

## **RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING**

River's Edge Hospital & Clinic – Helen G. White Conference Center

Tuesday, December 30, 2014

**Present:** Michelle Chalin, Chairperson; Margie Nelsen, Vice-Chairperson; Kay Moline, Secretary-Treasurer; Trustees: Susan Carlin, H. Stuart Johnson and Bob Meeks; George Rohrich, CEO; Susan Klenk, MD, Medical Staff President; Michael Sparacino, DO, Medical Director; Ann Lauer, Director of Finance; Jackie Kimmet, Director of Human Resources; Paula Meskan, Director of Nursing; Roxanne Portner, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Stephanie Hill, Director of Marketing; Tom Wilcox, Director of Environmental Services; Laura Brink, Director of Clinic Services; Todd Prafke, City Administrator; Sarah Kelley, Administrative Assistant; and Paulette Redman, Recorder.

**Absent:** Sandy Gundlach, Trustee.

### **CALL TO ORDER**

The regular meeting of the Hospital Commission was called to order at 12:22 p.m. by Chairperson Michelle Chalin.

### **APPROVAL OF AGENDA**

The agenda for the December 30, 2014, Hospital Commission meeting was reviewed. There were no additions or changes requested.

**ACTION:** A motion was made by Kay Moline to approve the agenda as presented. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.

### **APPROVAL OF MINUTES**

**A. Approval of Commission Meeting Minutes.** The minutes of the regular Hospital Commission meeting of November 25, 2014, were reviewed. There were no corrections or changes to the minutes.

**ACTION:** A motion was made by Margie Nelsen to approve the minutes of the regular Commission meeting of November 25, 2014, as presented. The motion was seconded by Susan Carlin and carried with all members voting in favor.

### **GENERAL VISITOR COMMENTS**

There were no visitors present requesting to address the Commission.

### **MEDICAL STAFF**

**A. Medical Staff Meeting Minutes.** The minutes of the December 9, 2014, Medical Staff Meeting were available and were reviewed. Dr. Klenk noted the Medical Staff donated \$500.00 to the Children's Weekend Food Program. The staff also discussed the Life Saving Policy and voted to require ACLS (Advanced Cardiac Life Support) certification for the hospitalist specialty category. Ongoing discussions are being held regarding the definition of staff membership in light of changing roles for the medical staff members. New officers have been elected for 2015-16: Medical Staff President – Dr. Nadia Malik, Vice-President – Dr. Kristen Holland, Secretary-Treasurer – Sarah Davis, CNP.

**ACTION:** A motion was made by Margie Nelsen to acknowledge receipt of the Medical Staff Meeting minutes of December 9, 2014. The motion was seconded by H. Stuart Johnson and carried with all voting in favor.

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- B. Medical Staff Credentialing.** A report from the Executive/Credentials Committee 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:**

Micara Anderson, CRNA	Courtesy Staff, AHP, Anesthetist
Ifechi Anyadioha, MD	Courtesy Staff, Pain Management
Christopher Crocker, PA-C	Courtesy Staff, AHP, Emergency Medicine
Albert Gambino, PA-C	Courtesy Staff, AHP, Emergency Medicine
Liban Hired, MD	Courtesy Staff, Emergency Medicine
Karen Mollner, PA-C	Courtesy Staff, AHP, Emergency Medicine
Richard Nellis, PA-C	Courtesy Staff, AHP, Emergency Medicine
James O'Reilly, MD	Courtesy Staff, Emergency Medicine
Alicia Frankwitz, DO	Courtesy Staff, Emergency Medicine
Heidi Otto, FNP	Active Staff, AHP, Family Nurse Practitioner

**Reappointment to the Medical Staff:**

Patrick O'Brien, MD	Courtesy Staff, Radiology
Martin Schularick, MD	Courtesy Staff, Radiology
Penelope Swanson, MD	Courtesy Staff, Ophthalmology

**Change from Provisional to Full Medical Staff Membership:**

Kellie Newman, MD	Courtesy Staff – General Surgery
Karl Papierniak, MD	Courtesy Staff – General Surgery

**Withdrawal from Medical Staff Membership:**

Emily Birkholz, MD	Courtesy Staff - Ophthalmology
Alpana Singh, MBBS	Courtesy Staff – Emergency Medicine
Angela Brown, ST	Courtesy Staff – Surgical Technician
Annelisa Carlson, MD	Teleradiology

**ACTION:** A motion was made by H. Stuart Johnson 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 Kay Moline and carried with all members voting in favor. A motion was made by Kay Moline to accept the recommendation of the Credentials Committee and grant clinical privileges to each of the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.

**ADMINISTRATIVE REPORT**

**A. Executive Summary.**

The written report submitted by George Rohrich was reviewed.

**B. Statistical Dashboard.**

The statistical report for November was reviewed. Inpatient days dropped slightly compared to October, but are still above target. Other indicators above target included CT, inpatient surgeries, inpatient physical and occupational therapy and cardiac rehab visits. Clinic visits, outpatient surgery, outpatient PT and OT and swing bed days were below target. Statistics for laboratory activity are not yet available through the Excellian system.

