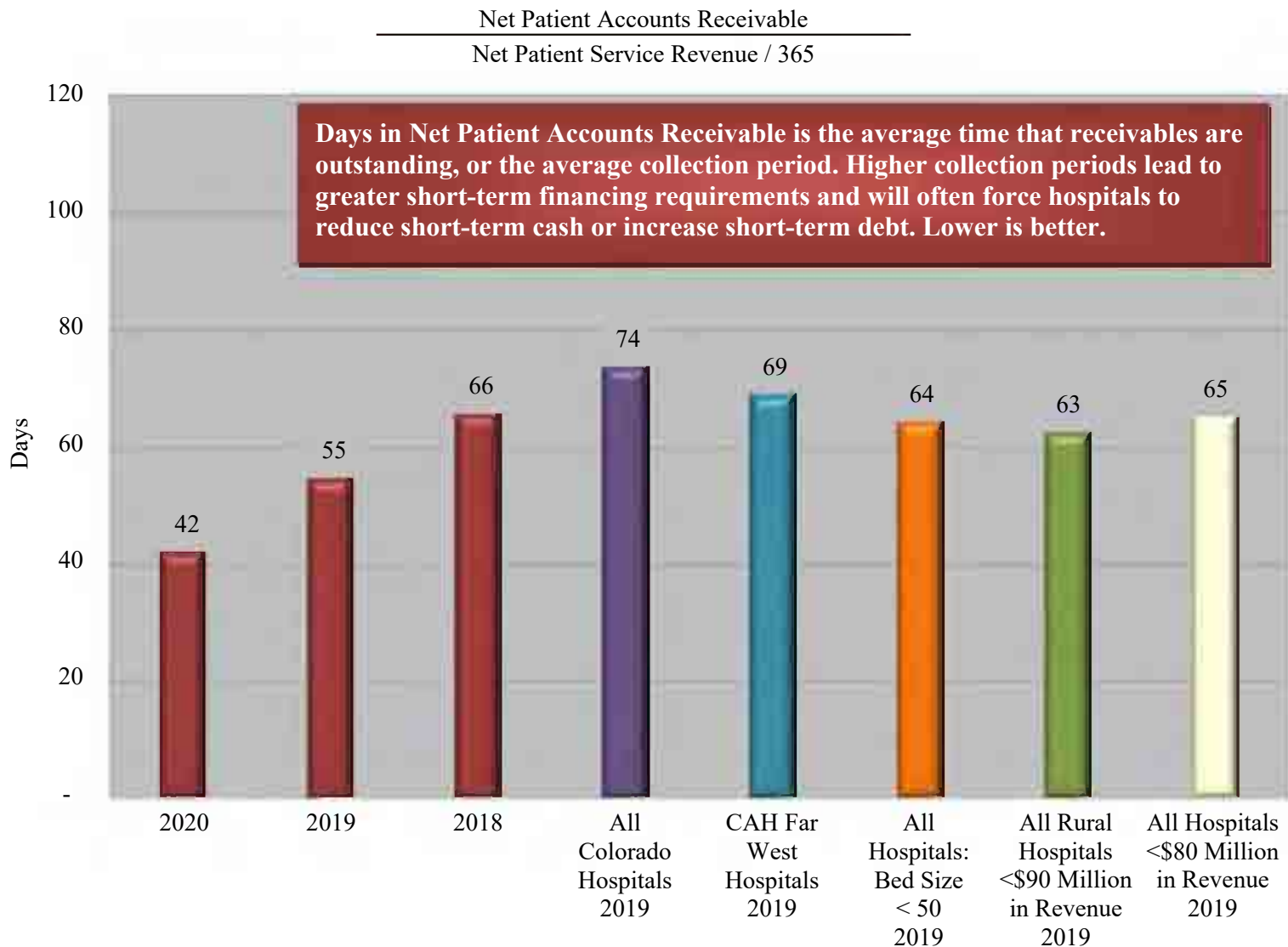
Equipment Additions to Depreciation Expense



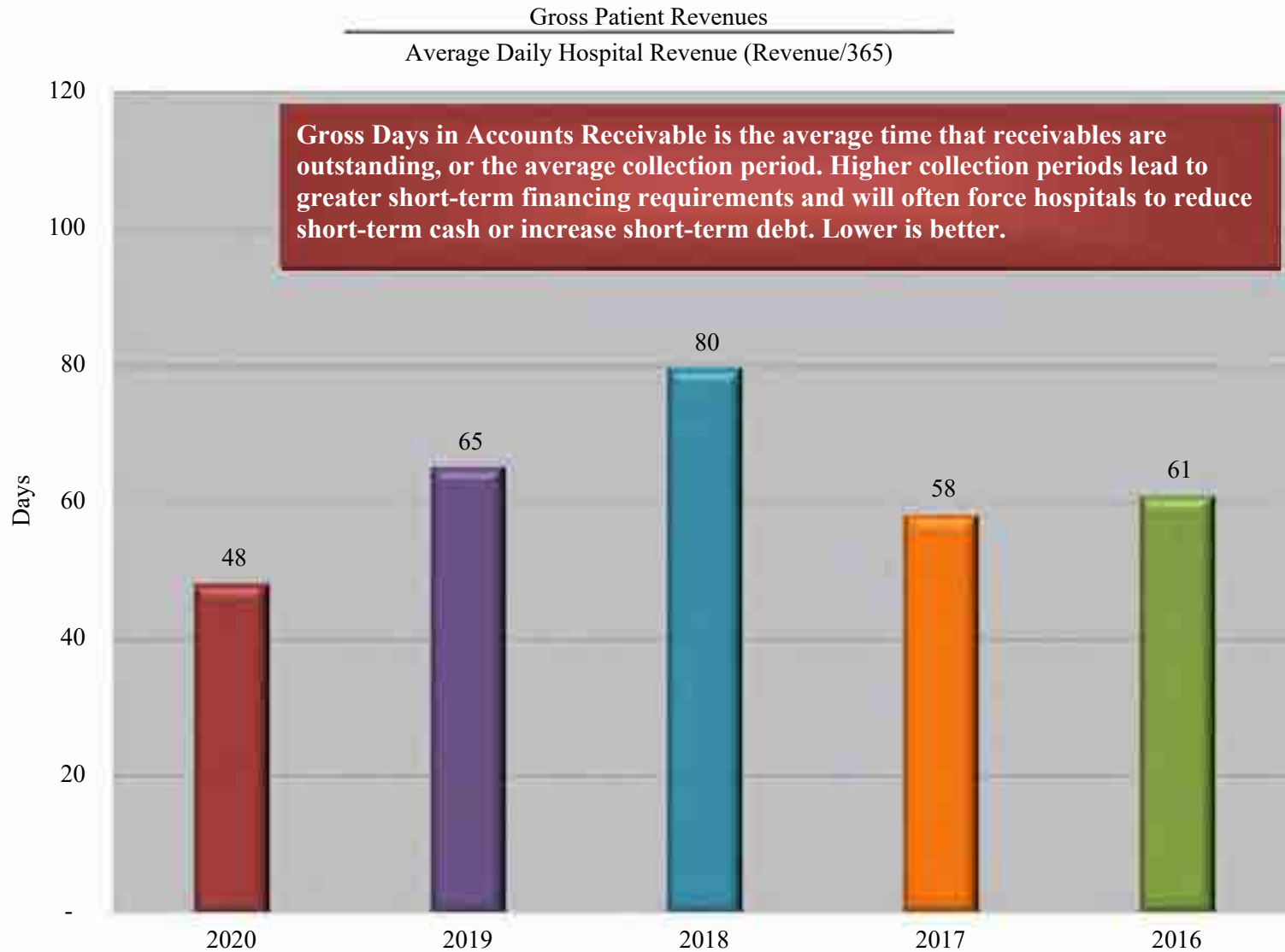
Long-term Debt to Net Position



Days in Net Patient Accounts Receivable

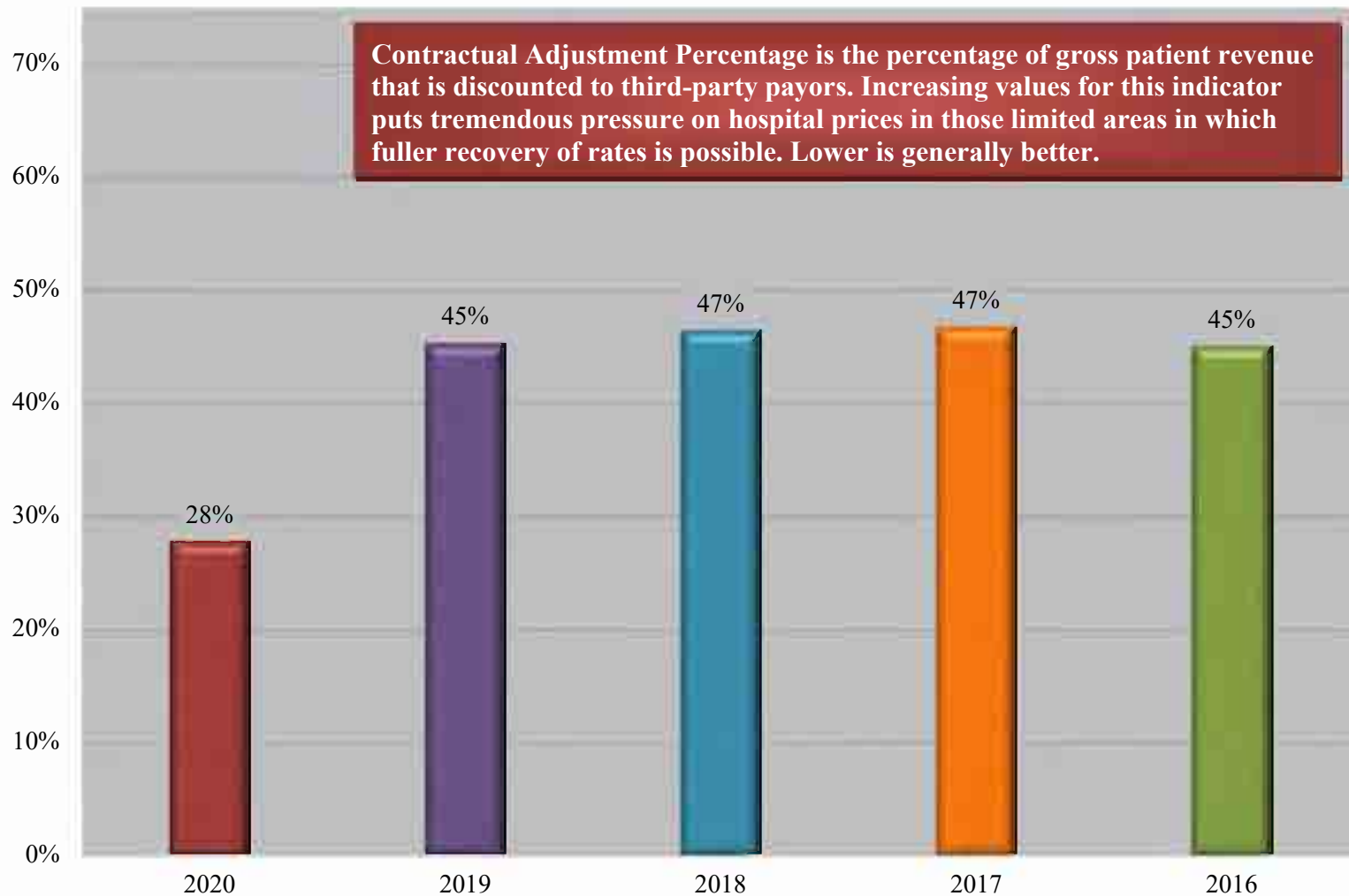


Gross Days in Accounts Receivable



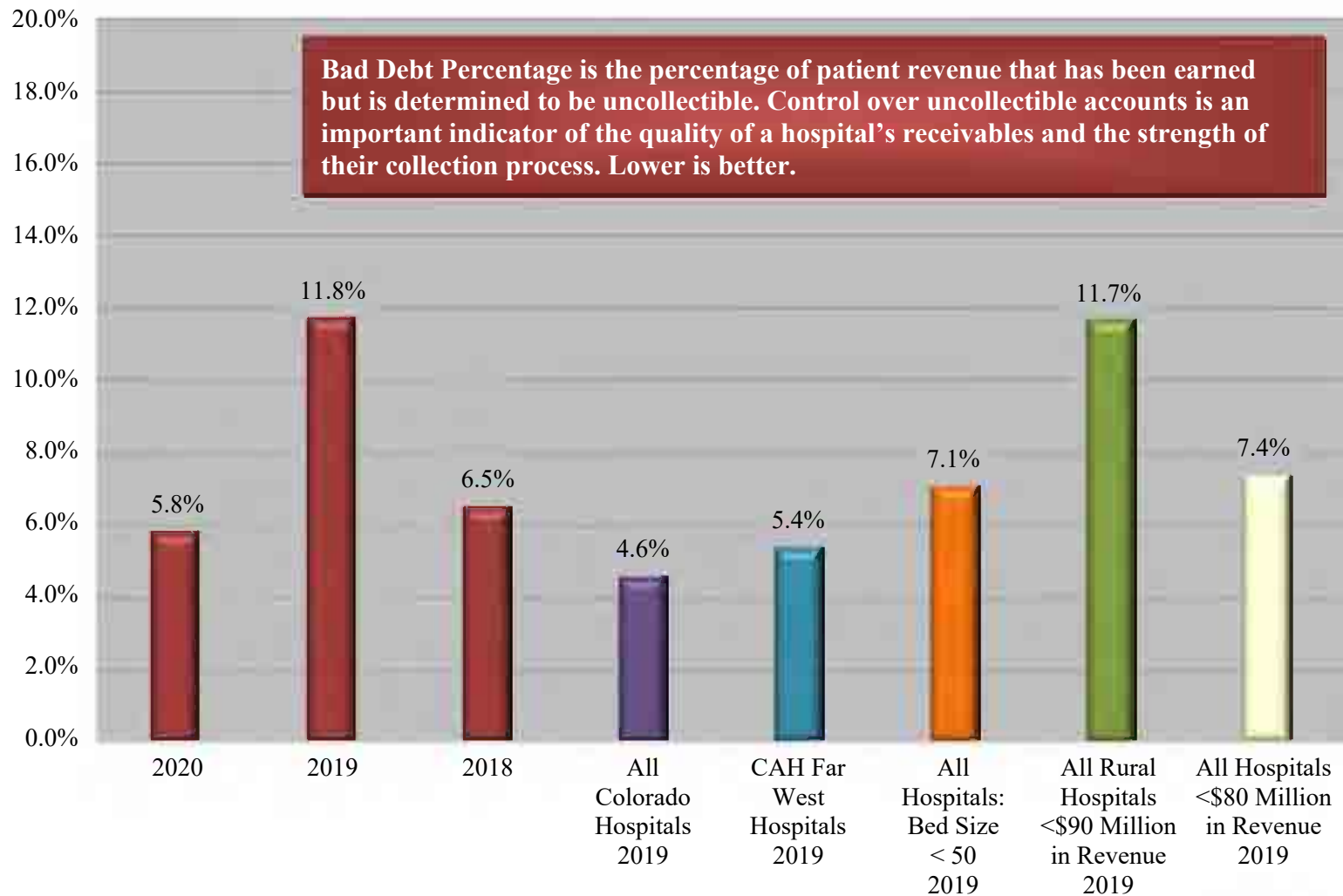
Contractual Adjustment Percentage

Contractual Adjustments
Gross Patient Revenues



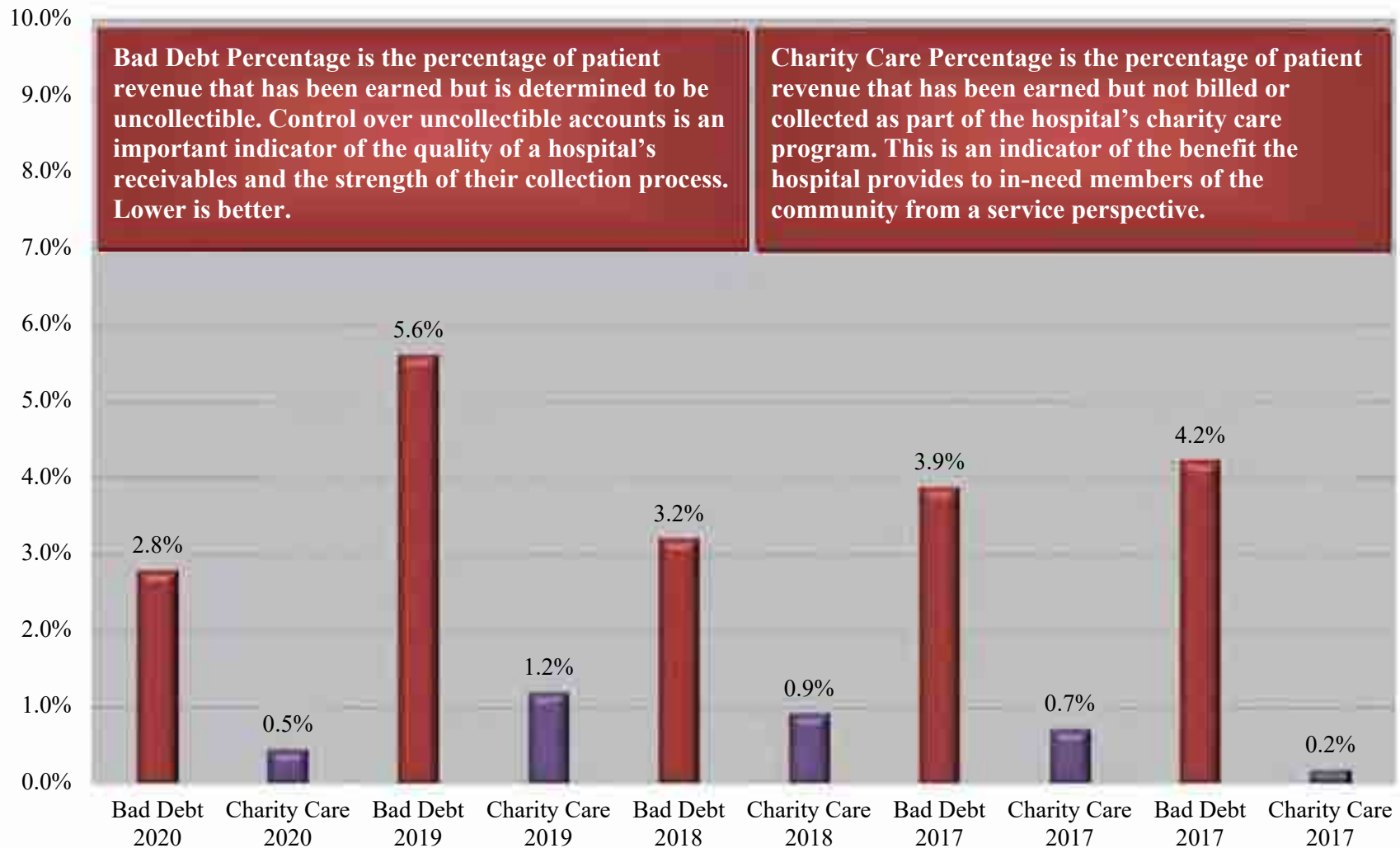
Bad Debt Percentage

Provision for Bad Debt
Net Patient Revenue

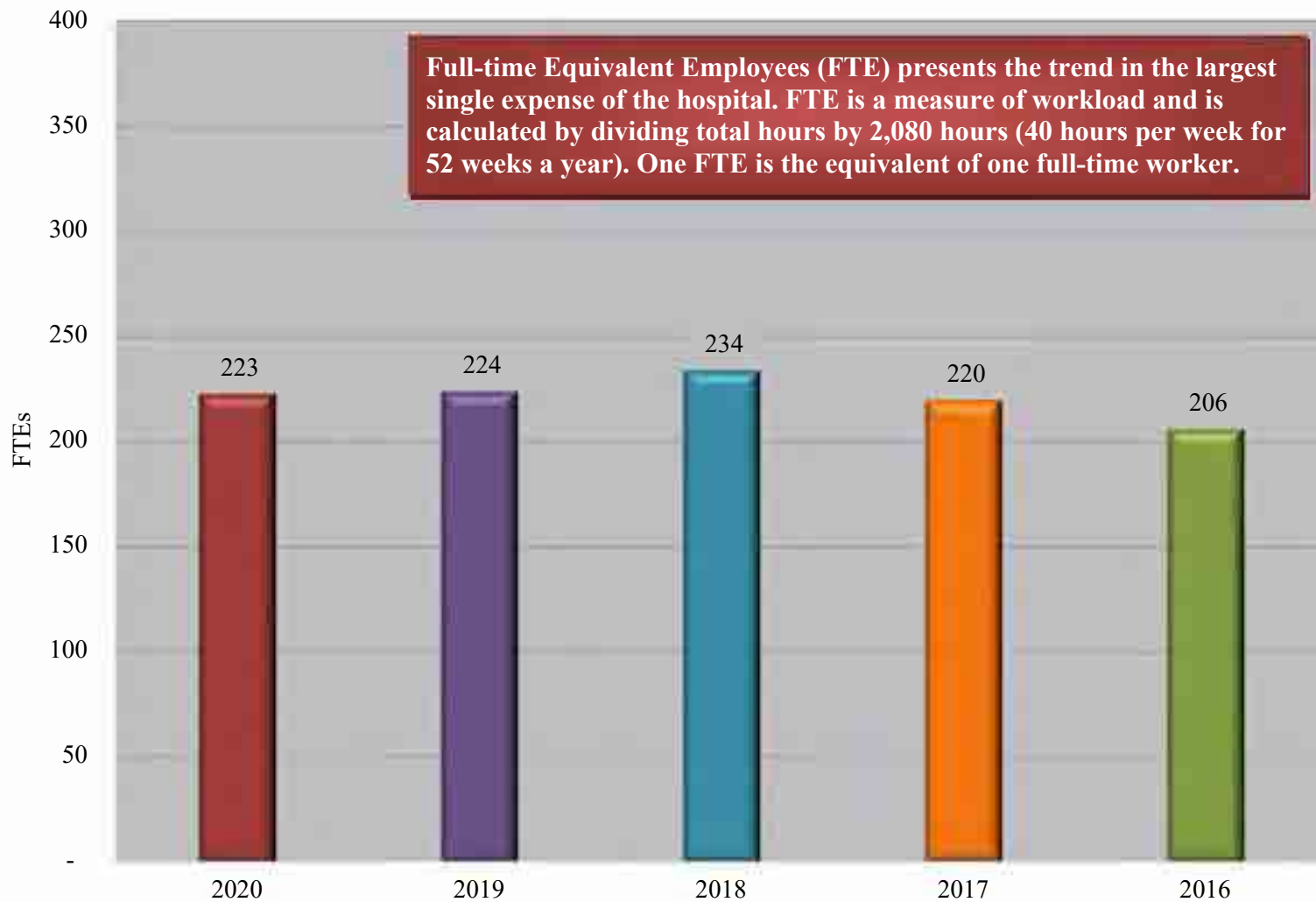


Bad Debt and Charity Care Percentage

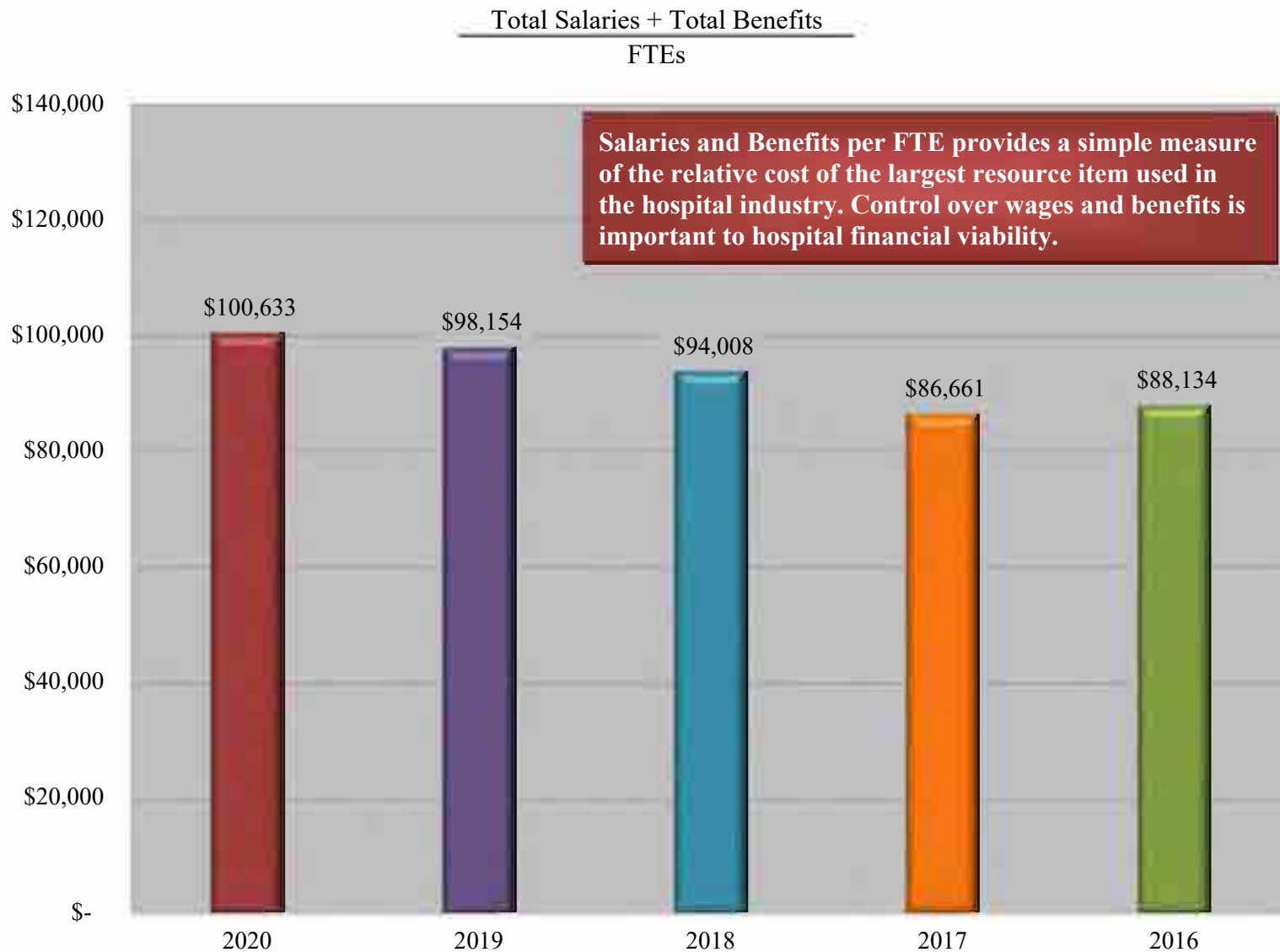
Provision for Bad Debt or Charity Care
Gross Patient Revenues



