



NOTICE OF REGULAR BOARD MEETING OF  
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT dba PAGOSA SPRINGS MEDICAL CENTER  
Tuesday, March 27, 2018, at 5:30 PM  
The Board Room (**direct access – northeast entrance**)  
95 South Pagosa Blvd., Pagosa Springs, CO 81147

**AGENDA**

**1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD**

- a) Call for quorum (by Secretary/Treasurer Jerry Baker)
- b) 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) MILESTONE MOMENT:** *Tour of The Center for Cancer and Blood Disorders at Pagosa Springs Medical Center.*

**4) SPECIAL PRESENTATION:** Liane Jollon and Flannery O'Neil of San Juan Basin Public Health regarding Public Health: Suicide Prevention.

**5) DECISION AGENDA** (Matters to be discussed and possible action by the Board)

- a) Consideration of Support of the Continuation of the Trauma Program at PSMC
  - i) Proposed Resolution 2018-6

**6) REPORTS**

- a) **Oral Reports** (may be accompanied by a written report)
  - i) Chair Report - Election Results Chair Mark Floyd
  - ii) Contracts Director Kate Alfred
  - iii) ~~Strategic Planning~~ ~~Vice Chair Greg Schulte~~
  - iv) CEO Report Chief Executive Officer, Dr. Rhonda Webb
  - v) Finance Report CFO, Dennis Wilson and Treasurer Jerry Baker



**MINUTES OF REGULAR BOARD MEETING**  
**Tuesday, March 27, 2018**  
**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 regular board meeting on March 27, 2018, at Pagosa Springs Medical Center, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado.

Directors Present: Chair Mark Floyd, Vice-Chair Greg Schulte, Secretary/Treasurer Jerry Baker, Director Matt Mees, and Director Dr. King Campbell.

Present by phone were Director Dr. Jim Pruitt and USJHSD Chief Financial Officer, Dennis Wilson.

**1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD**

Chair Floyd called the meeting to order at 5:31 p.m. MDT and Clerk to the Board, Heather Thomas, recorded the minutes. A quorum of directors was present and acknowledged by Secretary/Treasurer Baker and the meeting, having been duly convened, was ready to proceed with business.

The Board noted approval of the agenda.

**2) PUBLIC COMMENT**

There was none.

**3) MILESTONE MOMENT: *Tour of The Center for Cancer and Blood Disorders at Pagosa Springs Medical Center.***

CEO Dr. Rhonda Webb gave a brief introduction regarding PSMC’s new Center for Cancer and Blood Disorders (“The Center”) highlighting that cancer care in Pagosa Springs has been a hope for many people for quite some time. CEO Dr. Webb recognized all who made the new oncology center at PSMC possible and advised the Board that the renovation of The Center finished on time and under budget.

Questions were asked and answered.

Following CEO Dr. Webb’s introduction, PSMC’s Director of Oncology and Pharmacy, Christina Reeves, gave a tour of The Center.

**4) SPECIAL PRESENTATION:**

Ms. Liane Jollon and Ms. Flannery O’Neil of San Juan Basin Public Health (“SJBPH”) presented and discussed the attached PowerPoint presentation regarding Public Health: Suicide Prevention.

Questions were asked and answered.

Ms. Jollon and Ms. O'Neil ended by advising the Board that SJBPH turns 70 this year (2018) and to celebrate there will be a birthday celebration, open to the whole community, which will be held on 04/12/2018, at the Ross Aragon Community Center from 4:00 p.m. to 6:00 p.m.

## **5) DECISION AGENDA**

Chair Floyd gave a brief introduction of Resolution 2016-06. PSMC's Director of Nursing, Liz Reis, advised the Board that the resolution is a formality requirement of the application process to continue the trauma program at PSMC. Ms. Reis further advised that PSMC is currently a Level IV trauma center with extended scope.

### **Consideration of Resolution 2018-06**

Secretary/Treasurer Baker motioned to approve Resolution 2018-06, to support the continuation of the Trauma Program at PSMC. Upon motion seconded by Vice-Chair Schulte, the Board unanimously approved said agenda item.

## **6) REPORTS**

### **a) Oral Reports**

#### **i) Chair Report - Election Results**

Chair Floyd advised the Board that USJHSD was due for a regular special district's election of new Board Members on May 8, 2018. Chair Floyd stated there were four open seats up for election and the District had only four people self-nominate for the open positions by the statutory deadline of March 5, 2018, which allowed the District to cancel the regular election in accordance with statutory regulations on March 6, 2018.

Chair Floyd then named members that will be seated at the May 22, 2018, regular meeting of the Board: current members Greg Schulte and Dr. King Campbell, and new members Jason Cox and Karin Daniels. An updated Board manual will be provided to Board Members by the May regular meeting.

#### **ii) Contracts**

There was no report.

#### **iii) Strategic Planning**

Item intentionally struck from agenda. There was no report.

#### **iv) CEO Report**

CEO Dr. Webb advised the Board she and Vice-Chair Schulte attended the annual Colorado Hospital Association (CHA) Rural Health and Hospitals Conference which was held March 7 through 9. The conference offered good networking and would be a good conference for board members and administrative team to attend in the future.

CEO Dr. Webb noted a couple of highlights from the conference:

1. There is a continued leaning toward value-based payment system – payment based upon quality value not volume. The state of Colorado is now asserting this value-based payment concept as well. CEO Dr. Webb then stated there is a projected need of changing the way the District thinks, as the next few years go by, of how a medical center can survive due to changes in payment and reimbursement processes. There is projected to be a continued focus on population health, preventative care, substance abuse, chronic condition and the union of mental and physical health.
2. Quality Payment Program (QPP) completed the MIPS (Merit-based Incentive Payment System) performance report – which affects Medicare Part B professional service billing.

