

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

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

Wednesday, December 18, 2013

**Present:** Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson, Kay Moline, Secretary-Treasurer; Trustees: Margie Nelsen and Jerry Pfeifer; George Rohrich, CEO, Dr. Susan Klenk, Medical Staff President; Dr. Michael Sparacino, REHC Medical Director; Sheri Schmidt, Director of Business Services; Jackie Kimmet, Director of Human Resources; Ann Lauer, Director of Finance; Paula Meskan, Director of Nursing; Tom Wilcox, Director of Environmental Services; Patty Roessler, Director of Ancillary Services; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

**Absent:** Sandy Gundlach, Trustee; H. Stuart Johnson, Trustee.

## **CALL TO ORDER**

The regular meeting of the Hospital Commission was called to order at 12:25 p.m. by Chairperson Gil Carlson.

## **APPROVAL OF AGENDA**

The agenda for the December 18, 2013, Hospital Commission meeting was reviewed.

**ACTION:** A motion was made by Jerry Pfeifer to approve the agenda as presented. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

## **APPROVAL OF MINUTES**

The minutes of the regular Hospital Commission meeting of November 26, 2013, were reviewed.

**ACTION:** A motion was made by Margie Nelsen to approve the minutes of the regular Commission meeting of November 26, 2013, 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 December 10, 2013, Medical Staff meeting were reviewed. Dr. Klenk highlighted the discussion topics of revised order sets, inpatient admission certification, use of Medical Staff Treasury monies and the "I Can Prevent Diabetes" program.
- 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:**

Viorel Guter, MD	Courtesy Staff, Emergency Medicine
Jason Kezler, DO	Teleradiology
Juy Quoc Tran, MD	Teleradiology
Craig L. Humphries, MD	Courtesy Staff, Emergency Medicine
Ramon A. Issa, MD	Courtesy Staff, Emergency Medicine

### **Reappointment to the Medical Staff:**

Pamela Wymore, MD	Teleradiology
David Mills, MD	Teleradiology

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## Hospital Commission Meeting Minutes

River's Edge Hospital & Clinic

December 18, 2013 Page 2

### **Withdrawal from Medical Staff Membership:**

Steven R. Jensen, MD	Teleradiology
Christopher Engeler, MD	Teleradiology
Neeraj B. Chepuri, MD	Teleradiology
Benjamin Chaska, MD	Courtesy Staff, Emergency Medicine / Family Practice

**ACTION:** A motion was made by Kay Moline to accept the recommendation of the Credentials Committee and grant appointment or reappointment for each of the practitioners listed above. The motion was seconded by Jerry Pfeifer 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 Jerry Pfeifer and carried with all members voting in favor.

### **FINANCIAL REPORT**

Ann Lauer presented the financial report for November, 2013. The dashboard for financial indicators was reviewed and discussed. Revenue decreased in November compared to October. Net operating revenue was \$1,439,537 for November, which is below the budget set at \$1,548,066. Operating expenses stood at \$1,547,990, below budget. November resulted in a net operating loss of (\$108,453). Combined with non-operating revenue, the facility shows a loss of (\$106,552). Year-to-date results show a loss of (\$524,405) compared to a budgeted loss of (\$831,293). This compares to a year-to-date loss in 2012 of (\$1,468,701). Current Ratio at the end of November stands at 3.77, Days Cash On Hand is 107.38 days, and Days Revenue in Accounts Receivable stands at 47.46 days. November shows a positive cash flow of \$30,989.00, with a year-to-date positive cash flow of \$565,737.00.

Community Care grants totaled \$16,562.05 in November. Of the 45 accounts covered, 42 of the accounts qualified for 100% write off, 2 qualified for 50% write off, and 1 account was found to be ineligible. Collection activity for Commission approval totaled \$64,156.56 for November, representing 156 patient accounts. Of this total, \$28,439.82 was from 119 insured accounts, \$35,716.74 was from 37 uninsured accounts. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$1,805.45. Gross collections activity year-to-date is \$777,258.76; gross bad debt recovery year-to-date is \$266,056.70.

Accounts Payable review for November included a total of \$570,506.66 paid via check and \$12,790.95 paid via accounting data program.

