Agenda

Estes Park Health Board of Directors' Regular Meeting

Monday, November 9, 2020
4:00 - 6:00 pm Board Meeting
Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517
Timberline Conference Room / https://attendee.gotowebinar.com/register/2398104540037389069

	Regular Session	Mins.	Procedure	Presenter(s)
1	Call to Order/Welcome	1	**Action**	Dr. David Batey
2	Approval of the Agenda	1	**Action**	Board
3	Public Comments on Items Not on the Agenda	5	Information	Public
4	General Board Member Comments	5	Information	Board
5	Consent Agenda Items Acceptance:	2	**Action**	Board
	5.1 Board Minutes			
	5.1.1 Board Tele-Townhall Meeting Minutes September 23, 2020			
	5.1.2 Board Regular Meeting Minutes September 29, 2020			
	5.1.3 Board Finance Study Session Meeting Minutes September 30, 2020			
	5.1.4 Board Special Executive Session Meeting Minutes October 5, 2020			
	5.1.5 Board Tele-Townhall Meeting Minutes October 7, 2020			
	5.1.6 Board Special Executive Session Meeting Minutes October 19, 2020			
6	Presentations:			
	6.1 EPH Living Center Discussion Review	10	Discussion	Dr. David Batey
	6.2 Phase 2 Mitigation Plan Update	20	Discussion	Mr. Vern Carda
	6.3 Q3 Chief Operating Officer Update	10	Discussion	Mr. Gary Hall
	6.4 Q3 Financial Report including Covid-19 Impact	20	Discussion	Mr. Tim Cashman
	6.5 Introduction of 2021 EPH Budget	20	Discussion	Mr. Tim Cashman
	6.6 EPH Employed Provider Recruiting Plan - Second Reading and Final Approval	10	**Action**	Board
	6.7 Estes Park Health Covid-19 Status Update	5	Discussion	Mr. Gary Hall, Ms. Pat Samples, Dr. John Meyer
7	Strategic Operations and Significant Developments: *Goals, Accomplished, Next Actions, Schedule, Issues*			
	7.1 Executive Summary - Significant Items Not Otherwise Covered	3	Discussion	Senior Leadership Team
8	Medical Staff Credentialing Report	2	**Action**	Board
9	Review Action List Items and Due Dates	1	Discussion	Board
10	Potential Agenda Items for December 7, 2020 Regular Board Meeting	2	Discussion	Board
11	Adjournment	1	**Action**	Dr. David Batey
	Total Regular Session Mins.	118		

Next Regular Board Meeting: Monday, December 7, 2020 4:00 - 6:00 pm

Item 5.1.1

ESTES PARK HEALTH
BOARD OF DIRECTORS'
Special Tele Town Hall Board Meeting Minutes – September 23, 2020

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Board Members in Attendance
Dr. David Batey, Chair
Ms. Sandy Begley, Vice Chair (via webinar)
Ms. Diane Muno, Secretary
Mr. William Pinkham, Member-at-Large
Dr. Steve Alper, Director Elect

Senior Leadership Attendees
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Ms. Pat Samples, CNO
Mr. Gary Hall, CIO (via webinar)

Community Attendees (via webinar)
Claire Kreider, Leslie Roberts, Mark Smith, Rosemary Robinson, Julie Lee, Sheila Husted, Mark Purdy, Cathy Alper, Guy Beesley, Daniel Sewell, Kent Smith, Deb Kubichek, John Meyer, Anne Rogers, Helen Garcia, Philip Moenning, Deb Barlow, Matthew Makelky, David Brewer, Linda Metzler, Pat Ferrier, Lesta Johnson, Jessica Jenkins, Don Shelley, Andrea Rangel, Rodney Unruh, Areewan George, Shayne Hatzenbuhler, Diane Darmody, Deborah Blackman, Carl Robicheaux, Wendy Rigby, Karen Sackett, Joseph Curtin, Karin Swanlund, Wendy Ash, Christy Florence, Joann Batey, Nikki Mesey, Monica Sigler, Andrea Thomas, Jessica Portillo, Nicki Murray, Karlye Pope, Connie Phipps, Wendy Smith, Ron Keas, Eric Owen, Miles and Bonnie Mewherter, Mandy Fellman, Laurie Forys-Wenzel, Juli Schneider, Deborah Gerson, Judith Schaffer, Stacy Ferree, Michelle Gordon, Meagan Lopez, Lori Greening, Linda Newman, Sara Walker, Roger & Susan Toy, Heather Bird, Aileen Campbell, Gretchen Mitterer, Carla Ellis, Eric White, Teresa McMorton, Jeanne Allen, Wendy Koenig Schuett, Blake Nicholson, John Phipps, Tony Palmer, Barbara Bailey, Barbara Gebhardt, Nancy Curtiss, Wendy Sollod, Elizabeth Sarow, Barbara Keilty, Michael Keilty, Laura Rustin, Anne Slack, Ann Dinsmoor, Shelley Powers, Gerald Mayo, Kay and Lowell Rosenthal, John and Dona Cooper, LoAnne Forschmiedt, Barbara Widrig, Drew Webb, Sarah Rhode, Nancy Matson, Kaci Yoh, Wendye Sykes, David Standerfer, Alice Reuman, Judith Beechy, Peggy Lynch, Roger and Susan Toy, Tara Schulze, Jim and Gail Cozette, Randy Brigham, Sharon Coleman, Cindy Leaycraft, Bill Solms, Larry Leaming, Kevin Mullin and Cynthia Sisson

1. **Call to Order**
   The Special Tele Town Hall Board meeting was called to order at 6:05 p.m. by Dr. Batey, Chairman of the Board of Directors; there was a quorum present. Notice of the Special Board meeting was posted in accordance with the SUNSHINE Law Regulation.

2. **Introductions**

The Board and the Senior Leadership Team introduced themselves to the community members.

3. **Cameron Peak Fire Status Evacuation Plans**

The Incident Command team has prepared a comprehensive evacuation plan that is ready for activation should it be necessary. If a voluntary evacuation is called, all LC residents will be transported together along with the care staff down to the valley and family members will be notified accordingly. Additionally, all inpatients will also be transported down to the valley. The LC residents will go to a facility in Greeley where arrangements have been made for them to occupy a wing at a nursing facility.

4. **Executive Summary**

- EPH 2020 loss of $10M mitigated by US Govt assistance. EPH 2021 projected loss of $7.5M.
- $7.5M projected 2021 loss requires difficult decisions to reduce expenses and enable EPH to survive.
- Expected 2021 losses require examination of all possible expense reduction options.
- Plan for expected $1.4M EPHLC loss in 2020 and beyond is one of many proposals being evaluated to reduce expenses.
- Estes Park Health Living Center (EPHLC) expected to have a loss of $1.4M in 2020.
- Expected 2020 $1.4M loss continues a long-term trend.
- Decreasing Revenues
  - Declining bed occupancy percent
  - Increasing percent Medicaid payments
- Increasing Expenses
  - Increasing use of temporary contract labor
  - Increasing regulatory requirements
- Even filled to 38 bed capacity, EPHLC does not have sufficient scale to be independently financially viable.

5. **Discuss Viable Alternative Plans**

The list of 19 alternative plans for the Estes Park Health Living Center (EPHLC) below was compiled from suggestions in emails and letters from the Estes Valley Community as well as from the Estes Park Health (EPH) Senior Leadership Team and the EPH Board of Directors.

The EPH Senior Leadership Team and the EPH Board of Directors preliminarily placed the alternative plans into one of three categories: 1. Not Feasible, 2. Unlikely, or 3. Possible but Challenging. Each alternative plan includes the reason for placing the alternative plan in one of these three categories.

1. Not Feasible

1.1. Close the EPH hospital, keep EPHLC open

The mission of EPH is to serve our entire community of about 13,500 residents and visitors. The 28 residents in the EPHLC and their families are a part of the 13,500 members of our community. This was not considered to be a feasible alternative plan.

1.2. Close the Urgent Care Center to pay for EPHLC

Based on data since its opening at the end of May 2020, the Urgent Care Center provides an important, effective, and considerably less expensive alternative to the Emergency Department for members of our community and visitors. As in alternative plan 1.1 above, the mission of EPH is to serve our entire community of about 13,500 residents. The 28 residents in the EPHLC and their families are a part of

the 13,500 members of our community. Given the importance of the urgent care services provided to large numbers of our community, this was not considered to be a feasible alternative plan.

1.3. Make Private pay and Insurance cover EPHLC financial losses

Eighteen (18) of the 28 current EPHLC residents are funded by Medicaid. Medicaid will not pay more than their standard rate. For those funded by insurance, the insurance companies will not pay more than their negotiated rate. It is not realistic or just to cost shift the expected EPHLC financial loss of $1.4 million in 2020 to the small number of private pay residents in addition to what they currently pay. This was not considered to be a feasible alternative plan.

1.4. Reduce EPHLC staffing to reduce expenses and make EPHLC break even

Current EPHLC staffing is consistent with the required baseline staffing model. Any reduction from current EPHLC staffing would adversely affect the quality of care, so this was not considered to be a feasible alternative plan.

1.5. Move EPHLC to a different location, reducing expenses so EPHLC breaks even

The cost to construct an alternative 48 bed facility for EPHLC in a different location has been estimated to be in the range of $22 to $25 million, and it is not clear that the alternate location operational expenses would be significantly lower. Given the significant estimated cost and uncertainly about where the construction and operations funding would come from, this was not considered to be a feasible alternative plan.

1.6. Create an endowment that could cover EPHLC financial losses

The expected EPHLC financial loss in 2020 is $1.4 million. It is anticipated the annual loss will continue to increase over time. So, assuming a 4% annual return on the endowment, it would require an endowment of about $30 million to cover the annual EPHLC operational loss. Given the anticipated challenge of raising an endowment of this size, this was not considered to be a feasible alternative plan.

1.7. Get charitable contributions to cover EPHLC financial losses

If the $1.4 million EPHLC financial loss for 2020 continues or increases as anticipated, it would be necessary to raise charitable contributions of $1.4 million or more every year to cover these losses. Given the large charitable contributions needed on into the future and the general understanding of the practical limitations of charitable fundraising in our community, this was not considered to be a feasible alternative plan.

1.8. Get grant funding to cover EPHLC financial losses

Grant funding organizations generally do not fund operational expenses. Like the charitable contributions alternative plan in 1.7 above, it would be necessary to apply for and get grant funding of $1.4 million or more annually to cover anticipated EPHLC operational losses. Given the large grant funding needed annually and the understanding that grant funding organizations generally do not fund operational expenses, this was not considered to be a feasible alternative plan.

1.9. Advertise to attract more residents to EPHLC, so it EPLC breaks even financially

Based on experience in other locations, advertising can change the public perception of a nursing home, but it has not increased the bed occupancy percent. This was not considered to be a feasible alternative plan. Also see 2.4 below, that to break even, 10 beds would need to be added to the current 38 bed capacity at an estimated cost of $10 million.

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1.10. Wait to see if EPH financial performance returns to pre-pandemic levels so EPH can resume subsidizing EPHLC

First, EPH revenues are not expected to recover beyond the current forecast of 80% of pre-pandemic levels. The expectation that 80% of pre-pandemic levels is expected to be the "new normal" is based on multiple expert financial forecasting sources. So, EPH's capacity to subsidize EPHLC losses is not expected to be restored. Second, EPHLC's anticipated financial losses, like the $1.4 million loss forecast for 2020, are expected to continue and increase. Considering these two expectations, this was not considered to be a feasible alternative plan.

2. Unlikely

2.1. Sell EPHLC to a national corporation

Five regional or national organizations with deep experience owning and running continuity-of-care facilities including skilled nursing facilities were approached about the possibility of purchasing and running the EPHLC. None were interested. Some mentioned that the small size of EPHLC would make its financial viability questionable, and another mentioned that skilled nursing facilities as a service are in long-term decline and are therefore not a good investment. This was considered an unlikely alternative plan.

2.2. Get national experts to manage or consult EPHLC to financial health

One of the largest not-for-profit providers of senior housing and services in America was contracted for 19 months to manage EPHLC with the expectation that, using their expertise, EPHLC's financial performance would improve. During their management of EPHLC, financial performance did not improve, and percent beds occupied declined. Given this experience, this was considered an unlikely alternative plan.

2.3. Offer new EPHLC programs so more beds are occupied, EPLC breaks even

Even if new EPHLC programs offered could attract additional residents, 10 beds would need to be added to the current 38 bed capacity at an estimated cost of $10 million (see 2.4 below) for EPHLC to be able to break even. This was considered an unlikely alternative plan

2.4. Increase the EPHLC number of beds so, if occupied, EPHLC breaks even.

EPHLC is not able to fill currently available beds, so adding additional beds will not solve the problem of an anticipated $1.4 million loss in 2020, and similar losses into the future. But to consider the alternative plan, the current EPHLC bed capacity is 38, and the number of beds required to be occupied to break even has been estimated at 48 beds. It has been estimated that construction to add beds would cost about $1 million per bed, or $10 million to add 10 beds. EPH, facing a $7.5 million loss in 2021 and considering significant and difficult expense reductions to remain financially viable, is not in a position to invest $10 million to add beds to EPHLC, especially in light of EPHLC having beds currently available it does not fill. This was considered an unlikely alternative plan.

2.5. Other programs in EPHLC space could generate revenue to cover EPHLC financial losses

The 2020 EPHLC loss is expected to be $1.4 million. We were not able to identify programs or services that could be offered in available EPHLC space that could generate revenues even remotely approaching $1.4 million annually.

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2.6. Increase property tax (mill levy) support to cover EPHLC financial losses

Succeeding with mill levy (property tax) elections is the most difficult type of funding election according to the George K Baum election consultant who assisted with the Estes Valley Recreation and Park District (EVRPD) mill levy election for the EVRPD Community Center. An election for a mill levy increase is a Taxpayer Bill of Rights (TABOR) election. In terms of timing, according to Joe McConnell with the Colorado Department of Local Affairs, TABOR elections for Special Districts like EPH can only be held on the first Tuesday of November or during a regularly scheduled Special District election. As a result, the earliest TABOR election could be held in November of 2021, with the next opportunity being May 2022.

The last mail ballot election for EPH Board members cost about $30,000. Legal advice is needed to craft TABOR-compliant ballot language, another expense. Based on experience, the cost of the campaign for a mill levy increase would be at least $15,000 for campaign mailings and other materials.

Mill Levy elections tend to have higher voter turnout, increasing the number of voters needed to approve the property tax increase. The table below shows some recent local mill levy election results.

	Mill Levy Election History in the Estes Valley								
Organization	**Ballot**	**Year**	**Month**	**# Voters Registered**	**Percent Turnout**	**Votes For**	**% Votes For**	**Votes Against**	**% Votes Against**
Estes Valley Recreation and Park District		2005	Nov	8,467	52%	2,101	47.0	**2,332**	53.0
Estes Valley Recreation and Park District	Larimer County Ballot Issue 4C	2008	Nov	8,280	81.9	**3,516**	53.0	3,180	47.0
Estes Valley Recreation and Park District	Larimer County Ballot Issue 4D	2008	Nov	8,280	80.7	3,109	47.0	**3,570**	53.0
Estes Park School District R3	Larimer County Ballot Issue 3A	2013	Nov			2,206	48.6	**2,329**	51.4
Estes Valley Library District	Larimer County Ballot Issue 5A	2013	Nov			**2,349**	51.3	2,227	48.7
Estes Valley Recreation and Park District	Larimer County Ballot Issue C	2015	Nov	9,307	54.8	**2,630**	51.6	2,467	48.4
Estes Valley Recreation and Park District	Larimer County Ballot Issue D	2015	Nov	9,307	54.8	**2,661**	52.3	2,423	47.7
Estes Park School District R3	Larimer County Ballot Issue 3A	2017	Nov			**2,196**	52.3	2,002	47.7

The results show mill levy elections are closely contested with few votes separating the total of votes for and against, there is relatively high voter turnout, and the number of votes in favor needed to prevail with about 9,800 eligible voters in a mail ballot EPH election would likely be in excess of 2,700.

TABOR elections have ballot language requirements that emphasize the total cost to the potential taxpayers. An effective campaign in favor of a mill levy increase would need to convince about 2,700 property owners in the district that increasing their property tax support for EPH would be a good value. Assuming the expected 2020 EPHLC loss of $1.4 million would be the target to be covered by an increase mill levy, and the current mill levy generates about $2.7 million, property tax support would need to increase by 52% to cover an annual $1.4 million loss. Current residential property tax support for EPH is about $54 per $100,000 of property value. With current District median residential value of about $400,000, 50% of residential property owners would expect to pay at least $108 additional per year to support the EPH subsidy of EPHLC. Property other than residential would pay about 3.6 times more, or at least $389 annually.

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The other important issue would be how the EPHLC financial loss would be covered until a mill levy increase election in 2021 or 2022. Our assessment was that with the challenges to accomplishing a mill levy increase coupled with the fact that an election could not be held for a year or two make this an unlikely alternative plan.

2.7. Establish a sales tax to cover EPHLC financial losses

While succeeding in a sales tax election is slightly easier than a mill levy election, both are TABOR elections with the same challenges described in section 2.6 regarding mill levy elections above. As a result, this was also considered an unlikely alternative plan.

3. Possible, But Challenging

3.1. Gradually close EPHLC to minimize resident disruption

This may merit additional discussion. The key considerations would include:
3.1.1. Defining the duration of the gradual close.
3.1.2. Determining if new residents would be accepted.
3.1.3. Determining the threshold number of residents required for needed care and programming.
3.1.4. Determining how operating losses would be covered as resident numbers and revenues decline.
3.1.5. Determining the threshold level of revenues needed for continued viability.

3.2. Create a non-profit independent of EPH that could build and operate a new EPHLC facility

Both Tim Cashman and Vern Carda have had indirect experience with this approach. After forming a non-profit to build and operate a new EPHLC facility, the challenge would be funding construction and operations. To construct a 48-bed nursing home would probably cost in the range of $22 to $25 million. Nursing homes generally operate at a loss, so if the facility were stand-alone, an endowment to generate funds to cover the losses or some external subsidy (mill levy, sales tax) to cover the losses would be needed. Alternatively, the national model that seems to work is a Continuing Care Retirement Community with integrated independent living, assisted living, and nursing care services. In this model, funding from the independent living and assisted living services are used to subsidize the nursing care services. This continuity of care model requires considerable capital to establish.

6. <u>Questions and Answer Session</u>

Q. It is hard to believe that the nursing home is in decline. Could the hospital donate the current space to a nonprofit to operate the facility? How much did the Hospitalists cost to acquire? How much did the surgeon cost to replace the last surgeon that did not have to do surgery because the OR was closed? How much did you pay the Public Relations firm that recommended the rebranding of the Hospital? How much did the actual rebranding cost (the real number of all associated costs)? How much revenue was lost by the hospital when the Operating Room was closed for both the leaking roof and the autoclave being down? How much did it cost the hospital in revenue when Dr. Van Der Werf left the hospital? How much did it cost when Dr. MacElwee left the hospital? How many traveling nurses do you currently have? How much more do they cost than a regular employed nurse? How many requests have you had for new residents since you planned to close PPLC? How many residents are planning to leave since you announced the closing of the LC? How much money does the LC add to the income of the Hospital from referrals for surgeries, tests, x-ray etc.?

A. Due to the one question limit, the first question will be answered, and the remaining questions will be addressed at a later time. Yes, the hospital could donate the current space to a nonprofit if they have a separate tax ID.

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Q. Isn't the identified loss of $1.4M attributed to the freeze on accepting new patients?

A. The number of licensed beds in the LC is 52. The breakeven point is 48 beds and current capacity is 38 beds. There is currently no freeze on admissions, and they are being considered on a case by case basis. The LC is not accepting any long-term admissions at this time until a determination is made on whether the LC remains open or closes.

Q. Is EPH adding more services and programs if the LC closes?

A. EPH does not have any plans, nor have we identified any programs, that will go into the LC space should it be closed. EPH has used a systemic process to look at the organizational expenses in an effort to reduce costs. Other programs and services are being evaluated in addition to the LC. On the revenue side, it will take approximately 12-18 months before EPH sees any impact from any revenue enhancements.

Q. Could UCH buy EPH but not the LC and then allow the taxing district to run the LC with the property tax revenue?

A. The Board has not considered this option. The LC has been subsidized by EPH for many years and the property tax revenue dollars would not be able to cover the losses without the subsidy from EPH. Research would need to be conducted to determine if the property tax revenue could be utilized for only the LC residents and not inclusive of EPH. Additionally, UCH is also experiencing soft volumes and layoffs so it is unlikely they would consider purchasing EPH at this time.

Q. Can EPH provide a detailed Profit and Loss statement for just the LC?

A. Yes, EPH's CFO will provide the information.

Q. Have you considered transitioning to other, more sustainable long-term care programs like PACE or other home and community-based services such as Innovage? PACE enables you to get nursing home reimbursement for providing home and community-based services. If Medicaid is 60% that means 60% are eligible for PACE. Some long-term care insurance also pays for PACE.

A. The recommendation will be researched.

Q. UCH is very interested in buying critical access hospitals at this time and they have a great interest in EPH. There is a good administrator in the LC now, so what is the hurry in closing? Can you provide him a budget and take out the cost shift items like dietary, EVS and allow a year to see if it can be turned around?

A. EPH has a good relationship with UCH and currently there are no talks of selling or having UCH acquire the hospital. The cost shifting topic will be discussed in depth at the September 30 Finance Study Session meeting. EPH must make necessary arrangements to reduce expenses by $7.5M by early next year, otherwise it will be detrimental to the facility.

Q. Why do we need to increase the number of LC beds? Has advertising been considered to increase admissions?

A. Current capacity is due to geography and residents wanting their own room. The space requirements for lifts, staffing, bathrooms etc. has the care requirements for the residents outgrowing the geography of the space. Typically advertising campaigns for nursing homes do not result in generating increased admissions.

Q. The Board and the senior team state that EPH will not be able to return to pre-pandemic level, but isn't this based on opinion vs. fact?

A. The forecast is based on opinions of experts and colleagues that work in the industry and the trend that is being reported around the country. EPH has been subsidizing the LC for years and its economic size and the pandemic has caused the need to investigate a potential closure. To be financially viable, the LC would need to be around the 80-bed mark.

Q. Has the $1.4M loss been verified and is it only attributed to the LC? How does the loss relate to other service lines? Will we as a community be provided clear financial information as it relates to all hospital departments, including the LC?

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A. Hospitals are unique enterprises with the various departments that encompass it, with each having their own revenue cycles and business models. A Finance Study Session will be conducted on September 30 in order to take an in-depth look at the financials. EPH is facing a deficit of $7.5M and if that deficit is not resolved by July / August of 2021 it could be detrimental to the facility. EPH is not focusing primarily on the LC. All other service lines, contracts, departments and staffing are being examined. If the LC is closed, that would only constitute a small portion of the $7.5M in savings that is needed.

Q. How is the hospital going to achieve the $7.5M besides potentially closing the LC?

A. EPH has identified roughly $4M in expense reductions on the hospital side. The clinic is still being examined, but there could potentially be $500k in expense reductions. The entire organization is engaged in the process to help solve the issue. These are very difficult decisions, but if implemented, EPH should be able to get very close to the $7.5M needed in expense reductions.

Q. Are there other mountain communities like Estes Park that are facing the same issues as we are?

A. Yes, many facilities on the western slope and eastern plains are experiencing the same financial issues as EPH. Many do not have tax subsidies and the critical access hospital is subsidizing them, such as EPH has been doing for the LC.

Q. We need to take care of the elderly in our community. Consider advertising in order to obtain more admissions. Can the Board brainstorm with the senior leadership and LC director/staff to determine if there are any additional expense reductions that can be identified?

A. The Board, senior leadership, LC personnel and the staff at EPH have been and are currently involved in brainstorming expense reduction ideas.

Q. Why is EPH focusing on the LC when the alternative appears to be refocusing from an inpatient setting to the home setting?

A. EPH needs to look at immediate expense reductions. EPH has a great Home Health Hospice program and more work can be done to integrate that into a home-based type program.

Q. Could the LC beds be repurposed?

A. Swing beds in a critical access hospital allow for acute care and then a change to subacute care while utilizing the same bed.

Q. Can the census data and revenue and expenditures data be provided for 2015 – 2019?

A. The data can be provided by the CFO.

Q. Has EPH considered through attrition having non-private rooms?

A. The recommendation will be researched for consideration.

Q. What is the first course of action you would pursue if you had to save the LC?

A. Increasing the census, improving the aesthetics and environment and look at staffing challenges.

7. Adjournment

The meeting was adjourned at 8:12 p.m.

