



NOTICE OF REGULAR BOARD MEETING OF  
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT dba PAGOSA SPRINGS MEDICAL CENTER  
Tuesday, May 23, 2017 at 5:30 PM  
**The Great Room, PSMC Main Building (in the old clinic area)**  
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, Jodi Scarpa, 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:~~**

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

a) **CAPITAL EQUIPMENT FINANCING**

- i) Overview of Capital Equipment Financing; Recommendation of the Finance Committee: Dennis Wilson will provide the overview. Dennis Wilson and Chair Mark Floyd for the Finance Committee report the recommendation of the Finance Committee to proceed with the capital equipment financing.
- ii) Consideration of Resolution 2017-08 (written resolution in the packet) regarding approval of the capital equipment financing on most favorable terms not to exceed \$500,000, 5 year amortization and an interest rate of 4%.

b) **ONCOLOGY**

- i) Overview of the Oncology Business Plan; Recommendation of the Finance Committee recommendation: Brad Cochennet will give an overview of the Oncology Business Plan. Dennis Wilson and Chair Mark Floyd report that the Finance Committee recommends approval of the Oncology Business Plan. The report of the Finance Committee includes: (i) management and the committee acknowledge the need to monitor how the Oncology Business Plan impacts cash; (ii) management represents that PSMC anticipates adequate cash at the end of the year and, in addition, the Foundation will launch a specific fund-raising campaign to support an oncology program in

ii) Consideration of Resolution 2017-09 (written resolution in the packet) regarding approval of the Oncology Business Plan.

i) Chair Report	Chair Mark Floyd
<del>ii) Strategic Planning</del>	<del>Vice Chair Greg Schulte</del>
iii) Contracts	Dir. Jerry Baker
iv) Succession Planning	Dir. Kate Alfred
v) CEO Report	Chief Executive Officer, Brad Cochennet
vi) Finance Report	CFO, Dennis Wilson and Treasurer Jerry Baker

i) CAO Report	Chief Administrative Officer, Ann Bruzzese
ii) CNO Report	Chief Nursing Officer, Kathee Douglas
iii) CMO Report	Chief Medical Officer, Rhonda Webb
iv) COS Report	Chief of Staff, Ralph Battels

- i) 2017-01 (passed in January) change order for Remodel #1 and repair of HVAC;
- ii) 2017-02 (passed in January) approval of 2017 goals;
- iii) 2017-03 (tabled in January approved in Feb.) approval of CEO job description;
- iv) 2017-04 (passed in January) approval of part-time foundation director services from 2/1/18-1/31/20;
- v) 2017-06 (passed in February) adoption of policy re Medical Aid In Dying;
- vi) 2017-05 (passed in February) accept PSMC annual report of PSMC peer review activities;
- vii) 2017-07 (passed in April) approval of Remodel #2;

**9) ADJOURN**



## **MINUTES OF REGULAR BOARD MEETING**

**Tuesday, May 23, 2017**

**5:30 PM**

**The Great Room, PSMC Main Building (in the old clinic area)**

**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 May 23, 2017, at Pagosa Springs Medical Center, The Great Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado.

Directors Present: Chair Mark Floyd, Vice-Chair Greg Schulte, Secretary/Treasurer Jerry Baker, Director Dr. Jim Pruitt, Director Kate Alfred, and Director Matt Mees.

Present by phone were Director Dr. Richard Zak and CFO of Pagosa Springs Medical Center, 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 of the Board, Jodi Scarpa, 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**

Item intentionally struck from agenda. There was none.

### **4) DECISION AGENDA**

#### **a) CAPITAL EQUIPMENT FINANCING**

##### **i) Overview of Capital Equipment Financing; Recommendation of the Finance Committee:**

CFO Wilson provided an overview of the proposed capital equipment financing

and advised the Board of the Finance Committee's recommendation to proceed with the financing as indicated in the attached Finance Committee report.

Questions were asked and answered.

ii) Consideration of Resolution 2017-08

Secretary/Treasurer Baker motioned to approve Resolution 2017-08 regarding approval of the capital equipment financing on most favorable terms not to exceed \$500,000, five year amortization and an interest rate of four percent.

