#### Agenda

#### Estes Park Health Board of Directors' Regular Meeting by GoToWebinar

Tuesday, December 14, 2021 5:00 - 6:10 pm Board Meeting Estes Park Health, 555 Prospect Avenue, Estes Park CO 80517

		Regular Session	Mins.	Procedure	Presenter(s)
1 Call	Call to Order and Welcome		1	Action	Dr David Batey
2 App	proval of	the Agenda	1	Action	Board
3 Pub	lic Comr	nents on Items Not on the Agenda	3	Information	Public
4 Gen	neral Boa	rd Member Comments	3	Information	Board
	sentation				•
5.0	) Electio	n Management Services			Ms Sarah Shepherd
	5.0.1	Memo Re: First Steps for the May 3, 2022 Election	10	Discussion	
	5.0.2	Resolution 2021-03	1	Action	Board
5.1	EPH 2	022 Budget	45	Discussion	Mr Dave Timpe
	5.1.1	Resolution 2021-04 Mill Levy	2	Action	Board
	5.1.2	Resolution 2021-05 Budget	_ 2	Action	Board
6 Adj	ournmen	t	2	Action	Board
		Estimated Total Regular Session Mins.	70		

Next Regular EPH Board Meeting: Monday January 31, 2022 5:00 - 7:00 pm

#### ESTES PARK (PARK) HOSPITAL DISTRICT December 14, 2021

Memo Re: First Steps for the May 3, 2022 Election

To: Board of Directors, Park Hospital District

From: Sarah E. E. Shepherd

Dear Board:

Thank you for your consideration of our contract to administer your May 3, 2022 mail ballot election. Please note that it's our understanding that the preference for running the election is via an all-mail-ballot election, although the polling place election or mail-ballot election are both options with a "Director-only" election.

I am happy to answer questions today and discuss the proposed contract and timeline, which were included in your packet.

For us to begin working as you Elections Administrator, with myself as the Designated Election Official (DEO) we respectfully request the follow items be review and considered for approval at the Board meeting this evening of December 6, 2021:

- 1. The Circuit Rider of Colorado Contract:
- 2. The Election Resolution (with the detail that the election intended is a "Mail Ballot Election;"

Please note that materials and postage in 2020 totaled \$29,942.21. Printing and mailing costs have increased due to USPS rate increases and to some extent due to COVID and supply issues. These are reimbursement-only costs (no upcharge). We expect to have final pricing for these items to report on at the meeting this evening (December 6).

Since the Election may not be cancelled (there may be more than two candidates for the 2 director seats), our next items of business follow:

- 1. Coordinating the "Call for Nominations" publication in the legal papers of record and posting on the District's website;
- 2. Making Self-Nomination forms available to interested candidates on January 1 up through the end of the nomination filing deadline via email/phone/in-person request at our offices and the hospital administration offices, in coordination with Adam.
- 3. Obtaining voter and property owner lists from the County Clerk and Recorder's and Assessor's offices, as this is the most time-consuming portion of preparation.
- 4. Beginning ballot and mailing design, preparing for UOCAVA (overseas Voters) mailings and finalizing printing and mailing costs.

Thank you very much for your consideration and trust in our services. We are very excited to partner with you again to deliver a great election process and result, especially in these exciting times.

Sincerely, Sarah and Team

> Circuit Rider of Colorado, LLC Mailing: P. O. Box 359 – Littleton, CO 80160 Telephone: 303-482-1002 – Email: sees@ccrider.us

#### **RESOLUTION 2021-03**

# FOR THE REGULAR ELECTION TO BE HELD MAY 3, 2022 APPOINTING A DESIGNATED ELECTION OFFICIAL AND AUTHORIZING THE DESIGNATED ELECTION OFFICIAL TO DECLARE THE CANDIDATES ELECTED AND CANCEL THE ELECTION IF THE NUMBER OF CANDIDATES IS NOT MORE THAN THE NUMBER OF OFFICES TO BE FILLED

WHEREAS, a regular special district biennial election for Board Candidates of the Park Hospital District shall be conducted in accordance with Local Government Election Code, Title 1, Article 13.5, C.R.S., and all laws amendatory thereof and supplemental thereto; and

WHEREAS, the terms of office of Directors Batey, and Begley, shall expire after their successors are elected at the regular election to be held on May 3, 2022 ("Election"), and take office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code ("Code"), the Election must be conducted to elect two (2) Directors to serve for terms of three (3) years;

WHEREAS, pursuant to § 1-1-111(2), C.R.S., the Board of Directors of the Park Hospital District is authorized to designate an election official to exercise the statutory authority of the Board in conducting an election pursuant to Local Government Election Code, Title 1, Article 13.5, C.R.S., and all laws amendatory thereof and supplemental thereto; and

WHEREAS, pursuant to § 1-5-208, C.R.S., the Board can authorize the Designated Election Official to cancel the election upon certain conditions.

