

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic – Helen G. White Conference Center
Wednesday, February 24, 2016

Present: Margie Nelsen, Chairperson; Bob Meeks, Vice-Chairperson; Trustees: H. Stuart Johnson, Gary Swedberg, John Lammert, Chuck Zieman and Roger Parras; George Rohrich, CEO; Gregg Chartrand, CFO; Stephanie Holden, Chief Marketing & Development Officer; Paula Meskan, Chief Nursing Officer; Jackie Kimmet, Chief Human Resources Officer; Todd Prafke, St. Peter City Administrator; Samantha Pherson, Executive Assistant and Recorder.

Absent: Blake Combellick, Trustee; Robert Christensen, MD, Medical Staff President.

CALL TO ORDER

The regular meeting of the Hospital Commission was called to order at 12:30 p.m. by Chairperson Margie Nelsen.

OATH OF OFFICE

Gary Swedberg, John Lammert and Charles Zieman were introduced as new members of the Hospital Commission. Gary Swedberg, John Lammert and Charles Zieman received the Oath of Office from Ms. Margie Nelsen, Hospital Commission Chairperson, and affirmed the Oath of Office through her signature.

APPROVAL OF CONSENT AGENDA

The consent agenda includes the following:

- Approval of the Hospital Commission Meeting Agenda for February 24, 2016.
- Approval of the January 27, 2016, Hospital Commission Meeting Minutes.
- Acceptance of the February 9, 2016, Medical Staff Meeting Minutes
- Acceptance of the February 17, 2016, Finance Committee Minutes
- Acceptance of the January 20, 2016, Quality Management Committee Meeting Minutes.

There was a request from George Rohrich to add an item to the agenda. Mr. Rohrich requested to add a capital budget request to agenda item 7E, Administrative Report.

There was a request by Margie Nelsen to add an item to the agenda. Ms. Nelsen requested to add committee appointments to the agenda after item 4, Education Conference Report.

ACTION:

A motion was made by H. Stuart Johnson to approve the amended agenda and to include the requested agenda items, capital budget request and committee appointments. The motion was seconded by Gary Swedberg and carried with all members voting in favor.

GENERAL VISITOR COMMENTS

Visitors: Nancy Madsen, Mankato Free Press.

EDUCATION CONFERENCE REPORT

Rural Health Care Leadership Conference: Margie Nelsen attended the Rural Health Care Leadership Conference in Phoenix, Arizona. Ms. Nelsen stated that there were 750 people in attendance and two-thirds of those attendees were board members from other rural hospitals in the nation. Information was presented on how the board can best serve the hospital community, staff and CEO. Ms. Nelsen also spoke of the importance of board education. There are a variety of educational events that are available throughout the year, including monthly webinars held at REHC.

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COMMITTEE APPOINTMENTS

Margie Nelsen requested volunteers to serve as members of the Finance Committee and the Quality Management Committee.

Finance Committee: Margie Nelsen, H. Stuart Johnson, Susan Carlin. Charles Zieman will be attending in place of Susan Carlin for the months of February - May.

Quality Committee: Bob Meeks, Gary Swedberg, and John Lammert

HOSPITAL COMMISSION POLICIES & BYLAWS

The Hospital Commission Policies & Bylaws shall be reviewed by the commission at least every three years. The last date the policies and bylaws were reviewed were in 2013, making this current year the next year these policies shall be reviewed. The Hospital Commission has decided to form a small committee to review the policies and bylaws. This committee will recommend any changes that need to be made to the Hospital Commission in a regular session meeting.

Hospital Commission Policies & Bylaws Committee: Bob Meeks, Roger Parras, Todd Prafke, and George Rohrich.

MEDICAL STAFF

- A. **Medical Staff Meeting Minutes.** The minutes of the Medical Staff meeting of February 9, 2016, were present for review.
- B. **Medical Staff Credentialing.** A report from the Executive/Credentials Committee of the Medical Staff was presented for review. A recommendation was made by the Credentials Committee to approve medical staff membership and granting of privileges to the physicians and allied health professionals as listed on the report:

Initial Appointment to the Medical Staff:

Kayla Dascher, APRN, CNP	Courtesy Staff/AHP, Urgent Care
Muhamed Durakovic, MD	Courtesy Staff, Emergency Medicine
Carol Lu, MD	Courtesy Staff, IM/Hospitalist
John Rotille, MD	Courtesy Staff, IM/Hospitalist
Justin Schulte, PA-C	Courtesy Staff/APH, Orthopaedic PA
Christa Waymire, MD	Courtesy Staff, Emergency Medicine

