

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

River's Edge Hospital & Clinic – Helen G. White Conference Center  
Wednesday, August 26, 2015

**Present:** Kay Moline, Vice-President; Trustees: Susan Carlin, H. Stuart Johnson, Bob Meeks, and Roger Parras; Nadia Malik, MD, Medical Staff President; George Rohrich, CEO; Gregg Chartrand, CFO; Laura Brink, Director of Clinic Services; Jackie Kimmet, Director of Human Resources; Paula Meskan, Director of Nursing; Todd Prafke, St. Peter City Administrator; Kim Henze, Imaging Manager, Jay Bauder, MD, Hiromi Maruyama, MD, Sarah Davis, CNP, Amy Steffen, CNP, Heidi Otto, CNP; Samantha Pherson, Administrative Assistant, and Paulette Redman, Recorder.

**Absent:** Margie Nelsen, Chairperson; Sandy Grunlach, Secretary-Treasurer; Blake Combellick, Trustee.

### **CALL TO ORDER**

The regular meeting of the Hospital Commission was called to order at 12:25 p.m. by Vice-Chairperson Kay Moline.

### **APPROVAL OF CONSENT AGENDA**

The consent agenda includes the following:

- Approval of the amended Hospital Commission Meeting Agenda for August 26, 2015.
- Approval of the July 24, 2015, Hospital Commission Meeting Minutes.
- Acceptance of the July 15, 2015, Quality Management Committee Meeting Minutes.

#### **ACTION:**

- 1) A motion was made by Bob Meeks to approve the amended agenda for the Hospital Commission meeting of August 26, 2015. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.
- 2) A motion was made by H. Stuart Johnson to approve the Hospital Commission Meeting minutes of July 24, 2015. The motion was seconded by Roger Parras and carried with all members voting in favor.
- 3) A motion was made by Bob Meeks to accept the minutes of the July 15, 2015, Quality Management Meeting. The motion was seconded by Dr. Malik and carried with all voting in favor.

### **GENERAL VISITOR COMMENTS**

The professional staff from the River's Edge Clinic in attendance at the meeting were acknowledged. There were no requests to address the Commission at this time.

### **HOSPITAL COMMISSION CHAIRPERSON REPORT**

**MHA Summer Trustee Conference:** Tabled until the September Commission meeting when Margie Nelsen will present her report.

### **MEDICAL STAFF**

- A. Medical Staff Meeting Minutes.** The minutes of the Medical Staff meeting of August 11, 2015, 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:

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**Initial Appointment to the Medical Staff:**

Daniel Dingman, CRNA	AHP/Courtesy Staff, Anesthetist
Kenneth Dodd, MD	Courtesy Staff, Emergency Medicine
Alan Johnson, PA-C	AHP/Courtesy Staff, Emergency Medicine
Timothy Kao, MD	Courtesy Staff, Ophthalmology
Michele Whaylen, PA-C	AHP/Courtesy Staff, Emergency Medicine
Amin Yousuf, PA-C	AHP/Courtesy Staff, Emergency Medicine

**Reappointment to the Medical Staff:**

William Paige-Evans, MA, LP	AHP/Courtesy Staff, Psychology
Damon Shearer, MD	Teleradiology

**Change in Category – Provisional to Full Membership:**

Assen Chekerdjiev, MD	Courtesy Staff, Emergency Medicine
Nataliya Danylkova, MD	Courtesy Staff, Ophthalmology
Eric Fly, PA-C	AHP/Courtesy Staff, Emergency Medicine
Andana Guter, MD	Active Staff, Internal Medicine/Hospitalist
Daniel Johnson, DO	Courtesy Staff, Emergency Medicine
Dean Krats, MD	Courtesy Staff, Emergency Medicine
Kene Ogbogu, MD	Courtesy Staff, Emergency Medicine
Jeffrey Weideman, PA-C	AHP/Courtesy Staff, Family Medicine

**Change in Privileges:**

Christopher Crocker, PA-C	AHP/Courtesy Staff, increased privileges as a surgical physician assistant
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**Withdrawn from Medical Staff:**

John Hoines, MD	Courtesy Staff, Ophthalmology
Johanna Bischof, MD	Courtesy Staff, Emergency Medicine

**ACTION:** 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. A motion was made by Bob Meeks 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 Kay Moline and carried with all members voting in favor.

**ADMINISTRATIVE REPORT**

**A. Executive Summary.**

The written report submitted by George Rohrich was reviewed.

