

PARK HOSPITAL DISTRICT

DRAFT RESOLUTION 2022-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT
TO STRENGTHEN ESTES PARK HEALTH SERVICES AND FINANCES**

1. **WHEREAS**, Nationally, the healthcare industry has been experiencing significant, ongoing adverse financial impacts from the COVID-19 Pandemic with resulting severe labor shortages, and dramatic increases in labor and supplies costs; and,
2. **WHEREAS**, Like many other healthcare providers throughout Colorado and nationwide, Estes Park Health has also been facing significant financial challenges caused by the COVID-19 Pandemic including critical labor shortages, significant increases in labor costs, increasing supplies costs from supply chain challenges and inflation, the end of important Federal Government COVID-19 Pandemic relief funding, as well as longer-term evolutionary changes in healthcare and healthcare reimbursements.
3. **WHEREAS**, The financial goals of Estes Park Health are to break-even on Operations and to aspire to a three percent positive Net Operations Margin, and to target a three million dollar contribution to capital projects from Non-Operating Income; and,
4. **WHEREAS**, The 2022 Estes Park Health Budget presented at the December 14, 2021 Board Meeting included a projected \$7 million loss from operations that was partially offset by Nonoperating Income that included \$3.5 million in projected property tax revenues and \$2.7 million in projected Federal Government COVID-19 relief funds. The overall impact of the Operations loss and Nonoperating Income offsets was a projected \$1 million overall financial loss in 2022. However, due to uncertainties about how much of the \$2.7 million in projected Federal Government COVID-19 relief funds will be received, it is likely that the actual 2022 overall financial loss will be greater than \$1 million; and,
5. **WHEREAS**, With Federal Government COVID-19 relief funding ending, unless mitigating actions are taken, the financial outlook for Estes Park Health in 2023 and beyond will be unsustainable; and,
6. **WHEREAS**, Faced with the projected 2022 and 2023 financial losses, Estes Park Health's Medical Staff, Leadership Team, and Board of Directors are certain that, to continue to provide high-quality healthcare services and continue to survive financially, significant changes must be made in what clinical and support services are provided and how they are provided; and,
7. **WHEREAS**, As a result, Estes Park Health leadership, including the Medical Staff and the Senior Leadership Team, with the support of the Estes Park Health Board, initiated a multi-month, thorough assessment of all Estes Park Health clinical and support services to identify opportunities to bring Estes Park Health onto a long-term, financially sustainable path through revenue increases and expense reductions; and,
8. **WHEREAS**, In the review of proposed additions and changes in services, the primary focus of the entire Estes Park Health organization, including the Medical Staff, Senior Leadership and Board of Directors has been to provide high-quality, sustainable healthcare for our Estes Valley residents and visitors. The review also considered:
 - 8.1. Our Estes Valley community's current and future healthcare service needs and the clinical and support services offered across the country by financially strong Critical Access and Rural Hospitals similar to Estes Park Health;

8.2. For the needed healthcare services that could provide positive financial contributions, the review considered: Current and future clinical volume projections, best-practice staffing requirements for the services, Estes Park Health’s access to the staff required to provide the services at high-quality levels, and estimates of current and future revenues for current or possible future services.

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

- 9.1. Estes Park Health Leadership will implement the following strategic actions to strengthen Estes Park Health services and finances and enable Estes Park Health to provide sustainable high-quality healthcare services to our community members and visitors:
 - 9.1.1. Information Technology (IT) Optimization
 - 9.1.2. Chargemaster Update
 - 9.1.3. Revenue Cycle Process Optimization
 - 9.1.4. On-Call Housing Optimization
 - 9.1.5. Workforce/Organization Optimization
 - 9.1.6. Inpatient Pediatric Service Transfer to a Partner Organization
 - 9.1.7. Obstetric Deliveries Service Transfer to a Partner Organization
 - 9.1.8. Home Health, Home Care, Hospice Optimization
 - 9.1.9. Chemotherapy Service Restart
 - 9.1.10. Cardiac Rehabilitation Service Addition
 - 9.1.11. Cardiopulmonary Rehabilitation Service Addition
 - 9.1.12. Diabetic/Nutrition Education Service Addition
 - 9.1.13. Electronic Intensive Care Unit (eICU) Service Addition
 - 9.1.14. Medical Staff Development Planning Including Consideration of Adding New Services

ADOPTED by the Board of Directors of Park Hospital District, d/b/a Estes Park Health this 8th day of August 2022.

BOARD OF DIRECTORS OF THE PARK HOSPITAL DISTRICT

By: _____
David Batey, Chair

Attest:

Drew Webb, Vice Chair

Stephen Alper, Treasurer

Diane Munro, Secretary

Bill Pinkham, At Large