NOTICE OF REGULAR BOARD MEETING OF THE
UPPER SAN JUAN HEALTH SERVICE DISTRICT d/b/a PAGOSA SPRINGS MEDICAL CENTER
Tuesday, November 17, 2026, at 5:00 p.m. MDT
The Board Room (direct access – northeast entrance)
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The public may attend in person or via Teams.
Join on the web: **https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1**
Meeting ID: 214 642 159 533 32
Passcode: M8yR6fg6

AGENDA

1) **CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD**
   a) Confirmation of quorum
   b) Board Director self-disclosure of actual, potential, or perceived conflicts of interest
   c) Approval of the Agenda (and changes, if any)

2) **PUBLIC COMMENT** This is an opportunity for the public to make comments and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Antionette Martinez, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.

3) **PRESENTATIONS** *2026 Floods*

4) **REPORTS**
   a) **Oral Reports** (may be accompanied by a written report)

i) Chair Report	Chair Kate Alfred
ii) CEO Report	Dr. Rhonda Webb
~~iii) Executive Committee~~	~~Chair Alfred, Vice Chair Mees~~
iv) Foundation Board	Dir. Foss, Dir. Wilson, and CEO Webb
v) Facilities Committee	Vice Chair Mees, Dir. Taylor, CAO Bruzzese
~~vi) Strategic Planning Committee~~	~~Chair Alfred, Treas. Floyd, CEO Webb~~
vii) Finance Committee Report	Treas. Floyd, Dir. Hooper, Controller S. Wagoner
(a) October, 2026 Financials	

viii) Medical Staff Report — Chief of Staff, Dr. Corinne Reed

5) DECISION AGENDA

a) Brief overview of PSMC's *Nursing Master Staffing Plan for Inpatient and Emergency Departments* and consideration of Resolution 2026-10 regarding approval of the same.

b) Presentation of the 2027 Budget (follow-up to the 10/8/2026 public hearing and initial budget presentation):

i) Consideration of Resolution 2026-11 to adopt the budget for 2027;

ii) Consideration of Resolution 2026-12 to appropriate sums of money; and

iii) Consideration of Resolution 2026-13 to set mill levies.

6) CONSENT AGENDA (The Consent Agenda is intended to allow Board approval, by a single motion, of matters that are considered routine. There will be no separate discussion of Consent Agenda matters unless requested.)

a) Approval of Board Member absences:

i) Regular meeting of 11/17/2026

b) Approval of Minutes for the following meeting(s):

i) Regular meeting of 10/27/2026

c) Approval of Medical Staff report recommendations for new or renewal of provider privileges.

7) EXECUTIVE SESSION

The Board reserves the right to meet in executive session for any purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).

8) OTHER BUSINESS

Generally, this agenda item is limited to requests for a matter to be added to a future agenda of the Board or a Committee.

9) ADJOURN

Next Meeting: ***Monday***, December 14, 2026, at 5:00 p.m. MT

PAGOSA SPRINGS MEDICAL CENTER *FOUNDATION* BOARD
Report for the PSMC Board Meeting on November 17, 2026

The Board of Directors of the Pagosa Springs Medical Center Foundation Board, a nonprofit foundation that exists for the sole purpose of supporting PSMC, met on November 12, 2026 (present were Foundation Board Chair Rhonda Webb, MD, Foundation Director Ashley Wilson, Foundation Director Eric Foss and PSMC's CAO, Controller, and Manager of Community Relations). The report below summarizes the actions of the Foundation Board.

1. Dingus, Zarecor, and Associates, P.C. (DZA) presented the clean 2025 audit to the Foundation Board which report included DZA's opinion that the financial statements "present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP)." The Board passed a resolution accepting the audit.

2. DZA also presented the Foundation's I.R.S. Form 990 for reporting donations in excess of $5,000 in a calendar year. The Foundation Board passed a resolution accepting the proposed I.R.S. Form 990 which has been submitted to the I.R.S.

3. The Foundation Board unanimously passed a resolution to convey a capital asset (a donated custom table for the hospital spiritual area) to Pagosa Springs Medical Center.

PAGOSA SPRINGS Medical Center
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PSMC BOARD FACILITIES COMMITTEE
Report for the PSMC Board Meeting on November 17, 2026

The Board's Facilities Committee met on November 12, 2026, with the following committee members present: Vice Chair Matt Mees, Director Gwen Taylor, At-Large Member Kathee Douglas, the CEO, the CAO (via Teams), the Interim COO, the CNO, the Manager of Community Relations, and the Director of Facilities. The report below summarizes discussions of the Committee.

1. **UPDATES ON SIGNIFICANT CONSTRUCTION PROJECTS:**

a) **302 San Juan St. – East Side EMS**
(1) Reminder of previously reported information:
(a) Construction Documents complete.
(b) Value engineering meetings reduced anticipated costs from $1.6M to approximately $1,350,000 (GMP not yet signed).
(c) Anticipated work in October: demo permit and processing for building permit
(2) New reporting:
(a) Work on this project is unlikely to begin before a temporary bridge over the Piedra River is functional.
(b) Flood #1: Water reached the back of the building; some dirt erosion, but no significant issues found.
(c) Flood #2: Water all around the building, at least 2 inches inside, some movement of the of the upper part of the building on support posts. Need an updated design (and additional costs) to accomplish the following:
(i) Hydraulically lift the building replace support posts and add a stem wall.
(ii) For the garage, demo and remove the slab inside the garage and driveway and install new slab with an additional 5 inches so the garage slab will be 12 inches above base flood elevation (the upper part of the building is 12 inches above base flood elevation, but the garage foundation is only 7 inches above base flood elevation). The building is in the flood plain and the land behind the building is in the flood way.
(iii) Move the location of the back-up generator to side of building — some fencing will be required to meet Town code.

b) **Campus Monument Sign**
(1) Previously reported:
(a) Design by DHM Architects in Durango and work by Nunn Construction.
(b) DHM handling land use with the County.
(2) New reporting:
(a) Sign design finalized.
(b) Architect is working on construction drawings – requires designs of structural and electrical engineer.
(c) Plans will need County approval.
(d) Pricing to follow.
(e) Timing probably late Spring given the lack of highway access to Pagosa.

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c) **Amendment Add-On to the SPD Project – the Clinic Remodel of Accounting Space**
(1) Previously reported:
(a) This project is underway and being performed by Nunn (anticipated cost $210,000).
(b) Completed demo, hvac adjustments, framing, drywall. Expected completion in November.
(2) New reporting:
(a) This project would have been completed at the end of October, but was not due to floods.
(b) Project expected to be completed on 11/20 (final work includes, door hardware, final paint, replace window, test/balance HVAC, fire alarm test with PSFD, Town building inspection).

d) **CORE Building Remodel:**
(1) Reminder of previously reported information:
(a) Contract to be signed for a simplified project to refresh paint, flooring, some temporary walls for an education room, a few window changes, and exterior stucco repair.
(b) Goal is to accomplish the project as possible with the subs working on the EMS building.
(c) Working with Nunn on scope of project – pricing will follow.
(2) New reporting:
(a) Timing to start the project will be delayed due to roads.

e) **Women's Health - remodel of existing space**
(1) Reminder of previously reported information:
(a) Notified on September 29, 2026 that if we remodel existing space for Women's Health, we can request a reimbursement for those expenses up to $400,000 (renovation must be complete by 9/30/27).
(2) New reporting: Considering whether we could do Women's Health remodel and CORE building remodel simultaneously for efficiency and cost-savings.

f) **ED Safety and Efficiency Remodel**
(1) Reminder of previously reported information:
(a) Houston Construction on-site many times to assess and understand needs of project.
(b) HVAC assessment relied on internal cleaning of grills and ducts for RTU1 and RTU2. Work almost complete rebalance of HVAC system anticipated for late October to assess whether we can achieve required pressures and air exchanges.
(c) After discussion with the Facilities Committee in October, we elected to include all safety options (certain safety/security elements are required as part of the $150,000 matching grant from DOLA). This project will impact cash for 2027 so proceeding is subject to Board approval of the 2027 budget.
(2) New reporting:
(a) Due to floods, the rebalance of HVAC system and assessment of whether we can achieve required pressures and air exchanges has not yet been accomplished.
(b) Color samples arrived – requested additional options.

BOARD FINANCE COMMITTEE

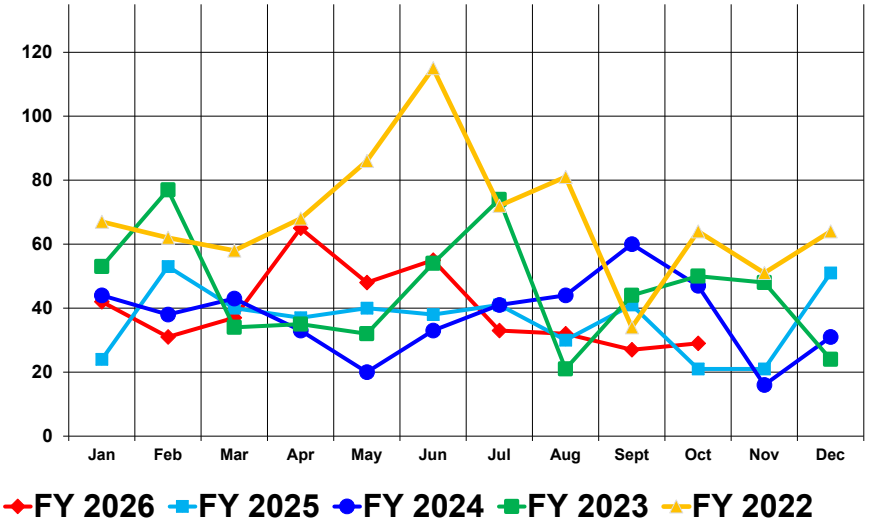
Report for the PSMC Board Meeting on November 17, 2026

The Board's Finance Committee (Treasurer Mark Floyd, Dir. Wayne Hooper, at large members Dwight Peters and David Cepoi, the CEO, CAO, COO, CNO, Controller and Director of Revenue Cycle) will meet at 5:00pm on Monday November 16, 2026, and therefore, no written report of the Finance Committee will be issued with the Board packet.

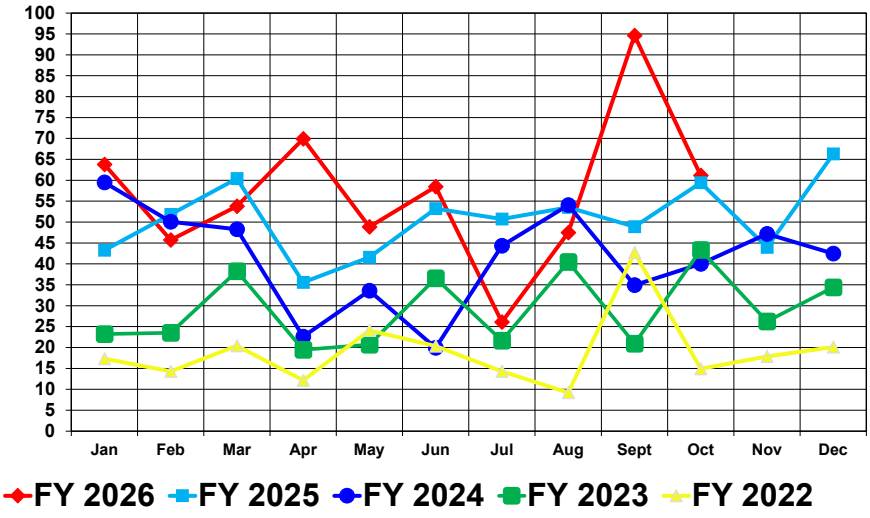
PAGOSA SPRINGS
Medical Center
First-Class Care *Close to Home*

