



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

Thursday, October 12, 2023 at 5:00 p.m. MST

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

The public may attend in person or via Zoom.
To attend via Zoom, please use this link to join the meeting:

<https://us02web.zoom.us/j/83611276692>

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

Meeting ID: 836 1127 6692

AGENDA

1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD

- a) Confirmation of quorum
- b) Board Director 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, Laura DePiazza, 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) PUBLIC HEARING ON THE PROPOSED 2024 BUDGET FOR USJHSD

- a) Open the Public Hearing on the proposed 2024 budget:
 - i) [Draft 2024 budget](#) (assumptions, income statement and capital) presented by PSMC's CFO.
 - ii) Questions/comments of the Board
 - iii) Questions/comments of the public
- b) Close the Public Hearing (Note: the Board's decision on the budget is anticipated to be made at the Board's meeting on November 28, 2023).

4) REPORTS

- a) **Oral Reports** (may be accompanied by a written report)
 - i) ~~Chair Report~~ _____ ~~Chair Kate Alfred~~
 - ii) CEO Report _____ Dr. Rhonda Webb
 - iii) ~~Executive Committee~~ _____ ~~Chair Alfred and Vice Chair Rose~~
 - iv) [Foundation Board](#) _____ Dir. Parada, Dir. Taylor and CEO R. Webb
 - v) ~~Facilities Committee~~ _____ ~~COO C. Mundt~~
 - vi) [Strategic Planning Committee](#) _____ Vice Chair Rose, Dir. Cox and CEO R. Webb

PSMC's Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

- vii) [Finance Committee Report](#)
 - (a) [August 2023 Financials](#)

Treas.-

5) DECISION AGENDA

- a) Consideration of [Resolution 2023-20](#) regarding appointment to fill the vacancy on the Board of Directors.

6) 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 10/12/2023
- b) Approval of Minutes for the following meeting(s):
 - i) [Regular meeting of: 08/22/2023](#)

7) EXECUTIVE SESSION

The Board reserves the right to meet in executive session for any purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).

8) OTHER BUSINESS

- a) The Board has the following meetings for the last quarter of the year:
 - i) Thursday October 12, regular meeting
 - ii) Tuesday October 24, special meeting
 - iii) Tuesday November 28, regular meeting
 - iv) Tuesday December 19, regular meeting

9) ADJOURN

UPPER SAN JUAN HEALTH
SERVICE DISTRICT
DBA: PAGOSA SPRINGS MEDICAL CENTER
BUDGET PROPOSAL
2024 DRAFT



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2024 PSMC BUDGET OVERVIEW

In 2024, PSMC will continue to offer hospital services, outpatient clinic services and EMS/ambulance services to the District. PSMC's goals for 2024 are set forth as an extension of the three-year Strategic Plan approved by the Board of Directors in September 2021. The proposed budget positions PSMC to carry out the Strategic Plan and to pivot to meet unplanned demands.

Preparing the budget for Pagosa Springs Medical Center always requires addressing a number of unknown variables, but in planning the 2024 budget there are still uncertainties of revenue trends going forward due to the significant variations during the pandemic. As we look back at 2023, PSMC spent a significant amount of money on contract labor due to the lack of staff and we are working diligently to hire full time employees to replace this. We have had some success in 2023 and we look forward to additional successes in 2024. We did the right thing for our staff and patients, but it was a very costly alternative for us. We know PSMC will face many challenges in 2024, but we anticipate the greatest challenge will continue to be the cost of staffing resulting from both a nationwide shortage of healthcare workers and a lack of economical housing in Archuleta County.

BUDGET ASSUMPTIONS

With respect to *revenues*, PSMC makes the following 2024 budget assumptions:

- Increase in patient volume by an average of 5% and an average increase in prices of 4%. Anticipated increases in revenues include the following: the Cancer Center due to steady growth; pain management due to expansion of the service line; radiology due to the general uptick in volume; surgery due the increased staffing of surgeons; cardiopulmonary due to the addition of equipment and cardiology due to having an echo tech for the entire year. With the approval of the capital budget, there will be additional revenue potential in respiratory therapy.
- We have a substantial increase in non-operating revenue based on awarded grants to be used in 2024.
- Static donations at \$180,000.

With respect to *expenses*, PSMC makes the following budget assumptions:

- Increase in personnel compensation expense of two and one-half percent. PSMC's largest expense continues to be labor. We also are looking at an addition of 4.64 FTE's.
- Increase (inflation) in costs for the following:
 - 5% in medications;
 - 4% for supplies; and
 - 3% for employee health insurance plan.
- We will continue to see increased costs needed to enhance our security with regards to IT.

- Other expense increases are department specific based on what projects are expected to be completed in 2024.

With respect to **capital replacement**, PSMC has a 5-year capital replacement plan and has prioritized items based upon remaining life and the Strategic Plan. The budget includes \$4,397,754 of capital expenditures in 2024 for immediate capital needs of PSMC. Of this amount, \$1,743,291 is covered by 2024 Grants leaving a net cash outflow for capital in 2024 of \$2,654,463.

Due to the above, we are looking at a little better than a breakeven year for 2024.

POSITIONS

As PSMC continues to advance the complexity and volume of services it provides, there is an increase in full-time equivalent (FTE) positions added. For 2024, the budget includes a net increase of 4.64 FTEs to address the demand for clinical services (orthopedics upper extremity, cardiology, primary care, behavioral health, CT and PT), as well as, staff that support services (registration, security, lab administration, IT, EMS, billing, clinic and preauthorization).

METHODOLOGY IN PREPARING THE BUDGET

In preparing this budget, the CFO and Controller assessed sources of revenue, changes to expenses including changes in employees, and capital budget needs. To be certain the proposed budget is as accurate as possible, the CFO and Controller pulled the most current data for the period July 2022 through June 2023. With respect to employees, the finance team prepared a report containing hours and rates of compensation for employees. Each manager/director met with the CFO and Controller at least once (in some circumstances several times) to adequately review the 2022-2023 data, changes to the 2023 budget, and the expectations for 2024. The finance team developed a budget for every department and employee (including regular, overtime, paid time off, call pay, call back pay, sick, holiday and shift differential). Managers and Directors were responsible to review the department/employee budgets and assure accuracy in preparing the PSMC proposed budget.

The 2023 actual is annualized (this means the computer system takes seven months of actual revenues and expenses and divides it by 7 and then multiplies it by 12 months). We recognize that certain one-time or limited revenues and expenses are not accurate when annualized; therefore, on the revised income statement, we did not annualize the one-time or limited revenues and one-time expenses including the following: PSMC uses an accrual basis for accounting.

Pagosa Springs Medical Center

Income Statement - - - Budget 2024 - DRAFT

| | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Actual | 2023 Actual Annualized | Budget 2024 | Difference to Annualized 2023 | Variance Percent Annualized 2023 |
|--|-------------------|--------------------|--------------------|--------------------|------------------------|--------------------|-------------------------------|----------------------------------|
| Revenue | | | | | | | | |
| Total In-patient Revenue | 5,483,013 | 5,176,747 | 5,657,241 | 5,112,198 | 3,341,201 | 3,341,201 | - | 0% |
| Total Out-patient Revenue | 49,782,028 | 52,022,602 | 58,666,150 | 61,602,889 | 70,469,526 | 76,122,235 | 5,652,709 | 8% |
| Professional Fees | 6,504,216 | 4,636,252 | 5,605,458 | 6,149,915 | 6,555,114 | 7,127,384 | 572,270 | 9% |
| Total Patient Revenue | 61,769,257 | 61,835,601 | 69,928,849 | 72,865,002 | 80,365,841 | 86,590,820 | 6,224,979 | 8% |
| Revenue Deductions & Bad Debt | | | | | | | | |
| Contractual Allowances | 28,167,670 | 30,230,926 | 35,952,079 | 37,976,116 | 40,646,459 | 45,655,202 | 5,008,744 | 12% |
| Charity | 746,437 | 282,686 | 619,176 | 438,363 | 321,804 | 500,000 | 178,196 | 55% |
| Bad Debt | 3,470,959 | 1,730,052 | 832,034 | 1,993,603 | 3,137,622 | 1,985,826 | (1,151,796) | -37% |
| Provider Fee & Other | (3,081,149) | (2,520,105) | (3,187,647) | (4,111,252) | (4,555,551) | (4,558,453) | (2,902) | 0% |
| Total Revenue Deductions & Bad Debt | 29,303,917 | 29,723,559 | 34,215,642 | 36,296,830 | 39,550,334 | 43,582,575 | 4,032,242 | 10% |
| Total Net Patient Revenue | 32,465,340 | 32,112,042 | 35,713,207 | 36,568,172 | 40,815,508 | 43,008,245 | 2,192,738 | 5% |
| Other Operating Income - Misc | 2,333,037 | 2,113,048 | 1,739,472 | 1,869,844 | 774,110 | 768,895 | (5,215) | -1% |
| Total Net Revenues | 34,798,377 | 34,225,090 | 37,452,679 | 38,438,016 | 41,589,617 | 43,777,140 | 2,187,523 | 5% |
| Operating Expenses | | | | | | | | |
| Salary & Wages | 18,652,419 | 19,159,203 | 20,443,178 | 19,859,952 | 20,749,715 | 22,893,490 | 2,143,776 | 10% |
| Benefits | 3,352,542 | 3,287,282 | 3,469,346 | 3,333,271 | 3,635,612 | 4,004,264 | 368,653 | 10% |
| Professional Fees/Contract Labor | 307,381 | 349,923 | 590,251 | 3,325,486 | 1,995,911 | 1,408,470 | (587,441) | -29% |
| Purchased Services | 2,158,291 | 1,842,826 | 1,895,136 | 2,255,411 | 2,340,696 | 2,424,481 | 83,785 | 4% |
| Supplies | 4,915,130 | 5,763,642 | 6,049,760 | 7,162,876 | 7,754,231 | 8,563,182 | 808,952 | 10% |
| Rent & Leases | 519,305 | 438,281 | 451,270 | 158,385 | 149,582 | 196,628 | 47,047 | 31% |
| Repairs & Maintenance | 538,505 | 549,091 | 539,479 | 635,370 | 558,882 | 543,631 | (15,251) | -3% |
| Utilities | 470,669 | 361,183 | 430,349 | 495,971 | 572,627 | 613,462 | 40,836 | 7% |
| Insurance | 313,792 | 327,437 | 339,605 | 434,406 | 478,466 | 493,929 | 15,464 | 3% |
| Depreciation & Amortization | 1,858,800 | 1,774,630 | 1,957,507 | 2,012,426 | 2,174,132 | 2,672,765 | 498,634 | 23% |
| Interest | 1,094,344 | 1,051,867 | 929,981 | 925,535 | 1,032,618 | 1,026,623 | (5,995) | -1% |
| Other | 1,356,457 | 1,561,457 | 1,945,741 | 1,473,388 | 1,843,343 | 2,050,038 | 206,696 | 11% |
| Total Operating Expenses | 35,537,635 | 36,466,822 | 39,041,603 | 42,072,477 | 43,285,811 | 46,890,963 | 3,605,153 | 8% |
| Operating Revenue Less Expenses | (739,258) | (2,241,732) | (1,588,924) | (3,634,461) | (1,696,194) | (3,113,823) | (1,417,630) | 84% |
| Non-Operating Income | | | | | | | | |
| Grants | 89,852 | 1,448,642 | 1,011,386 | 116,329 | 191,138 | 2,050,041 | 1,858,904 | 973% |
| Interest Income | 93,383 | 71,033 | 31,470 | 96,025 | 540,500 | 550,000 | 9,501 | 2% |
| HHS Stimulus Other Revenue | - | 1,157,026 | 4,225,159 | - | - | - | - | 0% |
| COVID PPP Loan Forgiveness | - | - | 3,740,044 | - | - | - | - | - |
| Tax Revenue | 1,228,832 | 1,371,862 | 1,434,731 | 1,585,008 | 1,497,409 | 1,600,000 | 102,591 | 7% |
| Donations | 515,811 | 316,527 | 150,000 | 453,412 | 180,000 | 180,000 | - | 0% |
| Total Non-Operating Income | 1,927,878 | 4,365,090 | 10,592,790 | 2,250,774 | 2,409,046 | 4,380,041 | 1,970,995 | 82% |
| Total Revenue Less Total Expenses | 1,188,620 | 2,123,358 | 9,003,866 | (1,383,687) | 712,853 | 1,266,218 | 553,366 | 78% |

**Pagosa Springs Medical Center
Budget Cash Flow Statement
Budget Year 2024 (Draft)**

**Budget
2024**

| | | |
|-----------------------------------|----|-------------|
| Net Revenue Collections | \$ | 43,008,245 |
| Grants | \$ | 2,050,041 |
| Other Income (1) | \$ | 768,895 |
| Interest Income | \$ | 550,000 |
| HSS Stimulus Other Revenue | \$ | - |
| Mill Levy | \$ | 1,600,000 |
| Donations | \$ | 180,000 |
| Total Collections | \$ | 48,157,181 |
| Expenses Less Depr | \$ | 44,218,198 |
| Bond/Leaseback Principal Payments | \$ | 1,216,026 |
| Capital Outlay (2) | \$ | 4,397,754 |
| Total Outlay | \$ | 49,831,978 |
| Net increase(decrease) in Cash | \$ | (1,674,797) |
| Beginning Cash | | 15,298,283 |
| Ending Cash | \$ | 13,623,486 |

(1) Other income includes 340B revenue, cafeteria revenue and other misc revenue.

(2) Capital Outlay includes \$4,397,754 for capital. (Of which 1,743,291 is covered by grant income.)

