



ESTES PARK HEALTH

ESTES PARK HEALTH BOARD OF DIRECTORS' Special Meeting Minutes – February 01, 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

Community Attendees (via webinar):

47 attendees

Deborah Sonason, Cindy Youngland Lindel, Jody Shaddock McNally, Erica Murphy, Karen Sackkit, Barbara Kelpie, Dr. Brian Tseng, Drew Webb, Cindy Youngland, Daniel Sewell, Bill Kieffer, Eric Owen, Barbara Kelty

1. Call to Order

The Board meeting was called to order at 4:08 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. Alper motioned to approve the agenda as submitted. Ms. Begly seconded the motion, which carried unanimously.

3. Public Comments on Items Not on the Agenda

No comments.

4. General Board Comments Not on the Agenda

No comments

No item no. 5 listed on the agenda.

6. Presentations

6.1 Estes Park Living Center Discussion

Board Comments

Ms. Muno – The board appreciates the community involvement in this process and recognizes the challenges presented to residents of the Living Center and their families. While this is a difficult decision, we have exhausted all avenues and a viable alternative to closing the center has not been identified.

Dr. Alper – It is very difficult facing the challenges of supporting 15 very vulnerable residents as they transition to new facilities. Emotionally this is a difficult decision to make. It appeared to me that keeping the living center open would have a significant negative impact on EPH and its ability to provide care for the community. I was not convinced by any of the alternatives proposed that we would be able to provide adequate care for the residents, nor to be financially viable.

Ms. Begly – We've seen and heard and reviewed and discussed a lot of information. I am very aware of the disruption in the lives of residents and staff that this creates. WPH staff is committed to helping residents find a home now and in the future.

Mr. Pinkham – It's an extraordinarily difficult decision to make because we are compassionate people, and we care about the residents and their families. But we have a responsibility to the hospital and to the sustainability of EPH. There are alternatives for the current residents, which is fortunate, but it is still a sad day that we have to make this decision. But I fully support it.

Dr. Batey – This has been an extraordinary effort from senior leadership, the board, the task force, and other community members. It is a very difficult decision, but we don't have another alternative that looks possible. With regret for the adverse impact on a lot of the people involved, this is a decision that is well considered and is what we are facing right now.

Senior Leadership Comments

Mr. Hall – This is a very challenging issue indeed. In the balance of things, in my 15 years here I think of all the good and terrific things we've done for the community, I always have to put that in the balance. My heart is in this community and I like to do good and build solutions for the problems of the hospitals. Unfortunately, sometimes the solution is a tough one, as in a case like this.

Public Comments & Questions

Deborah Sonason – Why not release the property to the city instead of sitting on the property hoping it will make money for the hospital? How can five people make this decision? Do you feel you are qualified based on your past decisions?

Cindy Youngland – I would like more explanation as to how the dietary expenses could be 50% when there are only 15 residents in the living center.

Ms. Begley – These numbers were based on 2019 occupancy and extrapolated to the current number of residents.

Jodi McNally – Thank you for the opportunity for the community to be involved in dialog for resolution. I would like to voice my concerns about closing such a vital and unique resource here in the Estes Valley. I realize Critical Access Hospital status has certain requirements. I hope that

the future needs of the area and residents are considered, and I still have reservations and disappointment in the whole process of how the mill levy was discussed. I understand the hard decision that you're making but I'm still not in agreement with your decision. I know this isn't easy and I do believe you all care and I hope that you can build trust moving forward with the community.

Erica Murphy – I've been visiting Estes Park every summer for over 50 years. I have met so many older people and the friendships that they have are so beautiful. I've heard people speak so highly of the living center. I think that during this time of covid things are so stressed, I don't think people have had time to put in the community engagement to sustain this. I would be willing to pay to support the living center. There was talk about a referendum, and I think you should allow the community to vote. I'm so happy to be in Estes Park and I wish I would have gotten here sooner to do more to help keep this alive.

Karen Sakkit – What you're doing is irreparable and will surely shorten the life of the elderly. There is no going back. You have made this decision based on faulty, incomplete information which does not equate to this community. You seem to believe you do not need to answer for that. The taskforce wants both the hospital and the living center to succeed. I'm sorry if some community members made unkind comments that show the depth of hurt in the community.

Barbara Kelpie – What is the timeline for the current residents to be relocated? This is important because it requires a lot of planning. Last august you said you would never "evict" a resident during covid but now it appears as if you are going back on that. This has excruciating and possibly deadly impact for the residents. You can imagine the torture that you are putting these residents and families through. Please do not "evict" these residents until all covid related restrictions are removed.

