

Agenda

Estes Park Health Board of Directors' Special Meeting

Thursday, December 10, 2020

4:00 pm Board Meeting

Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517

Timberline Conference Room / <https://attendee.gotowebinar.com/register/https://attendee.gotowebinar.com/register/740445626509935886>

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	Presentations: 5.1 2021 EPH Budget Approval and Covid-19 Financial Impact 5.2 2021 Budget Adopt Resolution 5.3 2020 Amended Budget Resolution 5.4 2020 Setting Mill Levy Resolution	40	Discussion Action Action Action	Mr. Tim Cashman Board Board Board
6	Adjournment	1	Action	Dr. David Batey
<i>Total Regular Session Mins.</i>		53		

Next Regular Board Meeting: Tuesday, January 26, 2021 4:00 - 6:00 pm

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, 2020
4. Discontinue the ownership and operations of the Living Center.
5. Contractual and Uncompensated care adjustments of 43% reflect the Medicare Cost Report considerations, Medicaid changes and market impact of self-pay receivables.
6. Maintain overall salary expense consistent with market value and maintaining compensation levels for merit by 0.0%.
7. Decrease operating and non-operating expenses.
8. Acquire, only when absolutely necessary, new capital equipment including x-ray equipment, lab equipment, IT equipment, and various other smaller items.
9. 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, Emergency Dept, Urgent Care Center, Therapies, Surgery, Nursing Home, Home Health, Hospice, Ambulance.

* "*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

ESTES PARK HEALTH

December 10, 2020

2021 EPH Budget Executive Summary

Estes Park Health expects 2021 to be a financially challenging year. While the organization's deficit is estimated to be reduced to a \$1.2 million loss after adding non-operating revenue from property and excise tax revenue, we expect our financial survival will require Estes Park Health to stay nimble and able to adapt rapidly as the year's events unfold given the extraordinary operating environment uncertainties injected by the ongoing coronavirus pandemic.

A baseline for EPH volumes for FY 2021 was established utilizing volumes achieved during FY 2019. If the 2021 operating environment remains consistent with these assumptions, the 2021 budget will give EPH the time required to accomplish the long-term financial fundamental adjustments and alignment that is needed to keep Estes Park Health a vibrant, sustainable organization able to address the community's healthcare needs into the rapidly evolving future.

While the anticipated approximately \$10 million in Federal financial coronavirus-related assistance will provide some temporary relief and compensate for losses carried over from 2020 and continuing into 2021, this funding does not solve the long-term financial challenges the organization needs to address.

The 2021 operating loss is the result of net patient revenues expected to decrease from 2019, mostly from decreases in outpatient revenues while inpatient and ancillary service revenues are projected to be similar to 2019. Total operating expenses will decline from 2019 levels as a result of 2020 reductions in force and other program changes, but these changes are not sufficient to offset the decline in revenues.

Budget Goals - FY2021

During this budget cycle, it is important for EPH to prioritize and maximize direct patient care, safeguard the stability of health care providers, and allow for orderly regulatory processes that are responsive to the evolving needs of EPH. Additionally, it is important for EPH to work with quality and service as management concepts and tools in order to create value for patients and stakeholders, and moreover, to create good financial conditions for the hospital.

The following are the major goals to achieve during the FY 2021:

- 1. Achieve break – even margin.**
- 2. Maintain continuity of health care service to the Estes Park and Estes Valley Community.**
- 3. Manage days cash on hand and debt coverage ratios to maintain compliance with banking covenants.**
 - Achieve greater than 90 days cash on hand and maintain compliance with the debt coverage ratio of 1.25.
- 4. Develop or maintain efficient and effective operational patterns for all Estes Park Health operational entities.**
- 5. Implement Estes Park Health hospitalist program.**
- 6. Facilitate growth of Estes Park surgical practice.**
- 7. Explore and add revenue generating services not offered by Estes Park Health.**

