

Sublette County Rural Health Care District  
Board of Trustees  
Regular Meeting  
February 19, 2020

**Venue:** Marbleton City Hall, Marbleton, WY

**Trustees Present:**

Wendy Boman, Chairman  
Bill Johnson, Vice-Chairman - by phone  
Tonia Hoffman, Secretary/Treasurer  
Mike Pompy, Trustee  
Marti Seipp, - by phone

**Call to Order:**

Ms. Boman called the meeting to order at 5:00 pm.

**Pledge of Allegiance**

**Set Agenda:**

Wendy Boman moved to set the agenda, Tonia Hoffman seconded the motion

Gregg Hardy from Air Methods announced that they are now in network with Blue Cross Blue Shield of Wyoming, which will make a huge difference here in Wyoming but he did want people to keep in mind that they are unable to do anything about the amount of each individuals insurance deductible.

Kelsie Olsen and Mindy Hall and Roger with EIRMC gave information about their Telestroke program and the importance of a timely response to anyone having a stroke and the relationship that the SCRHCD has with EIRMC and their services provided via Tele stroke.

**Financial Review – Leonard Garcia**

He distributed copies of the draft of the financial review to the board, and went onto say, the first letter addressed to the board of trustees is the mitigation letter, it is really more relevant in larger organizations and addresses multiple levels, department heads, presidents, vice presidents, administration etc. but for the folks that are so close to the administration it might be a little redundant since the board is so close to your administration. He went on to say as a general rule auditors and larger organizations usually speak to one or two members of the board called the audit committee who review everything for accuracy and then report back to the other members of the board, they might miss something, so that is why this letter is there. Now in this letter he is required to put in a couple things, and one thing on the first page is your estimates. you have three major estimates, pension liability, depreciation, and your allowance for deductible accounts. Any one of those journal entries that he has posted for this financial estimate can cause your financial statements to go into a negative situation which is why they are so important.

He then said the next letter is a 4-5 pager, it is basically the letter that the board will be providing him, a cover letter. It is stating that you (the district) are responsible for the financial statements and have all rights to the information, you have no knowledge of fraud abuse or non-licensed material and you are not in any litigation or in a law suit any of those circumstances could result in the termination of this financial statement.

He went onto the financial statements, page one was the auditor's report which he said discusses your responsibilities. Again, it states that the SCRHCD is responsible for the financial statement which can seem counter intuitive because the district did not prepare them. But it is a requirement that the board and management have to have a minimum of the skill knowledge and experience to be able to understand and review the financial statements. If the board was incapable of that then he could not provide the district with an audit. He does sample transactions in our accounting records so he can draw enough evidence to support an opinion. In short, the auditor found nothing in our records that made him believe that there was anything in the district's material records to lead him to believe that there are material errors, fraud or abuse.

He moved onto page 3 where he said, you have two sets of financial statements for governmental agencies, you have two balance sheets and two financial statements. First one to concentrate on is the governmental full accrual, if you are a business person it is what is most familiar, or also known as your business approach.

He stated that he usually compares to the prior year from last year so he can speak about major variants between the two. Comparing costs and investments from last year they were very comparable to this year, they were about \$100,000 less because you payed off a bunch of your payables. For the most part the accounts receivable went up \$100,000 a year, there are a lot of variables that play into that number. For the most part all of your other assets had no major variants there as well. For your current comparable assists, they fell in net by about \$158,000 that is to say you have had damage to your property or equipment but is entirely depreciation that can be credited mainly to the use of equipment. All the other liabilities are about the same, employees' benefits are up about \$54,000 and that is just a timing issue. He found a problem that will affect the financial statements. The district participates in the WY retirement system which is an independent state agency, it has unfunded liability. In short if everyone retired at once they would be short by about 40% if they went bankrupt. In the past they would go back to the participants and request money, the law has since been changed and they aren't allowed to do that but for the district who are bond holders and really rely on these financials to make decisions about buying these entities bonds it is a very important consideration for us to look at. In sum, our pension liability that reflects our proportion share is \$7.3 million which is up from \$2.1 million from last year which is a significant increase and significantly impacts our financial statements. If a bond person did see these it might make him increase his interest rates to account for the additional risk. He also pointed the last 3-line items he mentioned that this was our equity, which is a positive number so since inception the SCRHCD has had sufficient revenue to cover their expenses by about \$7.2 million so it is not in a negative equity position.