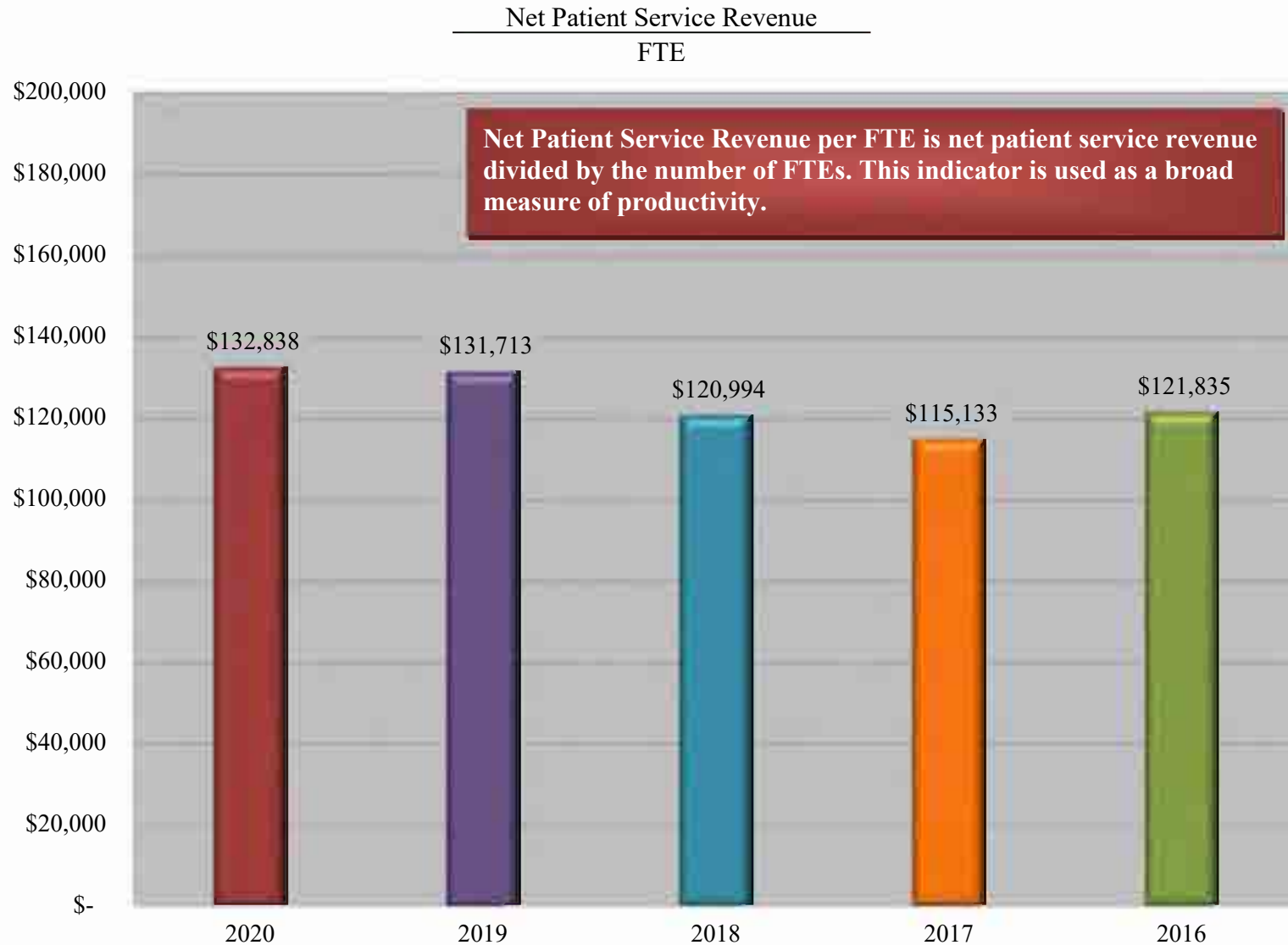
Full-time Equivalent Employees (FTE)



Salaries and Benefits per FTE



Net Patient Service Revenue per FTE



**UPPER SAN JUAN HEALTH SERVICES DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2021-07
May 25, 2021**

WHEREAS, the Board of Directors of Upper San Juan Health Service District (“USJHSD”) has received from the auditor, Dingus, Zarecor & Associates, PLLC, a verbal and written report on the District’s financial statement for year ending December 31, 2020.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE UPPER SAN JUAN HEALTH SERVICE DISTRICT HEREBY RESOLVES to accept the audit report of Dingus, Zarecor & Associates, PLLC, titled: Upper San Juan Health Service District doing business as Pagosa Springs Medical Center, Basic Financial Statements and Independent Auditors’ Report, December 31, 2020 and letters attached thereto.

Greg Schulte, as Chairman of the Board of Directors
and President of the District



Quality Assurance and Performance Improvement Plan - 2021

Mandated Programs (Regulatory)

The programs below are mandated by Medicare or Medicaid and consist of a variety of measures for which we submit data periodically and process improvement activities for which we must submit evidence of performance each year.

1. Hospital Quality Incentive Program (HQIP)

- Measures:
 - Reducing Racial and Ethnic Disparities in Healthcare
 - Management of Sepsis
 - Zero Suicide Program
 - Antibiotic Stewardship Program
 - Adverse Event Reporting
 - Culture of Safety Survey
 - Improving Hand-off Communication
 - Advance Care Planning

2. Medicare Beneficiary Quality Improvement Program

- Measures:
 - Antibiotic Annual Survey
 - Healthcare Workers vaccinated for influenza
 - CMS Measures:
 - ED-2 Time from decision to admit to actual departure
 - OP-2 Fibrinolytic therapy received within 30 minutes
 - OP-3 Median time to transfer for acute coronary intervention
 - OP-5 Median time to ECG
 - OP-18 Median time from admit to departure for ED patients
 - OP-22 Patient left without being seen in the ED
 - Hospital Consumer Assessment of Healthcare Providers and Systems (HCAPHS)
 - EMR Accuracy Improvement Project

3. Merit Based Incentive Payment System (MIPS)

- Measures:
 - Electronic Clinical Quality Measures
 - CMS 2 Screening for Clinical Depression and Follow-up Plan
 - CMS 122 Diabetes: Hemoglobin A1c Poor Control
 - CMS 137 Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
 - CMS 127 Pneumococcal Vaccination Status for Older Adults
 - CMS 165 Controlling High Blood Pressure
 - CMS 147 Influenza Immunization
 - CMS 130 Colorectal Cancer Screening
 - CMS 125 Breast Cancer Screening
 - Promoting Interoperability
 - Security Risk Assessment
 - e-Prescribing
 - Query Prescription Drug Monitoring Program (PDMP)
 - Support Electronic Referral Loops by Sending Health Information
 - Support Electronic Referral Loops by Receiving and Incorporating Health Information

Pagosa Springs Medical Center - Quality Assurance and Performance Improvement Plan - 2021

- Provide Patients Electronic Access to their Health Information
- Immunizations Registry (bi-directional)
- Clinical Data Registry
- Improvement Activities
 - These activities are chosen from selected measures in quarter 2.

4. Hospital Transformation Program

- Measures:
 - Increase follow-up appointments after discharge from inpatient care
 - Increase follow-up appointments after discharge from emergency department
 - Begin social needs screening and referral
 - Reduce readmissions for adults with chronic conditions
 - Begin screening and referral for depression
 - Begin discharge planning and coordination with Medicaid's Regional Accountability Entity for Behavioral Health patients discharged from inpatient or emergency department
 - Initiation of Medication Assisted Treatment in the clinic
 - Transmit a Summary of Care for all discharged patients to the primary care physician
 - Increase the number of patients who had a wellness visit within one year

5. Eligible Hospital Medicare Promoting Interoperability

- Electronic Clinical Quality Measures
 - ED-2 Median Admit Decision Time to ED Departure Time for Admitted Patients
 - VTE-1 Venous Thromboembolism Prophylaxis
 - STK-2 Discharge on Antithrombotic Therapy
 - STK-5 Antithrombotic Therapy by End of Hospital Day 2
- Promoting Interoperability Measures
 - Security Risk Assessment
 - e-Prescribing
 - Query Prescription Drug Monitoring Program
 - Support Electronic Referral Loops by Sending Health Information
 - Support Electronic Referral Loops by Receiving and Incorporating Health Information
 - Provide Patients Electronic Access to their Health Information
 - Immunizations Registry (bi-directional)
 - Electronic Laboratory Reporting (active engagement with CORHIO)

6. Departmental Performance Indicators

- EMS:
 - Indicator: Department staff will enter notes in Cerner in less than 4 days from the date of service to the date of entry.
 - Goal: 100%.
- Clinic:
 - Indicator: Department staff will create initiatives to reduce the number of patients with A1C above 7.
 - Goal: Reduce the current number of patients with A1C over 7 by 10%.
- Patient Accounts:
 - Indicator: Each month, department staff will collect actual cash receipts at 101% of the budgeted cash goal.
 - Goal: 100%.
- Registration:

Pagosa Springs Medical Center - Quality Assurance and Performance Improvement Plan - 2021

- Indicator: Department staff will monitor daily point of service collections and will take such actions to increase point of service collections.
 - Goal: 50% increase in point of service collections annually
- Compliance:
 - Indicator: Department staff will take such actions to ensure that response to variances is timely.
 - Goal: Average time to close for variances will be less than 20 days.
- Quality:
 - Indicator: Department staff will create initiatives to improve return rates of Hospital Consumer Assessment of Healthcare Providers and Systems (HCAPHS) surveys.
- Goal: Increase survey return rate to 40%.
- Pre-Service:
 - Indicator: Department staff will complete primary insurance verifications prior to service.
 - Goal: 95%.
- Health Information Management:
 - Indicator: Department staff will ensure coding is completed in less than or equal to 0.50 A/R days.
 - Goal: 100%.
- Housekeeping:
 - Indicator: Department staff will monitor and ensure all air vents are cleaned on a weekly basis.
 - Goal: 100%.
- Human Resources:
 - Indicator: Upon completion of HR's pay scale project, staff will monitor the percentage of staff aligned with pay scales and improve alignment annually by 10%.
 - Goal: 100%.
- Employee Health:
 - Indicator: Department staff will complete the new employee screening process prior to the employee's first day of work
 - Goal: 100%.
- Dietary:
 - Indicator: Department staff will monitor/document on a daily basis the expiration of all food products.
 - Goal: 100%.
- Nursing/Trauma:
 - Indicator: Department staff will send, on the same day of any transfer to Mercy, discharge summaries.
 - Goal: 100%.
- Hospital Social Work:
 - Indicator: Department staff will timely complete MOON forms for observation patients (Medicare Outpatient Observation Notice to patients that observation status is not inpatient status).
 - Goal: 100%.
- Cardiopulmonary:
 - Indicator: Department staff will perform ECHOs and Stress ECHOs within 5 business days of patient's request for an appointment (providers order is required before the request for the appointment).
 - Goal: 95%.
- Infection Control:

Pagosa Springs Medical Center - Quality Assurance and Performance Improvement Plan - 2021

- Indicator: Department staff will provide antibiotic usage reports to providers monthly.
 - Goal: 100%
- Accounting:
 - Indicator: Department staff will cause PSMC accounts payable to be paid on or before the due date.
 - Goal: 100%.
- Informatics:
 - Indicator: Measure staff satisfaction with Informatics support. 1 to 5 score.
 - Goal: Score of 4 or better
- Radiology:
 - Indicator: Department staff will monitor turnaround times for STAT CT scans and complete internal orders for STAT scans within sixty minutes.
 - Goal: 95%
- Laboratory:
 - Indicator: Department staff will monitor the ratio of cross-matched blood units to transfused blood units.
 - Goal: 100% of transfused units will be cross-matched.
- Physical Therapy:
 - Indicator: Department staff will not have patients wait longer than 5 minutes from scheduled inpatient or outpatient appointments for PT.
 - Goal: 95%.
- Pharmacy:
 - Indicator: Department staff will monitor medication scans and take such actions to ensure all staff compliantly scan all medications.
 - Goal: 95%.
- Oncology:
 - Indicator: Department staff will correctly drop charges each day.
 - Goal: 100%.
- Surgery:
 - Indicator: Department staff will complete surgeries without a surgical site infection.
 - Goal: 100%.
- Pre-Admission Testing:
 - Indicator: Department staff will complete pre-op calls within established time frames.
 - Goal: 100%.
- PACU:
 - Indicator: Department staff will document medications at time of administration.
 - Goal: 100%.

PSMC Selected Quality/Performance Improvement Projects

These are projects that have been selected based on issues identified through our on-going monitoring programs, occurrence reporting, staff suggestions, patient suggestions and strategic planning.

1. **Revenue Cycle Optimization Project with Cerner** – Cerner consulting project to fix multiple issues in the revenue cycle process.

Pagosa Springs Medical Center - Quality Assurance and Performance Improvement Plan - 2021

2. **Implementation of new phone system** – Bringing hosting and management of our phone system local to improve service and reduce cost. To be completed during the second quarter of 2021.
3. **Practice Transformation in the Clinic** – This project allows PSMC to participate in Medicaid revenue enhancement programs while improving the quality of primary care offered in the Clinic.
4. **MRI** – Select, purchase, and operationalize a new MRI unit and MRI structure in order to keep technologically up-to-date. To be completed during the third quarter of 2021.
5. **Admission Discharge and Transfer Electronic Notification Project** – Medicare requirement for notification of the primary care provider of all admissions, discharges and transfer.

**UPPER SAN JUAN HEALTH SERVICES DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

Formal Written Resolution 2021-08

May 25, 2021

WHEREAS, the Board of Directors of Upper San Juan Health Service District (“USJHSD”) has received PSMC’s *Quality Assurance and Performance Improvement Plan* and the *Quality Assurance and Performance Improvement Program* prepared by staff.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE UPPER SAN JUAN HEALTH SERVICE DISTRICT HEREBY RESOLVES to accept PSMC’s *Quality Assurance and Performance Improvement Plan* and the *Quality Assurance and Performance Improvement Program*.

Greg Schulte, as Chairman of the Board of Directors
and President of the District

PAGOSA SPRINGS MEDICAL CENTER

Annual Program Evaluation

2020



INTRODUCTION

In compliance with Medicare's Conditions of Participation for Critical Access Hospitals, Pagosa Springs Medical Center (PSMC) evaluates its total program of services each year. We review the appropriateness of services from a medical necessity standpoint. We evaluate the quality and efficiency of our services and the overall satisfaction of the patients we serve.

Because we strive to provide high quality healthcare that is easily accessible and appropriate to our rural population, we review trends in demographics, referral patterns and the input from our community when evaluating our program.

Using patient comments, community meetings and surveys, we evaluate the satisfaction of the community with our services, facility and overall environment of care.

Our robust peer review program provides assurance that our medical services are of the highest quality, with any issues identified and addressed promptly. Review of quality measures, performance improvement activities and policies and procedures allows us to make process changes that are necessary to support excellence in clinical practice.

The results of this evaluation are provided to leadership and the Board of Directors as a tool for strategic planning.

SCOPE OF SERVICES

Pagosa Springs Medical Center is fully licensed and accredited as a Critical Access Hospital. It has eleven acute care/swing beds and seven Emergency Department beds. It is a designated Level Four Trauma Center.

Clinical Diagnostic/Treatment Services

- Anesthesia Services
 - General and local anesthesia
 - OP pain management
 - IP pain management
- Cardiopulmonary Services
 - Respiratory Therapy
 - EKG
 - Event Monitoring
 - Stress Testing
 - Echocardiography
 - Basic Pulmonary Function Testing
- Case Management/Discharge Planning
- Diagnostic Imaging
 - General Radiology
 - Bone Densitometry
 - Ultrasound
 - CT
 - MRI
 - Mammography
- Dietary
 - Dietitian Consultation (by contract)

- Emergency Medical Services (Ambulance)
 - EMS Training Center
 - ACLS, PALS, TNCC, BLS certification
 - Community Outreach
 - AED
 - CPR
 - Stop the Bleed
 - EMT-B certification
- Emergency Department
 - Trauma Services – Level 4 certification
 - Tele-neurology (by contract)
 - Tele-psychiatry (by contract)
- Infusion Therapy
 - Therapeutic Phlebotomy
 - Oncology Infusions
 - IV Hydration
 - Medication Administration
- Inpatient/Observation Services
 - Adult and Pediatric Medical/Surgical
 - Subject to extenuating circumstances (e.g., transfers precluded due to inclement weather), Pagosa Springs Medical Center does not admit pediatric patients who weigh less than 10 kilograms (22 pounds).
- Laboratory Services
 - Blood Bank
 - General Laboratory Services
 - Pathology (by contract)
- Oncology
 - Provider clinic
 - Chemotherapy injection, infusion, and/ or irrigation
 - Genetic Counseling
 - Patient Navigation
 - Survivorship
- Pharmacy
 - IP pharmacy only
 - Participates in 340B program
- Rehabilitative Services
 - Swing Bed
 - Physical Therapy
- Surgical Services
 - General Surgery
 - Orthopedic Surgery
 - Gastroenterology
 - Ophthalmological Surgery
 - Ear, Nose and Throat Surgery
 - Gynecological Surgery
 - Pain Management Services

Support Services:

- Administration
- Compliance
- Credentialing/Medical Staff Office

- Employee Health
- Environmental Services
- Financial Accounting
- Foundation
- Health Information Management
- Human Resources
- Infection Control
- Informatics
- Information Technology
- Marketing and Communication
- Materials Management
- Patient Financial Services
- Patient Registration and Pre-service
- Plant Operations and Life Safety
- Quality and Patient Safety
- Risk Management and Legal

Community Services:

- Community Education
- Patient and Family Information and Education

2020 PROGRAM EVALUATION

Sources of Data

PSMC used the following sources of data for the 2020 program evaluation:

- Concurrent Case Management
- Quality Council Minutes
- Performance Improvement Committee Minutes
- Occurrence Reports
- Patient Satisfaction Surveys (HCAPHS)
- AHRQ Patient Safety Survey
- Community Feedback
- Demographic and Economic Profiles for Region 9
- Robert Wood Johnson County Health Rankings - 2021
- Hospital Generated Statistical Reports
- Colorado Rural Health Center's Snapshot of Rural Health - 2021
- Evaluation of 2020 Initiatives

Trends in Health Care Demographics

According to US Census data, Archuleta County's population was 13,253 in 2019 up from 12,908 in 2018. This is a 2.6% increase which is consistent with the growth rate for the previous year. Assuming this growth rate continues, population in 2025 will be just over 15,000 residents. The age demographic for Archuleta County continues to be older than Colorado on the whole with over 27% of the population greater than 65 years of age. This is an increase from 2019 of 2%. The over 65 population statewide remained at just over 14%.

Archuleta County continues to have a substantial number of residents living at or below the poverty level, 21% of our children live in poverty and over 50% qualify for the school lunch program. The median

income in 2020 was \$57,600 compared to the statewide median income of \$77,100. Approximately 13% of the population in Archuleta County is uninsured.

The ratio of patients to primary care doctors is stable at 1,250:1, very close to the State ratio which is 1,210:1. Access to mental health providers remains limited with the ratio of patients to providers being 640:1 compared to the State at 280:1.

In 2021, County Health Rankings for Colorado combined the Health Factors Category and the Health Outcomes category and now reports only an overall rank for each county. Archuleta ranks 18 out of the 60 counties. Health Factors include Education, Employment, Family and Social Support and Community Safety. Health Outcomes include Tobacco Use, Diet and Exercise, Alcohol and Drug Use, Access to Care and Quality of Care.

Some areas where Archuleta County did not do as well as the state overall are Obesity at 24% of the population, frequent mental distress at 12%, and food insecurity at 11% and severe housing problems at 19%.

PSMC Service Line Statistics

Item	2019	2020	Change
Emergency Department visits	6489	5976	↓
Inpatient Admissions	377	302	↓
Observation Encounters	403	381	↓
Length of Stay	2.4	2.6	↑
Primary Care Encounters	18269	14312	↓
Specialist Encounters	5142	4302	↓
Behavioral Health Visits	1509	2143	↑↑
Average Daily Walk-in Clinic Visits	23.05	15.5	↓
Oncology Visits	897	1404	↑↑
Infusion Encounters	902	827	↓
Oncology Infusions/Injections	740	1344	↑↑
Gastrointestinal Procedures	374	363	↓
General Surgery Procedures	123	108	↓
Orthopedic Surgery Procedures	323	291	↓
ENT Surgery Procedures	55	33	↓
Gynecological Procedures	4	10	↑
Eye Surgery Procedures	8	18	↑
Pain Management Procedures	119	125	↑
Laboratory Tests	55047	60693	↑
General Radiology Procedures	7511	6899	↓
MRI Procedures	1076	911	↓
CT Scans	3437	3999	↑
Ultrasound Procedures	1137	1248	↑

2D Echo	433	407	↓
Stress Echo	80	127	↑
Outpatient Physical Therapy Visits	437	729	↑↑

Evaluation of Service Line Statistics and Demographics

Current demographics suggest that Pagosa Springs will continue to experience population growth and the percentage of our population over the age of 65 will also continue to increase. The “over 65” demographic is a higher and more complex user of healthcare services that PSMC should take into consideration in the evaluation of our existing service lines and in the selection of new services. Like most of the state, Archuleta County is experiencing a surge in behavioral health needs and our access to services to support mental health are extremely limited. Substance Use Disorders continue rise across the state, with one death every 9.5 hours in the state. Residents of Archuleta County consider opioid abuse to be the third most important issue impacting health.

Current statistics are difficult to analyze due to the unique effects of the COVID-19 pandemic. There are notable increases in volumes in Oncology and Infusion. We would expect this to continue due to the age demographic for Archuleta County. Behavioral Health visits increased by 42%. This increased utilization of behavioral health is a national trend and the expectation is for this to continue. While we remain concerned about the decrease in some volumes, it is unclear whether we can actually endorse 2020 volumes as normal performance because many patients delayed preventive and discretionary services during the pandemic.

Community Input

Due to the COVID 19 pandemic restrictions, PSMC held only one community meeting of our stakeholders to receive input on strategic direction. We also monitored patient complaints and comments to identify any trends. Patients continue to indicate that the high cost of healthcare is a critical issue, especially treatment received in the Emergency Department.

2020 Pandemic Response

COVID Community leadership:

- Assumed a leadership role in the community during the pandemic.
- In early March, PSMC called together and hosted the initial meeting of policy makers and stakeholders re planning a community-wide response to the pandemic.
- Ongoing community education.
- Ongoing participation (daily and weekly) with policy makers at state and local level.
- Ongoing participation (daily and weekly) with public health leadership and pandemic work groups for most current and effective response.

COVID Community Testing: Assumed the responsibility for free community COVID-19 drive-up testing (County EOC offered a testing site a number of times and will hopefully hire an outside entity to assume this in 2021).

COVID Vaccines to the Community: As of 12/31/2020, only 5 entities in Southwest Colorado had completed the process to be certified to administer vaccine (PSMC, Mercy, ASH, SW Memorial in Cortez and one pharmacy). While most hospitals, including PSMC, do not have the bandwidth to conduct the

community vaccinations long term, PSMC proceeded to lead vaccination efforts in the community. As of year-end 2020, PSMC had vaccinated (the 1st of 2 doses) to all of the 1A; highest risk healthcare workers in Archuleta County willing to be vaccinated.

COVID Patient Care:

1. Developed a plan to meet patient need in event of surge of COVID-19 patients. A surge would include 26 beds, 2 of which are ICU.
2. Engaged clinical staff with the latest evolving information for patient diagnosis and care.
3. Early in the pandemic, implemented telehealth options where appropriate.
4. Updated patient monitoring system to be able to monitor the oxygen saturation of all inpatients.

COVID Lab Testing: PSMC's lab was relentless in managing options to get the most reliable COVID-19 testing for patients with the fastest response possible (as limited by the performing lab).

1. Validated three molecular COVID-19 test platforms for in-house testing.
2. Validated serology COVID-19 test platform for in-house testing.
3. Processed 1,898 COVID samples in-house and sent on to the State or Lab Corp.
4. Colorado Hospital Association recognized PSMC Lab Manager, Craig Willeford, as a COVID superhero for his unique above-and-beyond efforts to be respond to COVID, including the speed and independence in which he brought testing to Archuleta County.

COVID Supply: The U.S. supply chain was broken in 2020, but PSMC was creative in obtaining sufficient supplies on hand to meet the new needs of a pandemic and a possible surge of COVID-19 patients. Increased gowns, gloves, masks, face shields, PAPPR'S, by an approximate amount of four times what we would normally carry.

COVID Infection Control (process and facility changes):

1. Early in the pandemic, set up an outside tent to screen all patients.
2. Converted the main lobby to a temporary "Hot Doc" to examine/test potentially infectious patients (this included construction of a wall and addition of a hand washing area – these changes were eventually taken down when achieved Clinic negative air pressure rooms).
3. Renovated two outpatient clinic rooms to negative air pressure for infection control and created direct access from parking.
4. Renovated the front entrance vestibule ceiling and air flow for infection control and to allow a station for visitor screening (replaces the original temporary tent outside).
5. Renovated two ED rooms (Trauma 1 and 2) to negative air pressure for infection control.
6. Replaced carpeting in areas with vinyl flooring to improve infection control.
7. Installed a shed near shipping/receiving to house materials and shelter staff who are conducting drive-up COVID-19 testing.
8. Implemented new cleaning practices including "Clorox 360" machines.
9. Implemented practices to support the wellness of staff including mask wearing, screening tool prior to entering the building, and thermal-imaging temperature checks of employees.
10. Creation of dozens of new policies to address the evolving and fluctuating information about COVID-19.

COVID and Personnel:

1. Pivoted significant number of staff to remote work to assure continuity of services.
2. Restructured the role of Infection Control to effectively manage constantly evolving information regarding COVID-19 response. Role also completed substantial federal/state reporting on time (some reporting is twice daily every day).
3. Restructured the role of Employee Health nurse and HR to effectively manage employee screening and clearance to work.

4. Managed an employee manpower pool to cover a range of new roles necessitated by COVID-19.
5. Early in the pandemic, managed cost-savings actions including voluntary reductions in hours and voluntary reductions in pay during times when services were suspended or greatly reduced due to Stay At Home Order.

COVID and Financial Sustainability:

1. \$1,157,026 Cares Act funds brought to the bottom line.
2. \$500,000 grant award from DOLA COVID relief fund.
3. \$452,671 grant award from DOLA COVID relief fund.
4. \$28,180 grant award from Colorado Hospital Association for COVID.
5. \$74,419 grant award from the Small Hospital Improvement Plan (SHIP) for COVID.
6. \$3,740,044.42 - applied for and received Payroll Protection Program funds of (PSMC application for forgiveness is pending)
7. \$4,224,951.95 – applied for and received Medicare Accelerated payments (this is an advance that will be offset starting April 2021)
8. \$47,000 grant awards to PSMC's Foundation from the Governor's relief fund, Next 50, Rocky Mountain Health for COVID PPE.

COVID and Incident Command/management:

1. Daily meetings for Incident Command re evolving COVID information.
2. Week day written briefing to all employees, Board members and press.
3. Daily COVID reporting of supply, lab capability, patient status, hospital availability, employee wellness, etc.
4. Twenty-seven new COVID specific policies and 16 new COVID forms.

