

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

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

Wednesday, August 27, 2014

Present: Margie Nelsen, Vice-Chairperson, Kay Moline, Secretary-Treasurer; Trustees: Susan Carlin, Sandy Gundlach, and Bob Meeks; George Rohrich, CEO; Susan Klenk, MD, Medical Staff President; Dr. Michael Sparacino, Medical Director; Jackie Kimmel, Director of Human Resources; Paula Meskan, Director of Nursing; Tom Wilcox, Director of Environmental Services; Roxanne Portner, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Ann Lauer, Director of Finance; Patty Roessler, Director of Ancillary Services, Kim Johnson, Director of Clinic Services; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Michelle Chalin, Chairperson, H. Stuart Johnson, Trustee.

CALL TO ORDER

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Vice-Chairperson Margie Nelsen.

WELCOME TO NEW COMMISSION MEMBER

George Rohrich introduced Susan Carlin, who will serve on the Hospital Commission as a representative of the City Council.

APPROVAL OF AGENDA

The agenda for the August 27, 2014, Hospital Commission meeting was reviewed. There were no changes or additions to the agenda.

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

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of July 30, 2014, were reviewed. There were no corrections or changes to the minutes.

ACTION: A motion was made by Sandy Gundlach to approve the minutes of the regular Commission meeting of July 30, 2014, as presented. The motion was seconded by Kay Moline and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the August 12, 2014, Medical Staff Meeting were available and were reviewed. Dr. Klenk noted the discussion regarding the hospitalist program, specifically that the Daniels Clinic and MCHS-St. Peter have indicated they will be turning over their admissions to the hospitalists. The Medical Staff has also voted to fund training for Nichole Boelter to become a certified educator for the "I Can Prevent Diabetes" program. Ms. Boelter will be working along with Jennifer Donkin, RD/LD, as lifestyle coaches for this program. A presentation was given by Deb Mattson, PT, on the new therapy program being provided for Parkinson's patients.

ACTION: A motion was made by Kay Moline to acknowledge receipt of the Medical Staff meeting minutes of August 12, 2014. The motion was seconded by Bob Meeks and carried with all members 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:

| | |
|-----------------------|---|
| Troy Benson, MD | Courtesy Staff – Emergency Medicine |
| Benjamin Chaska, MD | Courtesy Staff – Emergency Medicine |
| Tommy Cho, MD | Courtesy Staff – Hospitalist, Internal Medicine |
| David Hollander, MD | Teleradiology |
| Kakin Iong, MD | Courtesy Staff – Hospitalist |
| Douglas Peterson, MD | Courtesy Staff – Emergency Medicine |
| Julian Pierce, MD | Courtesy Staff – Hospitalist, Internal Medicine |
| Stephen Welch, DO | Courtesy Staff – Hospitalist, Internal Medicine |
| David Dorn, MD | Telehealth – Neurology |
| Peshman Roohani, MD | Telehealth – Neurology |
| Richart Shronts, MD | Telehealth – Neurology |
| Ronald Tarrel, MD | Telehealth – Neurology |
| Adam Todd, MD | Telehealth – Neurology |
| Mark Young, MD | Telehealth – Neurology |
| Lee Arostegui, MD | Telehealth – Emergency Medicine |
| Nicholas Johnson, MD | Telehealth – Emergency Medicine |
| Christopher Obetz, MD | Telehealth – Emergency Medicine |
| David Peterson, MD | Telehealth -- Emergency Medicine |
| John Svenningsen, MD | Telehealth – Emergency Medicine |

Reappointment to the Medical Staff:

| | |
|------------------|---|
| Sarah Davis, CNP | Active Staff, AHP, Family Medicine/Rheumatology |
| Renee DuCret, MD | Teleradiology |
| Gerald Roust, MD | Courtesy Staff, Ophthalmology |

Change from Provisional to Full Medical Staff Membership:

| | |
|---------------------|--|
| Steven Anderson, MD | Courtesy Staff, Ophthalmology |
| Trevor Page, DO | Courtesy Staff, Emergency Medicine |
| Erin Sandmeyer, COA | Courtesy Staff, AHP, Ophthalmology Assistant |

Withdrawal from Medical Staff Membership:

| | |
|-------------------|------------------------------------|
| Doua Her, MD | Courtesy Staff, Emergency Medicine |
| William Lee, MD | Courtesy Staff, General Surgery |
| Robert Morris, MD | Courtesy Staff, General Surgery |

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 Kay Moline 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 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.