He went onto review page 4 which was the Income Statements. He stated that administrative expenses re down about \$162,000 – last year you had about \$550,000 dedicated to the design of the CAH hospital that we were working on that year, this year we had about \$300,000 for the subdivision property that was being reviewed. That is where he came up with the decrease of administrative expenses.

Pinedale Clinic's expenses are \$3.7 million which is up about \$244,000 for expenses from last year. And that really revolves around our health care claims and payments. A lot has to do with the fact that he posts a significant pension expense to your account as well for your pension liability.

Marbleton had an expense of \$1.4 million which is down by about \$108,000 and that is due in part to the fact that the payroll was down about \$52,000 and the health claims for them were down about \$20,000. And for the EMS the number is up by \$411,000 but half of that can be attributed to your health claims. And in our pre meeting we just happened to discuss that EMS had more of their fair share of medical claims this year with injuries and illnesses. As far as charging for services they are almost identical to last year so in total there was only about a \$78,000 decrease.

Overall, from your governmental activities the admin services had a \$1.6 million loss, Pinedale Clinic has a \$1.5 million loss and Marbleton Clinic had a \$800,000 loss and EMS had about a \$1.4 million loss. Overall, the district only had about a \$153,000 loss, and that is because if you look at the line called property taxes, you had \$4.9 million in property taxes which is an increase in \$1 million because you had a significant recovery in your property valuations in 2002.

He then went onto review the additional pages in the report;

Page 5 balance sheet

Balance sheet doesn't include fixed assets or long-term liabilities.

Page 6

A reconciliation of the two balance sheets. IT removes fixed assets and pension liabilities

Page 7

Another income statement, eliminates pension liabilities and effects of depreciation that is why you see the difference of 142,000 positive (equivalent to net income)

Page 8

Nothing but reconciliation tools to use

Page 10 are the notes, which are self-explanatory, he just wanted to draw attention to note number 5 (page 16) and that is just the re stating where the vast majority of your assets are, which are in machinery and equipment.

Page 24 is our budget comparison, this is very important for the WY department, they like to see if you are actually able to meet your budget if you notice that the one called health claims is

going in negative. \$160,000 negative variance which means that they overspent health claims expense which could bring attention to the WY dept of revenue and audit. They would say don't do this again, pay attention and make a budget.

Page 26 is a schedule of district contributions over the years 2008-2019 contributions made to the WY state retirement system equals \$668,750 in a single year. If you look down at the covered payroll it went down from 4 million dollars to 4.4 million dollars. Just giving you an idea of how things change over time.

If you go to page 27 and you look at the second line 5.2 million dollars in net liabilities 7.3 million dollars now makes it a significant adjustment in your balances from last year. If you look at the last balance line you will see that it is 69%. Basically, that is the funding, the local funding the state of Wyoming has. SO about 31% is not terrible but not ideal.

Page 20

The yellow book, which describes the finding agreement, you have one controlled finding and one compliance finding. And the controlled finding will be the separation of duties and the compliance was the budget overage.

Page 30

In a perfect world you want a separate person to initiate transaction, approve, record, reconcile and retain custody of the assets. Which is near impossible to do because right here you need five people full time to make these parts work. You don't have the resources or personal income. However, don't panic, they do a great job separating duties because the RHCD has Kelli, Michelle, Dave, and a very active board which scrutinizes the transactions for reasonableness. They do a great job but don't meet the ideal but they still do a sufficient job. On the audit response, you will have to decide what needed to be said there, he added a recommendation, that can be changed. Now for the compliance finding that is the variance on the budget. Essentially Wyoming states that you WS 16-4-108 statute states that no officer or municipality will make any expenditure of total appropriations for any department. SCHRHCD falls under accounts so if we feel that we are every over budget then we have to amend our budget and approve it.