- July was a good month statistically and financially, showing a positive bottom line of approximately \$270,000, cutting the overall year-to-date bottom line to a loss of (\$115,067), compared to a budgeted loss of (\$522,146), and the 2014 year-to-date loss of (\$756,000).
- The amount of cash on hand decreased in July by (\$370,000), although there is still a year-to-date increase of \$262,000. The decrease in July was largely due to the 2012 Cost Report settlement that resulted in a payment of \$275,000 to Medicare.

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- Inpatient surgical procedures continue to trend positively.
- The number of CT procedures has increased over the year. The CT scanner is placed at River's Edge through a cooperative agreement; River's Edge uses it on a fee per scan basis. The amount of this fee will be lowered in the near future. Commissioners noted they would be interested in seeing a breakdown of CT use by department.
- The MRI truck comes to River's Edge once per week. Dr. Malik noted that the MRI services in Mankato are booked out and patients are being sent to New Prague in order to have timely MRIs. Mr. Rohrich stated that he has checked into the cost of putting in an MRI at River's Edge, and determined that the mobile MRI service is still the best option for REHC.
- The Finance Committee did not meet during August.

### **B. Statistical Dashboard.**

The statistical report for July, 2015, was reviewed. Of the 19 measured activities, nine are noted to be above budget for the month, one less than last month. Swing bed days continue to remain low.

### **C. Updates.**

- On-Call Room Project: Mr. Rohrich is waiting for a timeline from the architect.
- Employee Salary Scale: All administrative pieces are in place to move staff to 50% of the HRAM (Human Resource Association of the Midlands) salary scale. The goal will be to get staff to 100% of the scale, and this will be accomplished in steps. The HRAM scale is replacing the Medi-Sota scale and will be more competitive with other area hospitals. Not all employees will be receiving adjustments, as some were already at the salary levels of the HRAM scale. A number of positions within the hospital have been challenging to recruit and fill, including surgery techs, a full-time physical therapist, and experienced RN positions.
- Discussions regarding a possible joint venture with the River's Edge Clinic and the Mankato Clinic or Mayo Health System are ongoing. The goal is to have a decision in October.

## **FINANCIAL REPORT**

### **A. July Financial Summary.**

Gregg Chartrand presented the financial report for July, 2015. The Finance Committee did not meet in August, so there are no recommendations brought forth for action. Gross operating revenue was \$3,985,523 for the month, with net patient revenue at \$2,541,736. Year-to-Date gross operating revenue is \$1,358,894 ahead of budget, and net patient revenue is \$575,328 ahead of budget. Operating expenses stood at \$2,295,139. Year-to-date operating expenses are above budget by (\$190,104). July resulted in a net operating gain of \$270,228. This brings the year-to-date excess revenue over expense to (\$115,067), compared with a budgeted loss of (\$522,146). The EBIDA (expense before interest, depreciation and amortization) calculation showed a monthly profit of \$426,409, with a year-to-date profit of \$987,961.

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Cash flow for July showed a decrease of (\$371,552), with operating cash standing at \$4,280,346 and funded depreciation at \$3,516,427. Current Ratio at the end of July stands at 3.02. Days Cash On Hand is 117.85 days, and Days Revenue in Accounts Receivable stands at 63.14 days.

Mr. Chartrand noted attributing factors to the decrease in cash being the \$271,795 paid to Medicare for the 2012 Cost Report settlement and the fact that July contained three payrolls. As far as expenses, the cost of benefits and professional fees are running higher than anticipated. Days revenue in Accounts Receivable is also higher than the goal of <50 days. This is in part due to the increase in receivables, and also carrying over from the implementation of Excellian and the changes in workflow. Working on the billing processes is a focus of improvement efforts at this time. Financial reports were reviewed and changes were noted due to reporting through Excellian – the Excellian system has the ability to report contractual amounts per department. This will enable contractals to be factored in to departmental budgets, rather than just including an overall facility contractual amount.

Incentive payments through the Meaningful Use federal program are anticipated within six to eight weeks. Incentive payments may be as high as \$1.1 million.

**B. Write-Off to Collection.**

Community Care grants totaled \$15,206.43 in July, covering 13 accounts that qualified for 100% write-off. Two accounts were deemed not eligible. Year-to-Date Community Care grants total \$61,988. Collection activity for Commission approval totaled \$71,831.87 for July. Year-to-Date collection activity stands at \$500,030.15, of which \$216,248.71 has been recovered. The Revenue Recapture program through the State of Minnesota resulted in no monies recaptured in July. Year-to-date recovery total is \$170,778.

