

**Heart of the Rockies Regional Medical Center
Board of Directors Meeting
June 24, 2025**

Attendance: Mr. Dean Edwards, Ms. Stacy Osborne, Dan Wardrop, M.D., Lydia Segal M.D. and Mr. Bill Alderton. Also in attendance: Mr. Robert Morasko, CEO; Mr. John Tucker, President, Ms. Karen Miller, Chief Financial Officer; Ms. April Asbury, VP of Patient Services; Ms. Heather Roberts, VP of Provider Services; Ms. Desirae Westphal, VP of Operations; Sarah McMahon, VP of Human Resources; Ms. Lezlie Burkley, Foundation Director; Ms. Allison Gergley, Public Relations, Marketing Director; Dr. Joshua Visitacion, Chief of Staff.

The meeting was called to order at 1:05 P.M.

Public Comment:

Ms. Susan Maruso, a nurse at HRRMC raised concerns about the affordability of CPAP machines for employees. She praised Dr. Susan Lesage who will be retiring soon.

Consent Agenda

The Consent Agenda items, denoted on the Agenda for this meeting, were presented to the Board in written form. Minutes of May 27, 2025 and Capital Requests.

Motion: Bill Alderton moved to approve the consent agenda
Second: Dr. Wardrop
Vote: Unanimous

Focus Topic: RHC Overview, Heather Roberts, VP of Provider Services

Ms. Roberts provided an overview of the Rural Health Clinic (RHC) program explaining its purpose is to improve access to healthcare in rural areas. She outlined the requirements for RHC designation, including location in non-urbanized areas, employing non-physician providers, and offering routine lab testing. Heather discussed recent changes to the program, such as elimination of productivity standards and modifications to telehealth services. She reviewed the reimbursement structure for RHC's, noting that HRRMC's clinics are grandfathered into cost-based reimbursement and detailed the staffing, services, and specialties offered at the four RHC's operated by HRRMC.

Medical Staff Report: Joshua Visitacion, Chief of Staff

Dr. Visitacion reported continued highly engaged robust Medical Staff meetings.

Finance Report: Ms. Karen Miller, Chief Financial Officer

Ms. Miller presented the Finance report for the month ending May 31, 2025. Karen highlighted strong performance across various metrics. Discharges exceeded budget by 41% for the month and 9% year-to-date, while total revenues beat budget by over \$500,000. The hospital achieved a total margin of \$1.3 million for the month, surpassing budget by nearly \$500,000. Karen notes that the CHASE program contributes

significantly to the hospital's net operating income, representing 70% of it year-to-date. She emphasizes that while the hospital would remain profitable without CHASE funds, they enable investments in new technologies and expansions.

Mr. Edwards thanked Karen on behalf of the Board for all her accomplishments in the short time she has been here.

CEO Report – John Tucker

John provides an update on the Da Vinci surgical robot proposal. He presented slides explaining the rationale for acquiring the robot, including improved patient outcomes, physician recruitment, and retention of cases that currently get referred out. The team estimates 96 incremental cases in the first year, with conservative 2% annual growth. The finance committee is considering this proposal, and due to the vendor's quarter-end timing, a special meeting may be called before the end of June to make a decision. John emphasizes that the case volume estimates are based on actual referral data, though slightly conservative.

The Board discussed the financial aspects of acquiring a Da Vinci 5 robotic surgical system. John presented a detailed breakdown of the capital costs, projected revenue, and expenses for the first five years. The initial investment is estimated at just under \$3 million, with a positive net operating income expected from year one. The project is projected to have a positive cumulative free cash flow by year 4 and an internal rate of return of nearly 17%. The discussion also covers the potential impact on inpatient days, with some procedures potentially reducing hospital stays, though the overall effect on patient days is expected to be minimal due to the incremental nature of most new cases.

Motion: Bill Alderton moved to authorize administration to continue negotiations and finalize by June 30th based on the presented budget of \$2.9M.

Second: Dr. Wardrop

Vote: Unanimous

Committee Reports:

Finance Committee – Stacy Osborne

Ms. Osborne had no additions to Ms. Millers report.

Facilities and Strategic Planning Committee – Bill Alderton

Bill reported the Pharmacy Remodel a few loose ends remain. Staff are now occupying the space.

The Wound Care Center and Oxygen Plant relocation are progressing.

Privacy pieces in the main lobby are currently at a standstill.

Bid packages have been released to general contractors for the East addition. Drawings are submitted.

Electrical, mechanical and water studies continue on the West End Addition.

We are anticipating the signage on the DelNay Guest House/Employee Housing to be complete by July.

We are currently negotiating with a company to provide direct current charging stations for the parking lots.

Foundation Report – Lezlie Burkley

Lezlie reported John Tucker provided an outstanding presentation to DOLA last week. We should hear whether we will receive funds in mid-July.

Jewel Ball sponsor table letters were distributed. 4 tables remain for sponsorship.

Letters have been distributed to all managers and supervisors for the HRRMC Auxiliary Minor Equipment Purchase.

Old Business:

Legal Counsel:

Bill Alderton stated Sarah McMahon reached out to the Special District for recommendations. Two candidates were interviewed. Ireland Stapleton/Emily J Powell, Attorney at Law was the committee's choice for legal counsel.

Motion: Bill Alderton moved to execute the Engagement Letter with Ireland Stapleton/Emily J Powell for legal services.

Second: Dr. Segal

Vote: Unanimous

CEO Search Process:

Mr. Edwards shared information from a Special Districts Association meeting regarding legal requirements for search committees, including the need to convene open meetings.

The board agrees to have Sarah McMahon work with their new legal counsel Emily Powell to develop a proper hiring process over the next month, with input from board members Dan Wardrop, M.D. and Lydia Segal, M.D. They emphasize the need to follow legal requirements for transparency and public input while avoiding triggering open meeting laws. The board plans to review the proposed process at next month's meeting.

Adjournment

Motion: Bill Alderton moved to adjourn to executive session for the items listed to include Bob Morasko, John Tucker, VP's, Dr. Visitacion and Emily Powell at 2:13 P.M.

Second: Stacy Osborne

Vote: Unanimous

The board returned to regular session at 3:32 P.M.

Motion: Bill Alderton moved to approve the Medical Staff report.

Second: Dr. Wardrop

Vote: Unanimous

Motion: Bill Alderton moved to approve the Risk Management and Grievance Report as presented

Second: Dr. Wardrop

Vote: Unanimous


Adjournment

Motion: Bill Alderton moved to adjourn at 3:36 P.M.

Second: Dr. Wardrop

Vote: Unanimous

Respectfully submitted,


Stacy Osborne (Aug 2, 2025 12:42:55 CDT)

Stacy Osborne,
Secretary-Treasurer






Board Minutes June 2025 Approved June 24, 2025

Final Audit Report

2025-08-02

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