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

- The Board hereby names Sarah Shepherd as Designated Election Official and Adam Johnson as Deputy Designated Election Official for the regular biennial special district election scheduled for May 3, 2022; and
- (2) The Board hereby authorizes the Designated Election Official to publish and post a Call for Nominations in the legal newspaper of circulation and on the District's website, between 100 and 75 days (January 23, 2022 February 17, 2022) before the regular special district election; and
- (3) The Board further authorizes and directs the Designated Election Official to cancel said election and declare the candidates elected if, at the close of business on the sixty-third (63<sup>rd</sup>) day before the election (March 1, 2022), there are not more candidates for director than offices to be filled, including candidates filling affidavits of intent to be write-in candidates; and
- (4) The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancelation in the offices of the Designated Election Official, Clerk and Recorder of each county in which the district is located, and file the notice with the Division of Local Government. In such event, the Designated Election Official shall also notify the candidates that the election was canceled and that they were elected by acclamation; and
- (5) Mail-In Voter Ballot Applications. Pursuant to Section 1-8-104, C.R.S., that applications for mail-in voter's ballots may be filed with the Designated Election Official at 1100 W Littleton Blvd., #101, Littleton, Colorado 80120, between the hours of 10:00 a.m. and 4:00 p.m., not earlier than January 1,2022 until the close of business on the Friday immediately preceding the Election, except that if the applicant wishes to receive the mail-in ballot by mail, the application shall be filed no later than 5:00 P.M. on the 7<sup>th</sup> day prior to the election; and
- (6) Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable; and

- (7) Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with the Resolution are hereby repealed to the extent only of such inconsistency of conflict; and
- (8) Effective Date. The provisions of this Resolution shall take effect January 1, 2022.

ADOPTED AND APPROVED this 14th day of December, 2021,

	PARK HOSPITAL DISTRICT
	By:
	David M. Batey, Chair
ATTEST: Diane Muno, Secretary	



# Fiscal Year 2022 January 1, 2022 – December 31, 2022 Operating and Capital Budget

#### Board Meeting December 14, 2021 5 – 7 PM

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## Estes Park Health (EPH) – Executive Summary Operational and Capital Budget Fiscal Year 2022

January 1, 2022 - December 31, 2022

The healthcare environment surrounding COVID—19 at the national, state, and local level remains challenging and is expected to challenge the resources of EPH during the next year.

The proposed Fiscal Year 2022 Operating and Capital Budget for Estes Park Health demonstrates its dedication to taking care of people and maintaining and improving the high quality of care for people in the Estes Valley service area. This document contains the budget goals and assumptions, as well as a summary financial model outlining EPH's estimated financial performance for FY 2022.

EPH anticipates that the number of individuals who receive patient care will remain similar to FY 2021. Based upon the assumptions regarding revenue and service projections, EPH will navigate toward a decrease in net assets of (\$625,289) which represents an operating margin of (1.19%) for FY 2022.

A FY 2022 capital budget outlining the potential of \$3.2 million in capital spending has been compiled and is included for review. EPH has committed to the purchase and installation of a new Magnetic Resonance Imaging Unit (MRI). The MRI install is scheduled for second quarter of FY 2022. Other capital items will be purchased, as needed, to maintain patient care quality and safety.

#### A Brief Look at Fiscal Year 2021

Two major events of the last two years have significantly impacted Estes Park Health finances. COVID-19 caused operational, human resource, and fiscal challenges. Additionally, the 2020 Cameron Peak and East Troublesome fires caused EPH to evacuate and transfer all patient care activities to other healthcare entities. Although EPH reopened prior to the start of FY 2021, the recovery efforts due to the wildland fire extended well into FY 2021 with some business interruption issues not yet resolved.

Despite these major and highly unusual challenges, EPH managed its overall organizational expenses to approximately 1% of total projected expenses. In short, EPH controlled what it could in a very uncertain operating environment.

#### **Activities and Initiatives Targeted for Achievement in Fiscal Year 2022**

Estes Park Health has developed the Fiscal Year 2022 (FY 2022) budget based on the notion to "take care of people." Throughout FY 2022, budget resources will be deployed to drive the organization to accomplish the following items:

- 1. Pursuit of Quality. Estes Park Health is committed to maintaining and improving excellent patient outcomes. Additionally, EPH will provide patients safe and person-centered care. EPH will pursue improvement of patient outcomes through quality measurement, continuous quality improvement (QI), and adoption of best practices. Critical to shaping and accelerating EPH's pursuit of quality efforts are DNV (a quality accrediting organization) and the Centers for Medicare & Medicaid Services' (CMS) via its specified Conditions of Participation (CoPs). Listed below are four of the major items that EPH will work on in FY 2022:
  - a. Continue to develop EPH's quality improvement programming and the deployment of appropriate resources to improve quality of care.
  - b. Continue its endeavor to improve community health through population health programs and population health management. Population health management refers to the process of improving clinical health outcomes of a defined group of individuals through improved care coordination and patient engagement supported by appropriate financial and care models.
  - c. Deploy resources to navigate the vagaries of COVID–19. For example, during the last year, EPH integrated multiple new policies, procedures, and techniques to care for people with COVID. Examples include the swabbing clinic, streamlined urgent care, Monoclonal Antibodies (mAb) process, remdesivir process, evolution of infection control practices, etc.
  - d. Implement solutions that improve patient relations and patient satisfaction.
- 2. Developing People Resources. Recruitment and retention of all employees, including licensed professionals, presents challenges for rural community hospitals like Estes Park Health and health systems across Colorado and the nation. The development and implementation of competitive wage and total compensation plans will be important to the EPH future state. Additionally, the shifting expectations of our work force will necessitate changes in EPH recruitment, retention, and educational programming. Key initiatives include:
  - a. Wage and compensation adjustments.
  - b. Employee education opportunities.
  - c. Employee performance management initiatives.

