

**Heart of the Rockies Regional Medical Center
Board of Directors Meeting
MARCH 25, 2025
1:00-3:00 p.m.**

Attendance: Mr. Dean Edwards, Dr. Lydia Segal M.D, Mr. Bill Alderton, Ms. Stacy Osborne (via zoom), Dr. Dan Wardrop M.D. Also in attendance: Mr. Robert Morasko, CEO (via zoom); 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; Dr. Joshua Visitacion, Chief of Staff; Ms. Lezlie Burkley, Foundation Director; Ms. Sarah McMahon, VP of Human Resources; Ms. Allison Gergley, Public Relations/Marketing Director. Guests: Tammy Rivera and Shelby Brehm (via zoom) of Forvis Mazars LLP and Jeremy Hedges, M.D.

The meeting was called to order at 1:03 P.M.

Public Comment

None to be known.

Mr. Edwards stated he will remove the Front Expansion discussion located under New Business from the agenda. The topic will be discussed in the facilities report.

Consent Agenda

The Consent Agenda items, denoted on the Agenda for this meeting, were presented to the Board in written form and, without requiring further discussion.

Motion: Mr. Alderton moved to approve the Consent Agenda: Minutes of the previous meeting of February 25, 2025 as presented. No Capital Purchase Requests presented.

Seconded: Dr. Segal

Vote: Unanimous

2024 Final Audit Report: Tammy Rivera, Forvis LLP

Ms. Rivera provided a high level overview of the Preliminary 2024 Audit report. Tammy stated the report is Hospital and Foundation combined. HRRMC's total assets come to approximately \$194M. Days cash on hand is up 13 days from 256 in 2023 to 269 in 2024. Gross accounts receivable is \$53M and net days in accounts receivable is slightly under 50 days. There have been no significant changes in net position and liabilities. HRRMC's net operating revenues for the year of \$157M and total operating expenses of \$142M equates to an operating income of \$15.6M. Ms. Rivera recognized Karen Miller and Kim Garbacz for their diligence and preparedness.

Focus Topic –Davinci Surgical Robot, Jeremy Hedges, M.D.

Dr. Jeremy Hedges a staff surgeon at HRRMC provided a brief history of his education and experience. He introduced the Da Vinci Robotic platform to the Board in a detailed slideshow.

Dr. Hedges stated the Da Vinci Robot platform greatly expands what a surgeon can achieve and highlights his or her strengths. In a laparoscopic procedure surgeons can have a difficult time reaching the surgical area and often times have to bend and twist over the patient for what can be lengthy amounts of time. The platform provides surgeons with an expanded range of motion and clear 3D magnified view. In addition the computer itself provides the ability to add Firefly fluorescence imaging further illuminating a surgical area.

Dr. Cole Wiedel a urologist and urologic surgeon at HRRMC provided input in a written statement. He reported it has become a struggle to keep up with the volume making it clear an additional urologist is needed. However any urologist our organization is interested in will expect robotics. Patients have begun educating themselves regarding their options and will travel out of our service area for robotic procedures. In addition to urologic and gynecologic procedures, robotics will expand to other surgical specialties. Currently HRRMC is behind its local competitors.

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

Dr. Visitacion stated he did not have anything to report at this time.

Finance Report: Karen Miller, Chief Financial Officer

Ms. Miller reported HRRMC's financial overview shows net patient revenues of \$12.9M for the month compares favorably to the budget of \$12.7M. A 1.5% positive variance, YTD net patient revenues of \$26.1M are favorable to the budgeted \$25.8M.

Total operating expenses of \$12.5M are slightly favorable to the budget of \$12.6M. This is primarily due to salaries and benefits. TOEs for the year of \$25.8M is favorable to the budget of \$26.1M.

Change in net position increased \$1.3M for the month exceeding the budget of \$818K and YTD HRRMC's net position increased \$2.3M compared to the budget of \$1.3M.

Cash flows increased \$565K for the month primarily due to operating activities.

Days cash on hand were 236 and days cash on hand for debt covenants is 164 exceeding the required 75 days.

See stats below:

- Inpatient discharges were 59, compared to the budget of 74 and the last 3-month average of 75. (Included in the inpatient discharges are swing bed discharges of 6 compared to a budget of 8 and the last 3-month average of 8.0.)

- Total patient days were 214, compared to the budget of 261 and the last 3-month average of 275. (Included in the total patient days are swing bed days of 59 compared to a budget of 63 and the last 3-month average of 71.)
- Outpatient visits were 7,451, compared to the budget of 7,006 and the prior month of 7,617.
- Clinic visits were 8,894, compared to the budget of 9,113 and the prior month of 9,624.
- Average length of stay (total) was 3.6 compared to the budget of 3.5 and the prior month of 3.5.
- Average daily census ("ADC") was 7.6, compared to the budget of 9.3 and the prior month of 10.4.
- Observation hours were 3,000 compared to the prior month of 3,540. Observation hours equate to an additional ADC of 4.5.
- ER visits of 823 exceeded the budget of 708 up 16.2%. YTD visits of 1,614 are ahead of budget 8.7%.
- Surgeries for the month of 375 were below budget of 425 at -11.8%. YTD we are below budget -11.7%.
- GI procedures of 139 were slightly under the budget of 147 at -5.4% YTD procedures of 313 are favorable to budget 7.9%.

CEO Report: John Tucker

Mr. Tucker reported federal impacts to the Medicaid program remain in question. The federal government's willingness to participate in the funding of the Medicaid expansion population is unclear at this time. There will be a lot of scrutiny of the Chase supplemental program and annual reimbursement caps on Medicaid recipients as well as caps on federal spending of state Medicaid programs could be implemented. Legislature is currently working to fill a \$1.2 billion dollar budget short fall for the next state fiscal year. We suspect Medicaid will be a prime target for some of those reductions.

