

BOARD OF UNION COUNTY COMMISSION
REGULAR MEETING
April 10, 2018

UNION COUNTY, NM
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1 of 26
BY Brenda Green

BOARD MEMBERS PRESENT:

Chairman Justin Bennett Commissioner Walter C. Hall Commissioner W. Carr Vincent

OTHERS PRESENT:

Clerk Mary Lou Harkins Mgr. Angie Gonzales Admin Assistant Cheryl Garcia
Assessor Frankie Aragon Superintendent Russell Kear Sheriff James Lobb

GUESTS:

Sue Richardson, Reporter - Union County Leader
Terri Martinez, CFO - Union County General Hospital
Tammi Stump, CEO - Union County General Hospital
Judy Steen - Clayton Health Systems Board Member/Town of Clayton Council Member
Anne Reeser, Director - A.W. Thompson Memorial Library
Jeff Childress, Director - Clayton Senior Citizen Center
Freddie Rael, President - Union County/Clayton Chamber of Commerce
Clayton Kiesling - 2018 candidate for county commissioner
Jerrett Gilbreath - 2018 candidate for county commissioner
Trey Howard, Business Development Manager - Air Methods
Ryan Smith, RN, EMR-P, NREMTP, CFRN - Rico Aviation

At 9:03 a.m., Chairman Bennett called the meeting to order, in the Union County Commissioner's Office, located in the Union County Courthouse. The Pledge of Allegiance was recited.

Commissioner Hall moved to approve the agenda and the regular meeting minutes of March 14, 2018, and the special meeting minutes on March 28, 2018. Commissioner Vincent seconded. There was no further discussion. Vote: All YES. Motion carried. Minutes signed.

HOSPITAL REPORT

Tammie Stump, CEO, distributed copies of the *County Commissioner Monthly Hospital Report, Union County General Hospital, Tammie Stump, CEO, dated April 9, 2018* (4 pgs), a copy of a draft letter to Sara Cordova, Financial Analyst with NM Human Services Department dated April 9, 2018 (2 pgs), a copy of *Union County General Hospital Analysis of Uncompensated Care Cost New Mexico Medicaid Program Years 2015 thru 2018* (1 pg), a copy of a letter to Safety Net Care Partners dated March 20, 2018, with supporting documents (9 pgs). All attached as exhibits. Stump reported on the following (but not limited to the following): **Uncompensated Care Allocation.** The hospital owes \$2,125,349.00. Payment options were discussed at length. A special hospital board meeting was held on April 9th. Human Services Department (HSD) will accept a payment proposal no later than this Friday. A draft proposal letter dated April 13th to Sara Cordova, Financial Analyst, New Mexico Human Services regarding repayment plans was discussed. Stump is working with a cost repair analyst from Community Health Corporation (CHC) to determine why this happened. Possible causes were discussed. The *Analysis of Uncompensated Care Cost* was discussed. CHC's cost repair analyst has been asked to be prepared to call in for the next hospital board meeting on April 23rd and explain the circumstance to the Board. Stump will ask that the

analyst supply a report, and Stump will share the information with the County. Stump spoke about **Areas of Risk** as contained in her report. Stump will ask the analyst to look ahead to determine uncompensated care cost for future years. The Secretary of the Department of Health and Human Services ultimately decides to approve the payment proposal. Chairman Bennett suggested that the County reach out to lobbyist Clint Harden for assistance. Stump will also reach out to Harden. Stump reported on **Physician Recruitment; Rural Health Clinic Update**. The temporary license has been received for the Rural Health Clinic from the State. An unannounced survey with the accreditation company will be done within the next six weeks; **Business Office/Revenue Cycle Update**. An attempt to bring back in-house coding and billing is being made; **Scrubs Camp**. As part of community service to increase awareness about the various types of jobs that are available within the hospital, local school students can participate in the camp; **Financial Assistance: UCGH**. Applications for assistance are being completed for consideration, and the financial assistance policy is being updated and will be presented to the hospital board on the 23rd; **Union County Health Fair**. Des Moines on April 11th, Clayton on April 25th and in Harding County in Roy on May 9th; **Construction Updates; Auxiliary**. The Hospital **Auxiliary** has donated funds for new laminate flooring and chairs for the emergency room lobby.

Terri Martinez, CFO, supplied a copy of the *Clayton Health Systems, April 03, 2018, Notes to Financial Statements, Period Ending February 2018* (1 pg), *Clayton Health Systems, Inc., Union County General Consolidated Executive Financial Summary 8 Months FY 2018* (1 pg), *Clayton Health Systems Inc Clayton Family Practice Executive Financial Summary 8 Months FY 2018* (1 pg) attached as exhibits. Martinez reported on the following (but not limited to the following): income statements, balances, statistics, revenues and expenses. Cash collections and new processes that are in place are going very well due in part to Community Health Corporation (CHC) extending the use of a professional biller. Mgr. Gonzales asked Martinez why it took so long for CHC to send help after dealing with the billing problems for over four (4) years. Stump suggested that it was due to local administration efforts, the hard work of staff, and working closely with the hospital board to make CHC accountable. Commissioner Vincent commented that these very concerns were discussed with CHC early on when the contract was being negotiated.

DISCUSSION/POSSIBLE ACTION ITEMS

RESOLUTION #106-35 MAY IS MOTORCYCLE AWARENESS MONTH

A proposed resolution urging the citizens of Union County to be observant, courteous and knowledgeable about motorcycle usage in our communities was reviewed and discussed. Mgr. Gonzales reported that Richard Sturgeon, member of the motorcycle safety committee in Los Alamos has requested that all New Mexico Counties consider designating May as Motorcycle Awareness Month.

Commissioner Vincent moved to approve Resolution #106-35. Discussion: Commissioner Hall suggested that if this resolution is approved, it may help to secure funds for road/highway repair since Union County is a destination route for bicycle and motorcycle enthusiasts. Mgr. Gonzales will forward an original resolution upon approval to New Mexico Department of Transportation (NMDOT). Commissioner Hall seconded. Vote: All YES. Motion carried. Resolution signed.

LAW ENFORCEMENT PROTECTION JOINT POWERS AGREEMENTS FOLSOM, GRENVILLE, DES MOINES

Joint Powers Agreements for the Villages of Folsom, Grenville and Des Moines, whereby the villages and Union County enter into an agreement pursuant to the *Joint Powers Agreements Act* (as amended) and the *Law Enforcement Protection Fund Act* whereby limited law enforcement services will be provided to the villages by

Union County in exchange for apparatus and equipment under a grant to the Village (under LEP) were reviewed and discussed. Agreements will be in effect for the 2017-2018 fiscal year. The total qualified amounts for Folsom, Grenville and Des Moines are \$20,000 each.

Commissioner Hall moved to approve and enter into Joint Powers Agreement for Law Enforcement Services with the Villages of Folsom, Grenville, and Folsom. Commissioner Vincent seconded. Vote: All YES. Motion carried. Agreements signed.

**PROFESSIONAL SERVICES CONTRACT #1 CLAYTON SCHOOLS ALCOHOL-FREE PROM;
PROFESSIONAL SERVICES CONTRACT #2 CLAYTON SCHOOLS ALCOHOL-FREE SENIOR
WEEK;
PROFESSIONAL SERVICES CONTRACT #3 DES MOINES ALCOHOL-FREE PROM; and
PROFESSIONAL SERVICES CONTRACT #4 DES MOINES ALCOHOL-FREE PROM**

The proposed agreements are by and between the Union County DWI Program and the Clayton and Des Moines Public Schools. The schools are to promote Alcohol-Free proms and Senior Weeks, focusing on the dangers of Driving and Riding with an impaired driver. Prevention information relating to underage drinking to be delivered during Senior Week. Each school will be compensated by the Union County DWI Program for services in the amount of \$750 for an Alcohol-Free Senior Week and \$1500 for an Alcohol-Free Prom.

