

**DELTA HEALTH**  
**Board of Directors Meeting**  
Monday, March 27, 2023  
Crag Crest/Mesa Lake and ZOOM

**PRESENT:**

Jean Ceriani, Chairman	Tammy Smith, Member	Vickie Moore, Exec. Director, Clinic Operations
Doug Speedie, M.D, Vice Chairman	Julie Huffman, CLO / Interim CEO	Rhonda Katzdorn, Exec. Director, Human Resources
Bruce Mixter, M.D., Secretary/ Treasurer	Jody Roeber, CCO	Jarred Freese, Chief of Staff
Matt Soper, Member (via ZOOM)	Melissa Palmer, EDON	Donica Harrison, Exec. Assistant

**MEETING MINUTES:**

Viewing of this meeting was made available to the public via video conferencing as well as in-person.

**I. CALL TO ORDER**

The Board of Directors meeting was called to order at 5:30 p.m. by Chairman Jean Ceriani.

**II. BOARD UPDATE**

- A. New Board Member.** Jean Ceriani introduced Davis Walton as an upcoming Board member who will be sworn in during the May Board meeting. Davis shared some of his personal and work history with the group as well as his appreciation in becoming part of our organization.
- B. Statement.** Jean Ceriani read the attached statement updating our staff and communities on recent changes that have taken place at Delta Health.

**III. APPROVAL OF PREVIOUS BOARD MEETING MINUTES**

The minutes from the **February 27, 2023** regular Board meeting were presented by Jean Ceriani.

**ACTION:** Dr. Speedie made a motion to accept the minutes of the February 27, 2023 Board meeting as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

The minutes from the **March 9, 2023** special Board meeting were presented by Jean Ceriani.

**ACTION:** Tammy Smith made a motion to accept the minutes of the March 9, 2023 special Board meeting as presented. Dr. Speedie seconded the motion. All were in favor. None were opposed. Motion carried.

The minutes from the **March 16, 2023** special Board meeting were presented by Jean Ceriani.

**ACTION:** Dr. Speedie made a motion to accept the minutes of the March 16, 2023 special Board meeting as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

**IV. FINANCIAL**

- A. Access to Financial Accounts.** *CLO and Interim CEO Julie Huffman* read the attached Resolution Regarding Access to Financial Accounts to the Board of Directors.

**ACTION:** Tammy Smith made a motion to approve the that former CFO Larry Vincent be removed from all financial accounts of Delta Health and Julie Huffman, CLO and Interim

CEO, and Larin Jones, Controller, be added as authorized users on all financial accounts of Delta Health as stated in the Resolution Regarding Access to Financial Accounts. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

**V. MEDICAL STAFF**

**A. Medical Staff Credentialing.** *Dr. Mixter* presented the following update from the Med Exec Committee:

The following credentialing applications were reviewed and approved in the March 8, 2023 Med Exec meeting:

New Applications: Lorenz Ramseyer, M.D., Radiology  
Darrin Green, M.D., Hospice

Re-Applications: Sara Knutson, M.D., Pulmonology  
John Knutson, M.D., Orthopedic Surgery

**ACTION:** Dr. Mixter made a motion for the Board of Directors to approve the credentialing report of the Med Exec Committee as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

**B. Chief of Staff Report.** The Med Exec Committee met on March 8<sup>th</sup> and *COS Dr. Jarred Freese* reported the following:

- The Allied Health Professionals have requested to be voting members of the medical staff, which will be discussed further at the next Med Exec meeting. The Med Exec will then forward a ballot to the Active Med Staff to vote on an amendment to the bylaws at our next meeting in May.
- Dr. Freese shared his belief that our Medical Staff is one of the most cohesive he has seen in the 10 years he has been here. He feels there is positive momentum among the staff and expressed that though there is uncertainty, it is not reflective of the people providing the care and emphasized they intend to continue doing a good job of helping people as they've always done. He is optimistic we will continue to move forward and possibly come out even better.

**C. Proposed Amendments to Medical Staff Bylaws,** COS Dr. Jarred Freese

**ACTION:** Dr. Speedie made a motion to approve the amendments to Article XIV of the Delta Health Medical Staff Bylaws as approved by the Medical Executive Committee on Wednesday, January 11, 2023. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

**ACTION:** Tammy Smith made a motion to approve the amendments to Section 3.3.2 of the Delta Health Medical Staff Bylaws as approved by the Medical Executive Committee on Wednesday, January 11, 2023. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

**VI. OTHER BUSINESS**

**A. Facility Fee Update.** As a member of the Health and Insurance Committee in the House, Matt Soper ran an amendment to exempt all Sole Community Hospitals and Critical Access Hospitals from HB 23-1215. Matt also shared other potential amendments to the Bill under consideration.

**B. Further Comments**

1. Jean Ceriani proposed changing the April Board meeting and Finance Committee meeting to allow additional time for financial reports to be prepared.