ESTES PARK HEALTH OPERATING BUDGET 2021

	2019 ACTUAL	2020 PROJECTED	2021 BUDGET	2021 BUD to 2019 ACTUAL
TOTAL PATIENT REVENUE	91,195,538	82,417,245	\$ 86,985,687	\$ (4,209,851)
Contractual Adjustments	(42,858,467)	(36,992,709)	(37,838,774)	\$ 5,019,693
NET PATIENT REVENUE	48,337,071	45,424,536	49,146,913	\$ 809,842
Other	728,242	485,252	469,650	\$ (258,592)
TOTAL OPERATING REVENUE	49,065,313	\$ 45,909,788	\$ 49,616,563	\$ 551,250
TOTAL OPERATING EXPENSES	\$52,689,761	\$56,085,196	\$54,185,869	\$ 1,496,108
OPERATING INCOME (LOSS)	(3,624,448)	(10,175,408)	(4,569,306)	\$ (944,858)
Total Non-Operating	3,274,314	3,341,600	3,318,600	\$ 44,286
EXCESS REVENUES/EXPENSES	(350,134)	(6,833,808)	(1,250,706)	\$ (900,572)
Gifts to Purchase Capital Assets	102,095	523,770	300,000	\$ 197,905
INCREASE (DECREASE) IN NET ASSETS	\$ (248,039)	\$ (6,310,037)	\$ (950,706)	\$ (702,667)
	-0.51%	-13.74%	-1.92%	

**PARK HOSPITAL DISTRICT
ANALYSIS OF FTE'S by DEPT**

Dept Name	Budget 2021		Actual 2020 (Estim)		Variance FTE's	Variance % Salary	Comments	Budget 2020 Total
	FTE's	Salary	FTE's	Salary				
ACCOUNTING	4.00	421,020	4.0	376,580	-	11.8%	All 4 FTE's subject to 10% withhold in 2020 for 5 months	4.00
ADMINISTRATION	2.00	413,357	2.0	301,063	(0.0)	37.3%		2.25
ADMITTING	12.20	490,871	11.5	479,856	0.7	2.3%		14.65
AMBULANCE	22.70	1,368,237	21.4	1,237,399	1.3	10.6%	Community Paramedic Program	19.80
CARDIAC CLINIC	1.00	81,336	0.9	70,363	0.1	15.6%		1.00
CHEMO	1.50	116,507	2.8	199,665	(1.3)	-41.6%	Program change	2.80
CLINIC	34.30	5,374,057	34.2	5,342,088	0.1	0.6%		34.65
COFFEE/GIFT SHOP	1.00	38,037	1.0	37,616	(0.0)	1.1%		1.00
CRNA (ANESTHESIA)	3.00	664,200	3.0	779,416	-	-14.8%		2.50
DIAGNOSTIC IMAGING	10.63	1,041,305	12.2	893,955	(1.6)	16.5%	Adjusting schedule and coverage	10.63
DIETARY	11.90	518,289	13.2	581,993	(1.3)	-10.9%	Director retired. Promoted internally	12.90
EDUCATION	-	-	0.2	35,088	(0.2)	-100.0%		0.50
EMERGENCY	9.30	870,435	8.9	882,555	0.4	-1.4%		8.95