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ADMINISTRATIVE REPORT

A. **Executive Summary.**

The written report submitted by George Rohrich was reviewed. In addition, Mr. Rohrich noted:

- Patty Roessler, RN, Director of Ancillary Services, will be retiring in September following 39 years of service to River's Edge Hospital & Clinic. Mr. Rohrich thanked her for her service to the organization. A reception honoring Ms. Roessler will be held on September 18, 2014, from 1 to 3 p.m. in the Helen G. White Conference Center.
- Overall hospital activity has gone down somewhat in August.
- The sterile processing project is complete and was fully operational as of Monday evening, August 25. The project was completed by the IS Group of architects and engineers, and Mr. Rohrich noted the project went very smoothly, workers were excellent, professional and respectful.

B. **Statistical Dashboard.**

The statistical report for July was reviewed. July showed improvement over the month of June, with many of the indicators moving into a positive number in comparison to the budgeted expectation. The inpatient statistics were impacted by the initiation of the hospitalist program, with admissions rising to 41 and the average daily census rising to 6.13 from 4.16 in June. Cardiac Rehab has also seen increased activity, to the point of needing additional space. The LeCenter Clinic remains temporarily closed at this time; recruitment is ongoing for a nurse practitioner or physician assistant to staff the clinic.

C. **Updates.**

- **Capital Equipment.** In response to a request from the Commission, Mr. Rohrich presented a report outlining capital equipment due to be replaced or upgraded. The equipment was requested for 2014; however, due to negative budget concerns and other changes within the organization, a capital budget was not presented to the Commission for 2014. Information included in the report will serve as a basis for the 2015 capital budget.
- **Educational Survey.** Mr. Rohrich presented each Commission member with a survey addressing their educational needs and requested each member complete it and return it to him. Additionally, he noted the regional trustee conference scheduled for the fall. Mr. Rohrich will e-mail the commission members with the information regarding the conference; commissioners interested in attending should respond to him. A two-day trustee conference is held annually earlier in the year – Mr. Rohrich suggested that commissioners attend this two-day conference every other year.
- **Space Planning.** Planners have completed an initial walk-through of the facility. Additional information is being sent back to the planners and they will be conducting more interviews.
- **Chargemaster Review.** Mr. Rohrich brought forward a proposal for completion of a chargemaster review, noting that it has been over 10 years since an external review was completed for the chargemaster. Because of new services being added and the conversion of the chargemaster layout from HMS to Excellian, Mr. Rohrich recommends that a review be completed at this time. Any recommended

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financial impacts could then be incorporated into the 2015 budget. The proposal comes from Quorum Health Resources, a company Mr. Rohrich has worked with in the past. The estimated cost of the project would be between \$25,000 and \$30,000.00.

ACTION: A motion was made by Bob Meeks to contract with Quorum Health Resources to complete a review of the Charge Description Master (CDM) and Charge Capture practices. The motion was seconded by Sandy Gundlach and carried with all voting in favor.

FINANCIAL REPORT

Ann Lauer presented the financial report for July, 2014. The dashboard for financial indicators was reviewed and discussed. Gross operating revenue was \$2,520,422, compared to a budget of \$2,531,136. This represents an all-time high for monthly gross revenue. Net patient revenue was \$1,681,142 for July, which is above the budget set of \$1,651,899. Year-to-Date net revenue stands at 10,314,656, compared with \$10,284,457 for 2013. Operating expenses stood at \$1,721,233, above the budgeted amount of \$1,712,092. Year-to-date operating expenses continue to be below budget. July resulted in a net operating loss of (\$22,625). Combined with non-operating revenue, the facility shows a loss of (\$14,946). This brings the year-to-date excess revenue over expense to (\$756,892), compared with a budgeted loss of (\$228,613). Current Ratio at the end of July stands at 3.33. Days Cash On Hand is 98.00 days, and Days Revenue in Accounts Receivable stands at 42.18 days. July showed a positive cash flow of \$40,760. Operating cash is \$5,097,324 in addition to funded depreciation of \$4.18 million. Some of the costs for the electronic health record system were transferred out of the funded depreciation into the operating funds during August.

Community Care grants totaled \$6,729.48 in July, covering 27 accounts that qualified for 100% write-off and 12 accounts qualifying for 50% write-off. Two applications were noted to be ineligible. Collection activity for Commission approval totaled \$88,274.66 for July, representing 201 patient accounts. Of this total, \$59,446.44 was from 171 insured accounts, \$28,828.22 was from 30 uninsured accounts. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$3,184.45. Gross collections activity year-to-date 2014 is \$547,466.75; gross bad debt recovery year-to-date 2014 is \$225,764.60.

