

**Heart of the Rockies Regional Medical Center
Board of Directors Meeting
February 24, 2026**

Attendance: Ms. Stacy Osborne, Mr. Bill Alderton, Mr. Dean Edwards, Dan Wardrop, M.D., Lydia Segal, M.D. Also in attendance: Mr. John Tucker, CEO; Ms. Aysha Douglas, VP of Finance; Ms. April Asbury, VP of Patient Services; Ms. Heather Roberts, VP of Provider Services; Ms. Sarah McMahon, VP of Human Resources; Taisa Wiedel, VP for Medical Affairs; Ms. Allison Gergley, Director of Marketing; Ms. Lezlie Burkley, Foundation Director, Emily Powell, Legal Counsel and Dr. Joshua Visitacion, Chief of Staff.

Call to Order

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

Board Approval of or Amendment to the Agenda:

Director Edwards informed the group that capital purchase item E – West End Expansion for \$13,141,725.00 will be removed from the consent agenda for further discussion.

Director Alderton moved to approve February 24, 2026, HRRMC Board of Directors Meeting Agenda as written. Director Segal seconded the motion and the motion carried unanimously.

Public Comment

Beverly Freeman expressed the importance of good communication with the public. She inquired about removing the hyperbaric chamber from the Wound Care Project and why the community needs a rural health clinic.

Emily Powell, Legal Counsel introduced James Silvestro, a colleague who will attend the March Board of Directors meeting in her place.

Director Edwards introduced Taisa Wiedel, M.D. the new VP for Medical Affairs.

Consent Agenda

The Consent Agenda items were presented to the Board in written form.

Director Alderton expressed concern with the pricing on Capital Request Item B, the Urology Holium Laser Enucleation of the Prostate with a price of \$127,108.43 and an email to Chris Hudson included in the request referencing MD Buyline pricing. John Tucker explained that HRRMC is part of a group purchasing organization called Vizient. In the email, Vizient pricing was extended.

Director Segal inquired about Capital Request item F, the Medtronic Esophageal Manometry System. April Asbury explained the capital was submitted for approval

however the IFU for cleaning has not been clarified. Currently this organization is unable to accommodate the suggested requirements based on ventilation. Alternative cleaning options were requested, however currently it is uncertain.

Director Alderton moved to approve the Consent Agenda including minutes of the previous meeting on January 27, 2026, as written and Capital Requests A, B, C, and D. Capital requests E and F are removed from the Consent agenda pending further discussion and information. Dr. Segal seconded the motion and the motion passed unanimously.

Regular Agenda

Focus Topic: Colorado Healthcare Affordability Sustainability Enterprise (CHASE) Overview, Aysha Douglas

Ms. Douglas provided a comprehensive overview of the Chase program, which significantly impacts the hospital's finances. CHASE is a hospital fee that is matched with federal funds and redistributed. For many Hospitals, CHASE results in net positive funding, especially for Medicaid/uninsured care, rural care, and safety-net services. Variability, compliance requirements, and changing methodologies make ongoing monitoring and strategic planning challenges.

The hospital received \$9.4 million in total CHA payments in FFY 2024-2025, after paying \$3.7 million in fees, resulting in a net benefit of \$5.7 million (approximately 50% of monthly operating income). HR1 legislation will reduce federal matching rates by 0.5% annually, potentially decreasing HRRMC's benefit by approximately \$4.5 million over time.

AHA Rural Health Conference:

John Tucker, Directors Edwards and Segal attended the AHA Rural Health Conference in San Antonio Texas February 8th through 11th. There were many informative sessions including board governance, patient quality, 340B, cybersecurity and AI. John and Dean attended the CEO/Board Chair work session and John caught up on federal updates regarding HR1 and challenges for rural hospitals. Director Segal reported she was disappointed in AHA's definition of rural.

Medical Staff Report: Dr. Joshua Visitacion, M.D. Chief of Staff

Dr. Visitacion stated he had nothing to share at this time.