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David M. Batey, Chair
Estes Park Health Board of Directors

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ESTES PARK HEALTH
BOARD OF DIRECTORS'
Meeting Minutes – September 29, 2020

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Board Members in Attendance:
Dr. David Batey, Chair
Ms. Sandy Begley, Vice Chair (via webinar)
Ms. Diane Muno, Secretary
Mr. William Pinkham, Member-at-Large
Dr. Steve Alper, Treasurer

Other Attendees:
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Ms. Pat Samples, CNO
Mr. Gary Hall, CIO (via webinar)
Dr. John Meyer, CMO (via webinar)
Ms. Sarah Bosko, Home Health Hospice Director
Ms. Barb Valente, Urgent Care Center Director
Ms. Wendy Ash, Nursing Director Physician Clinic (via webinar)
Ms. Karlye Pope, Acute Care Services Director (via webinar)
Mr. Kevin Mullin, Estes Park Health Foundation Executive Director (via webinar)

Community Attendees (via webinar):
Daniel Crosscull, Judith Schaffer, Larry Leaming, Tara Moenning, Michael and Barbara Keilty, Tara Schulze, Wendy Rigby, Cindy Leaycraft, Janet Zeschin and Gail and Jim Cozette

1. **Call to Order**
   The Board meeting was called to order at 4:05 p.m. by Dr. Batey, Chairman of the Board of Directors; there was a quorum present. Notice of the Board meeting was posted in accordance with the SUNSHINE Law Regulation.

2. **Approval of Agenda**
   Dr. Batey requested the following changes to the agenda; both to occur between Item 3 Public Comments on Items Not on the Agenda and Item 4 General Board Comments.
   - Add Board response to a letter received from a community member regarding the LC
   - Move Item 6.5 Chief of Staff Quarterly Report

   Mr. Pinkham motioned to approve the agenda with the changes noted above. Dr. Alper seconded the motion, which carried unanimously.

3. **Public Comments on Items Not on the Agenda**

Q. Would the Board consider conducting the next Tele-Townhall meeting at the Estes Park events center in order to have more community participation?

A. Based on the Covid guidelines and from a community perspective, the Board and the senior leadership team does not wish to host a public forum. Covid-19 is an extremely contagious virus and a large gathering would increase the likelihood of spreading the disease.

Per Board action, the following item was added to the agenda for discussion. Additionally, Item 6.5 Chief of Staff Quality Report was moved up to occur earlier on the agenda.

Board Response to Community Member Letter Regarding the Living Center

EPH received a letter from a family member of a Living Center resident questioning why the Living Center Executive Director deemed it necessary to inform the residents of the potential closure when the Board had yet to vote on the matter.

- EPH received state notification that the Living Center could resume certain activities such as communal dining and the monthly resident council meetings. Executive Director Matt Gordon stated that a residence council meeting is required by law. Since the Covid guidelines recently lifted, a resident council meeting was conducted. At that meeting, residents inquired about the potential closure of the Living Center. Mr. Gordon did not take it upon himself, nor was he directed by the Board and/or senior leadership to discuss the topic but was merely responding to inquiries from residents.
- The Board is extraordinarily sensitive to the residents and families and are doing everything they can to ensure they are not receiving information that is misleading or inaccurate

6.5 Chief of Staff Quarterly Report

COVID-19 Updates

- EPH is a safe place to come in any of our 3 doors (clinic, ED, UCC)
- Standalone testing, IgG, and respiratory panel (incl COVID)

Respiratory Season is Around the Corner

- Outdoor swabs will be tougher to do with cold weather
- Plans are in the works about how to safely do indoor swabs

Physician Recruitment

- A policy does not exist about how to find, recruit, interview, and ultimately pick new physicians and advance practitioners
- Physicians devised and developed a plan on physician recruitment.

Estes Park Living Center

- Since last board meeting, the medical staff has been well informed
- This is a board discussion with administration and med staff input

4. **General Board Comments Not on the Agenda**

None.

5. **Consent Agenda Items**

Ms. Muno motioned to approve consent agenda items 5.1.1, 5.1.2, 5.1.3, 5.1.4 and 5.2.1 as presented. Dr. Alper seconded the motion, which carried unanimously.

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6. **Presentations**

6.1 Estes Park Health Foundation Quarterly Report

Strategic Plan Implementation

1. This priority is complete. We have developed a strategy to work with the Board in Q1 each year to get updated info from existing members, and affiliation info from any new members. Based on that data, we will design an outreach strategy as appropriate based on the group
2. This is an ongoing priority. The process of having EPH personnel on the Foundation Board has been helpful; having the Foundation present quarterly updates has been beneficial. EPH does not have a Director of Marketing now, however ensuring coordination and communication between she and the Foundation's Development & Communication Coordinator has been beneficial. We will plan to continue that once that position is filled
3. This is complete. The Board Orientation Session has been revamped, and a new Mentor Program for new Directors has been designed and approved for implementation January 2021. This priority is in process.

Highlights of Last Quarter

- Fall Campaign is in the program design phase
  - Goal is to drive COVID-19 out of the Estes Valley so we can get back to hiking, biking, working, and studying as normal
- The Board is preparing to launch the Major Gifts phase October 1
  3 Phase Project features:
  - Phase 1: Building Modifications / PPE
  - Phase 2: Improved Testing Capability
  - Phase 3: Vaccinations and Testing / Underserved Several Grants have been awarded recently for projects such as:
    - COVID-19 Response 3DM
    - Laboratory Equipment Staff Scholarships
- We have worked this year to expand our outreach beyond our current donors
- More info as these relationships develop and we have gifts/pledges made

General Updates

Financial

This has been a tough year

- Reduced Operating Expenses
- Worked hard to identify new funding opportunities
- Optimistic that we can close the year strong
- $11,000 for the fiscal year through July, not including Grants awarded

Personnel

- We have gotten some staff and board training scheduled, including today
- Having a bit less campaign work has left time for training and additional donor stewardship

Policy Gaps

Also, with additional time available, we have been working to develop and implement new policies that will guide our work, such as a policy governing the new Emergency Fund, Grants Disbursement, and Scholarship Disbursement.

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Q. Has the Foundation fielded any questions or concerns from the community regarding the potential closure of the Living Center?

A. Yes, community members have reached out to the Foundation to ask questions and obtain additional information.

Q. Can you predict the financial impact to the Foundation should the Living Center close?

A. Currently the Foundation does not have any information on whether donations will decrease should the Living Center close.

6.2 <u>EPH Living Center Alternatives</u>

1. Estes Park Health Living Center (EPHLC) expected to have a loss of $1.4M in 2020
2. Expected 2020 $1.4M loss continues a long-term trend:

   Decreasing Revenues

   2.1 Declining bed occupancy percent

   2.2 Increasing percent Medicaid payments

   Increasing Expenses

   2.3 Increasing use of temporary contract labor

   2.4 Increasing regulatory requirements
3. Even filled to 38 bed capacity, EPHLC does not have sufficient scale to be independently financially viable

Alternatives Plans for EPHLC

Not Feasible

1.1. Close the EPH hospital, keep EPHLC open

1.2. Close the Urgent Care Center to pay for EPHLC

1.3. Make Private pay & Insurance cover EPHLC financial losses

1.4. Reduce EPHLC staffing to reduce expenses and make EPHLC break even

1.5. Move EPHLC to a different location, reducing expenses so EPHLC breaks even

1.6. Close the EPH hospital, keep EPHLC open

1.7. Close the Urgent Care Center to pay for EPHLC

1.8. Make Private pay & Insurance cover EPHLC financial losses

1.9. Reduce EPHLC staffing to reduce expenses and make EPHLC break even

1.10. Move EPHLC to a different location, reducing expenses so EPHLC breaks even

Unlikely

2.1. Sell EPHLC to a national corporation

2.2. Get national experts to manage or consult EPHLC to financial health.

2.3. Offer new EPHLC programs so more beds are occupied, EPLC breaks even

2.4. Increase the EPHLC number of beds so, if occupied, EPHLC breaks even

2.5. Other programs in EPHLC space could generate revenue to cover EPHLC financial losses

2.6. Increase property tax (mill levy) support to cover EPHLC financial losses

2.7. Establish a sales tax to cover EPHLC financial losses

Possible but Challenging

3.1. Gradually close EPHLC to minimize resident disruption

3.2. Create a non-profit independent of EPH that could build and operate a new EPHLC facility

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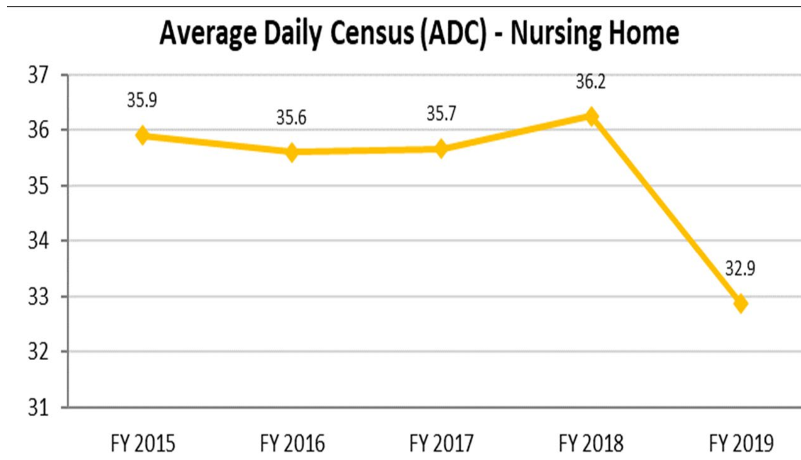
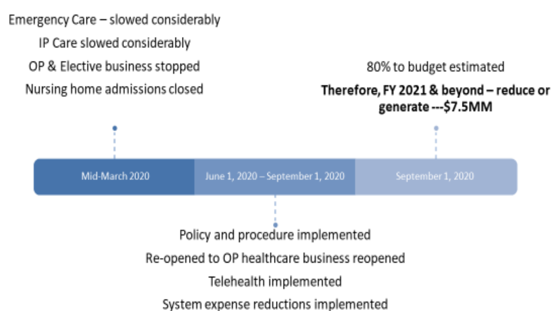
Brief View: EPHLC Present and Future



Discussion:
The community asked the Board and senior team to come up with alternatives to closing the Living Center, not just respond to alternatives that the community presented. EPH needs to find a way to save the Living Center instead of glossing over each alternative presented. This is a five-star rated facility and it needs to remain in the community.

- In 2021 EPH is facing a $7.5M deficit. The Living Center is one of many initiatives being investigated by EPH. If $7.5M in savings/revenue is not obtained, then there is a potential that EPH could close. Additionally, the Living Center has a one-star rating with Medicare, not a five-star rating. Within a 50 miles radius of EPH there are twenty-eight Living Centers, many with four to five-star ratings.

6.3 Mitigating the Financial Impact of the Pandemic: Phase 2



Phase 1 – Review – Covid 19 Changes

- **Community Care & Safety** - Implemented significant policy & procedure changes – March 2020 to May 2020
  - Center for Disease Control (CDC) Guidelines – **Daily**
  - Door screening
  - Telehealth
  - Negative pressure rooms
  - Cleaning protocols
  - Appropriate PPE
  - Infection Control Protocols

  Forever changed/improved practice- likely will never revert to previous operational practices
- **The Result of Planning and Implementation – Resident, Patient, Employee & Community Safety**
  - EPH navigated and managed Covid – 19 with respect to resident, patient, & employee infections
- **Multiple Operational Items Implemented June 1, 2020:**
  - Wage rollback- All employees impacted via hours reductions or actual wage reduction
  - PTO freeze – All employee
  - Locum or temporary labor decreased
  - Reduced contract expense
  - Suspended capital purchases-(mission critical)
  - Reduced department expenses

3 ESTES PARK HEALTH

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2020, 2021 & Beyond

- Forecasts predict EPH volume to return to 80%
  - **2021 & Beyond**
  - **Change in Practice**
- Fiscal models indicate the need to eliminate/generate $7.5 MM in organizational change

Summary	FY 20 Forecast	Full Mitigation	No Mitigation	Mitigation Keep LC
TOTAL OPERATING REVENUE	44,155	44,735	46,681	46,681
TOTAL OPERATING EXPENSE	(55,710)	(51,050)	(57,381)	(54,356)
OPERATING INCOME (LOSS)	**(11,554)**	**(6,315)**	**(10,700)**	**(7,675)**
Non-Operating	3,386	3,490	3,490	3,490
Gift to Purchase Capital Assets	524	150	150	150
Stimulus Funds		-	-	-
Total Margin	*-17.3%*	*-6.0%*	*-15.1%*	*-8.6%*
NET GAIN (LOSS)	**(7,644)**	**(2,675)**	**(7,061)**	**(4,036)**
EBIDA	**(4,119)**	**850**	**(3,430)**	**(405)**

4

Systemic Process to Generate Expense Reduction or Revenue Growth

- **Systemic process is being utilized to discuss whole organization rather than pieces or parts.**
- **Basic idea** – involve the organization in planning to solve for the reduction in expense or the generation of revenue while repurposing our business to fit into the confines of the space that CAH methodology will support
- Planning is multi-directional, where goals and targets, and the implications of achieving those goals and targets, are discussed at every level in the organization
  - Developing annual objectives
  - Deploying annual objectives
  - Implementation of annual objectives
  - Monthly reviews
  - Annual reviews
  - Course correction as needed

5

Systemic Process to Create Change

- **Who** – process involves all organizational employees
  -Department leader conducts session with all its departmental employees
- **When** – Planning is occurring inside the organization now
  - ***Target timeline for plan - December 31, 2020.***
  - Potential exists for – additional townhall meetings, additional public board meetings at a time and date to be determined with public notice in the future
- **Overall Plan** – Board, Physicians, Management provide input with Board having final decision

6

Areas Being Studied for Expense Reduction

- Hospital
- Urgent Care
- Clinic
- Living Center
- Further reduction in locum (temporary) labor
- Further departmental efficiency

7

Next Steps

- Host key work group session with health center staff
- Compile results
- Discuss plan with key constituents

8

6.4 Covid-19 Financial Impact of Estes Park Health

Forecast 2020

ESTES PARK HEALTH Statement of Revenues and Expenses (Unaudited) Forecast 2020				
	YTD Actuals (August) 2020		FORECAST FY 2020	
	Actual	Budget	FY 2020 Forecast	Budget 2020
TOTAL OPERATING REVENUE	31,141	36,987	44,155	53,751
TOTAL OPERATING EXPENSE	(37,267)	(38,228)	(55,710)	(57,079)
OPERATING INCOME (LOSS)	**(6,126)**	**(1,241)**	**(11,554)**	**(3,329)**
NON-OPERATING	2,224	2,520	3,386	3,412
Gift to Purchase Capital Assets	524	100	524	300
Stimulus Funds	-	-	-	-
Total Margin	*-10.8%*	*3.7%*	*4.8%*	*0.7%*
NET GAIN (LOSS)	**(3,379)**	**1,378**	**(7,644)**	**383**
REVISED EBIDA	**(1,047)**	**3,723**	**(4,119)**	**3,964**

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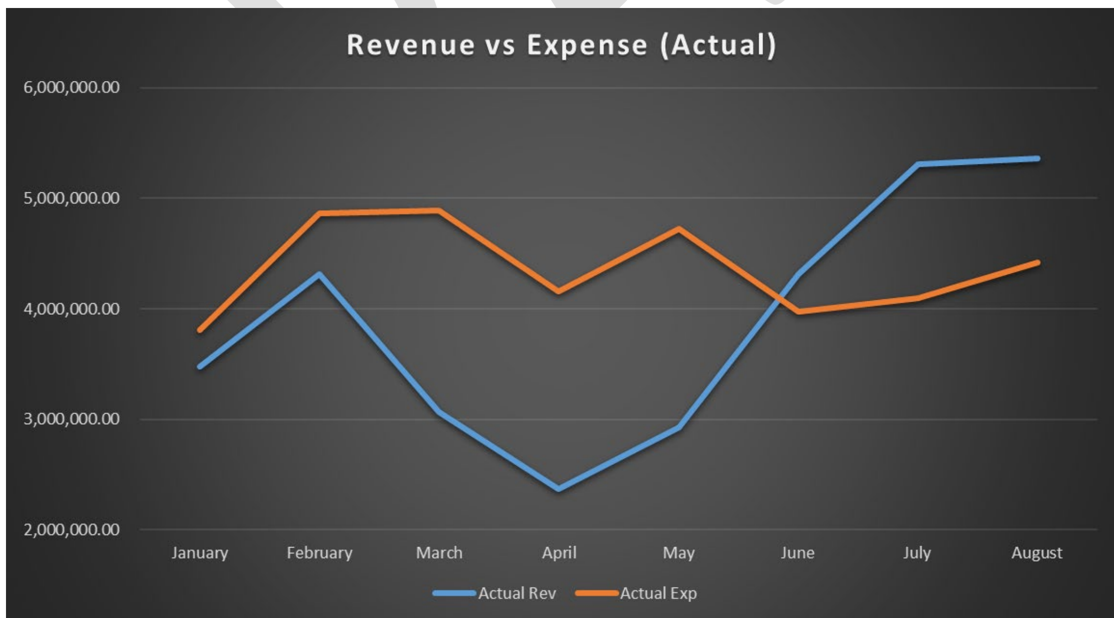
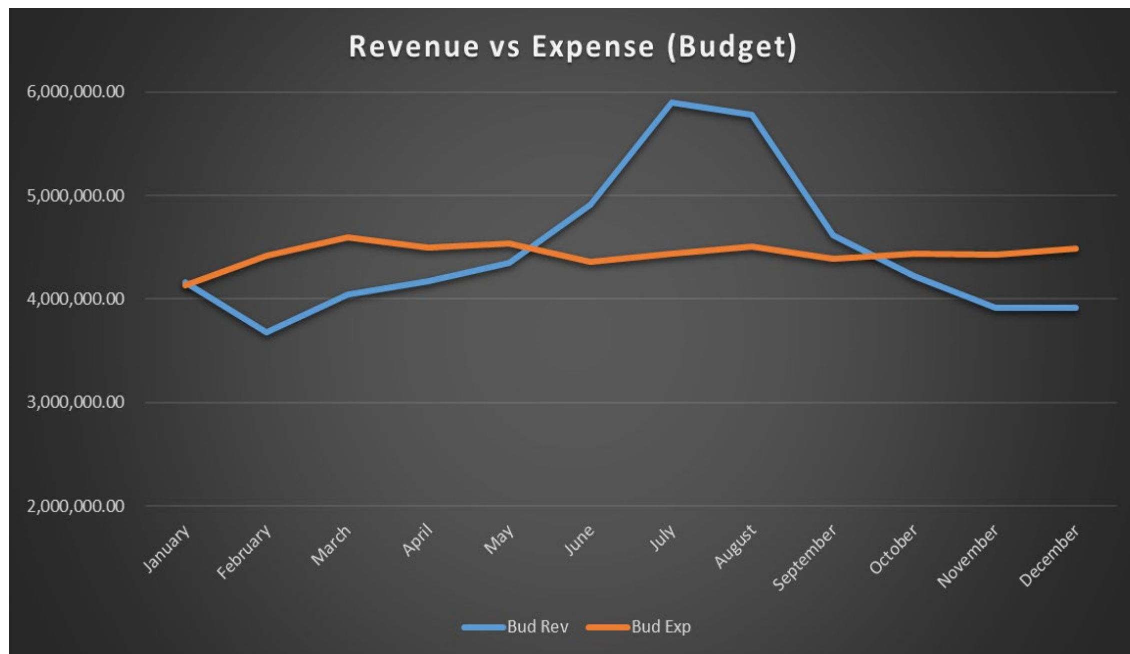
Forecast 2021

ESTES PARK HEALTH					
Statement of Revenues and Expenses (Unaudited)					
Full Mitigation Strategy					
	FY 2020 Forecast	FY 2021 Forecast @ 70%	FY 2021 Forecast @ 80%	FY 2021 Forecast @ 90%	FY 2021 Forecast @ 100%
SUMMARY					
TOTAL OPERATING REVENUE	44,155	40,154	44,735	49,316	53,898
TOTAL OPERATING EXPENSE	(55,710)	(51,050)	(51,050)	(51,050)	(51,050)
OPERATING INCOME (LOSS)	**(11,554)**	**(10,896)**	**(6,315)**	**(1,734)**	**2,848**
Non-Operating	3,386	3,490	3,490	3,490	3,490
Gift to Purchase Capital Assets	524	150	150	150	150
Stimulus Funds		-	-	-	-
Total Margin	*-17.3%*	*-18.1%*	*-6.0%*	*3.9%*	*12.0%*
NET GAIN (LOSS)	**(7,644)**	**(7,256)**	**(2,675)**	**1,906**	**6,487**
EBIDA	**(4,119)**	**(3,731)**	**850**	**5,431**	**10,013**

August Actual YTD Revenue vs Expense



2020 Budget Revenue vs Expense



Talking Points

- Assumes Department Adjustments
- Revenues continue at 80% normal (deemed as 2020 Budget)
- Loss of anticipated Net Revenues of $9.5M
- Documented Covid-19 related operating costs of $601K, thru August
- Documented Covid-19 related Capital purchases of $172K, thru August
- Anticipated further costs for Capital and Operating:
  - Staffing - $
  - Lab Instruments - $150K

6.6 EPH Physician Staffing Guideline – First Reading

Purpose: To provide a framework for a thorough, inclusive and organized process for effectively recruiting a new employed practitioner to Estes Park Health.

Initial Steps:

i. Define the need, in particular what is the purpose of bringing in a new provider and what are the expectations of this provider

ii. Obtain BOD approval (we are a closed medical staff)

iii. Define the minimum necessary qualifications as well as the preferred qualifications

iv. Establish search committee: Director of Practice Management, Department Director (if also working in Hospital Department), Clinic Medical Director, Department Medical Director (if working in Hospital Department), provider in the same specialty, consider a front-line staff member

v. Decide on appropriate advertising: Trade journals, professional organizations, use of a recruiting firm, combination of methods

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Selecting Candidates:

vi. Review submitted CV's and any other submitted documents (Resume, cover letter, etc.), review any other sources of information about candidate
vii. Chose candidates for phone interviews

Phone Interviews:

viii. Group conference call: all members of the search committee present
ix. Plan at least 1 hour, make sure everyone has water.
x. Recap impressions and decide whether to proceed with on-site interviews.

On-Site Interviews:

xi. Schedule in advance to allow clinic schedules to be adjusted as needed
xii. Expect a 2-day process, plan lodging, dining and transportation in advance
xiii. Facility tour
xiv. Individual interviews: Director of Practice Management (if working in clinic include Clinic Nurse Manager), Department Director if working in hospital department, Clinic Medical Director if working in clinic, Department Medical Director if working in hospital department, CEO, COS
xv. Group Interviews: Department Directors, Providers, Senior Leadership, consider BOD, consider front line employees
xvi. Real Estate Tour: pre-arrange with local realtor
xvii. Social event

Decision:

xviii. Written and/or verbal evaluations, pay particular attention if any member is opposed, find out details and explore
xix. Final recommendation from search committee to CEO
xx. Letter of intent
xxi. Signed Contract

On-Boarding (Please see the New Practitioner Onboarding Checklist for details of all items to be completed prior to start date)

xxii. Licensure: time frame dependent on Colorado Board of Medical Examiners
xxiii. Hospital Credentials: Allow 90-120 days from receipt of a completed application
xxiv. Malpractice Insurance: time frame dependent on COPIC
xxv. Apply for UCH EPIC profile: Allow 45 days until provider is active
xxvi. Select a start date
xxvii. Complete mandatory UCH EPIC training
xxviii. Schedule New Practitioner Orientation, must be complete prior to seeing patients.

In the on-going pandemic we will need to pay particular attention to room sizes to allow social distancing and may need to offer 2 sessions for providers to limit the number of people in attendance at any given time. Social event will need to be a more limited number of people due to restrictions.

6.7 Covid-19 Status Update

- Keeping Everyone Safe
  All staff, patients, and visitors must wear masks at all times; screen at two entrances for all.
- COVID Testing:

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1. Installed a Diasorin analyzer which will give us the ability to do a standalone COVID-19 test, building/validating, expect to be up in the next two weeks.
2. Current swabbing process include a telehealth visit for personalized care and follow-up.
3. Open swabbing Monday – Friday from 10 AM – 11 AM; extend times depending on the demand from our community.
4. Swabbing volumes are variable, from four to sixteen specimen collections daily.

- Messaging to community: Don't Hesitate to Get Emergent Help When Needed
- Physician Clinic open for business. Telehealth is part of the permanent book of business now, also.
- Planning management of COVID + Flu Season
- Continue to transfer to available ICUs when appropriate
- Continue to screen first from home when possibility of symptoms or exposure
  1. COVID line is manned Monday thru Friday, 8 AM – 5 PM.
  2. To reach the COVID line, call the clinic registration desk at 586-2200 and then be transferred to the COVID triage nurse.
  3. Approximately 20 calls per day.