FINANCIAL PRESENTATION
YTD October 2026

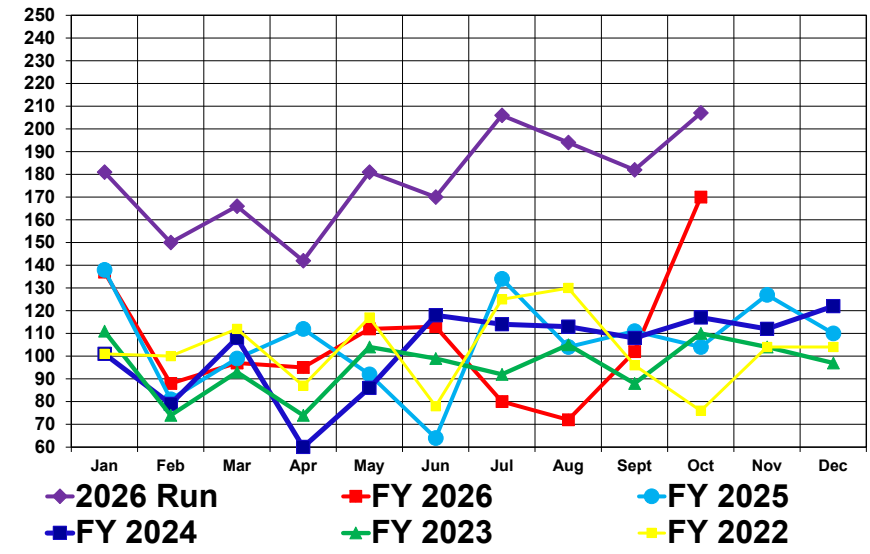
PATIENT DAYS



OBSERVATION DAY EQUIVALENT

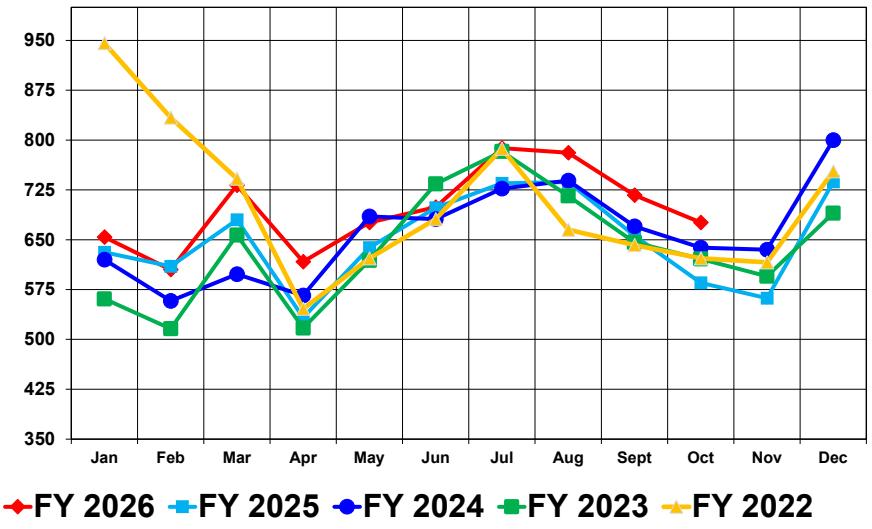


BILLABLE EMS RUNS

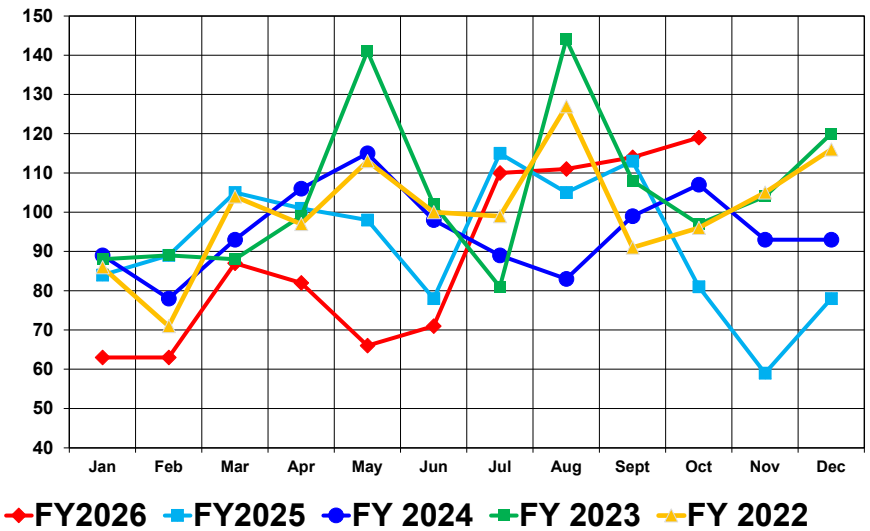


ER VISITS

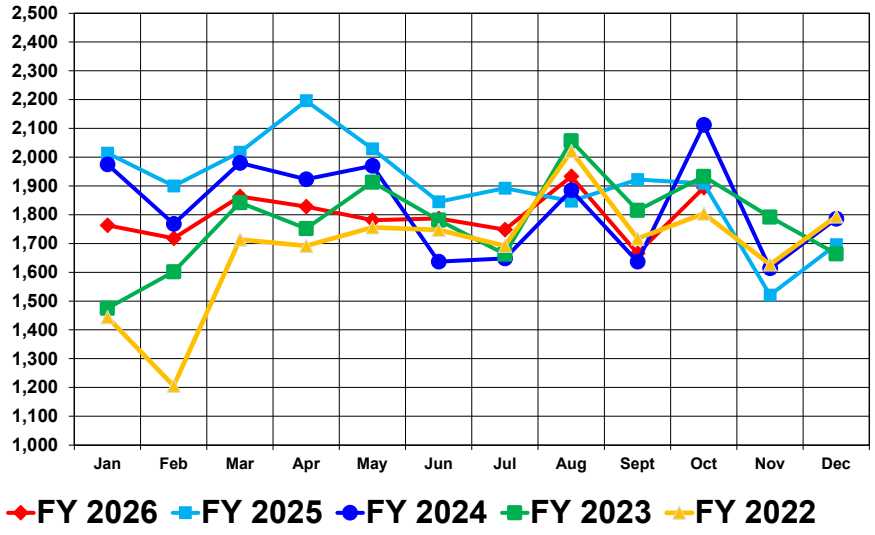
(Includes Fast Track in 2022)



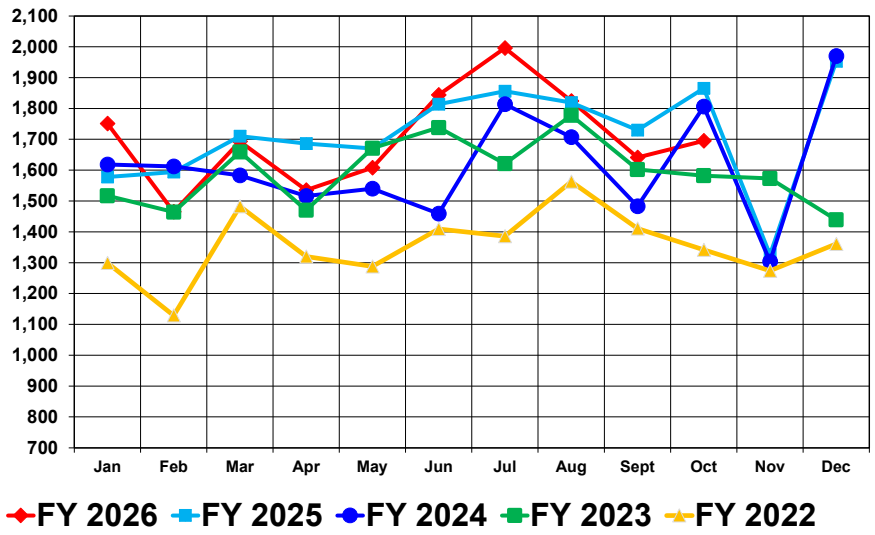
OR and PAIN Procedures



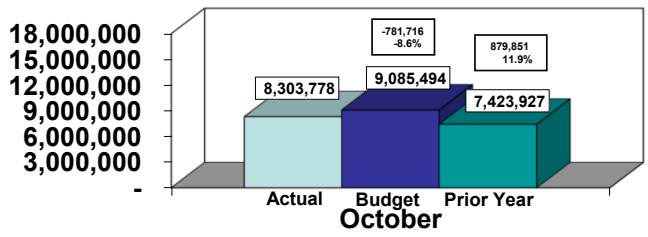
RURAL HEALTH CLINIC VISITS



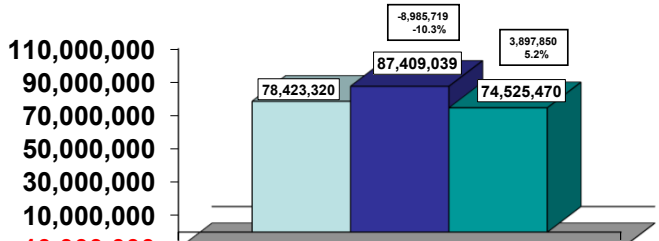
RADIOLOGY EXAMS



GROSS CHARGES



October



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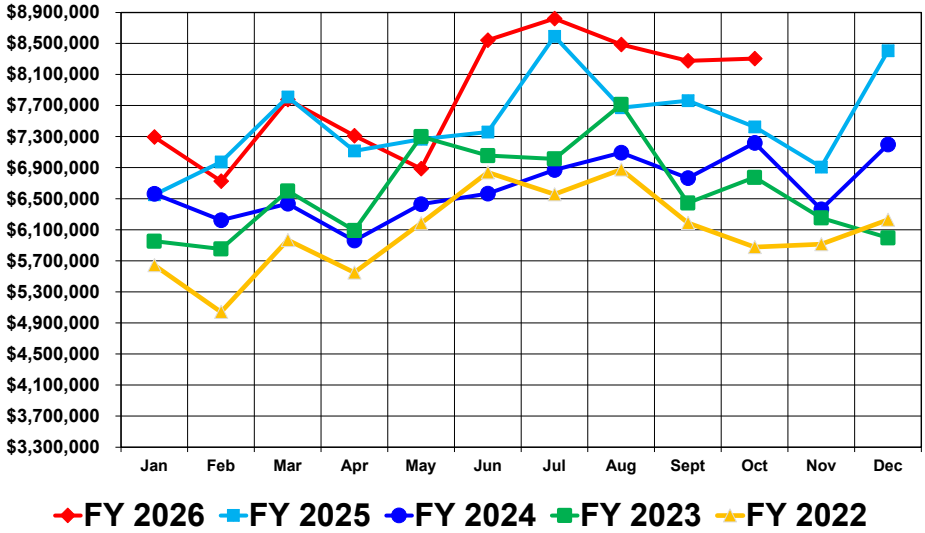
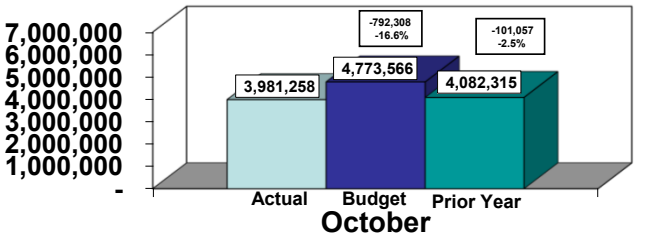
GROSS CHARGES



NET PATIENT REVENUE



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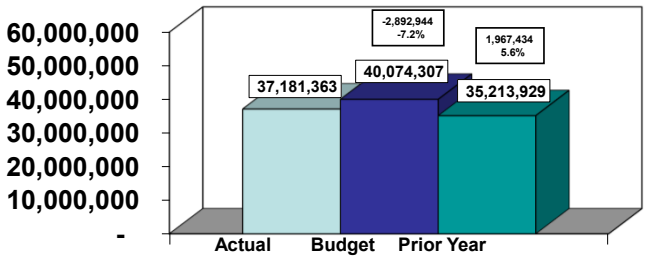

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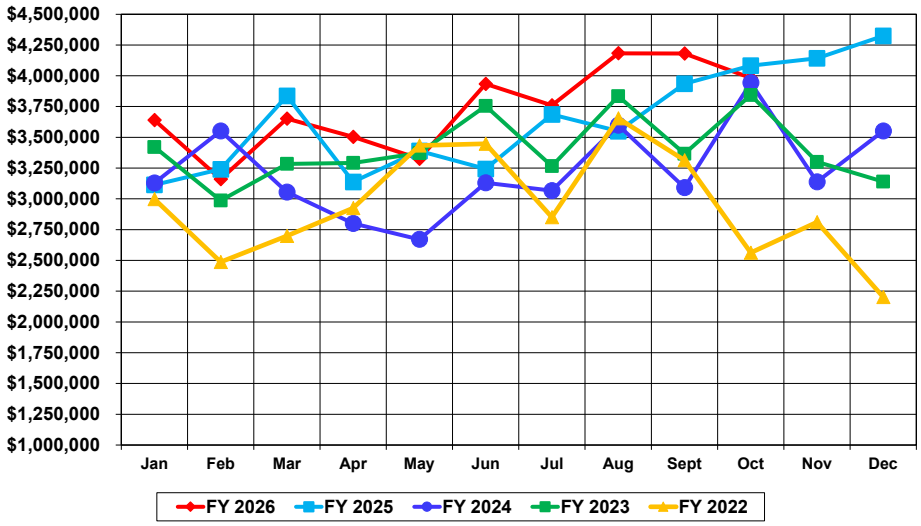
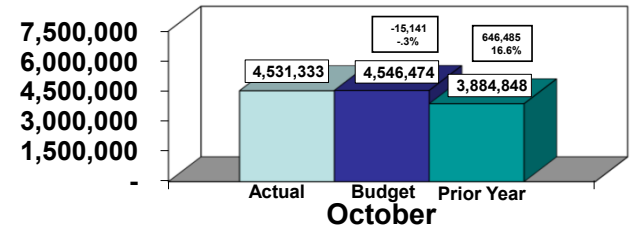
NET PATIENT REVENUE



EXPENSES



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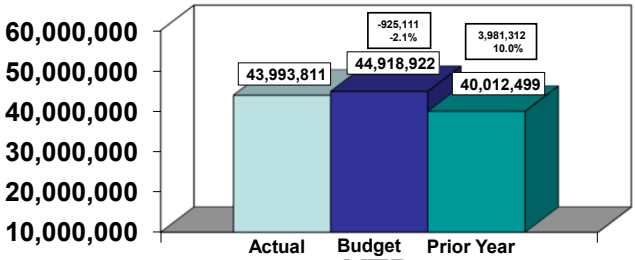

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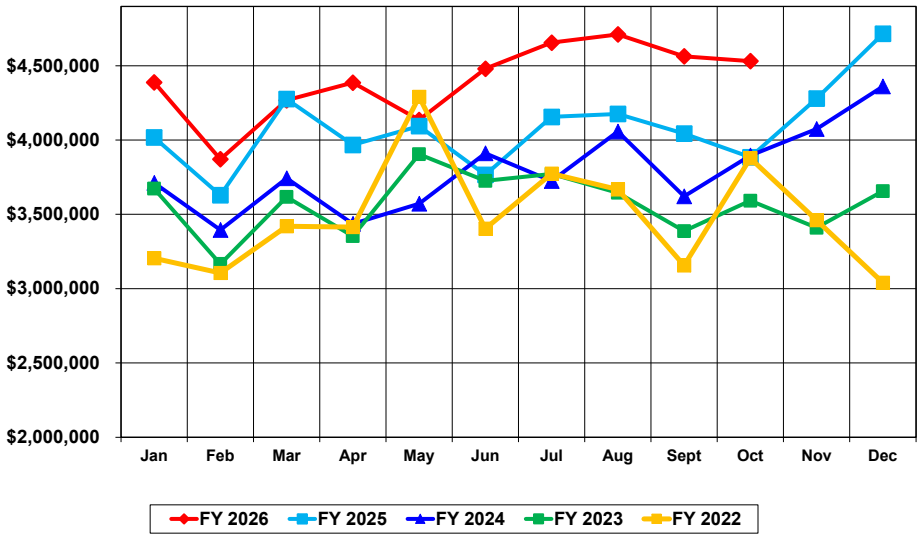
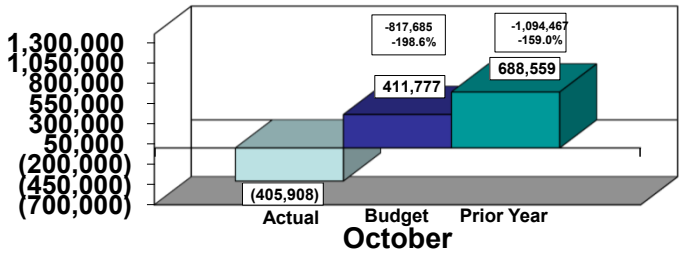
EXPENSES