2020 Initiatives Evaluation

Clinical and Support Services:

1. Clinic
 - a. Integrated Behavioral Health with Primary Care.
2. EMS
 - a. Operationalized the new ambulance acquired via fundraising, grant and operational funds.
3. Facilities
 - a. In addition to all the COVID projects listed above, we completed the surgery expansion and HVAC project which included:
 - HVAC Controls to better control and monitor temperature and humidity in the Operating Room.
 - VAV installation to increase control and save energy costs.
 - Expansion of the Procedure Room to include modifications in air handling that allows room to be converted to a second operating suite.
 - New RTU servicing Surgical Services thus improving air flow, cooling and heating in other areas that were serviced by a shared RTU.
 - Plumbing improvements in Sterile Processing room that improve function and workflows.
 - Renovations made also include adding negative air pressure in ER Rooms 1 & 2.
 - b. Completed 2,157 staff requested work orders.
4. IT
 - a. Restructured vendor support to improve IT security, response time and reduce expense by more than 30%.

- b. PSMC selected a new phone system from a local vendor that will allow for on premise hosting. This solution will provide better redundancy, reliability and on-site management functions at a lower cost. Go-live date for the system is April 23, 2021.
 - c. Implemented infrastructure during the Pandemic that allowed 30% of our staff to work completely remotely.
 - d. External Penetration Tests and Vulnerability Scans grading improved from B- in 2019 to A- in 2020
 - e. Replaced aging Terminal Server with fully load-balanced Remote Desktop Services farm with 4 Terminal Servers
 - f. Completed installation of URL Filtering Software.
5. Informatics
- a. The Behavioral Health Module for the electronic health record was purchased and implementation was completed in November 2020.
 - b. Modified single and separate encounter workflows for all patient transfers between ED, Surgery, Observation and Inpatient eliminating billing issues relating to single encounter workflow.
 - c. Worked with Cerner to ensure workflows were created to support all COVID-related requirements and needs as they related to PSMC (i.e. orders, documentation, charging, reporting, etc.)
6. Lab
- a. In 2020, PSMC's lab processed 19,513 patient events and performed 60693 lab tests with 8 lab staff and 1 lab manager.
 - b. Installed biological safety cabinet providing a safer environment for lab staff performing viral tests.
 - c. Updated the finger stick INR platform which reduces PSMC's cost per test by 50%.
 - d. Entered into contracts to update chemistry analyzers; this results in almost 50% cost savings for the service contracts.
7. Radiology
- a. Entered into an agreement for the purchase of a new MRI; work underway for the modular to house the MRI.
 - b. New portable X- Ray to better meet needs of patients in isolation.
 - c. RIA radiologist on-site (Dr. Jessica Cox) helped increase PSMC patient access to ultrasound, biopsy, injections, paracentesis, and thoracentesis.
8. Oncology and Infusion
- a. In its third year, the Cancer Center saw steady growth from 897 oncology visits in 2019 to 1404 in 2020. There were 740 oncology infusions/injections in 2019 and 1344 in 2020.

Culture and Talent

- 1. Administrative personnel remained steady:
 - a. Director of Surgical Services moved and new director, Cathy Mundt, assumed the role.
 - b. Due to COVID-19 demands, successfully expanded to full time, the roles of infection control nurse and employee health nurse.
- 2. Physicians and Advanced Practice Providers (nurse practitioners, physician assistants, certified nurse anesthetists) remained steady:
 - a. Three Clinic outpatient physicians requested a half-time schedule and we took the actions to accommodate those changes.
 - b. Long-time employee Rachel Liverett successfully advanced to a nurse practitioner and she is now an additional part-time Clinic provider.
 - c. Long-time emergency department physician Michelle Flemmings requested to semi-retire and reduce her work to PRN services; PSMC was able to accommodate this with the

addition of Dr. Daniel Renner to the emergency department physician team. Dr. Renner also assumed the role of EMS Medical Director.

- d. Oncologist Dr. Tjan moved from the area and Dr. Bill Jordan continued to lead patient care in PSMC's Cancer & Infusion Center. A new full-time oncologist is starting in 2021.

Revenue Cycle and Financial Goals

1. PSMC's days cash on hand at the end of the year in 2019 was 62.5 days and, despite COVID-19 and the limitations on services in March, April and May (as well as in the fall for the HVAC renovation project), the days cash on hand at the end of 2020 is 61.1 days. For purposes of the bond covenants, PSMC easily meets its days of cash on hand obligation, as the figure of 61.1 days cash on hand excludes the following PSMC cash on hand described on the Balance Sheet as: (1) \$4,224,952 advance from Medicare (offsets begin in April of 2021); (2) \$3,740,044 PPP funds (loan forgiveness is anticipated but not yet awarded); and (3) \$3,358,784 Cares Act Funds not yet applied to expenditures but likely will be prior to the end of 2021.
2. Held steady with net income despite COVID (gross revenues decreased from 2019 to 2020 due to periods when services were limited – mostly during March, April, May for COVID as well as September for the HVAC project). PSMC's audited net income in 2019 was \$1,188,620 and PSMC's unaudited net income for 2020 was \$2,282,574.
3. Reduced Gross A/R including DNFB reduced by: \$2,829,274
4. Reduced Gross A/R days by: 18.62 days
5. Decreased billed A/R (less DNFB) by: \$2,461,852
6. Decreased billed A/R days by: 16.20
7. Decreased billed A/R over 90 days by: 10.08%
8. Decreased insurance billed A/R over 90 days: 6.95%
9. Implemented 3M grouper which improves coding and ability to calculate Medicaid EAPG.
10. Implemented interface between self-pay vendor and Cerner.
11. Hospital price transparency tool live on 12/31/20.
12. Successfully moved from paper process to paperless process in the general ledger (Multi-View) resulting in efficiency in closing each month (this also allowed for remote working for COVID).
13. Implemented new budget software which created efficiencies for planning by managers and leadership.
14. Completed successful annual audit with the added challenge of remote document review and meetings due to COVID-19.
15. Outsourced release of medical information at no cost to PSMC but reduced expense by one FTE.

Compliance

1. All life-safety requirements are met and inspections are current.
2. With all the extra work associated with COVID, our staff remained up-to-date on its compliance training at a rate of approximately 90%.
3. PSMC completed all obligations of the Resolution Agreement with the Office of Civil rights related to a 2013 HIPAA violation (this matter is now closed).

Quality and Patient Safety

1. Hospital Transformation Program - Even though the actual start date for the HTP was delayed due to the pandemic, PSMC was able to select four interventions and nine corresponding measures for the program. We completed our application and intervention proposal documents and are fully prepared for the restart of the program in 2021. PSMC staff was instrumental in lobbying for financial support for the complications and strains on rural hospitals to implement HTP. CHA then helped to support. There is now a fund that rural hospitals can apply for support to HTP goals. PSMC was the first in Colorado to apply and it will be determined in 2021 if we are awarded the approximate \$500,000 for which we applied. The four interventions that were selected are:

- a. Hospital Social Services program to address social determinants of health and behavioral health;
 - b. Clinic Social Services program to address social determinants of health and behavioral health;
 - c. Complex Disease Management to improve our management of diabetes, obesity, asthma, hypertension and congestive heart failure;
 - d. Medication Assisted Treatment to address the opioid epidemic
2. Initiated population health quality programs with primary care that improve patient care and earn financial reward (Humana, United Health Care, and Anthem).
 3. Refined antibiotic stewardship program to meet Quality metrics for HQIP improving patient care and earning financial reward.
 4. Successfully submitted HQIP in April; for second year in a row, PSMC earned 100% on all metrics.
 5. Quality Payment Program / Merit-Based Incentive Payment System (MIPS): PSMC completed PY 2019 submission, achieving a final score of 91.53 out of 100 points. Performance resulted in a positive payment adjustment of 1.21% for the 2021 billing year.
 6. Eligible Hospital (EH) Promoting Interoperability: PSMC completed PY 2019 submission, including the EH eCQM requirement.
 7. Medicare Beneficiary Quality Improvement Program: PSMC completed submission for 2020 Outpatient Quality Reporting measures, HCW flu vaccination reporting, HCAPHS participation and Antibiotic Stewardship reporting. This allows us access to \$12,000 for HCAPHS services and consulting services through the SHIP Grant.
 8. Completed annual Patient Safety and Risk Management Assessment by our malpractice carrier. The single recommendation from that review has been implemented.
 9. Used the Clarity Event reporting system to track to resolution all patient complaints reducing our time to close an event from 16.5 days in 2019 to 13 days in 2020.
 10. Cumulative HCAPHS: 241 surveys were mailed and 62 were received for a 26% response rate. Our Quality Bundle: "Would recommend this hospital" had 84% as Definitely Yes and 15.5% as Probably Yes. Top Performer in the bundle was "How often did doctors Treat you with respect and courtesy?" at 95% Definitely Yes. "How often did nurses treat you with courtesy and respect."? At 95% Definitely Yes
 11. Through active Infection Prevention and Control activities, PSMC emphasizes patient safety as a top priority. PSMC performs regular surveillance and reports all hospital associated infections to the National Health Safety Network. PSMC reported zero healthcare associated infections (HAIs) related to MRSA or Clostridium difficile. There were no catheter associated urinary tract infections or surgical site infections. Prevention and education activities in 2020 included: staff and provider education for hand hygiene, sharp safety education, respiratory etiquette education, antimicrobial stewardship and use of personal protective equipment.

Strategic Planning

1. Worked with Board Strategic Planning Committee to develop draft plan that was presented to the Board; community engagement for this was held on 10/1/2020.
2. Entered into ten-year agreement with Cerner for stability.
3. Completed capital replacement plan.
4. Groundwork planning completed for Facility replacement needs.
5. Groundwork planning completed for oxygen generation system.
6. Groundwork planning underway to determine 3D mammography facility renovations.

Peer Review Program

PSMC has established a comprehensive peer review program to insure the quality and appropriateness of medical services. Results of peer review are reported to the Professional Review Committee where findings are discussed and actions recommended. Peer review results are considered in the appointment process. The table below lists the components of the medical peer review program.

Provider Peer Review Triggers List
Clinic Reviews
Clinic Random Peer Review (goal of 2% or minimum of 5/yr)
Specialty Clinic Random (goal of 2% or minimum of 10/yr)
ED Reviews
ED Random Peer Review (goal of 2%-only required if 2% not met by other ED triggers below)
All obstetrical and newborn cases
ED Transfer out (transferred out via flight only)
ED AMA
ED Deaths
Inpatient Reviews
Inpatient Random Peer Reviews (goal of 2% or minimum of 10/yr)
All inpatient re-admissions for same diagnosis w/I 30 days
All inpatient with LOS > 7 days
All inpatient stays ≤ 24 hours
All transfers from IP to another facility
IP Deaths (unexpected only)
All hospital acquired Infections
Surgery Reviews
Random Surgery Reviews (goal of 2% or minimum of 10/yr)
All post-op surgical infections
Unplanned return to OR
Unplanned ED visit within 24 hours after an OR procedure
Anastomotic Leaks
GI lab Perforation
Unanticipated Need for Transfusion
Post Op DVT
Unexpected OR Outcomes
Malignant Hyperthermia/adverse reaction to anesthesia/anaphylactic shock or IV conscious sedation complications
CRNA Random Peer Reviews (goal of 2% or minimum of 10/yr)
General Standing Reviews
All hemolytic transfusion reactions
All requested from providers, administration, nursing, risk management, and quality
All mortality cases (unexpected IP, all OP, ED, OR)

Medical Staff Additions

LAST NAME	FIRST NAME	PRACTICE AREA	GROUP NAME
Ahn	Samuel	Teleradiology	Radiology Imaging Associates
Bahr	Cameron	Teleradiology	Radiology Imaging Associates
Beale	Sarah	Teleradiology	Radiology Imaging Associates
Beatte	Hope	Telepsychiatry	MindCare Solutions/HealthONE Virtual Network
Bhatt	Malay	Teleradiology	Radiology Imaging Associates
Boschini	Fernando	Teleradiology	Radiology Imaging Associates
Gilbert, II	John	Teleradiology	Radiology Imaging Associates
Goldstein	Ross	Teleradiology	Radiology Imaging Associates
Holstad	Jonathan	Teleradiology	Radiology Imaging Associates
Liverett	Rachel	Family Medicine	Pagosa Springs Medical Center Primary Care Clinic
Lowe	Scott	Teleradiology	Radiology Imaging Associates
Maddox	Elizabeth	Teleradiology	Radiology Imaging Associates
Matthews	David	Orthopedics	Pagosa Springs Medical Center
Morgan	Whitney	Teleradiology	Radiology Imaging Associates
Newth	Marcia	Licensed Clinical Social Worker	Pagosa Springs Medical Center Primary Care Clinic
Renner	Daniel	Emergency Medicine	Pagosa Springs Medical Center
Shook	David	Teleradiology	Radiology Imaging Associates
Stinson	Kelly	Telepsychiatry	Mindcare Solutions/HealthONE Virtual Network
Weingardt	Jeffry	Teleradiology	Radiology Imaging Associates
Williams	Kenna	Surgery	Pagosa Springs Medical Center / Kenna J Williams MD, PLLC

Policy and Procedure Review

Pagosa Springs Medical Center utilizes a cloud-based software system for the management of policies and procedures and other critical documents. At the beginning of 2019, there were 1036 policies and procedures under management. The annual review and revision of documents is fully automated, with reviewers receiving notification that they have documents to review via email each week. There is a custom approval process for each document consisting of between four and six reviewers including a member of leadership.

In addition to the mandatory annual review, documents are available for revision whenever necessary and proceed through the entire approval process for each revision.

Staff members are assigned to read all policies and procedures that are relevant to their position.

Completion of assignments is monitored and department managers are responsible for staff compliance.

Staff has immediate access to all relevant documents and are required to read and sign off on all documents related to their job role.

2021 Planned Initiatives

Covid-19 Pandemic Response

1. Actively participate in vaccination program for the community.
2. Transition seasonal vaccination, if required, to Clinic setting.
3. Adopt COVID response plans that further patient safety in the future.

Clinical and Support Services

1. Evaluate software that will allow for text communications to patients for scheduling and appointment reminders.
2. Explore telemedicine for Psychiatry and other specialties (delayed due to pandemic).
3. Implement Team Based Care in the Clinic
4. Complete MRI project

Culture and Talent

1. Engage an outside consultant to train staff for Team Based Care in the Clinic
2. Develop pay grade scales for every position; assure compensation plan is competitive with other regional facilities
3. Develop a succession plan for multiple key staff members and providers preparing for retirement.

Revenue Cycle and Financial Goals

1. Refinance the 2006 Bonds to obtain a lower interest rate if net expense can be reduced by at least 3%.
2. Create a Capital Improvement Committee and applicable processes for capital planning.

Compliance

1. Restart the Compliance Committee

Quality and Patient Safety

1. Submit application and intervention proposals to the Colorado Department of Health Care Policy and Financing (HCPF). Once the interventions are approved develop an implementation plan for each intervention and submit that to HCPF for approval in September of 2021. Project implementations begin in December of 2021.

The interventions are:

- Hospital Social Services and Behavioral Health Management;
 - Clinic Social Services program to address social determinants of health and behavioral health;
 - Complex Disease Management to improve our management of diabetes, obesity, asthma, hypertension and congestive heart failure;
 - Medication Assisted Treatment to address the opioid epidemic;
 - Transmission of a Summary of Care Record to improve care transitions.
2. Fully participate in the HQIP program achieving a score of 85 or greater.
 - a. A performance improvement initiative was started in 2020 to improve safe handoffs between the OR and other units. That project is on-going.

- b. Fully implement the Zero Suicide Program.
3. Fully participate in MBQIP, SHIP Grant. Promoting Interoperability and MIPS quality programs.

Strategic Growth

1. Submit service line analysis to the Board Finance Committee quarterly.
2. Fund raising for 3D mammography.

Community Relationships

1. Hold at least one community related mock emergency table top with other community entities.
2. Present to the County and Town Commissions annually.
3. Hold at least two community education/outreach events.
4. Issue a community oriented Annual Report

**UPPER SAN JUAN HEALTH SERVICES DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

Formal Written Resolution 2021-09

May 25, 2021

WHEREAS, the Board of Directors of Upper San Juan Health Service District (“USJHSD”) has received PSMC’s *Annual Program Evaluation* prepared by staff.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE UPPER SAN JUAN HEALTH SERVICE DISTRICT HEREBY RESOLVES to accept PSMC’s *Annual Program Evaluation*.

Greg Schulte, as Chairman of the Board of Directors
and President of the District

**Finance Committee & CFO Report for the
USJHSD Board Meeting on May 18, 2021**

This report provides a summary of the discussions of the Board's Finance Committee that met on May 18, 2021.

1) **Audit:**

- a) The auditor highlighted its opinion which is: "the financial statements referred to [in the report] present fairly, in all material respects, the financial position of the District as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America."
- b) DZA then walked through each page of the report emphasizing the statements of revenues, expenses, changes in net position, and the notes to the financial statements. In addition, DZA reviewed the report of PSMC's Financial Indicators.

2) **Refunding 2006 Bonds:** In what will be a very positive result for PSMC and this community, on May 18, 2021, PSMC's refunding bonds were priced and sold and all documents for the refunding have been executed and are being held in escrow for closing on May 27th. The refunding is essentially a refinancing of the 2006 bonds with the same pay-off year of 2037. *The savings to PSMC over the next 15 years is very significant: \$1,838,409.26 or 21.11%.*

3) **April Financials:**

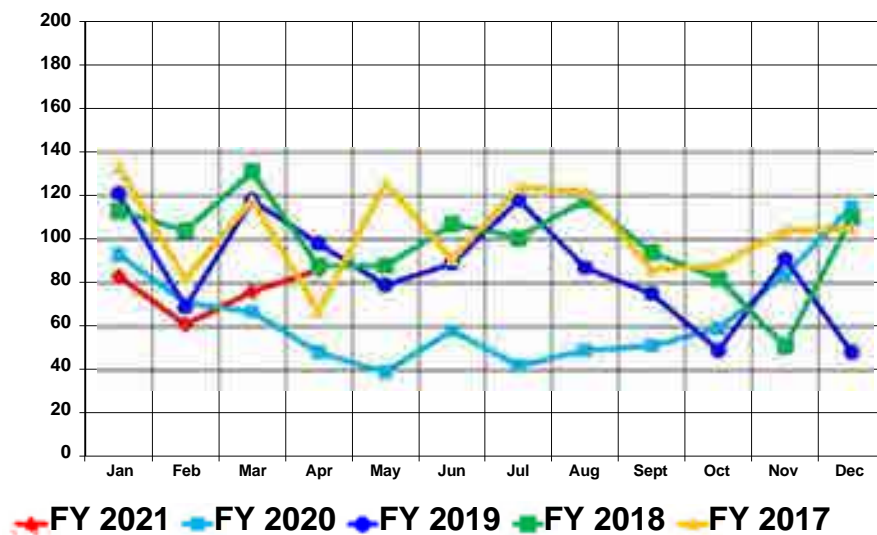
- a) **Bottom line:** The Finance Committee reviewed the PSMC's April financial statements. PSMC historically budgets PSMC to operate at a loss until summer and April is historically one of the slowest months of the year for patient volume. This year, PSMC ended April with both a positive bottom line for April and a positive bottom line year-to-date.
- b) **Income Statement:**
 - i) Year-to-date through the end of April, PSMC has net revenues of \$234,287 which is \$802,106 greater than budget.
 - ii) Among the factors contributing to the positive April were the following: higher than budgeted volumes in the Surgery Department (includes general/ortho surgeries, colonoscopies and pain management); radiology volume higher than budget; Rural Health Clinic volumes trending up; expenses held below budget; and, stimulus revenue in excess of budget.
 - iii) As previously reported, PSMC cannot recognize a dollar of stimulus funding for each dollar of COVID expense – instead, PSMC recognizes about 61 cents of stimulus revenue for each dollar of PSMC COVID expense because PSMC is required to recognize stimulus at the Medicare rate.
- c) **Balance Sheet:**
 - i) The PPP loan is still on the Balance Sheet as a liability as PSMC's PPP award is in the audit process and has not been forgiven as of this date.

- 4) **Finance Committee Recommendations**: The Finance Committee made the following recommendations to the Board of Directors:
- a. For the Board to accept the April 2021 financials as presented.
 - b. For the Board to accept the 2020 Audit by DZA as presented.

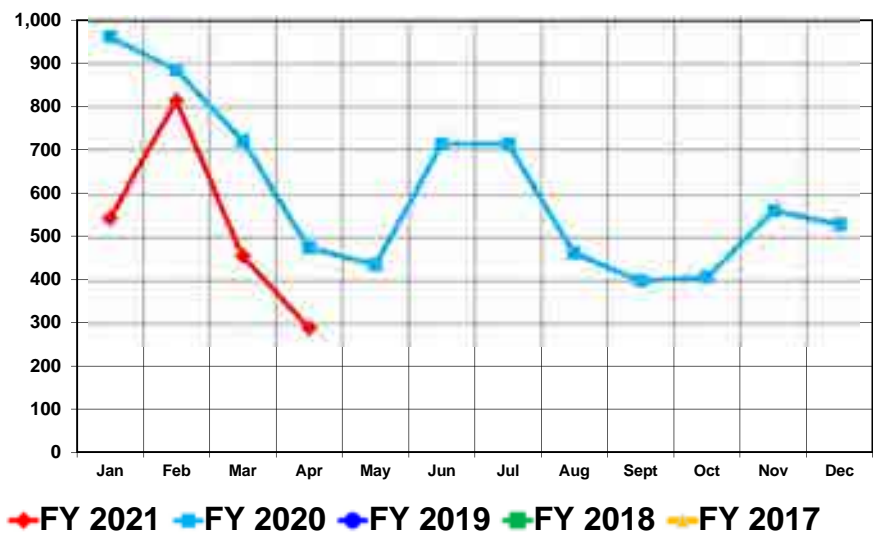


FINANCIAL PRESENTATION YTD APRIL 2021

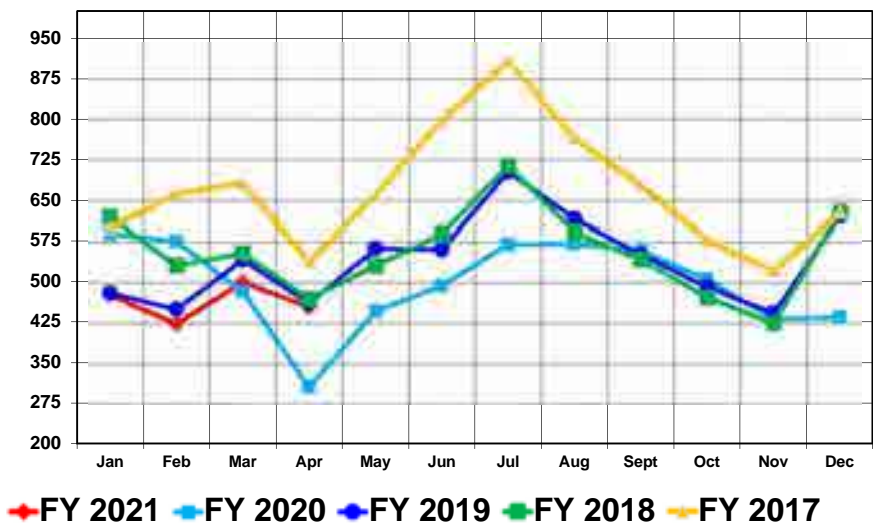
PATIENT DAYS



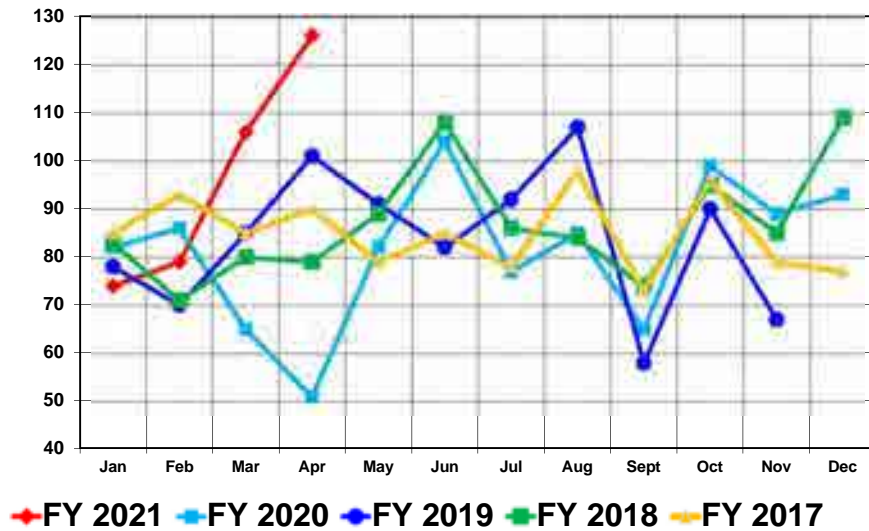
OBSERVATION HOURS



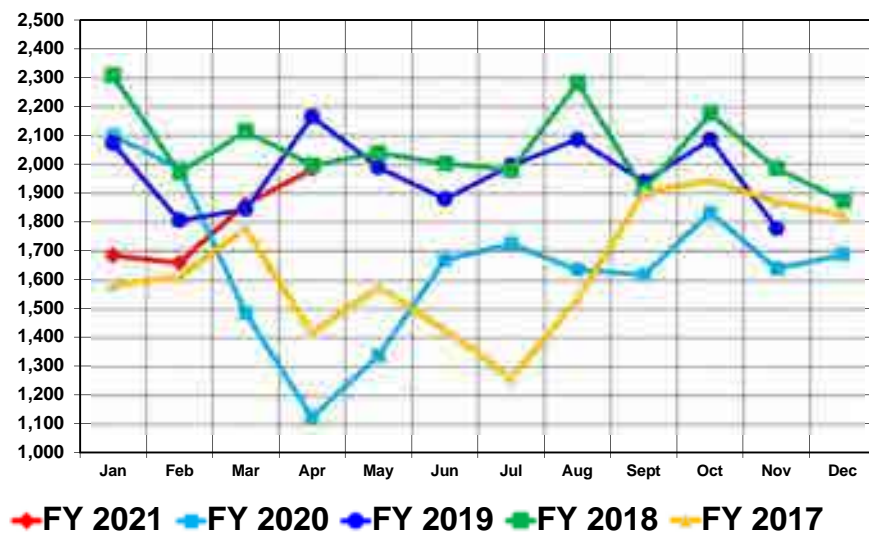
ER VISITS

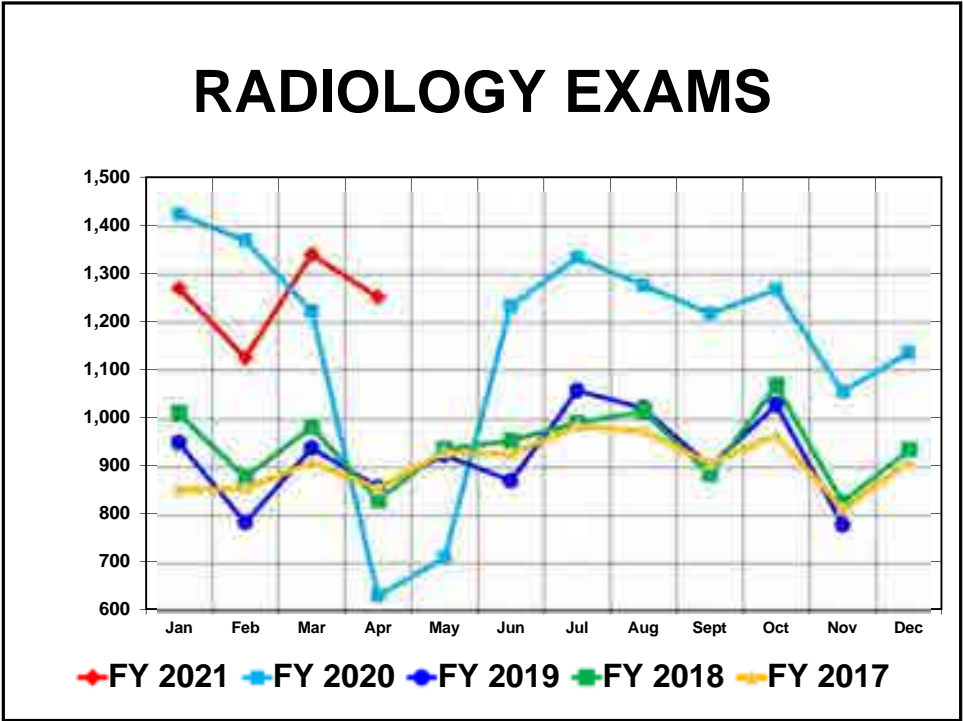


SURGERIES



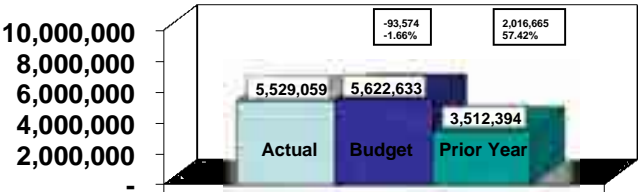
RURAL HEALTH CLINIC VISITS



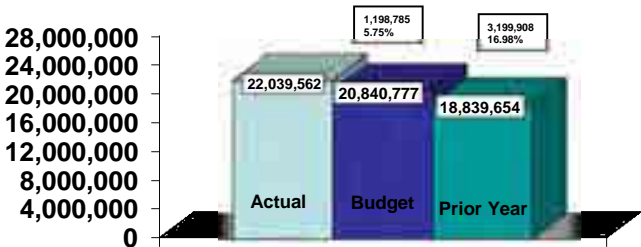


Summary of Financials	
	March
Gross Revenue	\$ 5,996,244
Net Revenue	\$ 2,700,773
Expenses	\$ 3,436,848
Grants, 340B and Tax Revenue	\$ 1,019,910
Grants and 340B and Stimulus	\$ 604,298
Tax Revenue	\$ 415,612
Net Income	\$ 283,835