**ACTION:** Tammy Smith made a motion to move the April regular Board meeting and the Finance Committee meeting to April 24, 2023. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

2. Dr. Speedie pointed out that 38 years ago our organization went through a similar financial situation and came out fine. He expects Delta Health to be here in another 38 years and stressed that if we are committed to doing whatever it takes to continue to be here, we will remain functional and viable in the community. Matt Soper pointed out that the staff and community were with us through the process of gaining Sole Community Hospital Status and achieving the tax initiative and asked for continued faith.

**VII. EXECUTIVE SESSION**

**ACTION:** At 6:02 p.m. Tammy Smith made a motion to go into Executive Session for the purpose of (1) Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions under C.R.S. §24-6-402(4)(b). Specific matters cannot be named because it would reveal confidential matters or compromise negotiation strategy; (2) Specialized details of security arrangements or investigations under C.R.S. §24-6-402(4)(d); and (3) Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators under C.R.S. §24-6-402(e). Specific matters cannot be named because it would reveal confidential matters or compromise negotiation strategy. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

All Board members were present for the Executive Session as well as CLO and Interim CEO, Julie Huffman and incoming Board member Davis Walton.

Executive Session adjourned at 7:24 p.m.

**VIII. ADJOURNMENT**

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 7:25 p.m.

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**Bruce Mixter, M.D., DCMHD Board Secretary/Treasurer**

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**Date**

## MESSAGE FROM BOARD CHAIR, JEAN CERIANI

I would like to take a minute and update our staff and communities on recent changes that have taken place.

On March 13<sup>th</sup> we learned that our CFO, Larry Vincent had resigned without notice. Following his unexpected departure, the board felt it was prudent to have an outside consultant evaluate the condition of the organization's finances. The board learned from this evaluation that there were inconsistencies within the financial reports; however, it is imperative to note that it did not reveal any evidence of fraudulent or illegal activity.

What was revealed is that our remaining cash investments are encumbered by our debt obligations. This means that our cash reserves are restricted, which prevents us from liquidating, selling, or transferring these funds. Barring any unforeseen circumstances, we are confident we will be able to continue to meet our financial obligations – first and foremost to our staff and to our vendors who support us. We are currently exploring several emergency funding resources that may be available to us, should we need them.

During a special board meeting on Friday evening, the Board in consultation with Matt Heyn, mutually agreed that it is in the best interests of the organization to make a change in CEO leadership. Matt is no longer with our organization. Julie Huffman, CLO, has been appointed interim CEO during the transition.

Various factors contribute to the financial state we find ourselves in. The primary contributor has been the crippling effect of repaying the Medicare advance payments we received from CMS in the wake of the COVID pandemic. Our repayment obligations, which accelerated throughout 2022, have devastated our cash reserves. We have now repaid every dollar, having made the last payment in March.

Another big hurdle we face is inconsistent payment by our insurance payers. We rely heavily on timely payments so that in turn, we can meet our necessary financial obligations. When insurance carriers do not pay on time or in full, it has a direct impact on our financial health. In addition, Delta Health has a payer mix of 70-80% Medicare and Medicaid, and have substantially lower reimbursement rates than private insurance.

Delta Health is not alone in its financial struggle. Rural hospitals around the state and the nation are in financial hardship. In fact, 60% of Colorado hospitals are struggling financially right now. While this does not help us with what we're going through, it is important to know that we are not alone.

Our main focus is on our staff, providers, our patients, and our community. As an organization, we are working hard to ensure our communities' continued access to healthcare. Not only does Delta Health provide hospital and primary care services, but it is also one of the largest employers and is the leading contributor to the economic stability of Delta County. The trust and confidence of our staff and community are a great responsibility and precious resource. To serve a strong rural population with diverse needs, the local hospital and health system must stay intact, healthy, and viable.

Both the Board and the Administrative team are reaching out to various resources across the State to identify short- and long-term solutions to the current state of our finances and our need for permanent leadership. Delta Health is committed to the highest degree of transparency and professionalism. We will continue to share information as we have it.

DELTA COUNTY MEMORIAL HOSPITAL DISTRICT  
RESOLUTION REGARDING ACCESS TO FINANCIAL ACCOUNTS

WHEREAS, on March 10, 2023 Larry Vincent resigned from Delta Health;

WHEREAS, the continued financial operations of the organization require the authorized access to financial accounts and information;

NOW, THEREFORE, be it resolved by the Board of Directors of the Delta County Memorial Hospital District (dba Delta Health) in the County of Delta, State of Colorado that Larry Vincent be removed from all financial accounts of Delta Health, and that:


Julie Huffman, CLO and Interim CEO

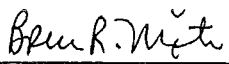
And

Larin Jones, Controller

Be added as authorized users on all financial accounts of Delta Health.

ADOPTED AND APPROVED this 27<sup>th</sup> day of March, 2023 by the Board of Directors of the Delta County Memorial Hospital District, Delta County, Colorado.

  
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Jean Cerani, Board President & Chair

  
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Bruce Mixer, Secretary