- 3. Information Technology Improves Patient Outcomes. Increasing expectations exist with patients, providers, and families to use information systems and technology as a tool to effectively manage care and improve care quality in an integrated, clinically driven system of care. EPH will:
  - a. Invest resources in training to optimize our electronic medical record (Epic) utilization to aid physicians and all staff in caring for patients.
  - b. Continue to evolve information technology support systems to ensure that the business operates as efficiently and effectively as possible in clinical and non-clinical departments.
  - c. Continue to take all steps necessary to protect the cybersecurity of EPH's processes and databases.
- **4. Fiscal Health.** Via operational expense elimination and revenue stream addition, EPH will engage key organizational stakeholders in the development and implementation of operational plans that will enable EPH to move *toward a break-even operating margin*. To achieve this goal EPH will:
  - a. Implement solutions to reduce overall organizational expenses.
  - b. Evaluate EPH partnerships to improve organizational quality and reduce cost.
  - c. Complete and implement findings generated via a chargemaster review.
  - d. Examine hospital service lines for efficiency and effectiveness and implement plans to improve the organizations operations.
  - e. Complete a Medical Staff Development Plan to analyze potential for new revenue stream opportunities.

#### **Estes Park Health FY 2022 Budget Assumptions**

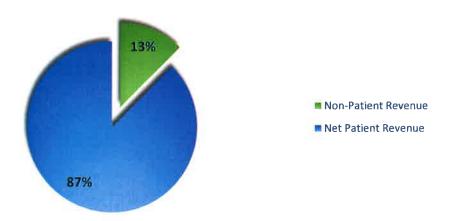
The FY 2022 operational budget has been modeled and forecasted using these important assumptions:

- a. The 2022 budget is developed considering local and national trends, especially the ongoing COVID-19 and related variants pandemic. The last two years established a new "normal" in 2020 and 2021 and which we expect to be replicated in 2022.
- b. New this year is the accountability of Department Directors and the Senior Leaders Team in producing their departments' budget.
- c. Most patient volumes are budgeted at the same approximate levels as projected 2021 levels.
- d. Increase average charges for Hospital services by approximately 6% and Clinic services by approximately 4%. (There were no charge increases in 2021.)
- e. Employment of a Radiologist (effective 04.01.22) and Podiatrist (effective 05.01.22), along with their related revenue and expenses. Both positions are expected to generate revenues in excess of their expenses.
- f. Employment of the Hospitalists as opposed to contracting for their services. These positions are expected to generate revenues in excess of their expenses.
- g. Contractuals (contracts specifying the percent of charges that are paid), bad debts, and uncompensated care adjustments of 45.25% (43.50% for contractuals and 1.75% for bad debts and uncompensated care). These are slight increases over the 2021 experience. We continue to look for ways to maximize revenue and therefore decrease contractual allowances. We're in the initial phase of hiring a consultant to review our chargemaster and cost report which we expect will have a positive impact in reducing contractual allowances. Finally, as reported at Board meetings, our Patient Financial Services (business office) team does a phenomenal job of timely collection which increases cash flow and helps hold down bad debts and uncompensated care.

- h. Maintain overall salary expense consistent with competitive market value (to help recruit and retain employees) and maintaining compensation levels for merit increases. Budgeted two salary increases in 2022 (3% on 05.01.22 and an additional 2% on 10.01.22) which are equivalent to a 2.5% increase for the entire year. We're currently working with a consultant on a productivity study.
- Employee benefits will increase primarily due to salary increases and new employees (Radiologist, Podiatrist, and Hospitalists). However, health insurance is relatively stable (very unusual in today's environment).
- j. Contract labor continues to be a major challenge. Finding qualified employees is a significant challenge for us, healthcare organizations across the nation, and other sectors of the economy. Therefore, we often need to turn to expensive contract labor to fill our staffing needs as we furnish quality patient care.
- k. Even with better purchasing contracts, we're still experiencing increased supply cost due to the continued need for COVID supplies and supply chain shortages.
- I. Mill levy of 7.505 yields budgeted net tax revenues of \$3,499,500.
- m. We'll aggressively pursue any local, state, or federal funding to reimburse the Hospital for COVID-19 expenses. Included is Phase 4 Provider Relief Funds of \$2,750,000 which we're confident we'll be able to justify that we've spent or will spend on COVID-19 expenses.
- n. Acquire, only where absolutely necessary, new capital equipment including radiology equipment, IT equipment, clinic equipment, lab equipment, plant equipment, rehab equipment, EMS equipment, med/surg equipment, and various other smaller items. We have committed to purchase the Boardapproved new MRI which is scheduled to be installed in the second quarter of 2022.