NET INCOME



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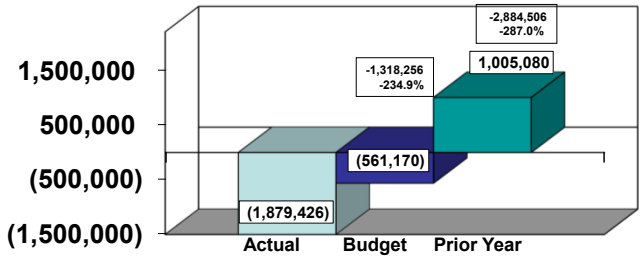

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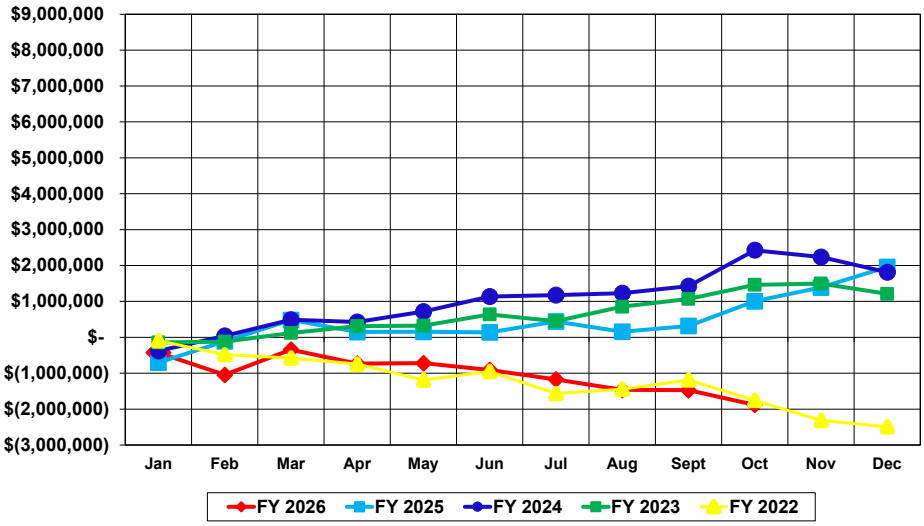
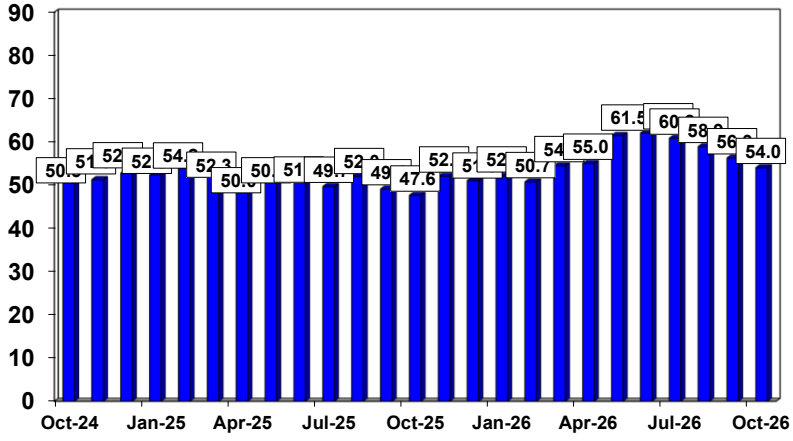
YTD NET INCOME



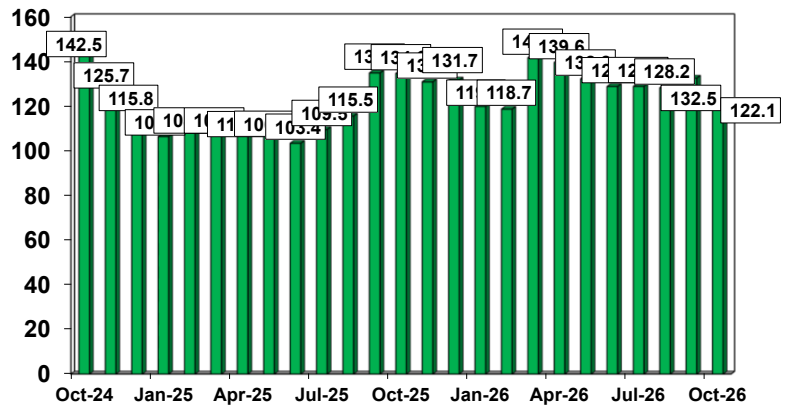
Summary of Financials

		September	October
Gross Charges		8,275,766	8,303,778
Net Patient Revenue		4,180,167	3,981,258
Expenses		4,563,802	4,531,333
Grants, Misc and Tax Revenue		373,094	144,167
	Grants and Misc	315,450	115,353
	Tax Revenue	57,644	28,814
Net Income		(10,541)	(405,908)

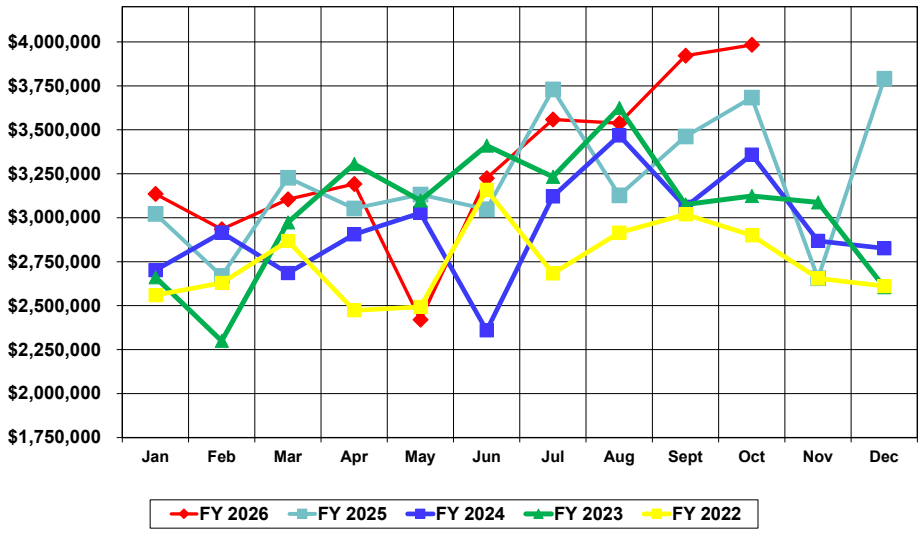
GROSS DAYS IN ACCOUNTS RECEIVABLE



DAYS CASH ON HAND



CASH COLLECTIONS



Pagosa Springs Medical Center

Income Statement Comparison - - - October 31, 2026

		2026	Budget	Difference	Variance	2026	Budget	Difference	Variance
	Revenue								
7	Total In-patient Revenue	247,073	166,836	80,237	48.1%	2,392,084	2,364,306	27,778	1.2%
17	Total Out-patient Revenue	7,554,490	8,206,097	(651,607)	-7.9%	70,949,894	77,620,679	(6,670,785)	-8.6%
18	Professional Fees	502,215	712,561	(210,346)	-29.5%	5,081,342	7,424,054	(2,342,712)	-31.6%
19	**Total Patient Charges**	**8,303,778**	**9,085,494**	**(781,716)**	**-8.6%**	**78,423,320**	**87,409,039**	**(8,985,719)**	**-10.3%**
20	Revenue Deductions & Bad Debt								
21	Contractual Allowances	4,397,272	4,337,039	60,233	1.4%	41,291,275	46,223,415	(4,932,140)	-10.7%
22	Charity	21,130	39,600	(18,470)	-46.6%	474,743	422,050	52,693	12.5%
23	Bad Debt	234,354	367,634	(133,280)	-36.3%	2,842,224	3,918,183	(1,075,959)	-27.5%
24	Provider Fee & Other	(330,236)	(432,345)	102,109	-23.6%	(3,366,285)	(3,228,916)	(137,369)	4.3%
25	Total Revenue Deductions & Bad Debt	4,322,520	4,311,928	10,592	0.2%	41,241,957	47,334,732	(6,092,775)	-12.9%
26	**Total Net Patient Revenue**	**3,981,258**	**4,773,566**	**(792,308)**	**-16.6%**	**37,181,363**	**40,074,307**	**(2,892,944)**	**-7.2%**
27	Grants	27,923	4,951	22,972	464.0%	189,783	215,434	(25,651)	-11.9%
28	HHS Stimulus Other Revenue	-	-	-		-	-	-	
29	COVID PPP Loan Forgiveness	-	-	-	0%	-	-	-	0%
30	Other Operating Income - Misc	25,417	91,614	(66,197)	-72.3%	1,442,140	1,210,871	231,269	19.1%
31	**Total Net Revenues**	**4,034,598**	**4,870,131**	**(835,533)**	**-17.2%**	**38,813,286**	**41,500,612**	**(2,687,326)**	**-6.5%**
32	**Operating Expenses**								
33	Salary & Wages	2,082,386	2,332,484	(250,098)	-10.7%	20,737,396	22,882,519	(2,145,123)	-9.4%
34	Benefits	493,361	358,458	134,903	37.6%	3,573,124	3,652,113	(78,989)	-2.2%
35	Professional Fees/Contract Labor	356,170	115,702	240,468	207.8%	2,730,214	1,364,254	1,365,960	100.1%
36	Purchased Services	229,988	240,553	(10,565)	-4.4%	2,323,228	2,300,573	22,655	1.0%
37	Supplies	699,543	790,896	(91,353)	-11.6%	7,745,546	7,744,715	831	0.0%
38	Rent & Leases	25,108	20,650	4,458	21.6%	223,806	206,500	17,306	8.4%
39	Repairs & Maintenance	54,992	68,068	(13,076)	-19.2%	698,258	676,791	21,467	3.2%
40	Utilities	45,597	47,293	(1,696)	-3.6%	405,766	461,367	(55,601)	-12.1%
41	Insurance	43,177	40,572	2,605	6.4%	437,986	405,719	32,267	8.0%
42	Depreciation & Amortization	254,336	260,635	(6,299)	-2.4%	2,541,886	2,538,253	3,633	0.1%
43	Interest	96,204	98,712	(2,508)	-2.5%	980,165	972,772	7,393	0.8%
44	Other	150,471	172,451	(21,980)	-12.7%	1,596,436	1,713,346	(116,910)	-6.8%
45	**Total Operating Expenses**	**4,531,333**	**4,546,474**	**(15,141)**	**-0.3%**	**43,993,811**	**44,918,922**	**(925,111)**	**-2.1%**
46	**Operating Revenue Less Expenses**	**(496,735)**	**323,657**	**(820,392)**	**253.5%**	**(5,180,525)**	**(3,418,310)**	**(1,762,215)**	**-51.6%**
47	**Non-Operating Income**								
48	Interest Income	62,013	55,320	6,693	12.1%	570,686	492,300	78,386	15.9%
49	Tax Revenue	28,814	32,800	(3,986)	-12.2%	2,364,005	2,214,840	149,165	6.7%
50	Donations	-	-	-	0.0%	366,408	150,000	216,408	144.3%
51	**Total Non-Operating Income**	90,827	88,120	2,707	3.1%	3,301,099	2,857,140	443,959	15.5%
52	**Total Revenue Less Total Expenses**	**$ (405,908)**	**$ 411,777**	**$ (817,685)**	**-198.6%**	**$ (1,879,426)**	**$ (561,170)**	**$ (1,318,256)**	**-234.9%**

The implementation of GASB 96 in 2023 has resulted in an increase of Depreciation and Interest Expense with a reduction of Purchase Service expenses.