Commissioner Vincent moved to approve Professional Services Contracts #1, #2, #3, and #4. Commissioner Hall seconded. Vote: All YES. Motion carried. Contracts signed.

PROFESSIONAL SERVICES CONTRACT #5 UC KIDS FIRST PREVENTION COMPONENT

A proposed agreement by and between the Union County DWI Program and the Union County Historical Society/UC First Prevention Component (a 501c3) was reviewed and discussed. Education promoting the dangers of driving and riding with an impaired driver, and prevention information relating to underage drinking to be delivered. Compensation will be made by the Union County DWI Program for services in an amount up to and including twelve thousand dollars (\$12,000.00). Mgr. Gonzales reported that the program begins June 11th and runs through July 27th. This contract will be through June 29th.

Commissioner Vincent moved to approve Professional Services Contract #5. Commissioner Hall seconded. Vote: All YES. Motion carried. Contract signed.

CDWI MEMORANDUM OF AGREEMENT

Mgr. Gonzales reported that the Community DWI grant is in the amount of fifteen hundred and twenty-one dollars (\$1521). The grant is through the Traffic Safety Bureau. The program reflects an integrated approach to the community alcohol-related traffic safety problems and incorporates multiple approaches to these problems over a sustained period of time and ensures that public and private entities work in concert to address these problems. The agreement is between Union County, the local police and, sheriff's department.

Commissioner Vincent moved to approve CDWI Memorandum of Agreement. Commissioner Hall seconded. Vote: All YES. Motion carried. Agreement signed.

At 9:58 a.m., a short recess was taken. At 10:08 a.m., the meeting resumed.

CITIZEN'S FORUM

Trey Howard, Business Development Manager - Air Methods Advantage

Ryan Smith, RN, EMT-P, NREMTP, CFRN, Business Development - Rico Aviation Air Ambulance

Rico Aviation is an asset to Air Methods Advantage. Howard and Smith explained membership plans for individuals and families. A proposed agreement to support the partnership with Air Methods for facilitation of services for the county residents was encouraged. The County residents would pay for the memberships directly with Air Methods. The annual memberships would cost \$10 for an individual and \$25 for a family. Air Methods will draft the agreement. If the County agrees, Smith will attend county functions like the health fair, to present information and to sign up County residents. The idea is to get as many county residents to join so that the lowest possible membership fee can be applied. The target membership for Union County is one thousand (1,000) members. The availability of aircraft was discussed: Dalhart, Raton, Tucumcari, Taos, Santa Fe, and Southern New Mexico. This membership is also considered as a national membership agreement. A heavy marketing push will be made so that the target membership is reached. Mgr. Gonzales wanted to make sure that legally there would be no possibility of violating the Anti-Donation Clause. Once the County receives the draft agreement, the draft will then be sent to the county attorney for review and consideration. Chairman Bennett publicly stated support for the residents of Union County and their membership with Air Methods. This agreement will be added to next month's agenda for formal approval. Pamphlets and business cards were left by Howard and Smith.

Freddie Rael, President - Union County/Clayton Chamber of Commerce Rael thanked the Board for designating the month of May as Motorcycle Awareness Month. Rael commented that many motorcycle groups that travel through our area. Rael encouraged law enforcement presence at the Five States Motorcycle Run and gathering at the museum to promote safety.

Jeff Childress, Director of the Clayton Senior Center handed out copies of the center's budgetary request in the amount of \$15,000.00. Childress thanked the Board for past support and reported that the State has cut funding by 10.5% over the last two (2) years. Federal funding is expected to be cut as much as 10% for this fiscal year.

Ann Reeser, Director of the A.W. Thompson Memorial Library handed out copies of the library's budgetary request in the amount of \$2,000.00. Reeser thanked the Board for past financial support and for being a member of the library board. Reeser explained the additional \$1,000.00 increase was for the expansion of library services for all of Union County.

Judy Steen, Clayton Health Systems Board Member/Town of Clayton Council Member reported that after the "State-Line Fire", it was discussed that perhaps Red Cross services were warranted in our area. A Red Cross representative from Santa Fe will be attending the next LEPC meeting on the 18th to inform those interested persons about recruitment and forming an organization in our immediate area. The first training will be in Angel Fire the first week in June. Steen suggested that the sheriff's office be a point of contact for the group if established. Lastly, Steen reported that on April 21st, there will be an open house for the Stephen Bush Memorial Shooting Range/NM Department of Game & Fish.

CLAYTON SCHOOL DISTRICT KISER SCHOOL DONATION AGREEMENT AND MEMORANDUM AGREEMENT

The proposed Donation Agreement, Memorandum of Agreement and Quitclaim Deed were discussed at length. Chairman Bennett asked Superintendent Kear if he agreed with the projects, and how it was stated in the agreement. Kear agreed with the projects. However, Kear remains concerned that there is still not a definitive priority project timeline; Commissioner Vincent commented and asked that language be added to the Donation Agreement to reflect that subject to finalizing the property transaction that a Phase I environmental assessment be complete. Mgr. Gonzales was directed to call Stephen C. Ross, county attorney, for consultation. Ross joined

the meeting via conference call. The Phase I environmental assessment was discussed. Commissioner Vincent also had concerns with the property description under "Property: Section 1, Subsection 1.9." The property description was discussed. Revisions were made by the county attorney and submitted for Board signature. Commissioner Hall asked how long it would take for an environmental assessment. Attorney Ross commented that it should take just a couple of days. Mgr. Gonzales has arranged for Florence Higgins who is a retiree from the New Mexico Department of Health to do the assessment.

Commissioner Vincent moved to approve the Donation Agreement and QuitClaim Deed with the changes discussed, and if this motion is approved that the signed original be sent to the school Certified Return Receipt and that copies also get sent Certified Return Receipt to each of the school board members. Commissioner Hall seconded. There was no further discussion. Vote: All YES. Motion carried. Donation Agreement signed.

Commissioner Hall stated that he would attend the next regular school board meeting on April 18th to answer any questions that the school board may have.

RESOLUTION #106-36 BUDGET INCREASE

Mgr. Gonzales reported that resolution was no longer needed. No action was taken.

ROAD CROSSING PERMITS

No permits presented for consideration. Item tabled.

APPROVAL OF BILLS

The Board reviewed and discussed bills in the amount of \$183,826.26.

Commissioner Vincent moved to approve the payment of bills in the amount \$183,826.26. Commissioner Hall seconded. There was no further discussion. Vote: All YES. Motion carried.

INVENTORY ITEMS DISPOSITION

No auction items were presented for disposition.

HEALTH CARE ASSISTANCE PROGRAM - Approval of Claims

Claims for the Health Care Assistance Program were reviewed. A total of four (4) claims were considered in the amount of \$694.02. Discussion followed.

Commissioner Vincent moved to approve the payment of four (4) claims in the amount of \$694.02. Commissioner Hall seconded. Vote: All Yes. Motion carried.

COUNTY TRAVEL REQUESTS

The following employees reported/requested travel approval: **Manager Angie Gonzales and Assistant Manager Cheryl Garcia** will be attending an HR Training in Amarillo on April 17-18th; **Commissioner Hall** will attend the NERTPO (Northeast Regional Transportation and Planning Organization) meeting in Angel Fire on April 25th; **Chairman Bennett** will attend the New Mexico Association of Counties Board Meeting in Clayton on May

3rd & 4th. Chairman Bennett extended an invitation to county employees to attend the NMAC Board reception during the evening of May 3rd. Mgr. Gonzales will publish notice of possible quorum at the reception. All travel approved.

COURTHOUSE ROOF CORRECTIVE ACTION REPAIR

Mgr. Gonzales reported that the corrective action is a continuation of the roof project done last fall. Enclosed in the meeting packet was a copy of a letter from J3 Systems to Mgr. Gonzales dated March 12, 2018, containing general comments and scope of work to be done. Gonzales invited Phil Lucero, the county maintenance director, to speak with the Board about existing conditions. Lucero stated that what was proposed will be done in two (2) phases and will fix all current issues, and will prevent future maintenance issues and leaks. Mgr. Gonzales reported that architect Dave Little has been consulted

with and that he has spoken with Colt Builders who did previous roof work last fall as a courtesy. The first phase quote will cost \$19,811.25, and the second phase will be \$20,075.54.