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Mr. Rohrich discussed a continuing trend seen in swing bed activity, noting that the Mayo System is primarily placing swing bed patients into their affiliated hospitals, with a resulting decrease in swing bed referrals to River's Edge from MCHS-Mankato. Additionally, orthopedic patients are often discharged to home, not needing swing bed services. Mr. Rohrich anticipates that swing bed services will continue in this downward trend. At the same time, River's Edge is ramping up a utilization program to aggressively manage beds in order to handle increased orthopedic patients.

### C. Education Survey.

Results of the Hospital Commission Survey were tabulated and distributed for review.

### D. Updates.

Mr. Rohrich reported the following:

- This will be Michelle Chalin's last official meeting with the Commission as she will be leaving the Commission at the end of the year. Mr. Rohrich thanked Ms. Chalin for her service to River's Edge. A new Commission member will be brought on in 2015. At that time an orientation will be set up for the new member – Mr. Rohrich noted that the orientation sessions would be open for any Commission member to attend.
- A copy of the updated Organizational Chart for River's Edge was reviewed. Mr. Rohrich noted the dotted line connecting the Director of Quality to the Hospital Commission. The Director of Quality also serves as the Compliance Officer – the Compliance Officer needs direct access to the Commission should there be compliance issues involving the CEO.
- Room set-up was changed for this Commission meeting, moving to a format for a social luncheon to be served in a secondary conference room followed by the Business Meeting held in the main conference room.
- The IT Department is working to set up a website portal for the Commissioners to access their meeting materials prior to the Commission meetings, with the goal of eliminating the delivery of paper board packets ahead of time. The paper packets will continue to be available at the meeting. This project will continue under development. A suggestion was also made to provide laptops for the Commissioners to utilize during their tenure.

## FINANCIAL REPORT

Ann Lauer presented the financial report for November, 2014. She again noted the problems with the software systems interfaces – complete financial reports were available for October, but the November reports are still incomplete. The dashboard for financial indicators for October was reviewed and discussed. Gross operating revenue was \$2,247,346, compared to a budget of \$2,531,136. Net patient revenue was \$1,551,407 for October, which is below the budget set of \$1,651,899. Year-to-Date net revenue stands at 15,135,499, compared with \$14,814,427 for 2013. Operating expenses stood at \$1,8014,736, above the budgeted amount of \$1,712,092. Year-to-date operating expenses continue to be below budget. Overtime expense was noted to be higher in October due to Excellian implementation. October resulted in a net operating loss of (\$217,594). Combined with non-operating revenue, the facility shows a loss of (\$215,673). This brings the year-to-date excess revenue over expense to (\$1,225,463), compared with a budgeted loss of (\$326,590). Current Ratio at the end of October stands at 3.17. Days Cash On Hand is 70.28 days, and Days Revenue in Accounts Receivable stands at 52.59 days. October showed a negative cash flow of (\$460,307). Operating cash is \$3,890,361 in addition to funded depreciation of \$3,701,731.

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Estimated revenue and expenses for November, 2014, show a loss of (\$81,214), with year-to-date estimated loss of (\$1,569,843). Negative cash flow for November estimated to be (\$202,857). Operating cash estimated at \$3,6823,474 and funded depreciation case at \$3,703, 326. Expenses for maintenance and depreciation will start to increase for the remainder of the year as Excellian is now live. The equipment certificate loan was received in November.

Community Care grants totaled \$13,305.59 in November, covering 12 accounts that qualified for 100% write-off and 2 accounts with a 50% write-off. Year-to-Date Community Care grants total \$147,177. Collection activity for Commission approval totaled \$82,674.54 for November, representing 175 patient accounts. Of this total, \$42,168.03 was from 126 insured accounts, \$40,506.51 was from 49 uninsured accounts. Year-to-Date collection activity stands at \$808,422.61, of which \$313,242.72 has been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$2,444.47, year-to-date recovery total of \$193,094.

Accounts Payable review for November included a total of \$642,343.79 paid via check. Individual payments had been reviewed by the Finance Committee.

**ACTION:**

- 1) A motion was made by Bob Meeks to approve the Financial Report for October, 2014. The motion was seconded by Susan Carlin and carried with all members voting in favor.
- 2) A motion was made by Bob Meeks to approve \$82,674.54 in write-offs to collection for November. The motion was seconded by Margie Nelsen and carried with all members voting in favor.
- 2) A motion was made by Bob Meeks to accept the Accounts Payable Review. The motion was seconded by Kay Moline and carried with all members voting in favor.

**2015 BUDGET**

The proposed budget for 2015 was presented. Assumptions made regarding revenue for 2015 included a 34.89% growth in total revenue, a 5% price increase, volume increases based on projections with input by each of the departments who provide billable services, a deduction percentage of 33.55%, and \$1.1 million in electronic health record payments. Assumptions regarding expenses include a 24.50% growth in total expenses, salary increases utilizing the HHRAM (Healthcare Human Resources Association of Minnesota) salary survey information with a floor of 3%, and benefits at 32.27% of salaries.