Finance Report: Aysha Douglas, VP of Finance

Aysha Douglas reviewed January 2026 financial results, which showed operating income of \$858,000 against a budget of \$100,000, with expenses being favorable by \$1.4 million, offsetting revenue shortfalls.

Net Patient Revenues were \$13.0M for the month compared to the budget of \$14.2M, are under budget by 8.5%.

Total operating expenses of \$13.3M for the month are favorable to the budget of \$14.7M by 9.4%.

Change in Net Position increased \$1.1M for the month compared to the budget of \$288.1 K. Total margin for the month is 7.4% compared to the budget of 1.9%

Total Days Cash on Hand of 257 decreased 6 days from the prior month of 263 based on a rolling 12-month calculation.

Cash balances increased 3.2% over the prior month and our operating expenses per day (excluding non-cash expenses) increased 0.2%.

Cash flows decreased \$3.5M for the month primarily due to operating income \$857.8K, offset by a \$1.5M decrease in accounts payable, a \$1.5M decrease in third party settlements and a \$910.1K decrease in health insurance claims.

Aysha recognized Karen Brown, the new Director of Revenue Cycle.

CEO Report: John Tucker

John reported the Stroudwater project is underway. Directors Wardrop and Segal met with them recently.

There is a lot of excitement in the physician recruitment process including site visits soon.

John welcomed Taisa Wiedel, M.D., the new VP for Medical Affairs.

The Board discussed the nurse staffing report, current dialysis and plans to expand patient transportation and marketing efforts to attract more patients from surrounding areas.

Heather Roberts explained the current staffing model for the dialysis unit and plans to add pain management services.

Committee Reports:

Finance Committee: Stacy Osborne

Director Osborne reported that the Finance Committee is taking a close look at spending throughout the organization and focusing on areas that can be more efficient. A summary of the cost report issues created by Aysha Douglas will be distributed to the Board which will explain how the process will vet out.

Facilities and Strategic Planning Committee: Bill Alderton

West Side Addition: Director Alderton reported an old HVAC unit and backup generator will require replacement along with code changes requiring replacement of fire alarms and sprinkler systems. Chris White with Colarelli Construction provided an estimate of \$1.5-\$1.7 million for the replacement. Chris explained that while the hospital's existing ORs are grandfathered for robotic surgery, two new ORs will be built in the expansion area to meet future requirements, though plans to convert a procedure room were abandoned due to infrastructure limitations. The total project size increased to 16,000 square feet, with additional costs primarily in the remodel portion, bringing the total project cost to approximately \$13 million. The Board agreed to implement a new process for future facility projects, involving more frequent meetings and detailed planning, to avoid unexpected costs and scope changes.

Chris explained that the original \$13 million estimate for a shell building has grown to \$13.1 million due to additional work, including the new HVAC units and generators. The Board debated whether to approve an additional \$141,000 for further improvements. They expressed concern about the lack of a clear return on investment analysis and requested more information on how the project would benefit the hospital and emphasized the need for a financial analysis to justify the additional costs, which should be provided by administration rather than facilities. They discussed plans to complete the shell by second quarter 2027 and acknowledged that the total project cost would likely exceed \$13.1 million, with interior finishes potentially adding \$5-7 million more. The board agreed to reconvene in April to review detailed cost estimates for the interior finishes, which will be available in about 60 days. In the meantime, they will need to decide whether to proceed with the core and shell construction, which could begin as early as April, while still awaiting final cost approval for the entire project.

Director Alderton moved to approve Capital Request E, The West End Expansion Phase 1 Core Shell for \$13,141,725.00. Director Osborne seconded the motion. The motion passed unanimously.

John Tucker reported the management's position for the best use of the second floor is rehab services and oncology/infusion on the third floor. General surgeons and architects need to collaborate to decide on some small modifications for the wound care space on the first floor. The consensus seems to be that Hyper Baric Oxygen is not a good use of our time and money at this point.