#### **Revenue Chart #1**



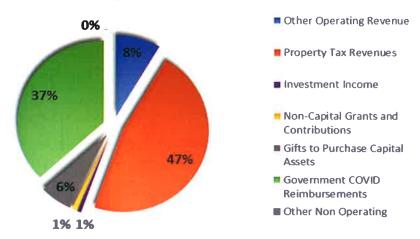


The total Estes Park Health revenue budget for FY 2022 is estimated to be \$95 million. EPH anticipates a contractual discount rate of approximately 45.25 percent. The net revenue for FY 2022 will be approximately \$52 million. The \$52 million in net revenue is approximately 9.47% greater than the projected FY 21 total of \$47.5 million. Much of the growth in net revenue modeled in FY 2022 budget is the result of employing hospitalists, a radiologist, and a podiatrist. These hires represent new revenue to

EPH. EPH also modeled an increase in inpatient census and revenue. These increases have been facilitated by COVID—19 and lack of bed availability down valley. Finally, some of the increase in revenue is attributed to charge increases of approximately 6% for Hospital services and approximately 4% for Clinic services.

#### **Revenue Chart #2**

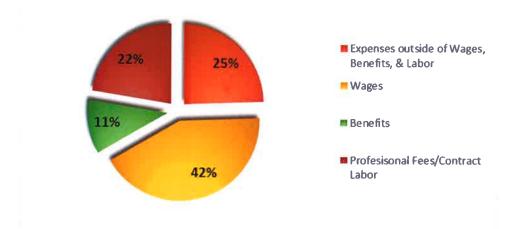




47 percent of the FY 2022 budgeted non-patient revenue is funded via a tax levy of 7.505 mills which is projected to generate approximately \$3.5 million in FY 2022. Another large slice of non-patient revenue is from government COVID reimbursements. This represents 37 percent of non-patient revenue or about \$2.7 million in FY 2022. The combination of property tax revenues and government COVID reimbursements represent 84 percent of the non-patient revenue.

#### **Expense Chart #1**

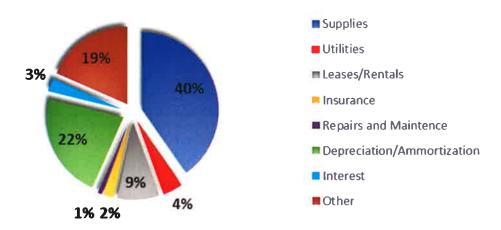
**FY 2022 Budgeted Expenses** 



Expense Chart #1 depicts all Estes Park Health FY 2022 budgeted expenses broken into categories.

#### **Expense Chart #2**

## FY 2022 Budgeted Expenses Excluding Wages, Benefits, and Labor



Expense Chart #2 is a graphical depiction of all Estes Park Health FY 2022 budgeted expenses less wages, benefits, and labor.

#### **Uncertainties & Expense Challenges FY 2022**

Total Estes Park Health operating expense is projected to increase by 9.35 percent or \$5.1 million, from \$54.5 million estimated in FY 2021, to \$59.7 million in FY 2022.

Primarily, three items contributed to the 9.35 percent change in total operating expense illustrated via fiscal modeling:

- 1. Wages are expected to change in FY 2022 by approximately 8.11 percent, or approximately \$1.9 million in FY 2022 to a total of \$25.4 million. EPH has budgeted for two organization-wide salary increases in 2022 (3% on 05.01.22 and an additional 2% on 10.01.22) which are equivalent to a 2.5% increase for the entire year.
- 2. Supplies are estimated to change in FY 2022 by approximately 8.66 percent, or approximately \$468K in FY 2022 to a total of \$5.9 million.
- 3. Contract Labor will likely change in FY 2022 by an estimated 15.65 percent, or \$1.9 million which represents \$13.4 million total expenditure in professional fees and contract labor.

Perhaps the most important idea to be gleaned from the change in these expenses is that this trend of expense increase, which tolerable in the short-term, is not sustainable long term. To the end of long-term sustainability, during FY 2022, Estes Park Health will examine expenses for reduction and examine opportunities for "new" revenue growth.

#### **FY 2022 Capital Expenditures**

The Capital Budget outlined for FY 2022 contains \$3.2 million in *potential* expenditures. Estes Park Health has committed to the purchase of a Magnetic Resonance Imaging Unit (MRI). The MRI install is scheduled for second quarter of FY 2022.

