



ESTES PARK HEALTH

ESTES PARK HEALTH BOARD OF DIRECTORS' Meeting Minutes – January 26, 2021

Board Members in Attendance (via webinar):

Dr. David Batey, Chair
Ms. Sandy Begley, Vice Chair
Dr. Steve Alper, Finance Committee Chair
Ms. Diane Muno, Member at Large
Mr. William Pinkham, Member at Large

Other Attendees (via webinar):

Mr. Vern Carda, CEO
Ms. Pat Samples, CNO
Mr. Gary Hall, CIO
Mr. Tim Cashman, CFO
Mr. Guy Beesley

Community Attendees (via webinar):

Anita Prinzmettle, Shelly Powers, Anne Morris, Barb Gephardt, Wendy Sikes, Daniel Sewell, Linda McLeary, Barbara Kelty, Jean McClaren, Dr. Brian Tseng, Cindy Sissan, Garrold Mayo

1. Call to Order

The Board meeting was called to order at 4:04 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 submitted. Ms. Begly seconded the motion, which carried unanimously.

3. Public Comments on Items Not on the Agenda and Thanking Monty Miller for his Service

Q; Anita Prinzmettle: Will the Living Center be discussed?

A; Dr. Batey: Yes, this is item 6.6 on the agenda.

4. General Board Comments

No comments

5. Consent Agenda Items

Mr. Pinkham Motioned to approve agenda items 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.1.5, 5.1.6, 5.1.7, 5.1.8, 5.1.9, and 5.1.10 as presented. Ms. Begly seconded the motion, which carried unanimously.

6. **Presentations**

6.1 Estes Park Health – Current Status and 2021 Outlook



2021 Fiscal Year Outlook

- 2021 Fiscally Challenging
- Adapt to challenges

**ESTES PARK HEALTH
OPERATING BUDGET 2021**

	2020		2021 BUDGET	2021 BUDGET vs 2019 ACTUAL	% Var
	2019 ACTUAL	PROJECTED			
TOTAL PATIENT REVENUE	\$1,593,558	\$2,417,245	\$ 86,905,607	\$ 44,580,853	35.3%
Contractual Adjustments	(42,851,467)	(26,592,729)	(27,438,714)	\$ 1,215,693	48.3%
NET PATIENT REVENUE	48,337,071	48,424,516	49,146,913	\$ 809,842	102.7%
Other	718,242	485,222	469,650	\$ (238,362)	64.9%
TOTAL OPERATING REVENUE	49,055,313	48,909,738	49,616,563	\$ 60,250	101.3%
TOTAL OPERATING EXPENSES	\$2,028,761	\$24,065,196	\$24,138,809	\$ 1,496,168	101.8%
OPERATING INCOME (LOSS)	(1,624,448)	(18,175,458)	(4,562,246)	(944,820)	25.1%
Total Non-Operating	3,274,514	3,341,600	3,311,600	\$ 42,286	101.2%
EDUCATION RELATED EXPENSES	(352,134)	(4,639,838)	(1,250,706)	\$ 900,572	357.2%
Cash to Purchase Capital Assets	122,265	525,770	300,000	\$ 177,995	283.8%
INCREASE (DECREASE) IN NET	\$ (248,869)	\$ (16,110,677)	\$ (1,910,706)	\$ (70,647)	101.3%
	-0.11%	-13.74%	-1.92%		

2021 Challenges

- Vaccines in Peoples Arms
- Achieve Operational Break Even
- Patient Experience – Quality
- Population Health Programming
- Hospitalist Programming Change
- General Surgery Programming
- Specialists Other Providers Needed

- Covid changed the landscape in 2020, and throughout that we have improved telehealth, infection control practices, patient experience, and general quality of care.
- We will need to continue to adapt and adjust quickly in 2021.
- We will spend 2021 working on organizational programming to improve the financial forecast for 2021 with a stretch goal of breaking even.
- This list is not all inclusive, but it outlines some of the major outlines that could help us move forward and grow as a hospital.

Board Questions & Comments


Q; Dr. Batey: Why is it important to get to break even on operating loss as opposed to reducing the projected \$4.6M loss to \$1M?

A; Mr. Carda: While we may not have any capital improvements that we can achieve in the next year, we are going to need capital replenishment in the next few years. Achieving breakeven would allow tax revenues to be invested back in our business as we need it.

