

Heart of the Rockies Regional Medical Center
Board of Directors Remote Meeting
January 27, 2026

Attendance: Mr. Dean Edwards, Mr. Bill Alderton, Ms. Stacy Osborne, Lydia Segal, M.D., Dan Wardrop, M.D. Also in attendance: Mr. John Tucker, CEO; Bob Morasko, Ms. Aysha Douglas, VP of Finance; 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. Allison Gergley, Director of Marketing and Public Relations; and Dr. Joshua Visitacion, Chief of Staff.

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

Public Comment

There was none.

Board Approval or Amendment to the Agenda:

No amendments or changes were presented.

Director Wardrop moved to approve the agenda as presented. Director Segal seconded the motion and the motion passed unanimously.

Consent Agenda

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

Director Alderton moved to approve the Consent Agenda including Minutes of December 16, 2026, and Capital Requests A, B, and C. excluding the Capital Project Change Order A adding 3510 square feet to the three-story addition - \$1,868,590 requiring further discussion. Director Segal seconded the motion and the motion passed unanimously

Discussion:

The Board reviewed a \$1.8 million change order related to a bridge project known as Option 2, which included a \$700,000 increase from the original budget. The board expressed concern about the lack of a specific dollar amount for Option 2 in previous meetings and the unexpected cost increase for a smaller bridge and discussed the need for a clearer process for approving change orders.

Director Alderton moved to approve the Capital Project Change Order A. Adding 3510 square feet to the Three-Story Addition in the amount of \$1,868,590. Director Segal seconded the motion and the motion passed unanimously.

Focus Topic – None presented

Medical Staff Report:

There was discussion regarding the new position of Chief Medical Officer and whether this position would be required to be a member of the medical staff. It was agreed the new CMO would be a member of the medical staff and would not hold leadership positions within the medical staff hierarchy. The Board suggested this be an addition to the medical staff bylaws.

Finance Report:

Ms. Douglas presented the December 2025 financial report, highlighting strong patient revenues and operating expenses below budget. The organization achieved a \$9.8 million operating loss for the year, \$516,000 over budget, with a 7% total margin compared to a 7.5% budget margin.

Key financial metrics included a 10% increase in cash compared to December 2024, and days cash on hand increased to 263 days. The organization also received a \$1.3 million payment from UC Health related to government hospital funds, which will roll through September of the following year.

CEO Report:

Mr. Tucker updated the Board on some exciting physician recruitment. The surgery department is preparing for Dr. Atwell's arrival. He will hit the ground running with a full day of robotic procedures every week including radical prostatectomies and other large cases.

Committee Reports**Finance Committee**

Director Osborne reported that the organization has hired a new Director of Patient Financial Services who will work with Laura Reed current director to ensure a smooth transition.

Facilities and Strategic Planning Committee

Director Alderton reported that the Facilities Committee decided not to purchase the hyperbaric chamber at this time, despite it being in the budget, due to medical staff recommendations and cost considerations.

Regarding the East Side Addition, there is ongoing debate about the second and third floors of the building with Bill explaining that there are multiple options being considered, including potentially moving the rural healthcare clinic to the campus. However, concerns were raised about the timeline and budget implications of these plans. Potential changes to their rural health clinic operations, particularly regarding Medicare reimbursement changes that eliminated the 4,200 visits per year requirement were discussed. Moving certain specialists to a rural health clinic could result in significantly higher Medicaid and Medicare reimbursements, potentially offsetting physician losses. The Board agreed to conduct an analysis of provider placement and clinic conversion options within 3-4 weeks.

Bill noted that a conversation around the Hwy 50 clinic and a possible remodel quickly became something that didn't appear to be economical.

Permitting is submitted for the West End project, and the East Side Expansion is ahead of schedule due to good weather conditions.

Foundation report: Dan Wardrop, M.D.

Director Wardrop reported grants have been moved forward to the spring. Approximately \$3.0M will be requested on the Congressionally Directed Spending Grants/Community Projects Funding and we are planning on submitting for funding support of electronic medical records software on the Rural Hospital Transformation Grants.

Lezlie Burkley has recommended waiting to request funds from DOLA for the PET/CT Scan equipment until we reach the point where we will be purchasing the scanner early next year.

Old Business

The board reviewed and approved updates to three board policies, including changes to governing roles and responsibilities, board mission policy, and operational policies. They addressed CEO communication requirements and agreed to implement quarterly clinic income statements for all physicians. The board also addressed concerns about patient complaints and decided to keep contacting the executive assistant as the primary point of contact.

Director Osborne moved to approve changes to the three Board Policies. Dr. Segal seconded the motion and the motion passed unanimously.

New Business

None to be known

Adjournment

Director Alderton moved to adjourn to executive session at 2:45 P.M. to include John Tucker, VP's, Emily Powell, Bob Morasko, Dr. Visitacion, and Jesse Kaisner for the purposes outlined in the agenda for the executive session. This will include both sub sections of the executive agenda. Director Osborne seconded the motion and the motion passed unanimously.

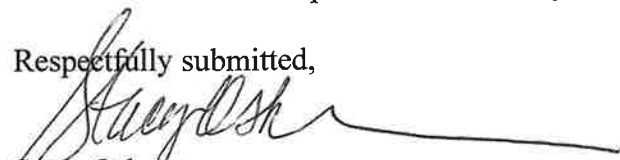
The board returned to regular session at 4:32 P.M.

Director Wardrop moved to approve the risk/grievance reports. Director Segal seconded the motion and the motion passed unanimously.

Adjournment

Director Wardrop moved to adjourn the meeting at 4:34 P.M. Dr. Segal seconded the motion and the motion passed unanimously.

Respectfully submitted,



Stacy Osborne,

Secretary-Treasurer