Mr. Rohrich is recommending a move from the Medi-Sota salary survey to the HHRAM survey in order to keep salaries more competitive. Currently some positions are outside of the HHRAM survey ranges, and the plan would be to move to meet those levels in a staged process. The budget proposes a 3% across-the-board raise for all employees with later adjustments made based on the facility's stability into the year. Changes are planned for leadership evaluation and future pay increases, with the adoption of the Studer Leadership Evaluation Tool. All managers will move to an exempt status for 2015. Future salary increases for managers will be based on attainment of departmental goals and measures, all of which will tie into the strategic plan. Goals and measures will be established by the manager, their supervisor, and HR.

The capital budget was developed by UHS, who provides biomedical maintenance services for the facility. Included in the budget are almost 100% of the identified top priorities. Approval of the operating budget for 2015 will not include approval for capital items. Each capital item will be addressed individually and brought to the Commission for approval as needed.

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Projected statistics for 2015 are primarily based on an increase in surgeries. Lab will also see an increase in services following a service agreement signed with the Regional Treatment Center.

Increases in expenses are seen for software depreciation, supplies (primarily surgical implants) and professional fees. The increase in professional fees will reflect the expense for a full year of the hospitalist program. Expense for professional education has also been increased for 2015.

Overall the budget projects a positive bottom line of \$255,000. The operating margin is projected as 0.90%.

**ACTION:** A motion was made by H. Stuart Johnson to accept the 2015 budget as presented. The motion was seconded by Bob Meeks and carried with all members voting in favor.

### **2015 STRATEGIC PLAN**

The proposed 2015 Strategic Plan was presented. A number of changes were made following discussion of the plan at a Commission Workshop.

- A growth project was added – “Determine viability of Urgent Care service for unscheduled and/or after-hours patient visits.” The focus of this project will be to determine whether Urgent Care should be expanded, and should it continue to be located in the ED.
- New Quality metric added – “Patient Call Back daily on discharged patients by UR nurse  $\geq$  85%.”
- Corrected metric to read “Reduce Overall Turnover Rate of  $\leq$  20%.” Noted that employee turnover for 2014 currently at 30%, turnover of first-year employees at 10%.
- Finance – Meaningful Use attestation by eligible professionals will take place in January, 2015, attestation by the hospital will take place in February, 2015.

**ACTION:** A motion was made by Margie Nelsen to approve the Strategic Plan as presented with minor changes as discussed. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.

### **QUALITY REPORT**

#### **A. Quality Management Committee Meeting Minutes.**

The minutes of the November 19, 2014, Quality Management Committee Meeting were distributed for review. Roxanne Portner noted the following:

- The Rehabilitation Services Department is meeting their goals for Patient Satisfaction.
- Imaging Department is meeting the benchmarks on core quality measures.
- The Surgery Department is doing well on SCIP (Surgical Care Improvement Project) core measures.

Ms. Portner thanked Michelle Chalin for her service on the Quality Management Committee.

**ACTION:** A motion was made by Kay Moline to acknowledge receipt of the Quality Management Committee meeting minutes of November 19, 2014. The motion was seconded by Bob Meeks and carried with all members voting in favor.

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**DIRECTOR COMMENTS**

**Margie Nelsen, Commissioner:** Thanked Michelle Chalin for her service on the Commission.

**Bob Meeks, Commissioner:** Mr. Meeks noted a personal acquaintance who received surgical services at River's Edge and was very pleased with the experience.

**Paulette Redman, Recorder:** Introduced Sarah Kelley, Administrative Assistant, who will be taking over the role of Recorder for the Hospital Commission meetings.

**Paula Meskan, Director of Nursing:** River's Edge Hospital & Clinic has received notification from the Minnesota Department of Health that River's Edge achieved designation as a "Stroke Ready" hospital.

**Roxanne Portner:** Noted that Dr. Klenk will be completing her term as Medical Staff President, and thanked her for her service to the Hospital Commission.

**George Rohrich, CEO:** Thanked Dr. Klenk and Ms. Chalin for their service to River's Edge and the Hospital Commission.

**Michelle Chalin:** Thanked the Commission for the opportunity to serve and for the welcome received when she first started with the Commission. She also reported that a follow-up letter had been sent to the community member who addressed the Commission at the November meeting. The letter was signed by both Mr. Rohrich and herself.

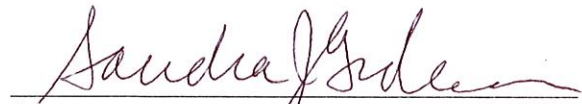
**ADJOURNMENT**

**ACTION:** A motion was made by Margie Nelsen to adjourn the meeting. Motion seconded by Susan Carlin and carried with all voting in favor. Meeting was adjourned at 1:54 p.m.

**NEXT MEETING**

The next regular meeting of the Hospital Commission will be Wednesday, January 28, 2015, at 12 noon. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center. The Finance Committee meeting will be held at 11:30 a.m.

  
Chairperson

  
Secretary