Public Questions & Comments

No comments

6.2 Estes Park Health Covid-19 Status Update



**ESTES PARK
HEALTH**

**EPH COVID-19 Status & Vaccine Update
January 26, 2021**

COVID Vaccine: General Status (per State hierarchy)

COVID Vaccine: Mobile Clinic

COVID Vaccine: Community Clinics

COVID Vaccine: Helping Educate People About Vaccine Impact and Aftermath

COVID Status: Swabbing Clinic

COVID Status: Social Distancing, Masks, EPH Visitor status, etc.

Other COVID Questions?

- Case volume continues to go down and swabbing clinic continues 5 days per week.
- We continue to have 30 days PPE on hand to support frontline staff, above Larimer County requirements
- EPH has vaccinated 98-99% of group 1.A and is working towards getting all EPH employees vaccinated.
- The second round of booster shots will be administered this week to approximately 120 people.
- First responders will receive their second dose this weekend
- We have vaccinated 75+ health care providers with our mobile vaccine clinics.
- This coming weekend we will be vaccinating 326 people during our community clinic, as well as second doses 120 members of group 1.A.
- We have begun administering first doses to group 1.B.1 per state guidelines and we are very close to having the majority of this group vaccinated and may begin vaccinating 1.B.2 as soon as early March.
- We will continue to publish the latest available information on our website, Facebook, and in email newsletter as information changes.

Board Comments & Questions

Q; Dr. Batey: What is our weekly vaccine capacity and how long might it take to work through group 1.A and move onto group 1.B.1?

A; Mr. Beesley: We have a plan in place to potentially vaccinate 50-100 people each week with help from other providers in Estes Park. We are looking forward to the Johnson & Johnson vaccine which is a single shot rather than two which will help increase our weekly capacity and eliminate the need for a follow up appointment. We will plan to vaccinate as many people as we can based on the doses that the state provides. The town of Estes Park is also allowing us to use the Event Center for another large clinic if we have an increase in supply.

Q; Mr. Carda; It seems like the issue is supply from manufacturers. It also seems like there is a lot more vaccine going down valley than there is coming up here for us.

A; Mr. Beesley: The goal of the governor and CDPHE is to get to 70% of the 1.B.1 population vaccinated throughout the state. It seems likely that the state is looking at census data to determine vaccine distribution, which is a challenge for us as a smaller community.

Community Comments & Questions

Q; Anne Morris: Have you accounted for senior citizens who may not be online or have challenges on the phone?

A; Mr. Beesley: Our main method of outreach has been the newspaper and our website. Other providers in the area are advertising as well, and word of mouth is highly effective in the Estes valley. The majority of seniors we have spoken to were able to either access the website or to sign up by phone.

Q; Anne Morris: Would there be value in having volunteers go door-to-door to contact individuals who may not be able to access the website or phone?

A; Guy Beesley: Going door to door would not be practical. The first challenge would be to identify who would need to be contacted. Vern Carda has identified two local organizations to help identify those individuals and to reach them, and that conversation will continue offline.

Q; Barb Gephardt: Are there second doses on hand, or are all doses going to the first dose?

A; Mr. Beesley: The state of Colorado has guaranteed that once a first dose is administered, you will get your second. In addition, we also have a small two-week supply that we are keeping on hand to ensure that the second dose is administered on time.

Urgent Care Center Update has been moved to the February Board Meeting

6.3 Chief Operating Officer Report



COO/CIO Report to Park Hospital District Board of Directors

January 26, 2021

Gary Hall

Diagnostic Imaging: Business as usual. We added weekend day ultrasound coverage for a few weeks now, per physician requests. We continue to get onsite radiologist support from our contracted firm on the Front Range, Colorado Imaging Associates (CIA).

Lab: We expect CAP in February. We are installing two new, redundant Sysmex hematology analyzers right now. We expect the second, and therefore redundant, Diasorin COVID analyzer in February, which will double our capacity, or more properly, allow us turnaround closer to expected by clinicians and patients. Lab director Cynthia's last day is February 10. We have several paths to interim and permanent lab directors through various agencies. We're working every angle to get back to full staffing with appropriate bench strength, certifications, and safety nets.

Pharmacy/Pyxis: On Jan 22, we received a high-volume Helmer refrigerator to allow storage of high volume of vaccine doses. New pharmacy director Robert Stackhouse starts on March 8.