**Pagosa Springs Medical Center
FTE Budget
Budget Year 2022**

| Dept | Dept Name | 2017 Budget FTE | 2018 Budget FTE | 2019 Budget FTE | 2020 Budget FTE | 2021 Budget FTE | 2022 Budget FTE | 2023 Budget FTE | 2024 Budget FTE | Variance | Percent |
|-------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------|----------|
| 600 Total | Med Surg | 10.40 | 10.50 | 10.70 | 14.31 | 11.32 | 11.93 | 10.85 | 10.21 | (0.64) | -5.90% |
| 610 Total | ER | 9.90 | 9.90 | 9.60 | 9.77 | 9.74 | 9.88 | 10.60 | 11.26 | 0.66 | 6.23% |
| 615 Total | ER Physicians | 4.40 | 4.40 | 4.50 | 4.56 | 4.21 | 4.21 | 4.33 | 4.20 | (0.13) | -3.00% |
| 700 Total | Lab | 9.60 | 9.70 | 10.50 | 9.87 | 9.28 | 8.56 | 9.30 | 10.17 | 0.87 | 9.35% |
| 710 Total | Radiology | 4.80 | 4.80 | 4.60 | 8.51 | 8.99 | 9.95 | 10.59 | 10.21 | (0.38) | -3.59% |
| 720 Total | Pharmacy | 3.60 | 3.60 | 2.90 | 2.90 | 3.00 | 3.03 | 3.30 | 3.40 | 0.10 | 3.03% |
| 721 Total | Infusion | 1.00 | 1.00 | 1.50 | 0.90 | 3.65 | 3.60 | 3.05 | 2.72 | (0.33) | -10.82% |
| 722 Total | Cardiopulmonary | 1.00 | 1.00 | 2.00 | 2.10 | 2.01 | 2.10 | 1.87 | 2.08 | 0.21 | 11.23% |
| 725 Total | Physical Therapy | 1.00 | 1.00 | 1.10 | 1.29 | 1.24 | 1.66 | 1.48 | 2.84 | 1.36 | 91.89% |
| 726 Total | Speech | - | - | - | 0.02 | 0.02 | 0.01 | - | 0.01 | 0.01 | 0.00% |
| 728 Total | Cardiology | 0.80 | 0.80 | 1.00 | 0.02 | 0.08 | 0.05 | 1.00 | - | (1.00) | -100.00% |
| 729 Total | Oncology | - | 3.60 | 5.00 | 5.81 | 4.53 | 4.74 | 4.68 | 4.24 | (0.44) | -9.40% |
| 730 Total | Central Supply | 2.10 | 2.10 | 3.00 | 3.01 | 2.51 | 2.47 | 1.73 | 1.70 | (0.03) | -1.73% |
| 731 Total | Biomedical | 0.90 | 0.90 | 1.20 | 1.17 | 1.18 | 1.18 | 0.22 | 0.31 | 0.09 | 40.91% |
| 740 Total | Dietary | 6.40 | 6.40 | 6.90 | 7.07 | 6.40 | 7.14 | 6.81 | 7.50 | 0.69 | 10.13% |
| 760 Total | OR | 9.00 | 9.10 | 9.50 | 8.47 | 8.69 | 8.69 | 8.55 | 9.24 | 0.69 | 8.07% |
| 761 Total | Recovery | 4.00 | 4.00 | 4.00 | 4.26 | 3.07 | 3.50 | 4.00 | 3.75 | (0.25) | -6.25% |
| 762 Total | Anesthesia | 1.30 | 1.30 | 1.50 | 2.00 | 2.00 | 1.54 | 1.89 | 1.04 | (0.85) | -44.97% |
| 763 Total | OR Physician | 1.00 | 1.00 | 1.00 | 0.94 | 1.00 | 1.04 | 0.93 | 1.19 | 0.26 | 27.42% |
| 7625 Total | Pain Management | - | - | - | - | - | - | - | 0.31 | 0.31 | 100.00% |
| 765 Total | Specialty Clinic | 1.10 | 1.10 | 2.00 | 2.50 | 1.79 | - | 1.00 | 1.00 | - | 0.00% |
| 790 Total | Ambulance | 27.60 | 27.60 | 26.10 | 26.43 | 26.74 | 29.18 | 30.59 | 32.46 | 1.87 | 6.11% |
| 791 Total | RHC | 35.80 | 35.80 | 36.20 | 29.42 | 31.29 | 32.83 | 32.68 | 32.63 | (0.05) | -0.15% |
| 792 Total | EMS Training | 0.60 | 0.60 | 0.60 | 0.57 | 0.39 | - | 0.37 | 0.50 | 0.13 | 35.14% |
| 793 Total | Hospitalist | 2.20 | 2.30 | 2.00 | 1.86 | 2.06 | 2.24 | 2.13 | 2.02 | (0.11) | -5.16% |
| 794 Total | RHC Providers | 6.50 | 8.50 | 7.40 | 10.52 | 11.66 | 12.47 | 13.11 | 12.47 | (0.64) | -4.88% |
| 800 Total | Administration | 4.20 | 4.20 | 4.10 | 4.18 | 5.00 | 5.10 | 5.17 | 5.01 | (0.16) | -3.09% |
| 801 Total | Quality | 3.80 | 3.80 | 1.00 | 1.51 | 1.00 | 2.75 | 2.19 | 2.72 | 0.53 | 24.20% |
| 802 Total | Infection Control | - | - | - | 0.50 | 1.00 | 1.00 | 2.00 | 1.00 | (1.00) | -50.00% |
| 803 Total | Informatics | 5.10 | 5.10 | 5.10 | 4.11 | 4.40 | 2.50 | 3.81 | 2.50 | (1.31) | -34.38% |
| 806 Total | Compliance | 1.70 | 1.70 | 1.80 | 1.75 | 1.75 | 1.35 | 1.41 | 1.00 | (0.41) | -29.08% |
| 807 Total | Physician Recruiting | - | - | - | 0.20 | - | - | - | - | - | 0.00% |
| 809 Total | Nursing Admin | 1.10 | 1.10 | 2.00 | 1.02 | 1.01 | 1.02 | 1.01 | 1.00 | (0.01) | -0.99% |
| 810 Total | Medical Staff Office | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | - | 0.00% |
| 815 Total | Human Resources | 2.00 | 2.00 | 2.00 | 1.70 | 2.79 | 2.84 | 2.00 | 2.03 | 0.03 | 1.50% |
| 820 Total | Plant Operations | 3.40 | 3.40 | 3.60 | 3.48 | 5.46 | 4.87 | 5.25 | 6.58 | 1.33 | 25.33% |
| 825 Total | Housekeeping | 9.10 | 9.10 | 10.00 | 9.25 | 10.16 | 11.02 | 9.44 | 9.33 | (0.11) | -1.17% |
| 830 Total | Accounting | 7.30 | 7.30 | 5.00 | 4.03 | 4.02 | 4.00 | 3.81 | 3.27 | (0.54) | -14.17% |
| 835 Total | Registration | 28.50 | 28.50 | 26.10 | 19.20 | 16.43 | 12.39 | 10.34 | 10.77 | 0.43 | 4.16% |
| 840 Total | Medical Records | 8.70 | 8.70 | 6.20 | 4.00 | 3.01 | 3.51 | 4.14 | 6.22 | 2.08 | 50.24% |
| 845 Total | Business Office | 12.10 | 12.10 | 14.10 | 13.31 | 14.05 | 14.01 | 13.94 | 16.54 | 2.60 | 18.65% |
| 846 Total | Pre-Service | - | - | - | - | - | 7.60 | 9.64 | 7.27 | (2.37) | -24.59% |
| 850 Total | IT | - | - | - | 2.06 | 2.01 | 3.00 | 3.10 | 4.23 | 1.13 | 36.45% |
| 861 Total | Fundraising | - | - | 0.30 | 0.72 | 1.00 | 0.50 | 0.83 | 0.50 | (0.33) | -39.76% |
| 862 Total | Community Relations | - | - | 2.30 | 2.55 | 1.07 | 2.78 | 1.17 | 1.52 | 0.35 | 29.91% |
| Grand Total | | 234.00 | 240.00 | 240.40 | 233.85 | 233.01 | 244.24 | 246.31 | 250.95 | 4.64 | 1.93% |
| | | | | | | | | 22,086,399 | \$ 22,589,275 | \$ 251 | |
| | | | | | | | | | \$ 502,876 | \$ 0.01 | |

Some FTE's have been restructured into different departments.

**Pagosa Springs Medical Center
Summary of Lease Agreements
Budget Year 2024 (Draft)**

| | Budget 2024 | Outstanding Balance |
|--------------------------------------|-------------------|------------------------|
| Lease Purchase Agreements | | |
| Lease Purchase for Real Estate (COP) | \$ 202,172 | \$ 2,055,000 |
| Lease Purchase for Non Real Estate | <u>\$ 514,166</u> | <u>\$ 1,423,434</u> |
| Total Lease Purchase Agreements | \$ 716,338 | \$ 3,478,434 |

* No optional renewal terms available

**Upper San Juan Health Service District
Debt Service Coverage Ratio
Budget 2024**

| | 2020 Actual | 2021 Actual | 2022 Actual | 2023* YTD | 2024 Budget |
|--|---------------------|---------------------|---------------------|-------------------|---------------------|
| Total Revenue Less Total Expenses | \$ 2,123,358 | \$ 8,757,564 | \$ (1,383,687) | \$ 854,371 | \$ 1,266,218 |
| Less: Existing Capital Leases | \$ (204,342) | \$ (181,460) | \$ (77,586) | \$ (514,166) | \$ (514,166) |
| Less: 2022 Lease Purchase | \$ - | \$ - | \$ (27,140) | \$ (201,420) | \$ (202,172) |
| Less: Property Tax | \$ (1,405,122) | \$ (1,434,731) | \$ (1,585,008) | \$ (1,497,409) | \$ (1,600,000) |
| Less: CARES ACT Provider Relief Funds | \$ (1,234,026) | \$ (4,225,159) | \$ - | \$ - | \$ - |
| Less: Loan Forgiveness for PPP | \$ - | \$ (3,740,044) | \$ - | \$ - | \$ - |
| Plus: Depreciation | \$ 1,793,074 | \$ 1,802,311 | \$ 2,012,426 | \$ 1,449,421 | \$ 2,672,765 |
| Plus: Interest | \$ 947,263 | \$ 976,848 | \$ 925,535 | \$ 688,412 | \$ 1,026,623 |
| Revenue Available for 2016 Bonds and Capital Leases | \$ 2,020,205 | \$ 1,955,329 | \$ (135,460) | \$ 779,209 | \$ 2,649,268 |
| Series 2016 Bonds | \$ 827,131 | \$ 824,943 | \$ 824,081 | \$ 701,313 | \$ 699,481 |
| Debt Service Coverage (1.15 Requirement) | 2.44 | 2.37 | (0.16) | 1.11 | 3.79 |

* 2023 includes all lease payments for the year and only the revenue through August 2023.

Pagosa Springs Medical Center
 Capital Budget 2024
 Capital Replacement Plan Thru 2028

| Dept | Item | Budget Cost | Year Purchase | Useful Life | Use |
|------------------------|---|-------------|---------------|-------------|---|
| Cardiopulmonary | Body Plethysmograph (PFT) | 88,617 | 2024 | 5 | Equipment to provide a new service from respiratory |
| Emergency Room | EMS Radio Station | 6,959 | 2024 | | The radio is aged out and is not recording the calls from the field to the ED |
| Emergency Room | Central Station Computer for ER Monitors | 33,189 | 2024 | | This piece of equipment is over the allotted hours recommended |
| EMS | EMS Rescue Bay and Training Room HVAC | 5,800 | 2024 | 10 | |
| EMS | Ambulance | 300,000 | 2024 | | New ambulance with a partial match from the EMIS Grant |
| Facilities | Medical Wellness Building Remodel | 1,400,000 | 2024 | 20 | Cost of the first phase of the MWH |
| Facilities | Re-work the drain in front of the clinic by the stairwell | 6,950 | 2024 | | The drain is in the wrong place and the parking lot does not drain properly. |
| Facilities | EMS Generator | 15,000 | 2024 | 10 | Replace the generator at EMS to meet the need of the building. |
| Facilities | Asphalt Sealing the Parking Lot | 68,816 | 2024 | 10 | Fix and seal the parking lot. |
| Facilities | Hospital Exterior Stucco Repair | 40,000 | 2024 | 10 | Repair and Replacement of damaged stucco on the hospital building |
| Facilities | Roof Replacement for Original Building (Dr. Mary Fisher) | 270,465 | 2024 | 20 | Replace the Roof on the Dr. Mary Fisher Building (Possibly file for a DOLA Grant) |
| Facilities | EMS Exterior Repair | 20,000 | 2024 | 15 | Building is damaged and needs repaired. |
| Facilities | Oxygen Generation | 900,000 | 2024 | 20 | Complete the Oxygen Generation Project |
| Facilities | ED Nurses Station Remodel | 50,000 | 2024 | | Remodel the ED/Inpatient Nurses Station |
| Facilities | Infusion/Oncology Reception Window | 5,000 | 2024 | | Create a reception window for Infusion/Oncology. |
| Facilities | Dietary Wainscoting | 5,000 | 2024 | | Place Wainscoting on the kitchen walls for easy cleaning |
| Facilities | Camera Project | 15,000 | 2024 | | Running Wire for the security cameras |
| Facilities | Wire Management Above Inpatient | 15,000 | 2024 | | Re-work wiring above ceilings. Maybe entire hospital. |
| Facilities | MRI Chiller Generator | 10,000 | 2024 | | Need to be able to keep the chillers going during a power outage. |
| Lab | Bacterioscan | 18,000 | 2024 | | Processor for urine culture in house. |
| Lab | System XN-L | 44,000 | 2024 | | Replace the Hematology Back Up machine that is 12 years old |
| Radiology | C-ARM Upgrade | 175,000 | 2024 | | New |
| Radiology | General X-Ray Unit | 323,238 | 2024 | 7 | New General Rad Room |
| Radiology | Ultrasound | 140,002 | 2024 | 5 | More than 10 years old. |
| Surgery | Eye stretcher | 7,300 | | | 2024 We will need to replace all 3 as soon as possible but can start with 1-2 All stretchers in the department are end of life. One stretcher difficultly engaging break and one stretcher only has break located at foot of bed Safety issue. Parts no longer made. |
| Surgery | CCE Bay 6 PACU- Corner interface with patient monitor | 7,500 | 2024 | | Printer for endoscopy if we are waiting for Corner integration |
| Surgery | OEP-6 | 9,100 | | | If we choose to hold off on the Corner integration then we will need to purchase the OEP-6 printer. The system is XP and we are unable to find a printer for printing images for patient records. The current HP Need for new orthopedic surgeon Dr. Steed to do anterior hips. Can get credit if we trade in our old fracture table |
| Surgery | PACU stretcher | 8,600 | | | 2024 We will need to replace all 3 as soon as possible but can start with 2 if needed. To place in nutrition area of PACU so that nurse can retrieve post-op patients ice without having to leave the patient or unit. Price including plumbing. |
| Surgery | Neo probe | 37,000 | 2024 | | |
| Surgery | Colonoscope PCF-HQ190L | 43,000 | 2024 | | Necessary equipment in order to have an addition completely functioning preop/PACU bay |
| Surgery | Colonoscope CF-HQ190L | 44,000 | 2024 | | We currently only have 2 scopes and can use a 3rd for more efficient scheduling of patients and less delays waiting for processing |
| Surgery | Ultrasound machine | 47,726 | 2024 | | Total joints with Dr. Steed |
| Information Technology | Firewall | 50,131 | 2024 | | |
| Information Technology | Wi-Fi System Controller and Ap's | 23,911 | 2024 | | |
| Information Technology | Core Switch | 148,450 | 2024 | | |
| Information Technology | EMS Rewire | 15,000 | 2024 | | |

Pagosa Springs Medical Center
 Capital Budget 2024
 Capital Replacement Plan Thru 2028

| Dept | Item | Budget Cost | Year Purchase | Useful Life | Use |
|---------------------------------------|-----------------------------------|---------------------|----------------------------|-------------|---|
| Items above covered by a grant | | | | | |
| EMS | Ambulance | 115,800 | 2024 | | New ambulance with a partial match from the IEMTS Grant |
| Facilities | Oxygen Generation | 230,000 | 2024 | 20 | Complete the Oxygen Generation Project |
| Facilities | Medical Wellness Building Remodel | 1,000,000 | 2024 | 20 | Cost of the first phase of the MWB |
| Information Technology | Firewall | 50,131 | 2024 | | Replace firewall. This is covered by grants |
| Information Technology | Wi-Fi System Controller and Ap's | 23,911 | 2024 | | Covered by Grant |
| Information Technology | Core Switch | 148,450 | 2024 | | |
| Radiology | C-ARM Upgrade (Push) | 175,000 | 2024 | 7 | New |
| | | <u>\$ 1,743,291</u> | Confirmed Grants/Donations | | |
| | | <u>\$ 2,654,463</u> | Net Capital Outlay | | |

**Foundation Board Report for the
USJHSD Board Meeting on October 12, 2023**

The Board for the *Dr. Mary Fisher Medical Foundation* which does business as the *Pagosa Springs Medical Center Foundation* is a nonprofit entity that exists for the sole purpose of supporting the needs of Pagosa Springs Medical Center. The Foundation's report is:

- The Foundation Board met on September 14, 2023, and approved for the PSMC Foundation to pursue a \$25,000 grant that, if awarded, will help pay for the costs to construct the Oxygen Generation Building.

Strategic Planning Report for the USJHSD Board Meeting on October 12, 2023

MEETING ON OCTOBER 5, 2023

On October 5, 2023, the design-build team of Nunn Construction and RTA Architects met with PSMC to have a kick-off meeting about planning for the renovation of the Medical Wellness Building. PSMC's Strategic Planning Committee board members (Marty Rose and Jason Cox) were invited to this meeting. RTA ran the meeting in order to understand what are required renovations vs. desired renovations for the site, the building exterior, utilities and building interior. The meeting involved discussions with physical therapists and other staff about work-flow, needs and preferences.

The meeting helped clarify some of the goals including making the space as functional as possible and a monument signage to the campus at the 160/Pagosa Blvd intersection all within budget limitations. Design elements that are likely outside of PSMC's budget are an elevator to the second floor (an ADA requirement to use the second floor) and aesthetic (nonfunctional) changes to the exterior of the building.

MEETING ON OCTOBER 12, 2023

The Strategic Planning Committee will meet on the afternoon of October 12, 2023 to begin discussing the next Strategic Plan (which plan will ultimately be decided by the full Board); the current Strategic Plan is only for 3 years from 2021 through 2023.