EVS/Housekeeping	17.00	638,238	17.2	677,301	(0.2)	-5.8%		16.00
FACILITIES	4.10	262,980	5.3	364,544	(1.2)	-27.9%		5.00
HIM	5.70	316,189	6.7	368,553	(1.0)	-14.2%		7.50
HOME CARE:NON CLINICAL	4.25	151,590	3.0	119,907	1.3	26.4%		4.55
HOME HEALTH	9.95	800,023	11.6	854,849	(1.6)	-6.4%	Home Health Services overall volume continues to increase.	9.89
HOSPICE	3.55	285,926	2.2	229,728	1.4	24.5%		3.40
HUMAN RESOURCES	3.00	242,637	3.0	277,952	0.0	-12.7%		3.00
INFECTION CONTROL	1.00	98,572	0.8	82,399	0.2	19.6%		1.00
INFORMATION TECH	9.75	869,347	9.9	839,241	(0.2)	3.6%		9.55
LABORATORY	8.95	538,102	10.9	702,976	(2.0)	-23.5%	Difficulties hiring perm staff	11.10
MARKETING	-	-	0.5	29,976	(0.5)	-100.0%		1.00
MATERIALS MGT.	4.00	251,213	4.0	237,664	(0.0)	5.7%		4.00
MED/SURG	20.40	1,797,584	18.8	1,342,125	1.6	33.9%	Added Hospitalists (2.0 FTE)	19.60
MEDICAL STAFF	1.00	75,214	1.0	78,264	(0.0)	-3.9%		1.00
BIRTH CENTER	6.50	514,539	5.4	547,605	1.1	-6.0%	Scheduling adjustments, less travelers	6.90
NURSING ADMIN	1.00	172,369	1.0	182,912	(0.0)	-5.8%		1.00
PAIN MGMT	1.00	238,137	0.0	1,007	1.0	23556.0%	Eliminated contract, hired local CRNA	0.50
PFS	16.70	852,428	17.0	813,792	(0.3)	4.7%		17.70
PHARMACY	5.30	587,784	5.3	638,861	(0.0)	-8.0%		5.50
PHYSICAL THERAPY	11.00	956,005	10.3	838,900	0.7	14.0%	Increased volumes	12.69
QUALITY	2.00	164,572	1.7	158,912	0.3	3.6%		2.00
RESPIRATORY THERAPY	1.80	147,768	2.1	175,149	(0.3)	-15.6%		2.50
SNF & ADMIN	9.25	507,348	21.2	1,374,033	(11.9)	-63.1%	Staffing changes	26.68
SPECIALTY CLINIC	0.80	36,854	0.9	36,585	(0.1)	0.7%		1.00
SURGERY	15.00	1,831,484	8.2	775,329	6.8	136.2%	Complete overhaul of the department. 2 FTE's are Physicians	9.80
URGENT CARE	3.30	349,916	9.5	671,159	(6.2)	100.0%	Compete overhaul of Dept.	11.71
WOUND CARE	0.20	14,516	1.1	242,901	(0.9)	-94.0%	Moving program to Clinic, absorb staffing	2.60
MEDICAL DIRECTOR		102,000						
TOTAL	280.0	24,200,984	294.2	23,880,262	(14.2)	1.3%		312.8