Pagosa Springs Medical Center

Income Statement Comparison - - - October 31, 2026

		2026	2025	Difference	Variance	2026	2025	Difference	Variance
	Revenue								
7	Total In-patient Revenue	247,073	67,510	179,563	266.0%	2,392,084	1,774,124	617,960	34.8%
17	Total Out-patient Revenue	7,554,490	6,871,875	682,615	9.9%	70,949,894	67,168,338	3,781,556	5.6%
18	Professional Fees	502,215	484,542	17,673	3.6%	5,081,342	5,583,008	(501,666)	-9.0%
19	**Total Patient Charges**	**8,303,778**	**7,423,927**	**879,851**	**11.9%**	**78,423,320**	**74,525,470**	**3,897,850**	**5.23%**
20	Revenue Deductions & Bad Debt								
21	Contractual Allowances	4,397,272	3,636,605	760,667	20.9%	41,291,275	39,377,363	1,913,912	4.9%
22	Charity	21,130	79,086	(57,956)	-73.3%	474,743	489,606	(14,863)	-3.0%
23	Bad Debt	234,354	216,044	18,310	8.5%	2,842,224	2,734,949	107,275	3.9%
24	Provider Fee & Other	(330,236)	(590,123)	259,887	-44.0%	(3,366,285)	(3,290,377)	(75,908)	2.3%
25	Total Revenue Deductions & Bad Debt	4,322,520	3,341,612	980,908	29.4%	41,241,957	39,311,541	1,930,416	4.9%
26	**Total Net Patient Revenue**	**3,981,258**	**4,082,315**	**(101,057)**	**-2.5%**	**37,181,363**	**35,213,929**	**1,967,434**	**5.59%**
27	Grants	27,923	26,956	967	3.6%	189,783	618,694	(428,911)	-69.3%
28	HHS Stimulus Other Revenue	-	-	-		-	-	-	
29	COVID PPP Loan Forgiveness	-	-	-		-	-	-	
30	Other Operating Income - Misc	25,417	363,618	(338,201)	-93.0%	1,442,140	1,613,456	(171,316)	-10.6%
31	**Total Net Revenues**	**4,034,598**	**4,472,889**	**(438,291)**	**-9.8%**	**38,813,286**	**37,446,079**	**1,367,207**	**3.65%**
32	**Operating Expenses**								
33	Salary & Wages	2,082,386	1,878,335	204,051	10.9%	20,737,396	19,544,389	1,193,007	6.1%
34	Benefits	493,361	310,477	182,884	58.9%	3,573,124	3,286,064	287,060	8.7%
35	Professional Fees/Contract Labor	356,170	149,282	206,888	138.6%	2,730,214	1,725,866	1,004,348	58.2%
36	Purchased Services	229,988	218,518	11,470	5.2%	2,323,228	1,994,995	328,233	16.5%
37	Supplies	699,543	668,863	30,680	4.6%	7,745,546	6,947,663	797,883	11.5%
38	Rent & Leases	25,108	29,207	(4,099)	-14.0%	223,806	300,843	(77,037)	-25.6%
39	Repairs & Maintenance	54,992	41,630	13,362	32.1%	698,258	531,682	166,576	31.3%
40	Utilities	45,597	37,284	8,313	22.3%	405,766	389,106	16,660	4.3%
41	Insurance	43,177	35,711	7,466	20.9%	437,986	375,460	62,526	16.7%
42	Depreciation & Amortization	254,336	250,524	3,812	1.5%	2,541,886	2,345,085	196,801	8.4%
43	Interest	96,204	103,879	(7,675)	-7.4%	980,165	1,049,669	(69,504)	-6.6%
44	Other	150,471	161,138	(10,667)	-6.6%	1,596,436	1,521,677	74,759	4.9%
45	**Total Operating Expenses**	**4,531,333**	**3,884,848**	**646,485**	**16.6%**	**43,993,811**	**40,012,499**	**3,981,312**	9.95%
46	**Operating Revenue Less Expenses**	**(496,735)**	**588,041**	**(1,084,776)**	**184.5%**	**(5,180,525)**	**(2,566,420)**	**(2,614,105)**	**-101.9%**
47	**Non-Operating Income**								
48	Interest Income	62,013	58,472	3,541	6.1%	570,686	516,923	53,763	10.4%
49	Tax Revenue	28,814	42,046	(13,232)	-31.5%	2,364,005	2,304,018	59,987	2.6%
50	Donations	-	-	-	-	366,408	750,559	(384,151)	-51.2%
51	**Total Non-Operating Income**	90,827	100,518	(9,691)	-9.6%	3,301,099	3,571,500	(270,401)	-7.6%
52	**Total Revenue Less Total Expenses**	**$ (405,908)**	**$ 688,559**	**$ (1,094,467)**	**-159.0%**	**$ (1,879,426)**	**$ 1,005,080**	**(2,884,506)**	**-287.0%**

The implementation of GASB 96 in 2023 has resulted in an increase of Depreciation and Interest Expense with a reduction of Purchase Service expenses.

Pagosa Springs Medical Center

Balance Sheet - - October 31, 2026

Assets	Current Month	Prior Month		Liabilities	Current Month	Prior Month	
Current Assets				Current Liabilities			
Cash							
Operating (TBK)	$ 1,592,950	$ 3,047,934		Accts Payable - System	$ 1,294,708	$ 1,742,206	
COLO Trust	1,952,702	1,946,082		Accrued Expenses	921,220	762,553	
Debt Svc. Res. 2016 Bonds (UMB)	878,731	878,731		Cost Report Settlement Res	486,826	486,826	
Bond Funds - 2016 Bonds (UMB)	1,352	1,347		Wages & Benefits Payable	2,033,624	2,866,496	
Bond Funds - 2021 (UMB)	8,358,851	8,318,668		Deferred Revenue	400	400	
CSIP Investments	4,744,049	4,728,140		COVID PPP Short Term Loan	-	-	
Escrow - UMB	-	-		IRS ERC Fund Liability	2,067,572	2,067,572	**
COVID PPP	-	-		Medicare Accelerated Pmt Liab	-	-	
IRS ERC TBK Cash Restricted	2,095,663	2,091,218	**	Current Portion of GASB 87 and 96 Liabilities	413,544	410,732	
Medicare Accelerated Pmt	-	-		Current Portion of LT Debt-75 S Pagosa	130,000	130,000	
Total Cash	19,624,298	21,012,120		Current Portion of LT Debt-2021	465,000	465,000	
				Current Portion of LT Debt-2016	255,000	255,000	
				Total Current Liabilities	8,067,894	9,186,785	
Accounts Receivable							
Patient Revenue - Net	4,917,692	5,228,401		Long-Term Liabilities			
Other Receivables	109,886	157,784		Leases Payable - 75 S Pagosa	1,795,000	1,795,000	
Total Accounts Receivable	5,027,578	5,386,185		GASB 87 and 96 Capital Leases	3,513,833	3,586,944	
				Bond Premium (Net) - 2006 Def Outflows	141,245	142,357	
Inventory	2,181,720	2,173,045		Bond Premium (Net) - 2016	99,407	99,832	
				Bond Premium (Net) - 2021	532,139	536,110	
Total Current Assets	26,833,596	28,571,350		Bonds Payable - 2021	6,115,000	6,115,000	
				Bonds Payable - 2006	-	-	
Fixed Assets				Bonds Payable - 2016	8,060,000	8,060,000	
Property Plant & Equip (Net)	22,043,025	22,263,983		Total Long-Term Liabilities	20,256,624	20,335,243	
GASB 87 & 96 Assets (Net)	3,124,258	3,163,145					
Work In Progress	1,661,903	1,255,775		Net Assets			
Land	704,021	704,021		Un-Restricted	28,311,545	28,311,545	
Total Fixed Assets	27,533,207	27,386,924		Current Year Net Income/Loss	(1,879,426)	(1,473,518)	
				Total Un-Restricted	26,432,119	26,838,027	
Other Assets							
Prepaids & Other Assets	389,834	401,781		Restricted	-	-	
Total Other Assets	389,834	401,781		Total Net Assets	26,432,119	26,838,027	
Total Assets	**$ 54,756,637**	**$ 56,360,055**		**Total Liabilities & Net Assets**	**$ 54,756,637**	**$ 56,360,055**	

***** 1st Qtr 2021 ERC Money received in April, restricted and not included in Days Cash on Hand due to status of appeal. Also recorded as a Liability.***

Pagosa Springs Medical Center

Monthly Trends

	Activity	Oct-25 31	Nov-25 30	Dec-25 31	Jan-26 31	Feb-26 28	Mar-26 31	Apr-26 30	May-26 31	Jun-26 30	Jul-26 31	Aug-26 31	Sep-26 30	Oct-26 31	YTD Total 304
2	In-Patient Admissions	10	6	22	14	14	15	22	16	24	15	13	10	13	**156**
3	In-Patient Days	21	21	51	42	31	37	65	48	55	33	32	27	29	**399**
4	Avg Stay Days (In-patients)	2.1	3.5	2.3	3.0	2.2	2.5	3.0	3.0	2.3	2.2	2.5	2.7	2.2	2.6
8	Average Daily Census	0.7	0.7	1.6	1.4	1.1	1.2	2.2	1.5	1.8	1.1	1.0	0.9	0.9	1.3
	Statistics														
9	E/R visits	585	562	737	654	605	732	617	676	699	788	781	717	676	6,945
10	Observ Hours	1,426	1,055	1,591	1,531	1,097	1,291	1,677	1,172	1,403	626	1,139	2,271	1,467	13,674
11	Lab Tests	6,488	5,648	6,799	6,708	6,047	7,277	7,503	7,102	7,563	8,307	7,843	7,579	7,213	73,142
12	Radiology/CT/MRI Exams	1,865	1,326	1,953	1,751	1,465	1,693	1,535	1,608	1,844	1,996	1,824	1,641	1,695	17,052
14	OR Cases	81	59	78	63	63	87	82	66	71	110	111	114	119	886
15	Clinic Visits	1,909	1,521	1,696	1,763	1,718	1,863	1,828	1,781	1,787	1,748	1,933	1,666	1,894	17,981
16	Spec. Clinic Visits	131	101	95	78	76	84	109	103	81	119	159	138	109	1,056
17	Oncology Clinic Visits	94	162	187	158	184	200	122	47	47	204	172	151	134	1,419
18	Oncology/Infusion Patients	298	302	337	303	331	281	286	409	332	298	267	279	343	3,129
19	EMS Transports	104	127	110	137	88	97	95	112	113	80	72	102	170	1,066
20	Total Stats	12,981	10,863	13,583	13,146	11,675	13,605	13,854	13,076	13,940	14,276	14,301	14,658	13,820	136,351

Pagosa Springs Medical Center - - - Statistical Review

Statistical Review

	2026	October Current Month Actual	October Current Month Budget	Variance	October Y-T-D Actual	October Y-T-D Budget	Variance	October Prior Y-T-D Y-T-D Actual	Prior Y-T-D Actual	Difference	Variance
1	**In-Patient**										
2	Admissions:										
3	Acute	13	27	(14)	156	149	7	156	160	(4)	-3%
4	Swing Bed	-	-	-	-	-	-	-	-	-	
5	Total	13	27	(14)	156	149	7	156	160	(4)	-3%
7	Patient Days:										
8	Acute	29	59	(30)	399	327	72	399	341	58	17%
9	Swing Bed	-	-	-	-	-	-	-	-	-	
10	Total	29	59	(30)	399	327	72	399	341	58	17%
12	Average Daily Census:										
13	# Of Days	31	31		304	304		304	304		
14	Acute	0.9	1.9	(1.0)	1.3	1.1	0.2	1.3	1.1	0.2	17%
15	Swing Bed	-	-	-	-	-	-	-	-	-	
16	Total	0.9	1.9	(1.0)	1.3	1.1	0.2	1.3	1.1	0.2	17%
18	Length of Stay:										
19	Acute	2.2	2.2	0.0	2.6	2.2	0.4	2.6	2.1	0.4	20%
20	Swing Bed	-	-	-	-	-	-	-	-	-	0%
21	Total	2.2	2.2	0.0	2.6	2.2	0.4	2.6	2.1	0.4	20%
33	**Out-Patient**										
34	Out-Patient Visits										
35	E/R Visits	676	711	(35)	6,945	6,723	222	6,945	6,503	442	7%
36	Observ admissions	33	50	(17)	418	475	(57)	418	454	(36)	-8%
37	Lab Tests	7,213	7,219	(6)	73,142	68,285	4,857	73,142	66,795	6,347	10%
38	Radiology/CT/MRI Exams/M	1,695	1,885	(190)	17,052	17,832	(780)	17,052	17,322	(270)	-2%
39	OR Cases	119	145	(26)	886	1,374	(488)	886	969	(83)	-9%
40	Clinic Visits	1,894	2,116	(222)	17,981	20,015	(2,034)	17,981	19,571	(1,590)	-8%
41	Spec. Clinic Visits	109	148	(39)	1,056	1,400	(344)	1,056	649	407	63%
42	Oncology Clinic Visits	134	131	3	1,419	1,236	183	1,419	1,039	380	37%
43	Oncology/Infusion Patients	343	391	(48)	3,129	3,695	(566)	3,129	3,347	(218)	-7%
44	EMS Transports	170	116	54	1,066	1,100	(34)	1,066	1,039	27	3%
45	Total	12,386	12,912	(526)	123,094	122,135	959	123,094	117,688	5,406	5%