Finance Committee & CFO Report for the USJHSD Board Meeting on October 10, 2023

The Board's Finance Committee met on October 10, 2023. The report below provides an overview of the August financials as well as the proposed 2024 budget and addresses any comments or questions made by members of the Finance Committee.

1) **August Financials:**

a) **Bottom line and Income Statement:**

- i) August was a very strong month with a positive bottom line for the month of \$404,907.
- ii) Year-to-date PSMC has a positive bottom line of \$854,371.
- iii) Discussion of specific line items on the Income Statement:
 - (1) Line 19: Gross charges were the highest in PSMC history and exceeded budget and August 2022.
 - (2) Lines 20-25 (deductions to revenue and bad debt) Contractual payer deductions were higher than budget, bad debt was less than budget and the resulting net patient revenues exceeded budget.
 - (3) Line 30: Line 30 on the Income Statement is "other operating income" which includes 340b, café, medical records, or things like EMS training class. The 340b program has shrunk and consequently "other operating income" is down.
 - (4) Lines 32-45: Operating expenses were 5% less than budget.
 - (5) Lines 47-50, Non-operating income: Investment income is on line 48 and year-to-date is \$360,333.

b) **Accounts Receivable:** Accounts Receivable is in good shape and may be the lowest it has ever been at 47.2 days.

c) **Cash on hand:** PSMC increased cash to 130.6 days on hand.

d) **Balance Sheet:** As noted with the auditor discussion in July, GASB 87 changed the designation of "capital assets" and related capital debts to include lease-purchase equipment; and, in addition, the change in accounting rules means that PSMC now has the risk of loss for equipment we do not own but is on-site (for example, the Stryker tower in the O.R.).

e) **Other discussions:** August volumes were high in surgery and radiology.

2) **September Financials:** the Board will receive September financials at the meeting on October 24, 2023.

3) **Draft 2024 Budget:**

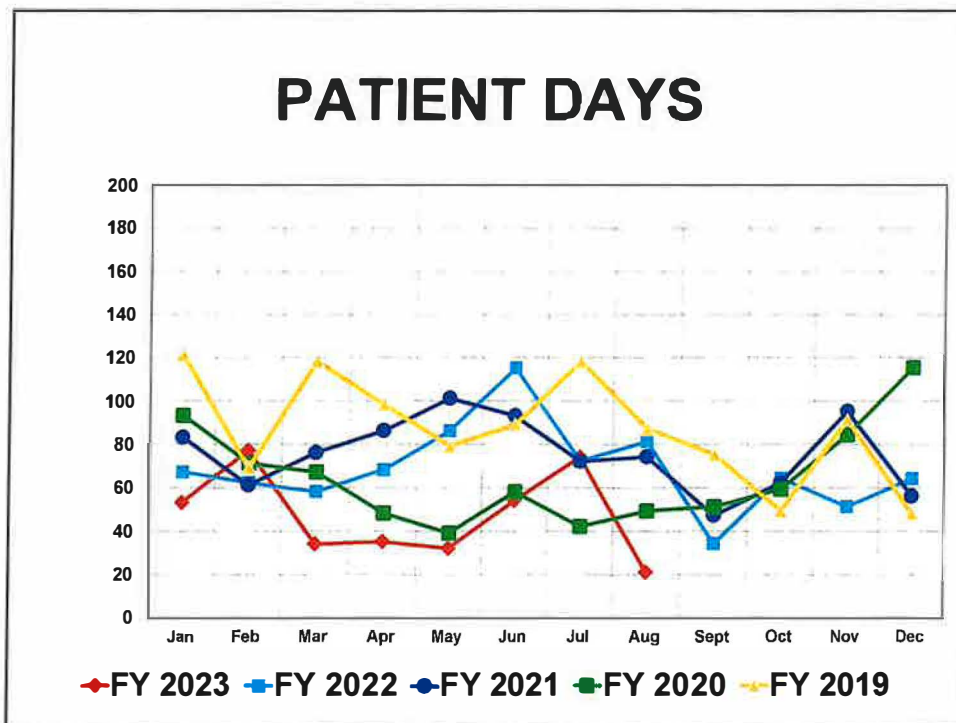
- a) The Finance Committee reviewed the draft 2024 budget assumptions, income statement, cash flow statement and capital budget.
- b) Operating revenue anticipates an average increase of 5% (some departments slightly less and some slightly more).
- c) Non-operating revenue includes reimbursement grants that have been awarded to PSMC in 2023 but we anticipate utilizing in 2024 (for example for the renovation of the Medical Wellness Building, toward construction of the Oxygen Generation

- Building, for IT upgrades, etc.). A conservative amount of donations were included (the 2023 fundraising for the MWB renovation exceeds what is currently in the budget).
- d) Employees.
 - i) Pay increases for employees averages 2.5% consistent with a pay grade chart. Employees with a contractual agreement (physicians and senior leaders) do not get annual raises as they typically sign agreements for several years at a time.
 - ii) There is an overall increase of 4.6 FTEs. There are two FTEs budgeted for EMS/ambulance because all call coverage is currently shared by the EMS Chief and Asst. Chief and this will allow them not to be on call every day. Coding increases by 2 FTEs in order for us to return coding to an internal process (this results in the end of expenses for contracted services). There are FTEs for the expansion of physical therapy and wellness in the MWB (anticipated for the last quarter of 2024).
 - e) Contractuals are conservatively estimated.
 - f) The annual budget anticipates a modest bottom line for the year. There was discussion that consistent with all years in the past (except 2021 when we had Cares Act funding for pandemic expenses for maintaining healthcare services), we operate at a loss and our nonoperating revenue (donations, grants and mill levy) supports us in having a positive bottom line. This budget is a first draft and it will continue to evolve over the next month. We will determine how to further reduce expenses before presenting the budget again in November and/or between Finance Committee and the 10/12/23 issuance of the board packet.

