



ESTES PARK HEALTH

ESTES PARK HEALTH SPECIAL BOARD OF DIRECTORS' Meeting Minutes – November 20, 2020

Board Members in Attendance:

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

Other Attendees:

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

Community Attendees (via webinar):

Karen Sackett, Barbara Keilty, Wendy Rigby, Cindy Leaycraft and Gerald Mayo

1. Call to Order

The Special Board meeting was called to order at 3:04 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

Ms. Muno motioned to approve the agenda as presented. Mr. Pinkham seconded the motion, which carried unanimously.

3. Public Comments on Items Not on the Agenda

None.

4. General Board Comments

None.

5. Discussion of EPH Living Center Alternatives

5.1 Brief History and Context

In March 2020, as the coronavirus pandemic developed, EPH Board first asked EPH Senior Leadership Team for plans to deal with the pandemic and how to mitigate pandemic impacts on EPH.

Significant financial losses occurred in 2020 and were projected to continue into 2021 and beyond.

- Projected losses required EPH to evaluate all programs and personnel for cost reduction opportunities
- Without significant expense reductions, EPH projected to be unable to continue financially beyond 2021.
- Phase 1 among other actions, with all-employee salary and benefits reductions and all-department cost cutting
- Phase 2 among other actions, Reduction in Force affecting 27 positions, Urgent Care changes, etc.
- Long-term financial losses at the EPH Living Center were among many options evaluated

Differing points of view and EPHLC alternatives have been discussed in five meetings dedicated to EPH and EPHLC, and parts of two EPH Board meetings.

- Two EPH Board Meetings: Aug 31 and Sep 29, 2020
- Three Tele-Townhalls: Sep 6, Sep 23, Oct 7, 2020 for a total of 7hr 30min
- One “Deep Dive EPH and EPHLC Finance” meeting: Sep 30, 2020 for 2hr 49min
- One Task Force organization meeting: Oct 11, 2020 for 1hr 41 min
- Total meeting time: approximately 12 hours not including discussion time in the two EPH Board meetings

5.2 Brief Review of Process and Current Status

- EPH Senior Leadership Team (SLT) and EPH Board have a sense of urgency about finding significant expense reduction options for EPH.
- EPH SLT and Board are confident in the validity and accuracy of EPH and EPHLC financials.
- Because of its small size alone, plus declining occupancy, and increasing expenses related to regulatory compliance, EPHLC is expected to continue to have financial losses.
- EPHLC at its current size is not independently financially viable and, given EPH’s current and projected financial challenges, EPH will not be able to continue to subsidize EPHLC’s losses.
- Because EPHLC at its current size is not independently financially viable, and EPH will not be able to subsidize its losses, for EPHLC to continue operations, another source of ongoing operational subsidies would be needed.
- Who would operate EPHLC in the future?
- Nationally, facilities like EPHLC face staffing challenges that may affect the quality of care and financial viability.

5.3 Good Samaritan Society Will Accept EPHLC Residents

If the EPH Board decides to close the EPH Living Center, the Good Samaritan Society’s locations in Fort Collins Village, Loveland Village, and Bonello Community in Greeley would be able to accept all EPH Living Center residents if that were the resident’s or their Power of Attorney’s choice.

5.4 Brief Review of EPHLC Nov. 18 Taskforce Discussion

A summary of the previous task force meeting was provided, and the community members updated SLT on developments. It was agreed by the Board and task force members that an election referendum for community support of an additional tax would not be pursued. The community members are now focused on retaining a third party to run the Living Center.

5.5 The EPH Board does not support continuing to operate the Estes Park Health Living Center within Estes Park Health organization

Ms. Muno agrees with the statement. This has been an extremely difficult topic to consider. The meetings that were conducted with the public showed the Board how critical the Living Center is to the community, but in examining the financials, it was realized that there are better models than what the hospital can provide. Due to infrastructure issues, economic size and staffing limitations, it has become apparent that the Living Center cannot continue to operate under the hospital.

Ms. Begley agrees with the statement. The Living Center is not, nor has it been paying for itself in a long time. It is not sustainable.

Dr. Alper agrees with the statement. Based on the \$7MM deficit projected for 2021, if the hospital does not take significant action it may not survive. This has been an extremely difficult decision to make, and unfortunately it does negatively impact some community members. The Board is trying to make the best decision for the long-term stable healthcare in the Estes Park community.

Mr. Pinkham agrees with the statement. The Living Center is not paying for itself and it's a significant drain on the hospital finances.