Additionally, EPH is continuously assessing its facilities, equipment, and technology to determine the priorities for replacement, repair, and any new acquisitions. The assessment and prioritization methodology addresses patient safety, building safety and code-compliance requirements, planned equipment obsolescence, and new technology. The process of determining capital allocation is a very involved process. However, during operations next year, capital purchases will be evaluated on an individual basis and purchase will be determined by EPH cash flow, cash availability, patient volumes, and patient safety needs.

#### Conclusion

Together, the Fiscal Year 2022 Operating Budget and the Fiscal Year 2022 Capital Budget represent Estes Park Health's commitment to take care of people, to patient safety, and to advancement of the health status of the citizens of the Estes Valley. The costs of navigating the COVID—19 environment and the increasing costs of labor, labor shortages, and inflationary costs in supplies will create a challenging operating environment in FY 2022.

#### **Draft Operating Budget FY 2022**

## ESTES PARK HEALTH DRAFT OPERATING BUDGET 2022

	APPROVED 2021 BUDGET	2021 PROJECTED	2022 BUDGET	DRAFT 2022 to PROJ 2021
PATIENT REVENUE	202021	INOUBOILE		11100 2021
Inpatient Revenue	14,442,457	10,410,254	12,647,532	\$ 2,237,278
Outpatient Revenue	72,543,230	76,782,655	82,378,529	5,595,874
Living Center Revenue		,,	, , , , , , , , , , , , , , , , , , , ,	⇒:
Clinic Revenue				; <del>=</del> );
TOTAL PATIENT REVENUE	86,985,687	87,192,909	\$ 95,026,061	7,833,152
Less: Contractual Adjustments	(36,533,988)	(37,822,132)	(41,336,337)	(3,514,205)
Less: Bad Debt	(1,304,786)	(1,855,054)		192,098
Contractual Adjustments	(37,838,774)	(39,677,186)		(3,322,107)
	-43.5%	-45.5%	-45.3%	(-,-=,-,-,
NET PATIENT REVENUE	49,146,913	47,515,723	52,026,768	4,511,045
	.,,	54.5%	54.8%	-,,
Other	469,650	655,682	629,500	(26,182)
TOTAL OPERATING REVENUE	\$ 49,616,563	\$ 48,171,405	\$ 52,656,268	\$ 4,484,863
EXPENSES				
Wages	24,060,549	23,462,947	25,401,874	1,938,927
Benefits	6,878,585	6,162,319	6,543,320	381,001
Professional Fees/Contract Labor	9,465,295	11,564,358	13,456,966	1,892,608
Supplies	5,678,297	5,450,544	5,919,228	468,684
Utilities	591,550	626,840	622,257	(4,583)
Leases/Rentals	1,125,968	1,094,658	1,317,262	222,604
Insurance	311,442	344,347	343,865	(482)
Repairs & Maintenance	174,257	118,894	129,900	11,006
Depreciation/Amortication	3,147,937	3,203,966	3,261,108	57,142
Other	2,355,344	2,524,573	2,715,681	191,108
TOTAL OPERATING EXPENSES	\$53,789,224	\$54,553,446		5,158,015
OPERATING INCOME (LOSS)	(4,172,661)	(6,382,041)	(7,055,192)	(673,151)
Property Tax Revenues	3,137,600	3,137,599	3,499,500	361,901
Interest Expense	(396,000)	(414,524)	1.0000000	
Investment Income	88,500	43,131	55,500	12,369
Gain on Disposal of Capital Assets	(10,000)	(10,000)		10,000
Noncapital Grants and Contributions	100,000	74,735	75,000	265
Other Net Non Operating	2,500	11,228,041	2,752,500	(8,475,541)
Total Non-Operating	2,922,600	14,058,982	5,979,903	(8,079,079)
EXCESS REVENUES/EXPENSES	(1,250,061)	7,676,941	(1,075,289)	(8,752,230)
Gifts to Purchase Capital Assets	300,000	255,888	450,000	194,112
INCREASE (DECREASE) IN NET ASSET	\$ (950,061)	<b>\$</b> 7.932.830	\$ (625,289)	<u>\$ (8.558,119)</u>
EDVED 4			-1.19%	
EBITDA	\$ 2,593,876	\$ 11,551,320	\$ 3,038,416	
Total Margin % INCREASE (DECREASE)	-1.91%	16.47%	-1.19%	

#### **ESTES PARK HEALTH**

#### **Capital Budget Summary**

#### Fiscal Year 2022 Proposed Capital Budget

#### January 1, 2022 – December 31, 2022

	FY	2022	Percent
Category	Bu	dget	Capital
Facility Projects	\$	641,000	19.71%
Information Technology	\$	347,000	10.67%
Medical Equipment	\$	2,056,000	63.21%
Other	\$	8,500	0.26%
Contingency Capital	\$	200,000	6.15%
Total Capital Expenditures FY 2022	\$	3,252,500	