Upon motion seconded by Director Mees, the Board unanimously approved Resolution 2017-08.

b) **ONCOLOGY**

i. Overview of the Oncology Business Plan; Recommendation of the Finance Committee:

CEO, Brad Cochennet, provided an overview of and presented before the Board the Oncology Business Plan. Vice-Chair Schulte advised the Board that the Strategic Planning Committee also recommended the business plan subject to approval by the Finance Committee.

Secretary/Treasurer Baker commented that the plan was excellent and well done.

Questions were asked and answered.

ii. Consideration of Resolution 2017-09

Secretary/Treasurer Baker motioned to approve Resolution 2017-09 regarding approval of the Oncology Business Plan. Upon motion seconded by Director Alfred, the Board unanimously approved Resolution 2017-09.

5) **REPORTS**

a) **Oral Reports**

i) Chair Report

Chair Floyd reported on the progression of the newly-incorporated Work Sessions, stating that it is his recommendation that in-depth departmental reports would be presented before the Board in work sessions, instead of regular board meetings, to allow more informal conversation and inquiries as regular board meetings do not afford the extra time for such interaction. He went on to state that this would also allow more in-depth interactions with committees (in cases similar to the Oncology Business Plan).

ii) Strategic Planning

Item intentionally struck from agenda. There was no report.

iii) Contracts

Secretary/Treasurer Baker advised there was no report as the Contracts Committee did not have a recent meeting.

iv) Succession Planning

Director Alfred advised there was nothing to report.

v) CEO Report

CEO Cochennet provided personal observations regarding the search for a new CEO. In his oral report, he stated that he believes the qualifications for the new CEO include a focus on business and growth, fundraising and capital, balance sheet management and quality as we deepen service line development.

vi) Finance Report

CFO Wilson presented the attached report stating that the month of April was not a terrific month. As outlined in the attached report, Mr. Wilson advised gross charges were under budget resulting in an operating loss for the month, adding he believes one of the reasons that revenues may have been low relates to (1) the relocation of clinic operations from the old clinic to the new clinic space; and (2) the temporary relocation of certain staff and renovation of Surgical Services.

CFO Wilson then advised the Board the Provider Fee as an Enterprise Fund was approved by both houses of the Colorado legislature, therefore the proposed cuts will not occur for the current year. Mr. Wilson added that until further reporting from the State this summer the amount of additional reimbursement that will be received is not yet known to us.

Chair Floyd noted the Finance Committee has received and accepted the annual external audit report, with the only adjustment being an accrual for the 2016 management bonus. The final audit, with said adjustment, will be presented to finance committee in June and finance committee will make a recommendation to the Board.

b) **Written Reports** *(no oral reports were presented unless the Board had questions)*

i) CAO Report

There were no questions.

ii) CNO Report

There were no questions.

iii) CMO Report

There were no questions.

iv) COS Report

There were no questions.

6) **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 moved to approve the minutes of the regular meeting of 04/25/2017, the Medical Staff report recommendations for new or renewal of provider privileges, and the correction of mis-numbering of a 2017 resolution.

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

**7) EXECUTIVE SESSION**

Chair Floyd announced a brief break prior to meeting in executive session at 6:09 p.m. MDT. Upon motion duly made and seconded, the Board met in executive session at 6:15 p.m. MDT pursuant to C.R.S Section 24-6-402(4)(b) for the purposes of receiving legal advice on specific legal questions.

Those present in executive session were: Char Floyd, Vice-Chair Schulte, Secretary/Treasurer Baker, Director Alfred, Director Dr. Pruitt, Director Mees. Also present were: CEO Cochennet, CAO Ann Bruzzese, COS Dr. Ralph Battels, and Ms. Scarpa as Clerk for the Board.

Chair Floyd adjourned executive session at 6:59 p.m. MDT.

**8) OTHER BUSINESS**

- a) The Board directed staff to arrange and conduct in June the initial interviews for the CEO position in a manner compliant with the Open Meetings laws including use of the Succession Planning committee.

**9) ADJOURN**

There being no further business, Chair Floyd adjourned the regular meeting at 7:00 p.m. MDT.

Respectfully Submitted,  
Jodi Scarpa, serving as Clerk for the Board