6.8 Urgent Care Center Update

1. Successes
   a. Patient Volumes: Averaging about 10 patients per day, despite Covid-19 challenges. EPH anticipated 14 patients/day for budget purposes
   b. Patient Feedback: Continued positive feedback from patients.
   c. Presentations: presenting regularly at EPH Board Meetings, EPH Foundation, and will be presenting at the Rotary Club in Nov.
   d. Covid-19 Screening: Continually adjusting to meet state and health department regulations. Urgent Care is following CDC guidelines regarding testing.
2. Challenges
   a. Covid-19 Restrictions: Decreased number of visitors allowed into RMNP has affected numbers.
   b. Cameron Peak Fire: Decreased number of people out during the poor air quality and evacuation risk.
3. New Items
   a. Quality Tracking:
      i. Patient wait times
      ii. Critical 911 transports from UCC to ED
4. Financial Implications
   a. Average number of patients: 10-12/day
   b. Copay Collection Rates
      i. Aug co-pay collection rates at 97%
      ii. Sept month to date collection rates at 100%
   c. Marketing Plan
      i. Google/Siri (patient searches)
      ii. Artist in Residence program: Rotating art every 3-4 months to help showcase local artists.
      iii. Presentations: Barb has presented to the Foundation, EPH Board and Rotary. She is happy to present an update at any requested meeting if she is available.
   d. Visits by Zip Code & PCP Clinic
      i. Zip Code: Approximately 40% of patients are in the local area, 60% are visitors
      ii. PCP Clinics: Approximately 14% of patients listed EPH PCP, 10% listed Timberline, 76% did not list a PCP.

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5. Right Care, Right Time, Right Place
    a. Brochures detailing when to see a specific type of provider (PCP, Urgent Care, ED) are available for pickup at the Urgent Care
    b. This list is also on the EPH.org website

7 Operations Significant Developments

7.1 Executive Summary – Significant Items Not Otherwise Covered

None.

8 Medical Staff Credentialing Report

Dr. Alper motioned to approve the Medical Staff Credentialing report as submitted. Ms. Muno seconded the motion, which carried unanimously.

9 Review any Action Items and Due Dates

Board Finance Study Session = September 30 from 4:00 – 6:00 p.m.
Board Tele-Townhall = October 7 from 6:00 – 8:00 p.m.

10 Potential Agenda Items for October 26, 2020 Regular Board Meeting

None.

11 Adjournment

Mr. Pinkham motioned to adjourn the meeting at 6:36 p.m. Dr. Alper seconded the motion, which carried unanimously

____

David M. Batey, Chair
Estes Park Health Board of Directors

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ESTES PARK HEALTH
BOARD OF DIRECTORS'
Finance Study Session Minutes – September 30, 2020

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Board Members in Attendance
Dr. David Batey
Ms. Diane Muno (via web)
Dr. Steve Alper
Ms. Sandy Begley (via web)

Other Attendees
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Mr. Gary Hall, COO (via web)
Kevin Mullin, Estes Park Health Foundation, Executive Director (via web)
Wendy Ash, Director of Nursing, Physician Clinic
James Mann, CPA, Clifton Allen Larsen
Dan Given, CPA, Stroudwater Associates

Community Attendees
Shelly Powers, Wendy Koenig, Barry Stein, John Phipps, Karen Sackett and Cindy Leaycraft.

Community Attendees (via web)
Larry Leaming, Wendy Rigby, Michael and Barbara Keilty, Judith Schaffer, Daniel Crosscull, Ray Leaycraft, Wendye Sykes and Tara Schultz

1. **Call to Order**
   The Finance Study Session was called to order at 4:00 p.m. by Dr. Batey, Chair; there was a quorum present. Notice of the Finance Study Session was posted in accordance with the SUNSHINE Law Regulation.

2. **Approval of the Agenda**
   Due to the meeting being a study session, no agenda approval is required.

3. **Public Comments**
   No comments were submitted.

4. **Introductions**
   Introductions of each participant were conducted.

5. **Discussion of EPH Financials 2019 and Industry Trends**

Mr. Mann provided an update to the community on the industry trends related to nursing homes. Nationwide skilled facilities like EPLC with census and are experiencing declining margins. These are driven by increased costs, regulatory issues, changing payor mix, lower reimbursements and individuals enrolling in Medicaid Advantage plans. Additionally, many individuals are now electing to receive care in their own homes vs. at facilities. Due to these issues, many facilities nationwide are experiencing significant financial challenges and are selling to larger entities or perhaps closing.

Executive Summary

For the month of August, earnings were $1.3M and compared to a budget of $1.4M or 6%. Gross Revenues were $9.0M and 14% under a budget of $10.5M. Expenses were $4.7M and 2% better than budget

Operating Income YTD is a loss of $6.1M compared to a budgeted loss of $1.2M, obviously due to the impact of COVID-19.

For the month, Operating Revenues YTD are down 16% from Budget and 7% down from last year. Due to the Covid-19 pandemic the hospital had anticipated a recovery to a 20% drop in Revenues. Year to date, expectations indicate a potential recovery of Revenues to 80%.

Expenses for the year are 3% under budget. The 10% rollback of wages for the highest earners was initiated June 1, resulting in a drop in Salary expense. This is expected to continue. Other expenses continue to report slightly less than Budget.

Days in Accounts Receivable continue to rebound from the Epic conversion in November; from a high of 64 to a remarkable 44.3. And, Days Cash on Hand are up significantly to 242, due specifically to the Stimulus and Loan funds. The YTD Net Income (Change in Net Assets) is reporting ($3.4M) loss before a projected recognition of Stimulus of $10.1M in Cash, to cover this shortfall, for 2020.

Statistics

	YTD	***Budget***	***2019***
Inpatient Days	434	636	657
Swing Bed	231	317	175
Births	36	56	52
ER Visits	2,992	3,781	4,175
Urgent Care Visits	835	2,000	0
Ambulance Trips	1,251	1,495	1,495
Clinic Visits	12,350	16,059	17,727
Surgeries (not incl GI)	241	261	260
GI Procedures	262	294	264
Pain Procedures	163	331	243
Lab Tests	46,376	52,602	52,602
Radiology Exams	6,163	7,887	7,887
Rehab Visits	4,837	7,266	7,280

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Home Health/Hospice	6,662	6,126	6,5001
Living Center Days	7,149	9,234	8,379

Balance Sheet

Days Cash on Hand are artificially high at 242, due specifically to the COVID Stimulus funds. It is expected, however, that we will continue to slowly burn through these funds until the hospital can settle either increasing revenues or reduce expenses.

As a note, the Accrued Liabilities, the Est Third-Party Settlement and Short-Term Notes Payable does reflect the recording of Stimulus Funds, the Advanced Payment from Medicare and the Payroll Protection Program, totaling $14.5M. When there is confirmation that any of these advances are forgivable, those will be recognized as Other Non-Operating Income

Forecast for 2020

Please note an attached Forecast. Assumptions were made regarding recovery of Revenues and some Expense reductions, however, given loss of patient visits earlier in the year, and the current recovery period, it is anticipated that Revenues will recover to approximately 80% of Budget. The challenge will be managing expenses with less Revenues, going forward.

This Forecast does indicate the recognition of most of the Stimulus funds ($10.1M) and the projection of a modest recovery of business volumes and revenues. As a result, the year should report modestly favorable, due to the temporary injection of government funding.

Summary

The month of August is reporting 7% decrease in net revenues and YTD decrease of 16%., due to the COVID pandemic. Assumptions include the continued possibility of a recovery to approximately 80% of normal, by year end. Earnings continue to reflect the decrease in revenues. Leadership continues to explore opportunities for long-term reductions in Expense and programmatic changes. Even with the pandemic, trends and long-term forecasts indicate a continued decrease in reimbursement for services. While expenses continue to increase, net revenues in the healthcare industry are predicted to decline.

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Estes Park Health

Financial Overview

Month Ended August 31, 2020

FINANCIAL RATIOS

	July	Aug	RED	YELLOW	GREEN
Days in Accounts Receivable	46.3	44.3	> 60	50 - 60	< 50
Days Cash on Hand	234	242	< 125	125 - 224	> 225
Debt Service Coverage Ratio	-1.40	-0.91	<1.25	1.25 - 2.0	> 2.0
Operating Margin (12 Mo. Rolling)	-18.9%	-18.4%	< 2.0%	2% - 4.99%	> 5%
Total Margin (12 Mo. Rolling)	-11.3%	-9.9%	< 5.0%	5% - 9.99%	> 10.0%

OTHER INDICATORS

	July	Aug	Budget	YTD	YTD Budget
Total Deductions from Revenue %	47.8%	40.8%	46.0%	44.5%	46.0%
Operating Margin	$34,869	$642,499	$976,175	($6,126,188)	($1,241,060)
Operating Margin %	0.8%	12.0%	16.9%	-19.7%	-3.4%
Increase (decrease) in Net Assets	$544,483	$1,310,568	$1,394,372	($3,378,524)	$1,280,991
Total Margin %	12.6%	24.4%	24.1%	-10.8%	3.5%

SUMMARY

Statistics: IP Days are at 127 compared to 100 in July and 124 in August 2019.
Physicians Clinic Visits are at 1774 compared to 2096 in July and 2147 in August 2019.
Surgeries are at 34 compared to 48 in July and 42 in August 2019.

Revenue: August's Gross Patient Revenue is $9,059,425 compared to a budget level of $10,589,251.

Other Operating Revenue: YTD Other Revenues are $217,788 below budget.

Expenses: Total Operating Expenses in August are $93,036 under budget. Salaries and benefits are under budget by $68,478.

Excess Revenues (Expenses): August's increase in Net Assets is $1,310,568 compared to a budget of of $1,394,372. August's Total Margin is 24.4% compared to a budgeted level of 24.1%.

Ratio Analysis: Day's in A/R is at 44.3 which is lower than the industry average of fifty.
Day's Cash on Hand is at 242 compared to July's level of 234 and August 2019 of 161.

Debt Coverage Ratio: August's rolling 12 month ratio is -0.91%. The loan end of year minimum required ratio is 1.25.

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ESTES PARK HEALTH

Statement of Revenues and Expenses (Unaudited)

August 31, 2020

	MONTH Aug-20			YEAR TO DATE FY 2020			PRIOR YEAR TO DATE FY 2019	
REVENUE	Actual	Budget	Var	Actual	Budget	Var	Actual	Var
Patient Revenue								
In-Patient	$ 1,507,980	$ 1,956,408	-23%	$ 8,555,755	$ 14,008,633	-39%	$ 12,658,651	-32%
Out-Patient	7,551,445	8,632,843	-13%	46,970,816	53,484,223	-12%	49,773,562	-6%
TOTAL PATIENT REVENUE	9,059,425	10,589,251	-14%	55,526,571	67,492,856	-18%	62,432,213	-11%
Less Contractual Adjustments	(3,580,154)	(4,765,163)	25%	(23,714,666)	(30,371,787)	22%	(28,113,815)	16%
Less Bad Debt Adjustments	(115,939)	(105,893)	-9%	(993,506)	(674,931)	-47%	(1,264,189)	21%
TOTAL REVENUE DEDUCTIONS	(3,696,093)	(4,871,056)	24%	(24,708,172)	(31,046,718)	20%	(29,378,004)	16%
	40.8%	*46.0%*		*44.5%*	*46.0%*		*47.1%*	
NET PATIENT REVENUE	5,363,332	5,718,195	-6%	30,818,399	36,446,138	-15%	33,054,209	-7%
Other Operating Revenue	794	63,921	-99%	322,644	540,422	-40%	518,593	-38%
TOTAL OPERATING REVENUE	5,364,126	5,782,116	-7%	31,141,043	36,986,560	-16%	33,572,803	-7%
EXPENSES								
Wages	1,973,958	2,130,444	7%	16,065,662	16,720,130	4%	14,895,869	-8%
Benefits	684,491	596,483	-15%	4,372,825	4,463,047	2%	4,328,319	-1%
Contract Labor	429,601	537,018	20%	4,178,199	4,242,644	2%	4,284,740	2%
Medical Supplies	434,054	377,993	-15%	3,071,796	3,003,838	-2%	2,925,431	-5%
Non-Medical Supplies	51,426	88,086	42%	714,190	675,727	-6%	891,831	20%
Purchased Services	475,972	454,744	-5%	3,910,367	4,116,554	5%	3,527,097	-11%
Other Operating Expenses	365,285	323,055	-13%	2,623,093	2,660,732	1%	2,287,680	-15%
Depreciation & Amortization	273,252	263,852	-4%	2,052,909	2,070,820	1%	1,347,193	-52%
Interest	33,588	34,266	2%	278,190	274,128	-1%	265,710	-5%
TOTAL OPERATING EXPENSE	4,721,627	4,805,941	2%	37,267,231	38,227,620	3%	34,753,870	-7%
OPERATING INCOME (LOSS)	642,499	976,175	-34%	(6,126,188)	(1,241,060)	-394%	(1,181,067)	-419%
Operating Margin	*12.0%*	*16.9%*		*-19.7%*	*-3.4%*		*-3.5%*	
Non-Operating Revenue	283,084	422,597	-33%	2,262,241	2,457,301	-8%	2,096,724	8%
Non-Operating Expense	(5,880)	(4,400)	-34%	(38,345)	(35,250)	-9%	(33,564)	-14%
EXCESS REVENUES (EXPENSES)	919,703	1,394,372	-34%	(3,902,292)	1,180,991	430%	882,093	542%
Gift to Purchase Capital Assets	390,865	0		523,769	100,000		102,095	
INCREASE (DECREASE) IN NET ASSETS	1,310,568	1,394,372	-6%	(3,378,524)	1,280,991	364%	984,188	443%
Total Margin	*24.4%*	*24.1%*		*-10.8%*	*3.5%*		*2.9%*	
EBDITA	$ 1,617,408	$ 1,692,490	-4%	$ (1,047,425)	$ 3,625,939	-129%	$ 2,597,091	

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ESTES PARK HEALTH
Balance Sheet (Unaudited)
August 31, 2020

ASSETS	2020 Aug	2020 July	2019 Aug
CASH & CASH EQUIVALENTS	$ 22,718,781	$ 22,028,163	$ 16,172,602
PATIENT ACCOUNTS RECEIVABLE	12,922,671	11,581,546	16,601,424
LESS: ALLOWANCES	(6,405,112)	(5,457,673)	(8,047,856)
NET ACCOUNTS RECEIVABLE	6,517,559	6,123,873	8,553,568
RECEIVABLES FROM OTHER PAYORS	2,263,798	2,079,061	1,893,934
INVENTORY	1,095,184	1,080,086	1,116,672
PREPAID EXPENSES	676,188	394,954	483,994
TOTAL CURRENT ASSETS	**33,271,510**	**31,706,137**	**28,220,770**
NET PROPERTY, EQUIPMENT & INTANGIBLE ASSETS	**33,451,970**	**33,199,865**	**30,776,120**
RESTRICTED ASSETS	**3,915,280**	**3,915,039**	**1,410,083**
OTHER ASSETS	0	0	0
LONG TERM INVESTMENTS	8,253,706	8,253,706	4,782,650
TOTAL OTHER ASSETS	**8,253,706**	**8,253,706**	**4,782,650**
TOTAL ASSETS	**$ 78,892,466**	**$ 77,074,747**	**$ 65,189,623**
LIABILITIES			
ACCOUNTS PAYABLE	867,290	565,920	668,832
ACCRUED EXPENSES	10,588,282	10,324,812	4,250,675
ACCRUED COMP PAYABLE	940,067	1,028,279	1,105,293
ACCRUED INTEREST PAYABLE	61,048	30,524	64,425
EST THIRD-PARTY SETTLEMENT	5,811,882	5,811,882	950,261
SHORT TERM NOTES PAYABLE	5,116,581	5,116,581	
OTHER CURRENT LIABILITIES		0	
CURRENT MATURITIES OF OTHER LONG TERM DEBT	1,085,000	1,085,000	1,060,000
TOTAL CURRENT LIABILITIES	**24,470,150**	**23,962,998**	**8,099,486**
DEPOSITS AND DEFERRED INCOME			
LOANS PAYABLE	15,426,208	15,426,208	13,485,000
LEASES PAYABLE	0	0	0
TOTAL LONG-TERM LIABILITIES	**15,426,208**	**15,426,208**	**13,485,000**
TOTAL LIABILITIES	**39,896,358**	**39,389,207**	**21,584,486**
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT		42,374,632	42,620,949
UNRESTRICTED			
TOTAL NET ASSETS	**42,374,632**	**42,374,632**	**42,620,949**
EXCESS REVENUES YTD	**(3,378,524)**	**(4,689,092)**	**984,188**
TOTAL LIABILITIES & NET ASSETS	**$ 78,892,466**	**$ 77,074,747**	**$ 65,189,623**

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ESTES PARK HEALTH

Statistical and Consolidated Financial Summary

Month Ended August 31, 2020

Utilization	Month			Year To Date		
	Actual	Budget	Variance To Budget	Actual	Budget	Variance To Budget
Hospital						
In-Patient Days	127	138	-8.0%	805	1171	-31.3%
Out Patient Visits	9534	10616	-10.2%	59266	68681	-13.7%
Living Center						
Resident Days	851	1178	-27.8%	7149	9234	-22.6%
Clinic						
Physicians Clinic Visits	1774	2319	-23.5%	12350	16059	-23.1%

Income Statement	Month				Year To Date			
Hospital	Actual	Budget	To Budget	% Variance	Actual	Budget	To Budget	% Variance
Operating Revenue (Net)	$ 4,162,558	$ 4,350,554	(187,996)	-4.3%	$23,211,109	$26,234,614	(3,023,505)	-11.5%
Operating Expenses	3,577,696	3,499,804	(77,892)	-2.2%	27,252,865	27,935,238	682,373	2.4%
Net Operating Income (Loss)	584,862	850,750	(265,888)	-31.3%	(4,041,756)	(1,700,624)	(2,341,132)	-137.7%
Living Center								
Operating Revenue (Net)	269,604	388,798	(119,194)	-30.7%	2,243,798	3,049,796	(805,998)	-26.4%
Operating Expenses	353,320	417,100	63,780	15.3%	3,001,824	3,286,301	284,477	8.7%
Net Operating Income (Loss)	(83,716)	(28,302)	(55,414)	-195.8%	(758,026)	(236,505)	(521,521)	-220.5%
Clinic								
Operating Revenue (Net)	931,964	1,042,764	(110,800)	-10.6%	5,686,136	7,702,150	(2,016,014)	-26.2%
Operating Expenses	790,611	889,037	98,426	11.1%	7,012,542	7,006,081	(6,461)	-0.1%
Net Operating Income (Loss)	141,353	153,727	(12,374)	-8.0%	(1,326,406)	696,069	(2,022,475)	-290.6%
Total								
Operating Revenue (Net)	5,364,126	5,782,116	(417,990)	-7.2%	31,141,043	36,986,560	(5,845,517)	-15.8%
Operating Expenses	4,721,627	4,805,941	84,314	1.8%	37,267,231	38,227,620	960,389	2.5%
Net Operating Income (Loss)	642,499	976,175	(333,676)	-34.2%	(6,126,188)	(1,241,060)	(4,885,128)	-393.6%
Total								
Non Operating Revenue (Net)	283,084	422,597	(139,513)	-33.0%	2,262,240	2,457,301	(195,061)	-7.9%
Non Operating Expenses (Net)	(5,880)	(4,400)	(1,480)	-33.6%	(38,345)	(35,250)	(3,095)	-8.8%
Excess of Rev over Exp Before Cap gifts	$ 919,703	$ 1,394,372	$ (474,669)	-34.0%	$ (3,902,293)	$ 1,180,991	$(5,083,284)	-430.4%
Gifts to Purchase Capital Assets	390,865	-	390,865	#DIV/0!	523,769	100,000	423,769	423.8%
Increase (Decrease) in Net Assets	$ 1,310,568	$ 1,394,372	$ (83,804)	-6.0%	$ (3,378,524)	$ 1,280,991	$(4,659,515)	-363.7%

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ESTES PARK HEALTH

Statement of Cash Flows (Unaudited)

1/1/20 through 8/31/20

.		
Cash Flows From Operating Activities		
(Deficiency) Excess of Revenues over Expenses	$	(3,378,524)
Interest expense (considered financing activity)		278,190
County tax subsidy, net (considered financing activity)		(2,053,684)
Interest income (considered investing activity)		(79,710)
Net income (loss) from operating activities		(5,233,728)
Assets released from restrictions		(536,470)
Depreciation & amortization		2,052,909
Changes in working capital:		
Decrease (Increase) in Accounts receivable, net		1,655,531
Decrease (Increase) in Inventory		1,222
Decrease (Increase) in Prepaid expenses		4,307
Decrease (Increase) in Other Assets		-
Decrease (Increase) in Long Term Investment		(7,499,726)
Increase (Decrease) in Accounts payable		(2,005,700)
Increase (Decrease) in Accrued wages & related liabilities		296,523
Increase (Decrease) in Other current liabilities		165,995
Increase (Decrease) in Deposits and Deferred Income		5,292,593
Increase (Decrease) in Payable to 3rd party payors		4,407,877
Net (gain) loss on sale of equipment		-
Net cash provided by (used in) operating activities		(1,398,667)
Cash Flows From Financing Activities		
Restricted contributions		536,470
County tax subsidy, net		2,053,684
Interest expense		(278,190)
Sale of equipment		-
Purchase of property, equipment & intangible assets		(3,473,238)
Increase (Decrease) in capital lease commitments, net		-
Loan Activity		8,142,789
Net cash provided by (used in) financing activities		6,981,515
Cash Flows From Investing Activities		
Interest income		79,710
Net cash provided by (used in) investing activities		79,710
Net Increase (Decrease) in Cash and Cash Equivalents		5,662,558
Cash and Cash Equivalents, 01/01/2020		20,971,503
Cash and Cash Equivalents, 8/31/20	$	26,634,061
.		
Restricted Cash and Cash Equivalents, 8/31/20	$	3,915,280
Unrestricted Cash and Cash Equivalents, 8/31/20		22,718,781
	$	26,634,061

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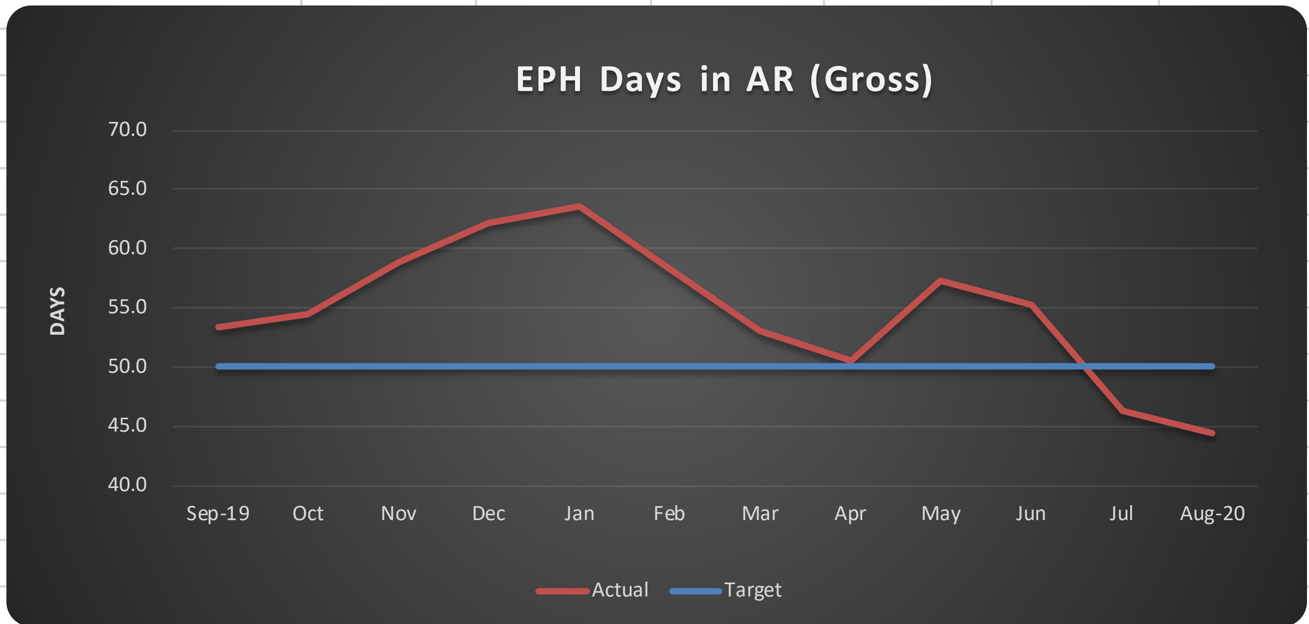

Calculation: <u>Gross Accounts Receivable</u>
Average Daily Revenue

Definition: Considered a key "liquidity ratio" that calculates how quickly accounts are paid.

Desired Position: Downward trend below the median, and below average.

How ratio is used: Used to determine timing required to collect accounts. Usually, organizations below the average Days in AR are likely to have higher levels of Days Cash on Hand.