The ruling from CMS regarding losing our HPSA designation will halt thoughts of relocating the clinic to the campus. Hwy 50 will require increased square footage and an extensive remodel.

Director Alderton moved to authorize Colarelli Construction to proceed with design work for the second and third floors of the east expansion which will house rehab services for the second floor and oncology /infusion for the third floor. Director Segal seconded the motion and the motion passed unanimously.

Foundation report – Lezlie Burkley

Lezlie reported Petterson's community project funding opened Friday, February 20th. She requested authorization from the Board to be on a letter of support for the west expansion.

Director Wardrop moved to authorize a letter of support for HRRMC's grant submissions for construction of the HRRMC Surgery & Radiology Expansion. Director Segal seconded the motion. The motion passed unanimously.

Lezlie reported that the 2026 honoree will be Ken Leisher, a previous CEO of the hospital and the Women's Wellness FY27 contract is facing a \$60,000-70,000 funding gap due to delayed CDC money.

The Board took a short recess at 3:35 P.M.

The meeting reconvened at 3:40 P.M.

Old Business:

There was none known to be presented

New Business:

Provider Stabilization Fund Contribution:

John reported The Colorado Hospital Association partnered with state officials to establish this fund aimed at supporting safety net health care providers serving low-income, uninsured and Medicaid-unwound populations. It supports struggling providers, protects patient access to care and leverages state appropriations and potentially other contributions combined with federal matching funds to create a pool for payments which are distributed to eligible providers based on their share of low income, uninsured individuals served. CHA is trying to raise \$40M from hospitals and other healthcare providers. HRRMC's share is \$69,000. John recommended continuing to be supportive members.

Director Wardrop moved to approve the Provider Stabilization Fund Contribution, Director Osborne seconded the motion. The motion passed unanimously.

Approval of 2026 Organizational Strategic Plan:

Director Alderton moved to approve the 2026 Organizational Strategic Plans, Director Osborne seconded the motion and the motion passed unanimously.

Review and Approval of 2026 Staffing Plan:

Director Wardrop moved to approve the 2026 Staffing Plan. Director Osborne seconded the motion and the motion passed unanimously.

Adjournment

- A. Director Alderton moved to adjourn to executive session at 3:51 P.M. for Matters required to be kept confidential by federal or state law (including, but not limited to, Quality Issues and Physician Credentialing) – C.R.S. 24-6-402(4)(c); C.R.S. 12-36.6, et. seq., 4 C.R.S.; and U.S. Health Care Quality Improvement Act of 1986, 42 U.S.C., Section 11101, et. seq. Medical Staff Credentials and Risk Management and Grievance Reports and Negotiations – C.R.S. 24-6-402(4)(e) to discuss matters subject to negotiation and instruct negotiators related to the proposed Connectivity Agreement with Aspen Valley Health to include John Tucker, VP's, Jesse Kaisner, Dr. Visitacion and Emily Powell. Director Osborne seconded the motion and the motion passed unanimously.

The board returned to regular session at 4:14 P.M.

Director Wardrop moved to approve the medical staff credentials report. Director Osborne seconded the motion and the motion passed unanimously.

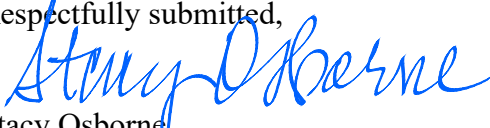
Director Wardrop moved to approve the Risk and Grievance reports as presented. Director Osborne seconded the motion and the motion passed unanimously.

Director Alderton moved to approve the Connectivity Agreement with Aspen Valley Health as presented by Emily Powell contingent upon resolution of the final systems performance credit. Director Wardrop seconded the motion and the motion passed unanimously.

Adjournment

Director Wardrop moved to adjourn at 4:18 P.M. Director Segal seconded the motion, and the motion passed unanimously.

Respectfully submitted,



Stacy Osborne,
Secretary-Treasurer