Rehab: Steadily growing work at the UCC facility. They reopened Fridays due to volume.

Dietary/EVS/Facilities: Taking care of business. While capital will be severely limited in 2021, there are some Facilities items being studied for 2021. We completed our multi-year surgical services air-handler HVAC work. OR is now independent of the rest of the hospital for air management. We are working with a water management expert to create a true water management process for perpetuity.

Epic Archives: The year-long project to move the legacy electronic charts into the "Epic Archive" section is fundamentally complete. There's some last fine-tuning. We will be shutting down some expensive aspects of our legacy EHRs by mid-year, with an annualized savings of about \$400K.

IT/Cybersecurity: The federal government and some hardware/software companies have had malicious intrusions in 2020, and in 2021, we're still seeing significant and highly sophisticated attacks on major players in the cyber/hardware/software fields. It is a tough time. Eternal vigilance.

Vaccine: My task is to provide the IT and Facilities and informatics requirements to create and run the clinics (onsite, mobile, community) and to provide marketing communications via social media and other outlets. The challenges of the changing, and sometimes politically charged, environment makes this an interesting job.

DNV: Working to be as ready as possible for the re-accreditation survey. There are some additional challenges to get prepared, related to the reduction in force and other factors, but we'll continue to work in that direction.

Hospital Outpatient Services: The "new" front-of-house area (the old rehab area) is very popular for patient convenience, airiness, view, etc., with our patients and staff, for chemo/infusion, coumadin clinic, respiratory therapy, cardiac rehab. Wound Care will start up in the old Specialty Clinic area now, with Dr. Woodard continuing to provide those services in addition to being part of our "in-house" surgeon services.

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.

- Weekend ultrasound per physician request has been added to our diagnostic imaging department, providing on-site ultrasounds 7 days per week.
- Lab upgrades including a second Diasorin analyzer and hematology and other upgrades.
- Upgraded covid vaccine storage refrigerator has been added to the pharmacy.
- Cyber security continues to be a high priority, particularly in light of recent attacks on federal government and cyber security networks.
- When rehabilitation was moved to the urgent care facility, we were able to move out-patient services to the front of the building and no longer have to enter the in-patient wing.

Board Questions & Comments

No comments

Community Questions & Comments

No comments

6.4 Resolution to Close the Estes Park Living Center

DRAFT 2021 01Jan 17 2300

PARK HOSPITAL DISTRICT

RESOLUTION 2020-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT
TO CLOSE THE ESTES PARK HEALTH LIVING CENTER

1. WHEREAS, As a result of the Covid-19 pandemic in 2020, Estes Park Health (EPH) had
 - 1.1. Experienced significant, multimillion dollar financial losses in 2020;
 - 1.2. The multimillion dollar financial losses were expected to continue from 2020 into 2021, and the changes in medical care that produced the losses were likely to continue indefinitely;
 - 1.3. As a result, EPH initiated urgent evaluation of all services to identify and implement significant cost reduction actions to be able to continue operating through and beyond year 2021; and,
2. WHEREAS, The EPH Living Center (EPHLC) service had lost money for at least the last 15 years, with increasingly significant financial losses in more recent years, and then experienced additional significant losses that were associated with the Covid-19 pandemic; and,
3. WHEREAS, All of the experts consulted by the EPH Board of Directors (EPH Board) and EPH Senior Leadership Team (EPH SLT) had consistently concluded that the Estes Park Health Living Center operation was not financially viable given:
 - 3.1. While EPHLC may have been the right size in 1984 when it was created, it is currently too small to be financially viable in the current competitive environment 36 years later;
 - 3.2. The number of EPHLC residents has been declining, resulting in decreasing revenue;
 - 3.3. The high percentage of EPHLC residents paid by Medicaid with Medicaid generally paying only 70% of the costs of providing services;
 - 3.4. Increasing costs associated with the increasing necessity to use contract labor to satisfy staffing requirements. This is a national and Estes Park issue that has increased nursing home costs;
 - 3.5. Increasing costs associated with increased regulatory compliance requirements;
 - 3.6. Increased costs associated with mitigating the effects of the Covid-19 pandemic (PPE, etc.); and,
4. WHEREAS, At the August 31, 2020 Monthly Board meeting, the EPH Board and EPH SLT initiated a series of interactions with the Estes Park Community about alternatives for the EPHLC because:
 - 4.1. EPHLC has provided an important service for some members of the Estes Park Community;
 - 4.2. It was important for the community to understand the causes of EPHLC's increasing financial losses and the reasons for predictions of increasing financial losses in the future;
 - 4.3. It was important to be sure that all possible EPHLC alternatives were identified and thoroughly and fairly evaluated; and,
5. WHEREAS, the EPH Board and EPH SLT held a series of three, open-to-the-public Tele-Townhalls to discuss the past, present, and future of the EPHLC and its alternatives. Recordings of these and all other public EPHLC meetings were placed on the EPH website: <https://eph.org/about-us/board-of-directors/meeting-information/>; and,
6. WHEREAS, As of the August 31, 2020 meeting, the target for a decision on alternatives for the Living Center was mid-October 2020; and,
7. WHEREAS, At the 30-Sep-2020 "Deep Dive EPH and Living Center Financial Meeting," a group of community members invited the EPH Board and EPH SLT to collaborate on evaluating a third-party operating