	Sep-19	Oct	Nov	Dec	Jan	Feb
A/R (Gross)	15,378,349	14,173,824	13,806,401	14,575,357	14,237,980	13,759,900
Days in Month	30	31	30	31	31	29
Monthly Revenue	7,200,698	7,808,340	6,340,531	7,414,874	6,857,233	7,238,504
Daily Revenue	288,141	260,440	234,611	234,389	224,050	236,380
Days in AR	**53.4**	**54.4**	**58.8**	**62.2**	**63.5**	**58.2**

	Mar	Apr	May	Jun	Jul	Aug-20
A/R (Gross)	11,257,627	9,310,952	9,099,346	10,711,059	11,581,546	12,922,671
Days in Month	31	30	31	30	31	31
Monthly Revenue	5,214,133	4,148,662	5,254,518	8,222,669	9,531,427	9,059,425
Daily Revenue	212,196	184,459	158,884	193,691	250,094	291,451
Days in AR	**53.1**	**50.5**	**57.3**	**55.3**	**46.3**	**44.3**

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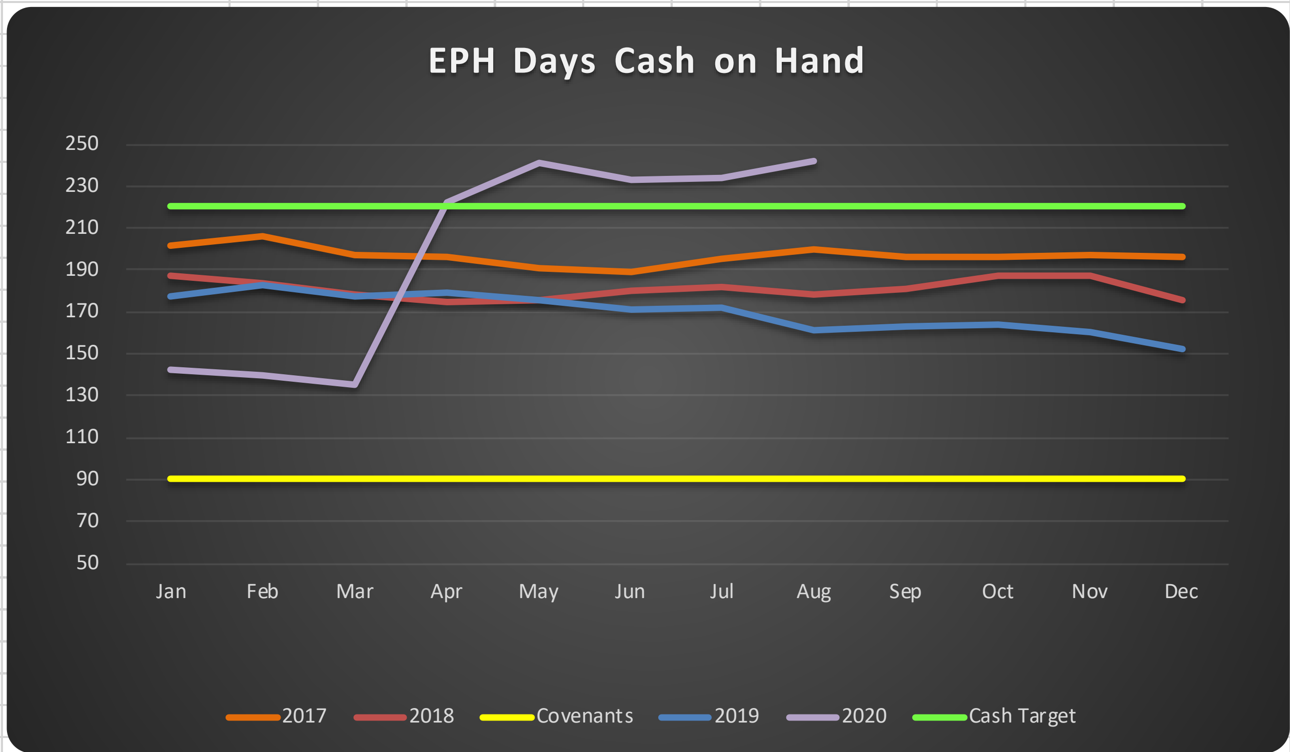

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Calculation: <u>Total Unrestricted Cash on Hand</u>
Daily Operating Cash Needs

Definition: This ratio quantifies the amount of cash on hand in terms of how many "days" an organization can survive with existing cash reserves.

Desired Position: Upward trend, above the median--AND above Bond Covenant Minimums

How ratio is used: This ratio is frequently used by bankers, bondholders and analysts to gauge an organization's liquidity--and ability to meet short term obligations as they mature.

Note: At EPH, the Bond Refunding/Loan documents require a minimum level of 90 days cash be maintained. It changed to 90 effective March 1, 2016.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	142	140	135	222	241	233	234	242				
2019	177	183	177	179	176	171	172	161	163	164	160	152
2018	187	184	178	175	176	180	182	178	181	187	187	176
2017	202	206	197	196	191	189	195	200	196	196	197	196
Bond Covenant MIN	90	90	90	90	90	90	90	90	90	90	90	90
Cash Target	220	220	220	220	220	220	220	220	220	220	220	220

6. <u>Questions about 2019 and 2020 EPH Financials</u>

C. There have always been issues to overcome, but EPH has always thrived. EPH needs to view the current issues as a challenge and opportunity and not consider closing the LC.

C. Overall, the healthcare industry has changed, which impacts all departments of the hospital not just the LC. The LC is only one small piece of the puzzle.

Q. When did the shift go to home health?

- A. Over the last 5 years, the Home Health/Hospice business has seen an increase.

Q. Are the Medicare Advantage plans also impacting the hospital?

- A. The Medicare Advantage plan coverage is based on the patient's medical necessity, which results in lower reimbursement rates the longer the patient is in the facility. However, the LC demographics are 60% Medicaid, 15% Medicare and the remainder is self-pay, so it doesn't greatly affect the LC.

Q. Does EPH Home Health accept Medicaid patients?

- A. Yes, they do take Medicaid patients.

C. Severely acute patients, or patients without family members able to assist with their care, do not have the ability for home health services.

C. The Colorado Department of Health has advised that EPH contacted them inquiring about sending patients to another facility.

- A. Conversation was initiated with the Colorado Department of Health to advise and seek consent regarding EPH's evacuation plan. No contact has been made with the Department of Health regarding closure of the nursing home.

Q. Does EPH conduct CNA classes?

- A. No.

Q. Has EPH underestimated the revenues to make the financial picture appear bleaker?

- A. No. EPH utilized generally accepted accounting practices. Additionally, two nationally recognized healthcare accounting firms have audited or reviewed and approved the fiscal projections.

Q. There are still four more months of data to review so shouldn't the Board postpone the vote on the closure until a full years' worth of data can be reviewed?

- A. The nursing facility has been operating at a loss for multiple years. Stimulus will likely create a small operating margin for 2020. However, size, payor mix, challenges with staffing and regulatory challenges will create negative operating margins for the LC for the foreseeable future.

7. <u>Discussion about Cost Report and Impact to the Living Center</u>

In 2020, Estes Park Health (EPH) has experienced significant financial losses due to the coronavirus pandemic and associated significant reductions in healthcare activity. EPH was expecting a financial loss of $10 million and a financial crisis in 2020 without government financial aid and significant operational adjustments. A financial crisis from an expected $7.5 million in expense reductions, and that may be enough if 80% of "pre-pandemic levels" financial performance is realized.

One other matter of note is the responsibility the District has with its banking relationships, current outstanding loans, and the covenants in the loan documents. At year end, the financials must report two important metrics. Days Cash on Hand must be greater than 90 and the Debt Coverage Ratio must be 1.25 or greater. Currently, Days Cash on hand is not a problem. The Debt Coverage ratio is problematic for this year and for the Forecast.

Estes Park Health Living Center

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In 2019, the EPH Living Center reported a financial loss of $1.02 million. In 2020, due to the COVID-19 pandemic and loss of Revenues, the Living Center is projected to lose approximately $1.4M. This is due to the impact of the Medicare Cost Report and the associated allocations of cost.

The EPH Living Center financials (see "LC 2019-2020 et al), reflect allocations of cost that are not directly noted on internal documents. These include services of Dietary/Nutrition, Housekeeping & Linen, Facilities, Admin and Supply. Also, an analysis of the Medicare Cost Report impact is noted for 2019.

Background

Estes Park Health

In March of 2020, EPH experienced the impact of the coronavirus pandemic. Patient visits dropped to near zero beginning the third week of March thru May. EPH implemented Phase 1 expense reductions through 10% salary reductions, stopping paid time off (vacation) accumulation, contract labor reductions, and department by department expense reductions. These Phase I actions through end September were expected to produce approximately $1 million in expense reductions.

Through July 2020, EPH revenues are near 20% below budget Year-to-Date. This has resulted in a very significant financial loss of $4.7 million dollars through July. The Forecast for 2020 through December is a $8.2 million loss if there are no additional expense reductions. Looking at 2021, even if revenues improve to 80% of "pre-pandemic levels," further cost cutting measures need to be implemented to avoid a financial crisis in 2021.

EPH has received government stimulus funds, totaling approximately $14 million, of which $5 million is scheduled for repayment in 2021. The remaining $9 million is eligible to be transformed from loans into grants, pending release of federal guidelines for application. When those guidelines are released, EPH will request changing the $9 million in loans into grants so they can be reported on the Income Statement as Non-Operating Revenue. The Balance Sheet shows these funds, in Cash and Liabilities, and these funds are currently regarded as loans.

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Additional Background

Park Hospital District, dba Estes Park Health (EPH) is a licensed 23 bed Critical Access Hospital (CAH); a quasi-municipal governmental entity, owned and operated by the citizens of the district. As a rural Hospital, EPH provides many healthcare services to the community and its visitors, including the operation of a Skilled Nursing Facility (SNF), known currently as the Estes Park Health Living Center (EPHLC). In Colorado, there are 32 Critical Access Hospitals and 1,350 in the country.

Historically, EPH has operated financially with a marginal profit. This is typical of rural, community hospitals. The cost of operating a hospital is very high and the majority of costs are labor related.

Very few hospitals own or manage a SNF. Most SNF's operate at a financial loss. Most CAH facilities have divested their SNF's, not only because of the cash flow loss but also due to the negative impact to their CMS (Centers for Medicare and Medicaid Services) Cost Report.

The CMS Cost Report is an annual report required of every hospital in the country. CAH's are unique in that the CMS Cost Report determines payment for Medicare and Medicaid services. All other hospitals are paid differently. It is essentially a step-down cost accounting method of determining cost of services. Having a SNF as a part of a Critical Access Hospital causes a cost shift that results in a loss of overall Medicare reimbursement.

EPH financial reports must comply with regulations specified as Generally Accepted Accounting Principles (GAAP) and are audited annually. Identical financial reports are used for every acute care, Medicare approved hospital or healthcare system in the country.

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ESTES PARK HEALTH
Statement of Revenues and Expenses (Unaudited)
Full Mitigation Strategy

	FY 2020 Forecast	FY 2021 Forecast @ 70%	FY 2021 Forecast @ 80%	FY 2021 Forecast @ 90%	FY 2021 Forecast @ 100%
Patient Revenue					
In-Patient	13,529,854	11,416,868	12,764,290	14,111,713	15,459,135
Out-Patient	64,810,439	55,741,177	62,319,770	68,898,363	75,476,956
TOTAL PATIENT REVENUE	78,340,293	67,158,045	75,084,060	83,010,076	90,936,091
Less Contractual Allowances	(33,979,728)	(26,948,155)	(30,197,822)	(33,447,488)	(36,697,154)
Less Bad Debt Adjustments	(939,668)	(805,897)	(901,009)	(996,121)	(1,091,233)
Total Revenue Deductions	(34,919,395)	(27,754,052)	(31,098,830)	(34,443,609)	(37,788,387)
	44.6%	*41.3%*	*41.4%*	*41.5%*	*41.6%*
NET PATIENT REVENUE	43,420,898	39,403,993	43,985,230	48,566,467	53,147,704
Other Operating Revenue	734,543	750,000	750,000	750,000	750,000
TOTAL OPERATING REVENUE	44,155,441	40,153,993	44,735,230	49,316,467	53,897,704
EXPENSES					
Wages	23,654,909	21,714,556	21,714,556	21,714,556	21,714,556
Benefits	7,489,993	6,739,693	6,739,693	6,739,693	6,739,693
Contract Labor	6,110,343	4,693,653	4,693,653	4,693,653	4,693,653
Medical Supplies	4,245,403	4,372,765	4,372,765	4,372,765	4,372,765
Non-Medical Supplies	1,168,403	903,455	903,455	903,455	903,455
Purchased Services	4,749,073	4,691,545	4,691,545	4,691,545	4,691,545
Other Operating Expenses	4,766,178	4,409,163	4,409,163	4,409,163	4,409,163
Depreciation & Amortization	3,108,547	3,108,547	3,108,547	3,108,547	3,108,547
Interest/Bank Fees	416,792	416,792	416,792	416,792	416,792
TOTAL OPERATING EXPENSE	55,709,640	51,050,169	51,050,169	51,050,169	51,050,169
OPERATING INCOME (LOSS)	**(11,554,199)**	**(10,896,176)**	**(6,314,939)**	**(1,733,702)**	**2,847,535**
Operating Margin		*-27.1%*	*-14.1%*	*-3.5%*	*5.3%*
Non-Operating Revenue	3,441,583	3,544,830	3,544,830	3,544,830	3,544,830
Non-Operating Expense	(55,125)	(55,125)	(55,125)	(55,125)	(55,125)
NON-OPERATING	3,386,458	3,489,705	3,489,705	3,489,705	3,489,705
EXCESS REVENUES (EXPENSES)	(8,167,741)	(7,406,470)	(2,825,233)	1,756,004	6,337,241
Gift to Purchase Capital Assets	523,770	150,000	150,000	150,000	150,000
Stimulus Funds		0	0	0	0
NET GAIN (LOSS)	**(7,643,971)**	**(7,256,470)**	**(2,675,233)**	**1,906,004**	**6,487,241**
Total Margin	*4.8%*	*-18.1%*	*-6.0%*	*3.9%*	*12.0%*
EBIDA	**(4,118,633)**	**(3,731,132)**	**850,105**	**5,431,342**	**10,012,579**

SUMMARY

	FY 2020 Forecast	FY 2021 Forecast @ 70%	FY 2021 Forecast @ 80%	FY 2021 Forecast @ 90%	FY 2021 Forecast @ 100%
TOTAL OPERATING REVENUE	44,155	40,154	44,735	49,316	53,898
TOTAL OPERATING EXPENSE	(55,710)	(51,050)	(51,050)	(51,050)	(51,050)
OPERATING INCOME (LOSS)	**(11,554)**	**(10,896)**	**(6,315)**	**(1,734)**	**2,848**
Non-Operating	3,386	3,490	3,490	3,490	3,490
Gift to Purchase Capital Assets	524	150	150	150	150
Stimulus Funds		-	-	-	-
Total Margin	*-17.3%*	*-18.1%*	*-6.0%*	*3.9%*	*12.0%*
NET GAIN (LOSS)	**(7,644)**	**(7,256)**	**(2,675)**	**1,906**	**6,487**
EBIDA	**(4,119)**	**(3,731)**	**850**	**5,431**	**10,013**

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ESTES PARK HEALTH

Statement of Revenues and Expenses (Unaudited)

No Mitigation Strategy

	FY 2020 Forecast	FY 2021 Forecast @ 70%	FY 2021 Forecast @ 80%	FY 2021 Forecast @ 90%	FY 2021 Forecast @ 100%
Patient Revenue					
In-Patient	13,529,854	11,416,868	13,336,455	14,111,713	15,459,135
Out-Patient	64,810,439	55,741,177	65,113,282	68,898,363	75,476,956
TOTAL PATIENT REVENUE	78,340,293	67,158,045	78,449,737	83,010,076	90,936,091
Less Contractual Allowances	(33,979,728)	(26,948,155)	(31,577,749)	(33,447,488)	(36,697,154)
Less Bad Debt Adjustments	(939,668)	(805,897)	(941,397)	(996,121)	(1,091,233)
Total Revenue Deductions	(34,919,395)	(27,754,052)	(32,519,146)	(34,443,609)	(37,788,387)
	44.6%	*41.3%*	*41.5%*	*41.5%*	*41.6%*
NET PATIENT REVENUE	43,420,898	39,403,993	45,930,591	48,566,467	53,147,704
Other Operating Revenue	734,543	750,000	750,000	750,000	750,000
TOTAL OPERATING REVENUE	44,155,441	40,153,993	46,680,591	49,316,467	53,897,704
EXPENSES					
Wages	23,654,909	24,364,556	24,364,556	24,364,556	24,364,556
Benefits	7,489,993	7,714,693	7,714,693	7,714,693	7,714,693
Contract Labor	6,110,343	6,293,653	6,293,653	6,293,653	6,293,653
Medical Supplies	4,245,403	4,372,765	4,372,765	4,372,765	4,372,765
Non-Medical Supplies	1,168,403	1,203,455	1,203,455	1,203,455	1,203,455
Purchased Services	4,749,073	4,891,545	4,891,545	4,891,545	4,891,545
Other Operating Expenses	4,766,178	4,909,163	4,909,163	4,909,163	4,909,163
Depreciation & Amortization	3,108,547	3,201,803	3,201,803	3,201,803	3,201,803
Interest/Bank Fees	416,792	429,295	429,295	429,295	429,295
TOTAL OPERATING EXPENSE	55,709,640	57,380,929	57,380,929	57,380,929	57,380,929
OPERATING INCOME (LOSS)	**(11,554,199)**	**(17,226,936)**	**(10,700,338)**	**(8,064,462)**	**(3,483,225)**
Operating Margin		*-42.9%*	*-22.9%*	*-16.4%*	*-6.5%*
Non-Operating Revenue	3,441,583	3,544,830	3,544,830	3,544,830	3,544,830
Non-Operating Expense	(55,125)	(55,125)	(55,125)	(55,125)	(55,125)
NON-OPERATING	3,386,458	3,489,705	3,489,705	3,489,705	3,489,705
EXCESS REVENUES (EXPENSES)	(8,167,741)	(13,737,230)	(7,210,632)	(4,574,756)	6,480
Gift to Purchase Capital Assets	523,770	150,000	150,000	150,000	150,000
Stimulus Funds		0	0	0	0
NET GAIN (LOSS)	**(7,643,971)**	**(13,587,230)**	**(7,060,632)**	**(4,424,756)**	**156,480**
Total Margin	*4.8%*	*-33.8%*	*-15.1%*	*-9.0%*	*0.3%*
EBIDA	**(4,118,633)**	**(9,956,132)**	**(3,429,534)**	**(793,658)**	**3,787,579**
SUMMARY					
TOTAL OPERATING REVENUE	44,155	40,154	46,681	49,316	53,898
TOTAL OPERATING EXPENSE	(55,710)	(57,381)	(57,381)	(57,381)	(57,381)
OPERATING INCOME (LOSS)	**(11,554)**	**(17,227)**	**(10,700)**	**(8,064)**	**(3,483)**
Non-Operating	3,386	3,490	3,490	3,490	3,490
Gift to Purchase Capital Assets	524	150	150	150	150
Stimulus Funds		-	-	-	-
Total Margin	*-17.3%*	*-33.8%*	*-15.1%*	*-9.0%*	*0.3%*
NET GAIN (LOSS)	**(7,644)**	**(13,587)**	**(7,061)**	**(4,425)**	**156**
EBIDA	**(4,119)**	**(9,956)**	**(3,430)**	**(794)**	**3,788**

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ESTES PARK HEALTH

Statement of Revenues and Expenses (Unaudited)

Mitigation Strategy but Keep the Living Center

	FY 2020 Forecast	FY 2021 Forecast @ 70%	FY 2021 Forecast @ 80%	FY 2021 Forecast @ 90%	FY 2021 Forecast @ 100%
Patient Revenue					
In-Patient	13,529,854	11,416,868	13,336,455	14,111,713	15,459,135
Out-Patient	64,810,439	55,741,177	65,113,282	68,898,363	75,476,956
TOTAL PATIENT REVENUE	78,340,293	67,158,045	78,449,737	83,010,076	90,936,091
Less Contractual Allowances	(33,979,728)	(26,948,155)	(31,577,749)	(33,447,488)	(36,697,154)
Less Bad Debt Adjustments	(939,668)	(805,897)	(941,397)	(996,121)	(1,091,233)
Total Revenue Deductions	(34,919,395)	(27,754,052)	(32,519,146)	(34,443,609)	(37,788,387)
	44.6%	*41.3%*	*41.5%*	*41.5%*	*41.6%*
NET PATIENT REVENUE	43,420,898	39,403,993	45,930,591	48,566,467	53,147,704
Other Operating Revenue	734,543	750,000	750,000	750,000	750,000
TOTAL OPERATING REVENUE	44,155,441	40,153,993	46,680,591	49,316,467	53,897,704
EXPENSES					
Wages	23,654,909	23,314,556	23,314,556	23,314,556	23,314,556
Benefits	7,489,993	7,139,693	7,139,693	7,139,693	7,139,693
Contract Labor	6,110,343	5,293,653	5,293,653	5,293,653	5,293,653
Medical Supplies	4,245,403	4,372,765	4,372,765	4,372,765	4,372,765
Non-Medical Supplies	1,168,403	1,103,455	1,103,455	1,103,455	1,103,455
Purchased Services	4,749,073	4,691,545	4,691,545	4,691,545	4,691,545
Other Operating Expenses	4,766,178	4,809,163	4,809,163	4,809,163	4,809,163
Depreciation & Amortization	3,108,547	3,201,803	3,201,803	3,201,803	3,201,803
Interest/Bank Fees	416,792	429,295	429,295	429,295	429,295
TOTAL OPERATING EXPENSE	55,709,640	54,355,929	54,355,929	54,355,929	54,355,929
OPERATING INCOME (LOSS)	**(11,554,199)**	**(14,201,936)**	**(7,675,338)**	**(5,039,462)**	**(458,225)**
Operating Margin		*-35.4%*	*-16.4%*	*-10.2%*	*-0.9%*
Non-Operating Revenue	3,441,583	3,544,830	3,544,830	3,544,830	3,544,830
Non-Operating Expense	(55,125)	(55,125)	(55,125)	(55,125)	(55,125)
NON-OPERATING	3,386,458	3,489,705	3,489,705	3,489,705	3,489,705
EXCESS REVENUES (EXPENSES)	(8,167,741)	(10,712,230)	(4,185,632)	(1,549,756)	3,031,480
Gift to Purchase Capital Assets	523,770	150,000	150,000	150,000	150,000
Stimulus Funds		0	0	0	0
NET GAIN (LOSS)	**(7,643,971)**	**(10,562,230)**	**(4,035,632)**	**(1,399,756)**	**3,181,480**
Total Margin	*4.8%*	*-26.3%*	*-8.6%*	*-2.8%*	*5.9%*
EBIDA	**(4,118,633)**	**(6,931,132)**	**(404,534)**	**2,231,342**	**6,812,579**
SUMMARY					
TOTAL OPERATING REVENUE	44,155	40,154	46,681	49,316	53,898
TOTAL OPERATING EXPENSE	(55,710)	(54,356)	(54,356)	(54,356)	(54,356)
OPERATING INCOME (LOSS)	**(11,554)**	**(14,202)**	**(7,675)**	**(5,039)**	**(458)**
Non-Operating	3,386	3,490	3,490	3,490	3,490
Gift to Purchase Capital Assets	524	150	150	150	150
Stimulus Funds		-	-	-	-
Total Margin	*-17.3%*	*-26.3%*	*-8.6%*	*-2.8%*	*5.9%*
NET GAIN (LOSS)	**(7,644)**	**(10,562)**	**(4,036)**	**(1,400)**	**3,181**
EBIDA	**(4,119)**	**(6,931)**	**(405)**	**2,231**	**6,813**

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Park Hospital District, dba Estes Park Health
ANALYSIS OF LIVING CENTER FINANCIALS
Income Statement 2018, 2019 and 2020 (August)

