

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

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

Wednesday October 28, 2015

Present: Margie Nelsen, Chairperson, Kay Moline, Vice-President; Trustees: H. Stuart Johnson, Blake Combellick, and Roger Parras; Nadia Malik, MD, Medical Staff President; George Rohrich, CEO; Gregg Chartrand, CFO; Laura Brink, Director of Clinic Services; Stephanie Hill, Chief Marketing & Development Officer; Roxanne Portner, Chief Quality Office; Paula Meskan, Director of Nursing; Todd Prafke, St. Peter City Administrator; Samantha Pherson, Administrative Assistant, and Paulette Redman, Recorder.

Absent: Susan Carlin, Trustee; Bob Meeks, Trustee.

CALL TO ORDER

The regular meeting of the Hospital Commission was called to order at 12:23 p.m. by Chairperson Margie Nelsen.

APPROVAL OF CONSENT AGENDA

The consent agenda includes the following:

- Approval of the Hospital Commission Meeting Agenda for October 28, 2015.
- Approval of the September 23, 2015, Hospital Commission Meeting Minutes.
- Acceptance of the October 13, 2015, Medical Staff Meeting Minutes
- Acceptance of the October 21, 2015, Finance Committee Minutes
- Acceptance of the September 16, 2015, Quality Management Committee Meeting Minutes.

ACTION:

- 1) A motion was made by H. Stuart Johnson to approve the consent agenda. The motion was seconded by Blake Combellick and carried with all members voting in favor.

GENERAL VISITOR COMMENTS

Visitors: Gary Swedberg, Chuck Zieman, and Dana Melius, St. Peter Herald.

HOSPITAL COMMISSION CHAIRPERSON REPORT

Minnesota Hospital Association (MHA) Summer Trustee Conference: Margie Nelson attended the MHA Summer Trustee Conference in Alexandria, Minnesota. Information was presented on the status of critical access hospitals, maintaining independence versus partnership, and Board and Development Assessment, which is an area Mrs. Nelsen, would like to focus on in the next year. River's Edge Hospital & Clinic has an education budget of \$10,000 for commission education. A variety of educational events are available throughout the year, including monthly webinars held at REHC. There are monthly webinars, and different conferences held in various locations that the commissioners could attend. Mr. Rohrich stated that the next webinar will be on November 10, 2015, the topic will be "Successful Transformation to Population Health." The webinar on December 8, 2015 will discuss the topic "The Board's Role in Compliance."

The next conference that is available to attend is the 29th Annual Rural Health Care Conference on February 7-10, 2016, in Phoenix, Arizona.

MEDICAL STAFF

- A. **Medical Staff Meeting Minutes.** The minutes of the Medical Staff meeting of October 13, 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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Hospital Commission Meeting Minutes

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Initial Appointment to the Medical Staff:

Timothy Hockenberry, MD

Lisa Miller, MD

Steven Souchtchenko, DO

Thomas Soukup, DO

Active Staff, Family Medicine/Hospitalist

Courtesy Staff, Teleradiology

Courtesy Staff, Emergency Medicine

Courtesy Staff, Emergency Medicine

Reappointment to the Medical Staff:

Nadia Malik, MD

David Orcutt, MD

Norman Arslanlar, DO

Geoffrey Bodeau, MD

Brent Bullis, MD

Charles Donovan, MD

Mark Doyscher, MD

Kevin Edelman, MD

Eduardo Ehrenwald, MD

Nazih Farah, MD

Stephen Fry, MD

Frederick Gramith, MD

Douglass Hassell, MD

Stephen Hite, MD

Thomas Ibach, MD

Subbarao Inampudi, MBBS

Jon Kane, MD

Eul Kang, MD

Jason Keszler, DO

Thomas Matson, MD

Jason Mehling, MD

David Mills, MD

Karla Myhra-Bloom, MD

James Mylrea, MD

John Nobrega, MD

Robin Parker, MD

Michael Plunkett, MD

Robert Pollock, MD

Paul Rust, MD

Lisa Schneider, MD

Clark Schumacher, MD

Scott Sidney, MD

John Steely, MD

Christopher Tillotson, MD

Huy Q. Tran, MD

Sara Beth Veldman, MD

Pamela Wymore, MD

Robert Yost, MD

Active Staff, Family Medicine

Courtesy Staff, General Surgery

Courtesy Staff, Teleradiology

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Change in Category – Provisional to Full Membership:

Edwin Bogonko, MD

Active Staff, Internal Medicine/Hospitalist

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Withdrawn from Medical Staff:

Stephanie Anderson, MD
Jay Bauder, MD
Chad Buhs, MD
Sarah Davis, CNP
Mark Oswood, MD
Julian Pierce, MD

Courtesy Staff, Rheumatology
Active Staff, Family Medicine
Courtesy Staff, General Surgery
Active Staff, Family Medicine
Courtesy Staff, Teleradiology
Courtesy Staff, IM/Hospitalist

ACTION:

- 1) A motion was made by Roger Parras 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 Roger Parras 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 Blake Combellick and carried with all members voting in favor.

ADMINISTRATIVE REPORT

A. Executive Summary.

The written report submitted by George Rohrich was reviewed.