Commissioner Vincent moved to approve the corrective action repair and the bid from J3 Systems for all proposed necessary work. Discussion: Lucero commented that this should repair the roof completely. The contractor is ready to start upon approval. There was no further discussion. Commissioner Hall seconded. Vote: All YES. Motion carried.

UNION COUNTY STRATEGIC PLAN WITH NM ECONOMIC DEPARTMENT

Mgr. Gonzales reported that the New Mexico Finance Authority Application for Local Government Planning Fund was sent in. Gonzales received an email from Susan Rodriguez of New Mexico Finance Authority on March 15th. Rodriguez advised that the Local Government Planning Grant Program fund typically allows for the type of planning grant that Union County was applying for, but at this time they are only accepting applications for urgent needs. Discussion followed. Strategic planning will have to be considered during budget planning.

ORDINANCE #5 DOG ORDINANCE REVIEW

Mgr. Gonzales reported that the ordinance has been reviewed by county staff. Gonzales suggested various deletions and or changes. Gonzales will prepare a clean draft and distribute to each county department for review before presentation to the Board during the May meeting.

BUDGET 2019 WORKSHOP

Mgr. Gonzales reported that health insurance will be going up 4%, and she will adjust each department's budgets accordingly and will make sure that each department gets copies of the budget that shows the increase so that they are prepared for the May meeting.

ROAD SUPERINTENDENT'S REPORT

Kear reported on the following (but not limited to the following): working on routine road maintenance. Dry conditions are hampering road work; currently working on Atencio Road, and while in the area will be working on other small road projects; repairing and installing cattle guards and working on routine equipment maintenance. Commissioner Vincent asked that a cattle guard wing be repaired on the road going south from the lake.

EMERGENCY MANAGER REPORT

Manager Russell was not present but submitted a report updated on April 3, 2018, as contained in the meeting packet.

ELECTED OFFICIALS REPORTS

Sheriff Lobb reported on the following (but not limited to the following): transports, civil services, arrests, crash reports, and offense reports; an animal abuse and neglect investigation together with the ASPCA resulted in the rescue of approximately 120 dogs and cats. Criminal charges will be pursued; and, an attempted but failed prisoner escape; Colby Skidmore has been hired as the new undersheriff. John Grice has been hired as a new deputy. Grice will start on April 16th. Deputy and undersheriff introductions will be made soon.

Assessor Aragon reported that there will be an upcoming Property Tax Division Evaluation on April 23-25th.

Clerk Harkins reported that she and Sterling Desmare will travel to Des Moines for the health fair on April 11th to promote Union County and voter registration and/or updates. Harkins will also participate in the Clayton Health Fair on April 25th. Voter registration ends on May 8th, and early/absentee voting for the Primary Election begins on the same day.

Chairman Bennett reported on his attendance at the Legislative Finance Council (LFC) hearing in Santa Fe on the County Extension Service. Bennett gave some background history on the county's payment towards the University's contract, even when a county agent's position may not have been filled, leaving the University with a large cash balance. The LFC considered sweeping this cash balance so that the State's budget could be balanced. The hearing brought awareness to the situation and the funding was preserved. Another positive outcome was that funding may now be considered for research center improvements. The lack of agricultural education in urban areas was also discussed.

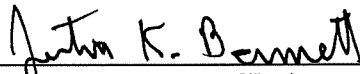
Meeting Announcements: The next regular meeting will be held on Tuesday, May 8, 2018, at 9:00 a.m.

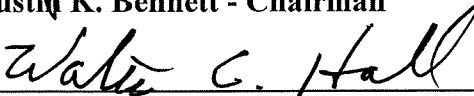
ADJOURN: At 11:51 a.m., Commissioner Vincent moved to adjourn the meeting after lunch. Commissioner Hall seconded. There was no further discussion. Vote: All YES. Motion carried. Meeting adjourned.



Mary Lou Harkins - Clerk

Board of County Commission Union County, New Mexico


Justin K. Bennett - Chairman


Walter C. Hall - Vice Chairman


W. Carr Vincent - Member

**County Commissioner Monthly Hospital Report
Union County General Hospital
Tammie Stump, CEO
April 09, 2018**

Uncompensated Care Allocation:

- 3/16/18: UCGH received notification from the state of NM Human Services Department that based upon the 2014 cost report and the comparison of the 2016 cost report, the hospital owes a payback of \$2,125,349. The state will allow us to off-set the over-payment by keeping the 2017 HQII payment of \$188,238 and the 2018 UC Allocation of \$1,299,459, which leaves the outstanding balance of \$637,652.
 - Terri spoke with the state about payment plans that were available. We were told that our choices were to pay all \$2,125,349 on June 30, 2018 **OR** off-set with our HQII payment and our 2018 UC Allocations, however the remaining overpayment is due by June 30, 2018.
 - I called again on 4/06/2018 and asked about the consequences of non-payment on June 30th. I told them that I understand the state's position is not harm small hospitals. After much discussion, they are going to allow us to submit a proposal for payment, but this proposal may not be granted. The Board of Directors met 4/09/2018, for which I submitted a draft of the proposal to the state of NM. The final proposal is due to the state by Friday, 4/13/2018.
 - Areas of Risk: Moving forward the areas of risk that I have identified are:
 - The off-setting of the payback with the 2017 UC Allocation will mean we will not have any extra money that we will receive quarterly and therefore we must be able to pay our monthly debt out of collections which we receive.
 - The delay in payer credentialing Dr. Weaver could take up to 90 days. Most of this can be recouped once he is payer credentialed. But we know there will be a lag time.
 - The delay in payer credentialing for the RHC could take up to 90 days. We will not have to recredential for out commercials, but we will be issued new Medicare and Medicaid numbers for the RHC. Once we receive these new numbers and have a successful survey, we will have to re-credential the providers with the new numbers. This can take up to 90 days. This can cause a lag time in collections during this process, but we believe that we can pick up most once process is completed.

Physician Recruitment Update:

- Dr. Weaver Update
 - Dr. Weaver submitted a complete application, release and payment for processing to New Mexico Hospital Services for his New Mexico Medical Board License application. They are processing his application by endorsement, as instructed by the NM Medical Board. To qualify by "Endorsement" the provider must be able to respond "yes" to the following four questions:
 - Am I American Board of Medical Specialties certified?
 - Have I continuously practice outside of my post-graduate training program for at least three years immediately preceding my application?
 - Did I graduate from an approved school or am I ECFMG certified? And,
 - I have never had any disciplinary action taken against any state license that I have ever held"

Per the NM Medical Board: *If you responded "Yes" to all four of the above you are qualified to apply for licensure by endorsement. You will NOT need to provide the Board with primary source verification of your medical education, post graduate training or exams, and therefore the process may be a bit faster. You will still need to have your work experience, state licenses and professional recommendations sent into the Board directly from their sources. If you have extensive work history, e.g. many Locum Tenens, it may take longer for your work experience to be verified.*

- The state of New Mexico is waiting on two documents prior to his file being complete. Dr. Weaver is hoping to move to Clayton within the next couple of weeks. He would like to have a little bit of time to get situated in his home before he begins work. We are calling HSC for an update on his file every other day. He will need payer credentialing and his NM CSR prior to beginning work, and both of those require a NM prior to starting. We did run his NPDB (National Practitioner's Data Bank) report and his file was clean.
- Jamie Armijo, CNP
 - Ms. Armijo is a CNP that is currently living in Albuquerque, NM. Her husband is a PTA (Physical Therapy Assistant). She is from Cimarron and he is from Raton. They are interested in relocating within the next couple of months to our area. They have been offered positions in Raton, but she had worked with Jay in Texline and is interested in what opportunities that they may have in Clayton. I will be meeting with both in the upcoming days.