CEO Dr. Webb advised data collected in 2017 is reported in 2018 and will affect an increase or decrease of payment in 2019. PSMC received a total score of 96 points out of 100 points and that anything above 70 points for Medicare is noted as an exceptional performance.

CEO Dr. Webb stated PSMC has been made eligible for 2019 payment of up to 4% on the Medicare Part B funds; however this is a budget-neutral program. There is continual discussion about what is going to happen with the actual occurrence of the payment and how much that will actually mean to PSMC is not known, but it is not predicted to produce a negative payment for PSMC's Part B in 2019. CEO Dr. Webb ended by noting this is a constantly changing environment.

Vice-Chair Schulte noted the CHA conference was held in Golden, Colorado, and he found the conference to be a helpful and valuable mix of operational and board trustee attendees, as well as a lot of special districts and hospitals in attendance.

Vice-Chair Schulte noted highlights from the conference were:

1. Changes in billing regarding Medicare/Medicaid will be a big deal for the District. The District should continue to pay attention to and stay involved with predicted changes.
2. USJHSD is a wonderful organization and are doing a lot that we should be proud to tell people about. We have a great story to tell.

Vice-Chair Schulte noted there is not currently a budgeted item for training for the Board and he would like to advocate for 2019 to have a training/conference budget established for the Board.

v) Finance Report

CFO Wilson began noting February was not a good revenue month and that the month had ended 10% lower than last February (2017). Contractual allowances, though, were better than expected, given the lower revenue. Other operating income was \$54,000.00 over budget and expenses were \$129,000.00 under budget for the month of February. CFO Wilson advised it is expected to have occasional months like February, where revenues are just not up to par. PSMC is an institution with limited flexibility from a day-to-day perspective in terms of staffing and most of the cost – CFO Wilson gave a rough estimate of variability of less than 10% in total. Compared to prior years, there is hope that June, July and August will produce much higher revenue, as it has historically been that way, anywhere from 40% – 50% higher than May. All of the information given will need to be taken in context of where the District is projected to be, though expenses will still need to be monitored as closely as possible.

CFO Wilson then advised the Board he continues to be optimistic with the oncology program and the number of patients already seen considering the typically lengthy time period between first visit and getting patients qualified for infusion treatments – which is where revenue shows up in an oncology program

CFO ended advising the Board that he attended a meeting of the Colorado Department of Health Care Policy and Financing EAPG Engagement Meeting last Friday. The primary purpose of the meeting was for the nine hospitals that are a part of the Colorado network to express some of their concerns to officials about some issues that are happening with EAPGs (Enhanced Ambulatory Patient Grouping for Colorado Medicaid). CFO Wilson reported that all of the hospitals in attendance were mostly in agreement with the issues the state has had rolling out this program.

A bigger issue for PSMC is that the state advised back in November 2015 that the payment change resulting from the EAPGs would have a negative impact of \$100,000 for PSMC. Historically, PSMC has been paid on a percentage of the cost based upon the Medicare cost report.

Unfortunately, only 69% of cost is what was paid. According to CFO Wilson, the state was essentially saying EAPGs were going to pay \$100,000 less than 69% of costs. However, by CFO Wilson's calculations, with current EAPGs, they are paying PSMC \$1MM less than costs. Most of the other hospitals in attendance at the meeting concurred with his comments relative to EAPGs.

CFO Wilson further reported that other comments were made to state officials, one of which was that there is a reconciliation period that is supposed to take place. The new process is said to officially start in November 2018, though the system is said to not be ready until March 2019, therefore the state advised they will do reconciliation for the four months. The hospitals in attendance all suggested not to do reconciliation and to change the start date to March 1, 2019.

The second main comment made was rural hospitals, especially CAHs, need to be on a totally different basis from urban hospitals in terms of base rate for EAPGs.

Chair Floyd asked a question regarding how the above-mentioned comments were received by state officials. CFO Wilson answered.

b) **Written Reports** *(there was no oral report unless the Board had questions)*

i) Operations Report

There were no questions.

ii) Medical Staff Report

Chair Floyd asked a question regarding why there was a new trigger on peer review that specified a time frame of less than 24 hours. COS Dr. Ralph Battels and CEO Dr. Webb both answered.

7) **CONSENT AGENDA**

Chair Floyd opened the discussion briefly recounting the items on the consent agenda and inquired of any questions or objections. There were none.

Vice-Chair Schulte motioned to approve the minutes of the regular meeting of 02/27/2018, and the Medical Staff report recommendations regarding new provider privileges, renewal of provider privileges and/or Medical Staff policies/forms.

Upon motion seconded by Director Mees, the Board unanimously approved said agenda items.

8) **EXECUTIVE SESSION**

The Board did not meet in executive session.

9) **OTHER BUSINESS**

There was no other business.

10) **ADJOURN**

There being no further business, Chair Floyd adjourned the regular meeting at 6:32 p.m. MDT.

Respectfully submitted,

Heather Thomas, serving as Clerk to the Board

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, Ralph Battels

**7) 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 Minutes for the following meeting(s):

- i) Regular meeting of: 02/27/2018
- b) Acceptance of recommendations set forth in the Medical Staff Report regarding new provider privileges, renewal of provider privileges and/or Medical Staff policies/forms.

**8) EXECUTIVE SESSION**

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

**9) OTHER BUSINESS**

**10) ADJOURN**