approach for the EPHLC, with the request that a decision on the Living Center be delayed from mid-October until the third-party alternative could be evaluated; and,

8. WHEREAS, While the financial realities of the EPHLC had not changed, the EPH Board and EPH SLT decided that, to ensure that all possible alternatives were identified and thoroughly evaluated, and for the Estes Park Community to be confident that all possible alternatives were being identified and thoroughly evaluated, that the EPH Board and EPH SLT would accept the invitation to collaborate with certain conditions; and,
9. WHEREAS, At the first meeting EPHLC Alternatives Evaluation Taskforce on 13-October, the "Proposal to Collaborate" stated:
 - 9.1. A need to proceed with a sense of urgency because of the challenging financial realities EPH and the EPHLC were encountering;
 - 9.2. Proposed forming a Taskforce "To accomplish timely progress on addressing this important issue;"
 - 9.3. And agreed: "If substantial progress is made by the Task Force, and there are no significant changes in EPHLC census (census remains at 20 residents or above), the EPH Board of Directors would defer a decision of the status of EPHLC until December 31, 2020;" and,
10. WHEREAS, In the second Taskforce meeting on November 11, 2020, because it seemed likely that a Skilled Nursing Facility like EPHLC in the Estes Valley would always have financial losses, the possibility was discussed of holding a referendum in early February 2021 to assess Estes Valley property owners' willingness to subsidize EPHLC's financial losses through a property tax and/or sales tax; and,
11. WHEREAS, In the third Taskforce meeting on November 18, 2020, the following issues were discussed:
 - 11.1. Because of the ongoing EPHLC financial losses, the EPH Board and Senior Leadership Team did not support continuing to operate EPHLC within EPH;
 - 11.2. While the EPH Board and EPH SLT agreed to evaluate the possibility of a third party operating an Estes Valley Skilled Nursing Facility, supporting the third-party option would require a comprehensive business plan for the operation with expectations of long-term success;
 - 11.3. With regard to the possible early February 2021 referendum to assess Estes Valley property owners' willingness to subsidize EPHLC's financial losses through a property tax and/or sales tax, the EPH Board did not support using EPH funds to fund a referendum assessing community support for property tax and/or sales tax to subsidize the third party Skilled Nursing Facility alternative;
 - 11.4. The community members of the Taskforce were also unwilling to fund with their money a possible early February 2021 referendum to assess Estes Valley property owners' willingness to subsidize the third party Skilled Nursing Facility alternative;
 - 11.5. Some members of the Taskforce announced that Sam Radtke had been hired to provide an independent assessment of EPH and EPHLC finances with his report to be delivered by 5:00 pm December 7, 2020; and,
12. WHEREAS, At the fourth Taskforce meeting on November 25, 2020, community members of the Taskforce asked whether the EPH Board and EPH SLT would be agreeable to enter negotiations with a third party for use of the space currently occupied by EPHLC; and,
13. WHEREAS, In the fifth Taskforce meeting on December 2, 2020, as a part of willingness to enter negotiations with a third party for use of the space currently occupied by EPHLC, the EPH Board and EPH SLT reiterated the need for a comprehensive Skilled Nursing Facility business plan with high likelihood of success. An additional requirement was that all costs of maintaining or modifying the space, and all costs of operating the Skilled Nursing Facility would be the responsibility of the third party; and,
14. WHEREAS, In the sixth Taskforce meeting on December 9, 2020, the EPH Board and EPH SLT asked for information on:
 - 14.1. Was there an evaluation project plan with tasks, timing, and resourcing. No plan was provided; and,