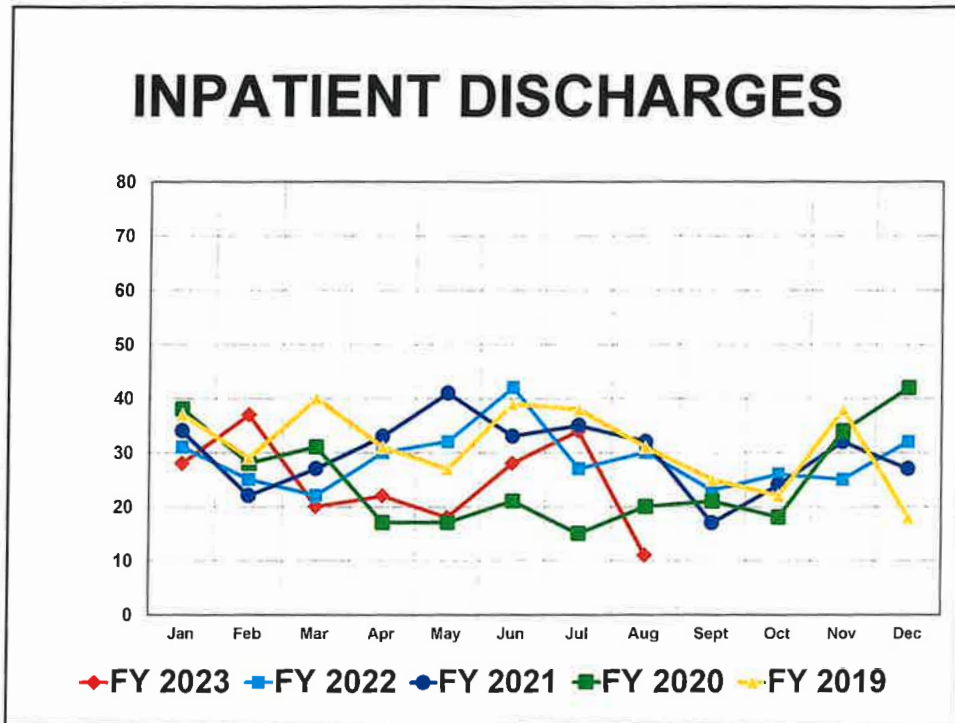

PAGOSA SPRINGS
Medical Center
THE CARE YOU DESERVE, IN THE MOUNTAINS YOU LOVE

FINANCIAL PRESENTATION
YTD AUGUST 2023

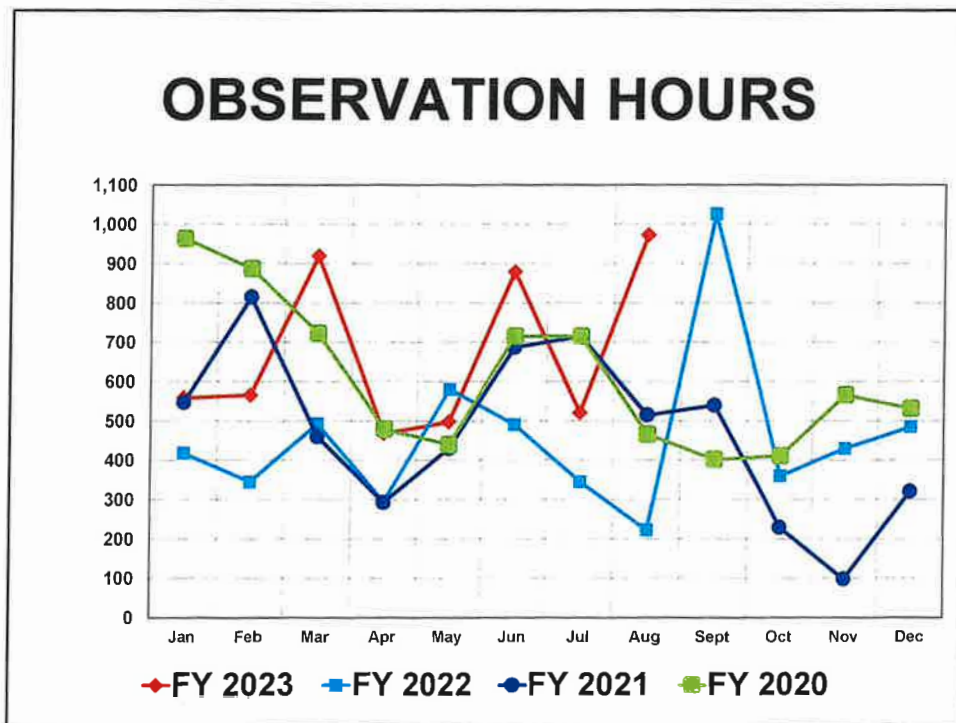
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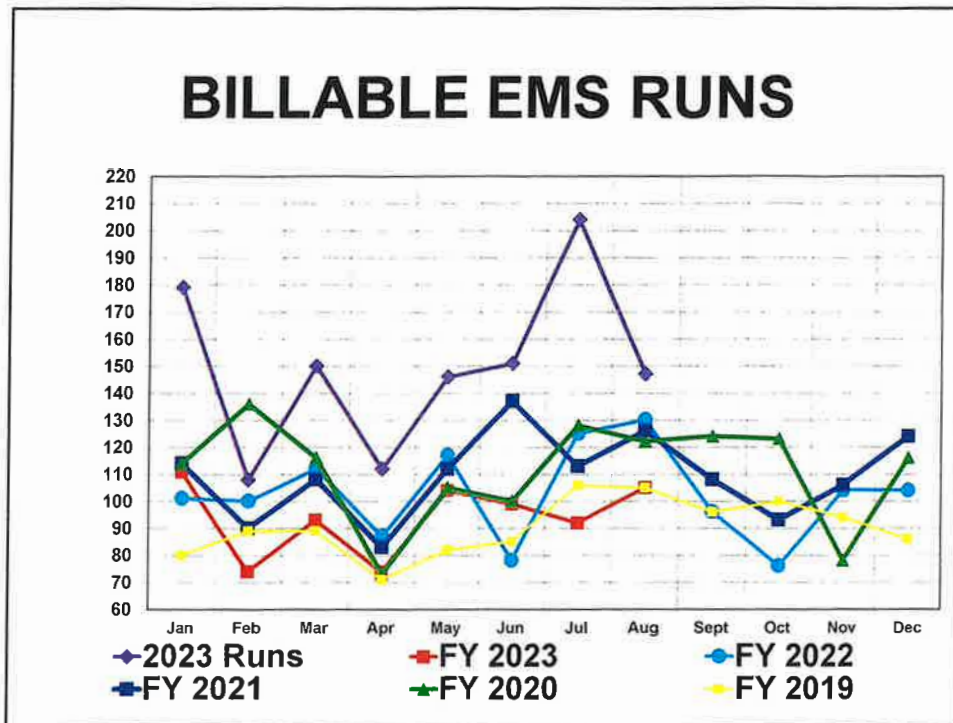
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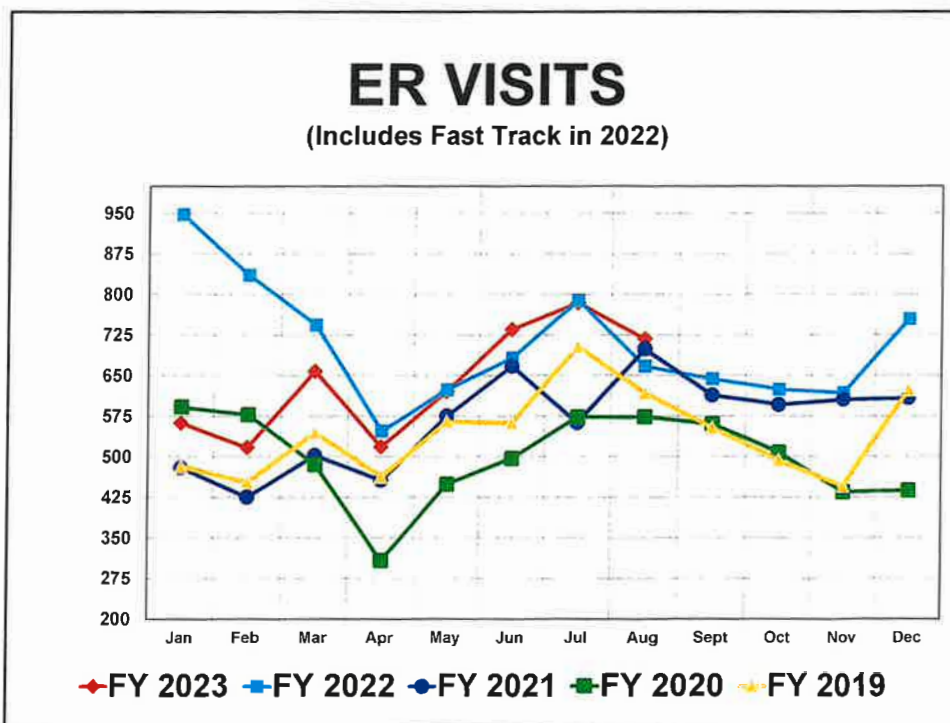
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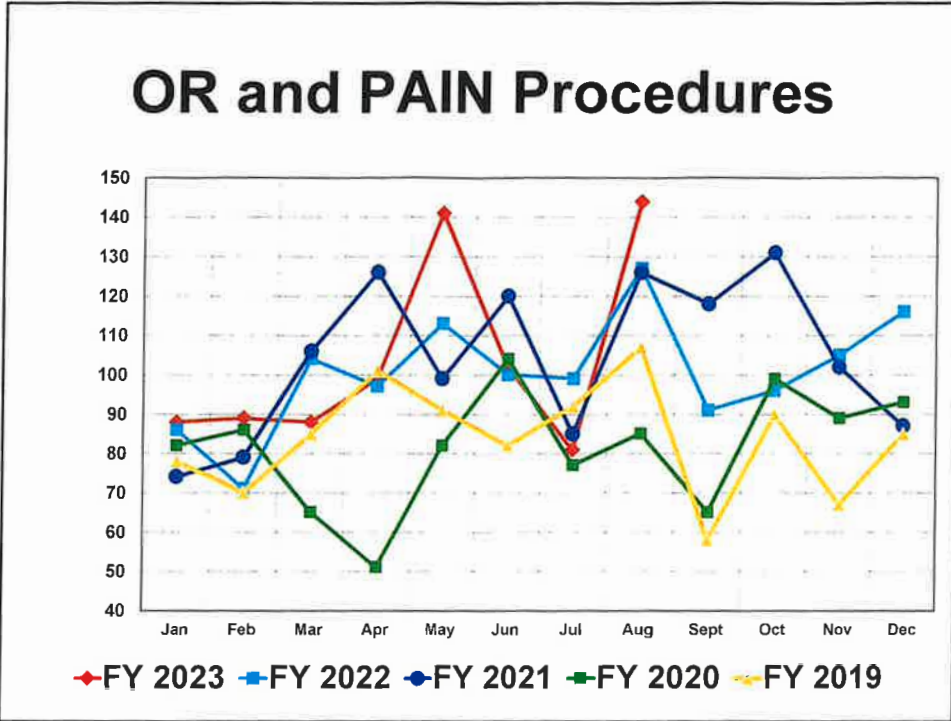
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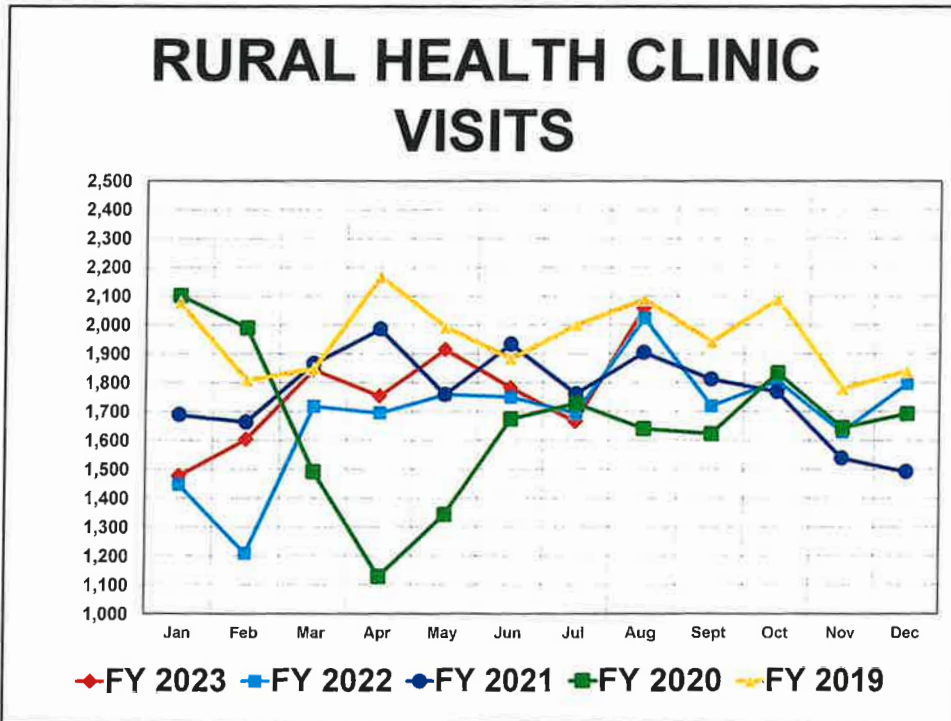
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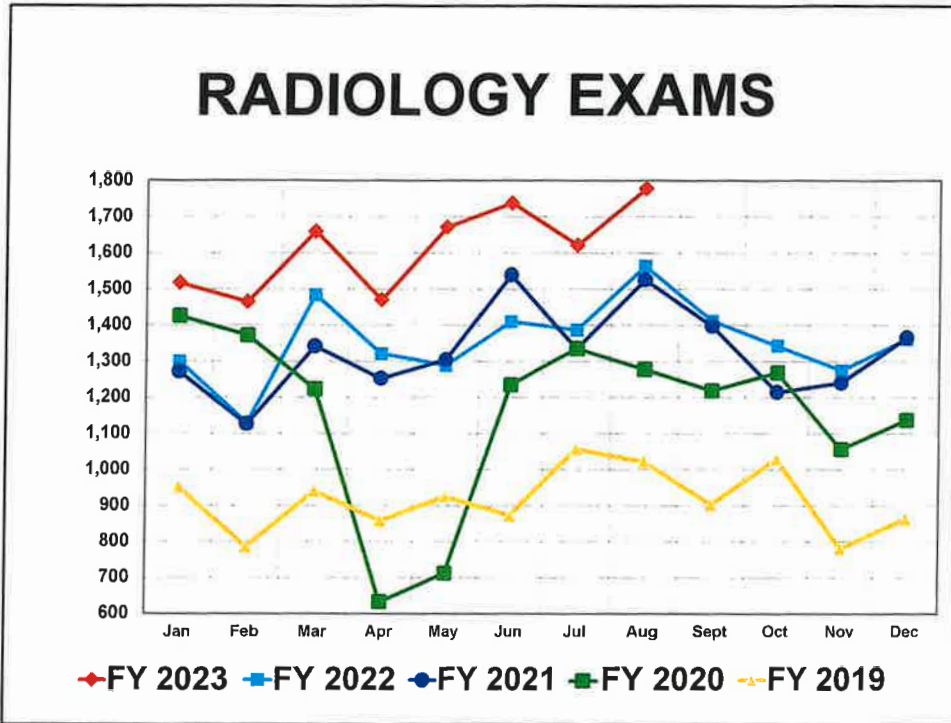
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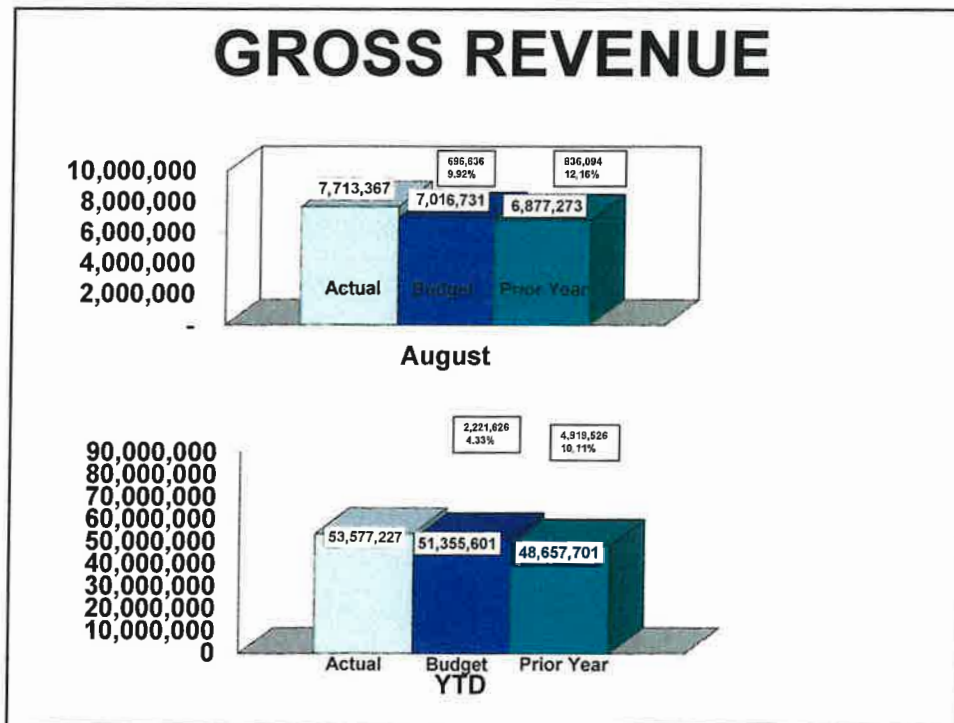
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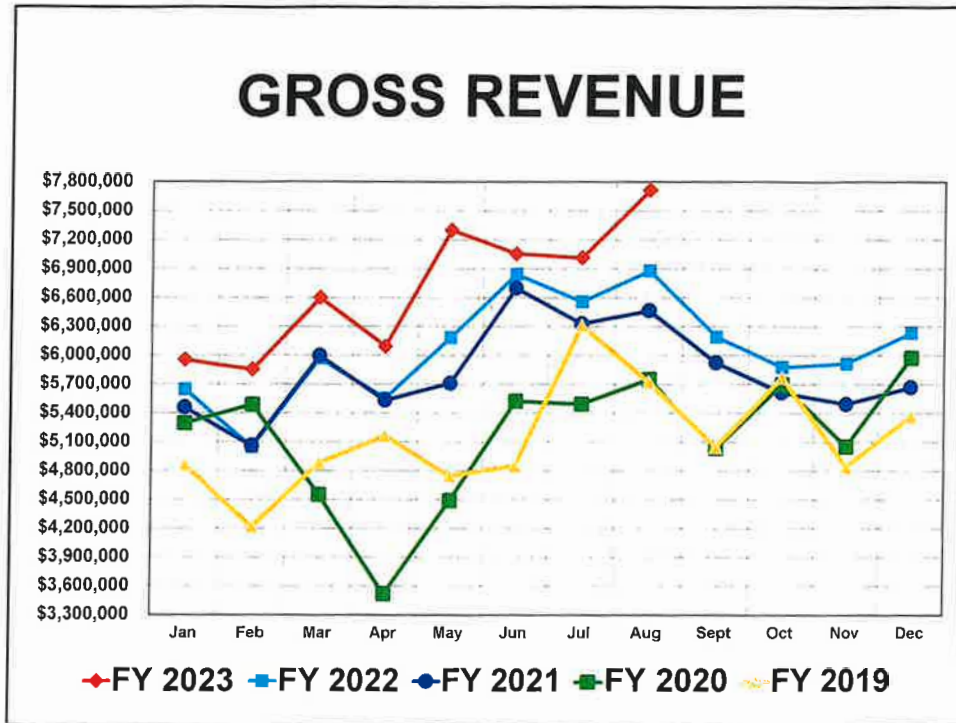
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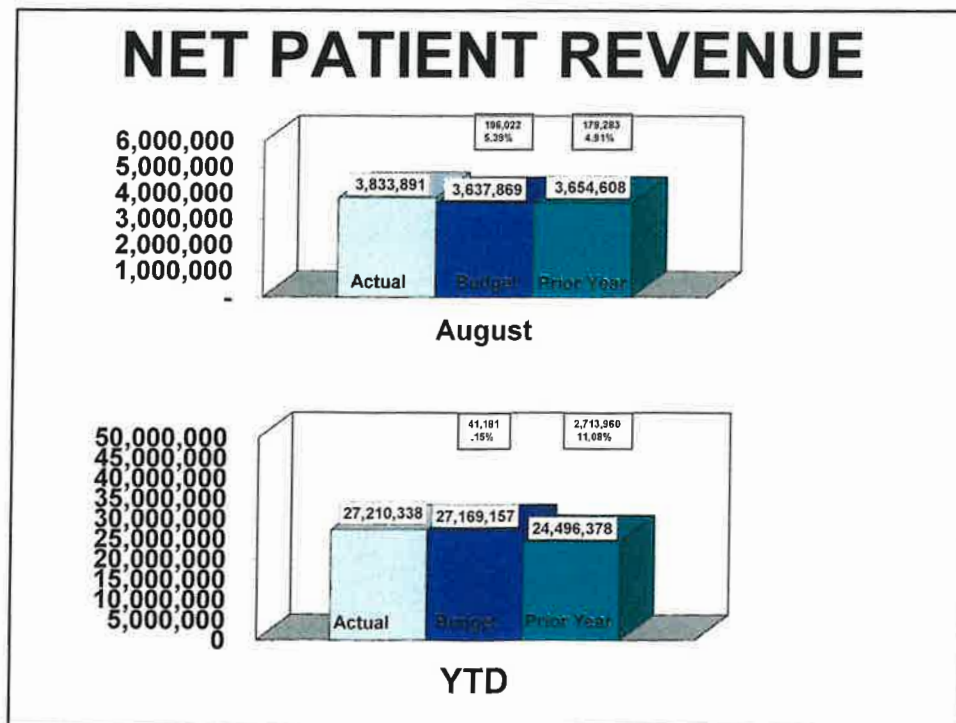
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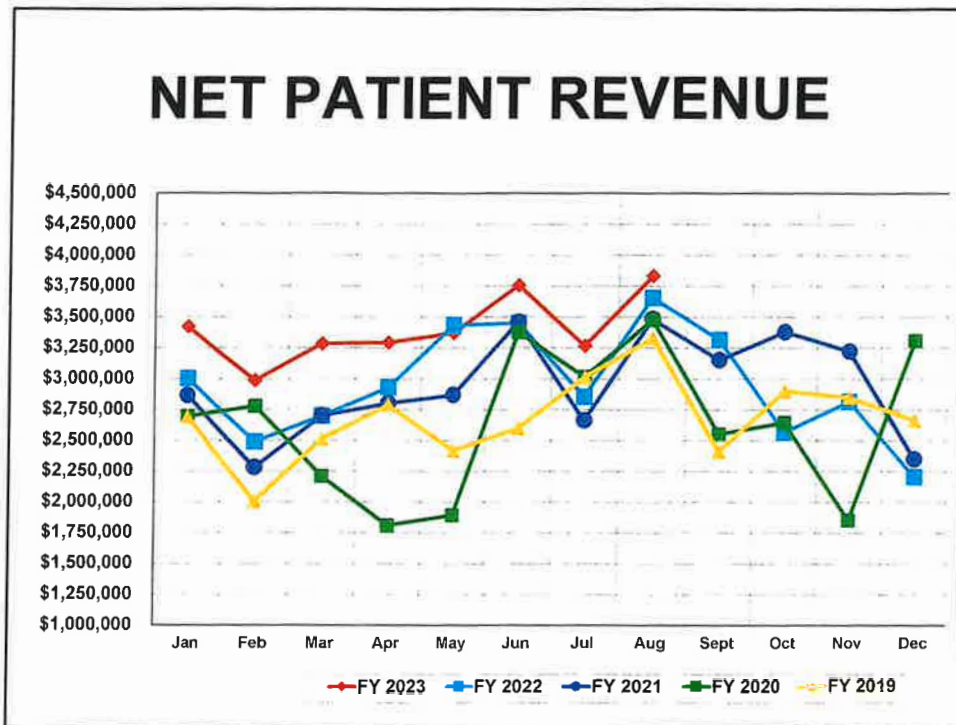
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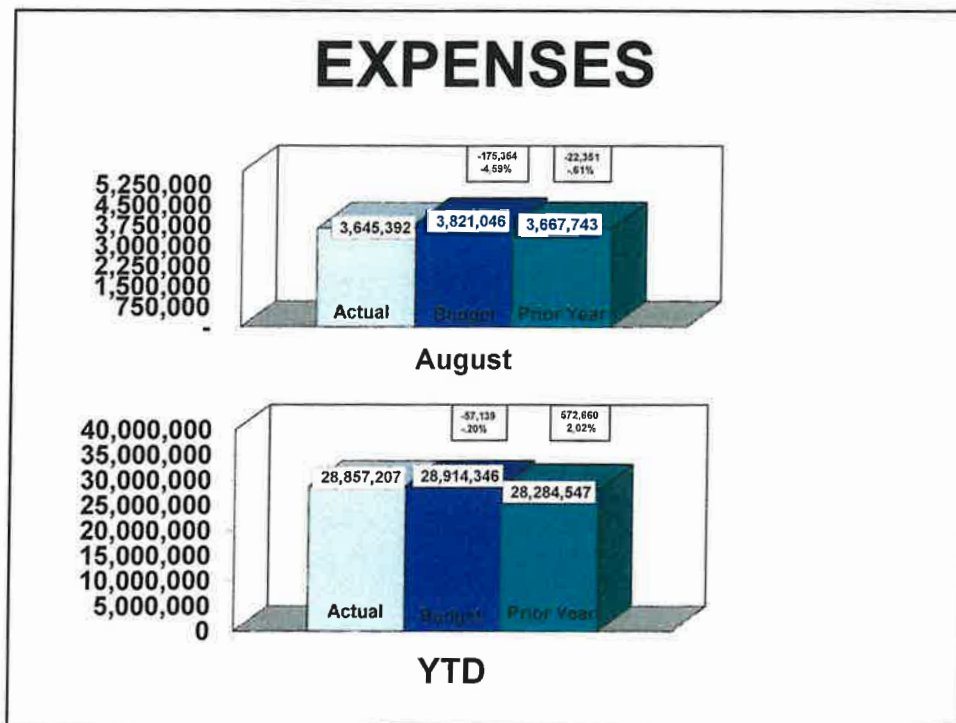
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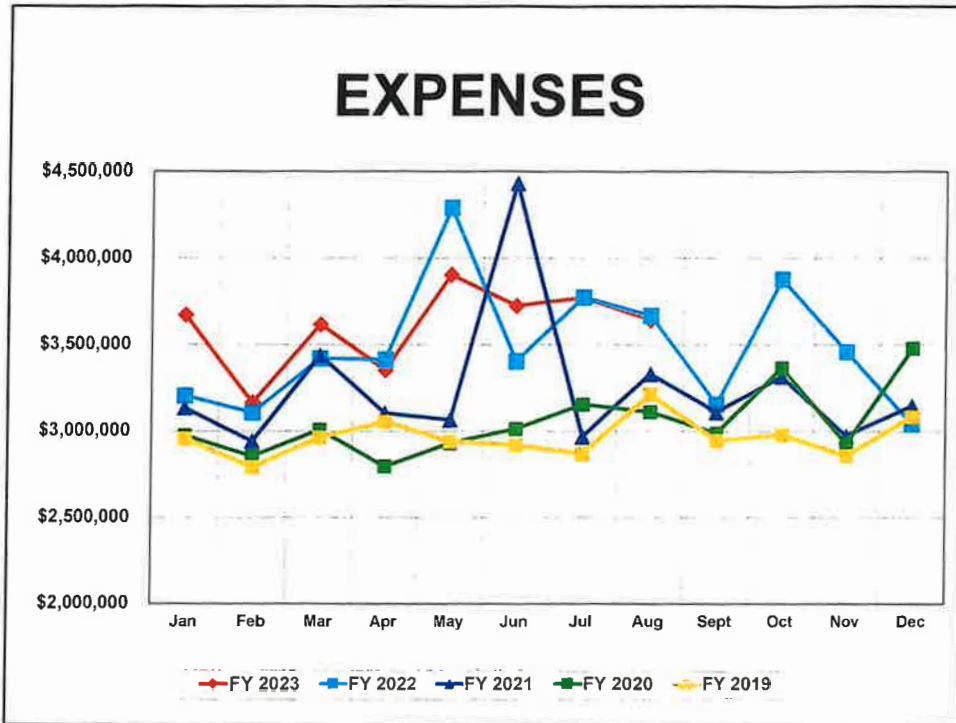
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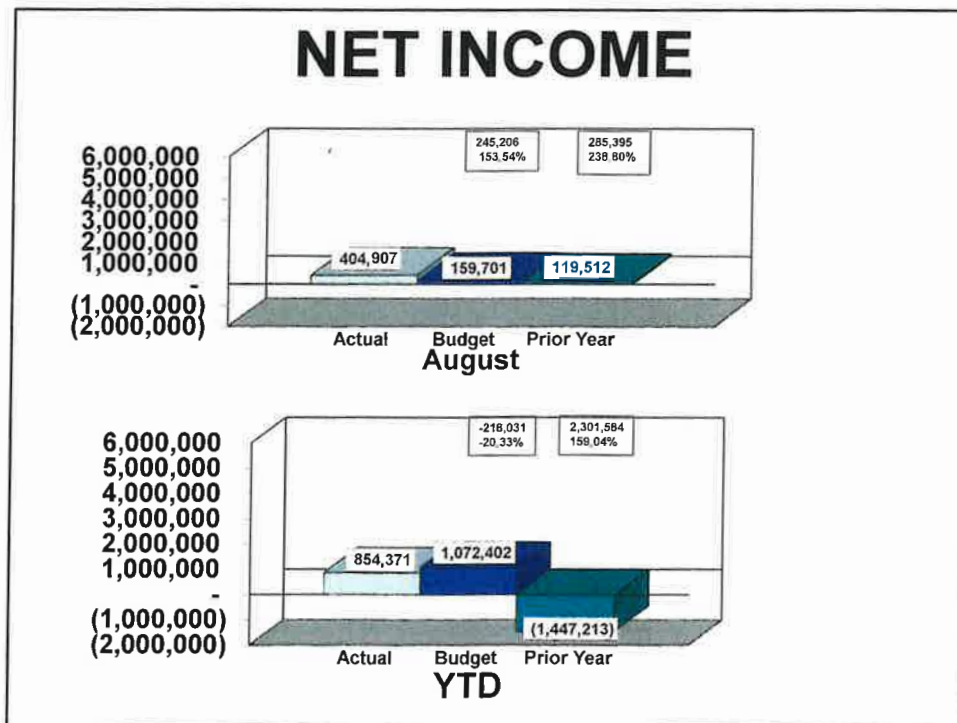
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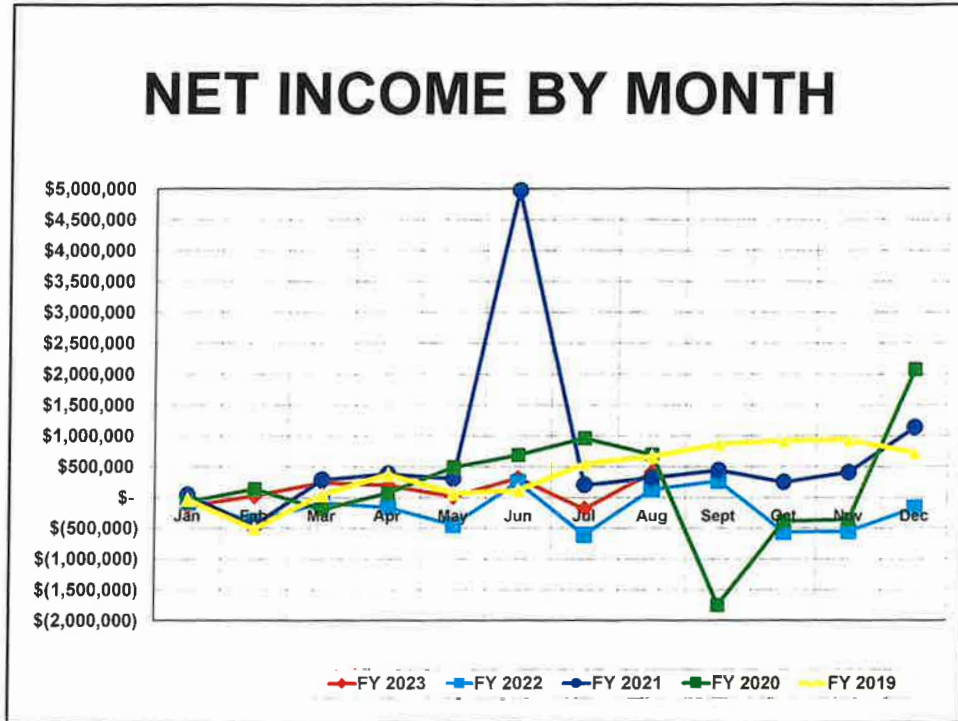
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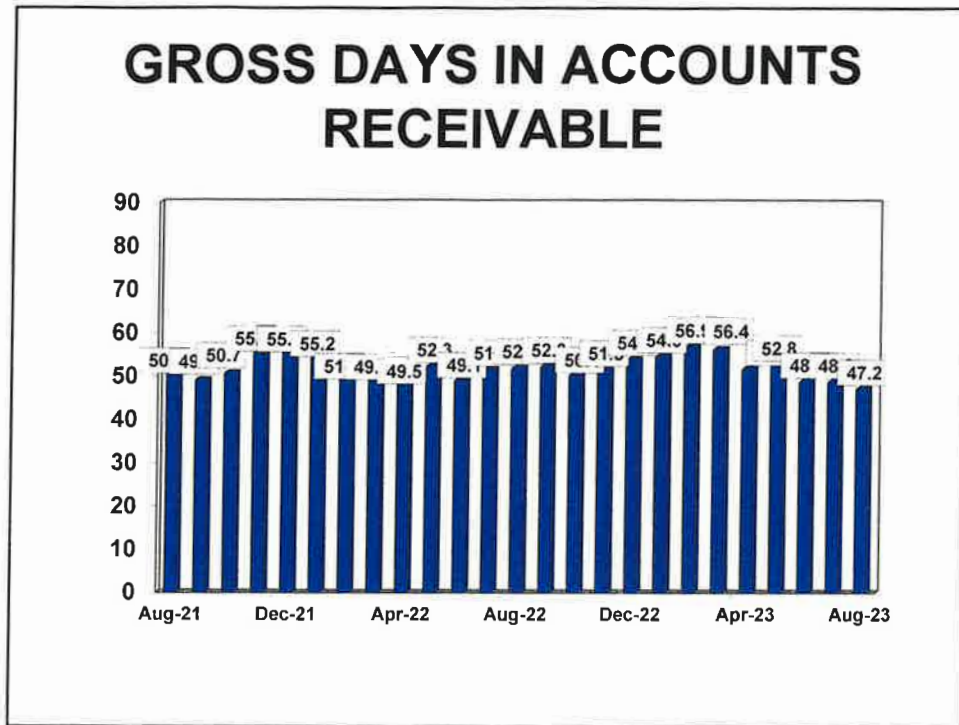


