

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

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

Wednesday, July 29, 2015

Present: Kay Moline, Vice-President; Sandy Grunlach, Secretary-Treasurer; Trustees: Susan Carlin, Blake Combellick, H. Stuart Johnson, Bob Meeks, and Roger Parras; Nadia Malik, MD, Medical Staff President; George Rohrich, CEO; Gregg Chartrand, CFO; Jackie Kimmet, Director of Human Resources; Paula Meskan, Director of Nursing; Roxanne Portner, Director of Quality and Infection Control; Stephanie Hill, Director of Marketing; and Paulette Redman, Recorder.

Absent: Margie Nelsen, Chairperson.

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 Hospital Commission Meeting Agenda for July 29, 2015.
- Approval of the June 24, 2015, Hospital Commission Meeting Minutes.
- Acceptance of the July 22, 2015, Finance Committee Meeting Minutes.

ACTION: A motion was made by Bob Meeks to approve the consent agenda. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.

GENERAL VISITOR COMMENTS

There were no visitors present requesting to address the Commission.

INTRODUCTION

George Rohrich introduced Mr. Gregg Chartrand as the new River's Edge Hospital and Clinic Chief Financial Officer.

MEDICAL STAFF

No report from the Medical Staff as they did not meeting during the month of July.

HOSPITAL COMMISSION CHAIRPERSON REPORT

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

ADMINISTRATIVE REPORT

A. Executive Summary.

The written report submitted by George Rohrich was reviewed.

- A final settlement was reached on the 2012 Cost Report, resulting in a payable amount of \$275,000. Largely due to this payment, the month of June showed a negative bottom line for the month compared to budget. Cash on hand did increase during June.
- Inpatient surgical procedures are continuing to trend upward, increasing from 44 in June to an estimated 51 in July.

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Hospital Commission Meeting Minutes

River's Edge Hospital & Clinic

July 29, 2015 Page 2

- Orthopedic surgeries continue to increase, and the anticipation is that this trend will continue.
- Ophthalmology surgeries should see an increase following the implementation of the contract with SightPath for provision of equipment and implants.
- OB/GYN – two GYN procedures were performed during July and it is anticipated that the numbers of GYN surgeries will grow.
- The OR is not at full capacity yet. The surgery department is working to spread surgeries out over the week in order to maximize use.
- Mr. Rohrich has been in touch with ISG – the company is working on the final designs for converting the nursery space into an area for the hospitalist. Construction work for this project is expected to begin in September.

B. Statistical Dashboard.

The statistical report for June, 2015, was reviewed. The number of CT procedures continues to be well above the budgeted figure – 147 procedures in July compared to a budget of 104 procedures. The current CT equipment is being evaluated to determine a replacement or upgrade timeline. Urgent Care and Emergency Department visits continue to be above budget. Swing bed days and inpatient days were both below budget for June. It was noted that orthopedic patient stays were budgeted to average three days per stay; the actual average length of stay has been less than three days.

C. Strategic Plan Quarter 2 Update.

The 2015 River's Edge Hospital & Clinic Strategic and Business Plan was reviewed.

- **Growth:** Clinic visits have shown an increase but have not met the goal of 581 visits per month. The number of inpatient surgeries has exceeded the goal of 24 per month. Inpatient days are below the goal of 156 days per month.
- **Service:** Patient satisfaction survey results for recommending River's Edge are above goal for the hospital, but below goal for both the Emergency Department and the River's Edge Clinic. George Rohrich and Paula Meskan have implemented an Executive Rounding process, talking with patients while they are in the hospital. AIDET training has been completed for all staff – implementation of AIDET is the next phase of the partnership with the Studer group. AIDET stands for "Acknowledge, Introduce, Duration, Explanation and Thank You" – components of staff communication with patients.
- **Quality:** The number of readmissions has remained lower than the benchmark of 6%, currently at 3% for the second quarter. The number of patient falls has not met the goal. All falls continued to be investigated and changes are made to the falls prevention program based on findings. Patient call backs for discharged patients is currently at 95%, above the goal of 85%.
- **People:** Employee turnover rates have decreased and are lower than the set goals. Employee satisfaction with communication from direct managers is at 65%, below the goal of 68%. All managers currently have this goal as part of their departmental goals also. A leadership training session was held recently on the topic of communication best practices.
- **Finance:** The goal is met for Days Cash on Hand; all other indicators below goal at this time, including Total margin, accounts receivable days, EBIDA score, DNFB indicator, and Meaningful Use Attestation. The timeline for implementation of the

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Hospital Commission Meeting Minutes

River's Edge Hospital & Clinic

July 29, 2015 Page 3

ICD-10 coding system is up-to-date. The implementation of Excellian continues to impact financial measures; monitoring and evaluation of the system are ongoing to identify and eliminate roadblocks in the financial processes. As far as Meaningful Use, the government has opened a window for first year hospitals to attest prior to August 14, 2015. Roxanne Portner is planning to complete this process next week.

D. Updates.

Mr. Rohrich reviewed the results of the Commission workshop held last week. Discussion centered around plans for the River's Edge Clinic in light of below budget volume and financial activity, and with the impending department of Dr. Bauder. The four alternatives identified for the Clinic included:

- Do nothing.
- Improve the current model.
- Change.
- Close.