GROSS REVENUE

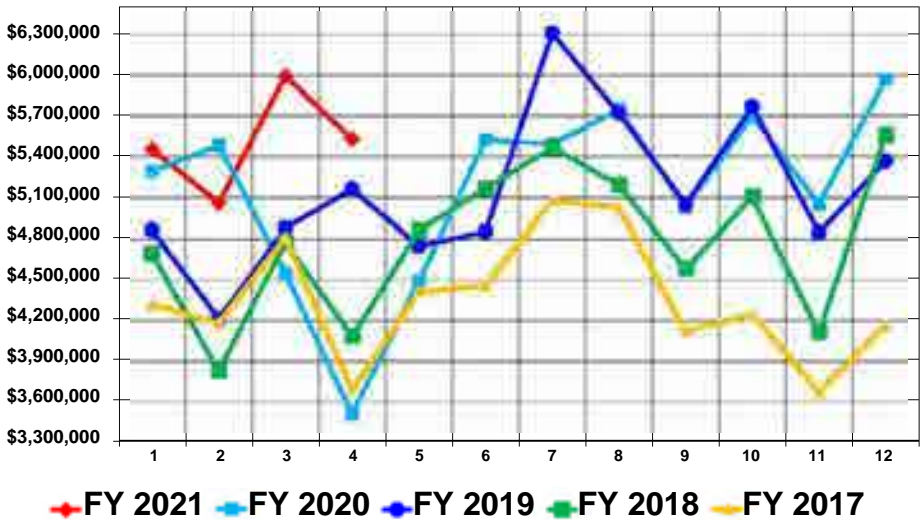


April

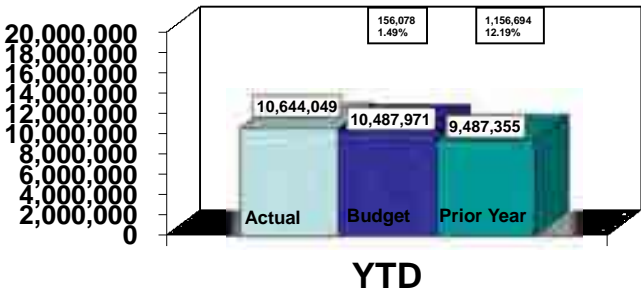
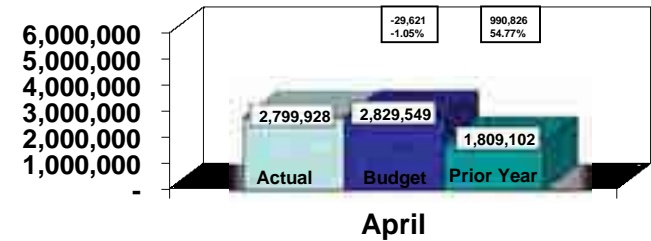


YTD

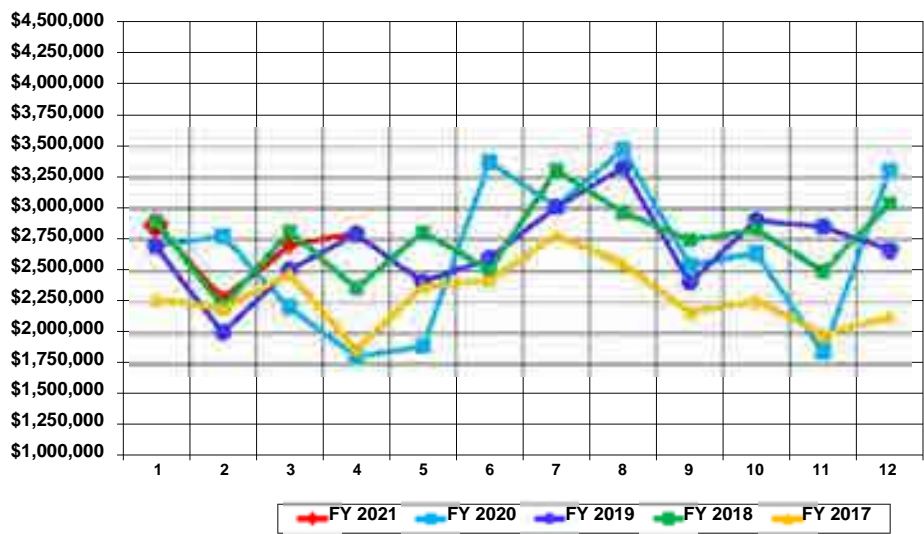
GROSS REVENUE

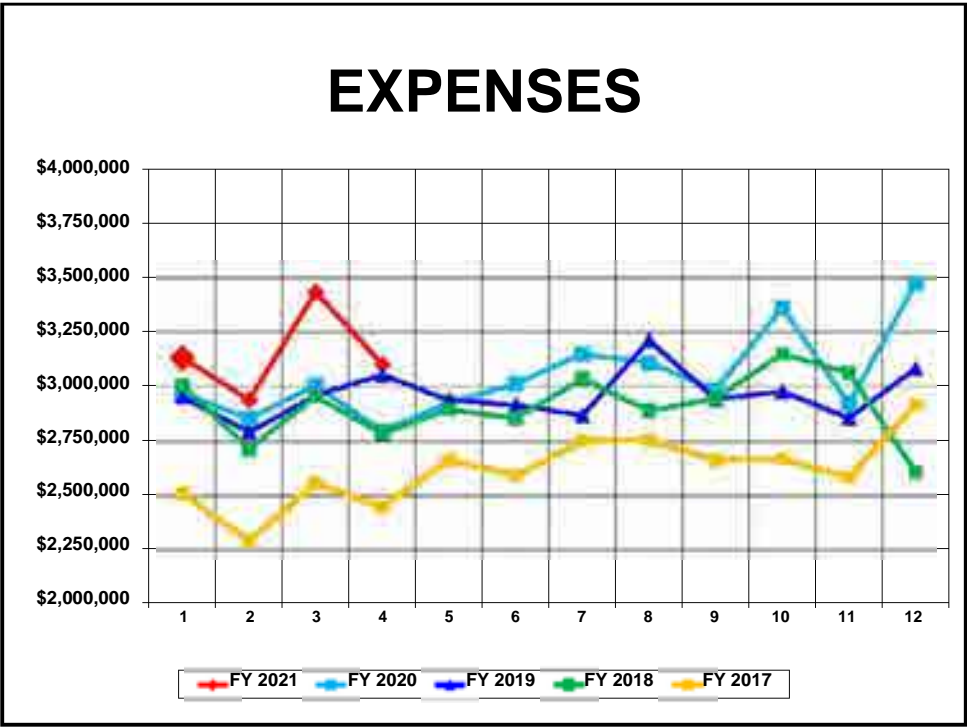
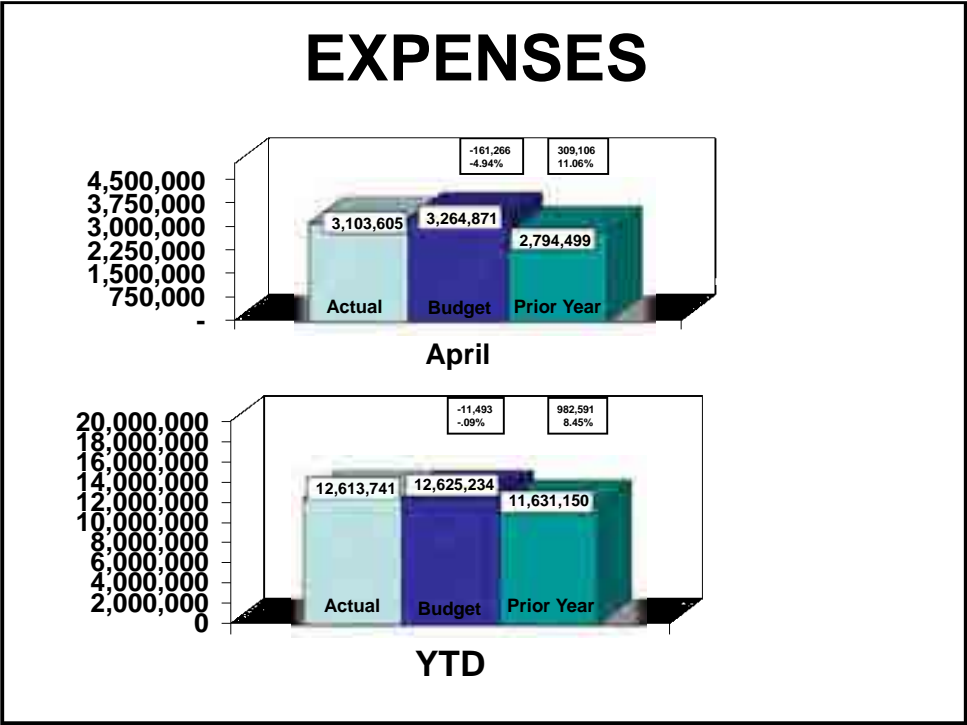


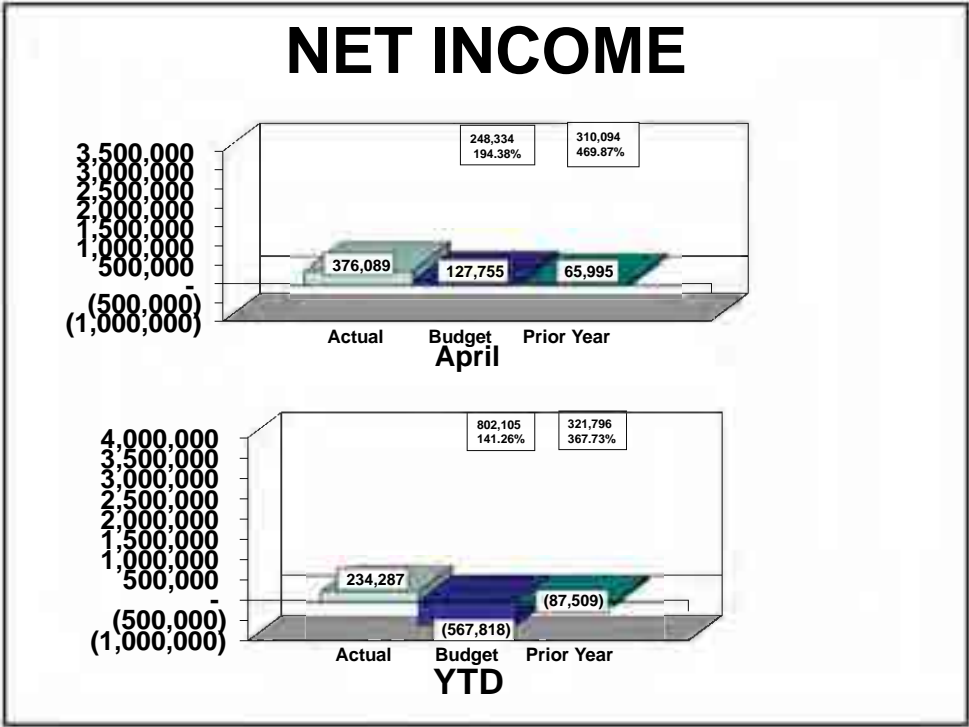
NET PATIENT REVENUE



NET PATIENT REVENUE



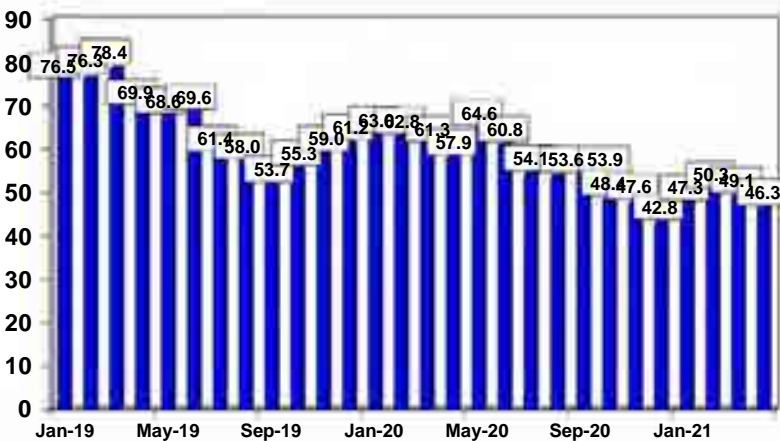




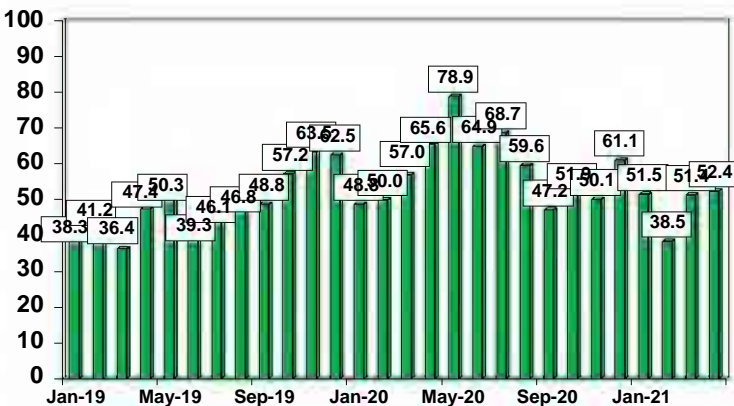
Summary of Financials

April	
Gross Revenue	\$ 5,529,059
Net Revenue	\$ 2,799,928
Expenses	\$ 3,103,605
Grants, 340B and Tax Revenue	\$ 679,766
Grants and 340B and Stimulus	\$ 535,928
Tax Revenue	\$ 143,838
Net Income	\$ 376,089

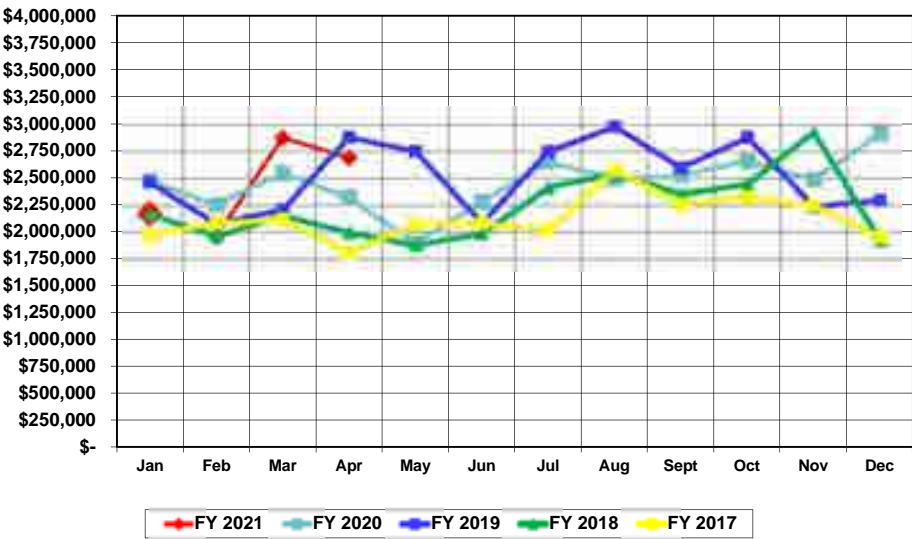
GROSS DAYS IN ACCOUNTS RECEIVABLE



DAYS CASH ON HAND



CASH COLLECTIONS



Pagosa Springs Medical Center

Income Statement - - - April 30, 2021

Page 1

	Current Month				Year-to-Date			
	2021	Budget	Difference	Variance	2021	Budget	Difference	Variance
Revenue								
7 Total In-patient Revenue	462,303	441,282	21,020	5%	1,768,657	1,635,652	133,005	8%
17 Total Out-patient Revenue	4,622,216	4,744,957	(122,741)	-3%	18,482,316	17,587,595	894,720	5%
18 Professional Fees	444,541	436,393	8,147	2%	1,788,590	1,617,530	171,060	11%
20 Total Patient Revenue	5,529,059	5,622,633	(93,574)	-2%	22,039,562	20,840,777	1,198,785	6%
21 Revenue Deductions & Bad Debt								
22 Contractual Allowances	2,715,520	2,745,249	(29,729)	-1%	11,394,277	10,175,504	1,218,773	12%
23 Charity	51,054	9,938	41,116	414%	339,931	36,837	303,094	823%
24 Bad Debt	172,631	218,266	(45,635)	-21%	501,401	809,021	(307,620)	-38%
25 Provider Fee & Other	(210,074)	(180,369)	(29,705)	16%	(840,096)	(668,556)	(171,540)	26%
26 Total Revenue Deductions & Bad Debt	2,729,131	2,793,084	(63,953)	-2%	11,395,513	10,352,806	1,042,707	10%
27 Total Net Patient Revenue	2,799,928	2,829,549	(29,621)	-1%	10,644,049	10,487,971	156,078	1%
28 Grants	195	43,825	(43,630)	-100%	504,050	122,570	381,480	311%
28.5 HSS Stimulus Other Revenue	362,381	63,250	299,131	473%	464,244	176,900	287,344	162%
29 Other Operating Income - Misc	173,352	278,902	(105,550)	-38%	605,110	774,655	(169,545)	-22%
30 Total Net Revenues	3,335,856	3,215,526	120,330	4%	12,217,453	11,562,096	655,357	6%
Operating Expenses								
32 Salary & Wages	1,697,976	1,715,291	(17,315)	-1%	6,654,376	6,600,297	54,078	1%
33 Benefits	271,048	295,100	(24,054)	-8%	1,149,851	1,157,731	(7,880)	-1%
35 Professional Fees/Contract Labor	30,854	30,741	(87)	0%	117,639	118,467	(828)	-1%
36 Purchased Services	201,035	164,377	36,658	22%	659,548	633,698	25,850	4%
37 Supplies	407,527	534,193	(126,666)	-24%	1,888,783	2,055,148	(166,366)	-8%
38 Rent & Leases	35,841	15,593	20,248	130%	140,098	56,561	83,537	148%
39 Repairs & Maintenance	33,440	48,987	(15,547)	-32%	169,715	191,136	(21,421)	-11%
40 Utilities	18,153	35,461	(17,308)	-49%	156,852	145,536	11,316	8%
41 Insurance	28,676	26,803	1,873	7%	117,409	103,124	14,284	14%
42 Depreciation & Amortization	148,271	167,077	(18,806)	-11%	597,893	645,086	(47,193)	-7%
43 Interest	90,996	87,225	3,771	4%	343,626	334,871	8,755	3%
44 Other	139,969	144,023	(4,033)	-3%	617,950	583,577	34,373	6%
45 Total Operating Expenses	3,103,605	3,264,871	(161,265)	-5%	12,613,741	12,625,234	(11,494)	0%
46 Operating Revenue Less Expenses	232,251	(49,345)	281,596	-571%	(396,288)	(1,063,138)	666,851	-63%
Non-Operating Income								
48 Tax Revenue	143,838	151,800	(7,962)	-5%	630,575	424,560	206,015	49%
49 Donations	-	25,300	(25,300)	-100%	-	70,760	(70,760)	-100%
50 Total Non-Operating Income	143,838	177,100	(33,262)	-19%	630,575	495,320	135,255	27%
51 Total Revenue Less Total Expenses	\$ 376,089	\$ 127,755	\$ 248,334	194%	\$ 234,287	\$ (567,818)	\$ 802,106	-141%

Pagosa Springs Medical Center

Income Statement Comparison - - April 30, 2021

Page 2

	2021	Current Month 2020	Difference	Variance	2021	Year-to-Date 2020	Difference	Variance
Revenue								
7 Total In-patient Revenue	462,303	322,426	139,877	43%	1,768,657	1,672,973	95,684	6%
17 Total Out-patient Revenue	4,622,216	2,984,790	1,637,426	55%	18,482,316	15,574,363	2,907,953	19%
18 Professional Fees	444,541	205,178	239,363	117%	1,788,590	1,592,318	196,272	12%
20 Total Patient Revenue	5,529,059	3,512,394	2,016,665	57%	22,039,562	18,839,654	3,199,908	17%
21 Revenue Deductions & Bad Debt								
22 Contractual Allowances	2,715,520	1,898,015	817,505	43%	11,394,277	9,705,577	1,688,700	17%
23 Charity	51,054	457	50,597	11072%	339,931	(44,274)	384,205	-868%
24 Bad Debt	172,631	52,031	120,600	232%	501,401	678,746	(177,345)	-26%
25 Provider Fee & Other	(210,074)	(247,211)	37,137	-15%	(840,096)	(987,750)	147,654	-15%
26 Total Revenue Deductions & Bad Debt	2,729,131	1,703,292	1,025,839	60%	11,395,513	9,352,299	2,043,214	22%
27 Total Net Patient Revenue	2,799,928	1,809,102	990,826	55%	10,644,049	9,487,355	1,156,694	12%
28 Grants	195	139,541	(139,346)	-100%	504,050	142,700	361,350	253%
28.5 HSS Stimulus Other Revenue	362,381	594,655	(232,274)	-39%	464,244	594,655	(130,411)	-22%
29 Other Operating Income - Misc	173,352	190,111	(16,759)	-9%	605,110	714,788	(109,678)	-15%
30 Total Net Revenues	3,335,856	2,733,409	602,447	22%	12,217,453	10,939,498	1,277,955	12%
31 Operating Expenses								
32 Salary & Wages	1,697,976	1,467,719	230,257	16%	6,654,376	6,188,633	465,743	8%
33 Benefits	271,046	288,149	(17,103)	-6%	1,149,851	981,193	168,658	17%
35 Professional Fees/Contract Labor	30,654	32,657	(2,003)	-6%	117,639	116,024	1,615	1%
36 Purchased Services	201,035	129,672	71,363	55%	659,548	592,638	66,910	11%
37 Supplies	407,527	391,631	15,896	4%	1,888,783	1,749,163	139,620	8%
38 Rent & Leases	35,841	37,190	(1,349)	-4%	140,098	149,329	(9,231)	-6%
39 Repairs & Maintenance	33,440	33,048	392	1%	169,715	178,939	(9,224)	-5%
40 Utilities	18,153	27,646	(9,493)	-34%	156,852	133,458	23,394	18%
41 Insurance	28,676	25,063	3,613	14%	117,409	101,312	16,097	16%
42 Depreciation & Amortization	148,271	147,447	824	1%	597,893	592,005	5,888	1%
43 Interest	90,996	90,437	559	1%	343,626	356,821	(13,195)	-4%
44 Other	139,989	123,840	16,149	13%	617,950	491,635	126,315	26%
45 Total Operating Expenses	3,103,605	2,794,499	309,106	11%	12,613,741	11,631,150	982,591	8%
46 Operating Revenue Less Expenses	232,251	(61,090)	293,341	-480%	(396,288)	(691,652)	295,364	-43%
47 Non-Operating Income								
48 Tax Revenue	143,838	127,085	16,753	13%	630,575	604,143	26,432	4%
49 Donations	-	-	-	-	-	-	-	-
50 Total Non-Operating Income	143,838	127,085	16,753	13%	630,575	604,143	26,432	4%
51 Total Revenue Less Total Expenses	\$ 376,089	\$ 65,995	\$ 310,094	470%	\$ 234,287	\$ (87,509)	321,796	-368%

Pagosa Springs Medical Center

Balance Sheet - - - April 30, 2021

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	Current Month	Prior Month		Current Month	Prior Month
Assets			Liabilities		
Current Assets			Current Liabilities		
Cash					
Operating	\$ 3,131,460	\$ 2,839,941	Accts Payable - System	\$ 380,991	\$ 891,713
Debt Svc. Res. 2016 Bonds	878,731	878,731	Accrued Expenses	997,041	1,005,129
Bond Funds - 2016 Bonds	4	4	Cost Report Settlement Res	(1,161,058)	(1,153,051)
Bond Funds - 2006	2,086,815	1,956,176	Wages & Benefits Payable	1,745,503	1,604,750
Capital Escrow	-	-	Deferred Revenue	1,888	1,888
COVID PPP	3,740,044	3,740,044	COVID PPP Short Term Loan	3,740,044	3,740,044
Relief Fund Cash Restricted	3,471,545	3,833,926	Relief Fund Liability	3,471,545	3,833,926
Medicare Accelerated Pmt	4,133,205	4,224,952	Medicare Accelerated Pmt Liab	4,133,205	4,224,952
Total Cash	17,441,804	17,473,774	Current Portion of LT Debt-Lease	165,650	170,752
			Current Portion of LT Debt-2006	335,000	335,000
Accounts Receivable			Current Portion of LT Debt-2016	330,000	330,000
Patient Revenue - Net	3,777,753	3,956,034	Total Current Liabilities	14,139,809	14,985,103
Other Receivables	288,308	317,489			
Total Accounts Receivable	4,066,061	4,273,523	Long-Term Liabilities		
			Leases Payable	-	-
Inventory	1,661,433	1,663,478	Equipment Lease (Wells Fargo)	9,016	18,007
			Bond Premium (Net) - 2006	214,647	215,760
Total Current Assets	23,169,298	23,410,775	Bond Premium (Net) - 2016	127,445	127,870
			Bonds Payable - 2006	8,370,000	8,370,000
Fixed Assets			Bonds Payable - 2016	9,590,000	9,590,000
Property Plant & Equip (Net)	6,952,344	7,062,863	Total Long-Term Liabilities	18,311,108	18,321,637
Electronic Health Record (Net)	-	-			
Clinic Expansion	13,377,405	13,377,405	Net Assets		
Work In Progress	1,645,723	1,682,033	Un-Restricted	13,057,906	13,057,908
Land	101,000	101,000	Current Year Net Income/Loss	234,287	(141,801)
Total Fixed Assets	22,076,472	22,223,301	Total Un-Restricted	13,292,193	12,916,105
Other Assets			Restricted		
Prepays & Other Assets	497,340	588,769	Total Net Assets	13,292,193	12,916,105
Total Other Assets	497,340	588,769			
Total Assets	\$ 45,743,110	\$ 46,222,845	Total Liabilities & Net Assets	\$ 45,743,110	\$ 46,222,845