**ACTION:** A motion was made by H. Stuart Johnson to accept the recommendation made by the Finance Committee for approval of \$15,206.43 in Community Care grants and \$71,831.87 in write-offs to collection. The motion was seconded by Roger Parras and carried with all voting in favor.

**C. Accounts Payable Review.**

Accounts Payable review for July included a total of \$1,618,677.09 paid via check. The listing of checks paid was reviewed, with Mr. Chartrand noting the highest expenses for the month.

**ACTION:** A motion was made by Susan Carlin to recommend approval of checks totaling \$1,618,677.09. The motion was seconded by H. Stuart Johnson and carried with all voting in favor.

**D. Budget Calendar.**

Mr. Chartrand presented a calendar schedule outlining the upcoming budgeting process. The Commission discussed the process for approving the 2016 budget, noting the Finance Committee will review the budget in detail and bring their recommendations to the Commission for action. Review of the budget will be scheduled for the November Finance Committee meeting.

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**E. Capital Equipment Recommendation – Upgrade fixed radiology rooms and portable radiology equipment to Digital Radiology Technology.**

A proposal was brought forward for purchase of equipment to update the current radiology equipment to full digital technology. Bids were obtained from three companies, including Alto (\$194,000.00), Konica (\$307,500.00) and GE (\$388,829.50). Bids included upgrading the equipment in two radiology rooms as well as two portable machines. The equipment will retrofit rather than replace current equipment. The current system is a CR system that is 8 to 10 years old. As of 2016, the department will no longer be able to obtain services for maintaining the equipment. The Imaging Department and Administration are recommending acceptance of the bid from Alto. Kim Henze noted she has spoken with managers from four other hospitals who have installed this equipment and all were satisfied with the purchase.

**ACTION:** A motion was made by Bob Meeks to recommend accepting the bid from Alto for \$194,000.00 for purchase of digital technology equipment for upgrading current imaging equipment and systems. The motion was seconded by Roger Parras and carried with all members voting in favor. The recommendation will be brought forward to the City Council for approval.

**QUALITY REPORT**

The Quality Management Committee minutes from the July meeting were reviewed. The Quality Dashboard report was also distributed for review. The dashboard contains results from a number of measurable and reportable quality measures. It was noted that, although patient satisfaction is not included on this report, it is measured, and there is a process for reporting on patient complaint data to the Quality Management Committee.

**DIRECTOR COMMENTS**

**H. Stuart Johnson, Commissioner:** Mr. Johnson noted questions he has received from Clinic staff regarding the status of the Clinic. Mr. Rohrich stated that talks with the Mankato Clinic and the Mayo Health System continue to be positive, and that actual closure of the clinic would be the last option to look at; although it is likely that the overall structure of the clinic will be changing in some way. Mr. Rohrich is pushing for a decision to be made in October, so as not to leave the staff members hanging in regard to employment situation. A plan has been developed for employees to receive two months of severance pay, should changes to the clinic affect their employment.

**George Rohrich:** Mr. Rohrich noted that the month of September has five Wednesdays, and questioned whether the Commissioners would prefer to have the September meeting on the last Wednesday of the month or the fourth Wednesday of the month. After discussion, the Commissioners recommended that the meetings consistently be held on the fourth Wednesday of the month. Mr. Rohrich introduced Samantha Pherson, who will be the new Executive Assistant. The hospital will be holding a celebration luncheon tomorrow, August 27, for successfully meeting the School Supply Challenge, winning the challenge for the third year in a row.

**Laura Brink, Director of Clinic Services:** The River's Edge Clinic was awarded a monetary prize through the Minnesota Bridges to Excellence program for improving treatment of patients with depression.

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**Todd Prafke, City Administrator:** Mr. Prafke noted the policies regarding commissioner absences. Currently policy states that absence of more than four meetings per year constitutes resignation from the Commission; although the Commission has to take action for the resignation to be effective. At this time Mr. Prafke noted that Sandy Gunlach has exceeded the allowed number of absences. Mr. Prafke has been in contact with Ms. Gundlach regarding the policy.

**ADJOURNMENT**

**ACTION:** A motion was made by H. Stuart Johnson to adjourn the meeting. Motion seconded by Susan Carlin and carried with all voting in favor. Meeting was adjourned at 1:59 p.m.

**NEXT MEETING**

The next regular meeting of the Hospital Commission will be Wednesday, September 23, 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 on Wednesday, September 16, 2015, at 1:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.

  
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Chairperson

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Secretary