#### **APPENDIX & REQUESTED BUDGET SUPPORT INFORMATION**

#### **Estes Park Health**

#### **3 Year Detail Draft Capital Budget**

## Fiscal Years 2022, 2023, 2024 Projected Capital Expenditures ESTES PARK HEALTH CAPITAL BUDGETS FOR YEARS ENDING 12.31

Department	Description		2022		2023		2024
Lab	BioFire Molecular blood culture	s	35,000				
Lab	Bactec microbiology upgrade	S	45,000				
Lab		S	·				
	Microscan upgrade	>	95,000	_	100000		
Lab	New benchtops			\$	100,000		
Radiology	MRI**	s	1,540,000				
Radiology	Dexa unit			Ś	180,000		
Radiology	Refurbished C-arm			s	130,000		
Radiology	Radiology and fluoroscopy room					Ś	375,000
Plant	Radiology and lab HVAC	\$	300,000				
Plant	Parking lot topcoat	\$	85,000				
Plant	Speciality clinic automated doors	s	16,000				
Plant	Duress alarm system replacement	s	90,000				
Plant	Pickup with snow plow	\$	60,000				
Plant	Bobcat			\$	25,000		
Plant	Upgrade 200kw generator			S	45,000		
Plant	Fire alarm auto readout			S	45,000		
Plant	Automated OR doors			\$	63,000		
Plant	Hot water system					S	270,000
IT	Parallel storage mirrored	S	165,000				
IT	Network component replacements	s	70,000	\$	120,000	S	125,000
Rehab	Total gym power tower	S	7,000				
Rehab	Biodex balance system	s	13,000				
Rehab	Lite gait	s	17,000				
Rehab	Eliptical			S	5,000		
Q:		_					
Dietary	Steam kettle with stand	Ś	8,500	_			
Dietary	Large ice machine			S	8,500		
Clinic	Ophthalmologyungrados			s	75,000		
Clinic	Ophthalmology upgrades		20.000	>	75,000		
Clinic	Ophthalmology equipment	s s	20,000				
Clinic	Podiatry equipment	>	10,000		0.000		
Clinic	EKG Phillips	s	8,000	\$	8,000		
Cirric	Hearing screening equipment	3	2,000				
Buildings	Four 2BR condos					s	1,000,000
Buildings	Office moves	s	80,000	s	80,000	-	1,000,000
		_	,		,		
EMS	Three Stryker patient power cots	S	51,000				
EMS	Lucas CPR device	s	13,000				
EMS	Tempest cardiac monitor	S	20,000				
EMS	Type III ambulance			s	275,000		
EMS	Stryker patient power load system			S	30,000		
EMS	Type I transfer ambulance					S	175,000
Med/surg	10 beds	S	110,000				
Med/surg	ACLS mannequin	S	16,000				
Med/surg	PALS mannequin	S	16,000				
Med/surg	Alarm notification system	Ś	112,000				
Med/surg	OBIX fetal monitoring system			\$	45,000		
Med/surg	Labor bed			s	20,000		
Med/surg	Replace PFT machine			S	30,000		
Med/surg	Labor bed					s	20,000
Med/surg	Replace nurse call light system					\$	750,000
Med/surg	Replace two warmers					S	20,000
ED	Stryker OB/GYN stretcher	S	10,000				
ED	2 Stryker stretchers	ŝ	30,000				
ED	Exam room ligh replacements (3)	S	10,000				
ED	2 Stryker stretchers			S	30,000		
ED	Exam room ligh replacements (3)			5	10,000		
ED	Stryker ED stretcher					S	15,000
ED	Trauma booms and light					S	150,000
HR	Applicant tracking and compensation system			\$	110,000		
Various	Contingency/emergency items	S	200,000	Ś	300,000	s	400,000
TOTALS		\$	3,252,500	S	1,734,500	S	3,300,000

#### Break down professional fees from contract labor:

	2021 Projected	2022 Budget	Difference
Professional Fees	\$5,350,991	\$5,010,919	\$(340,072)
Contract Labor	\$6,213,367	\$8,446,047	\$2,232,680
TOTALS	\$11,564,358	\$13,456,966	\$1,892,608

#### Some of the larger professional fee changes are:

	Hospitalists moved from professional fees to salaries	\$(800,000)
	\$(59,500)	
	Additional administrative consulting fees:	
	Chargemaster, productivity study as examples	\$142,000
	Audit fees	\$13,000
	Marketing—Strategy/funding – Digital & Written	\$36,000
	Human resources—leadership development and coach	\$58,000
	Other miscellaneous items:	\$270,428
	TOTAL	\$(340,072)

#### Some of the larger contract labor changes are:

New contracts have increased since the Colorado Department of Public Health and Environment nurse staffing mandate. Average number of new contracts from January through August 2021, was 6 per month. The average number of new contracts from September through December is 8 and EPH already has committed to 2 contract RNs scheduled January 1, 2022.