Wendy Boman asked if it was basically a clean audit

Leonard replied yes, as you mentioned before there was nothing that look off regarding material fraud, material abuse, etc. he didn't find anything that would lead him to believe

Wendy Boman reiterated that the separation of duties was an issue and always have been in previous years and the only other thing would be the overage on the health claims?

Leonard said that the district has always done excellent with the separation of duties and he has worked with Michelle on that, and for the overages of health claims the district ideally when it gets close to the edge it is recommended to add another \$100,000 to ensure that it won't happen. Kelli can help with any questions or comments

Wendy Boman moved onto our routine business, she called Bill Johnson and Marti Seipp on the

phone.

## **Routine Business:**

### Administrative and Finance Report / Dave Doorn

Vicky Marshall's Report – Melissa Watson and Amber Wollaver have both passed their tests and now have their nursing degrees. Melissa will start on the 10<sup>th</sup> and Amber will start on the 28<sup>th</sup>. It is a great success story, they were EMTS and went onto get their degrees and continue to work for the district. We are going to start our firefighter stress tests tomorrow which we do annually.

Dave went onto day that he found out that he will get the draft copy of the MOU and will be able to talk about it once he receives it. We have also put on an active shooter training which was done in Marbleton today and will be done in Pinedale tomorrow.

Dave said that as far as numbers the district had a quite month, the revenue was down but expenses were in line. We did spend \$36,000 on capital which was architecture piece. As you can see, we are well below budget in all areas though. As you can see, we are below expenses by about \$500,000 right now. So, our balance sheet is pretty consistent, total assets are hanging in their really close, down a little bit but hanging in.

Activity in the clinics – Marbleton clinic was down 5% and interestingly enough we were up 25% scheduled appointments and we were up same day appointments by 3% which is good news. It is close to becoming a trend down there and we have been really doing well in Marbleton. Pinedale overall activity was up by 10%, one of the trends we are making plans to address is our same day visits increasing significantly. We have made some adjustments to physician's schedules already so we have room for individuals that come in for those same day appointments. EMS had a quiet month, that is basically our reduced revenue we are looking at. We were down 911 calls 5%.

He did want to announce that Brad Lindstrom did resign and his last day is at the end of April but we will have a replacement (unnamed) in house before Brad leaves. He also recognized the great job done by Kelli and Michelle on the audit.

### EMS Report / Bill Kluck

Bill Kluck said that EMS is just keeping up with our training, we did do the K9 care class. Dr. Gelhausen came in and did a fantastic job. He is hoping by middle of March to have those guidelines to take care of our K9 officers. Safety, wear proper clothing, get reflective clothing around the roads. Be aware of black ice. EMS was at the Winter Carnival and had no accidents. The blood drive set a new record in Sublette County, the administrator of Vitalant was proud and they are working on dates for upcoming months. MS256 broke down and needed to be towed from Farson. It ended up being a valve that needed replaced and it is now up and running. He congratulated Amber and Melissa, with them leaving he has offered the position to Ashley Gerr who lives here in Marbleton.

### Public Relations/Emily Ray

She passed out an events list which had about 3 months of events planned with a variety of locations. She stated that a lecture was done at Rendezvous Pointe today which was a change of location and a change of time from our average lectures brought about 25 people compared to the average of 9. We had a good turnout at the Marbleton library, the goal to move to the library was to bring a different demographic to the events, it did bring one younger individual named Brienne Brower and she was impressed. She emphasized the monthly consistency that she is trying to stick to. A majority of the lectures coming up are going to be nutrition based. Next month is National Nutrition Month, March ninth Dr. Dorrity is speaking about anti inflammatory diets, and this will coordinate well with the library and their health and nutrition group. She plans on coordinating lectures with Dr. D and Keri as well with that. We had a good turn our for our January promotion, she did find some kinks that needed to be worked out with social media promotions. At the end of the month there are 2 EKG clinics at both locations and we have 8 people signed up for it now, but she is advertising consistently. She mentioned that she advertises via flyers, social media, our website, as well as Pinedale online and the newspaper. Today she met with the president of the Food Basket to work on a long-term promotion. With it being tax season and not selling a single gift certificate in December for our December promotion, Kelli came up with an idea to promote health through the food basket as well. So, people that have additional money for tax write offs they could go through us. We are still working on the logistics of that, but we are really excited about it. She touched base on social media statistics. Facebook reaches about 2,000 people we are up about 83% in our page views, and we have a lot more people liking and following us. I think as we can see that there is not as much negativity and misinterpretation of facts too. She thinks that getting out on these different platforms has really helped. Instagram has really expanded as well, which is our younger demographic a majority of women aged form 35-44. We are still increasing 40-80% in all aspects of that. This is the first time she has reported on newsletter statistics which are put out monthly and 41% open rate, the industry average open rate is 15% so we are exceeding the average in Pinedale. Marbleton meets the average industry open rate but she hopes to improve upon that as well. The website traffic has increased as well, which she keeps up to date. The last thing she has been working on is volunteer opportunities, Dr. Fitzsimmons and a large group of individuals volunteered at the Pedigree Stage Stop, some individuals are helping with more events in the future as well. We are really encouraging the staff to volunteer out in the community more.