	2020 YTD	Budget	Estim 2020	Estim 2021		2019	Budget	2018
OPERATING REVENUE:								
I/P Gross Revenue	2,208,368	3,013,888	3,312,552	3,116,005		4,086,277	4,180,162	4,221,234
I/P Bad Debt	-	-	-	-		(103)	-	(132)
BILLED GROSS REVENUE	**2,208,368**	**3,013,888**	**3,312,552**	**3,116,005**		**4,086,174**	**4,180,162**	**4,221,102**
CONTRACTUALS	(397,506)		(596,259)	(560,881)		(735,511)	-	(759,798)
Misc. Non-OP Revenue	-	-	-	-		-	-	262
TOTAL OPERATING REVENUES	**1,810,862**	**3,013,888**	**2,716,293**	**2,555,124**		**3,350,663**	**4,180,162**	**3,461,304**
OPERATING EXPENSES:								
Salary - Mgr/Director	94,149	64,276	141,224	143,342		97,494	92,197	156,340
Salary - Supervisor	-	38,394	-	-		61,840	95,006	73,954
Salary - RN	330,116	267,200	495,174	502,602		404,763	426,909	431,535
Salary - LPN	81,977	124,723	122,966	124,810		178,412	119,728	131,581
Salary - C.N.A.	231,127	287,429	346,691	351,891		393,845	468,050	344,804
Salary - Ancillary	55,710	123,727	83,565	84,818		138,607	134,478	125,200
Salary - Clerical and Admin	29,013	27,052	43,520	44,172		47,557	38,779	44,446
Salary - General Service	68,464	4,303	102,696	104,236		18,928	6,387	3,787
PTO - Change in Liability	(10,980)	86,400	(16,470)	(16,717)		81,031	124,776	115,492
PTO - Taken	49,994	-	74,991	76,116		35,867	-	-
Medical Directorships	-	8,000	-	-		8,000	12,000	13,000
SALARIES	929,570	1,031,504	1,394,355	1,415,270		1,466,342	1,518,310	1,440,138
Contract Labor- RN	97,973	160,000.00	146,960	146,960		315,345	265,200	438,718
Contract Labor- LPN	22,149	-	33,224	33,224		829	-	3,818
Contract Labor- CNA	143,957	60,000.00	215,936	215,936		228,842	326,400	441,311
Contract Labor - Ancillary	514	100,000.00	350,000	250,000		545,016	591,600	883,846
CONTRACT LABOR	264,593	320,000	746,119	646,119		1,090,032	1,183,200	1,767,693
Retirement	57,286	63,240	85,929	87,218		91,114	92,975	90,510
Retirement Fees	1,629	3,225	2,444	2,480		5,428	6,240	5,754
Benefit Options-Health Insurance	145,553	185,041	218,330	221,604		235,603	259,092	235,861
Benefit Options-Dental Insurance	3,302	3,959	4,953	5,027		6,020	5,532	8,082
Benefit Options-Vision Insurance	460	483	690	700		876	840	817
Benefit Options- Life Insurance	1,345	1,479	2,018	2,048		2,284	2,100	1,969
Benefit Options - LTD	3,170	4,000	4,755	4,826		6,264	5,658	6,292
HSA Pay Clearing			-	-		(74)	-	-
Workers' Compensation	7,014	9,464	10,521	10,679		10,146	15,430	14,641
Unemployment	965	2,100	1,448	1,469		2,397	4,462	4,348
Medicare Tax	12,284	14,680	18,426	18,702		19,675	21,570	19,945
BENEFITS	233,008	287,671	349,512	354,755		379,734	413,899	388,220
WAGES AND BENEFITS	1,427,171	1,639,175	2,489,986	2,416,144		2,936,108	2,523,809	2,712,204
Cost of Drugs	21,854	43,336	32,781	33,764		59,297	30,177	22,691
Billable Supplies	7,666	1,600	11,499	11,844		1,378	-	226
Cost of Oxygen	24,848	16,000	37,272	38,390		35,887	17,946	14,630
Bundled Medical Supplies	30,076	32,000	45,114	46,467		54,552	69,493	61,719
MEDICAL SUPPLIES	84,444	92,936	126,666	130,466		151,114	117,616	99,265
Cost of Raw Food	9,391	10,000	14,087	14,509		15,558	18,882	14,281
Nutritional Suppliments	4,204	4,000	6,306	6,495		6,189	7,932	8,202
Dietary/EVS Paper Supplies	441	600	662	681		637	1,145	877
Office Supplies	3,657	5,600	5,486	5,650		5,285	10,488	13,635
Covid Supplies	440	-	660	680				
Other Supplies	9,907	1,200	14,861	15,306		7,728	4,100	16,960
NON-MEDICAL SUPPLIES	28,040	21,400	42,060	43,322		35,397	42,547	53,954
SUPPLIES	112,484	114,336	168,726	173,788		186,511	160,163	153,220
Consultants	-	16,000	-	-		50,862	12,000	71,594
Contractual Management Services	77,000	128,000	77,000	79,310		-	-	49,814
Maintenance Contract	18,991	12,000	28,487	29,341		17,779	21,555	20,171
Other Contracted Services	89,713	133,336	134,570	138,607		219,745	257,516	108,326
PURCHASED SERVICES	185,704	289,336	240,056	247,258		288,386	291,071	249,906
Dues/Memberships	4,291	2,800	6,437	6,630		3,923	-	3,840
Equip Rental	16,337	4,000	24,506	25,241		24,406	36,000	27,104
License and Permits	2,400	4,000	3,600	3,708		210	5,940	5,940
Insurance - Automobile	2,123	-	3,185	3,280		3,322	2,392	2,471
Minor Medical Equipment	6,121	6,800	9,182	9,457		9,083	14,834	82,836
Other Minor Equipment	1,031	1,600	1,547	1,593		3,484	1,500	85,743
Misc Operating Expense	430	400	645	664		3,764	1,931	13,008
Property /Building Rent			-	-		-	-	4,950
Repairs & Maintenance	14	1,600	21	22		-	3,167	4,865
Subscrip/Books/Periodicals	480	400	720	742		2,217	1,331	1,507
Employee Education	275	4,000	413	425		3,235	3,098	3,080
Travel Expense-Employee	137	4,000	206	212		961	5,332	2,518
Meeting Expenses	-	-	-	-		-	353	23
Auto Maintenance Expenses	1,505	200	2,258	2,325		-	1,901	2,472
Employee Service	(1,476)	-	(1,476)	(1,520)		2,572	5,000	5,177
OTHER OPERATING	33,668	29,800	51,240	52,777		57,177	82,779	245,533
PURCH SERVICES & OTHER EXP	219,372	319,136	291,296	300,035		345,563	373,850	495,439
TOTAL OPERATING EXPENSES	**1,759,027**	**2,072,647**	**2,950,008**	**2,889,966**		**3,468,182**	**3,057,822**	**3,360,863**
EBITDA - NON-GAAP	51,835	941,241	(233,715)	(334,842)		(117,519)	1,122,340	100,441
Building Depreciation	64,513	72,000	96,769.50	92,899		104,321	105,000	104,846
Land Improv Depreciation	1,829	2,928	2,743.50	2,634		4,390	4,392	4,390
Equipment Depreciation	12,850	16,000	19,275.00	18,504		24,894	49,200	43,158
DEPRECIATION/AMORTIZATION	79,192	90,928	118,788	114,036		133,605	158,592	152,394
OPERATING INCOME	(27,357)	850,313	(352,503)	(448,879)		(251,124)	963,748	(51,953)
NON-OPERATING REVENUE & EXP								
Non-Cap Contributions Received	-	5,000	-	7,500		5,000	5,000	137,726
Cap Contributions Received			-	-		-	-	10,105
Misc Non Operating Expense			-	-		-	(1,000)	(1,958)
County Tax Revenue	207,057	200,000	310,586	300,000		295,050	271,000	294,478
County Tax Collection Fees	(3,818)	(26,880)	(5,727)	(40,320)		(5,440)	(4,920)	(5,265)
OTHER NON-OPERATING REV	203,239	178,120	304,859	267,180		294,610	270,080	435,086
GAIN (LOSS) BEFORE ALLOCATIONS	**$ 175,882**	**$ 1,028,433**	**$ (47,644)**	**$ (181,699)**		**$ 43,486**	**$ 1,233,828**	**$ 383,133**
COST REPORT IMPLICATIONS	**Estimate**		**Estimate**	**Estimate**				
Revenue	1,810,862		2,716,293	2,555,124		$ 3,349,021		
Reported Direct Expense *(WS A)*	1,759,027		2,950,008	2,889,966		3,237,012		
Ancillary Expenses *(per cost report D-3)*	35,941		54,989	56,089		53,911		
Allocations *(WS B)*								
Dietary	228,559		342,839	342,839		342,839		
Cafeteria	17,497		26,245	26,245		26,245		
Housekeeping	54,993		82,490	82,490		82,490		
Linen	22,095		33,142	33,142		33,142		
Admin & General	26,668		40,002	40,002		40,002		
Employee Benefits	38,072		57,109	57,109		57,109		
Operation of Plant	80,078		120,117	120,117		120,117		
Central Supply	12,721		19,082	19,082		19,082		
Cost Report Allocation *(WS B)*	480,683		721,025	721,025		721,025		
Total Expenses	2,275,651		3,726,021	3,667,080		4,011,948		
Gain (Loss)	**(464,789)**		**(1,009,729)**	**(1,111,956)**	*b*	**(662,927)**		
Overhead expenses allocated away from EPH	(562,785)		(844,177)	(844,177)	*(a-b)*	(844,177)		
Estim CAH Cost Based Payer Mix	42%		42%	42%		42%		
EPH lost Reimb due to LC	(236,370)		(354,554)	(354,554)		(354,554)		
Net Gain/(loss)	**(701,159)**		**(1,364,283)**	**(1,466,510)**		**(1,017,481)**		

Service Line Performance Analysis

September 24th, 2020
Eric K. Shell, CPA, MBA
Dan Given, CPA

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Executive Summary

- Estes Park Health (EPH) is a 25-bed Critical Access Hospital (CAH) providing emergency, inpatient, surgical, OB/GYN, rehabilitative, clinical services , home health, and skilled nursing facility to Estes Park and the surrounding community
- As part of its continually developing strategic plan, EPH is interested in evaluating its current market and the financial performance of the nursing home (Living Center)
- EPH's financial position remains stable; however, increased capital expenditures and a challenging reimbursement environment has prevented revenues from keeping pace with increasing expenses leading to a decline of days cash on hand and operating margin between FY 2016 and FY 2019
- EPH's Primary Service Area (PSA) population is anticipated to grow 9.2% over the next 5 years from 12,746 to 13,888
  - The 65+ age cohort remains the largest population at 3,954 people and is anticipated to have the largest growth at 21.9% adding 867 people over the next 5 years
  - The 18-44 age cohort is anticipated to have the second largest growth rate at 10.3% adding 336

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Executive Summary

- The Living Center is currently providing a negative contribution margin to EPH of approximately $1.02M
  - Scenario A: The Living Center requires an ADC of 46.8 in order to reach "breakeven"; however, achieving this ADC has not been done in the last 10 years
  - Scenario B: If the Living Center reached the FY 2018 ADC of 36.2 net losses from the Living Center could be reduced to $736K

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Methodology & Objectives

- Stroudwater determined the Living Center contribution margin impact
  - Objectives
    - Determine the service line contribution margin impact
    - Estimate "breakeven" of the Living Center
    - Quantify Medicare and Medicaid impact on contribution margins using assumptions regarding changes associated with reduction or elimination of services
  - Methodology was as follows:
    - Provide market projections using IBM Watson Data or other resources where available to determine the demographics, future services needs, and current Medicare market share
    - Construct a contribution margin analysis using the 2019 Medicare cost report with consideration of ancillary service revenue generated and corresponding service line cash collections
    - Determine overall EPH cost-based reimbursement impact

FINANCIAL OVERVIEW

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Financial Overview

ESTES PARK HEALTH	FY 16 Year Ended 12/31/2016	FY 17 Year Ended 12/31/2017	FY 18 Year Ended 12/31/2018	FY 19 Year Ended 12/31/2019	FY 20* YTD Annualized 12/31/2020
Operating Revenue:					
Gross Patient Revenue	$ 75,031	$ 83,655	$ 90,001	$ 91,196	$ 79,658
Contractual Allowances	(28,280)	(32,777)	(39,728)	(40,916)	(34,516)
Charity Care	(582)	(172)	(1,114)	(813)	-
Bad Debt	(6,570)	(7,128)	(715)	(1,130)	(1,504)
Net Patient Revenue	39,999	43,578	48,444	48,337	43,637
Other Operating Revenue	1,010	1,059	869	728	552
Total Operating Revenue	41,009	44,637	49,313	49,065	44,189
Operating Expenses:					
Salaries & Wages	18,884	19,968	20,942	22,869	24,157
Employee Benefits	4,787	4,979	5,781	5,648	6,323
Professional Fees and Purchased Services	7,159	8,459	10,903	11,798	12,314
Supplies	4,239	4,986	5,716	5,964	4,522
Utilities	469	494	550	584	460
Leases and Rentals	185	244	319	401	317
Insurance	242	278	292	305	241
Repairs and Maintenance	175	221	253	150	119
Depreciation	2,479	2,330	2,069	2,081	3,051
Other	2,264	2,564	2,920	2,493	3,871
Interest	692	433	409	395	419
Total Operating Expense	41,575	44,956	50,154	52,690	55,792
Income (Loss) from Operations	(566)	(319)	(841)	(3,625)	(11,603)
Non-Operating Income (Expense)	2,782	2,973	3,298	3,275	3,337
Excess (Deficit) of Revenues over Expenses	2,217	2,654	2,457	(350)	(8,266)
Capital Grants	372	108	92	102	228
Net Income	$ 2,588	$ 2,762	$ 2,549	$ (248)	$ (8,038)
Cash and Investments, End of Period**	$ 21,944	$ 22,596	$ 22,178	$ 20,718	$ 30,282
AP and Accrued Liabilities	$ 6,135	$ 5,631	$ 4,507	$ 5,949	$ 17,761
Days of Operating Cash Available	209	195	170	151	211
Average Payment Period	58	49	35	43	124
Days in Net Accounts Receivable	16	16	14	14	16
Net AR	$ 1,702	$ 1,855	$ 1,881	$ 1,835	$ 1,939

*Based on interim unaudited financial statements
**Includes board designated funds

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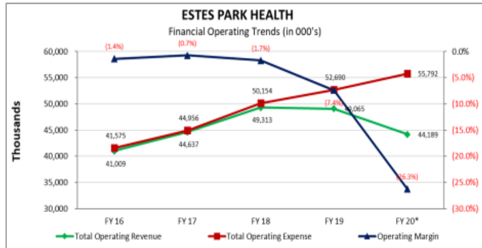
Statement of Operations: Summary



- **Operating Revenue** increased 19.9% between FY 2016 and FY 2019 (6.2% growth per year) followed by a sharp decline in 2020 as healthcare utilization fell industry wide due to the COVID-19 Pandemic
  - FY 2019 decreased due to a decline in surgical cases following issues with a sterilizer
- **Operating Expenses** increased approximately 26.7% between FY 2016 and FY 2019 (8.2% growth per year) largely due to increased salary expense (6.6% per year) and professional and purchased services (18.1% per year) stemming from additional services and physician recruitment costs
- **Operating Margin** declined from a high of (0.7%) operating margin in FY 17 to (7.4%) in FY 2019 driven the increase in purchased services

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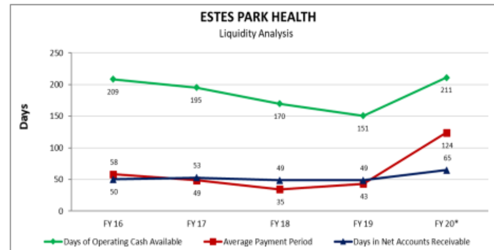
Statement of Operations: Summary



- **Days Cash on Hand** decreased from 209 days in FY 2016 to a low of 151 days in FY 2019 due to increased capital expenditures, but increased to 211 in YTD 2020 from various federal COVID-19 Pandemic relief provided to hospitals and businesses
- **Net Days in A/R** decreased from 50 days in FY 2016 to a low of 43 days in FY 2019, but has subsequently increased during the COVID-19 Pandemic (Annualized YTD 2020) due disruptions to the revenue cycle from the EHR conversion
- **Average Payment Period** decreased from 58 days in FY 2016 to 49 days in FY 2019 but increased in YTD 2020 in response to potential paybacks required of certain Covid-19 relief funding

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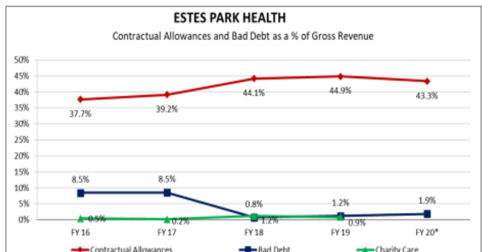
Statement of Operations: Summary



- **Contractual Allowance** increased between from 37.7% to a high of 44.9% between FY 2016 and FY 2019 following regular increases in the chargemaster
- **Bad Debt** decreased from 8.5% in FY 2017 to 0.8% in FY 2018 due to changes in policies and processes improving upfront collections and then increased in FY 2019 due to reserves in preparation for the Electronic Health Record conversion
- **Charity Care** increased as changes in financial policies during FY 2018 shifted bad debt to charity care expense

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Financial: Summary

- EPH's financial position remains stable; however, increased capital expenditures and a challenging reimbursement environment has prevented revenues from keeping pace with increasing expenses leading to a decline of days cash on hand and operating margin between FY 2016 and FY 2019

MARKET OVERVIEW

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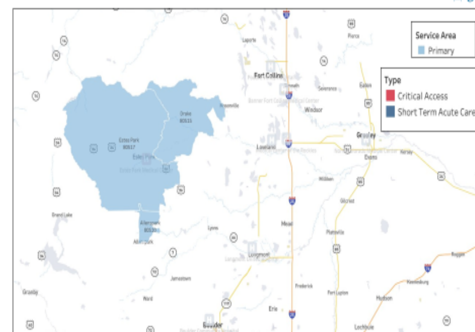
Market Overview: Service Area and Hospitals



- EPH's Primary Service Area (PSA) is defined by any Zip Code that EPH has 10% or greater Medicare market share
  - EPH's PSA includes Estes Park, Allenpark, and Drake

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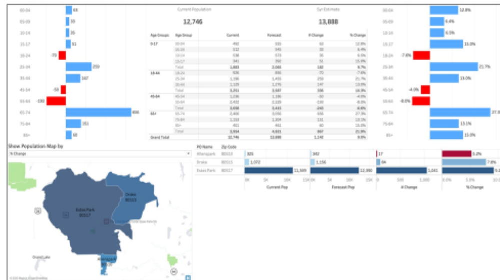
Market Overview: Service Area Population



- Primary Service Area Population
  - EPH's population is expected to grow 9.0% from a total population of 12,746 to 13,888 (change of 1,142 people) in 5 years
  - The largest population growth is anticipated to fall within the 65+ age cohort at 21.9% growth over 5 years gaining 867 people

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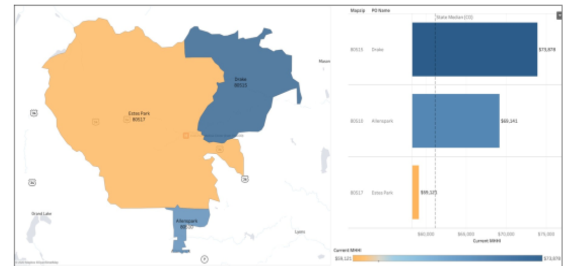
Market Overview: Median Household Income



- Primary Service Area Median Household Income
  - Estes Park median household income is nearly $10K less than Allenspark and nearly $15K less than Drake

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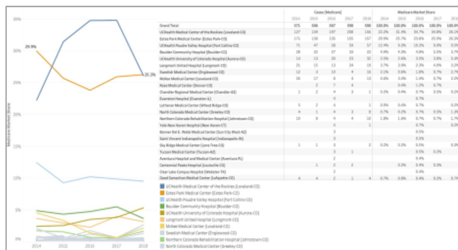
Market Overview: Inpatient Medicare Market Share



- EPH Inpatient Medicare Market
  - Inpatient Medicare market is calculated using data provided by CMS that filters inpatient stays of Medicare beneficiaries who have zip codes residing in EPH's PSA
    - EPH's Medicare market share has decreased from the high of 29.9% in 2014 to 26.3% in 2018
    - UCHealth Medical Center of the Rockies (Loveland, CO) has gained 3.9% Medicare market share over the same period

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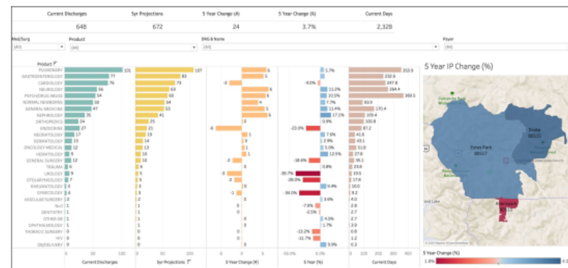
Market Overview: Inpatient Estimates and Projections



- Inpatient Estimates and Projections by Product Line (Low Acuity)
  - Low acuity inpatient days for the PSA are expected to increase 3.7% over the next five years
  - Pulmonary, gastroenterology, and cardiology are the leading inpatient stays

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Market Overview: Summary

- EPH's PSA population is 12,746 and is anticipated to grow 9.2% over the next 5 years to 13,888
  - The 65+ age cohort remains the largest population at 3,954 people and is anticipated to have the largest growth at 21.9% adding 867 people over the next 5 years
  - The 18-44 age cohort is anticipated to have the second largest growth rate at 10.3% adding 336
    - Given the anticipated growth in the 65+ age cohort, EPH should strive to align its services to meet the healthcare demand of an aging demographic
- EPH's Medicare market share has decreased from the high of 29.9% in 2014 to 26.3% in 2018 with UCHealth of Loveland, CO gaining 3.9% over the same period

SERVICE LINES

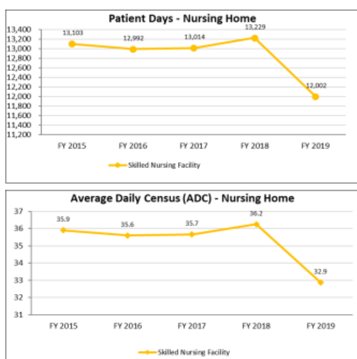
Nursing Home

DRAFT

Service Lines: Nursing Home

STROUDWATER

- EPH operates the "Living Center" – a 52-bed skilled nursing facility
  - During FY 2019, the Living Center operated at a 63% capacity with an Average Daily Census (ADC) of 32.9
  - The Living Center's ADC has historically ranged between 35-37 but recently dropped in FY 2019
    - The decline in volume is attributed to older design of the nursing home that includes semi-private rooms and staffing challenges
  - Reported that FY 2020 will see further declines as the Living Center was not allowed to accept new patients due to Covid-19 restrictions



Average Daily Census (ADC) - Nursing Home

37, 36, 35, 34, 33, 32, 31

35.9 | 35.6 | 35.7 | 36.2 | 32.9

FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019

Skilled Nursing Facility

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Nursing Home: Base Case

STROUDWATER

- EPH's Living Center recorded $3.35M of cash receipts during FY 2019
- Stroudwater used the Medicare cost report for FY 2019 as a basis for the Living Center's cost structure
  - During FY 2019, the Living Center had direct expenses of $3.24M including salary expenses of $1.77M and other expenses of $1.47M
  - Variable allocated expenses accounted for an additional $978K
- EPH's Living Center operated at a at a $1.02M contribution margin loss for FY 2019 when adjusting for fixed versus variable costs

FY 2019 Nursing Home/SNF Profitability Analysis

Revenue:	Days	Rate	Net Revenue
Medicaid	8,472	$ 275	$ 2,332,942
Medicare	547	$ 313	$ 171,250
Medicare HMO	150	$ 291	$ 43,606
Other Revenue	325	$ 290	$ 94,332
Self Pay	2,508	$ 282	$ 706,891
Total	12,002		$ 3,349,021
Operating Expenses:	A		B
Direct Expenses (2019 ICR - WS A):			
Salary expense	$ 1,770,467		$ 1,770,467
Other	$ 1,466,545		$ 1,466,545
Total Direct Expense	$ 3,237,012		$ 3,237,012
	Total Allocation	Nursing Home Variable %	
Ancillary Expenses (ICR D-3 SNF PPS)	$ 107,822	50%	$ 53,911
Allocated Expenses (ICR Stepdown - WS B)			
Admin and General	200,008	20%	40,002
Employee Benefits	63,454	90%	57,109
Operation of Plant	240,233	50%	120,117
Dietary	685,678	50%	342,839
Cafeteria	52,490	50%	26,245
Central Supply	38,164	50%	19,082
Housekeeping	164,980	50%	82,490
Laundry and Linen	66,284	50%	33,142
Total Nursing Home Allocated Expense	1,511,291		721,025
Total Nursing Home expenses	4,856,125		4,011,948
Nursing Home Direct Gain (Loss)	$ (1,507,104)		(662,927)
Overhead expenses allocated away from Hospital (a) - (b)			(844,177)
Estimated CAH Cost Based Payer Mix			42%
Cost Based Payer Revenue on Allocated Costs			(354,264)
Net Gain (Loss)			$ (1,017,192)

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Nursing Home: Scenario A – Breakeven Analysis

STROUDWATER

- Stroudwater performed a sensitivity analysis to determine the Living Center's direct "breakeven"
  - The analysis assumed the FY 2019 cost structure with a variable cost of $50 per day per patient with no dilutionary impact on Medicaid or Medicare rates
- The Living Center would have to achieve an ADC of 45.0 or a total of 16,443 days to achieve a "breakeven" contribution margin
  - A review of historical Medicare cost reports from FY 2011 to present reveals that the Living Center's highest ADC achieved was 36.5