Rural Health Clinic Update:

- We have received our temporary license for the RHC which is good until 4/25/2018. I was instructed to reapply for another temporary license mid-April unless we have had our survey by then. I have already submitted another application. We have contacted The Compliance Team (TCT), which will be doing our accreditation survey, they have added our clinic to the cue for an unannounced survey. The time frame will be to have a survey sometime within the next 6 weeks. After we pass the survey, the next steps will be for TCT to send documentation to the state and Novitas of our successful survey for which they will issue us an interim fee schedule based upon past cost reports for the clinic. Then during the next cost report, they will true up the fee schedule for the RHC. We will have to recredential the providers with Medicare and Medicaid at this time. There will be lags in payment from Medicare and Medicaid at this time but should not have effect on commercials. We are being told that time frames are around 90 days.
- In addition, we can add the surgeon to see patients through the RHC for pre and post visits, and consultations, if at least 51% of all visits done in the clinic are family practice type patients and not surgery patients. With the surgeon working only 2 days twice a month, there is no risk of this. This will increase the cost for the RHC and allow us to bill for the surgeon's visits pre, post and consultations as cost-based reimbursement rates.
- We have received notice that we cannot add in the tele-medicine to the RHC. We can still move forward later with Tele-psych care but will not be able to run through the RHC.

Business Office/Revenue Cycle Update:

- Registration & Collections are going much better. The Business Office director continues to review all registrations the next morning for errors and early corrections. She is also meeting each morning with CHC to go over the revenue cycle and where the claims are at for each day.
- Coding Timeliness: We have submitted a reduction of contract for our outsourced coding. The Medical Records Director is a certified coder, so we are bringing back in-house all outpatient coding excluding ED. If this goes well, we will bring additional coding back in-house.
- Billing statements and letters: We have put an add in the paper and went out to internet searches for business office staff. We are working towards bringing in-house the statement if we can find appropriate staff.

Scrubs Camp:

- As part of community services and to increase awareness and hopefully more applicants for UCGH, the hospital is putting on Scrub Camps for local schools. Each department will be participating and giving brief show and tell about their departments, what type of jobs they have and what type of education the students need to be able to apply for the positions. I have received positive responses from the schools and from the students looking forward to participating in our scrubs camp. It is one day, from 9am to 2pm. So far, Des Moines and Texline have signed up. We are hoping to get students from Clayton, Roy and Mescalero.

Financial Assistance: UCGH:

- We have received a total of 20 complete applications for financial assistance to date. Breakdown analysis reveals:
 - Approved for full Medicaid 3
 - Approved for Family Planning Only 7
 - Denied Medicaid 2
 - Approved for UCGH Financial Assistance 1
 - Pending Medicaid Applications 7
 - Correspondence sent by Hospital requesting additional information from patients for their application and waiting for response 9

Union County Health Fair:

- 4/25/2018 is the date for the Union County Health Fair which the hospital is the biggest participant in. This year we will have 9 tables: Physical Therapy, Rural Health, Home Health Care, DME Trauma Department, Medical Lab draws, Radiology, Nuclear Medicine & Ultrasound (Carotid Screening).
- 4/11/2018: Des Moines Health Fair from 7:30 to 11:30.
- 5/9/2018: Roy Health Fair from 9:00 to 3:00
- We are planning on doing laboratory draws at businesses here in Clayton.

Construction Updates:

- Back-up Battery has been delivered.
- Engineer found that when battery was set up, only one breaker box was set up. The specifications were for two breaker boxes. The engineers are working on correcting this with the manufacturer.

Auxiliary:

- We have new flooring and chairs in the lobby of the emergency room. Before the emergency room had carpet and the chairs had cloth. The old flooring and chairs were soiled and unable to keep sanitized. We have removed the carpet for laminate flooring and chairs that can be wiped down for infection control reasons.



April 9, 2018

Sara Cordova
Financial Analyst
NM Human Services Department
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Dear Sara Cordova:

We are writing to you about the outstanding amount of \$637,652 as specified in your email dated March 16, 2018. As I understand, the full repayment for the 2016 UC overpayment of \$2,125,349 which will be off-set by the 2017 HQII payment of \$188,238 and the 2018 UC Allocation of \$1,299,459 is due on June 30, 2018.

Union County General Hospital finds the lump sum due by June 30, 2018 a financial hardship. The Board of Directors and the Management Team here at UCGH have been working hard to secure the future of our hospital which plays an important essential role in our community. We are a small critical access hospital which is approximately 80 miles from the nearest NM hospital. Access to quality healthcare services is critical to the good health of our community.

Union County General Hospital would like to propose to make payments of \$159,413 each quarter with the first payment being made on or before June 30, 2018 until the debt is paid in full. The second payment will be due on or before September 30, 2018, third payment due on or before December 31, 2018 and final payment due on or before March 31, 2019.

We have been staffing our emergency room with locums for the last few years, however we are happy to announce that we have signed a contract for a physician who will be starting the beginning of May 2018. As you are aware, it will take about 90 days to get our new physician payer credentialed and be able to bill and collect for him. In addition, another positive achievement for our hospital is moving our family practice clinic to a Rural Health Care clinic. We have received our temporary license and we are awaiting an unannounced survey by our accreditation company. This will allow us cost-based reimbursement, however once we receive our new Medicaid and Medicare numbers, we will need to re-credential our providers with these new numbers. This can take up to 90 as well, as I am told. These delays in collections, along with the overpayment payback to NM HSD, leads me to have great concerns about the financial climate our hospital will be left in.

Sara Cordova

April 9, 2018

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We are contacting you in good faith to demonstrate our intention of paying this debt and hope that we can reach an agreement. Thank you for your understanding and taking the time to consider the above proposal. We look forward to working with you in the future and to continue giving good quality care to the patients within our community.

Sincerely,

Tammie Stump, CEO



March 20, 2018

Safety Net Care Partners:

The New Mexico Human Services Department (HSD) Medical Assistance Division (MAD) administers supplemental payments to eligible hospitals throughout New Mexico. The Safety Net Care Pool (SNCP) supplemental payments are addressed below and specific project payment amounts for each hospital are attached, as well as an at-a-glance Allocation Summary enclosed.

Safety Net Care Pool

Hospital Quality Improvement Incentive Pool

Hospitals' efforts to meaningfully improve the health and quality of care for Medicaid and uninsured individuals are rewarded with Hospital Quality Improvement Incentive (HQII) payments. Incentive payments are based on each hospital's performance measure outcomes. Performance measures are divided between safer care, referred to as Domain 1, and preventive care, Domain 2. Hospitals' initial HQII allocations are directed towards Domain 1 and any portion of the initial allocation amount that is not earned by a hospital because benchmarks were unmet is reallocated to outcomes measures in Domain 2. The 2017 HQII payments have been calculated in the enclosed table, 2017 DY4 HQII Payment Schedule, and performance measure outcomes can be found at <http://www.hsd.state.nm.us/reports.aspx>.

Uncompensated Care Pool

UC 2018 Initial Payment

In accordance with the New Mexico Centennial Care 1115 Waiver, the total available funding from the Uncompensated Care (UC) pool, \$68.9 million (state and federal funds), shall be divided among the hospital groups based on their bed size, with larger proportions available to the smaller hospitals. Among the hospitals of any specified group, UC initial payments will be distributed in proportion to the UC costs incurred by that group. The initial payments are made on a quarterly basis (April, July, October, and January) for the specified calendar year. The initial 2018 UC annual payments have been calculated in the enclosed table, 2018 UC Interim Payment Schedule.