Dr. Batey – If the resolution is endorsed, one of the first things to be discussed will be next steps, which will address these questions.

Gerald Mayo – President Biden has specific funds available in his next relief package, if the living center closes you won't get any of those funds. David Batey has never answered any of my questions in any of these meetings. I predict there will be a 5-0 vote to close the living center. If I wasn't present at the August meeting you would have closed it then.

Ms. Begley – The only funds available in the next relief package that may apply to the living center are funds for vaccinations and testing. Note that Ms. Begley and Mr. Cashman have reached out and been willing to answer any questions you might have and are still willing to do so.

Dr. Brian Tseng – Thank you Sandy for taking the time to speak with me this week. Everyone knows the importance of the living center in this community over the last 30 years. Nothing is locked down in the current federal funding bill working its way through congress; let's give them a chance to see what they can do. This facility will be important to this community forever. Please slow down, this is not the time to make this decision.

Drew Webb – I have extensive experience in financial evaluations and turn arounds. In my opinion the board and management have acted in the best interest of the community and the financial health of the hospital. I feel very confident that the management team will be able to lead

us through the next chapter. The issue of closing the living center is a sensitive one and I hoped that the taskforce would have been able to produce more credible prospects such as letters of intent from prospective candidates and detailed discussions of financial and legal due diligence. The lack of due diligence prevented us from identifying the stand-alone viability of the living center. I am overwhelmed by the personal attacks on the board and management from some members of the taskforce. I hope we can all find some moral standing and come out of this a better place to live.

Cindy Youngland – Why can the living center not be considered a separate entity from EPH for the benefit of PPP loans?

Daniel Sewell – I appreciate you hearing this out till the end. I sympathize with your position but I disagree with you because I think the living center is a good thing. I feel that we should have a real referendum before taking it away.

Bill Keifer – What are other profitable homes in the state doing that we're not? What are we doing wrong here? If the facility was managed properly, I believe that it would be kept open and profitable. What similar facilities have you benchmarked to see why we're not profitable?

Dr. Batey – Your question is a very complicated one that we're not able to go into now. Know that CEO Vern Carda and CFO Tim Cashman have met extensively with their counterparts at other facilities and have examined all possible options to find away to keep this facility open.

Joanie Learner – It sounds like everyone has given up. It seems with more time and diligence absolution can be reached. There are lives involved and that alone is the biggest reason to continue to pursue this issue.

6.2 Consideration of the Resolution to Close the Estes Park Health Living Center

Board Comments

Dr. Alper – We did look at other nursing homes and the variables involved with them. We thoroughly investigated all options before coming to this decision. This has been very hard, but ultimately I think it's the right decision.

Mr. Pinkham – This is a difficult decision, but I think it's the right decision and we've given thorough examination to the situation and what the alternatives might be. I think it's time to move ahead.

Ms. Munro – I understand those that are new to this conversation who feel like there must be another way. We went through this during our initial consideration of the facts and again working with the task force. I continue to agree that the resolution as it is written is a necessary decision.

Ms. Begley – The board does not always agree, but we have to come to the tough decisions to find a way to move forward. I have not wanted to close the facility, before or now. We've gathered a lot of information and nobody knows how we're going to vote until we do.

Dr. Batey – Nobody wants to close the living center, but after a thorough, exhaustive evaluation of all possibilities and not found one that is viable, there isn't another option. The decline in residents isn't just here, it's happening nationwide. Another factor that is often not considered is the challenge to staff a facility like this in a location like Estes Park. Staffing is a major challenge on

the front range and nationally, even without the concern of the long commute or limited workforce housing that we face in Estes Park. We have been through this time and again, and this is how we are arriving at this resolution.

Public Comments

Deborah Soresen – There is no reason to not give this more time.

Daniel Sewell – The answer is to put it to a vote.

Dr. Brian Tseng – It's clear that this is brutal for everyone, but I am convinced that we don't know what new legislation might be on the way from Washington DC. If we shut this living center down now, we won't get to see what might be coming in upcoming years. Does a school or library have to be profitable? No, but they enrich the community, and they are vital. This living center is no different. I understand that staffing is a challenge, but Estes Park is an attractive place to be. Maybe we need to pay higher than fair market value to attract the talent. Please, slow down, let's make some engagement and reach out to find philanthropic help. Vulnerable patients like the residents there now need us to find a solution.

Board Comments

Ms. Muno – I can sympathize with those who would like to wait to make this decision, but unfortunately, we are under time constraints due to the financial burden of the living center. To continue to wait to make a decision would not be wise under the circumstance.