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of October 31, 2026

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
Medicare	$ 3,812,221	$ 499,366	$ 231,456	$ 196,795	$ 199,658	$ 137,008	$ 376,798	**$ 5,453,302**	**37%**	
Medicaid	617,526	109,102	117,365	78,268	109,222	13,817	125,134	**1,170,434**	**8%**	
Third Party	1,597,646	572,645	518,945	163,910	189,623	189,287	586,144	**3,818,200**	**26%**	
Self-Pay	297,660	443,949	455,674	425,926	344,027	309,788	2,001,021	**4,278,045**	**29%**	
Current Month Total	**$ 6,325,053**	**$ 1,625,062**	**$ 1,323,440**	**$ 864,899**	**$ 842,530**	**$ 649,900**	**$ 3,089,097**	**$ 14,719,981**	**100%**	**367,516**
Pct of Total	43%	11%	9%	6%	6%	4%	21%	100%		
Sep-26	$ 6,123,193	$ 1,328,841	$ 820,844	$ 688,288	$ 640,583	$ 318,682	$ 2,899,140	$ 12,819,571		156,271
Pct of Total	48%	10%	6%	5%	5%	2%	23%	100%		
Aug-26	$ 7,248,669	$ 2,184,602	$ 1,536,574	$ 1,133,676	$ 608,067	$ 634,109	$ 3,203,456	$ 12,379,750		183,227
Pct of Total	57%	17%	12%	9%	5%	5%	25%	97%		
Jul-26	$ 7,140,343	$ 2,294,600	$ 1,664,323	$ 715,835	$ 756,739	$ 580,304	$ 2,876,708	$ 16,028,852		609,379
Pct of Total	45%	14%	10%	4%	5%	4%	18%	100%		
Jun-26	$ 7,267,580	$ 2,452,113	$ 922,911	$ 909,505	$ 693,483	$ 539,537	$ 2,717,829	$ 15,502,958		384,973
Pct of Total	47%	16%	6%	6%	4%	3%	18%	100%		
May-26	$ 6,779,502	$ 1,940,251	$ 1,201,889	$ 834,672	$ 662,248	$ 514,008	$ 2,747,889	$ 14,680,459		384,973
Pct of Total	46%	13%	8%	6%	5%	4%	19%	100%		
Apr-26	$ 5,829,531	$ 1,660,678	$ 1,195,525	$ 753,226	$ 666,573	$ 480,079	$ 2,899,157	$ 13,484,769		258,201
Pct of Total	43%	12%	9%	6%	5%	4%	21%	100%		
Mar-26	$ 5,819,857	$ 1,872,459	$ 1,059,350	$ 762,992	$ 547,904	$ 363,008	$ 2,764,306	$ 13,189,876		260,595
Pct of Total	44%	14%	8%	6%	4%	3%	21%	100%		
Feb-26	$ 5,519,302	$ 1,830,436	$ 988,986	$ 694,613	$ 439,647	$ 306,156	$ 2,863,813	$ 12,642,953		180,489
Pct of Total	44%	14%	8%	5%	3%	2%	23%	100%		
Jan-26	$ 5,769,715	$ 1,988,785	$ 971,480	$ 495,392	$ 425,965	$ 443,838	$ 2,699,052	$ 12,794,227		550,444
Pct of Total	45%	16%	8%	4%	3%	3%	21%	100%		
Dec-25	$ 5,999,489	$ 1,663,324	$ 603,539	$ 673,304	$ 489,793	$ 461,434	$ 2,744,437	$ 12,635,320		226,145
Pct of Total	47%	13%	5%	5%	4%	4%	22%	100%		
Nov-25	$ 5,999,489	$ 1,663,324	$ 603,539	$ 673,304	$ 489,793	$ 461,434	$ 2,744,437	$ 12,635,320		339,651
Pct of Total	47%	13%	5%	5%	4%	4%	22%	100%		
Oct-25	$ 6,123,193	$ 1,328,841	$ 820,844	$ 688,288	$ 640,583	$ 318,682	$ 2,899,140	$ 12,819,571		506,303
Pct of Total	48%	10%	6%	5%	5%	2%	23%	100%		
Sep-25	$ 6,123,193	$ 1,328,841	$ 820,844	$ 688,288	$ 640,583	$ 318,682	$ 2,899,140	$ 12,819,571		156,271
Pct of Total	48%	10%	6%	5%	5%	2%	23%	100%		
Aug-25	$ 6,272,646	$ 1,806,115	$ 845,162	$ 730,191	$ 378,195	$ 476,017	$ 2,845,054	$ 13,353,380		182,898
Pct of Total	47%	14%	6%	5%	3%	4%	21%	100%		
Jul-25	$ 6,148,429	$ 1,343,970	$ 783,163	$ 448,955	$ 586,189	$ 578,471	$ 2,602,752	$ 12,534,286		202,285
Pct of Total	49%	11%	6%	4%	5%	5%	21%	100%		
Jun-25	$ 5,798,998	$ 1,423,088	$ 620,781	$ 640,656	$ 718,548	$ 480,775	$ 2,696,981	$ 12,379,827		426,234
Pct of Total	47%	11%	5%	5%	6%	4%	22%	100%		

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of October 31, 2026

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
May-25	$ 5,510,786	$ 1,134,338	$ 881,123	$ 782,446	$ 640,205	$ 450,511	$ 2,821,741	$ 12,221,150		205,702
Pct of Total	45%	9%	7%	6%	5%	4%	23%	100%		
Apr-25	$ 5,380,677	$ 1,531,216	$ 959,957	$ 852,535	$ 491,263	$ 632,503	$ 2,457,407	$ 12,305,558		239,686
Pct of Total	44%	12%	8%	7%	4%	5%	20%	100%		
Mar-25	$ 5,878,116	$ 1,431,709	$ 887,139	$ 553,759	$ 745,582	$ 497,247	$ 2,403,650	$ 12,397,202		289,678
Pct of Total	47%	12%	7%	4%	6%	4%	19%	100%		
Feb-25	$ 5,935,029	$ 1,445,312	$ 682,201	$ 898,763	$ 621,321	$ 308,121	$ 2,580,511	$ 12,471,258		149,150
Pct of Total	48%	12%	5%	7%	5%	2%	21%	100%		
Jan-25	$ 5,068,971	$ 1,305,124	$ 973,961	$ 777,031	$ 472,520	$ 378,367	$ 2,458,458	$ 11,434,432		331,283
Pct of Total	44%	11%	9%	7%	4%	3%	22%	100%		
Dec-24	$ 5,319,743	$ 1,598,544	$ 909,266	$ 579,703	$ 559,746	$ 384,342	$ 2,563,856	$ 11,915,200		312,505
Pct of Total	45%	13%	8%	5%	5%	3%	22%	100%		
Nov-24	$ 5,041,955	$ 942,675	$ 702,565	$ 632,660	$ 619,716	$ 376,424	$ 2,168,293	$ 10,484,288		223,749
Pct of Total	48%	9%	7%	6%	6%	4%	21%	100%		
Oct-24	$ 5,410,175	$ 1,342,098	$ 895,631	$ 514,484	$ 618,148	$ 364,283	$ 2,428,748	$ 11,573,567		114,647
Pct of Total	47%	12%	8%	4%	5%	3%	21%	100%		
Sep-24	$ 5,336,881	$ 1,545,826	$ 660,113	$ 801,160	$ 504,361	$ 385,052	$ 2,430,015	$ 11,663,408		166,526
Pct of Total	46%	13%	6%	7%	4%	3%	21%	100%		

12	**Pct Settled (Current)**	73.5%	0.4%	-5.4%	-22.4%	-1.5%	-869.3%
13	**Pct Settled (Sept from Aug)**	81.7%	62.4%	55.2%	43.5%	47.6%	-357.2%
14	**Pct Settled (Aug from Jul)**	69.4%	33.0%	31.9%	15.1%	16.2%	-452.0%
15	**Pct Settled (Jul from Jun)**	68.4%	32.1%	22.4%	16.8%	16.3%	-433.2%
16	**Pct Settled (Jun from May)**	63.8%	52.4%	24.3%	16.9%	18.5%	-428.8%

Pagosa Springs Medical Center
Charges by Financial Class
October 31, 2026

Financial Class	Inpatient MTD	Outpatient MTD	Total MTD	% MTD
Auto/Liability Insurance	-	201,147	201,147	2.42%
Blue Cross	1,013	649,334	650,347	7.83%
Champus	-	43,060	43,060	0.52%
Commercial Insurance	57,877	806,504	864,380	10.41%
Medicaid	182,333	1,025,977	1,208,309	14.55%
Medicare	533,272	2,483,630	3,016,901	36.33%
Medicare HMO	305,449	1,310,106	1,615,555	19.46%
Self Pay	3,593	250,632	254,225	3.06%
Self Pay - Client Billing	-	4,421	4,421	0.05%
Veterans Administration	30,550	332,855	363,405	4.38%
Workers Compensation	7,405	74,621	82,026	0.99%
Total	**$ 1,121,491**	**$ 7,182,287**	**$ 8,303,778**	**100.00%**

Financial Class	Inpatient YTD	Outpatient YTD	Total YTD	% YTD	12/31/25 % YTD	12/31/24 % YTD	12/31/23 % YTD	12/31/22 % YTD	12/31/21 % YTD	12/31/20 % YTD	12/31/19 % YTD	12/31/18 % YTD	12/31/17 % YTD
Auto/Liability Insurance	-	793,511	793,511	1.01%	1.18%	1.06%	1.12%	1.02%	1.41%	0.91%	1.15%	1.05%	1.24%
Blue Cross	1,042,391	8,496,070	9,538,461	12.16%	12.05%	11.26%	10.88%	10.30%	11.40%	12.38%	15.40%	15.42%	15.90%
Champus	73,771	556,410	630,181	0.80%	0.73%	0.53%	0.60%	0.91%	0.95%	0.82%	0.31%	0.08%	0.07%
Commercial Insurance	902,252	8,065,784	8,968,036	11.44%	11.20%	12.97%	13.23%	11.31%	12.12%	11.72%	11.34%	13.08%	11.79%
Medicaid	1,467,759	8,284,212	9,751,971	12.44%	11.88%	14.00%	15.53%	17.07%	17.50%	18.86%	18.75%	18.22%	20.28%
Medicare	4,114,886	25,186,027	29,300,913	37.36%	37.43%	35.91%	35.37%	36.26%	36.51%	38.60%	36.99%	36.75%	35.27%
Medicare HMO	2,087,235	10,343,324	12,430,558	15.85%	16.78%	15.69%	14.65%	14.99%	11.01%	7.77%	7.20%	4.47%	3.55%
Self Pay	371,589	2,669,833	3,041,422	3.88%	3.79%	3.95%	3.31%	3.22%	3.95%	3.68%	4.40%	5.40%	6.96%
Self Pay - Client Billing	15,590	21,647	37,237	0.05%	0.09%	0.08%	0.15%	0.27%	0.36%	0.22%	0.18%	0.18%	0.19%
Veterans Administration	288,603	2,823,645	3,112,247	3.97%	4.03%	3.61%	4.43%	3.76%	3.76%	4.13%	2.74%	4.13%	3.58%
Workers Compensation	105,071	713,710	818,781	1.04%	0.84%	0.95%	0.74%	0.88%	1.03%	0.92%	1.52%	1.22%	1.17%
Total	**$ 10,469,148**	**$ 67,954,172**	**$ 78,423,320**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Blank												0.00%	
HMO (Health Maint Org)												0.03%	
Total							100.00%	100.00%	100.00%	100.00%	100.00%	100.03%	

Pagosa Springs Medical Center
Financial Forecast
Statement of Cash Flows

	Oct-26	Days of Cash
Cash Flows from operating activities		
Change in net assets	(405,908)	(3.0)
Adjustments to reconcile net assets to net cash		
Depreciation and amortization	254,336	1.9
Patient accounts receivable	310,709	2.3
Accounts payable and wages payable	(1,280,369)	(9.4)
Accrued liabilities	158,667	1.2
Pre-paid assets	11,947	0.1
Deferred revenues	-	
Other receivables	47,898	0.4
Reserve for third party settlement	-	
Inventory	(8,675)	(0.1)
Net Cash Provided by (used in) operating activities	(911,395)	(6.7)
Cash Flows from investing activities		
Purchase of property and equipment	-	
Work in progress	(406,128)	(3.0)
Proceeds from sale of equipment/(Loss)	-	
Net Cash Provided by (used in) investing activities	(406,128)	
Cash Flows from financing activities		
Principal payments on long-term debt	-	
Proceeds from debt (funding from 2021 Bond)	-	
Proceeds from PPP Short Term Loan	-	
Restricted Proceeds from IRS ERC Fund	-	
Payments/Proceeds from Medicare Accelerated Payment	-	
Change in Prior Year Net Assets	-	
Change in leases payable	(70,299)	(0.5)
Net Cash Provided by (used in) financing activities	(70,299)	
Net Increase(Decrease) in Cash	(1,387,822)	(10.2)
Cash Beginning of Month	21,012,120	
Cash End of Month	19,624,298 **	

** Includes $2,067,583 received in April for 1st Qtr IRS ERC Money currently held in a restricted Account. Not included in Days Cash on Hand due to status of appeal. Also recorded as a Liability

2026 Cash						
Month	Cash Goal	Actual Cash	Variance	% Collected	GL Non AR	Total
Jan-26	$3,818,135.00	$3,135,761.71	($682,373.29)	82.13%	$ 29,767.39	$3,165,529.10
Feb-26	$3,321,128.00	$2,933,949.66	($387,178.34)	88.34%	$ 32,142.85	$2,966,092.51
Mar-26	$2,697,131.00	$3,104,385.57	$407,254.57	115.10%	$ (24,050.55)	$3,080,335.02
Apr-26	$3,276,674.00	$3,191,594.25	-$85,079.75	97.40%	$ 24,667.45	$3,216,261.70
May-26	$3,130,876.00	$2,420,492.97	($710,383.03)	77.31%	$ 66,603.04	$2,487,096.01
Jun-26	$3,003,535.00	$3,224,315.94	$220,780.94	107.35%	$ 374,499.13	$3,598,815.07
Jul-26	$3,604,180.00	$3,558,378.38	($45,801.62)	98.73%	$ 193,805.44	$3,752,183.82
Aug-26	$3,427,997.00	$3,537,337.83	$109,340.83	103.19%	$ 196,270.92	$3,733,608.75
Sep-26	$3,806,729.00	$3,921,263.72	$114,534.72	103.01%	$ 116,306.26	$4,037,569.98
Oct-26	$3,915,568.00	$3,983,301.76	$67,733.76	101.73%	$ 32,977.36	$4,016,279.12
Nov-26						
Dec-26						
	$34,001,953.00	$33,010,781.79	($991,171.21)	97.08%	$ 1,042,989.29	$34,053,771.08

2026 Revenue				
Month	Revenue Goal	Actual Revenue	Variance	% Generated
Jan-26	$ 8,150,055.00	$ 7,295,377.00	$ (854,678.00)	89.51%
Feb-26	$ 8,208,959.00	$ 6,725,950.00	$ (1,483,009.00)	81.93%
Mar-26	$ 8,861,470.00	$ 7,777,309.00	$ (1,084,161.00)	87.77%
Apr-26	$ 8,136,167.00	$ 7,311,986.00	$ (824,181.00)	89.87%
May-26	$ 8,503,023.00	$ 6,885,705.00	$ (1,617,318.00)	80.98%
Jun-26	$ 8,659,589.00	$ 8,540,782.00	$ (118,807.00)	98.63%
Jul-26	$ 9,591,856.00	$ 8,820,886.00	$ (770,970.00)	91.96%
Aug-26	$ 9,175,064.00	$ 8,485,780.00	$ (689,284.00)	92.49%
Sep-26	$ 9,037,364.00	$ 8,275,766.00	$ (761,598.00)	91.57%
Oct-26	$ 9,085,493.00	$ 8,303,777.54	$ (781,715.46)	91.40%
Nov-26				
Dec-26				
Totals	$ 87,409,040.00	$ 78,423,318.54	$ (8,985,721.46)	89.72%

PAGOSA SPRINGS Medical Center
THE CARE YOU DESERVE, IN THE MOUNTAINS YOU LOVE

THE UPPER SAN JUAN HEALTH SERVICE DISTRICT
DOING BUSINESS AS PAGOSA SPRINGS MEDICAL CENTER

MEDICAL STAFF REPORT BY CHIEF OF STAFF, CORINNE REED
November 17, 2026

I. STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF NEW POLICIES OR PROCEDURES ADOPTED BY THE MEDICAL STAFF:

II. RECOMMENDATION	DESCRIPTION
Revision of Medical Staff Policy	The policy regarding the At-Large Representative on MEC has been revised to include part-time employed providers as qualified to self-nominate to be the representative.

III. STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF PROVIDER PRIVILEGES (ACCEPTANCE BY THE BOARD RESULTS IN THE GRANT OF PRIVILEGES):

NAME	INITIAL/REAPPOINT/CHANGE	TYPE OF PRIVILEGES	SPECIALTY
Ann McCracken, MD	Initial Appointment	Courtesy/General Surgery	General Surgery
David Owens, DO	Initial Appointment	Telemedicine/Teleradiology	Interventional Radiology / Diagnostic Radiology
Alicia Bennett, DO	Reappointment	Telemedicine/Teleneurology	Neurology & Vascular Neurology
Scott Cordray, DO	Reappointment	Courtesy/Otolaryngology	Otolaryngology
Joanna Estes, MD	Reappointment	Courtesy/Hospitalist & Emergency Medicine	Family Medicine
Andrew Fisher, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Barry Holcomb, MD	Reappointment	Active/Pulmonary Disease	Pulmonary Disease & Critical Care Medicine
Elizabeth Maddox, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Brian Morgan, DO	Reappointment	Telemedicine/Telepsychiatry	Psychiatry
John Richards, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Stanley Smazal, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Danielle Kahn, AGNP-C	Extension of Privileges for full 2 years through 06/22/2028	APP/NP Oncology & Hematology	Oncology & Hematology

IV. REPORT OF NUMBER OF PROVIDERS BY CATEGORY
Active: 19
Courtesy: 18
Courtesy – Locum Tenens: 1
Telemedicine: 141
Advanced Practice Providers & Behavioral Health Providers: 20
Honorary: 2
Total: 201

PAGOSA SPRINGS
Medical Center
First-Class Care Close to Home

2027 Nurse Staffing Plan:
Emergency Department and Inpatient Medical -Surgical Unit

Purpose:
The purpose of the Nurse Staffing Plan is to ensure the provision for nurse staffing coverage in the Emergency Department and the Medical-Surgical nursing units. This plan addresses the distribution of nursing and auxiliary personnel to safely meet patient care needs and to project future staffing needs. This document sets forth minimum staffing requirements, as well as indicators for adjusting staffing and nurse-to-patient ratio standards.

Overview:
The Emergency Department and Medical-Surgical nursing units provide continuous Registered Nurse (RN) coverage 7 days a week, 24 hours a day. Factors considered for the assignment and distribution of nursing and auxiliary personnel, and for forecasting future staffing needs include, but are not limited to:

- Patient census and acuity; churn, patient outcomes, workforce metrics, nationally recognized staffing standards and guidelines, seasonal volume trends and clinical staff judgement.
- Skill level of individual nursing staff.

Emergency Department:
The Emergency Department consists of (7) licensed beds and is staffed with a minimum of (2) RNs or (1) RN and (1) EMT-Paramedic for each of the 12-hour day and night shifts. Thursday through Tuesday there is an additional RN/Paramedic mid-shift staffed from 12 noon to midnight. Target staffing is a minimum of (2) RNs per 12-hour shift.

Staffing may be adjusted based on census, patient acuity and safety needs. There is an on-call Nurse Administrator available to help with staffing, as well as the ED/Med-Surg Nursing Supervisor, Nurse Manager and/or the Director of Nursing. The ED is also staffed by an on-site ED physician, 24/7/365. Advanced Practice Providers (APPs) are utilized to augment physician staffing on Saturdays, Sundays and Mondays, or any other time the ED is experiencing high patient volumes and/or acuity.

Medical-Surgical Nursing Unit:
The Medical-Surgical Unit consists of (11) licensed beds and is staffed with a minimum of (1) RN for each of the 12-hour shifts (day and night). Target staffing is (2) RNs, 24 hours a day. The nurse-to-patient ratio is generally 1:5 and shall not exceed 1:6. Nurse staffing may be adjusted, based on patient acuity and safety needs, skill level of staff and complexity of patient care. Certified Nurse Aides or Patient Sitters may be added to the staffing mix when indicated to assist with patient care needs. There is a full-time Licensed Social Worker (LCSW) for case management, utilization review and patient

discharge planning. The Inpatient Unit is also staffed with a Hospitalist 7 days per week from 0800 – 1800.

The ED/Inpatient Nurse Manager or designee determines the number and skill level of nursing staff needed for the on-coming shift to ensure the provision of adequate staffing to meet patient care needs. The Nurse Manager maintains ultimate responsibility for providing adequate staffing. When unmet staffing needs exist, the Nursing Supervisor, Nurse Administrator on call or the Nurse Manager will be contacted for assistance. The Director of Nursing may also be asked to assist with staffing needs if all other resources have been exhausted.

The process for determining the ability of the Inpatient Unit to accept admissions is based on, but not limited to, the number of available beds, individual patient acuity and the ability to meet staffing needs. The Nurse Manager, Hospital Administration, Director of Nursing, Chief Nursing Officer and/or on-duty Hospitalist has the authority to limit admissions to ensure patient care and safety needs are met. When admissions are limited due to the unavailability of staff, information will be communicated at the daily 0800 clinical huddle and/or in-person. Updates will be provided throughout the day/night as needed with respect to admission capability.

Staffing for acuity on the Medical-Surgical nursing unit will consider the following criteria:

- Complexity of the patient's condition, and findings from clinical assessments.
- Knowledge and skills required of nursing staff to provide appropriate care.
- Infection control and safety issues.

Patient conditions that contribute to a higher level of acuity include, but are not limited to patients with:

i. Dementia/delirium
ii. Other conditions resulting in altered mental status
iii. High CIWA (Clinical Institute Withdrawal Assessment for Alcohol) scores
iv. Complicated wound care needs
v. A high level of assistance needed for activities of daily living
vi. Complicated family/social situations
vii. High Morse Fall Risk scores
viii. Need for complex nursing interventions
ix. Suicide risk
x. Other identified patient safety needs

Clinical nurse judgement is also factored in when determining patient acuity and subsequent staffing needs.

Relevant References: **C.R.S. 25-3-128**

UPPER SAN JUAN HEALTH SERVICE DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER

Formal Written Resolution 2026-10
November 17, 2026

WHEREAS Colorado Revised Statute Section 25-3-128 requires: (1) a Colorado hospital to have a nurse staffing committee to develop and oversee a nurse master staffing plan for the inpatient and emergency departments; (2) the nurse staffing committee to receive and address complaints or feedback on the nurse master staffing plan; and (3) the governing board to receive and approve the nurse master staffing plan.

WHEREAS, the Board of Directors of Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center (hereinafter "Board") has, on this day, received PSMC's Nursing Master Staffing Plan for 2027.

NOW, THEREFORE, THE BOARD HEREBY RESOLVES THAT it accepts the recommendations of the PSMC nurse staffing committee and approves the Nursing Master Staffing Plan as presented.

ADOPTED and APPROVED by the Board of Directors this 17th day of November, 2026.

_____

Kate Alfred, as Chair and authorized signor for the Board of Directors of PSMC

UPPER SAN JUAN HEALTH SERVICE DISTRICT d/b/a

PAGOSA SPRINGS MEDICAL CENTER 2027 BUDGET



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PAGOSA SPRINGS MEDICAL CENTER ("PSMC") 2027 BUDGET MESSAGE

1. METHODOLOGY IN PREPARING THE BUDGET:

The development of the 2027 Budget involved a detailed review of existing operations, with an emphasis on validating historical patient volumes, identifying opportunities for growth, and improving operational efficiency.

Rather than relying solely on historical trends, the budget process included an assessment of actual patient volumes by service line, current scheduling practices, available capacity, and opportunities to improve patient access through more effective management of scheduling and departmental operations.

Revenue projections also considered anticipated increases in patient volumes associated with the addition of new providers, as well as opportunities to better utilize existing resources and capture patient demand that may not currently be served.

Expenses are based upon actual data input into the general ledger by every department leader.

The goal was to develop a realistic, data-driven budget that reflects both current operating conditions and achievable opportunities for growth through improved management, increased access to care, and expanded provider capacity.

2. ASSUMPTIONS: GROSS CHARGES

a. Price Increase

i. 4% increase to gross charge pricing.

ii. Gross charges are the amounts PSMC bills before payers (insurance companies Medicare, Medicaid) reduce what they will reimburse (known as contractual adjustments).

b. Highlights of Increases in Volume Translating to Increases in Gross Charges/Revenues

i. *"2026 Annualized"* means January 2026 through June 2026 x 2.

ii. Surgery Department Procedures: 44% increase in gross charges to 2026 annualized. Supporting data:

1. New full-time general surgeon started mid-June and thereafter added an average of 5 additional general surgeries per month as well as colonoscopies.
2. Jan. '26 – June '26 average 72.17 procedures per month (all OR procedures) and July '26 – Oct. '26 average 113.50 procedures per month.
3. 2026 July-Oct. volumes are 57% higher than 2026 Annualized.

iii. Surgery Department Professional Fees: 44% increase in gross charges to 2026 annualized. Identified issue:

1. Historically, we have dropped a professional fee with 98% of the surgery cases.

2. In 2026, professional fees associated with surgeries dropped to approximately 40% of the surgery cases.
3. Investigating the cause -- possible reasons for this issue:
    a. Staff started auditing a may have unintentionally unfinalized charges.
    b. The charges may have started mapping to another location.
    c. Physician notes are not capturing in Cerner.
4. Steps toward resolution of the issue:
    a. Informatics is building a report that should allow us to check every professional fee by fin number which allows us to pinpoint the reason for the problem.
    b. Weekly meeting scheduled for the sole purpose of resolving this issue.

iv. Outpatient Clinic: 34% increase in gross charges to 2026 annualized. Supporting data:
1. Recruited additional providers:
    a. Sept. ’26 – full-time neurologist, Dr. Montano
    b. Sept. ’26 – full-time primary care, Dr. George Norwood
    c. Nov. ’26 – full-time primary care, Dr. Chad Gray
    d. Nov. ’26 – full-time primary care, Dr. Erin Renfrew
    e. August ’27 – full-time primary care, Dr. Elizabeth Oliver
    f. September ’27 – full-time primary care, Dr. Marie Stewart
2. Managing schedules: Target to achieve the increase in gross charges is to see an average of 114 patients per Clinic shift.

v. Radiology: 16% increase in gross charges to 2026 annualized. Supporting data:
1. In August 2026, identified problems with outsourced scheduling – increased management of scheduling supports the increase in volume.
2. Further supported by ordering patterns of new/additional providers.

vi. Lab: 9% increase in gross charges to 2026 annualized. Supporting data:
1. Assessed ordering patterns of all providers and increased based upon new additional (net) providers.

vii. EMS/Ambulance: 8% increase in gross charges to 2026 annualized. Supporting data:
1. PSMC EMS averages 15-20 airport transfers per month. Gross charges on PSMC EMS airport transfers are a load fee and mileage.
2. Due to Archuleta airport construction commencing in the summer of 2027, PSMC airport transfers will need to go to La Plata County airport resulting in increases to gross charges.

viii. Inpatient: 5% increase in gross charges to 2026 annualized. Estimated volume increase related to increase in volume in surgery and E.D. volume.

ix. Other Departments:

1. Emergency Department: 5% increase.
2. Oncology: 2% increase.
3. Pain Management *Clinic*: 2% increase (procedures in Surgery volume).
4. Physical Therapy: 20% increase (anticipates PTA hiring).
5. Occupational Therapy: only included enough volume to cover budgeted expense for an Occupational Therapist (budget neutral since hiring will be a challenge).
6. Respiratory Therapy: 1.5% increase.

3. ASSUMPTIONS: CONTRACTUAL ALLOWANCES, CHARITY, BAD DEBT & PROVIDER FEE

a. Contractual Allowances

i. Explanation: "Contractual Allowances" are the deductions to gross charges made by payers (Medicare, Colorado Medicaid, and insurance companies like United Healthcare, Blue Cross Blue Shield, Aetna, or Cigna).

ii. Assumption: Given the assumed annual gross revenue increase of 9.5%, increased contractual allowances by 6.9%.

b. **Charity Care**: budgeted a 3.5% increase over the estimated 2026 year-end charity care.

c. **Bad Debt**: budgeted 28.4% increase over the estimated 2026 year-end bad debt.

d. **Provider Fee**:

i. Explanation of the fee: The CHASE (Colorado Healthcare Affordability and Sustainability Enterprise) program collects frees from hospitals throughout Colorado and uses the funds to obtain federal Medicaid matching dollars. The combined funds are then redistributed to hospitals through supplemental payments to help support hospitals offset the cost of providing care to Medicaid and uninsured patients.

ii. Anticipated decline: The federal government is reducing funding for Medicaid programs with a mandated phase-down of the CHASE program beginning October 2027.

iii. Assumption for 2027: budgeted a 7.7% decrease to the estimated 2026 year-end Provider fee income.

4. ASSUMPTIONS: OPERATING GRANTS AND OTHER OPERATING INCOME

a. Operating Grants: This is the EMTS grant (funds help pay for new ambulance).

b. Other Operating Income: this is income from 340b program, Café receivables and other unusual sources such as EMS stand-by revenues.

c. RHTP Reimbursement Opportunity Grant: As explained at the October 27, 2026 Board meeting, this State of Colorado program provides PSMC with the opportunity to receive reimbursement funding up to $4,201,526 for expenses related to completing specific RHTP deliverables by September 30, 2026.