Dr. Batey agrees with the statement. The unsurmountable financial challenges and extremely difficult staffing challenges make operating the Living Center under the hospital unsustainable. There are other facilities that are better suited for memory care and other types of care that patients require.

5.6 The EPH Board does not object to community members seeking to establish a Special Taxing District, independent of Estes Park Health, that would produce tax support for an organization, also independent of Estes Park Health, that would operate a local Skilled Nursing Facility

Ms. Muno agrees with the statement. The Board will be supportive of the community establishing a special taxing district if they desire.

Ms. Begley agrees with the statement.

Dr. Alper agrees with the statement. It is ultimately good to get overall community feedback and support for the effort.

Mr. Pinkham agrees with the statement.

Dr. Batey agrees with the statement. It is great for communities to come together to find solutions to community issues.

5.7 The Estes Park Health Board of Directors does not object to an additional financial review, funded by community members, of Estes Park Health and the Estes Park Health Living Center

Ms. Muno agrees with the statement. The Board and SLT were willing to offer their assistance to identify a party to perform a financial review, however, the community members have identified their preferred individual.

Ms. Begley agrees with the statement. She offered her assistance to the community members should they request it. The hospital did have two outside entities perform a financial review and those reports are publicly available.

Dr. Alper agrees with the statement.

Mr. Pinkham agrees with the statement.

Dr. Batey agrees with the statement. The Board did obtain an independent financial assessment, but if the community wants to pursue and pay for another one then there is no objection.

5.8 Any other EPHLC Discussion Items

None.

Questions and Comments from community attendees:

- C. This is the second time that the Board has mentioned that Good Sam is willing to take the Living Center residents. The Board seems to miss the point of how traumatic it will be to move the residents. It's not as generous an offer as it appears. A memory unit was mentioned, but there is not a resident at the Living Center that is an Alzheimer's patient. The SLT and Board are making decisions with no experience. The special district needs to be dissolved, the Board and SLT need to be removed and a professional healthcare system needs to run EPH.
- C. Having been the CEO at EPH many years ago, I found that with the right team it was a great place to work and I do not agree that bringing in another group to run the hospital is the best option. When the hospital provided CNA training it was able to recruit people to work there. It is a matter of how hard you work to impact the community. It is extremely hard to accept that the hospital wants to eliminate the Living Center. Having residents close to family is important to the residents and their family members.
- Q. Why were questions not addressed by the Board that have been raised in various meetings?
 - A. Ms. Begley stated that she would address all questions raised if Mr. Mayo would contact her.
 - C. Mr. Mayo stated the questions should be addressed in a public meeting.
- C. Typically, a task force is defined as two groups working together to reach a goal. The Board Chair has treated the task force community members with condescension. Every one of the ideas presented were shot down one by one. It was embarrassing. The Board made up their minds before August and has wasted community time in order to try to prove transparency.
 - A. Ms. Begley stated that the Board did not previously consider, nor has there been any vote on closing the Living Center. This is not what the Board desires, but it needs to be done for the long-term financial viability of the hospital.
- C. I have been to every meeting and there has not been one comment from the Board that spoke positively about saving the Living Center, nor has the Board presented any alternatives to closing. I firmly believe that there has been no desire by the Board to save the Living Center.
- C. It feels like the task force meetings are a more corporate view at looking at EPH and bringing in companies to do audits. It has felt like the Board members were talking down to the community members. The community members wanted to help the Living Center and the hospital but will now

only focus on the Living Center. It is sad to see that it has come to the point where the Living Center will separate from the hospital.

Comments from Board members and Vern Carda, CEO:

Dr. Alper: The community perception is unfortunate, but the Board has investigated everything that was feasible to keep the Living Center open while also maintaining the hospital as a viable organization that can serve the community. The Board knows the decision will profoundly affect people lives, but it had to make the best overall decision for the entire community.

Mr. Pinkham: It has been a clash between compassion and reality in order to sustain the hospital.

Ms. Begley: No comments.

Ms. Muno: No comments.

Dr. Batey: Appreciates the feedback, but strongly disagrees with the community members assessment of the Board's character.

Mr. Carda: This is a difficult topic and creates a lot of discussion when you talk about the needs of the hospital and the lives that it impacts. The goal is to continue to serve the entire community.

6 Review any Action Items and Due Dates

None.

7 Adjournment

Mr. Pinkham motioned to adjourn the meeting at 3:52 p.m. Ms. Begley seconded the motion, which carried unanimously



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