Estes Park Medical Center
 Budget 2020
 Analysis of Revenues

	Budget 2021					Estim 2020					Variance to 2021	Var	Actual 2019					Variance to 2021				
	IP	OP	SWB	SNF	Total	IP	OP	SWB	SNF	Total			IP	OP	SWB	SNF	Total					
MedSurg	3,925,731				3,925,731	2,743,099	-	-	-	2,743,099	1,182,632				43%	3,708,918	338,640			4,047,558	(121,827)	-3%
Observation		2,634,595			2,634,595	-	2,399,805	-	-	2,399,805	234,790				10%	14,974	2,350,182			2,365,156	269,439	11%
Swing Bed			792,266		792,266	-	-	688,853	-	688,853	103,413				15%			607,984		607,984	184,282	30%
NLC	1,833,605	120,000			1,953,605	1,018,022	120,000	-	-	1,138,022	815,583				72%	1,474,279	118,278			1,592,557	361,048	23%
Living Center				1,107,966	1,107,966	-	-	-	2,848,534	2,848,534	(1,740,568)				-61%			4,086,277		4,086,277	(2,978,311)	-73%
Emerg		10,673,829			10,673,829		9,997,207	-	-	9,997,207	676,621				7%	804,909	11,597,588			12,402,497	(1,728,668)	-14%
Emerg Prof		2,184,817			2,184,817	-	1,967,616	-	-	1,967,616	217,202				11%	3,115	2,350,541			2,353,656	(168,839)	-7%
Urgent Care		1,232,240			1,232,240	-	970,208	-	-	970,208	262,032				27%					-	1,232,240	0%
Diagnostic Imaging	994,123	10,021,687		30,000	11,045,810	1,088,805	9,769,248	-	30,000	10,888,053	157,757				1%	593,734	11,422,151			12,015,885	(970,075)	-8%
Imaging Prof					-	-	51,219	-	-	51,219	(51,219)				-100%		129,848			129,848	(129,848)	-100%
Lab	788,601	6,265,637	-		7,054,238	720,374	6,297,130	-	-	7,017,503	36,735				1%	720,137	6,517,045			7,237,182	(182,944)	-3%
Rehab	273,118	2,239,566		218,494	2,731,178	250,479	2,053,930	-	200,383	2,504,793	226,385				9%	505,242	2,321,954			2,827,196	(96,018)	-3%
Pharmacy	855,146	9,800,990			10,656,136	873,873	10,012,933	-	-	10,886,806	(230,670)				-2%	679,043	8,797,000			9,476,043	1,180,093	12%
Surgery	2,637,379	8,869,018			11,506,397	2,214,716	8,406,056	-	-	10,620,772	885,625				8%	2,977,185	8,537,272			11,514,457	(8,060)	0%
Ambulance	332,647	2,993,824			3,326,472	333,067	2,997,605	-	-	3,330,672	(4,200)				0%	323,043	3,324,980			3,648,023	(321,551)	-9%
Chemo		1,101,666			1,101,666	-	1,290,667	-	-	1,290,667	(189,001)				-15%	18,897	1,126,566			1,145,463	(43,797)	-4%
HHA		943,935			943,935	-	918,763	-	-	918,763	25,172				3%		749,457			749,457	194,478	26%
Home Care		638,518			638,518	-	594,127	-	-	594,127	44,391				7%		349,393			349,393	289,125	83%
Hospice		262,170			262,170	-	295,667	-	-	295,667	(33,497)				-11%		546,337			546,337	(284,167)	-52%
Respiratory Therapy	238,169	158,780			396,949	308,057	205,371	-	-	513,428	(116,480)				-23%	111,033	210,746			321,779	75,170	23%
Wound Care		658,278			658,278	-	822,848	-	-	822,848	(164,570)				-20%		437,455			437,455	220,823	50%
Anesthesia	445,206	1,674,822			2,120,028	382,201	1,437,804	-	-	1,820,005	300,023				16%	324,874	1,602,801			1,927,675	192,353	10%
Pain Clinic		1,067,520			1,067,520	-	1,014,001	-	-	1,014,001	53,519				5%		1,416,040			1,416,040	(348,520)	-25%
Cardiac Clinic		1,585,014			1,585,014		1,521,234	-	-	1,521,234	63,780				4%	87,845	1,650,289			1,738,134	(153,120)	-9%
Sleep Lab		255,360			255,360	-	256,746	-	-	256,746	(1,386)				-1%		453,426			453,426	(198,066)	-44%
Physician Backup		-			-	-	165,000	-	-	165,000	(165,000)				-100%					-	-	0%
Physician Clinic		7,130,969			7,130,969		5,309,554			5,309,554	1,821,415				34%		7,807,088			7,807,088	(676,119)	-9%
Total Patient Revenues	12,323,725	72,513,235	792,266	1,356,460	86,985,687	9,932,694	68,874,739	688,853	3,078,917	82,575,204	2,589,068				5.3%	12,347,228	74,155,077	607,984	4,086,277	91,196,566	(3,534,760)	95%

0.95

Other Revenue					
Coffee Shop	38,784	38,784	-	30,218	30,218
Dietary					

PARK HOSPITAL DISTRICT

RESOLUTION 2020 - 8

**A COMBINED RESOLUTION CONCERNING THE ADOPTION OF A BUDGET AND
APPROPRIATION OF FUNDS FOR SUCH BUDGET FOR FISCAL YEAR 2021**

A. A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING THE BUDGET FOR THE PARK HOSPITAL DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the District's Budget Officer submitted a proposed budget to the Board of Directors on October 15, 2020, for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 10, 2020 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budgets remain in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:

Section 1. That estimated expenditures for each fund are as follows:

GENERAL FUND	\$ 54,185,869
CAPITAL PROJECTS FUND	\$ 0
DEBT SERVICE FUND	\$ _____

Section 2. That estimated revenues for each fund are as follows:

GENERAL FUND	
From unappropriated surpluses	\$ 0
From sources other than general property tax	\$ 49,616,563
From the general property tax levy	\$ 3,118,849
TOTAL	\$ 57,535,290

CAPITAL PROJECTS FUND

From unappropriated surpluses	\$
From sources other than general property tax	\$ 0
From the general property tax levy	\$
TOTAL	\$ 0

Section 3. That the Budget which was submitted, amended, and herein summarized by fund, is hereby approved and adopted as the Budget of the District and made a part of the public records of the District.