A large impact to FY 2022 budget is contract labor costs. Please see the hourly rate negotiated by EPH listed in Labor Locum Cost Table:

#### **Labor Locum Cost Table (Pay Per Hour)**

Position	Month/Rate of Pay	Month/Rate of Pay	Month/Rate of Pay
RN – OR Circulator	January 2021/\$95	September 2021/\$130	December 2021/\$150
RN – Med/Surg	February 2021/\$85	September 2021/\$115	December 2021/\$150
RN – Pre-Op and PACU	January 2021/\$80	September 2021/\$130	December 2021/\$145
Surgical Technologist	April 2021/\$70	October 2021/\$85	December 2021/\$110
Medical Technologist	February 2021/\$70	August 2021/\$80	December 2021/\$105

EPH is also utilizing locum labor for positions that EPH has not needed to in past years, such as Respiratory Therapists, Phlebotomists, Physical Therapists, and CT Technologists to name a few. All positions posted

with the travel agencies are also posted and recruited for by Human Resources. EPH currently has 16 positions posted for travel assignments and 6 posted for permanent placement with the contract labor agency. In addition, EPH has had to use other outside agencies to help fill posted openings, although the largest cost in contract labor is in the travel agencies.

These significant increases in rates, coupled with the staffing mandate and a national labor shortage which makes it very difficult to recruit permanent staff, have led to the increases in budgeted contract labor.

#### Lease rentals:

Some of the larger lease/rental changes comprising the \$222,604 change from the 2021 projected to the 2022 budget are:

Lease Item	Cost	
Rental of portable MRI during MRI replacement and other radiology leases and rentals	\$70,000	
New redundant laboratory analyzers	\$50,000	
Additional Housing – Contract Staff	\$52,604	
Other Miscellaneous Items	\$52,604	
Total	\$222,604	

#### **Budget process:**

During the drafting process, EPH senior management considered many contingencies that affect the budget and budget build process. In particular, the budget process must be matched with circumstances concerning the specific local, regional, and national environment in which the hospital operates utilizing a bottom-up budgeting method that starts at the department level and incorporates all levels of the organization. Key steps in EPH budget development for FY 2022 include:

- Accounting prepared a budget package incorporating written instructions regarding the
  framework for the budgeting process and distributed budget package to all department leaders
  to engage and enable them to prepare preliminary drafts of their department budget. All 47 cost
  centers (or departments in the hospital) have their own individual budget which is "rolled up" into
  the consolidated budget which is then presented to the senior leadership team, Finance
  Committee, and Board.
- Accounting prepared a preliminary operating revenue budget by summarizing and collating the
  individual department's budgets. Accounting also prepared assumptions, about the kinds of
  services the hospital expects to provide, i.e., prepare a quantitative expression of the plans of the
  hospital that can affect the hospital's income or expenditures during the budget period.
- Senior management conducted budget planning sessions with physicians, other clinical providers, and department directors regarding revenue stream generation and expense requirements.
- Senior managers, including the Chief Executive Officer (CEO) and Interim Chief Financial Officer (CFO), thoroughly reviewed and revised departmental budgets several times.
- Senior Leaders met with the Department Directors to ascertain their level of confidence in meeting their budget and all agreed that their budgets were achievable.
- After five or six budget iterations, accounting prepared the total budget, including the capital budget, into a proper budget format.

- Significant time was spent, primarily by the Controller and also by the Interim CFO, assisting
  various departments in the budget process, generating requested reports, and answering
  questions.
- Budget was then again reviewed by senior management and presented to the Board Finance Committee.
- Reviewed budget/sought approval from Board of Directors.
- Communicate approved budget to all EPH personnel.
- Implement budget January 1, 2022. Monthly budget reporting to Finance Committee and Board of Directors.

Process used for nursing budgets (Emergency Department, Med/Surg, infusion, Respiratory Therapy, Case Management, Perioperative Service Line, Quality and Patient Safety, Infection Prevention/Employee Health.):

- Each director reviewed their proposed 2022 budget in comparison with their 2021 budget.
- Chief Nursing Officer (CNO) met with each director individually, reviewed proposed 2022 budget: volume, expenses, staffing, supplies, minor equipment needs. Revisions made per current staffing requirement (as of October 18<sup>th</sup>, CHA/CDPHE staffing mandate of no less than two clinical individuals in a patient care area. One must be a nurse. (This impacts Birth Center and Emergency Department).
- Director went back, reviewed hotspots with team/other directors to brainstorm solutions.
- Individual Director met with CNO, reviewed hot spots, changes made, capital budget identified and prioritized. Submitted draft budget to Interim CFO and team.
- Individual director and CNO met to review wages and contract labor after initial submission. Reviewed targets to decrease travelers, revised wages to support, resubmitted draft budget.

## Process used for Physician's Clinic, Spec Clinic, Wound Clinic, Pain Clinic, Wound Care, Cardiac Clinic budgets:

- Compared actual 2021 revenue and volume with 2021 budget and 2020 budget and actuals to determine 2022 volumes and budget with attention to impact of pandemic on clinic volumes.
- Expenses reviewed and adjusted based on 2021 actual expenditures changing and additional service lines.
- Request for equipment needs reviewed for capital budget and prioritized.
- Budgets were reviewed with Leadership 3-4 times.

