

Heart of the Rockies Regional Medical Center
Board of Directors Meeting
May 27, 2025

Attendance: Mr. Dean Edwards, Lydia Segal M.D, Mr. Bill Alderton, Ms. Stacy Osborne, Dan Wardrop M.D. 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; Ms. Sarah McMahon, VP of Human Resources; Ms. Lezlie Burkley, Foundation Director; Dr. Joshua Visitacion, Chief of Staff, Jesse Kaisner, Information Systems Director, Allison Gergley, Marketing Director.

The meeting was called to order at 1:04 P.M.

Public Comment

None Given

Discussion:

Mr. Edwards added an additional item to the Consent Agenda under New Business, Strategic Plan Review.

Capital Request item #5, the Cardio Pulmonary Remodel has been set aside for discussion at a later time. Change Order #1, Changes to the Wound Care Center was also removed based on the complexity and size. It will be addressed adjacent to the facilities report. Capital Requests #1, 2, 3, 4, 6 and 7, and Change Order # 2 were approved by the Finance Committee.

Consent Agenda

The Consent Agenda items, denoted on the Agenda for this meeting, were presented to the Board in written form.

Motion: Bill Alderton moved to approve the Consent Agenda: Minutes of the previous meeting of April 22nd, 2025, Capital Requests #1, 2, 3, 4, 6, and 7 and Project Change Order #2, excluding Capital Request #5 and Change Order #1.

Second: Dr. Segal

Vote: Unanimous

Focus Topic

April Asbury, VP of Patient Services provided an overview of HRRMC's Just Culture. She explained its commitment to fair and supportive treatment of staff and patients, including ongoing training and good catch system. All new employees receive Just Culture training. The Board discussed coordinating with marketing to promote the Just Culture program on the website.

Medical Staff Report

Nothing of concern to report.

Finance Report

Ms. Miller reported HRRMC's financial overview of month ending April 30th, 2025 shows net patient revenues of \$13.7M for the month compares favorably to the budget of \$13.3M representing a 3.3% favorable variance. YTD net patient revenues of \$52.5M are unfavorable to budget of \$52.9M.

Total operating expenses ("TOEs") of \$13.4M for the month are slightly unfavorable to the budget of \$13.2M - a 1.1% variance. The variance is primarily due to patient supplies and pharmaceuticals.

Change in Net Position increased \$1.6M for the month exceeded the budget of \$922K.

Excess of Revenues over Expenses of \$1.4M for the month is favorable to the budget of \$897K. On a YTD basis, excess revenues over expenses of \$4.2M represents a total margin of 7.5% which is favorable to the budgeted total margin of 5.5%.

Total Days Cash on Hand ("DC0H") – 246 Days. Cash on hand for Debt covenants was 159 exceeding the required 75 days.

Net Days in Accounts Receivable YTD calculation of 46.6 on a budget of 50.0 has decreased from the prior month of 47.3 and is now favorable to State and National Metrics which average 47.4.

See stats below:

- Inpatient discharges were 83, compared to the budget of 78 and the last 3-month average of 76. (Included in the inpatient discharges are swing bed discharges of 5 compared to a budget of 10 and the last 3-month average of 8.)
- Total patient days were 325, compared to the budget of 287 and the last 3-month average of 284 (Included in the total patient days are swing bed days of 41 compared to a budget of 79 and the last 3-month average of 63.)
- Outpatient visits were 7,892, compared to the budget of 7,412 and the prior month of 7,659.
- Clinic visits were 9,531, compared to the budget of 9,782 and the prior month of 8,990.
- Average length of stay (total) was 3.92 compared to the budget of 3.68 and the prior month of 3.65.
- Average daily census ("ADC") was 10.8, compared to the budget of 9.6 and the prior month of 10.1.
- Observation hours were 2,534 compared to the prior month of 3,332. Observation hours equate to an additional ADC of 3.5.