Reappointment to the Medical Staff:

Robert Jacoby, MD	Courtesy Staff/Telemedicine-Neuro
Rachel Jones, MD	Courtesy Staff, General Surgery
Yasha Kayan, MD	Courtesy Staff, Teleradiology
Susan Klenk, MD	Active Staff, Family Medicine
Mohammed Solaiman, MD	Courtesy Staff, Family Medicine
Jesse Botker, MD	Courtesy Staff, OFC
Steven Curtis, MD	Courtesy Staff, OFC
Edwin Harrington, MD	Courtesy Staff, OFC
Thomas Jones, MD	Courtesy Staff, OFC
Paul Mattson, MD	Courtesy Staff, OFC
Scott Stevens, MD	Courtesy Staff, OFC
Kyle Swanson, MD	Courtesy Staff, OFC

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Change in Category – Provisional to Full Membership: None

Change in Staff Category: None

Withdrawn from Medical Staff:

Martha McCusker, MD

Courtesy Staff, Hospice of Twin Cities

Jason Mehling, MD

Courtesy Staff, Teleradiology

ACTION:

- 1) A motion was made by Bob Meeks to accept the recommendation of the Credentials Committee and grant appointment, reappointment or change in status for each of the practitioners listed above. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.
- 2) A motion was made by Charles Zieman to accept the recommendation of the Credentials Committee and grant clinical privileges to each of the practitioners as listed above as requested and approved by the Credentials Committee. The motion was seconded by Roger Parras and carried with all members voting in favor.

ADMINISTRATIVE REPORT

A. Executive Summary.

The written report submitted by George Rohrich was reviewed.

- January's activity was about normal for surgery and downstream services. Anticipated improvements to our Medicare reimbursement for these services result in January being a profitable month there as the same level of activity in 2015 resulted in a loss. River's Edge is showing a positive month-to-date/year-to-date bottom line of approximately \$40,000, versus month-to-date/year-to-date budget of (\$304,000), and the 2014 month-to-date/year-to-date loss of (\$65,000).
- January results show a slight decrease of cash on hand of \$355,000 resulting in balance of \$7,828,000. Our 2016 cash budget is to increase cash by \$1,055,000
- Inpatient surgical procedures continue to trend positively.

B. Statistical Dashboard.

The statistical report for January, 2016, was reviewed. Of the 17 measured activities, 8 are green.

C. Lease to Mankato Clinic

The lease to the Mankato Clinic for the old River's Edge Clinic space was reviewed. The lease is set-up in two phases. The first phase will let Mankato Clinic lease 60% of the space starting on March 1, 2016. They would lease the space for \$42,200 for the first year, increasing 2.5% annually. The second phase will let Mankato Clinic lease the other 40% at a later date. The lease is a two year lease with the option to renew at the end for an additional five years.

The lease has already been reviewed by legal, and has met the criteria for comparable leasable property. The methodology for evaluating the clinic space was using fair market value of similar leasable spaces in the city of Mankato. This method has been approved by River's Edge Hospital legal team. The lease will need to be approved by the City Council of Saint Peter. The City Council will hold a special session on Monday, February 29, 2016 to discuss the lease to Mankato Clinic.

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ACTION:

A motion was made by Roger Parras to recommend accepting the lease to Mankato Clinic for the old River's Edge Clinic Space. The motion was seconded by John Lammert and carried with all members voting in favor. The recommendation will be brought forward to the City Council for approval.

D. Physician Recruitment Agreement

Mr. Rohrich discussed an agreement with Mankato Clinic to help with their physician recruitment for the Mankato Daniels Clinic. The agreement would require River's Edge Hospital & Clinic to pay the relocation cost of \$10,000 and the signing bonus of the physician in the amount of \$25,000. The recruited physician would be an employee of Mankato Clinic, but would serve on REHC's medical staff. This agreement would continue to strengthen the partnership between REHC and Mankato Clinic.

ACTION:

A motion was made by Charles Zieman to accept the Physician Recruitment Agreement with Mankato Clinic. The motion was seconded Roger Parras and carried with all members in voting favor.

E. Capital Budget Request

The surgery department has requested the purchase of an explant cup removal medium set that will help with the removal of older implants that are in need of replacing. Implants often need replacing after 10 years of use. The cost of this equipment is approximately \$13,411.20

ACTION:

A motion was made by Charles Zieman to approve the purchase of the explant removal medium set for up to the amount of \$14,000. The motion was seconded by Bob Meeks, and carried with all members in voting favor.