## Process used for operations/IT budgets (Facilities, IT, Dietary, Environmental Services, Rehab Services, Laboratory, Diagnostic Imaging, Pharmacy).

- Each director prepared their proposed 2022 budget in comparison with their 2021 budget, with knowledge of prevailing conditions in their area of expertise.
- For revenue departments, directors met with Finance to review and agree to recommended revenue.
- Chief Operating Officer (COO) met with each director individually (in some cases virtually) and reviewed the proposed 2022 budget. This review included volume & expenses where appropriate, staffing, supplies, maintenance contracts, contracted services, capital equipment, etc.
- Directors offered additional potential budget savings and adjustments after discussion.

- Accounting performed roll-ups of budget, and for each budget roll-up, changes were made by COO and/or department director to continue to help work toward a balanced budget.
- COO made final decisions on additional cuts prior to final roll-up, which included long-term open
  position staff cuts, reductions in supplies and contracted services, and other miscellaneous
  reductions.

#### Process used for Human Resources and salary increases budget:

- Compared projected 2021 expenses to 2021 budget to identify budgeted expenses for 2022.
- Consulted 2022 strategic focus areas for the People pillar to identify new programming. With the major focus on retention, budgeted for staff and leadership development. This increased the Other Contracted Services line item.
- Recruitment expenses reviewed and adjusted based on actual and projected costs.
- With the increases to the two-line items above, reviewed all other expenses and modified to keep budget below 2021 total budget.
- Reviewed salary surveys and consulted with professional network to project salary costs for 2022.
   Met with Interim CFO to talk through projections and timing of salary increases for staff. With phased increases, we agreed to the overall budgeted increase.
- HR budget, with rationale, reviewed by CEO.

#### Process used for Accounting, Patient Financial Services and Materials Management:

- Compared projected 2021 expenses to 2021 budget to help quantify budgeted expenses for 2022.
- Consider known and expected cost changes in all three departments.
- Plan for expected Patient Access changes in Patient Financial Services.
- Consider and plan for expected supply chain interruptions and cost increases in Materials Management.

All the above was done in a cooperative and collaborative effort between the Interim CFO and respective Department Directors.

#### STATISTICAL INFORMATION 2021 COMPARED TO 2022

Key Statistics	2021 Budget	2021 Projected	2022 Budget
Impatient Days	1,014	1064	1,060
Swing-Bed Days	360	343	350
Observation Days	547	588	600
Births	85	44	45
ER Visits	4,884	5,359	5,350
Urgent Care	2,920	3,912	4,000
EMS	1,765	2,103	2,100
Surgeries	417	445	450
Clinic Visits	23,923	22,328	22,500
Radiology Exams	9,275	11,746	12,100
Lab Tests	63,942	77,784	<b>77</b> ,800
Rehab Visits	7,986	8,382	8,400
Home Health	7,579	7,734	7,700
Hospice	2,089	1,778	1,750



## PARK HOSPITAL DISTRICT (d/b/a Estes Park Health) RESOLUTION 2021-04

#### RESOLUTION TO DETERMINE MILL LEVY YIELD

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 2022 BUDGET YEAR.

**WHEREAS**, on December 14, 2021, 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 \$3,323,127; and

**WHEREAS**, the valuation for assessment for the District as recently certified by the County Assessor is \$442,788,371.

### 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 2022 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 amounts stated to balance the District's budget, the District's Budget Officer is authorized to make such adjustments based upon the final assessed valuations received from the County Assessor. In no event shall such adjustments result in any unauthorized nonvoter approved increase in the mill levy.

ADOPTED: December 14, 2021

	PARK HOSPITAL DISTRICT
	David M Batey, Chair
Stephen Alper, Treasurer	Diane Muno, Secretary



#### **RESOLUTION 2021-05**

## A COMBINED RESOLUTION CONCERNING THE ADOPTION OF A BUDGET AND APPROPRIATION OF FUNDS FOR SUCH BUDGET FOR FISCAL YEAR 2022

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 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

**WHEREAS**, the District's Interim CFO submitted a proposed budget to the Board of Directors on December 3, 2021, 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 14, 2021 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 \$ 60,114,058

CAPITAL PROJECTS FUND \$ 0

DEBT SERVICE FUND \$ 0

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

#### **GENERAL FUND**

From unappropriated surpluses	\$ 625,289
From sources other than general property tax	\$ 56,165,642
From the general property tax levy	\$ 3,323,127

TOTAL \$ 60,114,058

#### **CAPITAL PROJECTS FUND**

From unappropriated surpluses	<b>\$</b> O
From sources other than general property tax	\$0
From the general property tax levy	\$0
TOTAL	<b>\$</b> O

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 2022 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	\$ 56,165,642
(indicate if appropriating all reserves, by adding "including reserves" after General Fund)	
Capital Projects Fund	<b>\$</b> O
Debt Service Fund	<b>\$</b> O

ADOPTED: December 14, 2021

	PARK HOSPITAL DISTRICT
	By President
ATTEST:	