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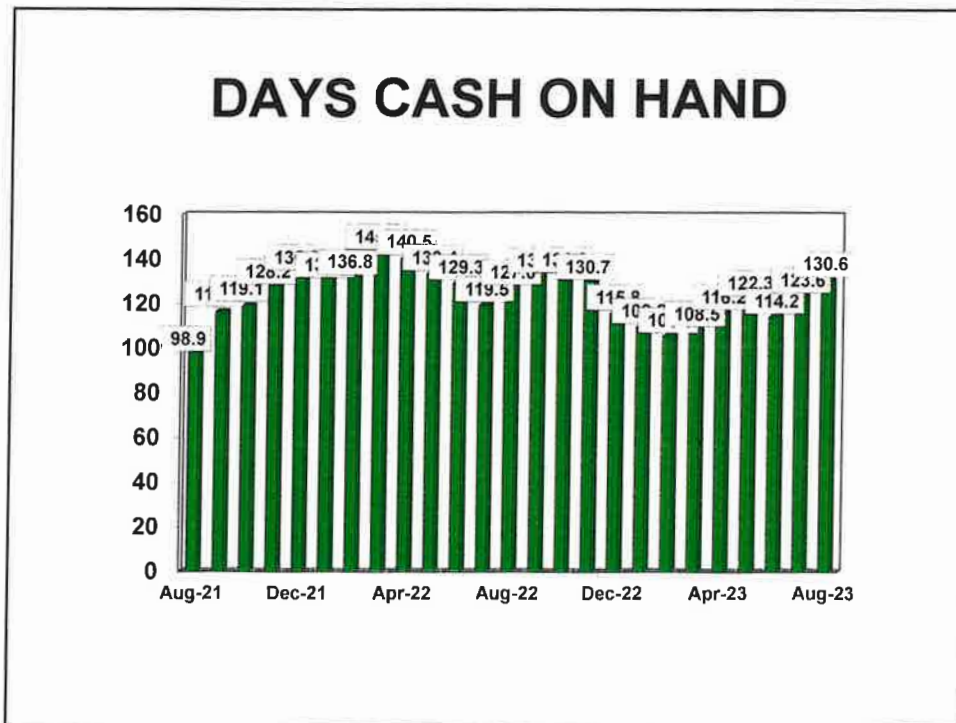
Summary of Financials

| | July | August |
|------------------------------|-----------------|-----------------|
| Gross Revenue | \$ 7,012,693.00 | \$ 7,713,367.00 |
| Net Revenue | \$ 3,265,657.00 | \$ 3,833,891.00 |
| Expenses | \$ 3,771,517.00 | \$ 3,645,392.00 |
| Grants, Misc and Tax Revenue | \$ 318,391.00 | \$ 216,408.00 |
| Grants and Misc | \$ 53,752.00 | \$ 160,572.00 |
| Tax Revenue | \$ 209,521.00 | \$ 55,836.00 |
| Net Income | \$ (187,469.00) | \$ 404,907.00 |

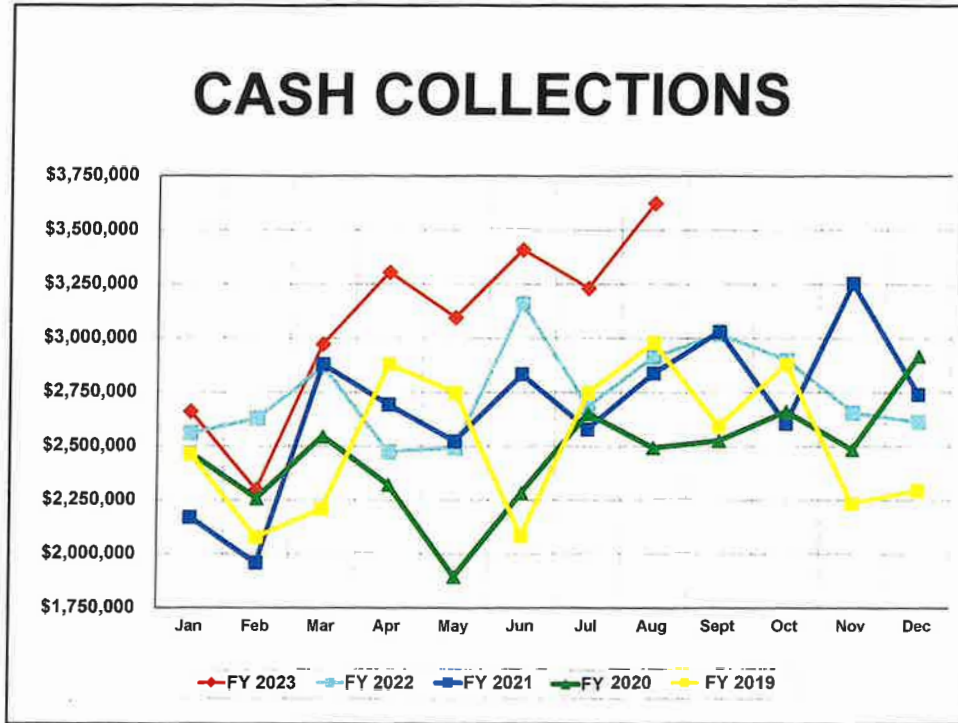
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Pagosa Springs Medical Center