Accounts Payable review for July included a total of \$1,051,502.55 paid via check. There were no payments made via accounting data program. This includes three payments made to Whitesell Medical Staffing in July, a down payment of \$155,000.00 for the sterilizer project, and \$72,000 for surgical equipment.

ACTION:

- 1) A motion was made by Kay Moline to accept the Financial Report for July, 2014. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.
- 2) A motion was made by Kay Moline to approve \$88,274.66 in write-offs to collection for July. The motion was seconded by Susan Carlin and carried with all members voting in favor.
- 3) A motion was made by Kay Moline to accept the Accounts Payable Review. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.

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Equipment Certificate. Mr. Rohrich brought forward a recommendation to authorize solicitation of bids for a \$664,947.00 Equipment Certificate. The equipment certificate is a funding mechanism utilized frequently by the City of St. Peter for purchase of larger capital equipment with an expected life span of more than five years. Utilization of an equipment certificate allows managing the cash flow over five years, with a \$153,000.00 commitment each year with an approximate 3% rate of interest. The equipment certificate would be utilized for the following equipment, all of which has been previously approved for purchase:

- \$320,823 Steris Sterilizers
- \$123,300 Surgery Improvements
- \$36,000 Surgery Equipment – 2 Neptunes and Docking station
- \$39,305 Surgery Equipment – Orthopedic Saws, drills
- \$145,519 Pharmacy Equipment – Medication Management Equipment

ACTION: A motion was made by Bob Meeks to recommend authorization of solicitation of bids for an equipment certificate for the amount of \$664,947.00. The motion was seconded by Sandy Gundlach and approved with all voting in favor. The recommendation will be forwarded to the City Council.

QUALITY REPORT

A. Quality Management Committee Meeting Minutes.

The minutes of the July 23, 2014, Quality Management Committee Meeting were distributed for review.

ACTION: A motion was made by Bob Meeks to acknowledge receipt of the Quality Management Committee meeting minutes of July 23, 2014. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.

B. Quality Dashboard.

The second quarter 2014 Quality Dashboard was distributed for review. Paula Meskan noted the yellow indicator shows that the quality goal has not yet been met, but that work is progressing toward the goal. She noted that one IV site infection has been reported, which means the facility will not meet the 2014 goal of zero hospital-acquired infections. Door-to-imaging time for stroke patients is also working toward the goal of <25 minutes—this goal is hindered by patients arriving by car with no advance notice. The goal is more likely to be met when a patient arrives by ambulance with advance notification to the ED of a potential stroke patient's arrival.

DIRECTOR COMMENTS

Todd Prafke, City Administrator: Noted one of the responsibilities of the Commission is approval of the hospital budget. This takes place in the latter part of the year. The CEO/Financial Director will provide updates to the City Council on how the budget is going.

Kim Johnson, Director of Clinic Services: A meeting with a potential candidate for the LeCenter Clinic is scheduled for tomorrow.

Patty Roessler, Director of Ancillary Services: Ms. Roessler noted the amount of time spent in union negotiations and thanked Kay Moline for her part in negotiating the union contract. Ms. Moline noted the negotiations went well, a percentage was settled on, but will be re-opening in November.

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Paul Meskan, Director of Nursing: The High-Step program will be starting in September with 52 students from six different schools. Due to the Excellian implementation, the students will be attending class at Gustavus until after MEA break in October, when they will come back to River's Edge.

George Rohrich, CEO: River's Edge employees have again won the Golden Ruler trophy for their donations of school supplies. Patty Roessler's team won the internal competition. Several hospital departments, including administration, have participated in the "ice bucket challenge" to raise funds for ALS.

Kay Moline, Trustee: Will not be able to attend the next Commission meeting.

Bob Meeks, Trustee: Thanked the hospital and clinic for the school supply donations.

Sandy Gundlach, Trustee: Congratulated Patty Roessler on her retirement.

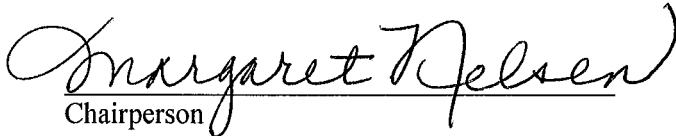
Susan Carlin, Trustee: Thanked the Commission and Administration for the opportunity to participate in the Commission.

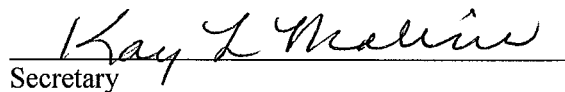
ADJOURNMENT

ACTION: A motion was made by Sandy Gundlach to adjourn the meeting. The motion was seconded by Kay Moline and carried with all members voting in favor. The meeting was adjourned at 1:26 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, September 24, 2014, 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