Pagosa Springs Medical Center

Monthly Trends

Activity	Apr-20 30	May-20 31	Jun-20 30	Jul-20 31	Aug-20 31	Sep-20 30	Oct-20 31	Nov-20 30	Dec-20 31	Jan-21 31	Feb-21 28	Mar-21 31	Apr-21 30
2 In-Patient Admissions	17	17	21	15	20	21	18	34	42	34	22	27	33
3 In-Patient Days	48	39	58	42	49	51	56	84	115	83	61	76	86
4 Avg Stay Days (In-patients)	2.8	2.3	2.8	2.8	2.5	2.4	3.1	2.5	2.7	2.4	2.8	2.8	2.6
5 Swing Bed Admissions	0	0	0	0	0	0	1	0	0	0	0	0	0
6 Swing Bed Days	0	0	0	0	0	0	3	0	0	0	0	0	0
7 Avg Length of Stay (Swing)	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Average Daily Census	1.6	1.3	1.9	1.4	1.6	1.7	1.9	2.8	3.7	2.7	2.2	2.5	2.9
Statistics													
9 E/R visits	307	447	495	571	572	559	506	433	436	478	424	501	455
10 Observ Hours	477	438	713	713	464	400	409	564	530	545	781	458	291
11 Lab Tests	3,197	4,479	5,761	5,687	5,455	5,286	5,598	5,256	5,166	5,824	4,831	5,810	5,583
12 Radiology/CT/MRI Exams	632	711	1,234	1,335	1,277	1,218	1,268	1,055	1,136	1,271	1,126	1,341	1,252
14 OR Cases	51	82	104	77	85	65	99	89	93	74	79	106	126
15 Clinic Visits	1,126	1,340	1,671	1,725	1,638	1,620	1,832	1,641	1,690	1,686	1,661	1,863	1,983
16 Spec. Clinic Visits	188	152	186	218	178	198	144	162	150	136	97	79	109
17 Oncology Clinic Visits	55	94	130	112	143	140	138	111	112	92	93	129	127
18 Oncology/Infusion Patients	152	178	179	116	132	170	133	138	108	110	91	175	150
19 Infusion Patients	88	53	56	37	37	39	36	45	42	20	52	78	51
20 EMS Transports	73	105	100	128	122	124	123	78	116	114	90	108	83
21 Total Stats	6,346	8,079	10,629	10,719	10,103	9,819	10,286	9,572	9,579	10,350	9,325	10,648	10,210

Pagosa Springs Medical Center - - - Statistical Review

Statistical Review

Page 5

2021	April			April			April Prior Y-T-D			
	Current Month Actual	Current Month Budget	Variance	Y-T-D Actual	Y-T-D Budget	Variance	Y-T-D Actual	Prior Y-T-D Actual	Difference	Variance
In-Patient										
Admissions:										
Acute	33	29	4	116	100	16	116	114	2	2%
Swing Bed	-	-	-	-	2	(2)	-	-	-	-
Total	33	29	4	116	102	14	116	114	2	2%
Patient Days:										
Acute	86	59	27	306	202	104	306	279	27	10%
Swing Bed	-	2	(2)	-	7	(7)	-	-	-	-
Total	86	61	25	306	209	97	306	279	27	10%
Average Daily Census:										
# Of Days	30	30		120	120		120	121		
Acute	2.9	2.0	0.9	2.6	1.7	0.9	2.6	2.3	0.2	11%
Swing Bed	-	0.1	(0.1)	-	0.1	(0.1)	-	-	-	-
Total	2.9	2.0	0.8	2.6	1.7	0.8	2.6	2.3	0.2	11%
Length of Stay:										
Acute	2.6	2.0	0.6	2.6	2.0	0.6	2.6	2.4	0.2	8%
Swing Bed	-	-	-	-	-	-	-	-	-	0%
Total	2.6	2.1	0.5	2.6	2.0	0.6	2.6	2.4	0.2	8%
Out-Patient										
Out-Patient Visits										
E/R Visits	455	447	8	1,858	1,840	18	1,858	1,957	(99)	-5%
Observ admissions	19	59	(40)	103	262	(159)	103	117	(14)	-12%
Lab Tests	5,583	4,555	1,028	22,048	18,877	3,171	22,048	18,005	4,043	22%
Radiology/CT/MRI Exams/M	1,252	1,085	167	4,990	4,510	480	4,990	4,651	339	7%
OR Cases	126	88	38	385	362	23	385	284	101	36%
Clinic Visits	1,983	1,979	4	7,193	8,132	(939)	7,193	6,701	492	7%
Spec. Clinic Visits	109	186	(77)	421	768	(347)	421	755	(334)	-44%
Oncology Clinic Visits	127	113	14	441	467	(26)	441	424	17	4%
Oncology/Infusion Patients	150	128	22	526	527	(1)	526	478	48	10%
Infusion Patients	-	91	(91)	150	373	(223)	150	350	(200)	-57%
EMS Transports	83	102	(19)	395	415	(20)	395	439	(44)	-10%
Total	9,887	8,833	1,054	38,510	36,533	1,977	38,510	34,161	4,349	13%

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of April 30, 2021

Page 6

		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
2 Medicare	\$	2,007,317	\$ 160,150	\$ 76,615	\$ 70,722	\$ 35,943	\$ 37,449	\$ 70,393	\$ 2,458,589	28%	
3 Medicaid		556,478	112,050	51,943	33,783	58,259	9,151	152,450	974,114	11%	
4 Third Party		1,485,464	705,123	284,499	313,467	121,614	32,224	253,739	3,196,130	36%	
5 Self-Pay		266,464	355,269	299,542	227,033	201,898	87,183	697,798	2,135,187	24%	
Current Month Total	\$	4,315,723	\$ 1,332,592	\$ 712,599	\$ 645,005	\$ 417,714	\$ 166,007	\$ 1,174,380	\$ 8,764,020	100%	190,242
Pct of Total		49%	15%	8%	7%	5%	2%	13%	100%		
Mar-21	\$	4,536,107	\$ 1,283,697	\$ 893,010	\$ 614,678	\$ 287,740	\$ 205,954	\$ 1,187,089	\$ 9,008,275		141,056
Pct of Total		50%	14%	10%	7%	3%	2%	13%	100%		
Feb-21	\$	4,632,177	\$ 1,808,956	\$ 796,014	\$ 329,120	\$ 255,606	\$ 194,030	\$ 1,194,813	\$ 9,210,716		116,794
Pct of Total		50%	20%	9%	4%	3%	2%	13%	100%		
Jan-21	\$	4,667,228	\$ 1,324,541	\$ 489,574	\$ 380,972	\$ 303,832	\$ 307,163	\$ 1,102,666	\$ 8,575,976		197,220
Pct of Total		54%	15%	6%	4%	4%	4%	13%	100%		
Dec-20	\$	4,315,448	\$ 835,664	\$ 542,288	\$ 394,340	\$ 421,056	\$ 304,468	\$ 965,830	\$ 7,779,094		222,785
Pct of Total		55%	11%	7%	5%	5%	4%	12%	100%		
Nov-20	\$	4,108,089	\$ 1,171,013	\$ 583,125	\$ 541,005	\$ 584,542	\$ 275,531	\$ 985,311	\$ 8,248,616		172,213
Pct of Total		50%	14%	7%	7%	7%	3%	12%	100%		
Oct-20	\$	4,351,562	\$ 1,054,133	\$ 832,882	\$ 694,766	\$ 372,848	\$ 200,118	\$ 1,158,212	\$ 8,664,521		855,499
Pct of Total		50%	12%	10%	8%	4%	2%	13%	100%		
Sep-20	\$	4,073,962	\$ 1,528,744	\$ 916,786	\$ 468,911	\$ 324,972	\$ 204,586	\$ 2,011,419	\$ 9,529,381		12,049
Pct of Total		43%	16%	10%	5%	3%	2%	21%	100%		
Aug-20	\$	4,580,691	\$ 1,479,490	\$ 696,558	\$ 385,697	\$ 263,988	\$ 343,485	\$ 1,968,118	\$ 9,718,024		10,708
Pct of Total		47%	15%	7%	4%	3%	4%	20%	100%		
Jul-20	\$	4,091,546	\$ 1,347,610	\$ 584,795	\$ 419,659	\$ 379,105	\$ 545,723	\$ 1,749,020	\$ 9,117,458		18,450
Pct of Total		45%	15%	6%	5%	4%	6%	19%	100%		
Jun-20	\$	4,450,225	\$ 991,357	\$ 492,319	\$ 470,912	\$ 586,430	\$ 386,858	\$ 1,658,314	\$ 9,036,415		534,932
Pct of Total		49%	11%	5%	5%	6%	4%	18%	100%		
May-20	\$	3,589,609	\$ 826,139	\$ 617,697	\$ 746,962	\$ 522,098	\$ 443,199	\$ 2,065,360	\$ 8,811,064		764,345
Pct of Total		41%	9%	7%	8%	6%	5%	23%	100%		
Apr-20	\$	2,681,917	\$ 1,013,374	\$ 1,015,473	\$ 595,245	\$ 587,885	\$ 346,437	\$ 2,642,011	\$ 8,882,342		0
Pct of Total		30%	11%	11%	7%	7%	4%	30%	100%		
Mar-20	\$	3,612,859	\$ 1,586,402	\$ 855,343	\$ 748,561	\$ 448,372	\$ 368,712	\$ 2,691,802	\$ 10,312,051		27,304
Pct of Total		35%	15%	8%	7%	4%	4%	26%	100%		
Feb-20	\$	4,881,391	\$ 1,386,440	\$ 901,832	\$ 571,967	\$ 516,414	\$ 460,405	\$ 2,555,288	\$ 11,273,737		0
Pct of Total		43%	12%	8%	5%	5%	4%	23%	100%		
Jan-20	\$	4,542,726	\$ 1,392,786	\$ 710,103	\$ 568,045	\$ 531,469	\$ 448,834	\$ 2,322,276	\$ 10,516,239		0
Pct of Total		43%	13%	7%	5%	5%	4%	22%	100%		
Dec-19	\$	4,481,747	\$ 1,312,708	\$ 908,066	\$ 625,876	\$ 627,407	\$ 607,716	\$ 2,044,961	\$ 10,608,481		0
Pct of Total		42%	12%	9%	6%	6%	6%	19%	100%		

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of April 30, 2021

Page 5

		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
Nov-19	\$	4,408,737	\$ 1,436,158	\$ 627,989	\$ 723,524	\$ 684,765	\$ 336,215	\$ 1,930,790	\$ 10,148,178		0
Pct of Total		43%	14%	6%	7%	7%	3%	19%	100%		
Oct-19	\$	4,568,920	\$ 1,130,990	\$ 870,361	\$ 794,889	\$ 437,887	\$ 381,541	\$ 1,754,112	\$ 9,938,700		0
Pct of Total		46%	11%	9%	8%	4%	4%	18%	100%		
Sep-19	\$	4,305,953	\$ 1,369,222	\$ 1,074,183	\$ 534,873	\$ 502,450	\$ 239,643	\$ 1,946,854	\$ 9,973,178		193,237
Pct of Total		43%	14%	11%	5%	5%	2%	20%	100%		
Aug-19	\$	4,489,953	\$ 1,643,643	\$ 763,753	\$ 692,390	\$ 407,669	\$ 450,136	\$ 2,188,090	\$ 10,635,634		572,029
Pct of Total		42%	15%	7%	7%	4%	4%	21%	100%		
Jul-19	\$	5,080,360	\$ 1,280,941	\$ 915,491	\$ 549,247	\$ 607,257	\$ 419,655	\$ 2,387,501	\$ 11,240,452		0
Pct of Total		45%	11%	8%	5%	5%	4%	21%	100%		
Jun-19	\$	4,199,727	\$ 1,555,291	\$ 715,848	\$ 712,192	\$ 504,973	\$ 621,808	\$ 3,338,661	\$ 11,648,500		0
Pct of Total		36%	13%	6%	6%	4%	5%	29%	100%		
May-19	\$	3,938,706	\$ 1,192,758	\$ 857,202	\$ 558,303	\$ 705,693	\$ 728,901	\$ 3,078,535	\$ 11,060,088		0
Pct of Total		36%	11%	8%	5%	6%	7%	28%	100%		
Apr-19	\$	4,446,750	\$ 1,328,789	\$ 769,877	\$ 796,122	\$ 801,322	\$ 354,704	\$ 3,166,854	\$ 11,664,418		8,002
Pct of Total		38%	11%	7%	7%	7%	3%	27%	100%		
Mar-19	\$	4,313,656	\$ 1,360,981	\$ 995,434	\$ 985,732	\$ 562,545	\$ 619,342	\$ 3,353,760	\$ 12,191,450		122,172
Pct of Total		35%	11%	8%	8%	5%	5%	28%	100%		
12	Pct Settled (Current)		70.6%	44.5%	27.8%	32.0%	42.3%	-470.2%			
13	Pct Settled (Mar from Feb)		72.3%	50.6%	22.8%	12.6%	19.4%	-511.8%			
14	Pct Settled (Feb from Jan)		61.2%	39.9%	32.8%	32.9%	36.1%	-289.0%			
15	Pct Settled (Jan from Dec)		69.3%	41.4%	29.7%	23.0%	27.0%	-262.2%			

Pagosa Springs Medical Center

Pagosa Springs Medical Center - - - Net Days in A/R 2021

Page 7

	31	28	31	30	31	30
	Jan-21	Feb-21	Mar-21	Apr-21	May-20	Jun-20
2 Net Accounts Receivable	\$ 4,787,978	\$ 4,025,591	\$ 3,956,034	\$ 3,777,753	\$ 3,903,913	\$ 5,351,953
3 Net Patient Revenue	\$ 2,863,140	\$ 2,280,206	\$ 2,700,773	\$ 2,799,928	\$ 1,892,329	\$ 3,373,769
4 Net Patient Rev/Day (2 month Avg)	\$ 103,376	\$ 86,898	\$ 84,279	\$ 90,226	\$ 60,673	\$ 86,751
5 Net Days in A/R	46	46	47	42	64	62

	31	31	30	31	30	31
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
7 Net Accounts Receivable	\$ 5,484,741	\$ 6,438,094	\$ 5,203,983	\$ 3,458,434	\$ 2,872,894	\$ 3,420,335
8 Net Patient Revenue	\$ 3,012,802	\$ 3,476,773	\$ 2,549,655	\$ 2,643,191	\$ 1,850,637	\$ 3,546,181
9 Net Patient Rev/Day (2 month Avg)	\$ 104,823	\$ 104,671	\$ 97,200	\$ 83,756	\$ 73,476	\$ 88,040
10 Net Days in A/R	52	62	54	41	39	39

Pagosa Springs Medical Center - - - Gross Days Target
--

12 Medicare	33%	21	\$ 90,175	\$ 624,916
13 Medicaid	7%	35	\$ 90,175	\$ 220,930
14 Blue Cross	15%	48	\$ 90,175	\$ 649,263
15 Commercial	26%	65	\$ 90,175	\$ 1,523,965
16 Self Pay	19%	150	\$ 90,175	\$ 2,570,000
17 Total:	100%			\$ 5,589,073
18				\$ 90,175
19 Gross Days in A/R Target				62

Pagosa Springs Medical Center
Revenue by Financial Class
April 30, 2021

Financial Class	Inpatient MTD	Outpatient MTD	Total MTD	% MTD
Auto/Liability Insurance	-	32,703.90	32,703.90	0.59%
Blue Cross	67,062.20	586,209.84	653,272.04	11.82%
Champus	-	32,813.99	32,813.99	0.59%
Commercial Insurance	74,863.85	648,927.11	723,790.96	13.09%
Medicaid	98,502.98	911,814.93	1,010,317.91	18.27%
Medicare	163,081.50	1,910,051.23	2,073,132.73	37.50%
Medicare HMO	94,689.15	407,413.48	502,102.63	9.08%
Self Pay	56,410.45	173,325.23	229,735.68	4.16%
Self Pay - Client Billing	-	36,609.05	36,609.05	0.66%
Veterans Administration	-	179,002.92	179,002.92	3.24%
Workers Compensation	-	55,577.10	55,577.10	1.01%
Total	554,610.13	4,974,448.78	5,529,058.91	100.00%

Financial Class	Inpatient YTD	Outpatient YTD	Total YTD	% YTD	12/31/20 % YTD	12/31/19 % YTD	12/31/18 % YTD	12/31/17 YTD	12/31/16 % YTD
Auto/Liability Insurance	-	245,691.77	245,691.77	1.11%	0.91%	1.15%	1.05%	1.24%	1.11%
Blue Cross	279,075.07	2,433,585.25	2,712,660.32	12.31%	12.38%	15.40%	15.42%	15.90%	15.83%
Champus	21,211.26	208,883.06	230,094.32	1.04%	0.82%	0.31%	0.08%	0.07%	0.19%
Commercial Insurance	199,211.01	2,594,572.33	2,793,783.34	12.68%	11.72%	11.34%	13.08%	11.79%	13.08%
Medicaid	413,198.71	3,692,974.28	4,106,172.99	18.63%	18.86%	18.75%	18.22%	20.28%	21.56%
Medicare	611,033.15	7,143,411.70	7,754,444.85	35.18%	38.60%	36.99%	36.75%	35.27%	35.90%
Medicare HMO	390,281.73	1,841,601.90	2,231,883.63	10.13%	7.77%	7.20%	4.47%	3.55%	2.76%
Self Pay	64,252.65	838,447.96	902,700.61	4.10%	3.68%	4.40%	5.40%	6.96%	5.26%
Self Pay - Client Billing	-	74,663.73	74,663.73	0.34%	0.22%	0.18%	0.18%	0.19%	0.17%
Veterans Administration	106,028.90	602,385.27	708,414.17	3.21%	4.13%	2.74%	4.13%	3.58%	2.74%
Workers Compensation	-	279,052.19	279,052.19	1.27%	0.92%	1.52%	1.22%	1.17%	1.37%
Total	2,084,292.48	19,955,269.44	22,039,561.92	100.00%	100.00%	100.00%	100.00%	100.00%	99.97%
Blank									0.00%
HMO (Health Maint Org)									0.03%
Total					100.00%	100.00%	100.00%	100.00%	100.00%

Pagosa Springs Medical Center
Financial Forecast
Statement of Cash Flows

	April 2021
Cash Flows from operating activities	
Change in net assets	376,089
Adjustments to reconcile net assets to net cash	
Depreciation and amortization	148,271
Patient accounts receivable	178,281
Accounts payable and wages payable	(369,969)
Accrued liabilities	(8,088)
Pre-paid assets	91,429
Deferred revenues	-
Other receivables	29,181
Reserve for third party settlement	(8,007)
Inventory	2,045
Net Cash Provided by (used in) operating activities	439,232
Cash Flows from investing activities	
Purchase of property and equipment	(39,290)
Work in progress	36,309
Proceeds from sale of equipment/(Loss)	-
Net Cash Provided by (used in) investing activities	(2,981)
Cash Flows from financing activities	
Principal payments on long-term debt	-
Proceeds from debt	-
Proceeds from PPP Short Term Loan	-
Recognize Amounts from Relief Fund	(362,381)
(Payment)/Proceeds from Medicare Accelerated Payment	(91,747)
Change in Prior Year Net Assets	-
Change in leases payable	(14,093)
Net Cash Provided by (used in) financing activities	(468,221)
Net Increase(Decrease) in Cash	(31,970)
Cash Beginning of Month	17,473,774
Cash End of Month	17,441,804

2021						
Month	Cash Goal	Actual Cash	Variance	% Collected	GL Non AR	Total
Jan-21	\$3,306,733.00	\$2,175,985.19	(\$1,130,747.81)	65.80%	\$ (85,619.39)	\$2,090,365.80
Feb-21	\$2,863,140.00	\$1,981,613.13	(\$881,526.87)	69.21%	\$ (257,043.01)	\$1,724,570.12
Mar-21	\$2,780,206.00	\$2,879,133.01	\$98,927.01	103.56%	\$ 71,310.04	\$2,950,443.05
Apr-21	\$2,790,766.00	\$2,691,895.54	(\$98,870.46)	96.46%	\$ 77,125.65	\$2,769,021.19
May-21						
Jun-21						
Jul-21						
Aug-21						
Sep-21						
Oct-21						
Nov-21						
Dec-21						
	\$11,740,845.00	\$9,728,626.87	(\$2,012,218.13)	82.86%	\$ (194,226.71)	\$9,534,400.16

Pagosa Springs Medical Center
Cash Forecast as of end of April 2021
Forecast Months Based on Budget and Actual

ORAL REPORTS 4.a.vii.

Prepared 5/17/2021
Cash balance 6,475,948
at 12/31/20

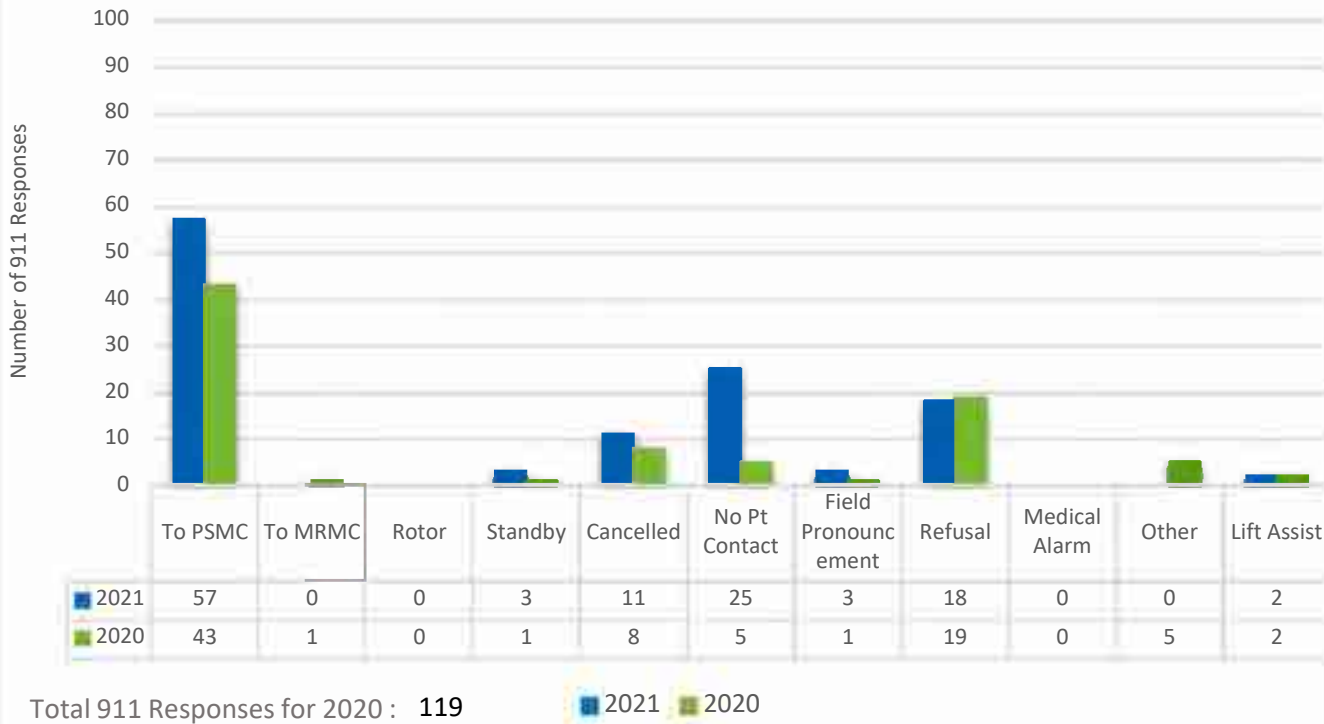
	(1) Patient Collections	(2) Tax Revenues	(3) Provider Fees	(4) Grants & Donations	(5) Other	(6) Clinic Expan. New Debt/ Leases	Total Collections	(7) Operating Expenses	(8) Capital	(9) Medicare/ Medicaid Repayment	(10) Bond & Lease Interest & Principal Payments	(11) Other	Total Cash Spending	Balance
January 2021 (Actual)	2,180,274	11,507	210,007	151,255	142,352	-	2,695,395	3,133,426	389,294		14,066	(351,363)	3,185,423	5,985,920
February 2021 (Actual)	1,959,068	59,617	210,007	8,500	131,075	-	2,368,267	2,996,170	6,469	1,049,793	14,044	219,884	4,286,360	4,067,827
March 2021 (Actual)	2,879,133	415,612	210,007	344,101	260,197		4,109,050	3,436,848	10,078		14,000	(457,468)	3,003,458	5,173,420
April 2021 (Actual)	2,691,896	143,838	210,074	195	535,733	-	3,581,736	3,103,605			14,000	(76,942)	3,040,663	5,714,493
May 2021 (Budget)	2,536,611	138,960	165,897	63,278	7,535	-	2,912,281	3,147,288			14,000	(300,000)	2,861,288	5,765,486
June 2021 (Budget)	2,668,203	93,000	169,785	42,349	3,561		2,976,898	3,131,476	50,000	250,000	14,000	(300,000)	3,145,476	5,596,908
July 2021 (Budget)	3,239,296	116,040	220,548	52,841	5,553	-	3,634,278	3,076,205			14,000	(300,000)	2,790,205	6,440,981
August 2021 (Budget)	2,937,892	79,320	200,027	36,120	2,379	-	3,255,738	3,425,924	50,000		14,000	(300,000)	3,189,924	6,506,795
September 2021 (Budget)	2,592,072	187,440	176,481	85,354	11,727	-	3,053,074	3,156,340			14,000	(300,000)	2,870,340	6,689,529
October 2021 (Budget)	2,963,274	39,000	201,755	17,759	(1,107)	-	3,220,681	3,186,689	50,000		14,000	(300,000)	2,950,689	6,959,521
November 2021 (Budget)	2,487,374	63,600	169,353	28,961	1,020		2,750,308	3,067,075	40,934		14,000	(300,000)	2,822,009	6,887,819
December 2021 (Budget)	2,757,050	58,080	187,714	26,448	542	-	3,029,834	3,282,569	40,000		14,000	(300,000)	3,036,569	6,881,084
Totals	31,892,143	1,406,014	2,331,655	857,161	1,100,567		37,587,540	38,143,615 981,635	636,775	1,299,793	168,110	(3,065,890)	37,182,404	6,881,084
														at 12/31/21
														7,009,245
														6,007,924

- Notes:
- (1) Forecast based on projected revenue.
 - (2) Forecast is based on the actual percentages from prior year.
 - (3) Based on current payment from Colorado Health and Hospitals.
 - (4) Forecast is based on budget adjusted by YTD actual
 - (5) Forecast is based on budget adjusted by YTD actual.
 - (6) Forecast new leases and equipment for capital purchases.
 - (7) Forecast is based on budget excluding depreciation.
 - (8) Assumes forecast capital expenditures of 280,934.46.
 - (9) Medicare Cost Report Settlement for 2019 and 2020 and Medicaid for 2018.
- Most of the estimated settlement dates are placeholders only, Medicare and Medicaid operate on their own schedules.
- (10) Forecast based on bond principal and interest payments.
 - (11) Other balance sheet changes i.e., changes in accounts payable, receivables etc.