Nursing Home/SNF Sensitivity Analysis

Revenue:	Days	Rate	Net Revenue
Medicaid	11,607	$ 275	$ 3,196,208
Medicare	749	$ 313	$ 234,618
Medicare HMO	206	$ 291	$ 59,742
Other Revenue	445	$ 290	$ 129,238
Self Pay	3,436	$ 282	$ 968,463
Total	16,443		$ 4,588,269
Operating Expenses:	A		B
Direct Expenses (2019 ICR - WS A):			
Salary expense	$ 1,770,467		$ 1,770,467
Other	$ 1,688,602		$ 1,688,602
Total Direct Expense	$ 3,459,069		$ 3,459,069
	Total Allocation	Nursing Home Variable %	
Ancillary Expenses (ICR D-3 SNF PPS)	$ 107,822	50%	$ 53,911
Allocated Expenses (ICR Stepdown - WS B)			
Admin and General	200,008	20%	40,002
Employee Benefits	63,454	90%	57,109
Operation of Plant	240,233	50%	120,117
Dietary	685,678	50%	342,839
Cafeteria	52,490	50%	26,245
Central Supply	38,164	50%	19,082
Housekeeping	164,980	50%	82,490
Laundry and Linen	66,284	50%	33,142
Total Nursing Home Allocated Expense	1,511,291		721,025
Total Nursing Home expenses	5,078,182		4,234,005
Nursing Home Direct Gain (Loss)	$ (489,913)		354,264
Overhead expenses allocated away from Hospital (a) - (b)			(844,177)
Estimated CAH Cost Based Payer Mix			42%
Cost Based Payer Revenue on Allocated Costs			(354,264)
Net Gain (Loss)			$ (0)

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Nursing Home: Scenario B – Historical ADC Analysis

STROUDWATER

- Stroudwater adjusted the sensitivity analysis to FY 2018 ADC of 36.2
  - The analysis assumed the FY 2019 cost structure with a variable cost of $50 per day per patient with no dilutionary impact on Medicaid or Medicare rates
- Assuming the Living Center can achieve an ADC of 36.2 or a total of 13,229 days, EPH can reduce the negative contribution margin to $736K

Nursing Home/SNF Sensitivity Analysis

Revenue:	Days	Rate	Net Revenue
Medicaid	9,338	$ 275	$ 2,571,445
Medicare	603	$ 313	$ 188,757
Medicare HMO	165	$ 291	$ 48,064
Other Revenue	358	$ 290	$ 103,976
Self Pay	2,764	$ 282	$ 779,158
Total	13,229		$ 3,691,401
Operating Expenses:	A		B
Direct Expenses (2019 ICR - WS A):			
Salary expense	$ 1,770,467		$ 1,770,467
Other	$ 1,527,895		$ 1,527,895
Total Direct Expense	$ 3,298,362		$ 3,298,362
	Total Allocation	Nursing Home Variable %	
Ancillary Expenses (ICR D-3 SNF PPS)	$ 107,822	50%	$ 53,911
Allocated Expenses (ICR Stepdown - WS B)			
Admin and General	200,008	20%	40,002
Employee Benefits	63,454	90%	57,109
Operation of Plant	240,233	50%	120,117
Dietary	685,678	50%	342,839
Cafeteria	52,490	50%	26,245
Central Supply	38,164	50%	19,082
Housekeeping	164,980	50%	82,490
Laundry and Linen	66,284	50%	33,142
Total Nursing Home Allocated Expense	1,511,291		721,025
Total Nursing Home expenses	4,917,475		4,073,298
Nursing Home Direct Gain (Loss)	$ (1,226,074)		(381,897)
Overhead expenses allocated away from Hospital (a) - (b)			(844,177)
Estimated CAH Cost Based Payer Mix			42%
Cost Based Payer Revenue on Allocated Costs			(354,264)
Net Gain (Loss)			$ (736,161)

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Nursing Home: Summary

STROUDWATER

- The Living Center is currently providing a negative contribution margin to EPH of approximately $1.02M
  - Scenario A: The Living Center requires an ADC of 46.8 in order to reach "breakeven"; however, achieving this ADC has not been done in the last 10 years
  - Scenario B: If the Living Center reached the FY 2018 ADC of 36.2 net losses from the Living Center could be reduced to $736K

CONCLUSIONS

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Conclusions

STROUDWATER

- The Living Center is currently providing a negative contribution margin to EPH of approximately $1.02M
  - EPH must decide whether the Living Center should remain as a "loss leader" service line as it provides access to skilled nursing care to residents within its service area

DISRUPTORS DRIVERS ASSUMPTIONS MODELS CONCLUSIONS 25

8. Questions and Answers about Living Center Financials

Q. If EPH has extra money at the end of 2020, does that affect the consideration of the LC and their viability?

A. EPH is looking at the long-term trends for 2021 and beyond. All services are being investigated and studied for savings. There is a $7.5M deficit that must be erased. Based on the economic reports from experts around the country, EPH suspects that there may be a resurgence of the virus, so caution is being taken when forecasting the revenues. EPH must pay attention to costs and readjust the organization in all departments and services.

C. The community wants to work with the Board to determine if Estes Park has a large enough population to sustain a LC.

Q. The community needs time to formulate options. Can the Board allow them until the end of 2020 or longer for this study?

A. The Board must reasonably plan for the forecast and a decision to allow more time cannot be voted on during a study session.

Q. Is EPH Home Health at capacity?

A. There have been approximately 4,500 home health visits this year and 2,500 hospice visits. Currently 50-75 people are served pm a regular basis.

Q. Of all the hospital departments, are there any that are doing well?

A. Chemotherapy/Infusion, Home Health Hospice, Med Surg and Surgery are performing better than forecasted for 2020.

Q. Has the Board developed any interest in selling to UCH or any other system?

A. Many complex items would need to be considered including as a private owner they would make decisions because there would not be a board and the community would not have significant involvement. The Board at this time has not considered merging with another larger entity.

C. When the hospital received the Elizabeth Knutson donation, it was to keep EPH as a public hospital. The Board needs to investigate if there is any paperwork that would hamper the process of selling the hospital to become a private facility. The Board also needs to investigate the taxing district language.

C. The Foundation has accepted the responsibility of the LC, but they have not been asked to help.

Q. How many long-term Medicaid residents would it take for the LC to break even?

A. Approximately 47 residents. However, the payor mix would also need to migrate to greater than 50% private pay for the facility to consistently achieve break even margin status. Researching the LC census over the last ten years, the average census has been 36.

Q. Where do you book the downstream revenue from the LC?

A. All revenue is recoded in the ancillary department that provides the service.

Q. How much revenue will the hospital lose from downstream revenue if the LC closed?

A. $250k annually for billed charges.

Suggestions

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- Sever the LC operations from EPH operations, retain the taxing district and find someone to manage the LC through a new 501c3.
- Give the community until March 1, 2021 to develop a project plan.
  - The Board indicated that a decision must be made prior to March 1, 2021, so the community members revised their request to December 31, 2020.
- Consider a tax levy.
- Start admitting patients to the LC.

Board and Senior Leadership Comments
- The LC physical unit was built for a different time and different type of resident than we currently serve. The profile of the nursing home resident from 1965 is different from the type of resident in 2020 and the equipment and technology has changed tremendously. Currently the LC does not have what is really needed and as senior care advances, the building will become obsolete.
- The Board is looking at the financial future of the organization. How do we provide, in a sustainable manner, exceptional healthcare for all of Estes Park? If the community wants to come up with a funding solution, they need to understand it will take more than just the $1.4M, as it will require a new building and equipment. Given the financial situation the hospital is in, a decision on the matter will need to be made soon.

9. Adjournment

The meeting adjourned at 6:45 p.m.

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Dr. David Batey, Chair

Estes Park Health Board of Directors

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ESTES PARK HEALTH
BOARD OF DIRECTORS'
Special Executive Session Board Meeting Minutes – October 5, 2020

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Board Members in Attendance
Dr. David Batey, Chair
Ms. Sandy Begley, Vice Chair (via web)
Dr. Steve Alper, Treasurer
Ms. Diane Muno, Secretary
Mr. Bill Pinkham, Member-at-Large

Other Attendees
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Ms. Pat Samples, CNO
Mr. Gary Hall, CIO/COO

Call to Order
The meeting was called to order at 4:35 p.m. by Dr. Batey, Chairman of the Board of Directors; there was a quorum present. Notice of the Special Executive Session Board meeting was posted in accordance with the SUNSHINE Law Regulation.

Mr. Pinkham motioned to move into Executive Session, pursuant to §§ 24-6-402(4)(e), C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations and Section 24-6-402(4)(f), C.R.S. for the purpose of discussing personnel matters. Dr. Alper seconded the motion, which carried unanimously.

With no further discussion to be conducted, Ms. Begley motioned to adjourn the Executive Session and concluded the meeting at 7:01 p.m. Dr. Alper seconded the motion, which carried unanimously.

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David M. Batey, Chair
Estes Park Health Board of Directors

ESTES PARK HEALTH
BOARD OF DIRECTORS'
Special Tele Town Hall Board Meeting Minutes – October 7, 2020

Board Members in Attendance
Dr. David Batey, Chair
Ms. Diane Muno, Secretary
Mr. William Pinkham, Member-at-Large
Dr. Steve Alper, Director Elect

Board Members Absent
Ms. Sandy Begley, Vice Chair

Senior Leadership and Other EPH Attendees
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Ms. Pat Samples, CNO
Mr. Gary Hall, CIO (via webinar)
Michelle Gordon, Director of Nursing Living Center (via webinar)
Diane Darmody, Interim Director Surgical Services (via webinar)
Don Shelley, Information Technology (via webinar)
Karlye Pope, Director Acute Care Services (via webinar)
Dr. Juli Schneider, Physician Clinic (via webinar)
Heather Bird, Patient Financial Services (via webinar)
Kevin Mullin, Executive Director Estes Park Health Foundation (via webinar)

Community Attendees (via webinar)
Bob Liddell, Julie Lee, Daniel Sewell, Philip Zwart, Deborah Blackman, Judith Schaffer, Randy Brigham, Charles Ronald, Jessica Jenkins, Rod Unruh, Monica Sigler, Eric Owen, Andrea Rangel, Carla Ellis, John Phipps, John Murphy, Areewan George, Philip and Tara Moenning, Drew Webb, Wendy Rigby, Tara Schulze, Claire Kreider, Candace Johnson, Gerald Mayo, Barbara Keilty, Barb Gebhardt, Michael Keilty, Ron Keas, Shirley Barrow, David Standerfer, Judith Beechy, Jim and Gail Cozette, Cynthia Sisson, Roger and Susan Toy, Cindy Leaycraft, LoAnne Forschmiedt, Sharon Coleman, Virginia Likeness, Barbara Bailey, David Brewer, Nancy Dietz, Larry Leaming and Deb Kubichek

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1. **Call to Order**
   The Special Tele-Townhall Board meeting was called to order at 6:05 p.m. by Dr. Batey, Chairman of the Board of Directors; there was a quorum present. Notice of the Special Board meeting was posted in accordance with the SUNSHINE Law Regulation.

2. **Tele-Townhall**

Overview

20 minute presentation followed by 100 minute discussion

Agenda

1. Introductions, Q & A, Comments, 4 min/person
2. EPH's 2020 & 2021 Financial Challenges
3. EPH's Phase I and Phase II Expense Reduction Plans
4. Urgency of EPHLC's Financial Losses
5. Estes Valley Skilled Nursing Facility Financial Challenges
6. EPHLC's Current Admissions Process
7. Financial "Deep Dive" Meeting on Wed Sept 30
8. Discussion, Questions, Comments
9. Summary, Next Steps, Adjourn

3

1. Introductions,

Procedures for Q&A, Comments,

4 min/person

4

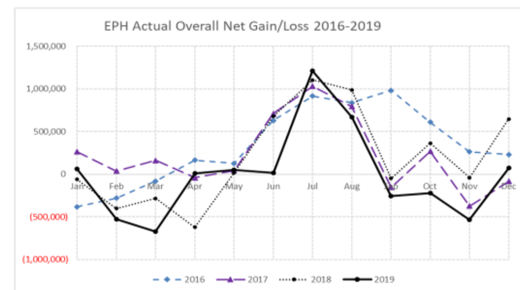
2. EPH's 2020 & 2021 Financial Challenges

1. EPH is facing significant, urgent financial losses in 2020 in the range of $7 million to $8 million
2. Without immediate expense reductions, EPH is facing losses in the range of $7.5 million in 2021 and beyond
3. Expected financial losses in 2020 and 2021 require examination of all possible expense reduction options
4. **Significant, urgent action is needed to reduce expenses to ensure Estes Park Health's survival beyond mid-2021**

5

2. EPH's 2020 & 2021 Financial Challenges

Note seasonality in EPH 2016 to 2019 Overall Gain/Loss



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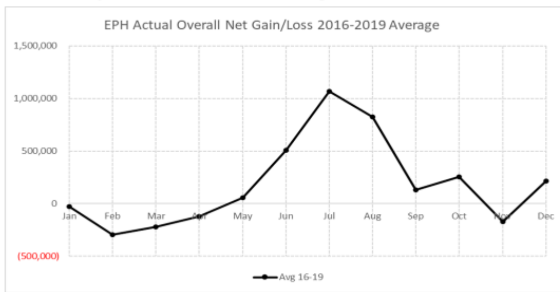
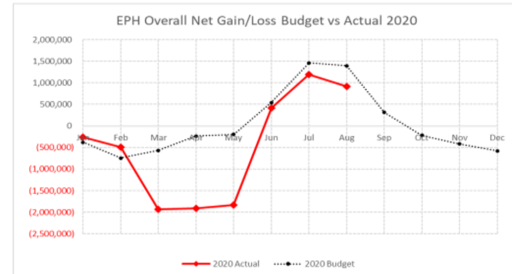
2. EPH's 2020 & 2021 Financial Challenges

Seasonality is easier to see in average of 2016 to 2019



2. EPH's 2020 & 2021 Financial Challenges

2020 EPH Overall Net Gain/Loss Actual vs Budget:
Pandemic Impact = $5.2 million actual loss vs budget to August



3. EPH's Phase I & Phase II Expense Reduction Plans

1. June 1, 2020 start of Phase I Expense Reduction

   Some Examples:

2. Compensation reduction for all employees including Senior Leadership Team, Department Leaders, Physicians
3. Stop vacation accumulation for all employees
4. Major reductions in contract labor, department expenses
5. Phase I expense reduction in range of $1 million in 2020

3. EPH's Phase I & Phase II Expense Reduction Plans

1. Phase II planning started in September 2020
2. Evaluate all personnel and services to accomplish additional $6.5 million expense reduction for 2021
3. Phase II expense reductions needed to ensure EPH survival beyond mid-2021
4. Among other EPH services, EPHLC expected annual loss of $1.4 million is being assessed

4. Urgency of EPHLC Financial Losses

1. With 28 residents, EPHLC's annual expected $1.4 M loss means our community pays a $50,000 subsidy for each resident to cover the loss
2. EPHLC's annual expected $1.4 M loss translates to a loss of about $117,000 per month
3. EPHLC's annual losses are expected to continue and are likely to increase in the future

5. Estes Park Skilled Nursing Facility Financial Challenges

1. **Financially Sustainable Facility Size and Occupancy**

   1.1 EPHLC capacity of 38 residents is too small to be independently financially sustainable

   1.2 EPHLC recent history resident numbers in mid-30's, currently in 20's. Not financially sustainable levels

   1.3 Filled capacity of 48 residents would be financially break-even, but break-even is not sustainable

5. Estes Park Skilled Nursing Facility Financial Challenges

1.4 Expanding EPHLC capacity from 38 to 48 would cost an estimated $1 million per bed, $10 million total

1.5 Capacity of 60 to 80 residents is a nationally sustainable model, especially as a part of a Continuing Care Retirement Community.

1.6 Expanding EPHLC capacity to 60 to 80 would cost estimated $22 million to $48 million

1.7 Expanding EPHLC capacity does not guarantee residents would fill the capacity

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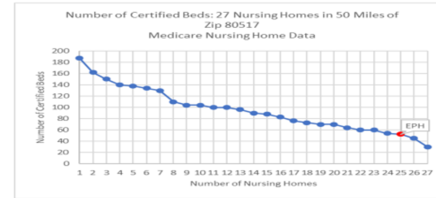
5. Estes Park Skilled Nursing Facility Financial Challenges

1.8 How does EPHLC 52 licensed bed capacity compare to 26 other skilled nursing facilities within 50 miles?



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5. Estes Park Skilled Nursing Facility Financial Challenges

2. Sustainable Staffing

2.1 Nationally, recruiting and retaining staff is a challenge

2.2 Personnel costs are a significant EPHLC expense

2.3 Elevated staff turnover increases costs, may impact quality

2.4 If offer above-market compensation, may improve recruiting and retention, but expenses increase

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5. Estes Park Skilled Nursing Facility Financial Challenges

3. Sustainable, Competitive Appearance and Programs

3.1 Current facility would need significant renovation to be competitive in appearance and capacity

3.2 Current facility would need reconfiguration to offer contemporary programing (ex: Memory Programs) and require hiring specialized staff

3.3 Upgrading appearance, space reconfiguration, hiring more staff would require significant financial investment

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5. Estes Park Skilled Nursing Facility Financial Challenges

4. Continuing Trend – Increasing costs, Decreasing reimbursements

5. Can Estes Valley residents fill 48, 60, 80 beds in a skilled nursing facility?

5.1 Currently about 2/3 EPHLC residents' Power of Attorney are not in Estes Park, so may not support EPHLC with taxes

5.2 Would Estes Park residents donate funding to or vote to pay taxes to support care for those outside the district?

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5. Estes Park Skilled Nursing Facility Financial Challenges

Summary

Significant, urgent action is needed to reduce expenses to ensure Estes Park Health's survival beyond mid-2021.

Among many other Phase II expense reduction evaluations, with an expected annual loss of $1.4 million, the Estes Park Health Living Center is being assessed for its immediate and long-term financial viability

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6. EPHLC's Current Admissions Process

19

7. Financial "Deep Dive" Study Session on Wed September 30, 2020

Attendees: (10 in-room, others by gotowebinar)
6 - Community: Cindy Laycraft, John Phipps, Shelly Powers, Karen Sackett, Wendy Schuett, Barry Stein
2 - EPH: Vern Carda, Tim Cashman
4 - EPH Board: Steve Alper, David Batey, Sandy Begley, Diane Muno

Topics: National Trends for Critical Access Hospitals and Skilled Nursing Facilities, Q&A on EPH and EPHLC finances

Invitation to work together on alternative plans for EPHLC
Request review of EPHLC admissions procedures

20

DRAFT

Questions and Comments:

Q. Have you had a relative in the LC or a friend who you have visited in the LC on a regular basis?
A. Board members responded with their personnel experiences with skilled nursing facilities.
C. It is the Board's mission to make sure that EPH effectively serves the needs of the entire community, not just the LC.
C. If the hospital was managed appropriately, the LC would not be facing potential closure. It should be given to a non-profit to run, as it would be successful.
Q. How many 5-star facilities are there within a 50-mile radius?
A. Several facilities exist that are highly rated. A list of facilities will be provided to those who participated in the Townhall.
Q. Why not close one of the hallways in the LC, which would result in lower staffing?
A. Making the LC smaller will not make it profitable. Additionally, there is not an opportunity to reduce staff any further.
Q. Is the degrading financial situation because EPH informed people of the potential closure, which caused the reduction in census?
A. The virus had an impact on the census reduction, however there were declines in admissions prior to the virus.
Q. The Medicare rating is the lowest in a 50-mile range. Is this self-inflicted?
A. The Medicare.gov ratings posted were from the fall and winter of last year, before the virus and discussion of closing the LC were a consideration. Our goal is to provide the best possible care we can to residents and earn the best star rating potential possible.
Q. Did anyone from EPH connect with Innovage and what was the result of that discussion?
A. No contact has been made.
C. As we all know, EPH is in a special district and is a taxpayer funded facility. The LC is the primary reason why so many in the community have wanted to keep EPH. There does not seem to be a reason to keep a special district arrangement with EPH should the LC close.
Q. Will there be any assurance that EPH will not force displacement of the residents during the pandemic?

A. For any transition of residents to occur, a thorough discharge planning process will be used. This process will involve the resident as well as the resident's family members. If the pandemic is still on-going and EPH can't place residents, that will dictate whether we can transition patients. The pandemic could last a long time, so EPH cannot provide any assurance that residents will not be transitioned prior to the end of the pandemic.
C. EPH keeps referring to the LC as a skilled nursing facility, but isn't it a long-term care facility?
A. EPH views the LC as a skilled nursing facility but will refer to the license for clarification.
C. EPH has provided the same information at each Tele-townhall. There has been no information presented on what other reductions are being considered.
A. EPH is engaged in the 2021 budget cycle. A 20% decline is anticipated and that is what is driving the estimated loss for 2021. All service lines are being reviewed. We are currently in Phase 2 of the mitigation plan for cost reductions, but we are not prepared to release all the details at this time. We have a series of meetings scheduled with department leaders, staff members and physicians in order to complete the plan by December for Board review, approval and implementation.
Q. When Good Sam was built, was the agreement that they would move residents from their assisted living section to the LC when appropriate? Now they are informing individuals that they need to hire home health for family members.
A. There was never an agreement in place with Good Sam for referrals to the LC. EPH did engage with Good Sam to assist EPH in managing the LC but decided to end the agreement in April 2020.
C. Over 600 small Critical Access Hospitals (CAH) closed in the last 10 years so EPH needs to do everything possible to keep this facility open.
Q. Are other facilities accepting patients?
A. There is no guarantee that any facility will take patients. Each facility will have a process policy and procedure to accept patients.
C. The Board should review the 09.09.20 Tele-Townhall meeting recording, as Dr. Batey stated that no patients would be moved before January or February 2021.
Q. How large was the waiting list prior to Covid?
A. There was no waiting list. Since the reopening from Covid, the LC has admitted 3 patients.
Q. How many have we turned away this month?
A. We do not maintain any type of log. Patients seek long term care on an as needed basis. Therefore, it would be a rare occasion that a patient would place themselves on a long-term care facility waiting list. One patient was turned away due to a clinical issue and another was due to Medicaid pending.
C. The same financials have been presented at all the meetings and the $14.5M from stimulus/grants is never included. These funds need to be discussed.
C. No positive alternatives have been presented from the Board or the senior team. The Board is putting more pressure on the family members by not voting on the issue. Resolve the issue so the families can move forward.
C. Keep the LC open until mid-next year.
Q. EPH previously offered Certified Nursing Assistant (CNA) classes. Would a CNA class help with labor expenses at EPH?
A. EPH previously had a CNA training program, but it did not gain any traction.
C. The residents of the LC are frail, and some will not survive the trauma of a move. EPH's reputation will decline within the community should this closure occur.
A. Any move will be conducted with absolute compassion and humanity and a thorough process involving each resident and family members.

DRAFT

C. Some residents or family members do not live here anymore, but friends locally are considered their family members and visit often.
Q. How many nursing homes did Mr. Carda close when he was employed at Sanford Health?
A. Zero nursing homes were closed while employed at Sanford Health.
Q. EPH pays outrageous wages for travelers. Why not recruit more nurses, pay them higher wages and eliminate the travelers?
A. Many facilities have tried accelerated wage scales with varied success. Additionally, increased wages result in increased expenses.

3. Adjournment

The meeting was adjourned at 7:50 p.m.

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David M. Batey, Chair
Estes Park Health Board of Directors

DRAFT

ESTES PARK HEALTH
BOARD OF DIRECTORS'
Special Executive Session Board Meeting Minutes – October 19, 2020

DRAFT

Board Members in Attendance
Dr. David Batey, Chair
Ms. Sandy Begley, Vice Chair (via web)
Dr. Steve Alper, Treasurer
Ms. Diane Muno, Secretary
Mr. Bill Pinkham, Member-at-Large

Other Attendees
Mr. Vern Carda, CEO
Mr. Tim Cashman, CFO
Ms. Pat Samples, CNO
Mr. Gary Hall, COO

Call to Order
The meeting was called to order at 4:35 p.m. by Dr. Batey, Chairman of the Board of Directors; there was a quorum present. Notice of the Special Executive Session Board meeting was posted in accordance with the SUNSHINE Law Regulation.

Ms. Muno motioned to move into Executive Session, pursuant to §§ 24-6-402(4)(e), C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations and Section 24-6-402(4)(f), C.R.S. for the purpose of discussing personnel matters. Mr. Pinkham seconded the motion, which carried unanimously.

With no further discussion to be conducted, Ms. Muno motioned to adjourn the Executive Session and concluded the meeting at 6:37 p.m. Dr. Alper seconded the motion, which carried unanimously.