CEO Report

Mr. Tucker announced the successful recruitment of general surgeon Dr. Stefan Iverson. His arrival is anticipated in late August or mid-September which should coincide with general surgeon Dr. Zach Green's arrival. Aysha Douglas our Chief Financial Officer candidate has accepted our offer and will arrive mid to late July. Karen Miller will support us remotely through the transition.

John updated the Board on the ongoing EHR selection process coordinated by Jesse Kaisner, Information Systems Director. He reviewed an EHR Cost Analysis focusing on implementation costs, ongoing expenses, and total cost of ownership over 20 years. He presented detailed comparisons for UCHealth's EPIC, OCHIN's EPIC, Meditech as a service, and a traditional on-premises expense implementation. The analysis showed that UCHealth's EPIC would be the most cost-effective option at \$32M over 20 years, while OCHIN's EPIC and Meditech as a service would cost significantly more. There was discussion regarding concerns about potential cost increases with UCHealth in the future. A sensitivity analysis to evaluate the impact of varying annual increases was suggested. The AI integration and potential for universal healthcare data sharing in the future was also discussed.

Committee Reports

Finance Committee: Stacy Osborne

Ms. Osborne reported Jesse Kaisner provided a quarterly information systems security update. Heather Roberts, VP of Provider Services presented an overview on Rural Health Clinics in the Finance Committee. The Board is requesting this presentation as a Focus Topic in a future.

Facilities and Strategic Planning Committee: Bill Alderton

West End Expansion:

Chris White, VP of Colarelli Construction joined the meeting to discuss the 16,300 square foot West End Expansion that includes new storage space, staff restrooms, office areas, and surgical rooms. The total estimated cost is \$13M, with \$6.3M already allocated in the capital budget. There was discussion regarding whether the expansion is necessary and aligned with user needs and wants, particularly regarding the OR capacity and material's department space. Power and utility requirements, including the potential relocation of the generator and the need for additional trailer parking for medical equipment. The next steps are proceeding to final design documents, getting the drawings out for bid, and returning to the facilities committee with final numbers.

Motion: Bill Alderton moved to direct the Facilities committee to proceed with final design drawings on the \$13M West End Expansion project.
Second: Dr. Segal
Vote: Unanimous

The meeting recessed at 3:05 P.M.
Meeting convened at 3:16 P.M.

Wound Care Change Order:

Chris White reported the Board approved a \$2.5M project in June of last year. Those numbers were based off of a design for a single bed. This expanded to include a second bed, surgery offices, and infrastructure upgrades. Chris explained the changes and cost increases, including additional design fees, construction management, and structural engineering. With changes and cost increases final numbers came to a net of \$611,198.00.

Motion: Bill Alderton moved to approve the Changes to the Wound Care Center Change Order #1 on the consent agenda in the amount of \$611,198.00.
Second: Dr. Segal
Vote: Unanimous

Foundation Report: Lezlie Burkley

Lezlie Burkley provided updates, including a donation to the Guest House of \$50.00 as well as a potential open house date for the DelNay Guest House, two scholarship awards, and a transfer from the foundation to the hospital on May 14th of \$148,000.00. In addition the foundation contributed \$18,000.00, a furniture overage which will be applied to the donor park. The Jewel Ball is scheduled for October 2nd, 2025.

New Business:

Seating of Newly Elected Board Members and Administration of the Oaths of Office

Three positions open on the board; Dean Edwards, Bill Alderton, and Lydia Segal, M.D. were elected to fill the positions. In the accordance with the Special District Act, new Oaths of Offices were administered by Makenzie Shane, Deputy Designated Election Official.

Annual election of three officers

In accordance with Article IV (1) and Article V (1) of the bylaws of this Salida Hospital District, the offices of Chairman, Vice Chairman and secretary-treasurer are to be filled annually.

Motion #4: Dr. Wardrop moved that Dean Edwards be elected chairman of the board. There were no other nominations for this office.