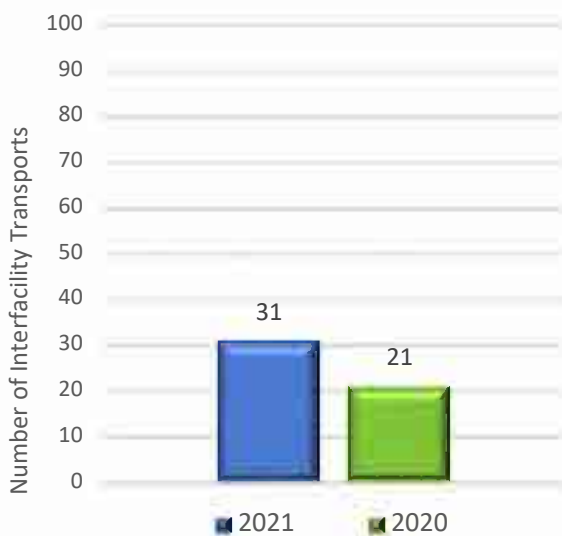
Operations Report for April 2021

EMS: April

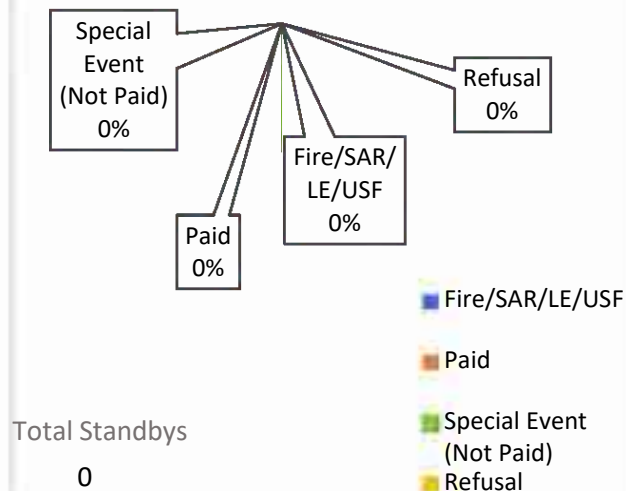
EMS 911 Response



Total Interfacility Transports

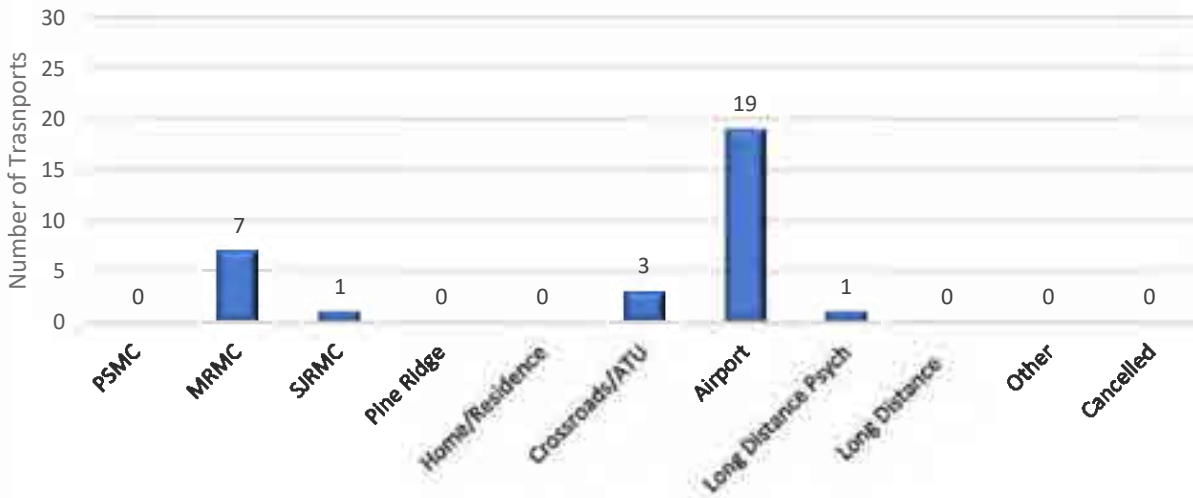


Breakdown of EMS Standbys



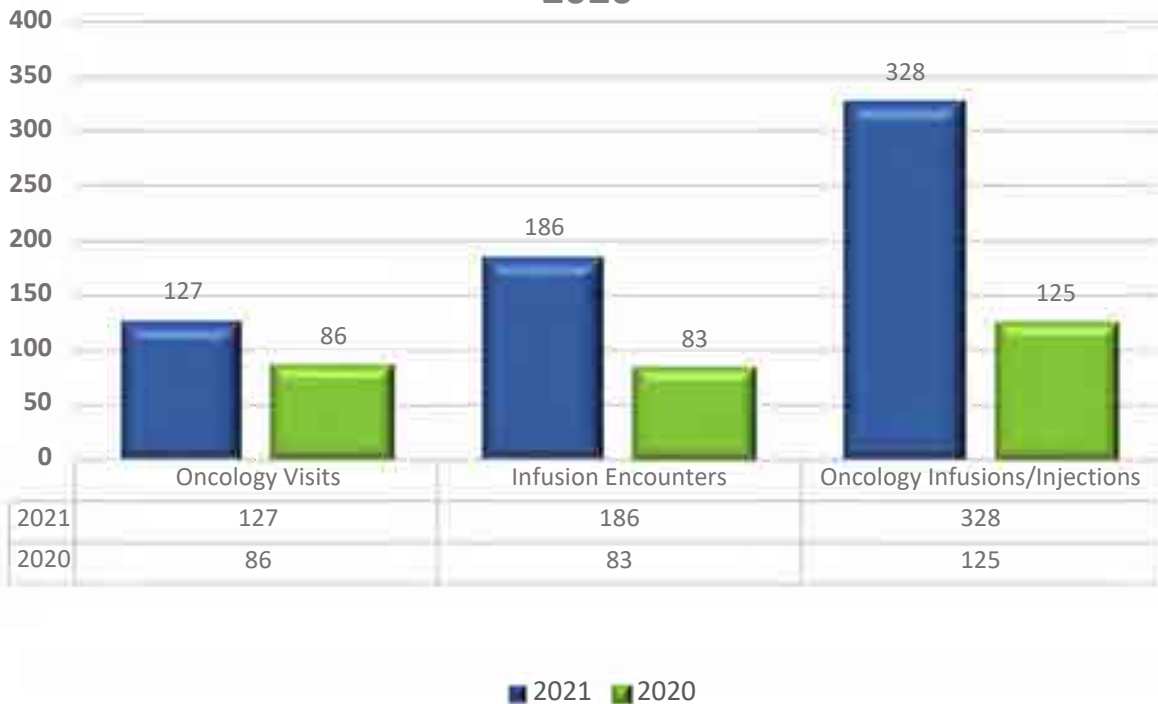
EMS: April

Interfacility Transports by Destination

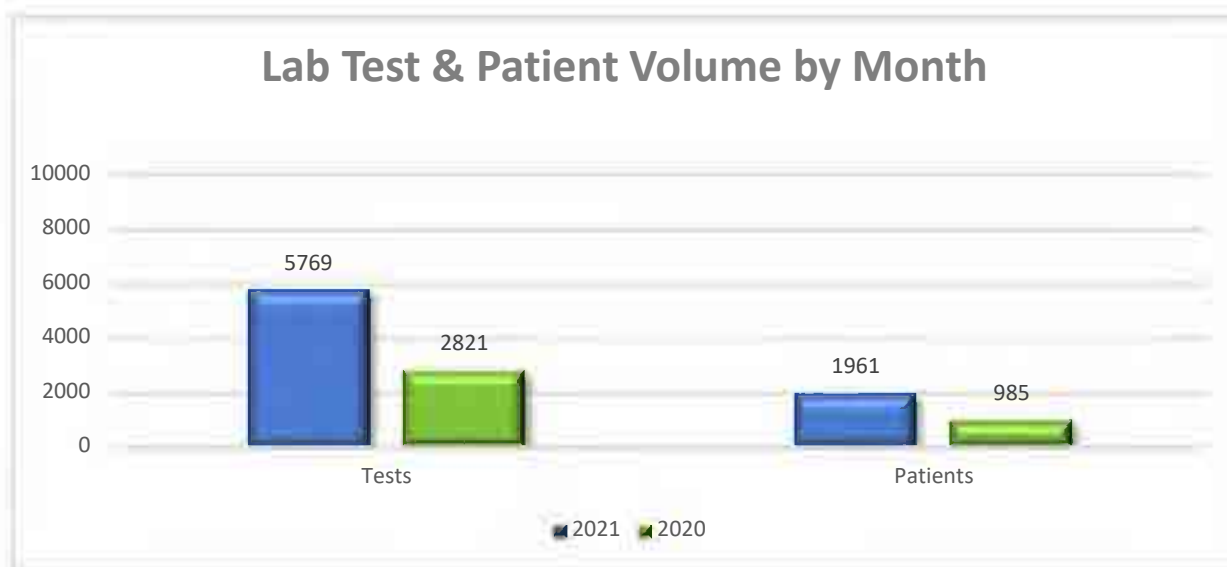


Oncology/Infusion: April

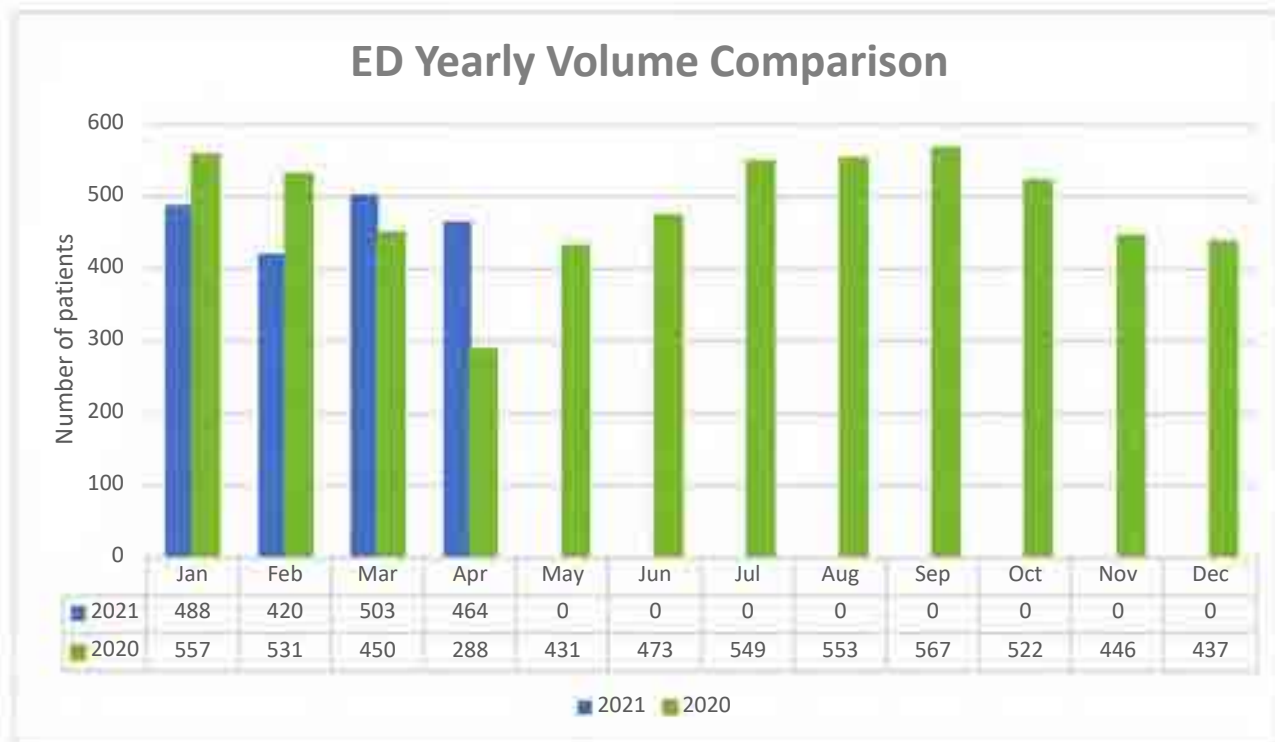
Oncology/Infusion Monthly Comparison 2021 to 2020



Lab: April

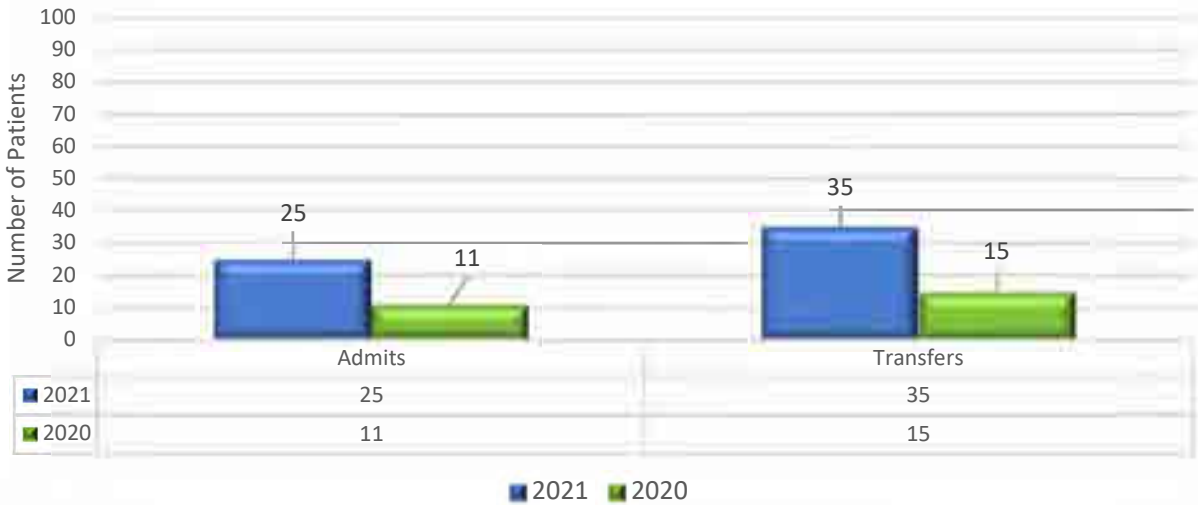


ED: April

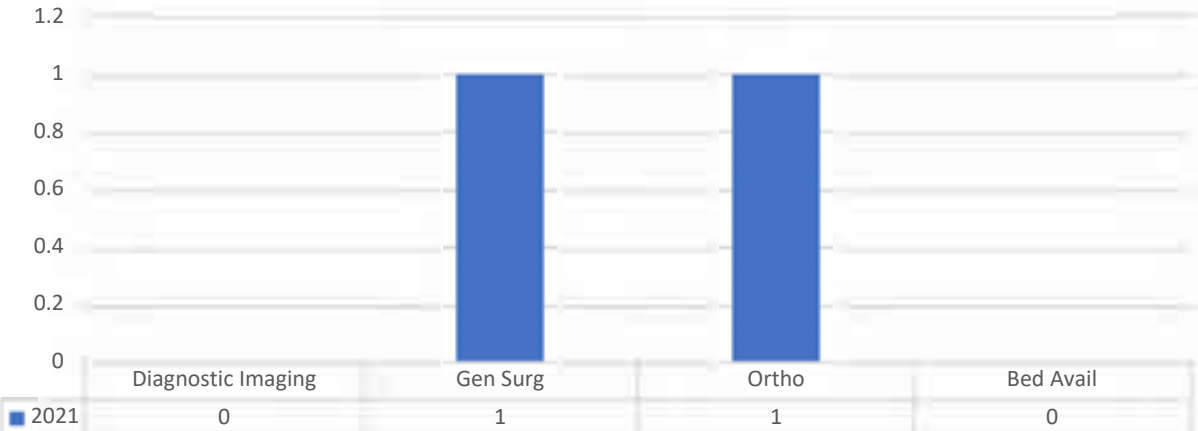


ED: April

ED Inpatient Admissions and Transfers Monthly Comparison



Resource Related Transfers



Average Daily Census

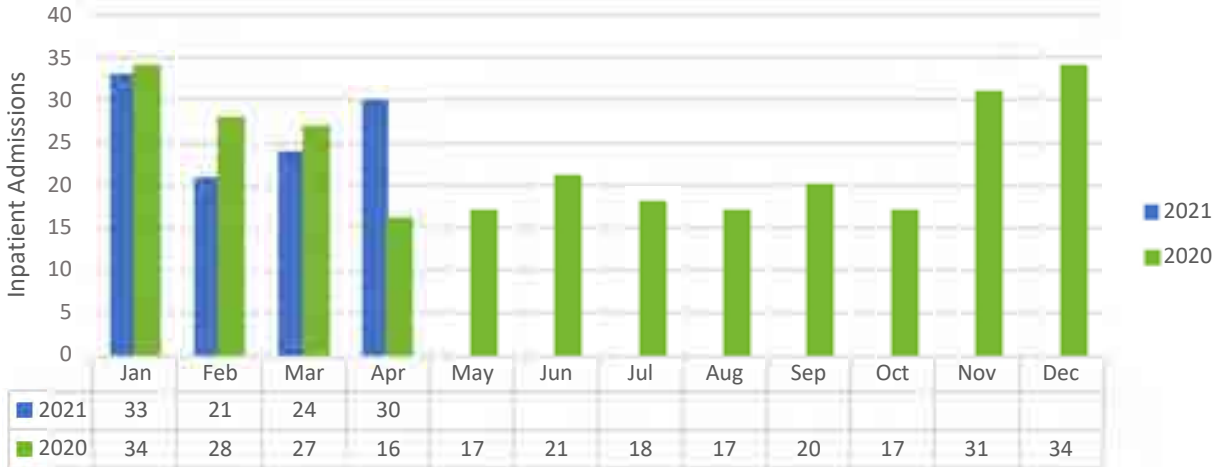
15.5

Average Length of Stay (in hours)

2.3

Inpatient : April

Inpatient Admission Comparison



Average Daily Census

4

Average Length of Stay (in days)

2.2

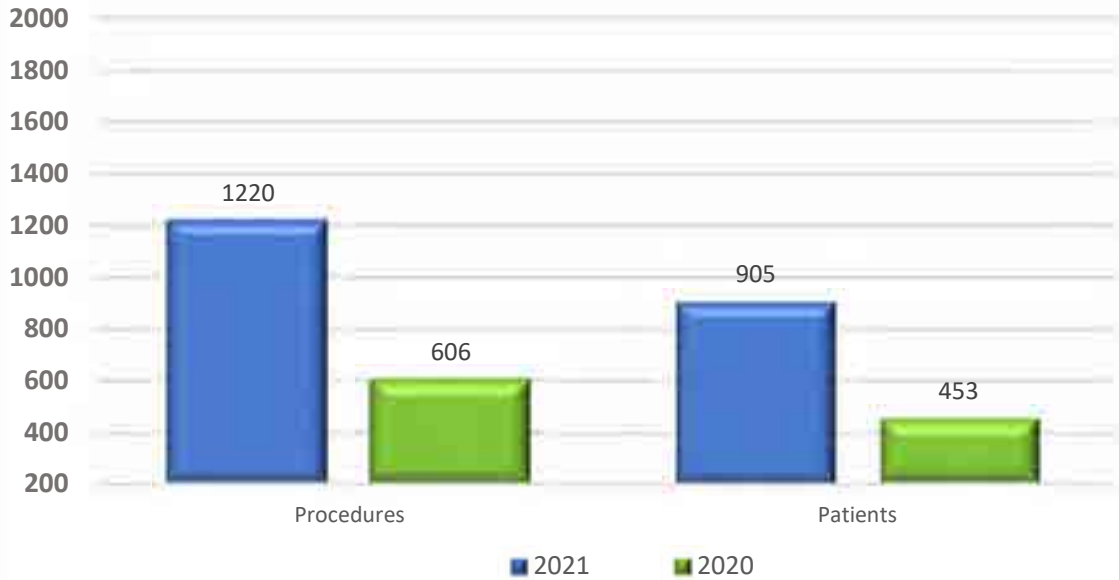


COVID-19 Patients
Hospitalized at PSMC

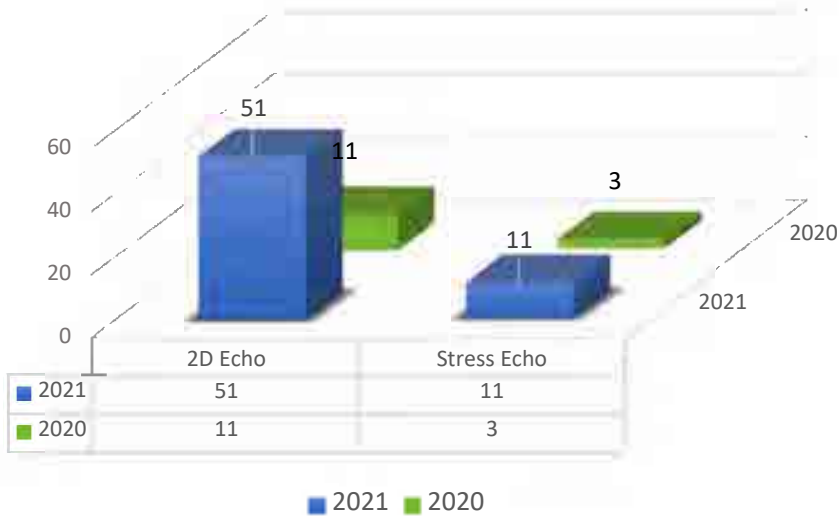
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Diagnostic Imaging: April

Diagnostic Imaging Stats by Month

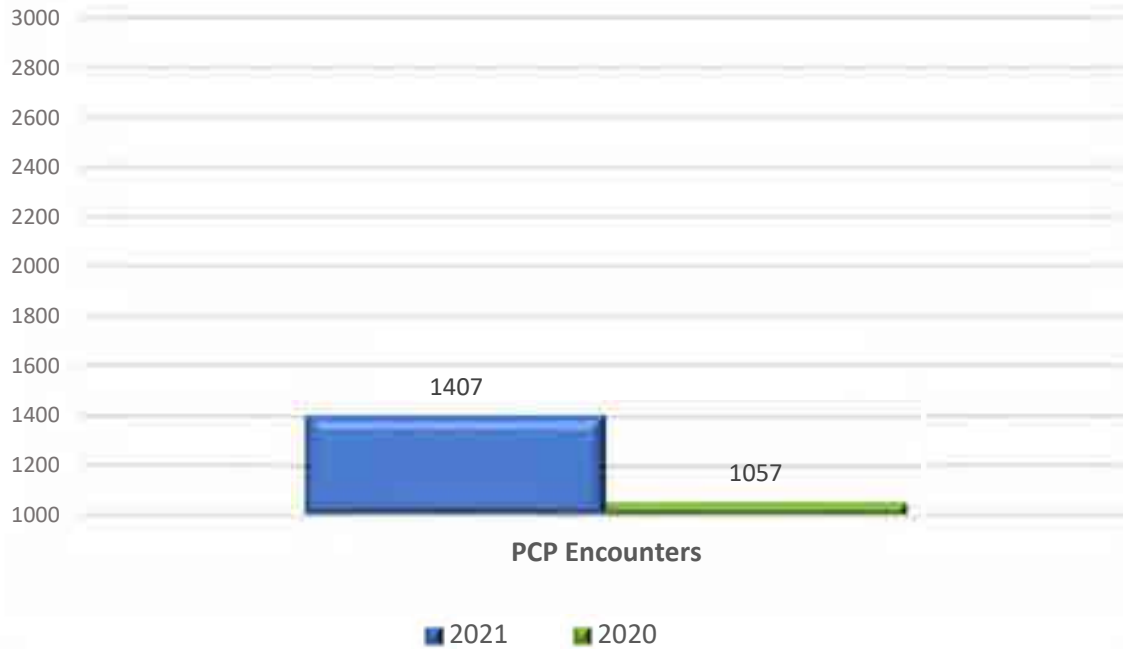


Cardiology 2D Echo & Stress by Month

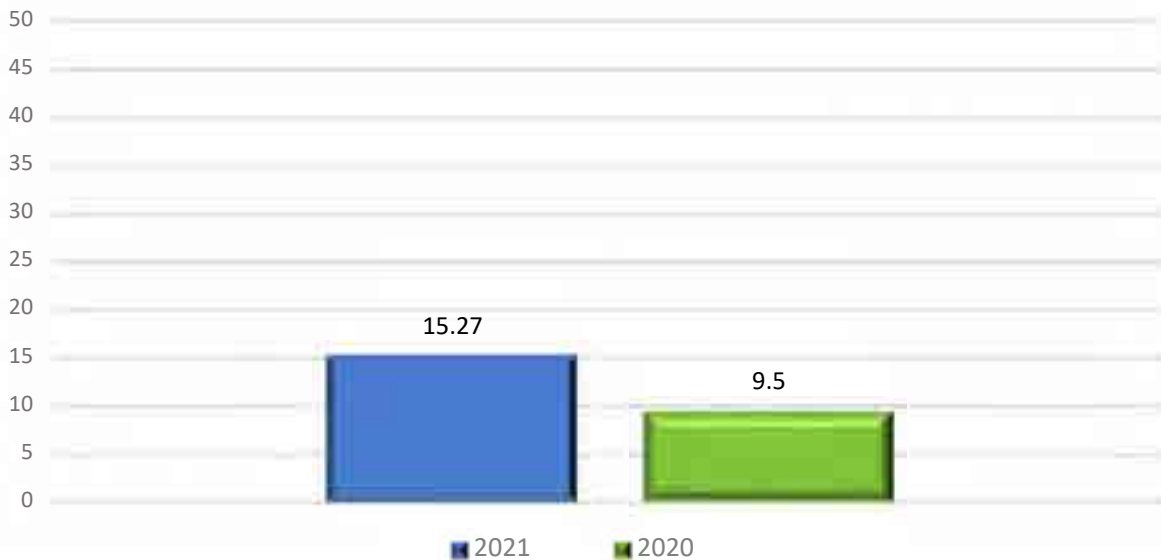


Clinic: April

Rural Health Clinic Encounters by Month

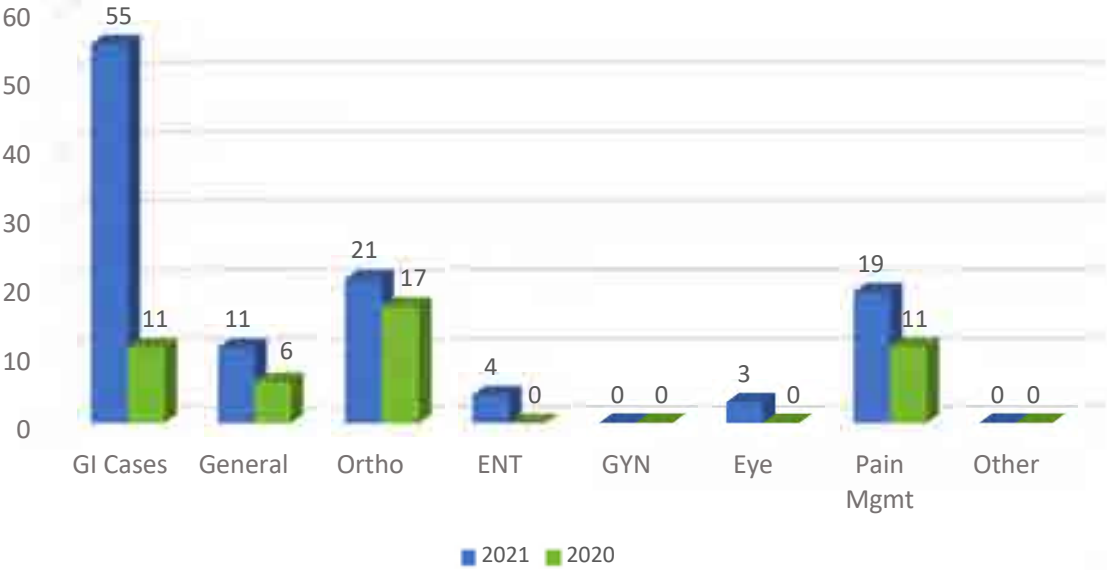


Average Daily Walk-Ins



Surgery

Surgery Cases by Month
2021 compared to 2020





**THE UPPER SAN JUAN HEALTH SERVICE DISTRICT
DOING BUSINESS AS PAGOSA SPRINGS MEDICAL CENTER**

**MEDICAL STAFF REPORT BY CHIEF OF STAFF, RALPH BATTELS
May 25, 2021**

~~I. STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF NEW POLICIES OR PROCEDURES ADOPTED BY THE MEDICAL STAFF:~~

II. STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF PROVIDER PRIVILEGES (ACCEPTANCE BY THE BOARD RESULTS IN THE GRANT OF PRIVILEGES):

NAME	INITIAL/REAPPOINT/CHANGE	TYPE OF PRIVILEGES	SPECIALTY
Caitlin Morris, LCSW	Initial Appointment	Behavioral Health Provider/LCSW	Licensed Clinical Social Worker
Scot Campbell, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology

III. REPORT OF NUMBER OF PROVIDERS BY CATEGORY

Active: 20
 Courtesy: 20
 Telemedicine: 121
 Advanced Practice Providers: 17
 Honorary: 1
 Total: 179



MINUTES OF SPECIAL BOARD MEETING
Thursday, April 29, 2021
5:30 PM
The Board Room
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors of the Upper San Juan Health Service District (the “Board”) held its special board meeting on April 29, 2021, at Pagosa Springs Medical Center, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Zoom video communications.