B. A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH BELOW FOR THE PARK HOSPITAL DISTRICT FOR THE 2021 BUDGET YEAR.

WHEREAS, the Board of Directors of the Park Hospital District has adopted the District's annual budget in accordance with the Local Government Budget; and

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to, or greater than, the total proposed expenditures as set forth in said budgets; and

WHEREAS, it is not only required by law, but also necessary, to appropriate the revenues provided in the budgets to and for the purposes described below, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:

That the following sums are hereby appropriated from the revenue of each Fund, to each Fund, for the purposes stated:

General Fund	\$ 49,616,563
(indicate if appropriating all reserves, by adding "including reserves" after General Fund)	
Capital Projects Fund	\$ 0
Debt Service Fund	\$ _____

ADOPTED: December 10, 2020

PARK HOSPITAL DISTRICT

By _____
President

ATTEST:

Treasurer

PARK HOSPITAL DISTRICT

RESOLUTION 2020-9

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT AMENDING THE 2020 BUDGET AND RE-APPROPRIATING SUMS OF MONEY.

WHEREAS, the Park Hospital District's Board of Directors previously adopted 2020 budget was based upon revenue projections which are anticipated to be 16% under those budgeted for 2020 and expenditures of 0% over 2020 budgeted expenditures; and

WHEREAS, pursuant to Sec. 29-1-109(1)(c), CRS, such an increase in revenues and corresponding increase in expenditures requires a budget amendment and supplemental appropriation after public notice of such intended action; and,

WHEREAS, notice of a public hearing on the budget was duly made by publication.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT THAT:

1. The 2020 budget for the District's General Fund is hereby amended to reflect the increase in anticipated funds and to reflect the corresponding revised expenditures.
2. Such increase of expenditures are hereby appropriated for such purposes as shown in the attached amended budget.
3. The District's staff is hereby directed to file a copy of this Resolution with the Division of Local Government.

Dated: December 10, 2020

BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT

By: _____
President

Attest:

Treasurer



555 Prospect Ave.
Estes Park, CO 80517
p: 970-586-2317
eph.org

PARK HOSPITAL DISTRICT, d/b/a ESTES PARK HEALTH

**RESOLUTION 2020-10
RESOLUTION TO SET MILL LEVIES**

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE PARK HOSPITAL DISTRICT, d/b/a ESTES PARK HEALTH, FOR THE 2021 BUDGET YEAR.

WHEREAS, on December 10, 2020, the Board of Directors of the Park Hospital District adopted the District’s annual budget, in accordance with the Local Government Budget Law; and

WHEREAS, the computed amount of tax Revenue from the Mill Levy, for the District’s budget for the General Fund and Capital Projects Fund, is \$3,118,849; and

WHEREAS, the valuation for assessment for the District as recently certified by the County Assessor is \$415,569,548.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT:

Section 1. That, for the purpose of meeting all general operating expenses of the District during the District’s 2021 budget year, there is hereby levied a tax of 7.505 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the previous year (tax year).

Section 2. That, for the purpose of meeting all the District’s debt service payments during the 2021 budget year, there is hereby levied a tax of 0 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the previous year (tax year).

Section 3. That the District’s Secretary is hereby authorized and directed to certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as hereinabove determined and set, and to execute such form or forms as may be required by the County Commissioners for such purposes; provided, however, that, in the event that the final notice of assessed valuation will cause an adjustment to such mill levy in order to raise the amounts stated to balance the District’s budget, the District’s Budget Officer is authorized to make such adjustment based upon the final assessed valuations received from the County Assessor. In no event shall such adjustments result in any unauthorized non-voter approved increase in the mill levy.

ADOPTED: December 8, 2020

PARK HOSPITAL DISTRICT

David M. Batey, Chair

ATTEST:

Stephen Alper, Treasurer

Diane Muno, Secretary