### **ACTION:**

- 1) A motion was made by Kay Moline to approve the Financial Report for November, 2013, as presented. The motion was seconded by Margie Nelsen and carried with all members voting in favor.
- 2) A motion was made by Margie Nelsen to approve \$64,156.56 in write-offs to collection for November. The motion was seconded by Kay Moline and carried with all members voting in favor.
- 3) A motion was made by Michelle Chalin to accept the Accounts Payable Review. The motion was seconded by Jerry Pfeifer 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. Mr. Rohrich reported on the strategic planning process, noting that Focus Groups will be conducted on January 14 and 15, 2014. Invitations will be sent out by Friday, December 20—Commissioners should let Mr. Rohrich know of additional parties to include in the Focus Groups before Friday.
- B. 2014 Budget.** The proposed budget for 2014 was presented. The data used for 2013 included actual data through September, annualized through December. Projected revenue figures include price increases and volume increases for 2014. Expenses include a 2% wage increase and monies for three new positions – a Clinic Director and two Medical Assistant positions for the Clinic. Also reflected in expenses are supply costs for implantable devices of \$89,605, IT maintenance contract increases, professional development increases to include expenses for Studer Group consultations and ICD-10 training, and an increase in marketing costs. Final payments for the electronic health record technology will be made in 2014. Budgeted excess revenue over expenses for 2014 will show a loss of (\$391,824). Projections show that if business remains the same, by 2015 the facility should be able to put money back into the funded depreciation account. Equipment upgrades within the next two years would include \$250,000 for imaging equipment and a new ambulance at approximately \$150,000.  
**ACTION:** A motion was made by Jerry Pfeifer to accept the 2014 budget as presented. The motion was seconded by Michelle Chalin and carried with all members voting in favor.
- C. Statistical Dashboard.** The Statistical Dashboard for November was reviewed, with a decrease in admissions and less activity in many areas compared to October. The high percentage of admissions generated through the Emergency Department was noted.
- D. Studer Overview.** Mr. Rohrich presented a brief overview of the Studer Group, a consulting group dedicated to helping healthcare organizations thrive. Studer Group Coaches partner with healthcare organizations, working with them to establish, accelerate and hardwire changes necessary to create a culture of excellence through aligning goals, actions and processes. The stated values of the Studer Group are teamwork, respect, integrity, generosity, learning and measurable achievement. Through implementation of Studer principles, Mr. Rohrich is looking to reduce employee turnover, increase patient satisfaction and increase market share.  
  
Mr. Rohrich noted that the founder of the Studer Group, Mr. Quint Studer, will be a featured speaker at the Trustee Conference in January. Commissioners wishing to attend the conference should notify Mr. Rohrich.
- E. Commissioner Recognition.** On behalf of the River's Edge Hospital and Clinic and the Hospital Commission, Mr. Rohrich thanked Gil Carlson and Jerry Pfeifer for their years of service to the Hospital Commission as they will both be transitioning off of the Commission at the end of the year. He presented each with a gift to honor their service and their dedication to and support of the hospital and clinic over the years.

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**Hospital Commission Meeting Minutes**

River's Edge Hospital & Clinic

December 18, 2013 Page 4

**DIRECTOR COMMENTS**

**Jackie Kimmet, Director of Human Resources:** REHC will be going live on Monday with the new Kronos payroll system. The conversion to Kronos from HMS has gone well thus far.

**Sheri Schmidt, Director of Business Services:** Ms. Schmidt distributed the facility's policy governing the Community Care program. Discussion of the policy will be included on the agenda for the next Commission meeting.

**George Rohrich, CEO:** An orientation for new Commission members will be held in January, 2014. Current commissioners are also welcome to attend the orientation session.

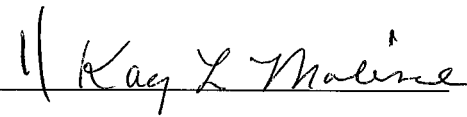
**ADJOURNMENT**

**ACTION:** A motion was made by Michelle Chalin to adjourn the meeting. The motion was seconded by Kay Moline and carried with all members voting in favor. The meeting was adjourned at 1:11 p.m.

**NEXT MEETING**

The next regular meeting of the Hospital Commission will be Wednesday, January 29, 2014, at 12 noon. This meeting will convene in the River's Edge Hospital Helen G. White Conference Room. The Finance Committee meeting will be held at 11:30 a.m.

  
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Chairperson

  
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Secretary