- 14.2. Whether results of Sam Radke assessment of EPH Living Center financials was available. The Sam Radke report was due December 5 and was not available; and,
 - 14.3. What funding approaches were being considered for the third-party Skilled Nursing Facility. There was no information on this topic; and,
15. WHEREAS, In the seventh Taskforce meeting on December 16, 2020, the following issues were raised:
 - 15.1. Was there an evaluation project plan with tasks, timing, and resourcing. No plan was provided; and,
 - 15.2. Was the Sam Radke assessment of EPH Living Center financials available? The Sam Radke report was due December 5 and was not available; and,
 - 15.3. What third-party organizations were being considered? No information was provided; and,
 - 15.4. Was there a comprehensive business plan for the third-party operating alternative? There was none; and,
 - 15.5. Was EPH required to lease the EPHLC space at Fair Market Value?; and,
 - 15.6. What were the constraints on EPH transferring any of its property tax proceeds to the third-party operating alternative for the EPHOC?
 16. WHEREAS, In the eighth Taskforce meeting on December 23, 2020, the following issues were discussed:
 - 16.1. Fair Market Value assessment by Pinnacle Healthcare Consulting; and,
 - 16.2. Fair Market Value assessment by Peggy Lynch, a local Realtor; and,
 - 16.3. Discuss Hall Render legal opinion that EPH must charge Fair Market Value for any space leased and could not transfer EPH property tax proceeds to a third-party operating an alternative Skilled Nursing Facility; and,
 - 16.4. From 1968 at EPH creation to the present, historic property tax ballot language found so far does not specifically mention EPHLC.; and,
 - 16.5. Was there an evaluation project plan with tasks, timing, and resourcing. No plan was provided; and,
 - 16.6. Was the Sam Radke assessment of EPH Living Center financials available? The Sam Radke report was due December 5 and was not available; and,
 - 16.7. What third-party organizations were being considered? No information was provided; and,
 - 16.8. Was there a comprehensive business plan for the third-party operating alternative? There was none; and,
 17. WHEREAS, In the ninth Taskforce meeting on January 13, 2021, At the ninth Taskforce meeting on January 13, 2021, a comprehensive business plan with a high likelihood of success for a Skilled Nursing Facility run by an independent third-party was not produced. The financial "Pro Forma" discussed at the meeting did not indicate a high likelihood of financial success. The number of residents in EPHLC had fallen to 16, an unsustainable level. Furthermore, on December 30, 2020, we had provided community Taskforce members with a list of core business questions that required clear answers for us to believe the third-party operating alternative was viable. Discussing the answers to these questions was the primary focus of the ninth Taskforce meeting, and we received no clear answers or no answers to the core business questions.

The following are specific concerns about the proposed third-party operating alternative:

- 17.1. Organization and Management
 - 17.1.1. It was announced that Gerald Mayo was in the process of establishing "Prospect Park Living Center, Inc." (PPLC, Inc), a new nonprofit that had not yet achieved IRS nonprofit status. PPLC, Inc was to play an undefined role in the third-party operating scenario. It was not clear, but it seemed possible that the intent was for Gerald Mayo and PPLC, Inc. to be in-charge of the third-party operation. Gerald Mayo had recruited Dr. Guy P Van der Werf and Mark Igel to be PPLC, Inc. Board members; and,
 - 17.1.2. Hamlon, Bush Investments, LLC (HBI), a for-profit company that runs Rehabilitation and Nursing Center of the Rockies, a 96 bed nursing facility in Fort Collins, was introduced as an organization with an undefined role in the third-party operating alternative. HBI was represented at the meeting by Tony Hamlon; and,
 - 17.1.3. Among other unanswered core business questions were: Who would manage the skilled nursing center? PPLC, Inc. or HBI?, Who would have the Colorado State license to operate the facility?,

Who would be held liable for operations and have professional liability insurance?, Who would be the Medical Director?, Who would coordinate with the State regulators?, Who would assume financial risk for the operation and what were their financial assets?, Who would provide startup capital and what were their financial assets?, Who would finance the projected significant operational financial losses and what were their financial assets?, Who would lease the space?, Who would be responsible for maintaining the physical plant?, Who would staff the facility?, Who were the people in the organization structure and service provider positions and what were their qualifications and experience?; and,