### Committee Reports

#### CAH Committee (Bill Johnson / Mike Pompy):

Mike Pompy stated that everything has been dependent on the last few meeting with the Sublette Center. He feels considerable progress in coming together, and he stated that Dave has a better feel for what we can accomplish and how we can proceed with the hospital.

Dave wanted to say thank you to the county commissioners for making great motions. They made a motion to commit the 20 million dollars toward the project contingent on the Hospital District. They made a motion to donate the properties both Pinedale and Marbleton and the old clinic as well as the land contingent on reversion issue. It is great that they are willing to commit close to 41 million dollars to the project. He also would like to thank the Sublette Center Board.

We are finally getting together and had a good meeting on Monday. There were a lot of changes to the MOU on Monday and he feels that it will take a couple more meetings but we are getting close on that issue as well. He is very encouraged and we are moving ahead.

Wendy Boman asked if a motion needed to be made for our contribution to the purchase of the ball fields tonight?

Dave thought that it would be a good idea.

Wendy Boman clarified that the commissioners had made a motion yesterday to share 1/3 of the cost of the ballfields up to 3.3 million. Meaning that each entity would pay 1.1 million dollars. The commissioners voted and approved that yesterday. Wendy asked Clay Kainer if we should have advertised this, or if we can make a motion tonight.

Clay Kainer said that we could make a motion but with the MOU still pending he would suggest that we should call a special meeting and address both the MOU and the ballfields at that meeting.

It was decided that the motion will be held off.

Wendy Boman then stated that we should call a special meeting soon so the commissioners and town know that we are on board with them. She mentioned another thing the commissioners offered to do which she feels is really great is to move the ditch that is currently running through the property that we are wanting to build on and they are going to pay for it. So, thank your commissioners because they have really done a lot to bring this whole thing together.

She stated that there will probably be some sort of special meeting next week.

Bill Johnson asked when Wendy and Dave are going to meet with Lorraine Werner with the USDA?

Dave stated as soon as we get the MOU figured out then we will make the appointment and get over there.

Bill Johnson asked if the special meeting be after Wendy and Dave get back?

Wendy and Dave did not think it had to be.

Wendy really wants to approve the monies that they need to put into the ballfields as soon as possible and then we can go over and talk to Lorraine after that.

Bill stated that Matt Murdock stated that it is possible that the council will have to back off on the third part as far as the \$200,00. They are good for a million dollars but not for any more than that. So, the Rural Health Care District board might have to put up that remainder for them.

Marti Seipp asked if we have an amount that we are working on Lorraine with?

Wendy Boman stated that she is worried that the public sees it that the district is paying \$51 million for this project and it needs to be broken down. The commissioners are basically going to pay \$20 million and some of the costs involved in the remaining amount would be \$18-20 million bricks and mortar then we have financing costs, FFE (furniture, fixtures, and equipment), we have interest for the term of the lease, construction loan and the ground, (the million dollars for the ground). SO we think that that will come somewhere between &26-28 million. That will be sharing dietary and the planned area with the Sublette Center as well. She just doesn't want the public to be confused and think that we are spending \$51 million.

#### Building Committee/Bill Johnson and Mike Pompy

Mike Pompy stated that he is working with the architect to see what needs to be done with the building down here. We might have some reprieve on the ventilation which is a big portion of it and it might come down to just the addition of the firewall.