UC 2016 Final Reconciliation

In mid-2016, a DSH hospital returned its 2015 and 2016 DSH payments. To avoid reversion, the 2016 UC initial payments to DSH eligible SNCP hospitals was partially offset with 2015 DSH funds. However during the 2016 UC final reconciliation, HSD's audit agent, Myers and Stauffer, projected that the 2015 DSH exam would likely result in some hospitals having the DSH payments recouped. Instead of paying back DSH, HSD counted it as money paid back through SNCP, or stated differently; the 2015 DSH payments are offset with 2016 UC funds and the net effect on the hospital remittance is zero. The adjustments are shown in the enclosed

table, 2016 UC and 2015 DSH Offset and the 2016 UC final allocations for all hospitals are detailed in the enclosed table, 2016 UC Reconciliation Schedule. The redistribution payments will be made after overpayments are collected, which must be no later than June 30 2018.

Payments

The annual 2017 HQII and first quarter prospective 2018 UC are expected to be made in April 2018. Hospitals with a 2016 UC recoupment have the option to apply their HQII or 2018 UC payments toward their debt (instructions below).

Overpayments

Repayment Instructions Option 1

- Pay by check, total payment due June 30, 2018.

Repayment Instructions Option 2

- Apply 2018 UC and/or annual 2017 HQII payments against the overpayment. To use supplemental payments toward the overpayment, please contact Sara Cordova (contact info below) no later than March 30, 2018. Any remaining balance must be covered by check no later than June 30, 2018.

Please make checks payable to the Human Services Department and mail to the Medical Assistance Division.

USPS:	Fed Ex or UPS:
New Mexico Human Services Department Medical Assistance Division Attn: Sara Cordova P.O. Box 2348 Santa Fe, NM 87504-2348	New Mexico Human Services Department Medical Assistance Division Attn: Sara Cordova Ark Plaza 2025 S. Pacheco St. Santa Fe, NM 87505

If you have any questions please contact Sara Cordova by email Sara.Cordova2@state.nm.us, phone 505-476-6808 or mail.

Sincerely,

Medical Assistance Division

Enclosures: Allocation Summary
2017 DY4 HQII Payment Schedule
2018 UC Interim Payment Schedule
2016 UC Reconciliation Schedule
2016 UC and 2015 DSH Offset



2017 DY4 HQII Payment Schedule

Purpose: Payment Summary for HQII payments.

Hospital	Domain I Payment	Domain II Payment	Total Payment
16 Alta Vista Regional Hospital	90,255	37,302	127,557
15 Artesia General Hospital	57,148	74,604	131,752
21 Carlsbad MC	108,944	74,604	183,549
27 St. Vincent Regional MC	327,361	223,813	551,174
4 Cibola General Hospital	75,308	111,907	187,214
5 Dan C Trigg Memorial Hospital	64,634	223,813	288,447
23 Eastern NM MC	349,844	37,302	387,146
19 PHS Espanola Hospital	152,436	-	152,436
22 Gerald Champion Regional MC	199,981	223,813	423,794
18 Gila Regional Medical Center	99,260	186,511	285,771
1 Guadalupe Country Hospital	63,935	74,604	138,540
13 Holy Cross Hospital	132,705	186,511	319,216
25 Lea Regional Hospital	172,109	74,604	246,713
6 Lincoln County MC	104,500	111,907	216,407
14 Los Alamos Medical Center	88,669	149,209	237,878
12 Lovelace Regional Hospital - Roswell	111,135	37,302	148,437
28 Memorial MC	325,157	186,511	511,668
7 Mimbres Memorial Hospital	73,909	74,604	148,514
8 Miners' Colfax MC	65,671	111,907	177,578
24 Mountain View Regional MC	246,801	186,511	433,312
9 Nor-Lea General Hospital	69,797	74,604	144,401
20 Plains Regional MC	195,947	149,209	345,155
17 Rehoboth McKinley Christian HC	174,818	261,115	435,933
2 Roosevelt General Hospital	72,292	111,907	184,199
26 San Juan Regional MC	318,363	74,604	392,967
10 Sierra Vista Hospital	76,082	74,604	150,687
3 Socorro General Hospital	83,496	111,907	195,403
11 Union County General Hospital	76,332	111,907	188,238
29 University of New Mexico Hospital	1,304,946	186,511	1,491,457
	5,281,835	3,543,709	8,825,544

ALLOCATION SUMMARY

Hospital	2017 HQII Initial Allocation	2018 UC Initial Allocation	2016 UC Reconciliation Payment	Balance of Overpayment
Cibola General Hospital	187,214	789,539	789,539	-
Dan C. Trigg Memorial Hospital	288,447	1,314,334	3,348,783	-
Guadalupe County Hospital	138,540	632,115	(131,351)	-
Holy Cross Hospital	319,216	5,410,512	(1,362,742)	-
Lincoln County Medical Center ⁴	216,407	-	(1,186,427)	(970,020)
Lovelace Regional Hospital-Roswell	148,437	2,440,495	(60,467)	-
Mimbres Memorial Hospital ⁵	148,514	1,467,732	(1,447,397)	(931,950)
Miners' Colfax Medical Center	177,578	4,586,052	1,067,724	-
Nor-Lea Hospital	144,401	2,988,056	710,838	-
Roosevelt General Hospital	184,199	2,678,914	(116,352)	-
Sierra Vista Hospital	150,687	2,875,470	1,208,116	-
Socorro General Hospital	195,403	2,517,934	(101,828)	-
Union County General Hospital	188,238	1,299,459	(2,125,349)	(1,612,246)
Small Total	2,140,277	30,560,021	(2,707,262)	
Alta Vista Regional Hospital ^{4 & 5}	127,557	3,311,852	(1,054,964)	(99,444)
Artesia General Hospital	131,752	6,440,900	716,935	-
Gerald Champion Regional Medical Center	423,794	4,903,696	(5,295,172)	(3,645,454)
Gila Regional Medical Center	285,771	8,633,709	3,819,948	-
Los Alamos Medical Center	237,878	1,767,296	327,413	-
Plains Regional Medical Center	345,155	-	(12,158)	-
Presbyterian Española Hospital	152,436	-	-	-
Rehoboth McKinley Christian Hospital	435,933	5,602,568	(1,209,263)	-
Medium Total	2,706,522	9,228,690	(994,672)	
Carlsbad Medical Center	183,549	376,682	-	-
CHRISTUS St. Vincent Hospital	551,174	3,635,154	-	-
Eastern New Mexico Medical Center	387,146	-	-	-
Lea Regional Hospital ⁴	246,713	453,387	(994,672)	(634,612)
Memorial Medical Center	511,668	-	-	-
Mountain View Regional Medical Center	433,312	-	-	-
San Juan Regional Medical Center, Inc.	392,967	4,763,468	-	-
Largest Total	1,491,457	-	-	
Grand Total	8,825,544	68,889,323	(3,108,846)	

¹ Total is divided into four quarterly payments.

² A negative amount reflects an overpayment. A positive amount reflects a redistribution payment. Once all overpayments are collected, redistribution payments will be made. These amounts are summarized in the table 2016 UC Reconciliation Schedule in the columns titled Recoupments and Redistributions.

³ Balance of overpayment after applying the 2017 HQII and first quarter 2018 UC initial allocation payment.

⁴ 2014 DSH final allocation payments can be applied toward overpayments.

⁵ 2018 DSH initial allocation payments can be applied toward overpayments.



Run Date 3/13/2018

Purpose: To compare the providers base year Uncompensated Care Costs (UCC) to the total Uncompensated Care payments made during the UC Base year.