17.2. Financial Projections

17.2.1. Based on actual Estes Park Health Living Center experience, the financial “Pro Forma” significantly overestimated revenues and significantly underestimated expenses; and,

17.2.2. Overestimated Revenues:

17.2.2.1. The two key determinates of revenues and resulting financial viability are 1) the number of residents and 2) the percent of residents that are Medicaid since Medicaid pays only 70% of the cost of care. The current number of EPHLC residents on January 13, 2021 was 16, 12 of which were Medicaid. At the “modeled low census” of 17 residents, the projected “Pro Forma” loss is \$1.4 million. At the “modeled high census” of 35, the projected “Pro Forma” profit is \$37,000. In discussion, there was no documented basis for where the increase in census would come from (Estes Park? Front Range?), how much time would be required to reach census targets, the projected financial loss that would occur, and how the financial loss would be covered. The per-day reimbursement rates used in the “Pro Forma” were higher than EPHLC experience and claims that the per-day rates could be easily raised were not credible, so the per-day reimbursement rates were another source of revenue overestimation; and,

17.2.3. Underestimated Expenses:

17.2.3.1. At EPHLC, about 75% of total expenses are personnel-related. In the current “Pro Forma,” the number of personnel projected to serve 35 residents is smaller than the number of personnel EPHLC actually uses currently to serve 16 residents. The need for contract labor, significantly more expensive than employee labor, is a national issue as well as an EPHLC issue that has strained nursing home finances. The contract labor levels used in the “Pro Forma” are only 2/3 of EPHLC’s actual contract labor levels. Even using contract labor, EPHLC has ongoing challenges recruiting and retaining required staffing levels; and,

17.2.3.2. One impact of significantly underestimated expenses is an underestimation of the number of residents needed to “breakeven” financially. The “Pro Forma” estimates “breakeven” at 34.6 to 36.6 average daily census. The “Stroudwater” report (2020, page 21) by a national accounting firm determined that EPHLC needed an average daily census of 45 to “breakeven” financially, a level above the current EPHLC maximum capacity of 38 residents; and,

17.2.3.3. Even with significantly overestimated revenues and significantly underestimated expenses, the “Pro Forma” projects a \$1.4 million loss in the first year. The “Pro Forma” does not provide an estimate of how long this significant loss will continue or from where the financing will come to cover the loss; and,

17.2.3.4. The claim that the financial viability of the third-party operating alternative depends upon the base lease amount is not supported by the “Pro Forma.” The “Pro Forma’s” projected base lease of \$158,330 is about 11% of the total projected first year loss of \$1.4 million, and this is likely an underestimated loss given the significantly overestimated revenues and significantly underestimated expenses in the “Pro Forma;” and,

17.2.3.5. Among other challenges for the third-party operating alternative, Tony Hanlon from HBI stated that the nursing home could not survive financially unless EPH sent all of their post-acute Medicare patients to the nursing home. EPH is facing ongoing significant financial challenges and will not send post-acute Medicare patients to the third-party nursing home; and,

18. WHEREAS, the Estes Park Health Board of Directors and Senior Leadership Team have been working with the Estes Park Health Living Center Alternatives Evaluation Taskforce since mid-October 2020 in an attempt to find a viable approach to keeping the Living Center in operation through an independent third-party operating alternative. To date:
- 18.1. A comprehensive business plan with a high likelihood of success for a Skilled Nursing Facility run by an independent third-party has not been provided; and,
 - 18.2. The financial "Pro Forma" discussed at the ninth Taskforce meeting did not indicate a high likelihood of financial success. Instead, it projected ongoing significant financial losses with no identification of how the losses would be paid for; and,
 - 18.3. The number of residents in EPHLC had fallen to 16, a number not sustainable; and,
 - 18.4. The Estes Park Health Board of Directors and the Senior Leadership Team asked list of core business questions that required satisfactory answers to support the belief that the third-party operating alternative was viable. Satisfactory answers to the core business questions have not been provided;

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

- 19.1. Estes Park Health submit on or about Wednesday, February 3, 2021, a Nursing Home Proposed Facility Closure and Resident Transfer Plan for the Estes Park Health Living Center to the State of Colorado Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division.
- 19.2. That as soon as the Nursing Home Proposed Facility Closure and Resident Transfer Plan for the Estes Park Health Living Center is approved by the Environment Health Facilities and Emergency Medical Services Division, that Estes Park Health announce a target closing the Estes Park Health Living Center 60 days later than the date of the closing and resident transfer plan announcement.
- 19.3. That Estes Park Health will then proceed with plans to close Estes Park Health Living Center.
- 19.4. The timing of these plans may be modified based on Covid-19 pandemic developments.