- September was a busy month statistically which translates into high revenue, showing a positive bottom line of approximately \$22,000, cutting the overall year-to-date bottom line to a loss of (\$444,000), compared to a budgeted loss of (\$647,000), and the 2014 year-to-date loss of (\$1,000,000).
- September results show a decrease of cash on hand of \$212,000 and a decrease year-to-date of \$687,000. The decrease in September was primarily due to an increase in receivables and equipment.
- Inpatient surgical procedures continue to trend positively.

B. Statistical Dashboard.

The statistical report for September, 2015, was reviewed. Of the 17 measured activities, 14 are noted to be above budget for the month, four more than last month. Swing bed days continue to remain low.

C. Updates.

- Discussions with Mankato Clinic are ongoing.
- Urgent Care – The goal for Urgent Care is to move out of the Emergency Department and into the Outpatient Clinic with a start date of December 1, 2015. With the moving of the Urgent Care, the hours will also expand slightly. There will be advertising done to promote the location and hour change. Mr. Rohrich and Stephanie Hill are working together to finalize those plans. Providers have been lined up for the Urgent Care, and staff positions are being finalized. The pricing structure currently in use for Urgent Care will continue, with reassessment and adjustments made as needed.
- River's Edge Clinic – There has been notification sent to patients and staff that the clinic will end its primary care services on November 30, 2015.

- November Hospital Commission Meeting -- There was discussion about changing the date of the November Commission Meeting. The current date of the Hospital Commission Meeting is Wednesday, November 20, 2015, this day falls right before Thanksgiving. Following discussion, the decision was made to move the Hospital Commission Meeting to Monday, November 23, 2015.

D. Strategic Plan – 3rd Quarter Update.

- The 2016 Strategic Planning Meeting was held on Tuesday, October 27, 2015.
- The current Strategic plan dash board was reviewed.
- Patient satisfaction scores are going up, and the use of tools from Studer has contributed to that improvement.
- One item identified as needing improvement was the employee turnover rate. Although it has slightly improved, there is still work that needs to be done.
- The number of patient falls is higher than the goal. There is a Falls Task Force and a Falls Prevention Program in place to work on this issue.
- Finance goals were reviewed. The total margin is below the goal of 1.01%, but administration is confident this will go positive once the Meaningful Use incentive dollars come through. Accounts receivable days continue to be an area of focus. The transition to IDC-10 went smoothly and is ongoing.

FINANCIAL REPORT

A. September Financial Summary.

Gregg Chartrand presented the financial report for September, 2015. Minutes from the October 20, 2015, Finance Committee meeting were available for review. Gross operating revenue was \$3,831,501 for the month, with net patient revenue at \$2,125,384. Year-to-Date gross revenue is \$2,336,309 ahead of budget, and net patient revenue is \$455,478 ahead of budget. Operating expenses stood at \$2,137,602. Year-to-date operating expenses are behind budget by (\$290,472), largely due to the expense associated with implants. September resulted in a net operating Income of \$15,494. This brings the year-to-date excess revenue over expense to (\$447,710), compared with a budgeted loss of (\$666,203). The EBIDA (expense before interest, depreciation and amortization) calculation showed a monthly profit of \$168,073, with a year-to-date profit of \$936,362.

Cash flow for September showed a decrease of (\$212,504), with operating cash standing at \$3,857,860 and funded depreciation at \$3,046,154. Contributing to the decrease in cash was the purchase of a laboratory coag machine and surgery tool kits, as well as an increase in patient receivables. Current Ratio at the end of September stands at 3.15. Days Cash On Hand is 104.25 days, and Days Revenue in Accounts Receivable stands at 60.55 days.

B. Write-Off to Collection.

Community Care grants totaled \$8,636.30 in September, covering 21 accounts that qualified for 100% write-off. Year-to-Date Community Care grants total \$73,749. Collection activity approval totaled \$56,154.33. Year-to-Date collection activity stands at \$649,397. Year to date \$239,738 of gross bad debts have been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$3,188, year-to-date recovery total of \$193,466.

ACTION: A motion was made by Kay Moline to accept the recommendation made by the Finance Committee for approval of \$8,636.30 in Community Care grants and \$56,154.33 in write-offs to collection. The motion was seconded by H. Stuart Johnson and carried with all voting in favor.

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C. Accounts Payable Review.

Accounts Payable review for September included a total of \$1,336,848 paid via check.

ACTION: A motion was made by Blake Combellick to recommend approval of checks totaling \$1,336,848. The motion was seconded by Kay Moline and carried with all voting in favor.

D. Emergency Expenditure Approval (Ambulance Repair)

George Rohrich brought forward a request to approve an emergency expenditure for the repair of the 2006 ambulance. For the year the ambulance cost for repairs were \$25,000. The newer 2006 Ambulance needed an emergency repair to replace cracked heads in the engine. The decision was made to proactively replace the entire engine at an approximate cost of \$17,500 with a 2-year warranty. The commission chair and the city administrator were notified of the expense prior to the work being done.