Base Year 12/31/2016

Smallest Group 30 or less Beds		UC Allocated to Group		Base Year UCC	2016 UC Payment	2015 DSH Payment	2016 DSH Payment	Under/(Over) Payment	Recoupments	Redistributions	Final 2016 UC Payments	% of UCC Paid
Provider	Medicare #	Beds *										
1	Guadalupe County Hospital	32-0087	10	632,115	763,466	-	-	(131,351)	(131,351)	-	832,115	100%
2	Roosevelt General Hospital	32-0084	24	2,678,914	2,795,266	-	-	(116,352)	(116,352)	-	2,678,914	100%
3	Socorro General Hospital	32-1301	24	2,492,190	2,594,018	-	-	(101,828)	(101,828)	-	2,492,190	100%
4	Cibola General Hospital	32-1308	25	789,539	-	-	-	789,539	-	789,539	789,539	100%
5	Dan. C Trigg Memorial Hospital	32-1302	25	4,592,937	1,244,154	-	-	3,348,783	-	3,348,783	4,592,937	100%
6	Lincoln County, MC	32-1306	25	(579,232)	1,186,427	-	-	(1,186,427)	(1,186,427)	-	-	#DIV/0!
7	Mimbres Memorial Hospital	32-1309	25	1,282,225	2,729,622	-	-	(1,447,397)	(1,447,397)	-	-	100%
8	Miners' Colfax MC	32-1307	25	4,586,052	3,516,328	-	-	1,067,724	-	1,067,724	1,282,225	100%
9	Nor-Lea General Hospital	32-1305	25	3,047,168	2,336,330	-	-	710,838	-	710,838	4,586,052	100%
10	Sierra Vista Hospital	32-1300	25	2,875,470	1,667,354	-	-	1,208,116	-	1,208,116	3,047,168	100%
11	Union County General Hospital	32-1304	25	1,299,459	3,424,808	-	-	(2,125,349)	(2,125,349)	-	2,875,470	100%
12	Lovelace Regional Hospital - Roswell	32-0086	26	765,495	825,962	-	-	(60,467)	(60,467)	-	1,299,459	100%
13	Holy Cross Hospital	32-1310	29	4,885,435	6,248,177	-	-	(1,362,742)	(1,362,742)	-	765,495	100%
Group Total				29,347,768	29,333,912	-	-	593,087	(6,531,913)	7,125,000	29,926,999	100%
				Remaining UCC								
				Amount to cascade to the Small Group				0				

Small Group 31-100 Beds				Base Year UCC	2016 UC Payment	2015 DSH Payment	2016 DSH Payment	Under/(Over) Payment	Recoupments	Redistributions	Final 2016 UC Payments	% of UCC Paid
Provider	Medicare #	Beds *										
1	Los Alamos Medical Center	32-0033	47	1,621,489	1,294,076	-	-	327,413	-	327,413	1,621,489	100%
2	Artesia General Hospital	32-0030	49	6,440,900	5,723,965	-	-	716,935	-	716,935	6,440,900	100%
3	Alta Vista Regional Hospital	32-0003	54	3,165,593	4,220,557	-	-	(1,054,964)	(1,054,964)	-	3,165,593	100%
4	Rehoboth McKinley Christian HC	32-0038	60	4,417,426	5,626,689	-	-	(1,209,263)	(1,209,263)	-	4,417,426	100%
5	Gila Regional Medical Center	32-0016	68	8,633,709	4,813,761	-	-	3,819,948	-	3,819,948	8,633,709	100%
6	PHS Espanola Hospital	32-0011	70	(1,570,658)	0	-	-	0	-	-	-	#DIV/0!
7	Plains Regional MC	32-0022	100	210,075	222,233	-	-	(12,158)	(12,158)	-	210,075	100%
8	Gerald Champion Regional MC	32-0004	100	3,959,347	9,254,519	-	-	(5,295,172)	(5,295,172)	-	3,959,347	100%
Group Total				26,877,881	31,155,800	-	-	(2,707,262)	(7,571,557)	4,864,296	28,448,538	100%
				Remaining UCC								
				Cascade from Smallest Group								
				Total amount available for group				0				
				Cascade to Medium Group				7,571,557				

Medium Group 101-200 Beds

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Provider	Medicare #	Beds *	Base Year UCC	Original 2016 UC/DSH Payment **	2015 DSH Payment **	2016 DSH Payment **	Revised UC Payment **	UC Recoup	Final 2016 UC/DSH Payments	% of UCC Paid							
1 Carlsbad MC	32-0063	115	1,367,368	382,001		242,857	139,144		382,001	28%							
2 Eastern NM MC	32-0006	162	(7,468,117)							0%							
3 Mountain View Regional MC	32-0085	168	(8,138,015)							0%							
4 Lea Regional Hospital	32-0065	186	1,645,811	2,640,484	473,168	320,401	852,243	(994,672)	1,645,812	100%							
5 San Juan Regional MC	32-0005	199	15,391,792	6,664,647			6,664,647		6,664,647	43%							
6 St. Vincent Regional MC	32-0002	200	10,131,746	2,857,751			2,857,751		2,857,751	28%							
7 Memorial MC	32-0018	199	(13,512,390)							0%							
			(581,805)	12,544,883			10,513,785	(994,672)	11,550,211								
			Remaining UCC				9,661,542										
			Cascade from Small Group														
			Total amount available for group														
			Cascade to Large Group														

Large Group 201-300 Beds

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Provider	Medicare #	Beds *	Base Year UCC	2016 UC Payment	2015 DSH Payment	2016 DSH Payment	Under/(Over) Payment	Recoupments	Final 2016 UC Payments	% of UCC Paid							
			#/N/A				#/N/A	#/N/A	#/N/A	#/N/A							
			#/N/A				#/N/A	#/N/A	#/N/A	#/N/A							
			Remaining UCC														
			Cascade from Medium Group														
			Total amount available for group														
			Cascade to Largest Group														

Largest Group 301 or More Beds

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Provider	Medicare #	Beds *	Base Year UCC	2016 UC Payment	2015 DSH Payment	2016 DSH Payment	Under/(Over) Payment	Recoupments	Final 2016 UC Payments	% of UCC Paid							
1 University of NM Hospital	32-0001	528	#/N/A				#/N/A	#/N/A	#/N/A	#/N/A							
			Remaining UCC														
			Cascade from Large Group														
			Total amount available for group														
			Unused UC Funds														

* Beds reported are from the 2016 UC Interim payment schedule.
 ** UC payments to the Medium hospital group are calculated on a supplemental schedule to ensure final UC payments are comparable to the original Interim UC/DSH payment total.

Total Smallest Group UC Payments	#/N/A	29,926,999
Total Small Group UC Payments	#/N/A	28,448,538
Total Medium Group UC Payments	#/N/A	10,513,785
Total Largest Group UC Payments	#/N/A	0
Total UC Allotment	#/N/A	68,889,323
		(68,889,323)
		(0)



Run Date 3/12/2018

Purpose: To compute the UC payments for the application year 2018.

App Year 12/31/2018

Smallest Group 30 or less Beds

Provider	Medicare #	Beds	Application Year UCC	2018 UCC to Calculate Payment	DSH Payments	Remaining UCC	2018 UC Payment	Total Payments	% of UCC Paid
1 Guadalupe County Hospital	32-0067	10	632,115	632,115		632,115	632,115	632,115	100%
2 Roosevelt General Hospital	32-0084	24	2,678,914	2,678,914		2,678,914	2,678,914	2,678,914	100%
3 Socorro General Hospital	32-1301	15	2,517,934	2,517,934		2,517,934	2,517,934	2,517,934	100%
4 Cibola General Hospital	32-1308	25	789,539	789,539		789,539	789,539	789,539	100%
5 Dan C Trigg Memorial Hospital	32-1302	15	1,314,334	1,314,334		1,314,334	1,314,334	1,314,334	100%
6 Lincloth County MC	32-1306	25	(349,199)						#DIV/0!
7 Mimbres Memorial Hospital	32-1309	25	1,467,732	1,467,732		1,467,732	1,467,732	1,467,732	100%
8 Miners' Colfax MC	32-1307	25	4,586,052	4,586,052		4,586,052	4,586,052	4,586,052	100%
9 Nor-Lea General Hospital	32-1305	15	2,988,056	2,988,056		2,988,056	2,988,056	2,988,056	100%
10 Sierra Vista Hospital	32-1300	25	2,875,470	2,875,470		2,875,470	2,875,470	2,875,470	100%
11 Union County General Hospital	32-1304	20	1,299,459	1,299,459		1,299,459	1,299,459	1,299,459	100%
12 Lovelace Regional Hospital - Roswell	32-0086	26	2,440,495	2,440,495		2,440,495	2,440,495	2,440,495	100%
13 Holy Cross Hospital	32-1310	29	5,410,512	5,410,512		5,410,512	5,410,512	5,410,512	100%
Group Total			28,651,414	28,000,612	0	29,000,612	29,000,612	29,000,612	