ORAL REPORT 4.a.vii.a

Income Statement - - - August 31, 2023

Page 1

| | Current Month | | | | Year-to-Date | | | |
|---|-------------------|-------------------|-------------------|--------------|--------------------|---------------------|---------------------|-------------|
| | 2023 | Budget | Difference | Variance | 2023 | Budget | Difference | Variance |
| Revenue | | | | | | | | |
| 7 Total In-patient Revenue | 73,368 | 681,621 | (608,253) | -89% | 2,227,467 | 4,771,349 | (2,543,882) | -53% |
| 17 Total Out-patient Revenue | 6,971,933 | 5,764,595 | 1,207,338 | 21% | 46,979,684 | 42,273,692 | 4,705,992 | 11% |
| 18 Professional Fees | 668,066 | 570,515 | 97,551 | 17% | 4,370,076 | 4,310,560 | 59,516 | 1% |
| 19 Total Patient Revenue | 7,713,367 | 7,016,731 | 696,636 | 10% | 53,577,227 | 51,355,601 | 2,221,626 | 4% |
| Revenue Deductions & Bad Debt | | | | | | | | |
| 21 Contractual Allowances | 4,122,058 | 3,549,181 | 572,877 | 16% | 27,097,639 | 25,632,973 | 1,464,666 | 6% |
| 22 Charity | 20,174 | - | 20,174 | | 214,536 | - | 214,536 | |
| 23 Bad Debt | 93,073 | 161,142 | (68,069) | -42% | 2,091,748 | 1,199,613 | 892,135 | 74% |
| 24 Provider Fee & Other | (355,829) | (331,461) | (24,368) | 7% | (3,037,034) | (2,646,142) | (390,892) | 15% |
| 25 Total Revenue Deductions & Bad Debt | 3,879,476 | 3,378,862 | 500,614 | 15% | 26,366,889 | 24,186,444 | 2,180,445 | 9% |
| 26 Total Net Patient Revenue | 3,833,891 | 3,637,869 | 196,022 | 5% | 27,210,338 | 27,169,157 | 41,181 | 0% |
| 27 Grants | 40,280 | 17,556 | 22,724 | 129% | 127,425 | 184,741 | (57,316) | -31% |
| 28 HHS Stimulus Other Revenue | - | - | - | | - | - | - | |
| 29 COVID PPP Loan Forgiveness | - | - | - | 0% | - | - | - | 0% |
| 30 Other Operating Income - Misc | 59,778 | 98,699 | (38,921) | -39% | 516,073 | 1,071,819 | (555,746) | -52% |
| 31 Total Net Revenues | 3,933,949 | 3,754,124 | 179,825 | 5% | 27,853,836 | 28,425,717 | (571,881) | -2% |
| Operating Expenses | | | | | | | | |
| 33 Salary & Wages | 1,749,626 | 1,983,803 | (234,177) | -12% | 13,833,143 | 14,996,830 | (1,163,687) | -8% |
| 34 Benefits | 259,287 | 289,490 | (30,203) | -10% | 2,423,741 | 2,247,038 | 176,703 | 8% |
| 35 Professional Fees/Contract Labor | 160,700 | 112,109 | 48,591 | 43% | 1,330,607 | 864,368 | 466,239 | 54% |
| 36 Purchased Services | 196,324 | 206,979 | (10,655) | -5% | 1,560,464 | 1,574,399 | (13,935) | -1% |
| 37 Supplies | 700,260 | 673,542 | 26,718 | 4% | 5,169,487 | 5,011,298 | 158,189 | 3% |
| 38 Rent & Leases | 10,116 | 17,949 | (7,833) | -44% | 99,721 | 144,065 | (44,344) | -31% |
| 39 Repairs & Maintenance | 35,490 | 48,299 | (12,809) | -27% | 372,588 | 359,118 | 13,470 | 4% |
| 40 Utilities | 41,065 | 47,759 | (6,694) | -14% | 381,751 | 350,198 | 31,553 | 9% |
| 41 Insurance | 39,244 | 37,656 | 1,588 | 4% | 318,977 | 301,245 | 17,732 | 6% |
| 42 Depreciation & Amortization | 179,541 | 165,759 | 13,782 | 8% | 1,449,421 | 1,231,777 | 217,644 | 18% |
| 43 Interest | 85,754 | 82,170 | 3,584 | 4% | 688,412 | 646,213 | 42,199 | 7% |
| 44 Other | 187,985 | 155,531 | 32,454 | 21% | 1,228,895 | 1,187,797 | 41,098 | 3% |
| 45 Total Operating Expenses | 3,645,392 | 3,821,046 | (175,654) | -5% | 28,857,207 | 28,914,346 | (57,139) | 0% |
| 46 Operating Revenue Less Expenses | 288,557 | (66,922) | 355,479 | -531% | (1,003,371) | (488,629) | (514,742) | 105% |
| Non-Operating Income | | | | | | | | |
| 48 Interest Income | 60,514 | 2,389 | 58,125 | 2433% | 360,333 | 39,260 | 321,073 | 818% |
| 49 Tax Revenue | 55,836 | 44,234 | 11,602 | 26% | 1,497,409 | 1,341,771 | 155,638 | 12% |
| 50 Donations | - | 180,000 | (180,000) | -100% | - | 180,000 | (180,000) | -100% |
| 51 Total Non-Operating Income | 116,350 | 226,623 | (110,273) | -49% | 1,857,742 | 1,561,031 | 296,711 | 19% |
| 52 Total Revenue Less Total Expenses | \$ 404,907 | \$ 159,701 | \$ 245,206 | 154% | \$ 854,371 | \$ 1,072,402 | \$ (218,031) | -20% |

Income Statement Comparison - - - August 31, 2023

Page 2

| | Current Month | | | | Year-to-Date | | | | |
|----------------|--|-------------------|-------------------|-------------------|--------------|--------------------|-----------------------|------------------|--------------|
| | 2023 | 2022 | Difference | Variance | 2023 | 2022 | Difference | Variance | |
| Revenue | | | | | | | | | |
| 2 | | | | | | | | | |
| 7 | Total In-patient Revenue | 73,368 | 542,588 | (469,220) | -86% | 2,227,467 | 3,889,981 | (1,662,514) | -43% |
| 17 | Total Out-patient Revenue | 6,971,933 | 5,779,018 | 1,192,915 | 21% | 46,979,684 | 40,644,359 | 6,335,325 | 16% |
| 18 | Professional Fees | 668,066 | 555,667 | 112,399 | 20% | \$ 4,370,076 | 4,123,361 | 246,715 | 6% |
| 19 | Total Patient Revenue | 7,713,367 | 6,877,273 | 836,094 | 12% | 53,577,227 | 48,657,701 | 4,919,526 | 10% |
| 20 | Revenue Deductions & Bad Debt | | | | | | | | |
| 21 | Contractual Allowances | 4,122,058 | 3,545,625 | 576,433 | 16% | \$ 27,097,639 | 24,697,382 | 2,400,257 | 10% |
| 22 | Charity | 20,174 | 6,609 | 13,565 | 205% | 214,536 | 226,141 | (11,605) | -5% |
| 23 | Bad Debt | 93,073 | 254,883 | (161,810) | -63% | 2,091,748 | 1,850,862 | 240,886 | 13% |
| 24 | Provider Fee & Other | (355,829) | (584,452) | 228,623 | -39% | (3,037,034) | (2,613,062) | (423,972) | 16% |
| 25 | Total Revenue Deductions & Bad Debt | 3,879,476 | 3,222,665 | 656,811 | 20% | 26,366,889 | 24,161,323 | 2,205,566 | 9% |
| 26 | Total Net Patient Revenue | 3,833,891 | 3,654,608 | 179,283 | 5% | 27,210,338 | 24,496,378 | 2,713,960 | 11% |
| 27 | Grants | 40,280 | - | 40,280 | | 127,425 | 103,596 | 23,829 | 23% |
| 28 | HHS Stimulus Other Revenue | - | - | - | | - | - | - | |
| 29 | COVID PPP Loan Forgiveness | - | - | - | | - | - | - | |
| 30 | Other Operating Income - Misc | 59,778 | 76,182 | (16,404) | -22% | 516,073 | 747,668 | (231,595) | -31% |
| 31 | Total Net Revenues | 3,933,949 | 3,730,790 | 203,159 | 5% | 27,853,836 | 25,347,642 | 2,506,194 | 10% |
| 32 | Operating Expenses | | | | | | | | |
| 33 | Salary & Wages | 1,749,626 | 1,777,196 | (27,570) | -2% | 13,833,143 | 13,619,812 | 213,331 | 2% |
| 34 | Benefits | 259,287 | 282,945 | (23,658) | -8% | 2,423,741 | 2,221,491 | 202,250 | 9% |
| 35 | Professional Fees/Contract Labor | 160,700 | 243,896 | (83,196) | -34% | 1,330,607 | 2,115,807 | (785,200) | -37% |
| 36 | Purchased Services | 196,324 | 209,793 | (13,469) | -6% | 1,560,464 | 1,418,690 | 141,774 | 10% |
| 37 | Supplies | 700,260 | 691,769 | 8,491 | 1% | 5,169,487 | 4,915,031 | 254,456 | 5% |
| 38 | Rent & Leases | 10,116 | 9,428 | 688 | 7% | 99,721 | 142,525 | (42,804) | -30% |
| 39 | Repairs & Maintenance | 35,490 | 61,397 | (25,907) | -42% | 372,588 | 395,881 | (23,293) | -6% |
| 40 | Utilities | 41,065 | 25,552 | 15,513 | 61% | 381,751 | 322,560 | 59,191 | 18% |
| 41 | Insurance | 39,244 | 35,529 | 3,715 | 10% | 318,977 | 291,441 | 27,536 | 9% |
| 42 | Depreciation & Amortization | 179,541 | 162,618 | 16,923 | 10% | 1,449,421 | 1,277,836 | 171,585 | 13% |
| 43 | Interest | 85,754 | 82,987 | 2,767 | 3% | 688,412 | 586,258 | 102,154 | 17% |
| 44 | Other | 187,985 | 84,633 | 103,352 | 122% | 1,228,895 | 977,215 | 251,680 | 26% |
| 45 | Total Operating Expenses | 3,645,392 | 3,667,743 | (22,351) | -1% | 28,857,207 | 28,284,547 | 572,660 | 2% |
| 46 | Operating Revenue Less Expenses | 288,557 | 63,047 | 225,510 | 358% | (1,003,371) | (2,936,905) | 1,933,534 | -66% |
| 47 | Non-Operating Income | | | | | | | | |
| 48 | Interest Income | 60,514 | 9,107 | 51,407 | 564% | 360,333 | 42,125 | 318,208 | 755% |
| 49 | Tax Revenue | 55,836 | 47,358 | 8,478 | 18% | 1,497,409 | 1,447,567 | 49,842 | 3% |
| 50 | Donations | - | - | - | | - | - | - | |
| 51 | Total Non-Operating Income | 116,350 | 56,465 | 59,885 | 106% | 1,857,742 | 1,489,692 | 368,050 | 25% |
| 52 | Total Revenue Less Total Expenses | \$ 404,907 | \$ 119,512 | \$ 285,395 | 239% | \$ 854,371 | \$ (1,447,213) | 2,301,584 | -159% |

Balance Sheet - - - August 31, 2023

Page 3

| Assets | Current Month | Prior Month | Liabilities | Current Month | Prior Month |
|---------------------------------|----------------------|----------------------|---|----------------------|----------------------|
| Current Assets | | | Current Liabilities | | |
| Cash | | | | | |
| Operating (TBK/COLO Trust) | \$ 6,252,616 | \$ 5,557,067 | Accts Payable - System | \$ 977,368 | \$ 793,527 |
| Debt Svc. Res. 2016 Bonds (UMB) | 878,731 | 878,731 | Accrued Expenses | 567,827 | 503,608 |
| Bond Funds - 2016 Bonds (UMB) | 116 | 115 | Cost Report Settlement Res | (519,730) | (827,372) |
| Bond Funds - 2021 (UMB) | 2,844,142 | 2,790,847 | Wages & Benefits Payable | 2,005,241 | 1,926,033 |
| CSIP Investments | 5,636,714 | 5,610,627 | Deferred Revenue | 4,042 | 45,420 |
| Escrow - UMB | - | - | COVID PPP Short Term Loan | - | - |
| COVID PPP | - | - | Relief Fund Liability | - | - |
| Relief Fund Cash Restricted | - | - | Medicare Accelerated Pmt Liab | (258,617) | (258,617) |
| Medicare Accelerated Pmt | - | - | Current Portion of LT Debt-75 S Pagosa | 120,000 | 120,000 |
| Total Cash | 15,612,319 | 14,837,387 | Current Portion of LT Debt-2021 | 420,000 | 420,000 |
| | | | Current Portion of LT Debt-2016 | 230,000 | 230,000 |
| Accounts Receivable | | | Total Current Liabilities | 3,546,131 | 2,952,599 |
| Patient Revenue - Net | 3,981,714 | 3,722,436 | Long-Term Liabilities | | |
| Other Receivables | 86,389 | 128,311 | Leases Payable - 75 S Pagosa | 2,180,000 | 2,180,000 |
| Total Accounts Receivable | 4,068,103 | 3,850,747 | GASB 87 Capital Leases | 1,988,774 | 2,021,308 |
| Inventory | 1,816,390 | 1,830,086 | Bond Premium (Net) - 2006 Def Outflows | 183,507 | 184,619 |
| | | | Bond Premium (Net) - 2016 | 115,550 | 115,975 |
| Total Current Assets | 21,496,812 | 20,518,220 | Bond Premium (Net) - 2021 | 683,044 | 687,015 |
| Fixed Assets | | | Bonds Payable - 2021 | 7,465,000 | 7,465,000 |
| Property Plant & Equip (Net) | 21,629,782 | 21,792,567 | Bonds Payable - 2006 | - | - |
| GASB 87 Leased Assets (Net) | 1,468,623 | 1,504,406 | Bonds Payable - 2016 | 8,795,000 | 8,795,000 |
| Work In Progress | 606,039 | 399,887 | Total Long-Term Liabilities | 21,410,875 | 21,448,917 |
| Land | 704,021 | 704,021 | Net Assets | | |
| Total Fixed Assets | 24,408,465 | 24,400,881 | Un-Restricted | 20,431,783 | 20,431,783 |
| Other Assets | | | Current Year Net Income/Loss | 854,371 | 449,464 |
| Prepays & Other Assets | 337,883 | 363,662 | Total Un-Restricted | 21,286,154 | 20,881,247 |
| Total Other Assets | 337,883 | 363,662 | Restricted | - | - |
| | | | Total Net Assets | 21,286,154 | 20,881,247 |
| Total Assets | \$ 46,243,160 | \$ 45,282,763 | Total Liabilities & Net Assets | \$ 46,243,160 | \$ 45,282,763 |

Monthly Trends

| | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | YTD Total |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Activity | 31 | 30 | 31 | 30 | 31 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 243 |
| 2 In-Patient Admissions | 30 | 23 | 26 | 25 | 32 | 28 | 37 | 20 | 22 | 18 | 28 | 34 | 11 | 198 |
| 3 In-Patient Days | 81 | 34 | 64 | 51 | 64 | 53 | 77 | 34 | 35 | 32 | 54 | 74 | 21 | 380 |
| 4 Avg Stay Days (In-patients) | 2.7 | 1.5 | 2.5 | 2.0 | 2.0 | 1.9 | 2.1 | 1.7 | 1.6 | 1.8 | 1.9 | 2.2 | 1.9 | 1.9 |
| 5 Swing Bed Admissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 6 Swing Bed Days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 7 Avg Length of Stay (Swing) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 8 Average Daily Census | 2.6 | 1.1 | 2.1 | 1.7 | 2.1 | 1.7 | 2.8 | 1.1 | 1.2 | 1.0 | 1.8 | 2.4 | 0.7 | 1.6 |
| Statistics | | | | | | | | | | | | | | |
| 9 E/R visits | 638 | 639 | 529 | 616 | 753 | 561 | 516 | 657 | 517 | 619 | 734 | 783 | 716 | 5,103 |
| 10 Observ Hours | 221 | 1,025 | 358 | 428 | 483 | 557 | 564 | 918 | 467 | 496 | 878 | 519 | 971 | 5,370 |
| 11 Lab Tests | 6,175 | 5,720 | 5,839 | 6,987 | 5,695 | 5,480 | 5,176 | 6,094 | 5,279 | 6,051 | 6,390 | 6,449 | 6,625 | 47,544 |
| 12 Radiology/CT/MRI Exams | 1,563 | 1,411 | 1,342 | 1,274 | 1,361 | 1,517 | 1,464 | 1,659 | 1,470 | 1,671 | 1,738 | 1,621 | 1,778 | 12,918 |
| 14 OR Cases | 127 | 91 | 95 | 105 | 116 | 88 | 89 | 88 | 99 | 141 | 102 | 81 | 144 | 832 |
| 15 Clinic Visits | 2,021 | 1,717 | 1,804 | 1,627 | 1,794 | 1,475 | 1,602 | 1,842 | 1,752 | 1,913 | 1,781 | 1,663 | 2,057 | 14,085 |
| 16 Spec. Clinic Visits | 33 | 33 | 27 | 30 | 37 | 41 | 42 | 28 | 38 | 53 | 40 | 20 | 33 | 295 |
| 17 Oncology Clinic Visits | 139 | 120 | 126 | 111 | 93 | 109 | 106 | 106 | 110 | 133 | 139 | 106 | 134 | 943 |
| 18 Oncology/Infusion Patients | 254 | 286 | 214 | 161 | 195 | 134 | 171 | 229 | 254 | 261 | 211 | 288 | 204 | 1,752 |
| 19 EMS Transports | 130 | 96 | 76 | 104 | 104 | 111 | 74 | 93 | 74 | 104 | 99 | 92 | 105 | 752 |
| 20 Total Stats | 11,301 | 11,138 | 10,410 | 11,443 | 10,631 | 10,073 | 9,804 | 11,714 | 10,060 | 11,442 | 12,112 | 11,622 | 12,767 | 89,594 |