Dr. Alper – We don't have unlimited time and a decision needs to be made. I don't think it's a good idea to continue to put residents, families, and staff in limbo over this. We have no idea what is going to happen politically, and it is unwise to hope for a major shift. While seeking philanthropic support is a place to start, that doesn't address the ongoing capital challenges of maintaining the facility, nor where to find the residents to fill the available space.

Consideration of the resolution

Dr. Alper motioned to consider resolution 2021-01 to close the Estes Park Health Living Center (EPHLC). Mr. Pinkham seconded the motion.

Public Comments

Eric Owen – As a former employee of EPH who worked at the Living Center a number of times, I know that there are a number of nurses who would be willing to come back and work at the hospital if staffing is such an issue. I find it hard to believe that staffing is really such an issue. The people that I have worked with have a great love for the hospital and the community. I would much rather use my expertise here in Estes Park than going somewhere outside the community. I believe it's an asset when patients know that their nurse lives here.

Daniel Sewell – Just wait. Just vote no. The board seems more worried about the timer than these peoples' lives. You have no new plan though and a two-year waiting list at comparable facilities. I just want to reiterate that there was a fire that required evacuation, and an election. There's a lot going on and five months isn't a long time. Let's keep this going. Keep the faith. Vote no.

Erica Murphy – Let's spend more time and find a solution. Five months doesn't seem like enough time to make this drastic decision, especially with Covid, wildfires, and a crazy election. Don't give up hope; please give this more time.

Jody Lerner – We can't give up. Please stop talking money. We are talking about people's lives.

Deborah Sonason – New residents were prevented from coming in when closure was proposed. How do you get revenue when you don't accept new residents? Staffing is not as much of an issue at the LC as it is at the hospital.

Barbara Kelty – I would be very careful about hiding behind this staffing issue. My mother has been at the living center for 7 years and there has never been a day without proper staffing. This is Estes Park, we have the ability to get as much staffing here as we need. Despite that this is a national trend, Estes Park is different because it is a retirement community. The board hides behind this fiduciary issue to protect the hospital. I feel that more than that, you have an ethical responsibility to protect this facility and listen to your community. The arrogance of this board in not listening to the community has been really stressful. You brought in a new CEO who has put this out there and the board ran with it without looking at any alternatives. You claim to have looked at all possible alternatives but you have not looked at any alternatives. The community was not allowed to look at the private financials of the hospital. There have been fine options proposed, but you say no, they won't work. You're about to make a decision that will affect people for generations.

Dr. Brian Tseng – Will the mission statement be amended to remove care for geriatrics from the statement? Will removing pediatrics be next? You're amputating a broken arm. This is important to the community. The community is willing to dig in deep and explore philanthropy and what's going on in Washington DC. I agree that staffing will go where they're treated well; with the right culture, they will come for even lower pay. With the tone that's been set, letting go of the LC staff, what message does that send across the entire EPH staff? This strikes me as a board that is not planning to lose, but is not planning to win. Have you tried to envision a paradigm where EPHLC is the crown jewel of SNIFs across the country. This is important to the community, and we will find a way with you. We don't have to drop the axe tonight. I get that paying traveling nurses is a problem, but I don't see how this is a good starting off point for a five-year plan. I'm new to town, I am a Harvard physician, and I know nursing and culture and how to run a hospital well and have worked in hospitals my whole life. I would like to partner with you. I've done tons of philanthropy and have tons of connections with experience in managing a clinic. I think there are opportunities ahead of us that have not been tapped into. Is 4.5 months enough time to consider ending a 35 year institution?

The motion passed with Dr. Alper, Ms. Munro, Mr. Pinkham, Dr. Batey voting in favor, and Ms. Begley voting against.

Senior Leadership Comments

Mr. Carda - Now that the motion has passed, EPH will create a closing plan to be submitted to the state of Colorado which will take 2-3 days to consider the plan before approving or denying the plan. Once the plan has been approved, EPH will announce that the Living Center will be closed with a target of 60-days until closure. In that time, EPH will facilitate individual residents in establishing relationships with their preferred facilities that they will be discharged to. Note that at this time, the state of Colorado does not have a restriction on transferring residents. If the Covid-19 situation changes and it is no longer safe for residents to relocate, they will remain at the Living Center until it is deemed safe for them to be transferred to another facility. It is important to create

the best possible discharge plan for each resident, keeping resident (or resident's power of attorney) choice paramount.

Board Member Final Comments

Ms. Begley – I still believe it is the right decision, but I was taken by surprise by community comments tonight that they feel that staffing is not an issue.

7. Adjournment

Mr. Pinkahm motioned to adjourn the meeting at 6:03 p.m. Dr. Alper seconded the motion, which carried unanimously.



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