5. **ASSUMPTIONS: EXPENSES**
    a. **Employee Compensation**:
        i. Increase 4.1 net FTEs in 2027 (some hires are delayed 3rd and 4th quarter); this is compared to 2026 budget.
        ii. Three percent (3%) increases in wages for all staff except: those receiving a market adjustment on 10/1/26, those hired after 10/1/26, and employees with an employment agreement – providers and senior leaders.
        iii. RHTP FTEs are up to 12.67 FTEs.
    b. **Benefits:** budgeted 11.4% increase over the estimated 2026 year-end benefit expense (contributions to retirement increase with pay increases).
    c. **Contract labor**:
        i. Issue:
            1. Our contract labor expense for traveler staffing is not sustainable.
            2. The 2026 budget anticipated $1,608,285 in traveler expense, but the estimated 2026 year-end expense is estimated at more than twice budget at $3,350,214. This $1,741,929 expense over budget represents a significant portion of the 2026 loss.
        ii. Steps toward resolution of the issue:
            1. On October 1, 2026, implemented a targeted wage market increase for positions using traveler staff (nursing, radiology and lab).
            2. Change in hiring requirements to expand the candidate pool.
            3. Change in practice or repeat use of traveler staff (use of traveler staff provides a traveler and PSMC the opportunity to see if employment is a good fit. Travelers who are offered employment and do not wish to accept it will no longer be renewed for additional traveler assignments).
    d. **Other expenses**:
        i. Utilities: budgeted 1% increase over the estimated 2026 year-end utilities (in 2026, we are approximately 13% under budget).
        ii. Rents and Leases: budgeted a decrease of 8.9% over estimated 2026 year-end.
        iii. Interest Expense: budgeted an increase of 3.2% associated with the anticipated lease-purchase of a new CT.
    e. **Rural Health Transformation Program:** The budget includes a line item for all RHTP expenses other than capital assets and also includes a separate line for depreciation of RHTP assets (we must separately track and exclude RHTP from the Medicare cost report). We will expend cash in 2027 for RHTP capital, but depreciation of RHTP capital expense will occur over time. We have addressed this by adding an RHTP reserve to apply against future RHTP depreciation expense.

6. **ASSUMPTIONS: NONOPERATING INCOME**:
    a. **Nonoperating Grants:** none (we do not anticipate any opportunities for capital grants in 2027).

b. **Interest Income**: reduced by 20.4% for use of days cash on hand (see capital budget).
c. **Use Fund Balance Reserves *on the Income Statement***: none (but see capital budget).
d. **Tax Revenue**: estimated property tax revenue held steady (2027 budgeted property tax of $2,315,166 and budgeted specific ownership tax of $180,909.89) for total budgeted tax revenue of $2,465,598.
e. **Donations**: budget anticipates the receipt of $1,100,000 in donations. The PSMC Foundation's efforts throughout 2026 resulted in $800,000 donations available to transfer to PSMC in 2027 for the renovation of the downtown EMS building. The Foundation has a goal of raising an additional $300,000 in 2027.
f. **RHTP reserve for future depreciation**: see 6(e).

7. CAPITAL EXPENDITURES (OUTLAY OF CASH):

a. **Explanation**:
   i. *Capital Assets* are items valued at $5,000 or more.
   ii. Income Statement: The expense for Capital Assets appears on our Income Statement as a depreciated expense over time rather than all at once as an operating expense.
   iii. Balance Sheet: While the expense shows on the income statement over time, we pay for Capital Assets all at once which spends down our cash reflected on the Balance Sheet.
b. **Capital budget for 2027**:
   i. The Capital Budget for 2027 (excluding RHTP) is $4,046,379. The Capital Budget will use days of cash-on-hand except: (A) the EMS San Juan St. renovation will be partially funded by available Foundation donations (currently $800,000) and a DOLA grant ($100,000); and (B) the new CT estimated at $1,200,000 will be financed with payments starting in 2028 when payments for the MRI conclude.
   ii. The Capital Budget for 2027 for RHTP is: $1,004,375.
   iii. The Capital Budget for 2027 proposes more expense than any prior year. Items on the capital budget are essential to continuity of patient services or meeting the approved Strategic Plan. Given the amount of cash needed for pressing capital projects, the E.D. Remodel has been pushed to 2028.

8. FUND BALANCE: ESTIMATED BEGINNING AND END BALANCE

a. *Estimated* Beginning Fund Balance for 2027: $16,149,904
b. *Estimated* Ending Fund Balance for 2027: $14,668,626

Beginning and Ending fund balances exclude restricted debt reserve cash ($878,731) and restricted funds for ERC 2021 Q1 payment of $2,095,663.

9. LEASE-PURCHASE AGREEMENTS

a. Lease purchase of real estate is the financing for the purchase of the Medical Wellness Building and the acreage of land.
b. Lease purchase (non-real estate) is equipment acquired on a lease-purchase basis including the MRI, the Mako orthopedic surgery robot, Carefusion Pyxis equipment medication dispensers, some Cerner purchases and some Stryker equipment for orthopedic surgery.

10. BASIS OF ACCOUNTING

a. PSMC uses an accrual basis of accounting.

Pagosa Springs Medical Center

Income Statement - - - Budget 2027

		2025 Actual - Audited	Estimated YE 2026	Draft Budget 2027	2027 Budget to Estimated YE 2026	2027 Budget to Estimated YE 2026
	Revenue					
1	Total In-patient Revenue	2,160,196	2,908,467	3,852,011	943,544	32.4%
2	Total Out-patient Revenue	81,129,211	86,738,778	93,802,898	7,064,120	8.1%
3	Professional Fees	6,548,171	6,130,971	7,249,512	1,118,541	18.2%
4	**Total Patient Revenue**	**89,837,578**	**95,778,216**	**104,904,421**	9,126,205	**9.5%**
	Revenue Deductions & Bad Debt					
5	Contractual Allowances	45,013,129	50,428,938	53,896,213	3,467,275	6.9%
6	Charity	521,563	579,803	600,000	20,197	3.5%
7	Bad Debt	3,299,910	3,268,557	4,198,342	929,785	28.4%
8	Provider Fee & Other	(3,950,849)	(4,026,757)	(3,714,833)	311,924	-7.7%
9	Total Revenue Deductions & Bad Debt	44,883,753	50,250,541	54,979,722	4,729,181	9.4%
10	**Total Net Patient Revenue**	**44,953,825**	**45,527,675**	**49,924,699**	4,397,024	**9.7%**
		49.96%	**52.47%**	**52.41%**		
11	Operating Grants	800,643	188,413	167,761	(20,652)	-11.0%
12	Other Operating Income - Misc	4,238,833	1,638,426	1,836,149	197,723	12.1%
13	RHTP Grant Reimbursement Income	0	0	4,201,526	4,201,526	0.0%
14	**Total Net Revenues**	**49,993,301**	**47,354,514**	**56,130,135**	8,775,621	**18.5%**
	Operating Expenses					
15	Salary & Wages	23,587,934	24,939,852	28,830,461	3,890,609	15.6%
16	Benefits	3,927,759	4,142,627	4,615,804	473,177	11.4%
17	Professional Fees/Contract Labor	2,199,310	3,350,214	1,486,405	(1,863,809)	-55.6%
18	Purchased Services	2,761,353	2,763,769	2,931,453	167,684	6.1%
19	Supplies	8,805,504	9,383,429	9,799,412	415,983	4.4%
20	Rent & Leases	353,442	146,917	133,861	(13,057)	-8.9%
21	Repairs & Maintenance	701,197	808,242	901,763	93,521	11.6%
22	Utilities	473,179	493,596	498,324	4,728	1.0%
23	Insurance	453,838	524,339	553,231	28,892	5.5%
24	Depreciation & Amortization	2,881,412	3,186,573	3,145,312	(41,261)	-1.3%
25	Interest	1,255,980	1,202,396	1,241,035	38,639	3.2%
26	Other	1,973,722	1,877,271	2,001,619	124,348	6.6%
27	RHTP Operational Expenses	0	0	3,197,151	3,197,151	0.0%
28	RHTP Depreciation	0	0	145,597	145,597	0.0%
29	**Total Operating Expenses**	**49,374,630**	**52,819,225**	**59,481,428**	6,662,203	**12.6%**
30	**Operating Revenue Less Expenses**	**618,671**	**(5,464,711)**	**(3,351,293)**	2,113,418	**38.7%**
	Non-Operating Income					
31	Grants	0	$41,370	$100,000	58,630	141.7%
32	Interest Income	1,139,209	690,686	550,000	(140,686)	-20.4%
33	Fund Balance Reserves	0	1,912,242	0	(1,912,242)	-100.0%
34	RHTP Reserve to be applied to future Depr	0	0	(858,778)	(858,778)	0.0%
35	Tax Revenue (Mill Levy plus Spec. O Tax)	2,426,836	2,454,005	2,465,598	11,593	0.5%
36	Donations	1,306,559	366,408	1,100,000	733,592	200.2%
37	**Total Non-Operating Income**	**4,872,604**	**5,464,711**	**3,356,820**	**(2,107,891)**	**-38.6%**
38	**Total Revenue Less Total Expenses**	**$ 5,491,275**	**$0**	**$5,527**	**$5,527**	**0.0%**

Pagosa Springs Medical Center
FTE Budget
Budget Year 2027

Dept	Dept Name	2025 Budget FTE	2026 Budget FTE	2027 Budget FTE	2027 Budget to 2026 Budget Difference	2027 Budget to 2026 Budget Percent
6000 Total	Med Surg	9.06	10.68	8.91	(1.77)	-16.57%
6100 Total	ER	10.33	11.37	12.39	1.02	8.97%
6150 Total	ER Physicians	4.20	4.33	4.88	0.55	12.70%
7000 Total	Lab	11.04	10.32	9.56	(0.76)	-7.36%
7100 Total	Radiology	10.50	10.72	8.65	(2.07)	-19.31%
7200 Total	Pharmacy	3.64	3.48	4.10	0.62	17.82%
7210 Total	Infusion	1.91	3.00	2.89	(0.11)	-3.67%
7220 Total	Cardiopulmonary	3.04	2.46	2.29	(0.17)	-6.91%
7250 Total	Physicial Therapy	3.83	4.21	3.95	(0.26)	-6.18%
7260 Total	Speech	-	-		-	0.00%
7270 Total	Occ Therapy	-	1.00	0.90	(0.10)	-10.00%
7280 Total	Cardiology	-	0.93	0.80	(0.13)	-13.98%
7290 Total	Oncology	4.06	4.14	5.29	1.15	27.78%
7300 Total	Central Supply	1.83	1.81	2.23	0.42	23.20%
7310 Total	Biomedical	0.33	0.43	0.15	(0.28)	-65.12%
7400 Total	Dietary	8.00	6.98	7.86	0.88	12.61%
7600 Total	OR	11.02	11.04	12.23	1.19	10.78%
7610 Total	Recovery	3.36	3.40	2.27	(1.13)	-33.24%
7620 Total	Anesthesia	1.19	1.40	1.40	-	0.00%
7625 Total	Pain Management	0.30	0.70	0.70	-	0.00%
7630 Total	OR Physician	1.84	1.29	1.72	0.43	33.33%
7640 Total	Health in Motion	2.28	1.90	2.00	0.10	5.26%
7650 Total	Specialty Clinic	1.00	1.00	0.82	(0.18)	-18.00%
7900 Total	Ambulance	33.72	34.04	36.28	2.24	6.58%
7910 Total	RHC	34.38	33.68	36.83	3.15	9.35%
7920 Total	EMS Training	0.50	1.45	1.45	-	0.00%
7930 Total	Hospitalist	1.75	2.09	2.09	-	0.00%
7940 Total	RHC Providers	12.32	13.36	13.32	(0.04)	-0.30%
8000 Total	Administration	4.90	3.97	4.65	0.68	17.13%
8010 Total	Quality	2.30	2.19	2.50	0.31	14.16%
8020 Total	Infection Control	1.06	1.75	1.00	(0.75)	-42.86%
8030 Total	Informatics	3.66	2.66	3.68	1.02	38.35%
8060 Total	Compliance	3.02	3.50	3.60	0.10	2.86%
8090 Total	Nursing Admin	2.00	2.01	2.00	(0.01)	-0.50%
8100 Total	Medical Staff Office	2.00	2.00	2.91	0.91	45.50%
8150 Total	Human Resources	2.03	3.15	3.13	(0.02)	-0.63%
8200 Total	Plant Operations	5.09	6.94	8.44	1.50	21.61%
8250 Total	Housekeeping	8.95	8.95	8.90	(0.05)	-0.56%
8300 Total	Accounting	2.76	3.01	2.76	(0.25)	-8.31%
8350 Total	Registration	10.94	12.28	14.00	1.72	14.01%
8400 Total	Medical Records	4.97	6.00	3.36	(2.64)	-44.00%
8450 Total	Business Office	17.62	16.50	17.63	1.13	6.85%
8460 Total	Pre-Service	5.08	5.00	1.00	(4.00)	-80.00%
8500 Total	IT	3.81	3.54	3.55	0.01	0.28%
8610 Total	Fundraising	0.50	0.50	0.50	-	0.00%
8620 Total	Community Relations	1.51	1.50	1.50	-	0.00%
Total		257.63	266.66	271.07	4.41	1.83%
RHTP						
7961 - RHTP	Whole Person Health			6.84	6.84	100.00%
7960 - RHTP	Telehealth			2.40	2.40	100.00%
7962 - RHTP	Mobile Unit			-	0	100.00%
7963 - RHTP	EMS Transport			0.35	0.35	100.00%
7964 - RHTP	Strengthen Workforce			2.33	2.33	100.00%
7965 - RHTP	Chronic Disease Tech			0.75	0.75	100.00%
Total RHTP				12.67	12.67	100.00%
Total PSMC		257.63	266.66	283.74	17.08	6.41%

Pagosa Springs Medical Center
Summary of Lease Agreements
Budget Year 2027

	Budget 2027	Outstanding Balance
Lease Purchase Agreements		
Lease Purchase for Real Estate (COP)	$ 135,000	$ 1,665,000
Lease Purchase for Non Real Estate	$ 992,883	$ 3,773,787
Total Lease Purchase Agreements	$ 1,127,883	$ 5,438,787