Directors Present: Chair Greg Schulte, Vice-Chair Matt Mees, Interim Treasurer/Secretary Mark Zeigler, Director Kate Alfred and Director Jason Cox.

Present via Zoom: None.

Present via teleconference: None.

Director(s) Absent: Director Dr. Jim Pruitt and Director Karen Daniels. (The noted absences were excused due to prior notification.)

1) CALL TO ORDER

- a) Call for quorum: Chair Schulte called the meeting to order at 5:30 p.m. MST and Clerk to the Board, Heather Thomas, recorded the minutes. A quorum of directors was present and acknowledged.
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: There were none.
- c) Approval of the Agenda: The Board noted approval of the agenda as presented. Chair Schulte noted the regular meeting of the Board, scheduled for April 27, 2021, was cancelled due to a county-wide disruption to internet service. The agenda for this Special Meeting was revised and notice posted.

2) PUBLIC COMMENT

There was none.

3) PRESENTATION: BOND PACKAGE FOR REFUNDING (REFINANCING) THE 2006 BONDS FOR SAVINGS

Jason Simmons of Hilltop Securities (Financial/Municipal Advisor to USJHSD) gave an overview regarding the timing of the refinancing process; preliminary projected sources, uses and payment scenarios; and the market conditions. Questions were asked and answered.

The Board discussed the savings structure options as presented in the preliminary projected sources, uses and payment scenarios.

David Lucas of Sherman & Howard (Counsel for Bond and Disclosure Documents) gave an overview of the resolution, as well as the Paying Agent and Registrar Agreement, Escrow Agreement,

Custodial Agreement, and Bond Purchasing Agreement.

David Greher of Collins Cockrell & Cole (special counsel to USJHSD) was present via Zoom to answer questions of the Board.

4) **DECISION AGENDA**

a) **Resolution 2021-04**

Director Cox motioned to approve Resolution 2021-04 authorizing the refunding of the Upper San Juan Health Service District's Limited Tax General Obligation Bonds, Series 2006, and the issuance of the Upper San Juan Health Service District's Limited Tax General Obligation Refunding Bonds, Series 2021 in a maximum principal amount of \$8,705,000 and a maturity date no later than December 31, 2037 as such refunding and issuance is in the best interests of the District in order to achieve savings; and approving related documents (Paying Agent and Registrar Agreement, Escrow Agreement, Custodial Agreement and Bond Purchase Agreement).

Due to the structure of the resolution requiring a roll call vote, Clerk to the Board Thomas inquired of and recorded the vote as follows:

Chair Schulte – Aye

Vice-Chair Mees – Aye

Director Cox – Aye

Interim Treasurer/Secretary Zeigler – Aye

Director Alfred – Aye

The motion passed unanimously.

b) **Resolution 2021-05**

Interim Treasurer/Secretary Zeigler motioned to approve Resolution 2021-05 regarding approval of Scenario 1, as outlined in the preliminary and projected savings statement (which allows for greater savings in years 1-2 which is needed due to the uncertainty of COVID-19 and approximately \$90,000 +/- per year in savings in years 3-5). Upon motion seconded by Director Alfred, the Board unanimously approved said resolution.

c) **Resolution 2021-06**

Vice-Chair Mees motioned to approve Resolution 2021-06 regarding the election of Director Mark Zeigler as the Board's officer position of Treasurer/Secretary. Upon motion seconded by Director Cox, the Board unanimously approved said resolution.

5) **REPORTS**

a) **Oral Reports**

i) **Chair Report**

There was no report.

ii) **CEO Report**

CEO Dr. Rhonda Webb discussed current updates regarding COVID-19:

- Colorado is seeing a slow rise in cases and has had the highest number of hospitalized cases since January, 2021.
- PSMC is now able to treat patients who have a higher risk of hospitalization with Monoclonal antibody treatment.
- To date, 8,092 vaccine doses have been administered by PSMC staff.
- Today was the last day for the mass COVID-19 vaccination clinic at the community center. There were 22 mass vaccination clinics held in total.
- PSMC will continue to administer COVID-19 vaccine doses in-house each week, as necessary.

CEO Dr. Webb then announced that an annual report is near completion and will be presented to the Board for comment in the near future.

Questions were asked and answered.

iii) Executive Committee

There was no report.

iv) Foundation Committee

Vice-Chair Mees advised that the Foundation Board met on April 27th and noted the following:

- The Foundation Board accepted the audit of the Foundation.
- The Foundation Board discussed the planned event for the summer, subject to the status of the pandemic.
- The Foundation Board received and accepted the Foundation's first quarter financials.
- The Foundation Board established some terms for staff to extend the leases of the Dodie Cassidy building.

v) Facilities Committee

There was no report.

vi) Strategic Planning Committee

There was no report.

vii) Finance Committee & Report

Controller Steve Wagoner presented and discussed the PowerPoint presentation.

Director Cox asked a question regarding the bond refunding and days cash on hand. Controller Wagoner answered.

On behalf of the Finance Committee, Treasurer/Secretary Zeigler noted, historically, the net income does not become positive until May or June and we had a positive bottom line in March. In addition, Treasurer/Secretary Zeigler noted CARES act money originally was thought to be \$0.55 on the dollar but is now \$0.63 on the dollar. Finally, billing issues discussed in prior months were discovered quickly and staff is working diligently to resolve the issues.

Treasurer/Secretary Zeigler noted the Finance Committee's recommendation to accept the March 2021 financials as presented.

b) Written Reports

i) Operations Report

There were no questions.

ii) Medical Staff Report

Director Cox asked a question regarding Dr. Jason Wallace's change in privileges. COS Dr. Ralph Battels answered.

6) **CONSENT AGENDA**

Director Cox motioned to approve the Board Member absences, regular meeting minutes of 03/23/2021, work session meeting minutes of 04/13/2021, and the Medical Staff report recommendations for new or renewal of provider privileges.

Upon motion seconded by Vice-Chair Mees, the Board unanimously approved said consent agenda items.

7) **OTHER BUSINESS**

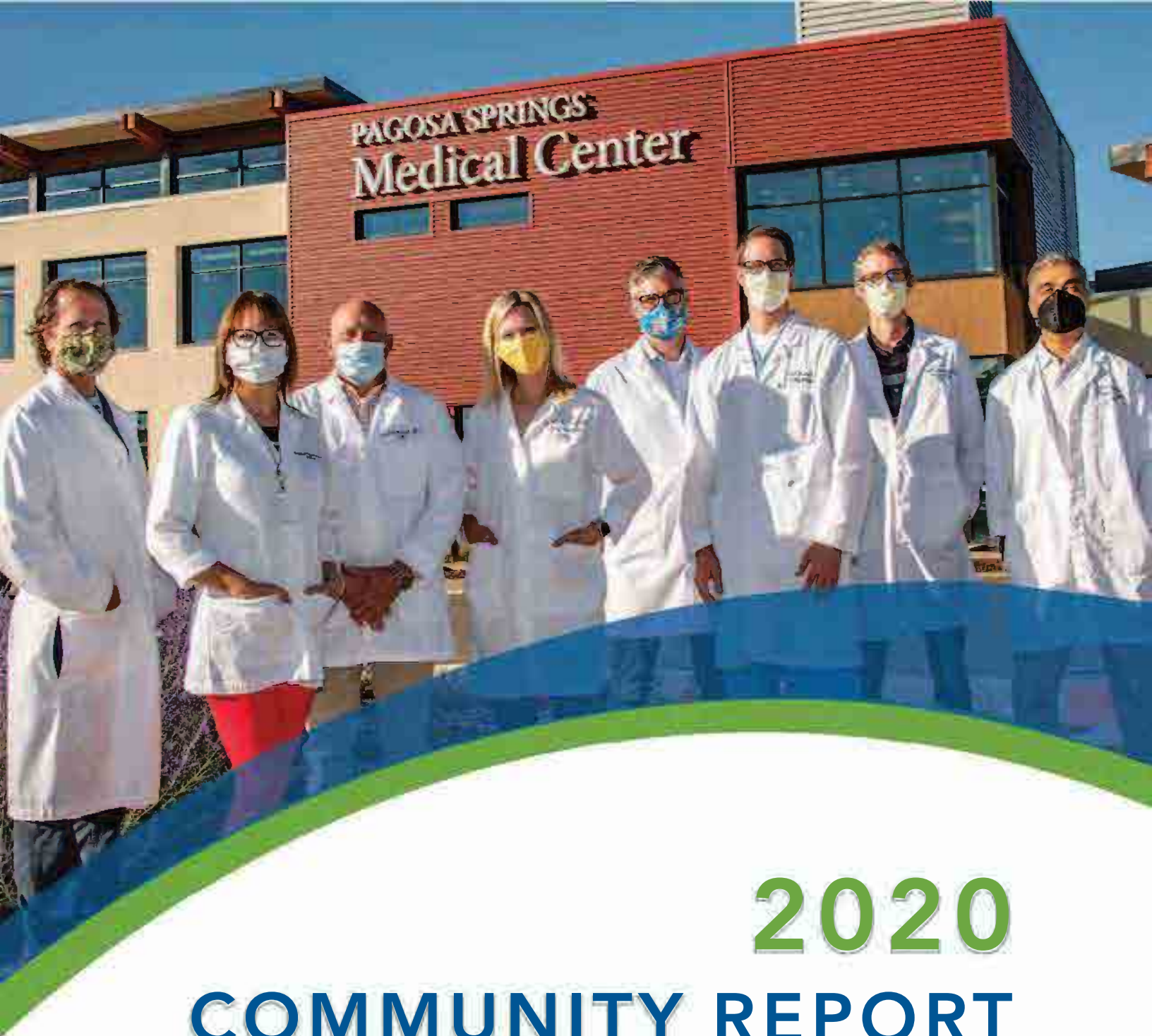
There was none.

8) **ADJOURN**

There being no further business, Chair Schulte adjourned the regular meeting at 6:45 p.m. MST.

Respectfully submitted by:

Heather Thomas, serving as Clerk to the Board

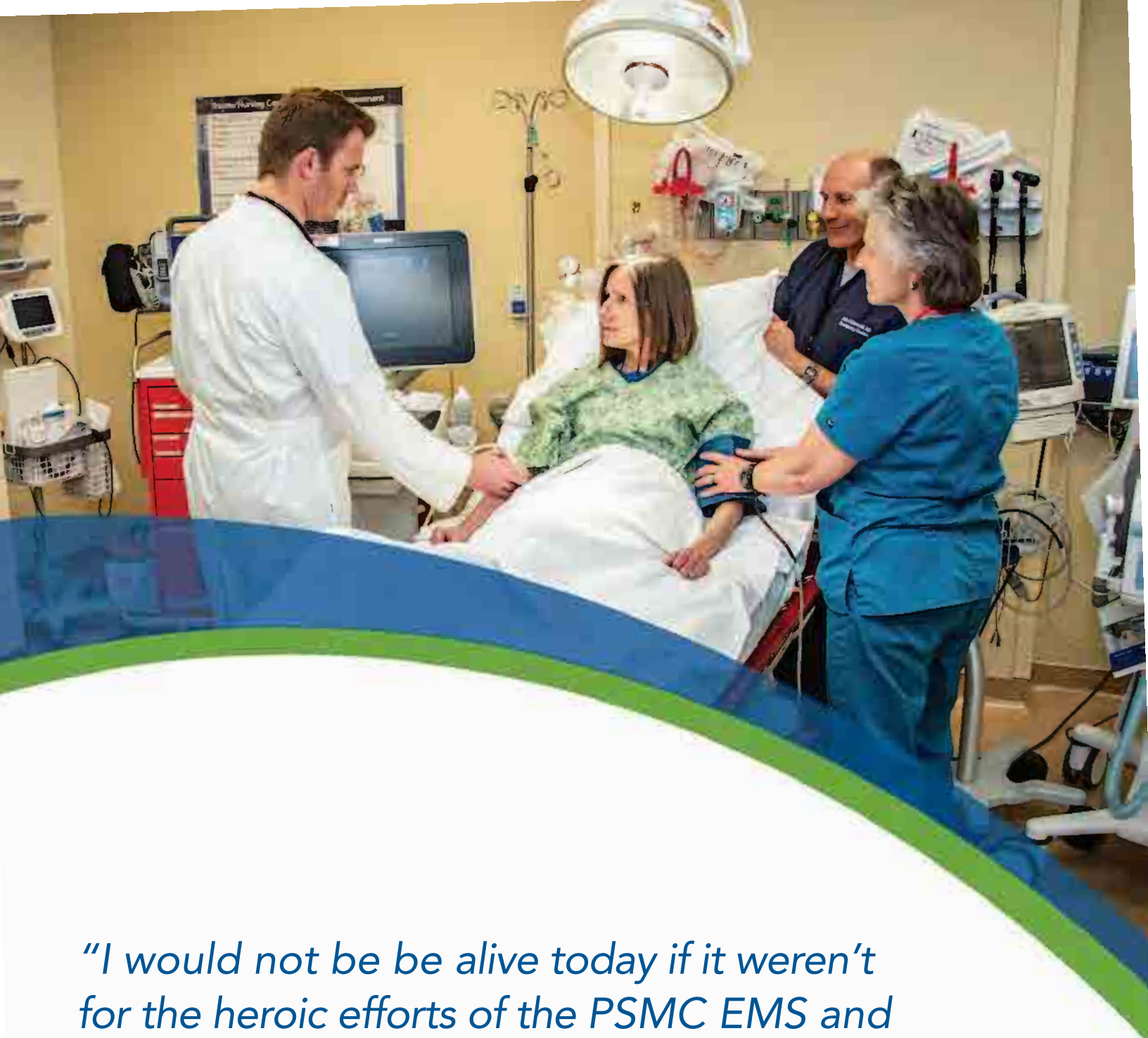


2020

COMMUNITY REPORT

Building a Healthier Community





*"I would not be be alive today if it weren't
for the heroic efforts of the PSMC EMS and
Emergency Department. Thank you, PSMC."*

— Fred Phillips

Joint Message from the CEO **Rhonda P. Webb, MD** and Board Chairman **Greg Schulte**

2020 is a year that we are certain no one will forget. Our lives were turned upside down by the pandemic with the closure of businesses and schools, the travel shutdown, stay-at-home orders, mask mandates, and more. We know it was an incredibly difficult time for our community to endure.

Working on the front lines of healthcare and leading a hospital that has the very serious responsibility of preventing illness and caring for those who are sick or injured gave us a different perspective of the pandemic. From the beginning, we at Pagosa Springs Medical Center were acutely aware of what could happen to the community—to our family and friends—if the virus took hold and began to spread uncontrollably. Knowing how some hospitals were overwhelmed, fueled our work as PSMC changed procedures, protocols, and operations in almost every department.

The year 2020 was full of challenges, from experiencing shortages of personal protective equipment needed to keep our staff safe, to having to stand up a mass-testing system, educating the community, and figuring out where to transfer acutely ill patients when every intensive care bed in Colorado was occupied. And while all this was happening, we had to run a hospital. We treated the sprained ankles and heart attacks. We managed patients' medications and chronic diseases. We provided chemotherapy treatments to cancer patients. We coordinated the installation of a new HVAC system for the hospital, applied for grants and stimulus funding, and reduced our expenses to make sure PSMC could pay its bills and its exhausted staff. We are proud to say we were successful in all of those efforts.

We are happy to report that despite the pandemic, PSMC is financially stable and beginning to change its focus from a public health crisis response to a renewed focus on continued growth and improvement of services. From the earliest days of the health district's formation in 1981, to voter approval of the mill levy in 2001, opening the hospital in 2008 and the outpatient clinic in 2016, PSMC has seen tremendous growth not only in the facilities it operates, but in the services it provides. We see that continuing.

While Pagosa Springs Medical Center is still a relatively young and small medical center, it has been fortunate to attract a diverse group of medical providers who are committed to caring for our community. Under the current leadership, medical staff turnover has been greatly reduced. This stability is one of the factors that has allowed PSMC to operate from a relatively stronger financial position than it did in previous years.

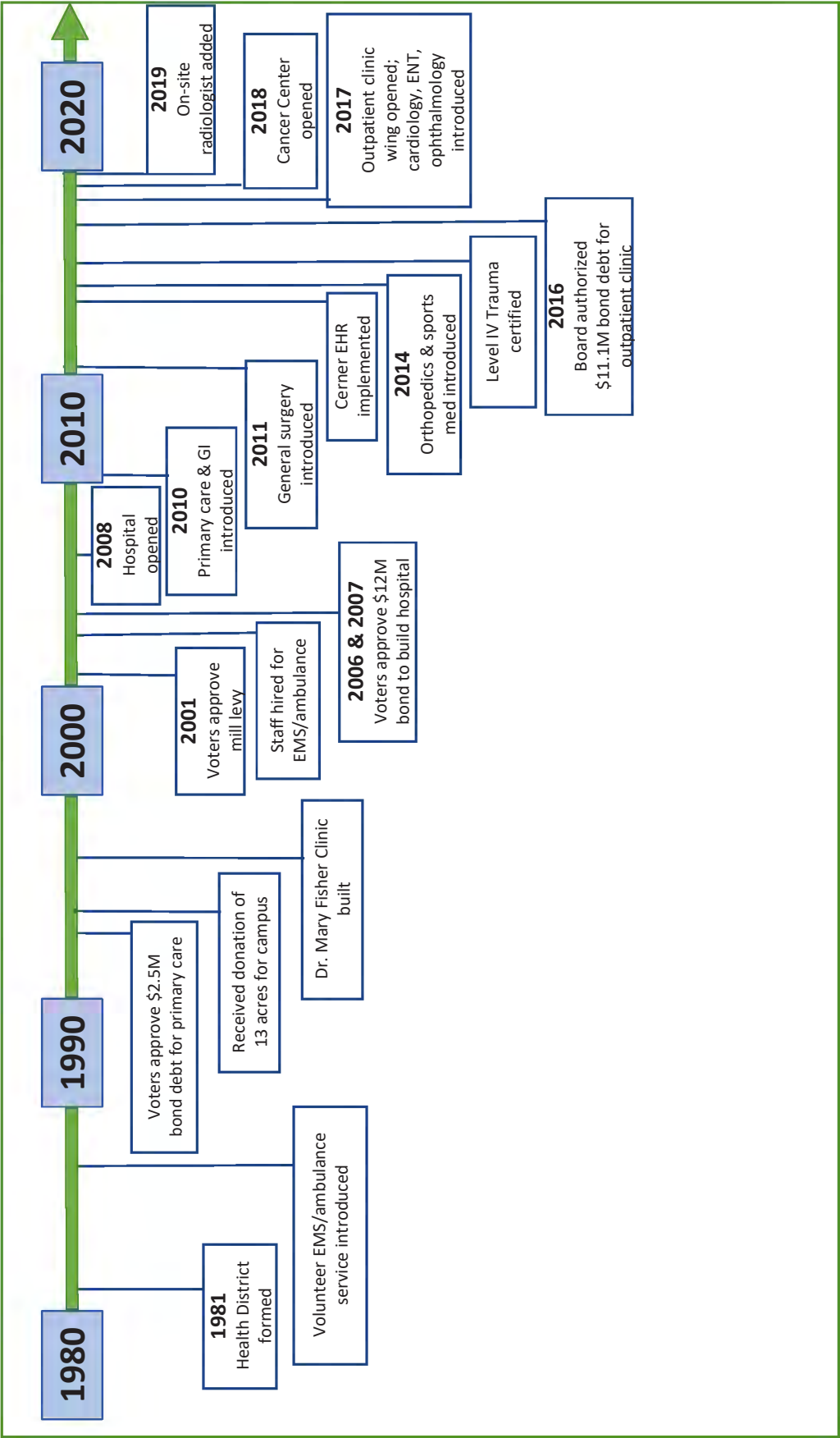
We say "relatively stronger" because finances for small, rural hospitals are inherently challenging, and PSMC is no exception. Compared to other businesses, rural hospital margins are very thin, and the debt incurred to build our facilities was significant. The good news is that with historically low interest rates, we worked to refinance the hospital's 2006 bond debt. We will realize more than 1.8 million in savings to the District without extending the life of the debt.

If the pandemic taught us anything, it's that a strong and resilient community steps up to help those in need. PSMC is grateful for the continued support of the community, and for trusting us to care for you.

Thank you!

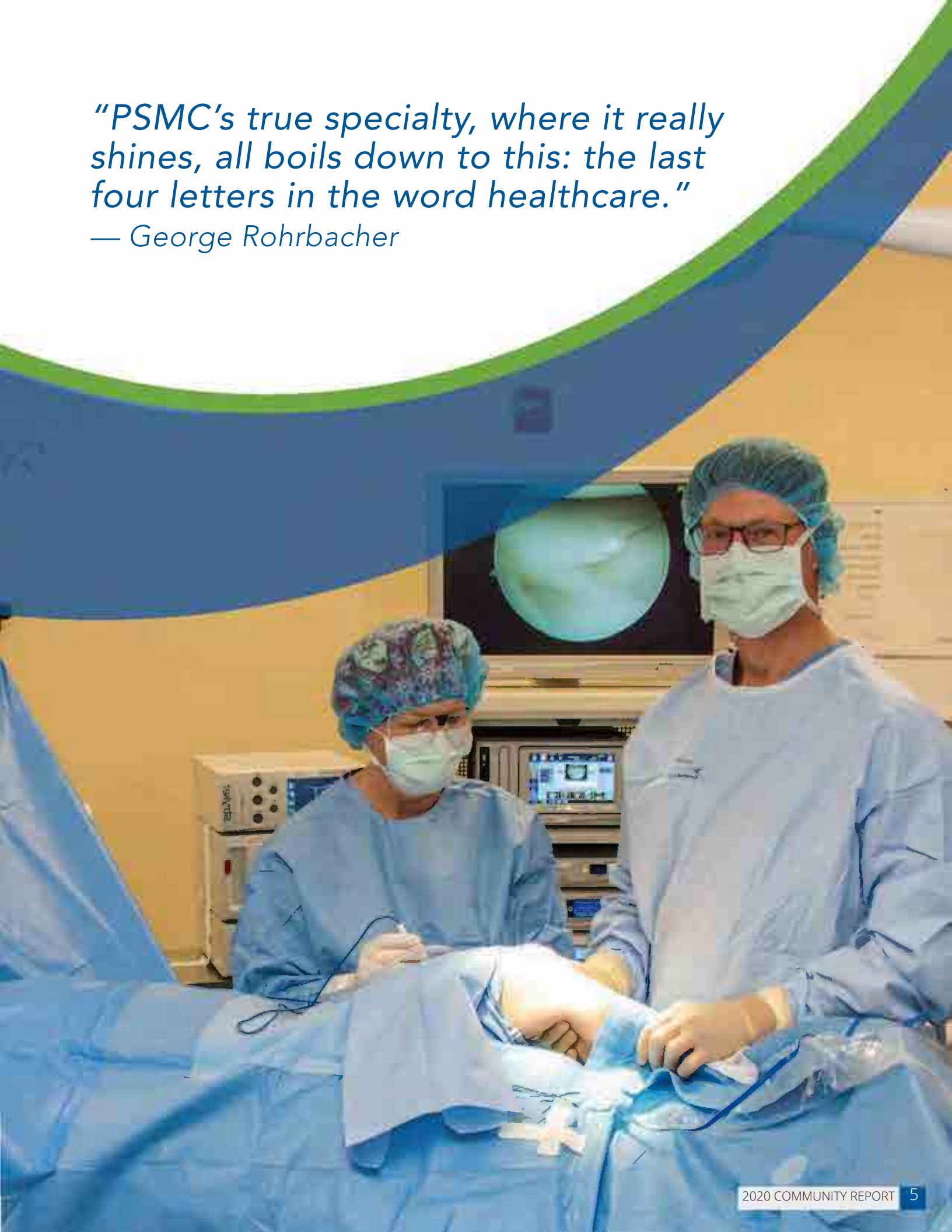


Milestones in PSMC's History



"PSMC's true specialty, where it really shines, all boils down to this: the last four letters in the word healthcare."

— George Rohrbacher



2020 Highlights



The Year of the Pandemic

Since March of 2020, PSMC staff worked to ensure the safety of the Pagosa Springs community.

Separate screening and testing areas were created, new policies and procedures were developed, and certain staff transitioned to remote work. As the pandemic evolved, PSMC's incident command diligently worked to acquire valuable PPE (personal protective equipment) and COVID-19 tests, as well as providing up-to-date information to the community.