Dated: February 2, 2021

BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT

By: 
 David M Batey, Chair

Attest:

 Sandy Begley, Vice Chair

 Stephen Alper, Treasurer

 Diane Muno, Secretary

 Bill Pinkham, At Large

Board Comments

Mr. Pinkham - This has been extraordinarily difficult for everyone involved. The conclusion that we reached is appropriate and we need to move on.

Dr. Alper - We met to try to come up with a solution to keep the hospital open which was not sustainable with the projected loss of 2021. With the most accurate information available and consulting experts and the community, ultimately, we need to look at the whole community and the important part that EPH plays in providing healthcare to the community. Without these changes, EPH is in significant danger of not being able to continue to operate. It was an agonizing decision, but after long hard hours thinking about it, we made the right decision.

Ms. Begly - Everyone involved in this decision are, first and foremost, community members. We want to ensure that the hospital district is sustainable now and in the future. Personal attacks towards board members have been borderline hostile and hurtful.

Ms. Muno - It has been difficult to watch the residents and staff of the living center go through this decision process. When it comes down to it, the sustainability of the hospital needs to be the bottom line. We've looked at every option, but to keep healthcare available to the largest number of community members requires us to ensure that is sustainable financially. The living center has always been subsidized by the hospital, and unfortunately there is no longer any subsidy money available.

Dr. Batey - The enormous time, energy, emotion, and financial cost involved with this evaluation is not something that is visible to the public. Past boards have not faced this challenge, but things have changed in the 36 years since the living center opened and the reality is that this is no longer feasible. Additionally, the personal attacks and bullying on the board and members of the senior leadership create a larger problem for the community; while this is a difficult decision, other community members are unwilling to show up in public to voice their support out of fear. The other concern is how this type of bullying affects the willingness of others to run for and represent the board. Hopefully with some reflection, we can focus on the substance of what we are talking about.

Community Comments & Questions

Anita Prinzmettle - EPH originated through a bond issue and the community pays taxes to support this hospital. I cannot recall a year when this hospital has broken even. Since the community pays for the living center, it should be put to a community vote to see if the living center can be kept in operation.

Shelly Powers - It seems like EPH has their hands full with Covid. What I don't understand is that the finances have been looked at inside and out, they have all come to the conclusion that if run properly, the living center can be profitable. Someone was brought in to run the living center that is successfully running a comparable center in Loveland. Also applying for additional stimulus funds for 2021 would bring a lot more money into EPH. I do not believe EPH is in the financial position that is being portrayed.

Wendy Sikes - The task force has worked hard to find a solution for the board and for the residents, the community, and the living center. Having found several solutions, everything was rejected owing to finance being an issue. As the special taxing district provides funding for

Estes Park Hospital and for the Living Center, will taxes be reduced after the living center is closed?

Daniel Sewell - I make a stand against the closing of the living center by telling you my story. I have cystic fibrosis. I came to Estes Park in hopes of facilitating community dialogue. Community dialogue is incredibly hard and emotional. Presently this is the case with the fate of the living center. I believe the shame of closing this facility would be dreadfully hard to live down, especially if it proves true that the loss from poor management and debt accrued by Covid is less than the money received for Covid relief. The people who rely most on the living center are the middle class. Without skilled nursing care, we won't be able to call Estes our final home. Please vote no.

Linda McLeary - I want two questions answered. How do you arrive at the \$85.00 figure per person for food? What are you going to do with the reductions in taxes? What have you done and what are you planning to do with the millions of dollars you've gotten from the government? Have you ever thought about a surgical center in this area?

Anne Morris - Hasn't the doctors' medical group itself always lost money but hasn't been closed because it is a core service of EPH. This decision doesn't reflect the community's deep feeling that the living center is also a core service. This is a community relations disaster and a breach of trust.