____
David M. Batey, Chair
Estes Park Health Board of Directors

Item 6.1

ESTES PARK HEALTH

Discussion of Alternatives for the Estes Park Health Living Center

Progress and Status Report

October 26, 2020

EPHLC Alternatives Discussions

(5) meetings + parts of (2) EPH Board meetings

(2) EPH Board Meetings: Aug 31 and Sep 29, 2020

(3) Tele-Townhalls: Sep 6, Sep 23, Oct 7, 2020 for 7.5 hr

(1) “Deep Dive Finance” meeting: Sep 30, 2020 for 2.8 hr

(1) Task Force meeting: Oct 11, 2020 for 1.7 hr

Total meeting time: 12 hrs excluding EPH Board meetings

ESTES PARK HEALTH

EPH Expense Reduction Urgency

Without significant expense reduction actions

EPH projected $7.5 Million EPH loss in 2021

EPH projected unable to continue financially beyond 2021

Federal Government loans may provide temporary, partial relief

Will not change EPH or EPHLC financial fundamentals

Result: EPH evaluating all possible expense reductions

EPHLC included in expense reduction evaluations

EPH Finances Valid and Accurate

Generally Accepted Accounting Principles (GAAP) Compliant
- Standard format for all US medical organizations

Two independent, national accounting organizations involved
- Experts: Critical Access Hospitals & Skilled Nursing Facilities
- Clifton, Larson, Allen, LLP - CLAconnect.com – EPH auditors
- Stroudwater Associates – www.stroudwater.com

Tim Cashman, CFO, > 20 yrs experience rural and CAH

Internal and external expertise -> prudent future financials
- Preserve and protect EPH to provide community healthcare

EPHLC Losses Expected to Continue

EPHLC small capacity and declining occupancy

- EPHLC has 38 bed capacity, 28 residents
- $1.4 Million projected loss in 2020
- $117,000 per month projected loss in 2020
- $50,000 subsidy per resident to break even financially

Fill 60 to 80 beds to be independently financially viable

- Continuing Care Retirement Community model more viable

Stroudwater estimate: EPHLC can break even at 48 beds filled

- Above current capacity – Estimated $10 Million to expand
- Break even is not sustainable model

ESTES PARK HEALTH

Preliminary Status

EPHLC losses will continue, not independently financially viable

With EPH current and projected financial challenges,
- EPH not able to continue to subsidize EPHLC losses
- EPH not able to continue to operate EPHLC

If EPHLC will continue, need other source ongoing subsidies

Possible Alternative:
- Operator that is not EPH – independent 3rd party
- Operator that has different tax ID
- Taskforce considering property tax subsidy source ?

ESTES PARK HEALTH

Item 6.3

COO/CIO Report to Park Hospital District Board of Directors

October 26, 2020

Gary Hall

Status & Issues

The Fires of 2020: Estes Park has been fortunate through the extreme fire challenges of 2020. While we are not "out of the woods" until the weather assists with extinguishing, we've been ready to evacuate if/when necessary for several weeks. Our Incident Command is still meeting with appropriate regularity and we get constant updates from Larimer County and the park in regard to fire status.

Pharmacy: Unfortunately, our beloved pharmacy director (Matt Makelky) left for a great position at UCHealth oncology pharmacy. Interviewing process ongoing for replacement; two experienced pharmacists are managing the department in the meantime. We added two more Pyxis medication workstations for anesthesia and moved others around to create broader, easier coverage for better patient care.

Environmental Services (EVS): In several months of management of this, we've reworked and streamlined staff as necessary and resolved some of the communication and workflow challenges. Work continues.

Laboratory: Diasorin analyzer was added to give us COVID testing in less than two hours. We continue to work toward ever more integration of analyzers with our Epic EHR, to build our staff to the highest level of skill and certification, and to use the Epic tools to provide the safest integrated processes for our lab work. We've hired several techs who have deep experience in the blood bank processes and other Epic-integrated tools.

Rehab Services: Director Nancy Karr and the Rehab team continue to enjoy growing volume at their new location at the Urgent Care Center. While not back to "normal" yet, it's moving in the right direction, and we hope the recent surge does not result in further restrictions on our outpatient business.

Backfill of Rehab Area and Specialty Clinic: We have moved chemo/infusion, coumadin clinic, and respiratory therapy away from the inpatient areas and to the front of house (vacated rehab area) for patient convenience and comfort and optimal safety. We completed a multi-stage, multi-month process of cascading moves to "breathe space" into our physician clinic, taking advantage of the partially vacated Specialty Clinic area.

Diagnostic Imaging: Colorado Imaging Associates is now providing onsite coverage twice a month to help close the service gap caused by the retirement of our longtime occasional onsite radiologist.

Dietary: The Dietary team has adjusted cafeteria rules to manage proper social distancing and is following all protocol to ensure a healthy kitchen and safe dining environments.

Marketing: We're continuing to address the immediate marketing needs from this office.

Safety/Emergency Preparedness: Continuing to provide oversight of the Safety Management plan of EPH, which covers Life Safety (fire and other items), Security, Radiologic Safety, Hazardous Waste Safety, and Emergency Preparedness. Action on all fronts continues to ensure we're as safe as can be.

Urgent Care IT/Facilities/EVS: Continued tuning of parking situations, HVAC controls, network management, housekeeping.

Facilities: We are scheduled in early November to complete our long-term surgical services air-handler HVAC work. This final step in a three-year project helps us completely separate the airflow of the OR suite from any other parts of building. The operating rooms were given their own air handlers and controls some years ago, and this completes the project. We also are working to contract with a water specialist to provide expert guidance in the best long-term management of our OR sterile processing work, and to assist us with other aspects of water testing and management.

Item 6.4

555 Prospect Ave. | P.O. Box 2740 | Estes Park, CO 80517

CFO Report
3rd Quarter 2020

Executive Summary

For the month of September, earnings were ($44,544) compared to Budget of $313,471. Year-To-Date ending in September, earnings were ($3.4M) and compared to a budget of $1.6M. Operating Income YTD is a loss of ($6.4M) compared to a budgeted loss of $1.3M, due to the impact of COVID-19.

For the month of September, Operating Revenues were very close to Budget and 4% down from last year. Due to the Covid-19 pandemic the hospital had anticipated a recovery to a 20% drop in Revenues. Year to date Revenues are 14% under budget. Initially, expectations pointed toward a potential recovery of Revenues to 80%, thus 14% from Budget might be viewed as positive.

Expenses for the month are 6% over budget due principally to increases in COVID related Supplies and also Pharmacy. The 10% rollback of wages for the highest earners was initiated June 1, resulting in a drop in Salary expense. And the staff continue to experience a freeze on PTO accruals.

Days in Accounts Receivable continue to rebound from the Epic conversion in November; from a high of 64 to a remarkable 44.1. And, Days Cash on Hand are up significantly to 245, due specifically to the Stimulus and Loan funds. The YTD Net Income (Change in Net Assets) is reporting ($3.4M) loss before a projected recognition of Stimulus of $10.1M in Cash, to cover this shortfall, for 2020.

Statistics

	YTD	***Budget***	***2019***
Inpatient Days	504	691	691
Swing Bed	255	342	200
Births	40	63	54
ER Visits	3397	4308	4795
Urgent Care Visits	1113	2540	0
Ambulance Trips	1464	1727	1727
Clinic Visits	14586	18219	19591
Surgeries (not incl GI)	285	289	276
GI Procedures	302	325	316
Pain Procedures	193	375	287
Lab Tests	52,949	59,064	59,064

Radiology Exams	7,120	8,980	8,980
Rehab Visits	5,652	8,082	8,067
Home Health/Hospice	7,466	6,937	7,312
Living Center Days	7,998	10,374	9,385

Balance Sheet

Days Cash on Hand are artificially high at 245, due specifically to the COVID Stimulus funds. It is expected, however, that we will continue to slowly burn through these funds until the hospital can settle either increasing revenues or reduce expenses.

As a note, the Accrued Liabilities, the Est Third-Party Settlement and Short-Term Notes Payable does reflect the recording of Stimulus Funds, the Advanced Payment from Medicare and the Payroll Protection Program, totaling $14.5M. When there is confirmation that any of these advances are forgivable, those will be recognized as Other Non-Operating Income

Forecast for 2020

Please note an attached Forecast. Assumptions were made regarding recovery of Revenues and some Expense reductions, however, given loss of patient visits earlier in the year, and the current recovery period, it is anticipated that Revenues will recover to approximately 80% of Budget. The challenge will be managing expenses with less Revenues, going forward.

This Forecast does indicate the recognition of most of the Stimulus funds ($10.1M) and the projection of a modest recovery of business volumes and revenues. As a result, the year should report modestly favorable, due to the temporary injection of government funding.

Summary

The month of September is reporting 1% decrease in Operating Revenues and YTD decrease of 14%, due to the COVID pandemic. Assumptions include the continued possibility of a recovery to approximately 80% of normal, by year end. Leadership continues to explore opportunities for long-term reductions in Expense and programmatic changes. Even with the pandemic, trends and long-term forecasts indicate a continued decrease in reimbursement for services. While expenses continue to increase, net revenues in the healthcare industry are predicted to decline.

Estes Park Health

Financial Overview

Month Ended September 30, 2020

FINANCIAL RATIOS

	Aug	Sep	RED	YELLOW	GREEN
Days in Accounts Receivable	44.3	43.1	> 60	50 - 60	< 50
Days Cash on Hand	242	245	< 125	125 - 224	> 225
Debt Service Coverage Ratio	-0.91	-0.70	<1.25	1.25 - 2.0	> 2.0
Operating Margin (12 Mo. Rolling)	-18.4%	-17.6%	< 2.0%	2% - 4.99%	> 5%
Total Margin (12 Mo. Rolling)	-9.9%	-9.3%	< 5.0%	5% - 9.99%	> 10.0%

OTHER INDICATORS

	Aug	Sep	Budget	YTD	YTD Budget
Total Deductions from Revenue %	40.8%	45.1%	46.0%	44.6%	46.0%
Operating Margin	$642,499	($316,487)	($71,689)	($6,442,675)	($1,312,748)
Operating Margin %	12.0%	-6.8%	-1.6%	-18.0%	-3.2%
Increase (decrease) in Net Assets	$1,310,568	($44,544)	$313,471	($3,423,067)	$1,594,463
Total Margin %	24.4%	-1.0%	6.8%	-9.6%	3.8%

SUMMARY

Statistics: IP Days are at 104 compared to 127 in August and 64 in September 2019.
Physicians Clinic Visits are at 2236 compared to 1774 in August and 1864 in September 2019.
Surgeries are at 44 compared to 34 in August and 16 in September 2019.

Revenue: September's Gross Patient Revenue is $8,434,793 compared to a budget level of $8,411,488.

Other Operating Revenue: YTD Other Revenues are $265,835 below budget.

Expenses: Total Operating Expenses in September are $282,029 over budget. Salaries and benefits are under budget by $200,010.

Excess Revenues (Expenses): September's increase in Net Assets is -$44,544 compared to a budget of of $313,471. September's Total Margin is -1% compared to a budgeted level of 6.8%.

Ratio Analysis: Day's in A/R is at 43.1 which is lower than the industry average of fifty.
Day's Cash on Hand is at 245 compared to August's level of 242 and September 2019 of 163.

Debt Coverage Ratio: September's rolling 12 month ratio is -0.7%. The loan end of year minimum required ratio is 1.25.

ESTES PARK HEALTH
Statement of Revenues and Expenses (Unaudited)
September 30, 2020

	MONTH Sep-20			YEAR TO DATE FY 2020			PRIOR YEAR TO DATE FY 2019	
REVENUE	Actual	Budget	Var	Actual	Budget	Var	Actual	Var
Patient Revenue								
In-Patient	$ 1,444,275	$ 1,420,638	2%	$ 10,000,030	$ 15,429,271	-35%	$ 13,468,266	-26%
Out-Patient	6,990,518	6,990,850	0%	53,961,334	60,475,073	-11%	56,164,646	-4%
TOTAL PATIENT REVENUE	8,434,793	8,411,488	0%	63,961,364	75,904,344	-16%	69,632,912	-8%
Less Contractual Adjustments	(3,479,936)	(3,785,170)	8%	(27,194,601)	(34,156,957)	20%	(31,453,208)	14%
Less Bad Debt Adjustments	(327,366)	(84,115)	-289%	(1,320,873)	(759,046)	-74%	(1,359,551)	3%
TOTAL REVENUE DEDUCTIONS	(3,807,302)	(3,869,285)	2%	(28,515,474)	(34,916,003)	18%	(32,812,759)	13%
	45.1%	*46.0%*		*44.6%*	*46.0%*		*47.1%*	
NET PATIENT REVENUE	4,627,491	4,542,203	2%	35,445,891	40,988,341	-14%	36,820,153	-4%
Other Operating Revenue	29,003	77,060	-62%	351,647	617,482	-43%	599,436	-41%
TOTAL OPERATING REVENUE	4,656,494	4,619,263	1%	35,797,537	41,605,823	-14%	37,419,590	-4%
EXPENSES								
Wages	1,862,564	2,068,270	10%	17,928,226	18,788,400	5%	16,890,782	-6%
Benefits	585,006	579,310	-1%	4,957,832	5,042,357	2%	4,887,413	-1%
Contract Labor	505,058	536,318	6%	4,683,257	4,778,962	2%	4,802,362	2%
Medical Supplies	633,258	368,968	-72%	3,705,054	3,372,806	-10%	3,213,987	-15%
Non-Medical Supplies	153,148	84,821	-81%	867,338	760,548	-14%	979,295	11%
Purchased Services	523,442	439,594	-19%	4,433,809	4,556,148	3%	3,983,567	-11%
Other Operating Expenses	410,777	315,553	-30%	3,033,870	2,976,284	-2%	2,574,189	-18%
Depreciation & Amortization	265,099	263,852	0%	2,318,008	2,334,672	1%	1,521,019	-52%
Interest	34,628	34,266	-1%	312,817	308,394	-1%	297,567	-5%
TOTAL OPERATING EXPENSE	4,972,981	4,690,952	-6%	42,240,212	42,918,571	2%	39,150,180	-8%
OPERATING INCOME (LOSS)	(316,487)	(71,689)	341%	(6,442,675)	(1,312,748)	-391%	(1,730,591)	-272%
Operating Margin	*-6.8%*	*-1.6%*		*-18.0%*	*-3.2%*		*-4.6%*	
Non-Operating Revenue	277,853	289,560	-4%	2,540,093	2,746,861	-8%	2,397,563	6%
Non-Operating Expense	(5,910)	(4,400)	-34%	(44,255)	(39,650)	-12%	(38,752)	-14%
EXCESS REVENUES (EXPENSES)	(44,544)	213,471	-121% #	(3,946,837)	1,394,463	383%	628,220	-728%
Gift to Purchase Capital Assets	0	100,000		523,769	200,000		102,095	
INCREASE (DECREASE) IN NET ASSETS	(44,544)	313,471	-114%	(3,423,067)	1,594,463	-315%	730,315	-569%
Total Margin	*-1.0%*	*6.8%*		*-9.6%*	*3.8%*		*2.0%*	
EBDITA	$ 255,183	$ 611,589	-58%	$ (792,242)	$ 4,237,529	-119%	$ 2,548,901	

ESTES PARK HEALTH
Balance Sheet (Unaudited)
September 30, 2020

ASSETS	2020 Sep	2020 Aug	2019 Sep
CASH & CASH EQUIVALENTS	$ 18,524,627	$ 22,718,781	$ 17,837,433
PATIENT ACCOUNTS RECEIVABLE	12,646,845	12,922,671	15,378,349
LESS: ALLOWANCES	(6,455,204)	(6,405,112)	(7,558,930)
NET ACCOUNTS RECEIVABLE	6,191,641	6,517,559	7,819,419
RECEIVABLES FROM OTHER PAYORS	2,475,205	2,263,798	2,116,866
INVENTORY	1,105,200	1,095,184	1,126,196
PREPAID EXPENSES	653,021	676,188	389,861
TOTAL CURRENT ASSETS	**28,949,693**	**33,271,510**	**29,289,775**
NET PROPERTY, EQUIPMENT & INTANGIBLE ASSETS	**33,187,157**	**33,451,970**	**30,930,182**
RESTRICTED ASSETS	**3,915,454**	**3,915,280**	**1,410,815**
OTHER ASSETS	0	0	0
LONG TERM INVESTMENTS	12,585,893	8,253,706	3,274,670
TOTAL OTHER ASSETS	**12,585,893**	**8,253,706**	**3,274,670**
TOTAL ASSETS	**$ 78,638,197**	**$ 78,892,466**	**$ 64,905,442**
LIABILITIES			
ACCOUNTS PAYABLE	847,636	867,290	359,704
ACCRUED EXPENSES	10,444,947	10,588,282	4,477,677
ACCRUED COMP PAYABLE	863,790	940,067	1,125,937
ACCRUED INTEREST PAYABLE	90,587	61,048	95,599
EST THIRD-PARTY SETTLEMENT	5,811,882	5,811,882	950,261
SHORT TERM NOTES PAYABLE	5,116,582	5,116,581	
OTHER CURRENT LIABILITIES			
CURRENT MATURITIES OF OTHER LONG TERM DEBT	1,085,000	1,085,000	1,060,000
TOTAL CURRENT LIABILITIES	**24,260,424**	**24,470,150**	**8,069,178**
DEPOSITS AND DEFERRED INCOME			
LOANS PAYABLE	15,426,208	15,426,208	13,485,000
LEASES PAYABLE	0	0	0
TOTAL LONG-TERM LIABILITIES	**15,426,208**	**15,426,208**	**13,485,000**
TOTAL LIABILITIES	**39,686,632**	**39,896,358**	**21,554,178**
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT			
UNRESTRICTED			
TOTAL NET ASSETS	**42,374,632**	**42,374,632**	**42,620,949**
EXCESS REVENUES YTD	**(3,423,067)**	**(3,378,524)**	**730,315**
TOTAL LIABILITIES & NET ASSETS	**$ 78,638,197**	**$ 78,892,466**	**$ 64,905,442**

ESTES PARK HEALTH
Statistical and Consolidated Financial Summary
Month Ended September 30, 2020

Utilization

	Month Actual	Month Budget	Month Variance To Budget	Year To Date Actual	Year To Date Budget	Year To Date Variance To Budget
Hospital						
In-Patient Days	104	107	-2.8%	909	1278	-28.9%
Out Patient Visits	8638	9104	-5.1%	67904	77785	-12.7%
Living Center						
Resident Days	849	1140	-25.5%	7998	10374	-22.9%
Clinic						
Physicians Clinic Visits	2236	2160	3.5%	14586	18219	-19.9%

Income Statement

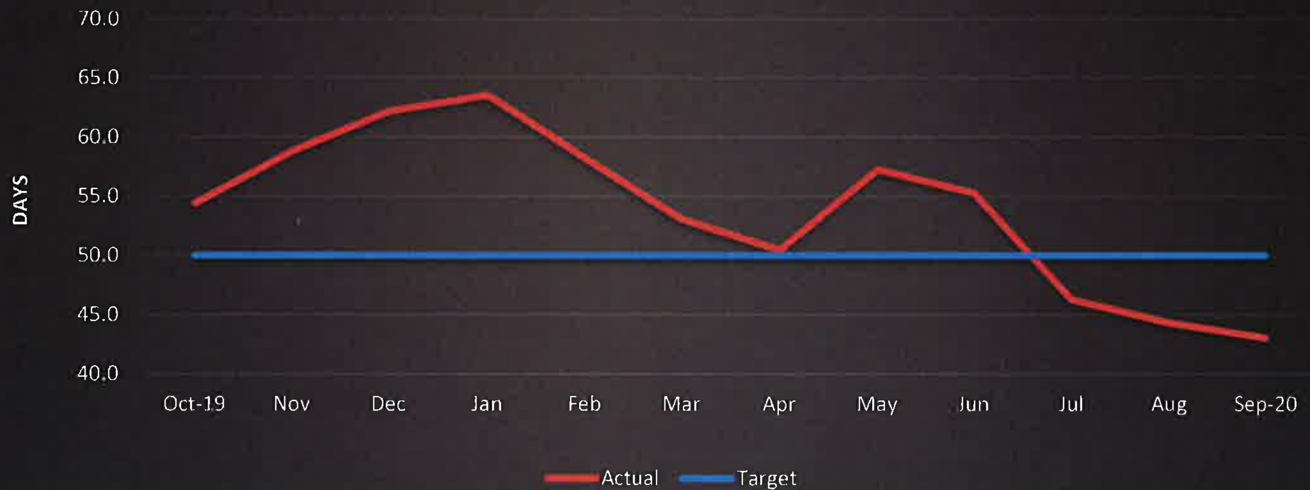
	Month				Year To Date			
	Actual	Budget	To Budget	% Variance	Actual	Budget	To Budget	% Variance
Hospital								
Operating Revenue (Net)	$ 3,551,067	$ 3,209,932	341,135	10.6%	$ 26,762,176	$ 29,444,546	(2,682,370)	-9.1%
Operating Expenses	3,748,799	3,418,646	(330,153)	-9.7%	31,001,664	31,353,883	352,219	1.1%
Net Operating Income (Loss)	(197,732)	(208,714)	10,982	5.3%	(4,239,488)	(1,909,337)	(2,330,151)	-122.0%
Living Center								
Operating Revenue (Net)	255,047	376,729	(121,682)	-32.3%	2,498,844	3,426,525	(927,681)	-27.1%
Operating Expenses	348,680	406,566	57,886	14.2%	3,350,503	3,692,867	342,364	9.3%
Net Operating Income (Loss)	(93,633)	(29,837)	(63,796)	-213.8%	(851,659)	(266,342)	(585,317)	-219.8%
Clinic								
Operating Revenue (Net)	850,380	1,032,602	(182,222)	-17.6%	6,536,517	8,734,752	(2,198,235)	-25.2%
Operating Expenses	875,502	865,740	(9,762)	-1.1%	7,888,045	7,871,821	(16,224)	-0.2%
Net Operating Income (Loss)	(25,122)	166,862	(191,984)	-115.1%	(1,351,528)	862,931	(2,214,459)	-256.6%
Total								
Operating Revenue (Net)	4,656,494	4,619,263	37,231	0.8%	35,797,537	41,605,823	(5,808,286)	-14.0%
Operating Expenses	4,972,981	4,690,952	(282,029)	-6.0%	42,240,212	42,918,571	678,359	1.6%
Net Operating Income (Loss)	(316,487)	(71,689)	(244,798)	-341.5%	(6,442,675)	(1,312,748)	(5,129,927)	-390.8%
Total								
Non Operating Revenue (Net)	277,853	289,560	(11,707)	-4.0%	2,540,094	2,746,861	(206,767)	-7.5%
Non Operating Expenses (Net)	(5,910)	(4,400)	(1,510)	-34.3%	(44,255)	(39,650)	(4,605)	-11.6%
Excess of Rev over Exp Before Cap gifts	$ (44,544)	$ 213,471	$ (258,015)	-120.9%	$ (3,946,836)	$ 1,394,463	$(5,341,299)	-383.0%
Gifts to Purchase Capital Assets		100,000	(100,000)	-100.0%	523,769	200,000	323,769	161.9%
Increase (Decrease) in Net Assets	$ (44,544)	$ 313,471	$ (358,015)	-114.2%	$ (3,423,067)	$ 1,594,463	$(5,017,530)	-314.7%

ESTES PARK HEALTH

Statement of Cash Flows (Unaudited)

1/1/20 through 9/30/20

Cash Flows From Operating Activities	
(Deficiency) Excess of Revenues over Expenses	$ (3,423,067)
Interest expense (considered financing activity)	312,817
County tax subsidy, net (considered financing activity)	(2,324,774)
Interest income (considered investing activity)	(80,563)
Net income (loss) from operating activities	(5,515,587)
Assets released from restrictions	(536,470)
Depreciation & amortization	2,318,008
Changes in working capital:	
Decrease (Increase) in Accounts receivable, net	1,770,043
Decrease (Increase) in Inventory	(8,794)
Decrease (Increase) in Prepaid expenses	27,474
Decrease (Increase) in Other Assets	-
Decrease (Increase) in Long Term Investment	(11,831,913)
Increase (Decrease) in Accounts payable	(2,025,354)
Increase (Decrease) in Accrued wages & related liabilities	(12,890)
Increase (Decrease) in Other current liabilities	190,983
Increase (Decrease) in Deposits and Deferred Income	5,386,945
Increase (Decrease) in Payable to 3rd party payors	4,407,877
Net (gain) loss on sale of equipment	-
Net cash provided by (used in) operating activities	(5,829,678)
Cash Flows From Financing Activities	
Restricted contributions	536,470
County tax subsidy, net	2,324,774
Interest expense	(312,817)
Sale of equipment	-
Purchase of property, equipment & intangible assets	(3,473,523)
Increase (Decrease) in capital lease commitments, net	-
Loan Activity	8,142,789
Net cash provided by (used in) financing activities	7,217,693
Cash Flows From Investing Activities	
Interest income	80,563
Net cash provided by (used in) investing activities	80,563
Net Increase (Decrease) in Cash and Cash Equivalents	1,468,578
Cash and Cash Equivalents, 01/01/2020	20,971,503
Cash and Cash Equivalents, 9/30/20	$ 22,440,081
Restricted Cash and Cash Equivalents, 9/30/20	$ 3,915,454
Unrestricted Cash and Cash Equivalents, 9/30/20	18,524,627
	$ 22,440,081



Calculation: $\frac{\text{Gross Accounts Receivable}}{\text{Average Daily Revenue}}$

Definition: Considered a key "liquidity ratio" that calculates how quickly accounts are paid.