ACTION: A motion was made by H. Stuart Johnson to recommend approve the emergency expenditure for ambulance repairs at the estimated cost of \$17,500.00. The motion was seconded by Roger Parras and carried with all members voting in favor.

E. On Call Room Project Approval

A proposal was brought forward to approve the cost of the construction to create an on call room for the hospitalist. The original bid for the on call room project by IS Group was \$50,000, the current bid \$82,900. The executive team and the contractor for the IS Group met and discussed the differences between the two bids. A kitchenette was added to the project, and also the rising costs of materials are part of the reason for the increased amount. Mr. Rohrich presented a line-by-line bid evaluation that showed the exact cost of each item, and the difference from the original bid. Mr. Rohrich stated that he is having the other hospital project bids by the IS Group reevaluated to ensure the correct bid amount.

The return on the investment on this project was also discussed. The on call room will be located in the unused nursery space. That will allow a patient room to be opened up and placed back into rotation. The revenue for inpatient bed use is \$3,851 per day and the revenue for swing bed use is \$2,280 per day. Based on an assumption of 3 inpatient days per week at \$11,553 and 3 swing beds days per week at \$6,840, there would be additional revenue totaling \$18,393 per week. The yearly total for inpatient and swing bed days would be \$956,436. With an additional room available for patient use, there could also be an increase in surgeries for the week. The additional revenue for an additional surgery would be \$35,000 a week, and \$140,000 monthly. The yearly total for additional surgeries would be \$1,820,000. The revenue for additional bed use and additional surgeries combined would be \$2,776,436 per year. The estimated time line for a return on the investment would be 1.55 weeks.

ACTION: A motion was made by H. Stuart Johnson to approve the on call room project bid from IS Group for the amount of \$82,900.00. The motion was seconded by Kay Moline 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 September 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. Transfer communication measures are below benchmark, and improvement of these measures will be part of the goals set for 2016. River's Edge maintained a 4-star rating in July, and was at or above the state average for 9 areas of patient experience.

DIRECTOR COMMENTS

Margie Nelson, Chairperson: Ms. Nelson stated that she has received a letter of resignation from Commissioner Kay Moline. The letter stated that Ms. Moline will continue to serve on the Hospital Commission until her effective resignation date of December 31, 2015.

Todd Prafke, City Administrator: Mr. Prafke noted that there will be open spots on the Hospital Commission Board due to resignations. There are also some board members that are coming to the end of their term on the Hospital Commission. Members who are eligible for reappointment will receive a letter in the mail in the month of November from the City Administrator's Office notifying that their term is up and they could choose to be reappointed to the Commission. Mr. Prafke requested to be notified if anyone knows of any individuals who may be interested in serving on the Hospital Commission.

Stephanie Hill: The Hospital Foundation had a meeting on October 12, 2015. The Foundation has currently raised \$40,608 toward their goal of \$205,000 for the purchase of a new ambulance. The Foundation has also received a grant in the amount of \$15,000 from the Carl and Verna Schmidt Foundation. Letters have been sent to all River's Edge employees asking them for their participation in helping to raise funds for the new ambulance. Ms. Hill also stated that she has created brochures that will be used when soliciting businesses for donations. All donations can be mailed or dropped off at River's Edge Hospital & Clinic.

Roxanne Portner: River's Edge Lab is now offering Direct Access Lab Services. This service is a cash only service, with the patient paying for the lab test at the time of registration. Lab services offered are primarily preventive medicine and wellness tests.

Gregg Chartrand: Mr. Chartrand stated that Facility Manger Tom Wilcox retired on October 16, 2015. Kurt Schroeder has been hired for the Facility Manger position, and will start his employment at River's Edge on November 9, 2015. Mr. Chartrand stated that he will present a budget for approval at the next Finance Committee Meeting.

EXECUTIVE SESSION

A. Resolution Calling for Closed Session to complete CEO Performance Evaluation.

ACTION: A motion was made by H. Stuart Johnson to adjourn to closed session for the purpose of completing a CEO Performance Evaluation for George Rohrich. Motion was seconded by Roger Parras and carried with all voting in favor. Meeting was adjourned to closed session at 1:44 p.m.

B. Call Closed Session to Order

The closed session of the Hospital Commission was called to order at 1:50 p.m. by Chairperson Margie Nelsen.

C. Call Closed Session to Adjourn

The closed session of the Hospital Commission was adjourned at 2:27 p.m. by Chairperson Margie Nelsen.

CALL BACK TO ORDER

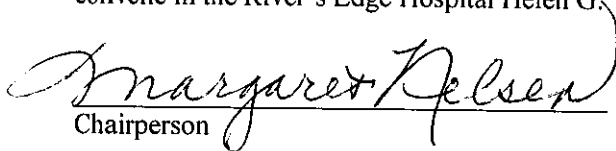
The regular meeting of the Hospital Commission was called back to order at 2:27 p.m. by Chairperson Margie Nelsen.

ADJOURNMENT

ACTION: A motion was made by Blake Combellick to adjourn the meeting. Motion seconded by H. Stuart Johnson and carried with all voting in favor. Meeting was adjourned at 2:28 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Monday, November 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, November 18, 2015, at 1:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.


Chairperson

Secretary