Following the discussion at the workshop, the recommendation from Administration is that the River's Edge Clinic pursue a joint enterprise with another health care provider (likely candidates Mankato Clinic or Mayo Health System) to maintain a primary care clinic and to incorporate an urgent care program into the clinic. If this cannot be achieved, the plan would be to transition the River's Edge Clinic to an Urgent Care clinic.

Mr. Rohrich stated that both the Mankato Clinic and the Mayo Health System-Mankato are interested in further discussions on this topic, and he asked for volunteers from the Commission to meet with him and the interested parties.

ACTION: Bob Meeks and Susan Carlin volunteered to represent the Commission in meeting with the Mankato Clinic and Mayo Health System, tag teaming to ensure one commissioner is able to attend each meeting. George Rohrich will forward scheduling information to both Mr. Meeks and Ms. Carlin. Stephanie Hill to put together some talking points for the Commission members in order to be able to share a consistent message with community members on this topic.

FINANCIAL REPORT

A. June Financial Summary.

Gregg Chartrand presented the financial report for June, 2015. He again noted the \$275,000 adjustment that was made for the 2012 Cost Report, which decreased the revenue for the month. Gross operating revenue was \$3,362,508 for the month, with net patient revenue at \$1,933,687. Year-to-Date gross operating revenue is \$391,544 ahead of budget, and net patient revenue is \$32,781 ahead of budget. Operating expenses stood at \$2,307,132. Year-to-date operating expenses are below budget by \$10,698. June resulted in a net operating loss of (\$343,905). This brings the year-to-date excess revenue over expense to (\$366,437), compared with a budgeted loss of (\$436,132). Cash flow for June showed an increase of \$464,947, with operating cash standing at \$4,657,087 and funded depreciation at \$3,511,240. Current Ratio at the end of June stands at 2.66. Days Cash On Hand is 124.79 days, and Days Revenue in Accounts Receivable stands at 61.62 days.

ACTION: A motion was made by Kay Moline to accept the recommendation of the Finance Committee for approval of the financial statements for June, 2015. The motion was seconded by Sandy Gundlach and carried with all voting in favor.

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B. Write-Off to Collection.

Community Care grants totaled \$21,790.77 in June, covering 42 accounts that qualified for 100% write-off and 1 account that qualified for a 50% write-off. Year-to-Date Community Care grants total \$46,782. Collection activity for Commission approval totaled \$124,254.28 for June, representing 118 patient accounts. Year-to-Date collection activity stands at \$428,198.28, of which \$208,718.92 has been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$9,752.97, year-to-date recovery total of \$170,778.

ACTION: A motion was made by Kay Moline to accept the recommendation made by the Finance Committee for approval of \$21,790.77 in Community Care grants and \$124,254.28 in write-offs to collection. The motion was seconded by Sandy Gundlach and carried with all voting in favor.

C. Accounts Payable Review.

Accounts Payable review for June included a total of \$1,103,311.47 paid via check. The Check Review list was previously reviewed by the Finance Committee.

ACTION: A motion was made by Kay Moline to accept the recommendation made by the Finance Committee for approval of checks totaling \$1,103,311.47. The motion was seconded by Sandy Gundlach and carried with all voting in favor.

QUALITY REPORT

The Quality Management Committee did not meet during June. Roxanne Portner distributed a Quality Dashboard and reviewed the quality measures that are included. She also noted that the River's Edge Clinic had received a cash award of \$1800 from the Bridges to Excellence program for improvements in some of their clinical metrics. Ms. Portner also presented a summary of the nonconformities found on the recent DNV survey. A corrective action plan addressing the findings was submitted on June 8 and has been accepted.

DIRECTOR COMMENTS

Susan Carlin, Commissioner: Ms. Carlin noted a correction to the Finance Committee meetings to identify that Gregg Chartrand was in attendance at the meeting, and secondly, that the next Finance Committee meeting will be held on August 19, not July 29, 2015.

Roxanne Portner, Director of Quality Services: Ms. Portner will be serving on Team 1 as a surveyor for the Performance Excellence Network. She will be onsite for four days at another healthcare facility performing an evaluation with other members of her team. She also noted that a member of the Laboratory staff will be traveling to Boston for training on a new piece of lab equipment.

Stephanie Hill, Director of Marketing: River's Edge has received a 4-star rating (4 out of 5 stars) based on the results of the HCAHPS patient experience survey. River's Edge will have a booth at the Nicollet County Fair August 5 through the 9.

Paula Meskan, Director of Nursing Services: The River's Edge Hospital Foundation has pledged to raise money for a new ambulance, with a goal of raising \$205,000.

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George Rohrich, CEO: Current physicians designated as Directors at the hospital include:

- Dr. Robert Christensen, Director of Emergency Services/Ambulance.
- Dr. Kyle Swanson, Director of Orthopedic Surgery, effective June 1, 2015.
- Dr. J. Frank Foss, Laboratory Director.
- Dr. Nathan Groebner, Imaging Director.

Bob Meeks, Commissioner: Questioned whether a new manager has been hired for the Physical Medicine Department. Mr. Rohrich reported that an occupational therapist has been hired as the full-time manager. The department is still looking for a full-time physical therapist.

ADJOURNMENT

ACTION: A motion was made by H. Stuart Johnson to adjourn the meeting. Motion seconded by Blake Combellick and carried with all voting in favor. Meeting was adjourned at 2:17 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, August 26, 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, August 19, 2015, at 1:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.

Kay L. Moline

Chairperson

Secretary