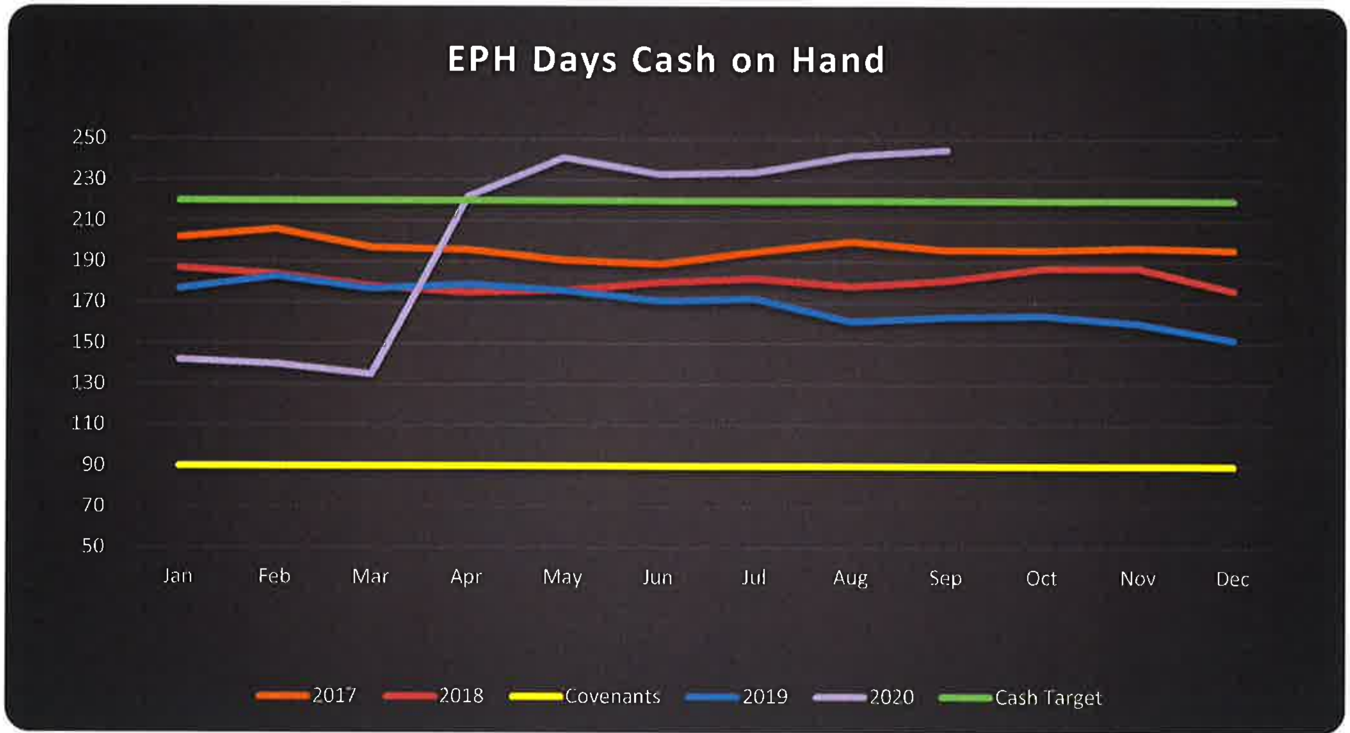
Desired Position: Downward trend below the median, and below average.

How ratio is used: Used to determine timing required to collect accounts. Usually, organizations below the average Days in AR are likely to have higher levels of Days Cash on Hand.

	Oct-19	Nov	Dec	Jan	Feb	Mar
A/R (Gross)	14,173,824	13,806,401	14,575,357	14,237,980	13,759,900	11,257,627
Days in Month	31	30	31	31	29	31
Monthly Revenue	7,808,340	6,340,531	7,414,874	6,857,233	7,238,504	5,214,133
Daily Revenue	260,440	234,611	234,389	224,050	236,380	212,196
Days in AR	**54.4**	**58.8**	**62.2**	**63.5**	**58.2**	**53.1**

	Apr	May	Jun	Jul	Aug	Sep-20
A/R (Gross)	9,310,952	9,099,346	10,711,059	11,581,546	12,922,671	12,646,845
Days in Month	30	31	30	31	31	30
Monthly Revenue	4,148,662	5,254,518	8,222,669	9,531,427	9,059,425	8,434,793
Daily Revenue	184,459	158,884	193,691	250,094	291,451	293,757
Days in AR	**50.5**	**57.3**	**55.3**	**46.3**	**44.3**	**43.1**

ESTES PARK HEALTH
Days Cash on Hand
September 30, 2020



Calculation: <u>Total Unrestricted Cash on Hand</u>
Daily Operating Cash Needs

Definition: This ratio quantifies the amount of cash on hand in terms of how many "days" an organization can survive with existing cash reserves.

Desired Position: Upward trend, above the median--AND above Bond Covenant Minimums

How ratio is used: This ratio is frequently used by bankers, bondholders and analysts to gauge an organization's liquidity--and ability to meet short term obligations as they mature.

Note: At EPH, the Bond Refunding/Loan documents require a minimum level of 90 days cash be maintained. It changed to 90 effective March 1, 2016.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	142	140	135	222	241	233	234	242	245			
2019	177	183	177	179	176	171	172	161	163	164	160	152
2018	187	184	178	175	176	180	182	178	181	187	187	176
2017	202	206	197	196	191	189	195	200	196	196	197	196
Bond Covenant MIN	90	90	90	90	90	90	90	90	90	90	90	90
Cash Target	220	220	220	220	220	220	220	220	220	220	220	220

ESTES PARK HEALTH
Statement of Revenues and Expenses (Unaudited)
Forecast 2020

	FORECAST FY 2020							
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2020 Forecast	Budget 2020	Variance	% Variance
Patient Revenue								
In-Patient	3,029,481	2,574,494	4,396,055	4,036,847	14,036,877	19,985,112	(5,948,235)	-29.8%
Out-Patient	16,279,271	15,052,472	22,629,590	15,719,141	69,680,474	77,722,701	(8,042,227)	-10.3%
TOTAL PATIENT REVENUE	19,308,752	17,626,966	27,025,645	19,755,988	83,717,351	97,707,813	(13,990,462)	-14.3%
Less Contractual Allowances	(8,894,591)	(7,694,746)	(11,062,441)	(8,297,515)	(35,949,293)	(43,968,516)	8,019,223	-18.2%
Less Bad Debt Adjustments	331,040	(442,594)	(752,139)	(395,120)	(1,258,813)	(977,078)	(281,735)	28.8%
Total Revenue Deductions	(8,563,551)	(8,137,340)	(11,814,580)	(8,692,635)	(37,208,106)	(44,945,594)	7,737,488	-17.2%
	44.4%	*46.2%*	*43.7%*	*44.0%*	*44.4%*	*46.0%*		0.0%
NET PATIENT REVENUE	10,745,201	9,489,626	15,211,065	11,063,353	46,509,245	52,762,219	(6,252,974)	-11.9%
Other Operating Revenue	118,863	115,680	117,102	200,000	551,645	988,559	(436,914)	-44.2%
TOTAL OPERATING REVENUE	10,864,064	9,605,306	15,328,167	11,263,353	47,060,890	53,750,778	(6,689,888)	-12.4%
EXPENSES								
Wages	6,069,131	6,172,150	5,686,945	5,506,814	23,435,040	24,027,256	(592,216)	-2.5%
Benefits	1,560,727	1,799,300	1,597,805	1,539,977	6,497,809	8,759,908	(2,262,099)	-25.8%
Contract Labor	1,850,442	1,300,268	1,532,547	1,949,679	6,632,936	6,398,715	234,221	3.7%
Medical Supplies	1,360,464	749,888	1,594,702	1,064,370	4,769,424	4,257,478	511,945	12.0%
Non-Medical Supplies	350,012	241,984	275,342	266,092	1,133,430	1,064,370	69,061	6.5%
Purchased Services	1,789,162	1,228,364	1,416,283	1,101,370	5,535,179	3,405,478	2,129,701	62.5%
Other Operating Expenses	1,043,976	908,977	1,080,917	1,396,204	4,430,074	5,584,814	(1,154,741)	-20.7%
Depreciation & Amortization	683,307	840,126	794,575	792,557	3,110,565	3,170,229	(59,664)	-1.9%
Interest/Bank Fees	97,394	113,803	101,620	102,797	415,614	411,187	4,427	1.1%
TOTAL OPERATING EXPENSE	14,804,615	13,354,860	14,080,736	13,719,859	55,960,070	57,079,435	(1,119,365)	-2.0%
OPERATING INCOME (LOSS)	**(3,940,551)**	**(3,749,554)**	**1,247,431**	**(2,456,505)**	**(8,899,179)**	**(3,328,657)**	**(5,570,522)**	**-167.4%**
Operating Margin	*-36.3%*	*-39.0%*	*8.1%*	*-21.8%*	*-18.9%*	*-6.2%*		
Non-Operating Revenue	805,983.00	893,344	840,766	1,140,766	3,680,859	3,484,512	196,347	5.6%
Non-Operating Expense	(12,585)	(14,180)	(17,490)	(17,490)	(61,745)	(72,840)	11,095	-15.2%
NON-OPERATING	793,398	879,164	823,276	1,123,276	3,619,114	3,411,672	207,442	6.1%
EXCESS REVENUES (EXPENSES)	**(3,147,153)**	**(2,870,390)**	**2,070,707**	**(1,333,229)**	**(5,280,065)**	**83,015**	**(5,363,080)**	-6460.4%
Gift to Purchase Capital Assets	-	132,905	390,865	-	523,770	300,000	223,770	
Stimulus Funds				10,171,000	10,171,000			
NET GAIN (LOSS)	**(3,147,153)**	**(2,737,485)**	**2,461,572**	**8,837,771**	**5,414,705**	**383,015**	5,031,690	
Total Margin	*-29.0%*	*-33.3%*	*16.1%*	*78.5%*	*4.8%*	*0.7%*		
EBIDA	**(2,366,452)**	**(1,783,556)**	**3,357,767**	**9,733,125**	**8,940,884**	**3,964,431**		

Item 6.5

555 Prospect Ave. | P.O. Box 2740 | Estes Park, CO 80517

Park Hospital District

2021 Draft Budget

November 5, 2020

Mission Statement: To make a positive difference in the health and well-being of all we serve.

Table of Contents

Page 1	Budget Message
Page 2-3	Executive Summary
Page 4	Operating Budget

Mission Statement: To make a positive difference in the health and well-being of all we serve.

BUDGET MESSAGE
(Pursuant to 29-1-103(1)(e), C.R.S.)

PARK HOSPITAL DISTRICT (d/b/a Estes Park Health)

(INSTRUCTIONS: Pursuant to section 29-1-103(1)(e), C.R.S., the budget must include the Budget Message. Fill in blank spaces and check any items that are applicable.)

The attached 2021 Budget for PARK HOSPITAL DISTRICT includes these *important features*:*

1. Increase average charge for hospital services by approximately 0%
2. Decrease in volume for some departments
3. Continue service of a new Urgent Care Center, opened May 27, 2021
4. Contractual and Uncompensated care adjustments of 43% reflect the Medicare Cost Report considerations, Medicaid changes and market impact of self-pay receivables.
5. Maintain overall salary expense consistent with market value and maintaining compensation levels for merit by 0.0%.
6. Decrease operating and non-operating expenses.
7. Acquire, only when absolutely necessary, new capital equipment including x-ray equipment, lab equipment, IT equipment, and various other smaller items.
8. Mill levy of 7.505 yields budgeted tax revenues of $3,118,849.

The services to be provided/delivered during the budget year are the following:

Inpatient, Observation, Swing Bed, Outpatient, Clinic, Urgent Care Center, Therapies, Surgery, Nursing Home, Home Health, Hospice, Ambulance, and other services as provided in 2021.

* "*important features*" are not defined in statute; however, important features of the budget would include starting/ending a service; increases or decreases in levels of services, increases/decreases to revenues (taxes/rates) and/or expenditures; acquisition of new equipment; start or end of capital project; etc.

555 Prospect Ave. | P.O. Box 2740 | Estes Park, CO 80517

Draft Budget 2021

Executive Summary

The 2021 Budget is developed with consideration of ongoing national and local trends, specifically the COVIC-19 Pandemic impact and the recent Fire Evacuation in late October. The dramatic impact to the 2019 Revenues during the months of March, April and May and ongoing decrease in volumes have greatly influenced the financials for Estes Park Health.

Assumptions

Inpatient Revenues	0% Rate Incr. Volumes are assumed at 80% 2019 levels. Hospital business is moving away from Inpatient services and more Outpatient.
Outpatient Revenues	There is no anticipated rate increase and volumes. Most service lines assumed at 80% of 2019 levels, due to industry trends, and the impact of the COVID-19 virus.
Surgery	Anticipating recovery of lost procedures, due to 2019 loss of Sterilizer. Aggressive marketing and focus. General Surgery and Orthopedics anticipated to return to 5-year average.
Urgent Care Center	Budgeted at an average of 10 visits/day. Volumes based on seasonality and expectations of decline in local tourist visits.
Emergency Department	Budgeting a 7% loss of volumes due to industry trend of reduced visits. The impact of the new Urgent Care Center is also considered.
EMS/Ambulance	Planning start-up of Community Paramedic On-Call, in coordination with the Urgent Care Center.
Birth Center	Expected decrease in volumes, as local trends have indicated.
Clinic	New providers in Clinic should recover visit volumes; more comfort using the new Epic program; and the General Surgeon program will have Clinic availability. There is no rate increase,
Revenue Deductions	Work continues with Medicare Cost Report with favorable results, helping to decrease the Contractual write-offs. Additional lengthy work with Admissions staff to educate patients upon registration/admission on pricing and financial responsibility. Results indicate favorable response and decreased bad debts. Budget continues to show decrease % Adjustments.

Salaries	Merit increases are budgeted to re-start as of June 1, 2021. Thus, allowing for a full 12 months of no increases, dating back to June 1, 2020.
	Budgets at the departmental level are considering the ongoing recruitment challenges for Clinical staffing.
Benefits	Health Insurance is currently estimated at a slight decrease. No other changes in cost are anticipated.
Contract Labor	Continued Contract Labor costs for RN and Aides in Surgery and the Living Center. This is expected to continue until Recruiting fills open positions.
Supplies	Anticipated to increase 1%, due to service line adjustments, lower volumes, better contracts
Depreciation	Includes capitalization of Assets; Property and Equipment, including the Epic/Lawson purchase in 2019 and the Urgent Care improvement.
Tax Subsidy	Property Tax is scheduled for $3.1M and the additional vehicle tax subsidy is $250K

FTE and Staffing

Staffing and FTE's are anticipated to decline by 2.0 FTE's compared to 2020 Actuals and by 20.3 for Budget 2020. Most Departments are making staffing adjustments as a result of reduced patient visits.

Capital Budget

Historically, the hospital has provided a comprehensive list of needed Capital Equipment, defined as having an asset life of greater than 1 year and a total cost of greater than 1 year. For 2021, Leadership has developed a small list of equipment, given the current fiscal situation.

Agreement with Department Directors provides for "only by necessity to provide critical service". Any request will be vigorously reviewed by Senior Leadership. Accordingly, the Capital list is limited to absolute necessity. The Board will be advised for any proposed purchase in 2021.

ESTES PARK HEALTH
DRAFT OPERATING BUDGET 2021

	APPROVED 2020 BUDGET	2020 PROJECTED	2021 BUDGET	DRAFT 2021 to PROJ 2020
PATIENT REVENUE				
Inpatient Revenue	19,914,657	13,363,899	14,889,709	$ 1,525,809
Outpatient Revenue	77,940,794	68,879,939	69,240,613	360,674
TOTAL PATIENT REVENUE	97,855,451	82,243,838	$ 84,130,321	1,886,483
Less: Contractual Adjustments	(44,034,955)	(35,513,723)	(35,334,735)	178,988
Less: Bad Debt	(978,557)	(1,137,947)	(1,261,955)	(124,008)
	(45,013,512)	(36,651,670)	(36,596,690)	54,980
	-46.0%	*-44.6%*	*-43.5%*	
NET PATIENT REVENUE	**52,841,939**	**45,592,169**	**47,533,632**	**1,941,463**
		55.4%	*56.5%*	
Other	824,185	479,646	469,650	(9,996)
TOTAL OPERATING REVENUE	**$ 53,666,124**	**$ 46,071,815**	**$ 48,003,282**	**$ 1,931,467**
EXPENSES				
Wages	25,117,554	23,350,005	23,781,526	431,520
Benefits	6,796,957	6,642,844	6,843,467	200,623
Contract Labor	6,356,716	6,456,473	5,280,980	(1,175,493)
Medical Supplies	4,495,035	5,019,776	4,954,306	(65,470)
Non-Medical Supplies	1,004,416	1,164,771	985,451	(179,320)
Purchased Services	5,952,299	6,150,156	5,358,455	(791,701)
Other Operating Expenses	3,898,755	4,072,917	5,210,035	1,137,118
Depreciation/Amortication	3,126,228	3,111,958	3,147,933	35,975
Interest/Bank Fees	411,192	417,091	375,381	(41,710)
TOTAL OPERATING EXPENSES	**$57,159,152**	**$56,385,991**	**$55,937,534**	**(448,457)**
OPERATING INCOME (LOSS)	**(3,493,028)**	**(10,314,176)**	**(7,934,252)**	**2,379,924**
Non-Operating Revenue	3,636,419	3,386,791	3,393,500	6,709
Non-Operating Expenses	(60,150)	(59,007)	(74,900)	(15,893)
Total Non-Operating	**3,576,269**	**3,327,784**	**3,318,600**	(9,184)
EXCESS REVENUES/EXPENSES	**83,241**	**(6,986,392)**	**(4,615,652)**	2,370,740
				-
Gifts to Purchase Capital Assets	300,000	523,770	300,000	(223,770)
Stimulus Funds		4,800,000		
INCREASE (DECREASE) IN NET ASSETS	**$ 383,241**	**$ (1,662,621)**	**$ (4,315,652)**	**$ (2,653,031)**
EBITDA	**$ 3,920,661**	**$ 1,866,428**	**$ (792,338)**	
Total Margin % INCREASE (DECREASE)	*0.71%*	*-3.61%*	*-8.99%*	

Draft 8/10/2020

EMPLOYED PROVIDER RECRUITING PLAN FOR EPH

Purpose: To provide a framework for a thorough, inclusive and organized process for effectively recruiting a new employed practitioner to Estes Park Health.

Initial Steps:

i. Define the need, in particular what is the purpose of bringing in a new provider and what are the expectations of this provider
ii. Obtain BOD approval (we are a closed medical staff)
iii. Define the minimum necessary qualifications as well as the preferred qualifications
iv. Establish search committee: Director of Practice Management, Department Director (if also working in Hospital Department), Clinic Medical Director, Department Medical Director (if working in Hospital Department), provider in the same specialty, consider a front-line staff member
v. Decide on appropriate advertising: Trade Journals, professional organizations, use of a recruiting firm, combination of methods

Selecting Candidates:

vi. Review submitted CV's and any other submitted documents (Resume, cover letter, etc.), review any other sources of information about candidate
vii. Chose candidates for phone interviews

Phone Interviews:

viii. Group conference call: all members of the search committee present
ix. Plan at least 1 hour, make sure everyone has water.
x. Recap impressions and decide whether to proceed with on-site interviews.

On-Site Interviews:

xi. Schedule in advance to allow clinic schedules to be adjusted as needed
xii. Expect a 2 day process, plan lodging, dining and transportation in advance
xiii. Facility tour
xiv. Individual interviews: Director of Practice Management (if working in clinic include Clinic Nurse Manager), Department Director if working in hospital department, Clinic Medical Director if working in clinic, Department Medical Director if working in hospital department, CEO, COS
xv. Group Interviews: Department Directors, Providers, Senior Leadership, consider BOD, consider front line employees
xvi. Real Estate Tour: pre-arrange with local realtor
xvii. Social event

Decision:

xviii. Written and/or verbal evaluations, pay particular attention if any member is opposed, find out details and explore.
xix. Final recommendation from search committee to CEO
xx. Letter of intent
xxi. Signed Contract

On-Boarding (Please see the New Practitioner Onboarding Checklist for details of all items to be completed prior to start date)

xxii. Licensure: time frame dependent on Colorado Board of Medical Examiners
xxiii. Hospital Credentials: Allow 90-120 days from receipt of a completed application
xxiv. Malpractice Insurance: time frame dependent on COPIC
xxv. Apply for UCH EPIC profile: Allow 45 days until provider is active
xxvi. Select a start date
xxvii. Complete mandatory UCH EPIC training
xxviii. Schedule New Practitioner Orientation, must be complete prior to seeing patients.

In the on-going pandemic will need to pay particular attention to room sizes to allow social distancing and may need to offer 2 sessions for providers to limit the number of people in attendance at any given time. Social event will need to be a more limited number of people due to restrictions.

EPH COVID-19 Pandemic Update
October 26, 2020

KEEPING EVERYONE SAFE AT EPH: We continue to focus on maximum safety at EPH. All staff, patients, and visitors must wear masks at all times, and we check temperatures and screen for symptoms and contact with potential infected parties at the entry doors for all employees, patients, and visitors. We test all inpatients and most surgery patients. We only allow one visitor/caregiver per patient (unless it's a child, where we'll allow both parents) for the inpatient unit, the surgery suite, the emergency department, and the physician clinic.

COVID TESTING AT EPH: Our current swabbing process includes a Telehealth visit for personalized care and follow-up, along with a scheduled specimen collection date and time. On October 26, we begin offering increased availability of Covid-19 testing for our community. In a collaborative effort between the hospital, the physician clinic, and the Urgent Care Center, we will continue to offer same-day results for Covid-19 testing. Our streamlined process has safely been brought indoors and expanded to care for our public. Testing will continue Monday - Friday, with expanded hours of 8 AM – 11 AM and 4 PM -6 PM.

DON'T HESITATE TO GET HELP: If you are experiencing serious or life-threatening symptoms (chest pain, stroke symptoms, etc.), you should immediately come to EPH to get attention for that emergent condition. You are safe coming to the emergency department for emergency situations, we have a very well-protected setup to ensure your safety from COVID or other infections while you are receiving attention. Do not delay service for any serious medical condition out of COVID fear.

PHYSICIAN CLINIC OPEN FOR BUSINESS: Our physician clinic is ready to safely see you, for any type of appointments, including routine, non-acute appointments. You can visit your PCP now to address your regular checkups and chronic conditions. We take all precautions, beyond and in addition to, the front-door screening, to keep our patients safe and to maintain social distancing. Techniques of staggered appointment times and social-distancing blocks help reduce the number of patients arriving at any one time. We get you into our exam rooms quickly to minimize waiting room time. We're as safe as we can be for you.

MANAGING FLU SEASON: We're now into the "normal" flu season. All employees are required to get flu shots and we recommend all residents (adult and child) get the vaccine unless prevented by other health issues.

CONTINUE TO SCREEN FROM HOME: One of the best safety measures you can take if you are concerned that you may have COVID-19 symptoms, or that you might have been exposed, is to be screened over the phone (meaning "asked the key questions about symptoms and exposure to COVID-19"), from the safety of the home. A nurse is available for questions at any time. Anyone calling for COVID information can call the clinic registration desk at 586-2200 and then be transferred to the COVID triage nurse. We have been taking approximately 20 calls per day.

ESTES PARK HEALTH

Item 8

Park Hospital District Board
Timberline Conference Room
November 9, 2020

CREDENTIALING RECOMMENDATIONS

Credentials Committee approval: September 30, 2020
Present: Drs. Zehr (Chair), Florence, Meyer, Steve Alper, Vern Carda and Andrea Thomas

Medical Executive Committee approval: October 7, 2020

Appointments

Iverson, E. Paul, M.D.	Courtesy, Diagnostic Radiology
Warren, Maxine, M.D.	Courtesy, Dermatology

Reappointments

Goodbee, David, M.D.	Courtesy, Diagnostic Radiology
Kanard, Anne, M.D.	Courtesy, Hematology/Oncology
Kemme, Douglas, M.D.	Courtesy, Hematology/Oncology
Lee, Joseph, M.D.	Active, Internal Medicine
Luchsinger, Amanda, M.D.	Active, Internal Medicine
Meredith, Lawrence, M.D.	Courtesy, Neurology
Prochoda, Michael, M.D.	Active, Ophthalmology

FPPE

Van der Werf, Guy, M.D.	Courtesy, Family Medicine

Resignations (FYI only)

Atha, James, CRNA	APP, Anesthesia/Pain Management
Raisch, Michael, M.D.	Courtesy, Dermatology

Credentials Committee approval: October 30, 2020
Present: Drs. Zehr (Chair), Florence, Meyer, Steve Alper, Vern Carda and Andrea Thomas

Medical Executive Committee approval: November 4, 2020

Appointments

Rayson, Robert, M.D.	Courtesy, Cardiology
Sana, Saidmunib, M.D.	Courtesy, Diagnostic Radiology

Reappointments

Andersen, Jeremiah, M.D.	Courtesy, Pathology
Phillips, George, M.D.	Courtesy, Urology
Schuster, Steven, M.D.	Courtesy, Hematology/Oncology
Wiesner, Mark, D.O.	Active, Pediatrics

Park Hospital District Board
Timberline Conference Room
November 9, 2020

Status change

McLellan, Jennifer, M.D.	Courtesy to Active

Resignations (FYI only)

Goddard, Allison, M.D.	Courtesy, Dermatology