QUALITY REPORT

The Quality Management Committee minutes from the January meeting were reviewed. The Quality Dashboard report was reviewed by Paula Meskan. The dashboard contains results from a number of measurable and reportable quality measures. One area that is consistently being observed for improvement is the way the emergency department communicates with outside facilities for transferring of patient care. It was noted that there are 27 different items in the patient's chart that need correct documentation, if these items are not documented properly it will count against this measure.

Another area that was discussed was patient falls. River's Edge has set-up a work group that discusses how to improve this area. The definition of a patient fall is the unplanned descent to the floor assisted or unassisted. The work group discusses the reasons the fall happened, and looks at ways to prevent them in the future. One example that was given was pain medication given to elderly patients often causes confusion and drowsiness. These patients are now given I.V. Tylenol; this change has provided positive results.

FINANCIAL REPORT

A. January Financial Summary.

Gregg Chartrand presented the financial report for January, 2016. Minutes from the February 17, 2016, Finance Committee meeting were available for review. Gross operating revenue was \$3,935,782 for the month, with net patient revenue at \$2,294,349. Year-to-Date gross revenue is \$750,280 ahead of budget, and net patient revenue is \$337,806 ahead of budget. Operating expenses stood at \$2,306,175. Year-to-date operating expenses are ahead of budget by \$332,899. January resulted in a net operating income of \$39,339. The EBIDA (expense before interest, depreciation and amortization) calculation showed a monthly profit of \$196,363.

Cash flow for January showed a loss of (\$354,993), this is primarily due to having three pay periods during the month of January and also a payment to Met-Con for the hospitalist room. Operating cash is standing at \$3,910,615 and funded depreciation at \$3,917,245. Current Ratio at the end of January stands at 3.34. Days Cash On Hand is 116.90 days, and Days Revenue in Accounts Receivable stands at 64.5 days.

B. Write-Off to Collection.

Community Care grants totaled \$5,020.38 in January, covering 15 accounts that qualified for 100% write-off and 0 accounts at 50% write-off. Year-to-Date Community Care grants total \$5,020.38. Collection activity approval totaled \$119,559.79. Year-to-Date collection activity stands at \$119,560. Year to date \$9,195 of gross bad debts have been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$5,863.88.

ACTION: A motion was made by H. Stuart Johnson to accept the recommendation made by the Finance Committee for approval of \$5,020.38 in Community Care grants and \$119,559.79 in write-offs to collection. The motion was seconded by John Lammert and carried with all voting in favor.

C. Accounts Payable Review.

Accounts Payable review for January included a total of \$1,383,006.59 paid via check.

ACTION: A motion was made by Charles Zieman to recommend approval of checks totaling \$1,383,006.59. The motion was seconded by Roger Parras and carried with all voting in favor.

DIRECTOR COMMENTS

Stephanie Holden –River's Edge first community education event is in the planning stages, this event will be a bike safety event. River's Edge is also slowly starting to market the Urgent Care. There are currently two billboards that are advertising Urgent Care at River's Edge. The Urgent Care will move into its new location by March 14th, and marketing will continue at a larger scale.

Stephanie also provided information about the 2016 Gallup Q12 Employee Survey on behalf of Jackie Kimmet. This survey is conducted twice a year in February and again in August. This will give River's Edge a better measure to determine if improvements they have made are working. So far 84% of employees have completed the survey as opposed to the 68% from the 2015 Employee Survey.

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Paula Meskan – Martha Kent the Patina Solutions consultant is finishing up her time with us this week. River's Edge plans to apply for the DNV Hip and Knee Replacement Certification in 2017. River's Edge has hired an Education Specialist; this individual will be in charge of making sure all employees meet the criteria for CMS and DNV requirements.

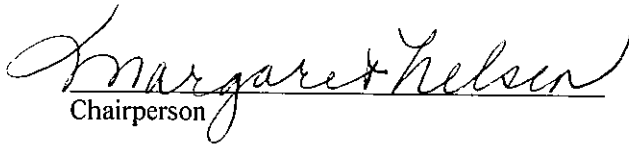
George Rohrich – QHR Trustee Webinar in on Tuesday, March 15, 2016 at 12:00 p.m. the topic will be "The Impact of Consumerism on Community Hospitals".


ADJOURNMENT

ACTION: A motion was made by H. Stuart Johnson to adjourn the meeting. Motion seconded by Roger Parras and carried with all voting in favor. Meeting was adjourned at 2:22 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, March 23, 2016, at 12:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center. The Finance Committee meeting will be held on Wednesday, March 16, 2016, at 1:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.


Chairperson


Secretary