Statistical Review

| 2023 | August | | | August | | | August 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 | 11 | 37 | (26) | 198 | 256 | (58) | 198 | 239 | (41) | -17% |
| Swing Bed | - | - | - | - | - | - | - | - | - | - |
| Total | 11 | 37 | (26) | 198 | 256 | (58) | 198 | 239 | (41) | -17% |
| Patient Days: | | | | | | | | | | |
| Acute | 21 | 91 | (70) | 380 | 640 | (260) | 380 | 609 | (229) | -38% |
| Swing Bed | - | - | - | - | - | - | - | - | - | - |
| Total | 21 | 91 | (70) | 380 | 640 | (260) | 380 | 609 | (229) | -38% |
| Average Daily Census: | | | | | | | | | | |
| # Of Days | 31 | 31 | | 243 | 243 | | 243 | 243 | | |
| Acute | 0.7 | 2.9 | (2.3) | 1.6 | 2.6 | (1.1) | 1.6 | 2.5 | (0.9) | -38% |
| Swing Bed | - | - | - | - | - | - | - | - | - | - |
| Total | 0.7 | 2.9 | (2.3) | 1.6 | 2.6 | (1.1) | 1.6 | 2.5 | (0.9) | -38% |
| Length of Stay: | | | | | | | | | | |
| Acute | 1.9 | 2.5 | (0.6) | 1.9 | 2.5 | (0.6) | 1.9 | 2.5 | (0.6) | -25% |
| Swing Bed | - | - | - | - | - | - | - | - | - | 0% |
| Total | 1.9 | 2.5 | (0.6) | 1.9 | 2.5 | (0.6) | 1.9 | 2.5 | (0.6) | -25% |
| Out-Patient | | | | | | | | | | |
| Out-Patient Visits | | | | | | | | | | |
| E/R Visits | 716 | 772 | (56) | 5,103 | 5,665 | (562) | 5,103 | 5,796 | (693) | -12% |
| Observ admissions | 36 | 25 | 11 | 230 | 182 | 48 | 230 | 199 | 31 | 16% |
| Lab Tests | 6,625 | 6,350 | 275 | 47,544 | 46,565 | 979 | 47,544 | 44,928 | 2,616 | 6% |
| Radiology/CT/MRI Exams/M | 1,778 | 1,511 | 267 | 12,918 | 11,081 | 1,837 | 12,918 | 10,943 | 1,975 | 18% |
| OR Cases | 144 | 111 | 33 | 832 | 815 | 17 | 832 | 778 | 54 | 7% |
| Clinic Visits | 2,057 | 1,856 | 201 | 14,085 | 13,607 | 478 | 14,085 | 13,272 | 813 | 6% |
| Spec. Clinic Visits | 33 | 34 | (1) | 295 | 249 | 46 | 295 | 254 | 41 | 16% |
| Oncology Clinic Visits | 134 | 125 | 9 | 943 | 916 | 27 | 943 | 972 | (29) | -3% |
| Oncology/Infusion Patients | 204 | 288 | (84) | 1,752 | 2,112 | (360) | 1,752 | 2,196 | (444) | -20% |
| EMS Transports | 105 | 114 | (9) | 752 | 835 | (83) | 752 | 850 | (98) | -12% |
| Total | 11,832 | 11,186 | 646 | 84,454 | 82,027 | 2,427 | 84,454 | 80,188 | 4,266 | 5% |

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of August 31, 2023

| | 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 | \$ 2,833,400 | \$ 396,689 | \$ 153,185 | \$ 68,911 | \$ 40,185 | \$ 63,464 | \$ 272,601 | \$ 3,828,435 | 34% | |
| 3 Medicaid | 530,003 | 81,891 | 15,364 | 27,678 | 7,810 | 12,493 | 71,245 | 746,484 | 7% | |
| 4 Third Party | 1,850,882 | 471,964 | 247,017 | 222,424 | 119,054 | 99,697 | 667,686 | 3,678,724 | 33% | |
| 5 Self-Pay | 577,528 | 359,888 | 289,671 | 180,115 | 180,202 | 155,887 | 1,176,733 | 2,920,024 | 26% | |
| Current Month Total | \$ 5,791,813 | \$ 1,310,432 | \$ 705,237 | \$ 499,128 | \$ 347,251 | \$ 331,541 | \$ 2,188,265 | \$ 11,173,667 | 100% | 294,367 |
| Pct of Total | 52% | 12% | 6% | 4% | 3% | 3% | 20% | 100% | | |
| Jul-23 | \$ 5,195,855 | \$ 1,750,827 | \$ 922,811 | \$ 484,274 | \$ 416,696 | \$ 338,589 | \$ 1,881,363 | \$ 10,990,415 | 100% | 262,515 |
| Pct of Total | 47% | 16% | 8% | 4% | 4% | 3% | 17% | 100% | | |
| Jun-23 | \$ 5,512,522 | \$ 1,195,087 | \$ 537,000 | \$ 531,450 | \$ 583,696 | \$ 409,956 | \$ 2,213,524 | \$ 10,983,235 | 100% | 169,493 |
| Pct of Total | 50% | 11% | 5% | 5% | 5% | 4% | 20% | 100% | | |
| May-23 | \$ 5,727,512 | \$ 1,086,665 | \$ 730,974 | \$ 686,873 | \$ 574,251 | \$ 322,203 | \$ 2,335,486 | \$ 11,463,964 | 100% | 149,612 |
| Pct of Total | 50% | 9% | 6% | 6% | 5% | 3% | 20% | 100% | | |
| Apr-23 | \$ 4,649,144 | \$ 1,340,245 | \$ 887,732 | \$ 744,066 | \$ 390,670 | \$ 383,149 | \$ 2,391,747 | \$ 10,786,753 | 100% | 118,155 |
| Pct of Total | 43% | 12% | 8% | 7% | 4% | 4% | 22% | 100% | | |
| Mar-23 | \$ 5,487,671 | \$ 1,397,788 | \$ 1,008,260 | \$ 492,549 | \$ 442,994 | \$ 507,208 | \$ 2,182,723 | \$ 11,519,193 | 100% | 146,612 |
| Pct of Total | 48% | 12% | 9% | 4% | 4% | 4% | 19% | 100% | | |
| Feb-23 | \$ 5,248,449 | \$ 1,682,584 | \$ 760,575 | \$ 468,388 | \$ 607,923 | \$ 437,374 | \$ 2,190,121 | \$ 11,395,414 | 100% | 102,197 |
| Pct of Total | 46% | 15% | 7% | 4% | 5% | 4% | 19% | 100% | | |
| Jan-23 | \$ 5,123,357 | \$ 1,248,805 | \$ 614,514 | \$ 745,873 | \$ 482,283 | \$ 273,204 | \$ 2,257,741 | \$ 10,745,777 | 100% | 141,264 |
| Pct of Total | 48% | 12% | 6% | 7% | 4% | 3% | 21% | 100% | | |
| Dec-22 | \$ 4,866,761 | \$ 1,268,334 | \$ 866,931 | \$ 548,451 | \$ 414,832 | \$ 408,064 | \$ 2,198,139 | \$ 10,571,512 | 100% | 176,992 |
| Pct of Total | 46% | 12% | 8% | 5% | 4% | 4% | 21% | 100% | | |
| Nov-22 | \$ 4,628,883 | \$ 1,203,061 | \$ 741,822 | \$ 516,963 | \$ 509,027 | \$ 428,506 | \$ 2,149,446 | \$ 10,177,708 | 100% | 226,765 |
| Pct of Total | 45% | 12% | 7% | 5% | 5% | 4% | 21% | 100% | | |
| Oct-22 | \$ 4,510,172 | \$ 1,414,025 | \$ 840,205 | \$ 678,170 | \$ 658,661 | \$ 439,855 | \$ 1,826,111 | \$ 10,367,199 | 100% | 147,187 |
| Pct of Total | 44% | 14% | 8% | 7% | 6% | 4% | 18% | 100% | | |
| Sep-22 | \$ 5,163,652 | \$ 1,454,685 | \$ 829,159 | \$ 821,421 | \$ 525,214 | \$ 274,896 | \$ 2,073,259 | \$ 11,142,286 | 100% | 176,296 |
| Pct of Total | 46% | 13% | 7% | 7% | 5% | 2% | 19% | 100% | | |
| Aug-22 | \$ 5,070,970 | \$ 1,423,538 | \$ 1,289,523 | \$ 637,852 | \$ 423,338 | \$ 370,971 | \$ 1,518,317 | \$ 10,734,509 | 100% | 181,959 |
| Pct of Total | 47% | 13% | 12% | 6% | 4% | 3% | 14% | 100% | | |
| Jul-22 | \$ 5,195,855 | \$ 1,750,827 | \$ 922,811 | \$ 484,274 | \$ 416,696 | \$ 338,589 | \$ 1,881,363 | \$ 10,990,415 | 100% | 262,515 |
| Pct of Total | 47% | 16% | 8% | 4% | 4% | 3% | 17% | 100% | | |
| Jun-22 | \$ 5,296,769 | \$ 1,257,194 | \$ 690,323 | \$ 660,956 | \$ 438,544 | \$ 356,021 | \$ 1,355,339 | \$ 10,055,146 | | 248,707 |

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of August 31, 2023

| | 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 |
|--------------|-------------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|---------------|------------------|---------------------------|
| Pct of Total | 53% | 13% | 7% | 7% | 4% | 4% | 13% | 100% | | |
| May-22 | \$ 4,976,841 | \$ 1,229,667 | \$ 763,335 | \$ 569,449 | \$ 554,337 | \$ 321,119 | \$ 1,643,977 | \$ 10,058,725 | | 150,992 |
| Pct of Total | 49% | 12% | 8% | 6% | 6% | 3% | 16% | 100% | | |
| Apr-22 | \$ 4,411,765 | \$ 1,085,976 | \$ 693,620 | \$ 609,943 | \$ 440,794 | \$ 289,902 | \$ 1,669,402 | \$ 9,201,402 | | 215,897 |
| Pct of Total | 48% | 12% | 8% | 7% | 5% | 3% | 18% | 100% | | |
| Mar-22 | \$ 4,206,381 | \$ 1,389,690 | \$ 673,681 | \$ 575,452 | \$ 413,271 | \$ 309,780 | \$ 1,752,689 | \$ 9,320,944 | | 199,177 |
| Pct of Total | 45% | 15% | 7% | 6% | 4% | 3% | 19% | 100% | | |
| Feb-22 | \$ 4,206,381 | \$ 1,389,690 | \$ 673,681 | \$ 575,452 | \$ 413,271 | \$ 309,780 | \$ 1,752,689 | \$ 9,320,944 | | 199,177 |
| Pct of Total | 45% | 15% | 7% | 6% | 4% | 3% | 19% | 100% | | |
| Jan-22 | \$ 4,815,885 | \$ 1,218,564 | \$ 968,019 | \$ 573,545 | \$ 504,719 | \$ 332,446 | \$ 1,663,719 | \$ 10,076,897 | | 184,318 |
| Pct of Total | 48% | 12% | 10% | 6% | 5% | 3% | 17% | 100% | | |
| Dec-21 | \$ 4,411,483 | \$ 1,771,146 | \$ 897,483 | \$ 629,416 | \$ 471,528 | \$ 299,814 | \$ 1,716,882 | \$ 10,197,752 | | 246,249 |
| Pct of Total | 43% | 17% | 9% | 6% | 5% | 3% | 17% | 100% | | |
| Nov-21 | \$ 5,254,766 | \$ 1,288,663 | \$ 765,276 | \$ 596,925 | \$ 429,612 | \$ 449,363 | \$ 1,582,207 | \$ 10,366,811 | | 223,165 |
| Pct of Total | 51% | 12% | 7% | 6% | 4% | 4% | 15% | 100% | | |
| Oct-21 | \$ 4,591,197 | \$ 1,412,195 | \$ 784,524 | \$ 573,095 | \$ 661,916 | \$ 330,409 | \$ 1,562,788 | \$ 9,916,124 | | 372,288 |
| Pct of Total | 46% | 14% | 8% | 6% | 7% | 3% | 16% | 100% | | |
| Sep-21 | \$ 4,623,878 | \$ 1,367,954 | \$ 793,192 | \$ 861,326 | \$ 484,324 | \$ 263,617 | \$ 1,610,326 | \$ 10,004,617 | | 251,846 |
| Pct of Total | 46% | 14% | 8% | 9% | 5% | 3% | 16% | 100% | | |
| Aug-21 | \$ 5,070,970 | \$ 1,423,538 | \$ 1,289,523 | \$ 637,852 | \$ 423,338 | \$ 370,971 | \$ 1,518,317 | \$ 10,734,509 | | 181,959 |
| Pct of Total | 47% | 13% | 12% | 6% | 4% | 3% | 14% | 100% | | |
| Jul-21 | \$ 4,918,121 | \$ 1,859,528 | \$ 864,925 | \$ 524,846 | \$ 546,331 | \$ 340,021 | \$ 1,455,387 | \$ 10,509,159 | | 125,498 |
| Pct of Total | 47% | 18% | 8% | 5% | 5% | 3% | 14% | 100% | | |
| 12 | Pct Settled (Current) | 74.8% | 59.7% | 45.9% | 28.3% | 20.4% | -546.3% | | | |
| 13 | Pct Settled (July from June) | 68.2% | 22.8% | 9.8% | 21.6% | 42.0% | -358.9% | | | |
| 14 | Pct Settled (June from May) | 79.1% | 50.6% | 27.3% | 15.0% | 28.6% | -587.0% | | | |
| 15 | Pct Settled (May from Apr) | 76.6% | 45.5% | 22.6% | 22.8% | 17.5% | -509.6% | | | |
| 16 | Pct Settled (Apr from Mar) | 75.6% | 36.5% | 26.2% | 20.7% | 13.5% | -371.6% | | | |

Pagosa Springs Medical Center

Pagosa Springs Medical Center - - - Net Days in A/R 2023

| | 31 | 28 | 31 | 30 | 31 | 30 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
| 2 Net Accounts Receivable | \$ 3,937,851 | \$ 4,304,267 | \$ 4,578,027 | \$ 5,065,484 | \$ 4,312,936 | \$ 4,021,818 |
| 3 Net Patient Revenue | \$ 3,421,097 | \$ 2,987,220 | \$ 3,534,110 | \$ 3,291,664 | \$ 3,372,760 | \$ 3,754,939 |
| 4 Net Patient Rev/Day (2 month Avg) | \$ 90,700 | \$ 108,522 | \$ 110,345 | \$ 111,863 | \$ 109,260 | \$ 116,982 |
| 5 Net Days in A/R | 43 | 40 | 41 | 45 | 39 | 34 |

| | 31 | 31 | 30 | 31 | 30 | 31 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | Jul-23 | Aug-23 | Sep-22 | Oct-22 | Nov-22 | Dec-22 |
| 7 Net Accounts Receivable | \$ 3,722,436 | \$ 3,981,714 | \$ 4,146,319 | \$ 3,566,483 | \$ 3,353,545 | \$ 3,573,432 |
| 8 Net Patient Revenue | \$ 3,265,657 | \$ 4,233,891 | \$ 3,390,296 | \$ 2,562,908 | \$ 2,810,896 | \$ 2,202,304 |
| 9 Net Patient Rev/Day (2 month Avg) | \$ 115,254 | \$ 120,960 | \$ 230,900 | \$ 195,684 | \$ 88,185 | \$ 82,369 |
| 10 Net Days in A/R | 32 | 33 | 18 | 18 | 38 | 43 |

Pagosa Springs Medical Center - - - Gross Days Target

| | | | | |
|---------------|------|-----|---------------------------------|--------------|
| 12 Medicare | 33% | 21 | \$ 120,960 | \$ 838,256 |
| 13 Medicaid | 7% | 35 | \$ 120,960 | \$ 296,353 |
| 14 Blue Cross | 15% | 48 | \$ 120,960 | \$ 870,915 |
| 15 Commercial | 26% | 65 | \$ 120,960 | \$ 2,044,232 |
| 16 Self Pay | 19% | 150 | \$ 120,960 | \$ 3,447,373 |
| 17 Total: | 100% | | | \$ 7,497,129 |
| 18 | | | | \$ 120,960 |
| 19 | | | Gross Days in A/R Target | 62 |