Regarding the election. Candidate bios are posted on the HRRMC website, ballots and envelopes are at the printers and they are working through the voter rolls. Mountain Heights Baptist Church located at 28390 CR 317 is the confirmed polling place in Buena Vista.

Committee Reports

Finance Committee: Stacy Osborne

Ms. Osborne reported volumes in February appeared low however when looking at prior years, January and February are always slightly depressed. Volumes are expected to pick up as summer approaches.

HRRMC's incentive plan is accrued all year as we expect our employees to hit their targets. This does not affect profit and loss.

The finance committee monitors the impact of possible government programs disappearing very closely however HRRMC's ability to operate if some of that funding goes away is very positive.

Facility Expansion Discussion: John Tucker

John presented two options of a three story addition and remodel in front of the hospital. He stated previously in November 2024 the Board approved a project to shell a three story addition and modernize the front of the hospital he referred to as option #1. Renderings of option #1 were reviewed along with estimated square footage of the second and third floors. John then introduced renderings of option #2 which would add a total of 3,510 square feet to the second and third floors using the space above the canopy. User groups assisted with design and best uses of these spaces. Some suggestions were an internal medicine practice, wellness and procedural space on the first floor with a bed unit, cardiology clinic, cardiology and cardiac rehab with pediatric therapy, infusion and relocating OB. Third floor options included a pain clinic with procedural space, infusion which includes a redesign of the current oncology/infusion space, and cardiology which includes a cardiology clinic, cardiac rehab, echo, stress testing. This would decompress rehab services allowing additional patient privacy. Potential dilemmas could be obstructed views from the current infusion space on 1st floor, the wellness center on the 2nd floor and the waiting/registration area on the 3rd floor.

Facilities and Strategic Planning Committee – Bill Alderton

Discussion:

There was discussion around the three story addition and remodel. The impacts of federal funding losses, the importance of other projects such as the West End expansion, and funding for the new EPR and EHR were discussed.

| | |
|---------|--|
| Motion: | Mr. Alderton moved to approve Option #2 of the Three Story Addition and Remodel. |
| Second: | Dr. Segal |
| Vote: | Unanimous |

Mr. Alderton provided updates on:

- Pharmacy remodel: Crews have completed painting and are currently installing flooring. New countertops have been requested. Crews will template them now to conserve time and money for installation at a later date.

- Wound Care Clinic: Doors will be installed when physicians are out, plumbers are preparing for the O2 lines and electricians are ahead of schedule. Crews are making good progress.
- Oxygen Plant: The concrete pad where the O2 tanks will be located was poured and crews will begin installing fence soon.
- Registration area: Materials are pending for the privacy pieces. The materials we selected are not cleanable, a CMS requirement. Chris White will provide some materials to look at soon.
- Three Story Expansion – The facilities committee is recommending approval of the expanded option #2. Planning for foundations and concrete for the project should move forward due to weather.
- West End Expansion: An electrical study will be performed to determine power capabilities first. The study will determine what we must do going forward.
- Benches for hospital, Op Pavilion and clinics – We have reached out to some local fabrication shops for design and cost estimates. There is discussion around using commercial grade benches with custom canopies. This could reduce cost significantly.
- Signage – DelNay Guest House/Employee Housing signage is pending Certificate of Occupancy.
- Solar/EV Charging Stations: We are in the beginning phase of this. Installation of the Lighting in the rear parking lot is underway.
- DelNay Guest House/Employee Housing: Analog lines have delayed the Certificate of Occupancy.
- Grounds Maintenance – Crews are gearing up for spring.
- Change Orders – There will be monthly meetings to review project change orders.

Foundation report: Lezlie Burkley

Ms. Burkley requested the Board make a motion to authorize the HRRMC Foundation to submit a DOLA grant with the intention of purchasing a PET Scan.

Motion: Dr. Wardrop moved to authorize the HRRMC Foundation to submit an April 2025 DOLA grant with the intention of purchasing a PET/CT Scan.

Second: Dr. Segal

Vote: Unanimous

The Congressional Directed Spending grant was submitted Friday March 18th, 2025 with letters of support from Chaffee County Commissioners, the Town of Buena Vista, Chaffee County Economic Development, Chaffee County Community Foundation and West Custer County Hospital District. A letter of support arrived from the Town of Poncha later. This went to Senators Hickenlooper and Bennett who are doing a combined submission process. It is still unclear if these funds will be available for 2026. Ms. Burkley informed the Board if funding is received, we must align with the Build America Buy America Act. Representative it has not opened. Representative Pettersen's office has not opened hers at this time.

Old Business

None to be known

New Business: John Tucker

Front Expansion discussion moved to facilities report

Adjournment

Motion: Mr. Alderton moved to adjourn to executive session to consider the matters set out in the agenda to include all VP's, President, Bob Morasko and Dr. Visitacion 3:29 P.M.
Second: Ms. Osborne
Vote: Unanimous

The board returned to regular session at 3:58 P.M.

Motion: Dr. Wardrop moved to approve the risk management report as presented.
Second: Ms. Osborne
Vote: Unanimous

Motion: Dr. Wardrop moved to approve the grievance report
Second: Ms. Osborne
Vote: Unanimous

Motion: Ms. Osborne moved to approve the incentive/gain sharing plan as recommended by administration.
Second: Dr. Segal
Vote: Unanimous

Adjournment

Motion: Mr. Alderton moved to adjourn at 3:59 P.M.
Second: Dr. Wardrop
Vote: Unanimous

Respectfully submitted,

Stacy Osborne,
Secretary Treasurer