Throughout the pandemic, the support from the community was overwhelming as PSMC received donations of medical supplies and food for staff. Also filling a large need was a local stitcher's group who sewed cloth masks for staff.

PSMC was at the forefront of providing free mass vaccination clinics, giving more than 8,000 COVID-19 doses by the end of April of 2021.



2020 Highlights



New Ambulance

In November of 2020, PSMC purchased a new ambulance, which is specially designed and equipped for long patient transports in difficult terrain and adverse weather. The ambulance includes additional safety modifications and a power lift to aid in loading and unloading patients. The ambulance safety measures were designed by PSMC EMS staff to ensure the enhanced safety of patients and staff traveling in challenging conditions. PSMC EMS staff innovation impacted ambulance design nationally.



HVAC Project

In the fall of 2020, PSMC completed an HVAC (heating, ventilation, and air conditioning) system replacement. The new HVAC system improves PSMC's operating room climate control and air quality, and has increased the hospital's surgical capacity, as the hospital's two operating rooms now can be used simultaneously. The system also helps with infection prevention by allowing for two negative air pressure rooms in the Emergency Department, improves cooling in the oncology department, and has helped lower energy costs.

"I've had about a dozen hospital encounters in my life, all in large cities, and PSMC was by far the best on every conceivable level. Every person who worked with us, from admissions to the cafeteria chef to nurses and doctors, were the best I've ever encountered. Not a single person on the staff exhibited anything but the highest qualities. We felt not only medically cared for but personally embraced.

To all who have worked to bring this exceptional facility and staff to our little mountain town, I thank you from the bottom of my heart."

— Jeff Posey

2020

Financial Overview

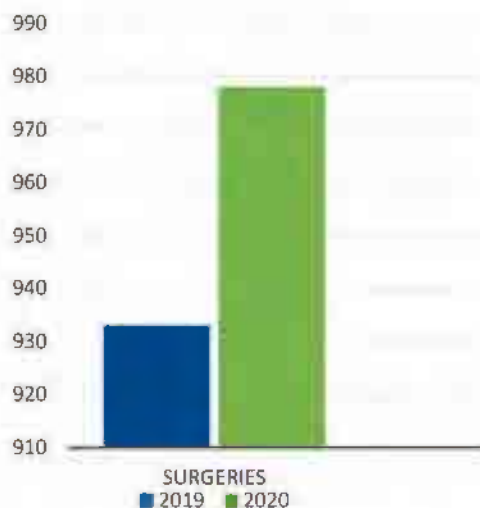
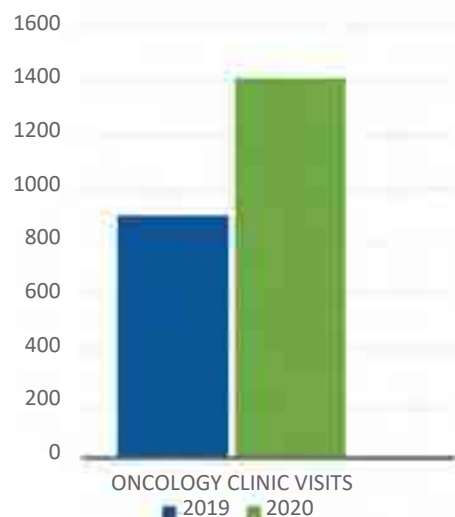
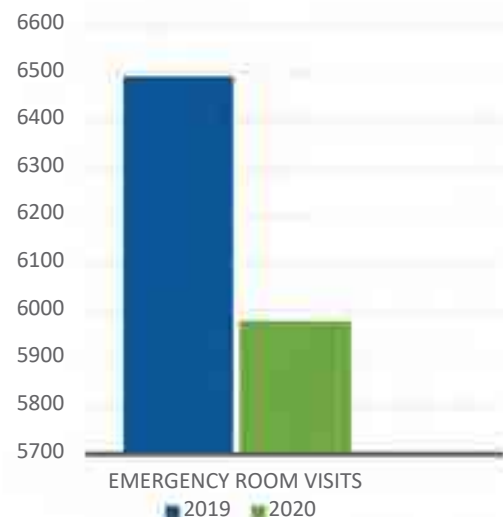
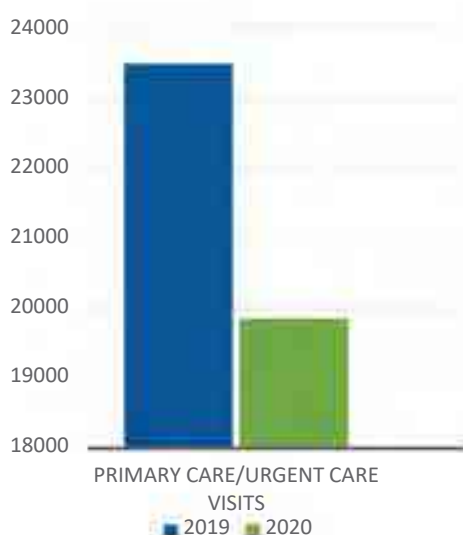
In January and February of 2020, net income at PSMC was strong. But with the declaration of a global pandemic in March, and an immediate loss of revenue caused by stay-at-home orders and temporary cancelation of elective procedures, the financial status of PSMC, like so many other businesses, was turned upside down. With the future uncertain, PSMC leadership began pursuing other sources of revenue, including grants and federal stimulus funds. This decision turned out to be critical to PSMC's ability to weather the economic impact of the pandemic.

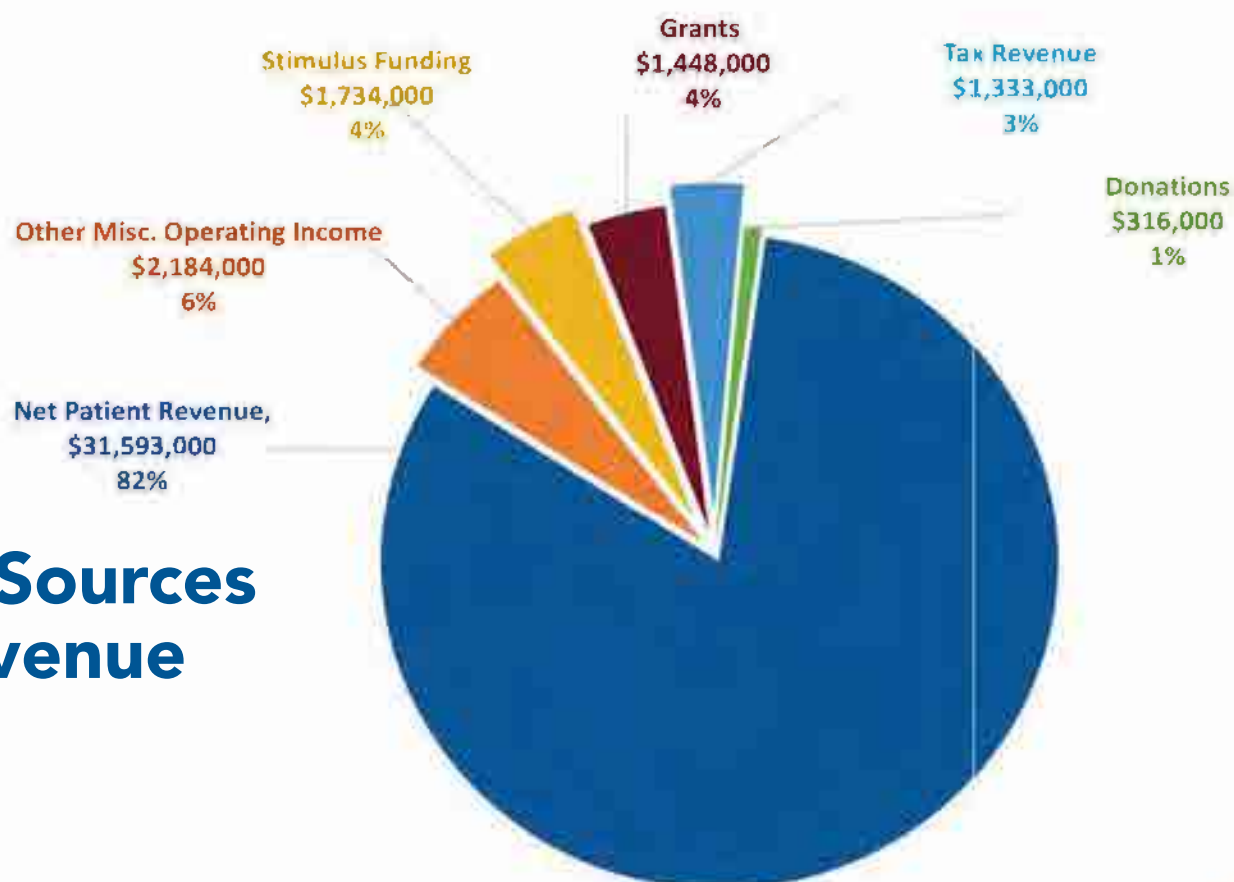
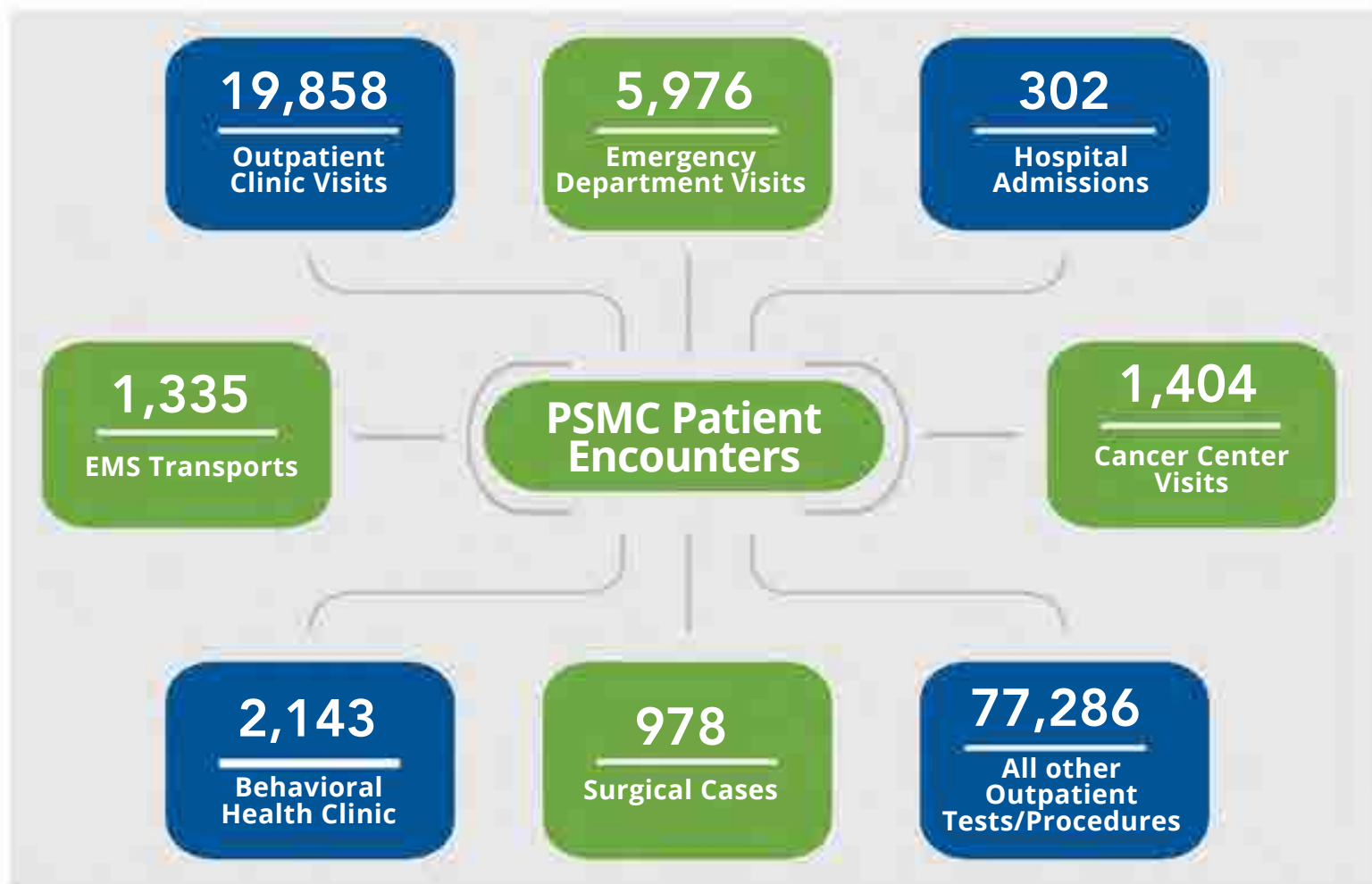
Hospitals are unique in that they never fully close. Specialized staff are available around the clock, every day of the year, to care for the injured and the ill. The pandemic caused not only a drop in patient volume, but also a disruption in the supply chain and cost of personal protective equipment and other supplies used by hospitals.

Grants and federal stimulus funds and operational adaptations allowed PSMC to continue its mission of caring for the community, providing pandemic-related services such as virus testing, and recovering from the initial impact of the pandemic to finish 2020 in good financial standing. Following are the operational and financial highlights of what was a most unusual year.

2019/2020

While some PSMC services saw growth compared to the prior year, patient volume in other areas decreased as a result of the COVID-19 pandemic.





2020 Sources of Revenue

Community Benefit

Pagosa Springs Medical Center provides much needed benefits to our community, caring for patients regardless of insurance status or ability to pay for services. *In 2020, PSMC provided more than \$3.3 million in care for which it received no compensation.*

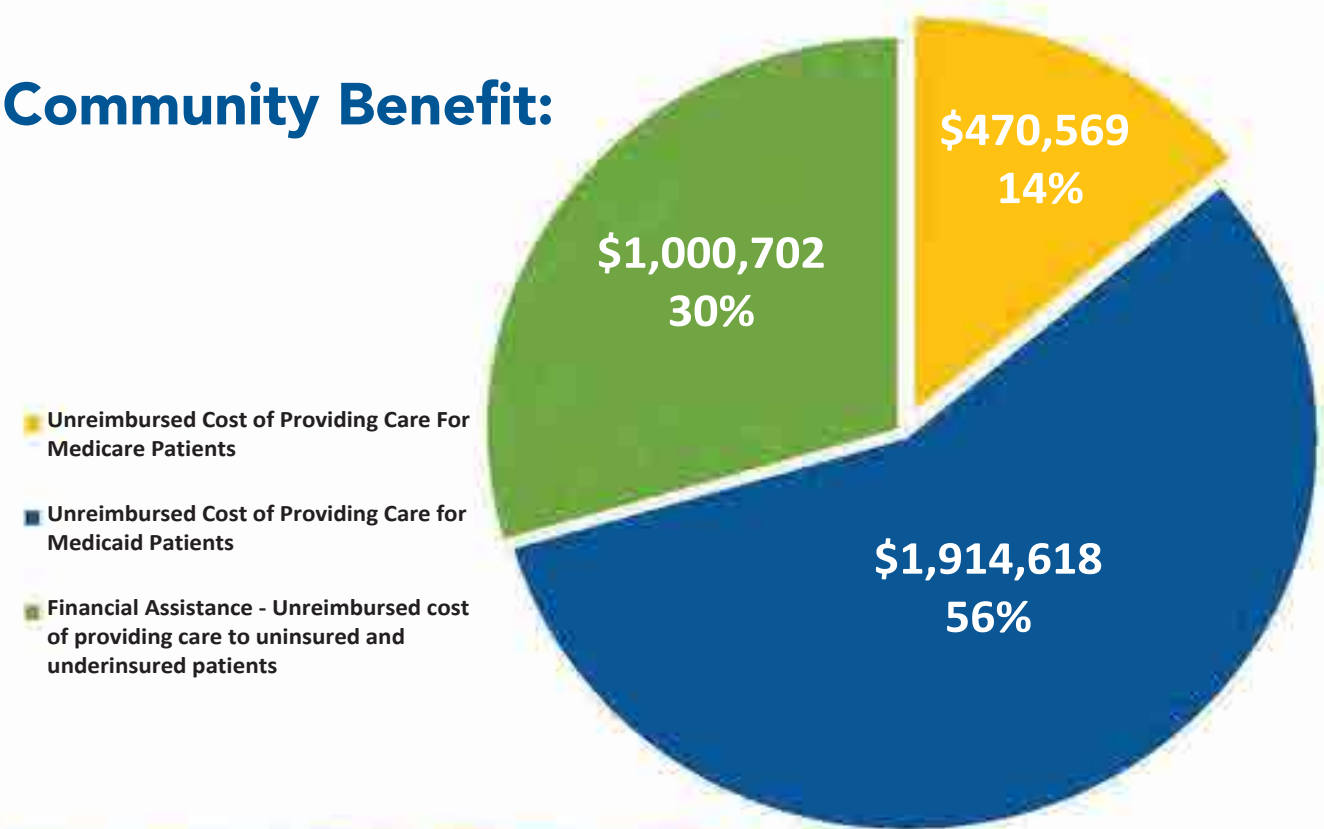
Financial Assistance

Charity care includes health care services provided to patients who are deemed unable to pay for the cost of the services they receive. Hospitals determine a patient’s ability to pay by assessing individual and family income, assets, employment status, family size, and availability of alternative payment sources. PSMC provides qualifying patients with financial assistance for non-elective services.

Unreimbursed Cost of Medicare and Medicaid

Medicaid and Medicare are federal and state-funded health insurance programs. Medicaid and Medicare reimbursement may be below a health care provider’s cost to provide certain health care services. The unpaid cost of care represents the difference between PSMC’s cost to provide services and the amount Medicaid or Medicare reimburses PSMC for providing those services.

Community Benefit:



Tax Year	Total Taxes Community Paid To PSMC	PSMC Financial Benefit To The Community
2018	\$1,218,301	\$3,794,568
2019	\$1,228,832	\$5,567,623
2020	\$1,333,000	\$3,385,889



PSMC Outpatient And Clinical Services

- Behavioral Health
- Cancer Care
- Cardiology
- Diagnostic Imaging
- Ear, Nose, and Throat
- Emergency Care
- EMS Services
- Gastroenterology
- General Surgery
- Inpatient Care
- Laboratory
- Neurology
- Orthopedic Surgery
- Primary Care
- Telemedicine
- Women's Health

Behavioral Health

The Behavioral Health department at PSMC provides a high level of care for a wide range of behavioral health services. The department's professional counselors and support staff provide wide range of behavioral health services for people of all ages, including children, adolescents, adults, and seniors.



Cancer Care

The Center for Cancer and Blood Disorders at PSMC provides high quality diagnostic and medical care, including infusion therapy, for patients with cancer or blood disorders. PSMC's experienced care team consists of fellowship-trained oncologists and hematologists, an oncology nurse practitioner, on-site pharmacist, nurse navigator, chemotherapy/biotherapy certified infusion nurses, a physical therapist, an internal radiologist, a social worker, and a general surgeon.



Cardiology

Pagosa Springs Medical Center's board-certified cardiologist, dedicated nurse practitioner, and support staff diagnose and treat a variety of heart and blood vessel conditions, including coronary artery disease, arrhythmias, valvular heart disease, and congestive heart failure.



Diagnostic Imaging

With an onsite radiologist, PSMC provides high-quality imaging and radiology services using state-of-the-art imaging technologies including MRI, 128-slice CT scans, ultrasound, X-ray, mammography, bone densitometry, and more.



Ear, Nose, and Throat

PSMC's board-certified physician, dedicated nurse practitioner, and support staff offer a wide range of care, including minimally invasive treatments, for disorders of the ear, nose and throat.



Emergency Care

The emergency department at PSMC is a level IV Trauma Center and critical access hospital, that provides essential access to high quality emergency care. The ED has two fully equipped trauma bays and five monitored rooms. PSMC's ED physicians and RNs hold advanced life support certifications and provide care across the complete life continuum.



EMS Services

PSMC is a leader in rural EMS and serves as the sole 911 EMS provider in the Upper San Juan Health Service District. In addition to emergency response and transport services, PSMC's EMS staff provides education, training, and other support to the community.



Gastroenterology

PSMC's gastroenterology team provides a high level of care for a broad range of disorders of the gastrointestinal tract. A board-certified gastroenterologist, dedicated nurse practitioner, and support staff are trained to diagnose and treat a wide range of conditions of the pancreas, liver, gallbladder, esophagus, stomach, small intestine, and colon.



General Surgery

Collaborating closely with other PSMC specialists, PSMC's board-certified general surgeon and experienced surgical team offer a wide range of general surgical care for patients who have suffered traumatic injuries or who have been diagnosed with cancer or other illnesses. The team regularly performs surgery for breast and colon cancer, lymph node removal, hernia repairs, and more.



Inpatient Care

PSMC's Acute Care Department is an 11-bed inpatient floor which can treat multiple conditions requiring more extensive medical treatments than can be provided in the Clinic or Emergency Department. PSMC's inpatient hospitalists are board certified physicians who provide quality, comprehensive care to patients who otherwise would have to travel long distances to receive care.



Medical Laboratory Services

The CLIA-accredited laboratory at PSMC provides a wide range of diagnostic medical testing services to meet and support the needs of our region's medical providers, patients, and community members.



Neurology

PSMC's board-certified neurologist, dedicated nurse practitioner, and support staff diagnose and treat a wide range of brain and nervous system conditions, including dementia, epilepsy, headache, movement disorders, multiple sclerosis, stroke, and other cognitive conditions. Telemedicine-based experts provide consultation for emergent conditions such as stroke and other acute neurological conditions.



Orthopedic Surgery

Pagosa Springs Medical Center's board-certified orthopedic surgeon and skilled surgical team treat a wide variety of degenerative conditions and injuries. Commonly performed inpatient and outpatient orthopedic surgeries include knee and hip replacements, ACL and shoulder joint repair, operative fixation of fractures, and more.



Primary Care

PSMC's primary care team provides appointment-based primary care and walk-in urgent visits for patients in all stages of life, including newborns, children, adolescents, adults, and seniors. PSMC's dedicated primary care practitioners include board-certified family medicine physicians, internists, family nurse practitioners, and physician assistants.



Telemedicine

Telemedicine at PSMC provides emergent stroke care and intervention, acute neurology consultation, and genetic counseling services, as well as assessment and care for patients with emergent mental health needs. Working with a PSMC provider, tele-health technology uses state-of-the-art, real-time video conferencing to provide access to the state's leading experts right here in Pagosa Springs.



Women's Health

Women's Health at Pagosa Springs Medical Center provides comprehensive healthcare for women, including annual exams, pre- and postnatal care, contraception and counseling, gynecologic exams, surgical care, heart health screenings, pelvic and breast cancer screenings, and more.



PSMC Providers



Yody Aucoin, CRNA
Surgery



Ralph Battels, MD
Emergency Medicine



William Bentley, MD
Neurology



Josh Borgstadt, PA-C
Primary Care



John Brach, MD
Ophthalmology



Robert Brown, MD
Primary Care



Julie Buchner, MD
Primary Care



Andrew Buck, DO
Oncology/Hematology



Kelly Cesary, AOCNP
Oncology



Scott Cordray, DO
Ear, Nose, and Throat



Jessica Cox, DO, PHD
Radiology



Ahmed El-Emawy, MD
Hospital Medicine



Joanna Estes, MD
Hospital Medicine



Gulzar Fidai, MD
Hospital Medicine



Michelle Flemmings, MD
Emergency Medicine



Jared Halterman, DO
Emergency Medicine

PSMC Providers



Bill Jordan, DO, FACO
Oncology



Michael Kloep, MD
Hospital Medicine



Robert Lambert, MD, FACC
Cardiology



Jeffrey Levison, MD
Primary Care



Rachel Liverett, FNP-C
Primary Care



Celia Lowry, MSW, LCSW
Behavioral Health



David Matthews, MD
Orthopedic Surgery



Laura Medina, MD
General Surgery



Brittiany Newsome, FNP-C
Primary Care



Calvin Newsome, FNP-C
Primary Care



Marcia Newth, LCSW
Behavioral Health



Dennis Phelps, MD
Orthopedic Surgery



Corinne Reed, DO
Primary Care



Daniel Renner, MD
Emergency Medicine



Nick Reynolds, DO
Emergency Medicine



Mindy Siegel, MD
Orthopedic Surgery

PSMC Providers



Aaron Singh, PA-C
Primary Care



Brian Smith, CRNA
Surgery



Ryan Stopher-Mitchell, DO
Primary Care



Roy Tinguely, MD
General Surgery



Kerri Voigts, MD
Emergency Medicine



Jason Wallace, DO
Primary Care



Bill Webb, MD
Orthopedic Surgery



Rhonda Webb, MD
CEO/CMO



Kenna Williams, MD
General Surgery



John Wisneski, MD
Hospital Medicine



Joshua Zastrosky, MD
Ophthalmology



Richard Zak, MD
Gastroenterology

“What an amazing group of doctors! Pagosa is so lucky to have all of you there. We thank you for your service.”
— Mayra Rodriguez

PSMC Foundation



The Dr. Mary Fisher Medical Foundation, known as the PSMC Foundation, is a 501(c)3 non-profit entity that exists solely to support the mission and vision of Pagosa Springs Medical Center. Every year, PSMC Foundation raises money in support of various initiatives that improve equipment and services at the hospital. Donations to PSMC Foundation may be allocated to any of the Foundation's four funds.

Donation to the Foundation have supported PSMC in assisting with costs for building improvements, equipment and ambulances, and financial assistance to patients.

Grant Funding Partners

In addition to donations, PSMC Foundation relies on grants from other foundations. In 2020, PSMC applied for and received the following grants:

- | | |
|--|--|
| • El Pomar Foundation: | \$2,500 for COVID-19 supplies
\$10,000 matching contribution, new ambulance |
| • HELP NOW Colorado COVID-19 Relief Fund: | \$25,000 for COVID-19 supplies and medical equipment |
| • LPEA Round-UP: | \$2,500 matching contribution, new ambulance |
| • Next50 Initiative: | \$25,000 matching contribution, new ambulance
\$8,500 for COVID-19 supplies and equipment |
| • Rocky Mountain Health Foundation: | \$11,000 for COVID-19 supplies |

Pagosa Springs Medical Center Foundation in Action

In addition to raising funds for the hospital, the PSMC Foundation manages the Community Art Wall in collaboration with the Pagosa Arts Initiative, the local arts council. The Community Art Wall is a rotating art exhibit in the Pagosa Springs Medical Center waiting area featuring a juried selection of local art works.

The Community Responds in Challenging Times

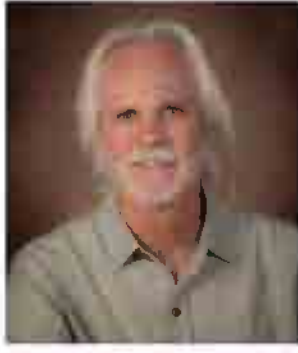
In 2020, PSMCF coordinated with more than 200 local volunteers and donors who made over 7,000 face masks that were distributed to hospital staff and community members at no cost.



Board of Directors



Greg Schulte
Chairman



Matt Mees
Vice-Chairman



Mark H. Zeigler, MS, PT, CIDN
Secretary/Treasurer



James C Pruitt, MD
Director



Karin Daniels
Director



Jason Cox
Director



Kate Alfred
Director

Label