Barbra Kelty - The board has stated that the care and needs of each resident would be evaluated to ensure that they are placed in appropriate facilities. For one of the residents, there is only one nearby facility that can meet her needs which has a two-year waiting list. How will this situation be handled? Additionally, while the board may feel they have been bullied, the community feels that they have been bullied by the board and by senior leadership and are owed an apology.

Barbara Gephardt - I do not feel that the board has been aggressive. This has been a difficult situation and a difficult conclusion, but I have not seen cruelty from the board in any of my interactions.

Jean McClaren - I fully support the decision of the board to close the living center, not only because of the continuing financial loss, but also the continued loss of residents. I am of an age where the time might come when I might need medical assistance or nursing care. I've already decided that when that time comes, I will opt for in-home care and use our hospital services only when necessary. Our community needs this hospital. I don't believe the hospital should continue to support the living center, particularly since it has been operating at a loss for so many years. I understand this is a difficult decision, but there are other facilities within a short driving distance of Estes Park that offer a full range of care, including memory care, for these residents.

Dr. Brian Tseng - This is a brutal process for everyone, including the board. I am new to the area, and I feel like the decision happened some time ago, when people were taking pay cuts and losing PTO. I would hope that the board would look and see if there is one more stone to turn over. I hope there's a chance beyond February 1st that new perspectives could be brought to bear.

Cindy Sissan - I believe that we need to have a skilled nursing facility in Estes Park. It is a class of care that if we do not have will impact the residents and their families. I feel it is breaking a trust if we close the living center.

Garold Mayo - David Batey has not answered my questions. Do you intend to do that? Are you refusing to answer my eleven questions? I am looking forward to you answering those eleven questions.

Additional Board Comments

Dr. Alper - This has been very difficult. I understand how deeply emotional this issue is. I think we took a professional approach looking at all of the different variables, and I do not see an alternative. We looked closely at all of the possible ways to make this profitable, and sadly they were not nearly accurate with overestimates of profit and underestimates of cost. Again, I support this decision. I believe we went through an accurate approach to reaching this decision. Regarding the bullying comments. When I contacted a community taskforce member to inform them of the resolution, the comment I received was that I may want to reconsider living here because my decision would be so unlined by the community that people would be unkind to me. To have an open discourse of ideas, we need to be able to speak their minds. I don't think that comment is representative of Estes Park or of the Community Taskforce.

Mr. Pinkham - In dealing with a family loss last week, I understand the anguish and the frustration and the issues that are involved. These are incredibly stressful, difficult times but I think in each case, the thing to do is find a way to rationalize through and make the right decision and not to cast blame because people have a different view than you do. I think we're making the right decision for the living center. I fully understand the anguish and frustration, but I think this board is making the right decision and its time to move on.

Ms. Muno - Thank you to the community members who joined and commented on this. We fully understand the situation and appreciate you showing up and we hope to hear from you on Monday

7. Strategic Operations and Significant Developments

7.1 Executive Summary – Significant Items Not Otherwise Covered
No report.

8. Medical Staff Credentialing Report

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



**ESTES PARK
HEALTH**

**Park Hospital District Board
Timberline Conference Room
January 26, 2021**

CREDENTIALING RECOMMENDATIONS

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

Medical Executive Committee approval: January 6, 2021

Reappointments

**Clapp, Terra, CRNA
Kadivar, Fatemeh, M.D.
Martin, Eric, M.D.
Paradis, Trent, M.D.
Riley, Meghan, M.D.
Salisbury, Catherine, M.D.
Schneider, Juli, M.D.
Winter, Leslie, M.D.**

**Locum Tenens, Anesthesia
Courtesy, Diagnostic Radiology
Courtesy, Internal Medicine
Courtesy, Diagnostic Radiology
Courtesy, Pathology
Courtesy, Pathology
Active, Internal Medicine
Courtesy, Otolaryngology**

Resignation (FYI Only)

Mott, Kevin, M.D.

Courtesy, Dermatology

9. Review any Action Items and Due Dates


None.

10. Potential Agenda Items for February 22, 2021 Regular Board Meeting

- Urgent Care Center Update
- Community Paramedic Update
- Covid-19 Communication Update

11. Adjournment

Dr. Alper motioned to adjourn the meeting at 5:54 p.m. Mr. Pinkham seconded the motion, which carried unanimously.



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