Second: Stacy Osborne

Vote: 4 yes, 1 abstain

Mr. Edwards called for nominations for the remaining two offices of the board.

Motion: Dr. Segal moved that Dan Wardrop, M.D., be elected Vice-Chairman of the board. There were no other nominations for this office.

Second: Stacy Osborne

Vote: Unanimous

Motion: Dr. Wardrop moved that Stacy Osborne, be elected Secretary-Treasurer of the Board. There were no other nominations for this office.
Second: Dr. Segal
Vote: Unanimous

Annual Board Committee Appointments

In accordance with Article VI (9) of the Bylaws of Salida Hospital District, the Chairman shall annually appoint members to the standing committees of the board including the Executive, Finance, Compensation, Strategic Planning and Facilities, PI, and Joint Conference Committees. Mr. Edwards, as chairman appointed the following individuals to the identified committees of the board:

Executive Committee: Dean Edwards and Dan Wardrop, M.D..

Finance Committee: Dean Edwards and Stacy Osborne.

Compensation Committee: Dean Edwards and Dan Wardrop, M.D.

Facilities and Strategic Planning Committee: Bill Alderton and Lydia Segal, M.D.

Performance Improvement Committee: Lydia Segal, M.D. and Dan Wardrop, M.D.

Foundation Board Liaison: Dan Wardrop, M.D.

Annual conflict of interest statements:

Annually, each of the Board members is required to update their individual Conflict of Interest statements. These forms were distributed to each of the members for completion, signing, and returned to be filed among the papers of the board.

Annual Appointment of Members to the HRRMC Foundation Board

In accordance with the Bylaws of the HRRMC Foundation Board, the Hospital Board shall annually appoint community members to the Salida Hospital Foundation d/b/a Heart of the Rockies Regional Medical Center Foundation Board in May to take office in June. Each of these individuals has indicated a willingness to continue to serve on the Foundation Board for the ensuing year effective June of 2025:

Daniel Wardrop, M.D. – Chairman
Tangie Granzella – Vice Chairman
John Tucker – Secretary/Treasurer
Peg Arnett
Tom Eve

Tom Mansheim
Sandy Visnack
Harry Payton, M.D.
Barbara Pearson-Sawyer
Pam Warren

The officers were confirmed at the annual HRRMC Foundation Board of Directors meeting on May 13, 2025.

Motion: Bill Alderton moved to appoint the Foundation Board members as presented.
Second: Stacy Osborne
Vote: Unanimous

Legal Counsel:

The Board discussed the need for legal counsel specializing in district issues. It was proposed a committee be assembled to evaluate current legal services and determine necessary capabilities. Committee members appointed are: Bill Alderton, Lydia Segal, M.D., John Tucker, Bob Morasko and Sarah McMahon. They will report in a meeting at a later date. April Asbury asked that Christine Blaney MacMillan, HRRMC's Compliance Officer be consulted as well.

CEO Search:

The Board reviewed a draft search process for a new CEO, with Sarah McMahon presenting a proposed timeline and steps.

Strategic Plan Review:

The Board considered how to conduct a six month review of the strategic plan, deciding to hold an off-site meeting at Lydia Segal, M.D.'s residence with each department head providing a high-level update on their portion of the plan.

Adjournment

Motion: Bill Alderton moved to adjourn to executive session for the items listed to include VP's, Bob Morasko, John Tucker and Dr. Visitacion at 4:21 P.M.

Second: Stacy Osborne

Vote: Unanimous

The board returned to regular session at 5:05 P.M.

Motion: Dr. Wardrop moved to approve the risk/grievance reports.

Second: Stacy Osborne

Vote: Unanimous


Adjournment

Motion: Dr. Wardrop, moved to adjourn at 5:05 P.M.

Second: Bill Alderton

Vote: Unanimous

Respectfully submitted,


Stacy Osborne (Jun 27, 2025 21:12 EDT)

Stacy Osborne
Secretary-Treasurer






June BOD minutes

Final Audit Report

2025-06-28

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