UC Pool 68,889,323
 Percentage to Group 60%
 UC Allocation to Group 41,333,594
 Other Funds
 Total Allocation to Group 41,333,594
 UC Payments to Group 29,000,612
 Cascade to Next Group 12,332,982

Small Group 31-100 Beds

Provider	Medicare #	Beds	Application Year UCC	2018 UCC to Calculate Payment	DSH Payments	Remaining UCC	2018 UC Payment	Total Payments	% of UCC Paid
1 Los Alamos Medical Center	32-0033	41	1,767,296	1,767,296		1,767,296	1,767,296	1,767,296	100%
2 Artesia General Hospital	32-0030	43	6,440,900	6,440,900		6,440,900	6,440,900	6,440,900	100%
3 Alta Vista Regional Hospital	32-0003	54	3,311,852	3,311,852		3,311,852	3,311,852	3,311,852	100%
4 Rehoboth McKinley Christian HC	32-0038	60	5,602,568	5,602,568		5,602,568	5,602,568	5,602,568	100%
5 Gila Regional Medical Center	32-0016	68	8,633,709	8,633,709		8,633,709	8,633,709	8,633,709	100%
6 PHS Espanola Hospital	32-0014	70	(1,682,616)						#DIV/0!
7 Plains Regional MC	32-0022	100	(843,048)						#DIV/0!
8 Gerald Champion Regional MC	32-0004	123	4,903,696	4,903,696		4,903,696	4,903,696	4,903,696	100%
Group Total			28,134,357	30,660,021	0	30,660,021	30,660,021	30,660,021	

UC Pool 68,889,323
 Percentage to Group 30%
 UC Allocation to Group 20,666,797
 Cascade from Previous Group 12,332,982
 Other Funds
 Total Allocation to Group 32,999,778
 UC Payments to Group 30,660,021
 Cascade to Next Group 2,339,758

Medium Group 101-200 Beds

Provider	Medicare #	Beds	Application Year UCC	2018 UCC to Calculate Payment	DSH Payments	Remaining UCC	2018 UC Payment	Total Payments	% of UCC Paid
1. Cansbad MC	32-0063	115	1,367,368	1,367,368	-	1,367,368	376,682	376,682	28%
2. Eastern NM MC	32-0086	162	(7,468,117)	-	-	-	-	-	#DIV/0!
3. Mountain View Regional MC	32-0085	168	(8,138,015)	-	-	-	-	-	#DIV/0!
4. Lea Regional Hospital	32-0065	186	1,645,811	1,645,811	-	1,645,811	453,387	453,387	28%
5. San Juan Regional MC	32-0005	194	17,291,563	17,291,563	-	17,291,563	4,763,468	4,763,468	28%
6. St. Vincent Regional MC	32-0002	200	13,195,740	13,195,740	-	13,195,740	3,635,154	3,635,154	28%
7. Memorial MC	32-0018	199	(9,790,257)	-	-	-	-	-	#DIV/0!
UC Pool			8,104,093	33,500,483	0	33,500,483	9,228,690	9,228,690	
Percentage to Group			68,889,323						
UC Allocation to Group			10%						
Cascade from Previous Group			6,888,932						
Other Funds			2,339,758						
Total Allocation to Group			9,228,690						
UC Payments to Group			9,228,690						
Cascade to Next Group			-						

Large Group 201-300 Beds

Provider	Medicare #	Beds	Application Year UCC	2018 UCC to Calculate Payment	2017 UC Payment	Remaining UCC	2018 UC Payment	Total Payments	% of UCC Paid
1. University of NM Hospital	32-0001	527	#N/A	-	#N/A	0	0	0	#DIV/0!
UC Pool			68,889,323						
Percentage to Group			0%						
UC Allocation to Group			-						
Cascade from Previous Group			-						
Other Funds			-						
Total Allocation to Group			-						
Payments to Group			-						
Cascade to Next Group			-						

Largest Group 301 or More Beds

Provider	Medicare #	Beds	Application Year UCC	2018 UCC to Calculate Payment	DSH Payment	Remaining UCC	2018 UC Payment	Total Payments	% of UCC Paid
1. University of NM Hospital	32-0001	527	#N/A	-	0	0	0	0	#DIV/0!
UC Pool			68,889,323						
Percentage to Group			0%						
UC Allocation to Group			-						
Cascade from Previous Group			-						
Other Funds			-						
Total Allocation to Group			-						
Payments to Group			-						
Cascade to Next Group			-						

Total UC Payments for Group	Total UCC For Group
29,000,612	29,000,612
30,660,021	30,660,021
9,228,690	33,500,483
68,889,323	93,161,115
	24,271,792 <i>unmet need</i>

2016 UC and 2015 DSH Offset

Hospital	2016 UC Initial Allocation		2015 DSH Payment w/ 2016 UC		Adjusting Payments ¹				2016 UC Reconciliation Payment ²				Final 2016 UC/DSH Allocation	
	2016 UC	2015 DSH	2016 UC	2015 DSH	2015 DSH	2016 UC	2016 UC	2016 UC	2015 DSH	2016 UC	2015 DSH	2016 UC	2015 DSH	2016 UC
Holy Cross Hospital	5,030,123	1,218,054	1,218,054	(1,218,054)	(1,218,054)	-	1,218,054	(1,362,742)	-	-	-	-	-	4,885,435
Lincoln County Medical Center	955,138	231,289	231,289	(231,289)	(231,289)	-	231,289	(1,186,427)	-	-	-	-	-	-
Mimbres Memorial Hospital	2,197,494	532,128	532,128	(532,128)	(532,128)	-	532,128	(1,447,397)	-	-	-	-	-	1,282,225
Socorro General Hospital	2,088,326	505,692	505,692	(505,692)	(505,692)	-	505,692	(101,828)	-	-	-	-	-	2,492,190
Smallest Total	10,271,091	2,487,163	2,487,163	(2,487,163)	(2,487,163)	-	2,487,163	(4,098,394)	-	-	-	-	-	8,659,854
Alta Vista Regional Hospital	3,867,904	352,653	352,653	(352,653)	(352,653)	-	352,653	(1,054,964)	-	-	-	-	-	3,165,593
Gila Regional Medical Center	4,411,543	402,218	402,218	(402,218)	(402,218)	-	402,218	3,819,948	-	-	-	-	-	8,633,709
Plains Regional Medical Center	203,664	18,569	18,569	(18,569)	(18,569)	-	18,569	(12,158)	-	-	-	-	-	210,075
Rehoboth McKinley Christian Healthcare Services	5,156,547	470,142	470,142	(470,142)	(470,142)	-	470,142	(1,209,263)	-	-	-	-	-	4,417,426
Small Total	13,639,658	1,243,582	1,243,582	(1,243,582)	(1,243,582)	-	1,243,582	1,543,603	-	-	-	-	-	6,426,803
Carlsbad Medical Center	329,610	52,391	52,391	(52,391)	(52,391)	(329,610)	52,391	86,753	-	-	242,857	-	-	382,001
Lea Regional Hospital	2,278,348	362,136	362,136	(362,136)	(362,136)	(1,788,241)	362,136	-	473,168	-	320,401	-	-	1,645,812
San Juan Regional Medical Center, Inc.	6,664,647	-	-	-	-	(2,027,421)	-	2,027,421	-	-	-	-	-	6,664,647
Medium Total	9,272,605	414,527	414,527	(414,527)	(414,527)	(4,145,272)	414,527	2,114,174	473,168	667,58	667,58	667,58	667,58	8,697,460
Grand Total	33,183,344	4,145,272	4,145,272	(4,145,272)	(4,145,272)	(4,145,272)	4,145,272	(240,657)	473,168	667,58	667,58	667,58	667,58	33,779,115

¹ A negative amount reflects an overpayment. A positive amount reflects a redistribution payment. Expect to see these payments on the Remittance Advice.