Wendy asked if the architect is going to look at that.

Dave said he wanted the MOU in place before he paid for those guys to take extra trips down and Dave confirmed that we have 600,000 set aside for those improvements.

Tonia Hoffman thought that it would be a great project to get started with this summer.

#### Compensation Committee/Marti Seipp

Marti did not have anything with the Compensation committee

#### **New Business:**

No new business

#### **Public Comments:**

An individual in the crowd thought that she read that there might be a separate board structure?

Dave answered stating that we are a Health Care District right now, the project we are looking at right now will change us from a Health Care District to a Hospital District. So, what that will do is give us one more mil, there will be a newly elected board. So basically, we are trying to combine this board and the sublette center boards together and then a new board will be elected.

Wendy added that there will probably be 5 positions and anyone can run.

The individual went onto say that she was so proud of our professional response of Sublette County EMS for the gentlemen's 4 wheeler accident in Bondurant, and she was in the right place at the wrong time for another accident at the Den where a man had a heart attack. She cannot express how fortunate we are to have Bill Kluck. She wanted to congratulate us for Bill and our



service.

Dave said a unique thing with our system is that since the EMS and our clinics are together, they work together. The EMS help physicians and it is a real team effort. And we are doing our best to keep the services as close and as quick as possible in the county

Bettina Sparrowe asked if we are looking at having the clinics open Saturday right now.

Dave said that we are looking at everything right now. Right now, we are looking at the cost-based reimbursement programs with the CAH so we can have those extra funds to start adding back services. He mentioned that the providers have been staying at a specific clinic more often, and we have a provider coming in April and it seems that our efforts have been rewarded. We are really seeing a lot more business in the Marbleton/Big Piney Clinic.

Bettina asked if there was anywhere that we have stated written down what kinds of ailments will and will not be able to be taken care of with the CAH.

Bill Kluck said what we are looking at here at the clinic and we have been tracking what could have stayed in sublette county and what couldn't. For example, if you needed IV antibiotics for a few days why are we sending them to Jackson for that when we could keep them here? Another example of this is a couple weeks ago, he had a young boy who fell off, hit his head, by standard you are supposed to watch him for 24 hours and he had to be sent to Jackson to be watched for 24 hours. Bill Kluck went onto say that if you have a heart attack, stroke, perforated bowel etc. where even Jackson would have to go further for assistance, we can't handle anything like that. Bill broke it down more, if you need a specialist it is not going to happen in sublette county which is where the line is.

Dave said that the good new with the CAH it can grow with Sublette County. As Sublette County grows, so will the services. You can look across the state and see all different sizes of CAHs, from Cody to Kemmerer and everything in between. We see a demand and we can try to address that demand and we can add services as we go and the telemedicine, we were talking about earlier is great because we can bring specialists in here.

Maxine state that after the auditor she still didn't get a sense of where we came in this year.

Dave stated that it can be confusing because the has so many adjusting entries in there that he wants to do, for next month, he will do a comparison to budget. When he makes those big adjusting entries for the pension it throws off the operations. He wants to make a good comparison as to what the operations did which is why it is hard to say right now. He basically wants to say this is our budget and this is where we ended.

Wendy Boman asked Kelli Lovell where are our reserves at right now.

Kelli Lovell said that she has not looked for a month but she would say it was at \$7 million.

Dave stated that as of the end of January our total current assets were at \$10 million and he

thinks that we are at \$11-12 million if you add in the Kaiser investments with our cash.

**Old Business:**

**Approval of minutes –**

Mike Pompy made the motion to approve the minutes for January 22, 2020, Tonia seconded, motion carried unanimously.

**Routine Business:**

Approval of Payroll and Bills

Tonia made the motion to approve payroll and bills for the amount of \$718,074.25

Wendy seconded the motion, motion carried unanimously

Wendy made a motion to move into executive session, Mike Seconded the motion, unanimous approval.

Executive Session:

**Adjournment:**

7:00 pm

Minutes taken by Emily Ray

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Wendy Boman, Chairman

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Dave Doorn, Administrative Director