* No optional renewal terms available

Pagosa Springs Medical Center
Capital Budget 2027

Dept	Item Description	Budget Cost	Reason for Capital Request.
	2027		
Ambulance	Bay Doors X 2	14,000	New Bay Doors for current Ambulance Bldg
Ambulance	New ambulance	330,000	Last new ambulance before we start mounting on new chassis.
Ambulance	House Mobile Radio - APX 8500 Dual Band NEW Ambulance Add	8,500	Radio for New Ambulance
EMS East	302 San Juan Street Renovation	1,350,000	Due to Flood, This is pushed to 2027
Emergency Room	Stryker Big Wheel Stretchers	20,000	Replacement
Facilities	CORE Building Remodel	300,000	CORE Building Remodel
Facilities	Fire Sprinkler Backflow Preventer – Two Zones	$35,000	Correct original omission, protect domestic water, and address fire-protection/regulatory compliance by June of 2027.
Facilities	Hospital Boilers	348,500	Aged out - HVAC and Water Boilers
Facilities	EMS Exterior Repair	50,000	Complete the exterior repairs for the EMS building
Facilities	Re-work the drain in front of the clinic by the stairwell	6,950	The drain is in the wrong place and the parking lot does not drain properly
Infection Control	Aerofit - For Mask Fit testing	15,000	Assure Appropriate PPE and Efficiency for testing employees
Med/Surg	Telemetry Boxes	85,000	Will allow to keep more inpatient patients. Current system aged out
Radiology	DexaScan	68,300	Additional Scans for additional revenue - Current system aged out
Radiology	CT including Remodel	1,200,000	New CT with Cardiac Capabilities - This will be financed payments starting in 2028
RHC	Vaccine Refrigerators Clinic	28,000	2 Refrigerators 1 Frig Freezer and and Additonal ED
RT	Hillrom Vest 105 Airway Clearance	8,000	Provides more efficient percussion and improve ventilation for inpatients
Surgery	GI Documentation Software - Cerner Interface	40,000	To provide efficiency with Colonoscopy documentation.
Surgery	Beach Chair	16,525	Replacement for shoulder surgery.
Surgery	Surgical Cautery (ESU) – OR 1	31,091	End of life. AHA recommends replacement every seven years. Existing unit manufactured in 2017.
Surgery	Cataract Stretchers (2)	16,513	Existing stretchers are end of life.
Surgery	LifePak Defibrillator (3)	75,000	End of life. Need to replace for patient care
RHTP	RHTP Capital Items	1,004,375	RHTP Opportunities
		$5,050,754	

Pagosa Springs Medical Center
Budget Cash Flow Statement (Cash on Hand)
Budget Year 2027

				Budget 2027	RHTP 2027	Total PSMC 2027
1	Net Revenue Collections			49,924,699		49,924,699
2	Grants (Operating and NonOperating, including RHTP)			267,761		267,761
3	RHTP Grant				4,201,526	4,201,526
4	Other Income	(1)		1,836,149		1,836,149
5	Interest Income			550,000		550,000
6	HSS Stimulus Other Revenue					-
7	Mill Levy			2,465,598		2,465,598
8	Donations			1,100,000		1,100,000
9	Total Collections		**$**	**56,144,207**	**4,201,526**	**60,345,733**
10	Expenses Less Depr and Interest Not Paid for CT			52,916,223	-	52,916,223
11	RHTP Expenses Less RHTP Depr			-	3,197,151	3,197,151
11	Bond/Leaseback Principal Payments		$	1,862,883	-	1,862,883
12	Capital Outlay (Includes RHTP Capital)	(2)	$	2,846,379	-	2,846,379
13	RHTP Capital				1,004,375	1,004,375
14	Total Outlay		**$**	**57,625,485**	**4,201,526**	**61,827,011**
15	Net increase(decrease) in Cash		**$**	**(1,481,278)**	**-**	**(1,481,278)**
16	Estimated Cash on Hand January 1 2027 (represents 10/31/2026 cash less additional estimated reduction of $500,000)	(3)				$ 16,149,904
17	Estimated cash on hand on December 31, 2027	(3)				$ 14,668,626
18	Estimated days of cash December 31, 2027					101.18
17	Expenses Per Day Calc 2027					**$ 144,975.95**

(1) Other income includes 340B revenue, cafeteria revenue and other misc revenue.
(2) Capital Outlay includes $2,846,379 for capital outlay. CT Financing will be a delayed pmt program.
(3) Excludes Restricted Cash Debt Reserve $878,731 and ERC 2021 Q1 Pmt $2,095,663

UPPER SAN JUAN HEALTH SERVICE DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER
RESOLUTION (No. 2026-11) TO ADOPT BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2027 AND ENDING ON THE LAST DAY OF DECEMBER 2027.

WHEREAS, the Board of Directors of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center ("USJHSD" or "District") has appointed its Chief Executive Officer to prepare and timely submit a proposed 2027 budget; and

WHEREAS, the Chief Executive Officer has caused a proposed 2027 budget to be submitted to the USJHSD Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the law on September 24, 2026, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on October 8, 2026 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with the terms, limitations and exemptions of laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from fund balances so that the budget remains in balance, as required by C.R.S. Section 29-1-101, *et seq*.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Upper San Juan Health Service District:

1. The 2027 budgeted revenues and expenditures for each fund are as follows:

FUND	**REVENUES**	**EXPENSES**
General Fund[1]	$53,678,609	$53,673,082
General Property Tax	$2,284,688	$2,284,688
Specific Ownership Tax	$180,910	$180,910
Debt Service Fund	$0	$0
RHTP Fund (capital and operational expense)[2]	$4,201,526	$4,201,526
Fund Balance (capital, contingency)[3]	$16,149,904	$16,149,904
TOTAL	$76,495,637	$76,490,110

[1] Total net revenues $51,928,609, grants of $100,000, interest income of $550,000 and donations of $1,100,000.
[2] Budgets the maximum amount of RHTP opportunities (expense includes capital outlay that will be depreciated over time).
[3] Estimated cash on hand on Jan 1, 2027 (excludes restricted cash).

2. That the budget be, and the same hereby is, approved and adopted as the budget of the Upper San Juan Health Service District for its 2027 fiscal year.

3. That the budget, as hereby approved and adopted, shall be signed by the Chair of the Board of the District and made a part of the public records of the District.

Upper San Juan Health Service District

_____ _____
Kate Alfred, as Chair of the USJHSD Board Date

DISTRICT SEAL

Attest:

_____ _____
Antoinette Martinez, Clerk to the USJHSD Board Date

UPPER SAN JUAN HEALTH SERVICE DISTRICT
RESOLUTION (No. 2026-12) TO APPROPRIATE SUMS OF MONEY

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE 2027 BUDGET YEAR.

WHEREAS, on November 17, 2026, the Board of Directors of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center ("USJHSD" or "District") adopted, in accordance with the Colorado local government budget law, the 2027 annual budget; and

WHEREAS, the Board of Directors of USJHSD has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and beginning fund balances provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of USJHSD.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Upper San Juan Health Service District that the following sums are hereby appropriated from the revenues and beginning fund balance of each fund as follows:

FUND	**EXPENSES**
Operating Expenses (all revenues from general fund and taxes)	$56,138,680
Debt Service Fund	$0
Rural Health Transformation Program (RHTP)	$4,201,526
Fund Balance (for capital & contingency)	$16,149,904
TOTAL	$76,490,110

Upper San Juan Health Service District

_____ _____
Kate Alfred, as Chair of the USJHSD Board Date

DISTRICT SEAL

Attest:

_____ _____
Antoinette Martinez, Clerk to the USJHSD Board Date

UPPER SAN JUAN HEALTH SERVICE DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER
RESOLUTION (No. 2026-13) TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2027 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE UPPER SAN JUAN HEALTH SERVICE DISTRICT D/B/A PAGOSA SPRINGS MEDICAL CENTER FOR THE 2027 BUDGET YEAR.

WHEREAS, on November 17, 2026, the Board of Directors of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center ("USJHSD" or "District") adopted, in accordance with the Colorado local government budget law, the 2027 annual budget; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is $2,284,688; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is $0; and

WHEREAS, the 2026 valuation for assessment for the District, as certified by the Assessors of Archuleta, Hinsdale and Mineral Counties, is $587,029,493;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of USJHSD:

1. That for the purposes of meeting all general operating expenses of USJHSD during the 2027 budget year, there is hereby levied a tax of 3.884 mills upon each dollar of the total valuation for assessment of all 2026 taxable property within USJHSD, to raise $2,284,688 in revenue.
2. That for the purposes of meeting all debt service expenses of USJHSD during the 2027 budget year, there is hereby levied a tax of 0.0 mills upon each dollar of the total valuation for assessment of all 2027 taxable property within USJHSD, to raise $0 in revenue.
3. That the Chair, Vice-Chair or Treasurer of USJHSD is hereby authorized and directed, to immediately certify to the County Commissioners of Archuleta, Hinsdale and Mineral Counties, Colorado, the mill levy for the District as hereinabove determined and set.

Upper San Juan Health Service District

_____ _____
Kate Alfred, as Chair of the USJHSD Board Date

DISTRICT SEAL

Attest:

_____ _____
Antoinette Martinez, Clerk to the USJHSD Board Date

[PAGE INTENTIONALLY LEFT BLANK FOR FINAL CERTIFIED ASSESSED VALUATION AND TAX REVENUES OF ARCHULETA, HINSDALE, AND MINERAL COUNTIES, AS APPLICABLE]

MINUTES OF REGULAR BOARD MEETING
Tuesday, October 27, 2026, at 5:00 PM
The Board Room
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors (the "Board") of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center ("PSMC") held its regular board meeting on October 27, 2026, at PSMC, Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Teams video communications.

Director's Present: Chair Kate Alfred, Director Mark Floyd, Director Gwen Taylor, Director Wayne Hooper, Director Erik Foss

Board members present via Teams: Vice Chair Matt Mees, Director Ashley Wilson (Director Wilson left the Teams meeting at 6:00 pm to attend the community meeting addressing the recent flooding).
Board members present via telephone: None
Board members absent: None

1) CALL TO ORDER

a) Call for quorum: Chair Alfred called the meeting to order at 5:00 p.m. MDT and Clerk to the Board, Antoinette Martinez, recorded the minutes. A quorum of directors was present and acknowledged.
b) Board member self-disclosure of actual, potential or perceived conflicts of interest: None.
c) Approval of the Agenda: Director Mark Floyd motioned to approve the agenda with no changes. Director Wayne Hooper seconded; the Board Members in attendance unanimously approved the agenda.

2) PUBLIC COMMENT

None

3) RURAL HEALTH TRANSFORMATION PROGRAM

Pagosa Springs Medical Center has been awarded the opportunity to receive up to $4.2 million in reimbursement funding through the Rural Health Transformation Program (RHTP) to support initiatives aimed at strengthening rural healthcare services. The proposed initiatives focus on expanding patient access, improving electronic health records, enhancing EMS services, strengthening chronic disease management and remote patient monitoring, developing workforce education, and increasing outpatient women's health capacity. Key benefits include funding for additional staffing, technology improvements, clinical training, and facility renovations. However, the program presents financial and operational challenges, as PSMC must initially fund the projects and meet established objectives before receiving reimbursement. The State of Colorado's goal for RHTP is to strengthen PSMC's long-term sustainability, enhance patient care and expand healthcare services.

4) REPORTS

a) Oral Reports
i) Chair Report

- Chair Alfred reported that Dr. Rhonda Webb had written a heartfelt letter recognizing the dedication, hard work, and countless hours contributed by individuals who provided

essential services during the recent October flooding. Chair Alfred noted that the letter had been shared on Facebook and was anticipated to appear in the local newspaper's Letters to the Editor section. Chair Alfred encouraged Board members to read the letter and reflect on the extraordinary commitment and efforts of those who served the community during this challenging time.

ii) CEO Report

CEO Rhonda Webb advised the following update:

- CEO Webb reported that, in response to the recent October flooding, PSMC activated its Incident Command System on Thursday 10/22/2026 and will remain in Incident Command due to anticipated weather conditions the first week of November. Dr. Rhonda Webb further noted that Jason Webb had served as the operational Incident Commander throughout most of the response, with Crystal DeCola (Director of Nursing) assuming the role temporarily due to his illness. Dr. Rhonda Webb then invited COO Jason Webb to provide additional information and updates regarding the flooding and PSMC's ongoing response efforts.
- Questions asked and answered.

iii)Executive Committee

- No Report

iv)Foundation Board

- No Report

v) Facilities Committee

- No Report

vi)Strategic Planning Committee Report

- No Report

vii) Finance Committee Report

CFO, Chelle Keplinger, presented and discussed financials for September 2026. Questions asked and answered.

b) Written Report

i) Medical Staff Report – Chief of Staff, Dr. Corinne Reed, D.O. provided a verbal report about new physicians who are approved for privileges. Questions asked and answered

5) DECISION AGENDA

a) Consideration of Resolution 2026-09 regarding approval of the proposed redline amendment to the Board Bylaws to allow for flexibility for all Board officer positions consistent with Colorado Statute.

i) Director Wayne Hooper motioned to approve Resolution 2026-09 regarding approval of the proposed redline amendment to the Board Bylaws to allow for flexibility for all Board officer positions consistent with Colorado Statute. The motion was seconded by Director Erik Foss, and the six Board Members still in attendance unanimously approved.

6) CONSENT AGENDA

Director Erik Foss motioned to approve the consent agenda (approval of Board Member absences, approval of the regular meeting minutes of 10/08/2026 and the Medical Staff Report). The motion was seconded by Director Wayne Hooper and the Board Members in attendance approved the consent agenda items.

7) EXECUTIVE SESSION

- None

8) OTHER BUSINESS

- Regular Meeting: Tuesday, November 17, 2026, at 5:00 pm MST
- Regular Meeting: Monday, December 14, 2026, at 5:00 pm MST

9) ADJOURN

There being no further business, Chair Alfred adjourned the regular meeting at 6:14 PM MDT.

Respectfully submitted by:
Antoinette Martinez, serving as Clerk to the Board