² The Smallest and Small hospital's Final 2016 UC/DSH Allocation only reflects UC funds as they will NOT receive a DSH payment; these amounts are summarized in the table 2016 UC Reconciliation Schedule in the columns titled Final 2016 UC Payments. Lea Regional Hospital's amount reflects both the final 2016 UC allocation and an additional 2015 and 2016 DSH payment (these DSH payments do not reflect the final 2015 and 2016 DSH allocations). Carlsbad Medical Center's amount reflects both the final 2016 UC allocation and an additional 2016 DSH payment (this DSH payment does not reflect the final 2016 DSH allocation). Lea Regional Hospital and Carlsbad Medical Center's amounts are summarized in the table 2016 UC Reconciliation Schedule in the columns titled Final 2016 UC/DSH Payments.

CLAYTON HEALTH SYSTEMS

APRIL 03, 2018

NOTES TO FINANCIAL STATEMENTS

Period Ending February 28, 2018

INCOME STATEMENT:

1. Gross Patient Revenues for February 2018 were \$1.1M.
2. Total Net patient revenue for the month, after deductions of \$356K, was \$729K.
3. Total MTD net revenues, after all other revenues were \$905K.
4. Operating expenses for February were \$907K.
5. Operating margin of (\$2K) after subsidies (Mill/GRT).
6. YTD, we have an operating margin of (\$119K).

YTD Budget to Actual Variances is as follows:

Gross Patient Revenues are **under** budget by \$2.3M.

Total Net Patient Revenues are **under** our projected YTD budget by \$393K.

Overall expenses are **under** budget by \$107K

Salary/Benefits are over budget YTD by \$314K. This includes but is not limited to Dr. Van Wormer's salary for ER because it falls here instead of Professional fees.

Professional fees/Purchased Services are **under** budget by \$215K.

Pharmacy, Medical, Office Supplies are **under** budget by \$108K.

Other operating expenses (postage, subscriptions, dues, licenses, taxes, maintenance, lease, utilities, travel and education) are **over** budget by \$25K. Includes physician recruiting and Audit Invoices.

Depreciation and Interest are **under** budget by \$123K. This is due to the corrections and updates to the Fixed Asset Schedule after the completion of the budget.

BALANCE SHEET:

7. Clayton Health Systems has total cash and equivalents of \$1.4M.
 - a) Bank account reconciled.
 - b) CD Balances: Total = \$1.87M
 1. F&S - \$126,089.56
 2. F&S - \$551,797.74
 3. F&S - \$503,014.24
 4. FNB - \$505,384.27
 5. FNB - \$182,554.64
8. Net Patient AR YTD is \$1M.
9. Accounts Payable total \$724K.
10. Accrued Expense Payable is \$651K.
11. Estimated 3rd party settlements \$746K from Cost Report possible payback and \$925K SNCP payable that will increase based off 2017 application.
12. Current Portion of Long Term Debt is \$180K.
13. Days Cash on Hand is 51.

STATS:

1. Total Admissions YTD are 116, we are under budget by 49.
2. Clinic Visits YTD are 3014 under budget YTD by 1041.
3. OP visits/lab/x-rays YTD 2916, under budget by 350.
4. Surgeries/GI Procedures are under budget by 82 YTD.

Clayton Health Systems, Inc

Union County General Consolidated Executive Financial Summary

8 Months FY 2018

Unaudited

KEY STATISTICS

	<i>02/28/18 ACTUAL</i>	<i>02/28/18 BUDGET</i>	<i>YTD ACTUAL</i>	<i>YTD BUDGET</i>	<i>YTD VARIANCE</i>
Total Admissions	18	17	116	165	(49)
Total Patient Days	73	60	554	562	(8)
Average Length of Stay Total	4.06	3.53	4.78	3.41	(1.37)
Total Emergency Room Visits	164	298	2,452	2,384	68
Outpatient Visits (NOT CLINIC)	380	375	2,916	3,266	(350)
Total Surgeries	6	4	20	32	(12)
Total GI Procedures	4	12	31	101	(70)

STATEMENT OF REVENUE AND EXPENSES - YTD

REPORTED IN THOUSANDS	<i>02/28/18 ACTUAL</i>	<i>02/28/18 BUDGET</i>	<i>YTD ACTUAL</i>	<i>YTD BUDGET</i>	<i>YTD VARIANCE</i>
Revenue:					
Gross Patient Revenues	\$1,085	\$1,257	\$8,754	\$11,111	-\$2,357
Deductions from Revenue	(356)	(567)	(3,060)	(5,075)	2,015
Net Patient Revenues	729	690	5,694	6,036	(342)
Other Revenue	176	151	1,157	1,208	(51)
Total Net Revenues	905	841	6,851	7,244	(393)
Expenses:					
Salaries, Benefits & Contract Labor	413	383	3,607	3,293	314
Professional Fees	65	80	438	640	(202)
Purchased Services	69	90	706	719	(13)
Supply Expenses (freight)	61	65	469	577	(108)
Other Operating Expenses	238	155	1,260	1,235	25
Depreciation & Interest Expense	61	77	490	613	(123)
Total Expenses	907	850	6,970	7,077	(107)
OPERATING MARGIN	(2)	(9)	(119)	167	(286)
NET MARGIN	(\$2)	(\$9)	(\$119)	\$167	(\$286)

BALANCE SHEET

Unaudited	<i>02/28/18</i>	<i>01/31/18</i>	<i>Audited 06/30/17</i>
ASSETS			
Current Assets	\$5,004	\$3,661	\$4,612
Property, Plant & Equipment (Net)	9,832	9,847	10,310
Other Assets	24	24	21
Total Unrestricted Assets	14,860	13,532	14,943
Assets Whose Use is Limited	1,871	1,870	1,682
Total Assets	\$16,731	\$15,401	\$16,625
LIABILITIES AND NET ASSETS			
Current Liabilities	\$3,142	\$1,729	\$2,063
Debt Borrowings, net of current	4,935	4,941	4,875
Total Liabilities	8,077	6,670	6,938
Net Position	8,654	8,732	9,687
Total Liabilities and Net Position	\$16,731	\$15,401	\$16,625

Clayton Health Systems, Inc

CLAYTON FAMILY PRACTICE**Executive Financial Summary****8 Months FY 2018**

Unaudited

KEY STATISTICS

	<i>02/28/18 ACTUAL</i>	<i>02/28/18 BUDGET</i>	<i>YTD ACTUAL</i>	<i>YTD BUDGET</i>
Visits by Provider				
Physician Visits	144	229	163	1,504
Nurse Practitioner Visits	366	321	2851	2,551
Total Clinic Visits	510	550	3,014	4,055
Total Days Clinic Open	19	20	151	166
Average Visits per Day Physician	8	28	1	24
Average Visits per Day NP	19	11	19	15

STATEMENT OF REVENUE AND EXPENSES - YTD

REPORTED IN THOUSANDS	<i>02/28/18 ACTUAL</i>	<i>02/28/18 BUDGET</i>	<i>YTD ACTUAL</i>	<i>YTD BUDGET</i>
Revenue:				
Gross Patient Revenues	\$79	\$130	\$471	958
Deductions from Revenue	(37)	(51)	(325)	(403)
Net Patient Revenues	42	79	146	555
Bad Debt Allowance	(10)	(21)	(64)	(155)
Total Net Revenues	32	58	82	400
Expenses:				
Salary/Benefits/Cont Labor/NP	50	33	359	264
Purchased Services/Professional Fees	43	27	63	206
Supply Expenses	5	4	36	27
Other Operating Expenses	5	5	76	41
Depreciation	4	3	29	22
Total Expenses	107	72	563	560
Operating Income (Loss)	(75)	(14)	(481)	(160)
NET MARGIN	(\$75)	(\$14)	(\$481)	(\$160)