Pagosa Springs Medical Center
Financial Forecast
Statement of Cash Flows

| | Aug-23 |
|---|---------------|
| Cash Flows from operating activities | |
| Change in net assets | 404,907 |
| Adjustments to reconcile net assets to net cash | |
| Depreciation and amortization | 179,541 |
| Patient accounts receivable | (259,278) |
| Accounts payable and wages payable | 263,032 |
| Accrued liabilities | 64,219 |
| Pre-paid assets | 25,779 |
| Deferred revenues | (41,378) |
| Other receivables | 41,922 |
| Reserve for third party settlement | 307,642 |
| Inventory | 13,696 |
| Net Cash Provided by (used in) operating activities | 1,000,082 |
| Cash Flows from investing activities | |
| Purchase of property and equipment | 13,536 |
| Work in progress | (206,152) |
| Proceeds from sale of equipment/(Loss) | - |
| Net Cash Provided by (used in) investing activities | (192,616) |
| Cash Flows from financing activities | |
| Principal payments on long-term debt | - |
| Proceeds from debt (funding from 2021 Bond) | - |
| Proceeds from PPP Short Term Loan | - |
| Recognize Amounts from Relief Fund | - |
| Payments/Proceeds from Medicare Accelerated Payment | - |
| Change in Prior Year Net Assets | - |
| Change in leases payable | (32,534) |
| Net Cash Provided by (used in) financing activities | (32,534) |
| Net Increase(Decrease) in Cash | 774,932 |
| Cash Beginning of Month | 14,837,387 |
| Cash End of Month | 15,612,319 |

| 2023 | | | | | | |
|--------|-----------------|-----------------|----------------|-------------|-----------------|-----------------|
| Month | Cash Goal | Actual Cash | Variance | % Collected | GL Non AR | Total |
| Jan-23 | \$1,898,252.00 | \$2,661,282.24 | \$763,030.24 | 140.20% | \$ (94,934.27) | \$2,566,347.97 |
| Feb-23 | \$2,517,041.00 | \$2,300,038.64 | (\$217,002.36) | 91.38% | \$ 33,865.39 | \$2,333,904.03 |
| Mar-23 | \$2,681,584.00 | \$2,973,397.69 | \$291,813.69 | 110.88% | \$ 80,560.75 | \$3,053,958.44 |
| Apr-23 | \$3,284,110.00 | \$3,305,562.31 | \$21,452.31 | 100.65% | \$ 123,435.41 | \$3,428,997.72 |
| May-23 | \$2,963,309.00 | \$3,097,724.96 | \$134,415.96 | 104.54% | \$ 78,380.91 | \$3,176,105.87 |
| Jun-23 | \$3,371,760.00 | \$3,410,190.02 | \$38,430.02 | 101.14% | \$ 348,856.56 | \$3,759,046.58 |
| Jul-23 | \$3,221,285.00 | \$3,232,565.25 | \$11,280.25 | 100.35% | \$ 545,421.19 | \$3,777,986.44 |
| Aug-23 | \$2,910,480.00 | \$3,625,164.22 | \$714,684.22 | 124.56% | \$ 172,833.39 | \$3,797,997.61 |
| Sep-23 | | | | | | |
| Oct-23 | | | | | | |
| Nov-23 | | | | | | |
| Dec-23 | | | | | | |
| | \$22,847,821.00 | \$24,605,925.33 | \$1,758,104.33 | 107.69% | \$ 1,288,419.33 | \$25,894,344.66 |

| 2023 Revenue | | | | |
|--------------|------------------|------------------|-----------------|-------------|
| Month | Revenue Goal | Actual Revenue | Variance | % Generated |
| Jan-23 | \$ 6,252,289.00 | \$ 5,954,092.00 | \$ (298,197.00) | 95.23% |
| Feb-23 | \$ 5,361,067.00 | \$ 5,853,763.00 | \$ 492,696.00 | 109.19% |
| Mar-23 | \$ 6,250,864.00 | \$ 6,599,775.00 | \$ 348,911.00 | 105.58% |
| Apr-23 | \$ 6,188,899.00 | \$ 6,090,739.00 | \$ (98,160.00) | 98.41% |
| May-23 | \$ 6,188,899.00 | \$ 7,299,799.00 | \$ 1,110,900.00 | 117.95% |
| Jun-23 | \$ 7,204,053.00 | \$ 7,054,999.00 | \$ (149,054.00) | 97.93% |
| Jul-23 | \$ 6,892,800.00 | \$ 7,012,693.00 | \$ 119,893.00 | 101.74% |
| Aug-23 | \$ 7,016,731.00 | \$ 7,713,367.00 | \$ 696,636.00 | 109.93% |
| Sep-23 | \$ 6,644,938.00 | | | |
| Oct-23 | \$ 5,877,646.00 | | | |
| Nov-23 | \$ 5,941,036.00 | | | |
| Dec-23 | \$ 6,767,444.00 | | | |
| Totals | \$ 76,586,666.00 | \$ 53,579,227.00 | \$ 2,223,625.00 | 105.15% |

**Pagosa Springs Medical Center
Cash Forecast as of end of December 2023
Forecast Months Based on Budget and Actual**

Prepared 8/11/2023
Cash balance 13,821,488
at 12/31/22

| | (1) Net Asset Change | (2) Depreciation | (3) Receivables | (4) Payables & Other Liabilities | (5) Pre-Paid Assets | (6) Deferrred Revenue | (7) Third Party | (8) Inventory | (9) Equipment Purchase | (10) Lease Payables | (11) Other | Net Cash Change | Balance |
|-------------------------|----------------------------|---------------------|--------------------|--|---------------------------|-----------------------------|-----------------------|------------------|------------------------------|---------------------------|---------------|--------------------|------------|
| January 2023 (Actual) | (141,450) | 150,394 | (465,836) | 314,555 | (273,391) | - | (157,058) | 13,421 | (65,961) | (27,154) | - | (652,480) | 13,169,008 |
| February 2023 (Actual) | 21,315 | 183,912 | (250,228) | (574,589) | 4,756 | (83,822) | (35,080) | (10,201) | 11,428 | (18,700) | (7,206) | (758,415) | 12,410,593 |
| March 2023 (Actual) | 240,404 | 166,002 | 236,086 | 31,520 | 23,385 | (468,304) | 250,000 | 4,887 | - | (11,993) | - | 471,987 | 12,882,580 |
| April 2023 (Actual) | 191,566 | 166,630 | 503,328 | 108,970 | 34,976 | (149,554) | (26,324) | 13,244 | (106,715) | (18,700) | (213) | 717,208 | 13,599,788 |
| May 2023 (Actual) | 12,557 | 169,680 | 1,113,321 | 577,827 | (25,264) | (371,169) | (531,380) | (4,905) | 25,389 | (18,700) | (2) | 947,354 | 14,547,142 |
| June 2023 (Actual) | 311,541 | 166,013 | 376,470 | (1,224,021) | 45,260 | (147,329) | 2,701 | 33 | (55,627) | (18,700) | (225,002) | (768,661) | 13,778,481 |
| July 2023 (Actual) | (187,469) | 267,248 | 547,563 | 296,554 | 82,112 | (209,520) | 383,670 | 7,989 | (14,840) | (114,400) | - | 1,058,907 | 14,837,388 |
| August 2023 (Actual) | 404,907 | 179,541 | (217,356) | 327,251 | 25,779 | (41,378) | 307,642 | 13,696 | (192,616) | (32,534) | - | 774,932 | 15,612,320 |
| September 2023 (Budget) | 545,770 | 152,269 | (150,000) | 200,000 | (50,000) | - | (100,000) | (15,000) | (91,666) | (27,000) | - | 464,373 | 16,076,693 |
| October 2023 (Budget) | (1,275,231) | 171,472 | (150,000) | 200,000 | (50,000) | - | 150,000 | (15,000) | (91,666) | (27,000) | 100,000 | (987,425) | 15,089,268 |
| November 2023 (Budget) | (342,205) | 152,453 | (150,000) | 200,000 | (50,000) | - | 150,000 | (15,000) | (91,666) | (27,000) | - | (173,418) | 14,915,850 |
| December 2023 (Budget) | 114,258 | 151,841 | (150,000) | 200,000 | (50,000) | - | 150,000 | (15,000) | (91,666) | (27,000) | 100,000 | 382,433 | 15,298,283 |
| Totals | (104,037) | 2,077,455 | 1,243,348 | 658,067 | (282,387) | (1,471,076) | 544,171 981,635 | (21,836) | (765,606) | (368,881) | (32,423) | 1,476,795 | 15,298,283 |

at 08/31/2023

| | |
|----------------------------------|------------|
| Bond Requirements (60 days cash) | 6,767,355 |
| Less Cares Act | - |
| Less Medicare Accelerated | - |
| Less Bond Reserve | (878,731) |
| Net Cash for Days Cash on Hand | 14,733,589 |
| AVG. Expense Per Day | 112,789 |
| Days Cash on Hand | 130.63 |

- Notes:
- (1) Forecast based on projected net income.
 - (2) Forecast is based on the budgeted depreciation expense.
 - (3) Based on projected changes in receivables.
 - (4) Based on projected changes in payables and liabilities.
 - (5) Based on projected changes in prepaids.
 - (6) Based on projected deferred revenues.
 - (7) Based on projected Due to Third Party Reserves.
 - (8) Based on projected Inventory changes.
 - (9) Based on projected equipment and capital project expenditures.
 - (10) Based on projected lease payments.
 - (11) Based on projected receivables and payables due to Covid.

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

**Formal Written Resolution 2023-20
October 12, 2023**

WHEREAS due to the resignation of Director Kathee Douglas, there is vacancy on the Board of Directors of the Upper San Juan Health Service District (“USJHSD”);

WHEREAS C.R.S. Section 32-1-905 provides that the Board of Directors fills the vacancy by majority vote of the Board at a duly noticed Board meeting;

WHEREAS, the Second Amended and Restated Bylaws of the USJHSD provide that a Board Ad Hoc Search Committee will advertise the vacancy requesting interested electors;

WHEREAS the Board’s Ad Hoc Search Committee (Chair Kate Alfred and Vice Chair Marty Rose) advertised the vacancy and thereafter interviewed all candidates desiring to fill the vacant seat on the USJHSD Board; and

WHEREAS, the Board Ad Hoc Search Committee makes the following report and recommendation to the USJHSD Board: *The Board Ad Hoc Search Committee formally recommends Mark Floyd to fill the vacancy on the Board. The Search Committee interviewed all persons who applied to fill the vacant seat. The Committee asked each candidate a series of questions with each question being scored and weighted. Mark Floyd averaged the highest score as he has significant relevant experience and expertise (prior USJHSD Board and committee service from 2008-2018; volunteer service on the Finance Committee since 2018; prior work experience in healthcare finance and management; a graduate degree in health services administration). Given his prior experience and knowledge, the Committee finds that Mark Floyd will transition seamlessly on to the Board. The Ad Hoc Search Committee thanks all persons who expressed an interest in joining the USJHSD Board; and*

WHEREAS, at this Board meeting, the USJHSD Board heard and considered the report and recommendation of the Ad Hoc Search Committee.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE UPPER SAN JUAN HEALTH SERVICE DISTRICT HEREBY APPROVES the appointment of Mark Floyd to fill the vacant seat on the Board of Directors of the Upper San Juan Health Service District consistent with C.R.S. Section 32-1-905 until the next regular election (May 2025) at which time the voters fill the seat for the remaining portion of the vacated term (in this instance until May 2027).

Kate Alfred, as Chair of the Board of Directors of USJHSD



MINUTES OF REGULAR BOARD MEETING
August 22, 2023, at 5:00 PM
The Board Room
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors (the “Board”) of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (“PSMC”) held its regular board meeting on August 22, 2023, at PSMC, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Zoom video communications.

Directors Present: Chair Kate Alfred, Vice-Chair Martin Rose, Treasurer/Director Mark Zeigler, Director Barbara Parada, Director Gwen Taylor, Director Kathee Douglas

Present via Zoom: Director Jason Cox

Present via telephone: none

Absent: none

1) CALL TO ORDER

- a) Call for quorum: Chair Alfred called the meeting to order at 5:00 p.m. MDT and Clerk to the Board, Laura DePiazza, recorded the minutes. A quorum of directors was present and acknowledged.
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: None.
- c) Approval of the Agenda: Director Zeigler motioned to approve the agenda with no changes. Director Taylor seconded; the Board unanimously approved the agenda.

2) PUBLIC COMMENT

None

3) PRESENTATIONS

Surgery Department by Jessica Meyers, RN (Manager of Surgery)

Quality Assurance and Performance Improvement Plan by Crystal DeCola (Manager of Quality)

4) REPORTS

- a) Oral Reports
 - i) Chair Report -- none
 - ii) CEO Report

PSMC’s Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

CEO Webb advised of the following update:

- PSMC was awarded an additional rural stimulus grant of \$433,000 to be split between IT needs and towards the construction of the Oxygen Generation building.
- Good turnout for the Tough Enough to Wear Pink Rodeo which included some fundraising for the PSMC Foundation; EMS also did a Stop the Bleed/CPR/AED training.
- Hosted county-wide responsive coordination activity on our Active Shooter Plan. Good feed-back with approximately 40 people in attendance.
- Covid admissions on the rise. A few employees out with Covid. Still low on the CDC response so not changing anything.
- Dr. Webb returned from the WHA Annual Summit in Grand Junction. She moved into the position of Board Chair. There are about 30 rural hospitals in the WHA. There is a lot of uncertainty of the sustainability of rural hospitals. Rural hospitals continue to close and PSMC is doing everything we can to keep that from happening here.

iii) Foundation Board Report

CAO Bruzzese reported:

- The Foundation received the audit report and was given a clean report.

iv) Facilities Committee Report

Director Douglas reported on three major projects:

- The Medical Wellness Building – still in a holding pattern waiting on the final award of the DOLA grant and a signed contract to continue work.
- Oxygen Generation Building – \$224,000 received from grant for the construction of the building; only 1 bid was received and at a higher rate than expected; grant funding is being pursued, with staff plan to re-bid the project in early 2024. Questions asked and answered.
- Roof Replacement – Expected expenditure \$300,000 to \$800,000; grant funding to be pursued; a portion or all of the project will be included in the Capital Budget for 2024.
- Current project to evaluate wiring in the ceiling; this will be reported back to the Facilities Committee.

v) Finance Committee Report

CFO Chelle Keplinger presented the financials for July 2023 in which we had a bottom line loss of \$187,460 – while a loss, we did better than budget (we budgeted a monthly loss of \$473,896 for July). The Board discussed and asked questions; there were no objections or concerns raised by the Board.

b) Written Reports

Medical Staff Report - Chief of Staff, Dr. John Wisneski

5) EXECUTIVE SESSION

None

6) DECISION AGENDA

a) Resolution 2023-17

- i) Vice-Chair Rose motioned to approve Resolution 2023-17 regarding acceptance of the 2023 Quality Assurance and Performance Improvement Plan- as corrected. Motion was seconded by Director Zeigler and unanimously approved by the Board.

PSMC's Mission: To provide quality, compassionate healthcare and wellness for each person we serve.

- b) Resolution 2023-18
 - i) Vice-Chair Rose motioned to approve Resolution 2023-18 regarding approval of the *Second Amended and Restated Bylaws of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center*. Motion was seconded by Director Cox and unanimously approved by the Board.
- c) Resolution 2023-19
 - i) After discussion Vice-Chair Rose motioned to approve Resolution 2023-19 regarding approval of revisions to the USJHSD Board Policies 1-13 with additional corrections to Section 8g2 (add Vice-Chair role in absence of Chair), Section 11 (omit the word “not”), Section 15 (add “state of”); approval date in the footer. Motion was seconded by Director Douglas and unanimously approved by the Board.

7) CONSENT AGENDA

Vice-Chair Rose motioned to approve the consent agenda (approval of Board member absences, approval of the regular meeting minutes of 07/24/2023, and the Medical Staff report recommendations for revised policy and new or renewal of provider privileges). Motion was seconded by Director Cox, and the Board unanimously approved said consent agenda items.

8) OTHER BUSINESS

None

9) ADJOURN

There being no further business, Chair Alfred adjourned the regular meeting at 6:16 p.m. MDT.

Respectfully submitted by:

Laura DePiazza, serving as Clerk to the Board