

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic – Helen G. White Conference Center
Wednesday, July 30, 2014

Present: Margie Nelsen, Vice-Chairperson, Kay Moline, Secretary-Treasurer; Trustees: Sandy Gundlach H. Stuart Johnson, Bob Meeks and Chuck Zieman; George Rohrich, CEO; Dr. Susan Klenk, Medical Staff President; Dr. Michael Sparacino, Medical Director; Jackie Kimmet, 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; and Paulette Redman, Recorder.

Absent: Michelle Chalin, Chairperson.

CALL TO ORDER

The regular meeting of the Hospital Commission was called to order at 12:22 p.m. by Vice-Chairperson Margie Nelsen.

INTRODUCTION OF GUESTS

George Rohrich introduced Dr. Tom Cho, one of the new hospitalists who will be rotating coverage for River's Edge Hospital. Dr. Cho is part of the Rural Physician's Group and is board certified in Internal Medicine. Originally from Chicago, Dr. Cho is currently living in Maple Grove, Minnesota, and has been a hospitalist for 10 years. The hospitalists will be providing coverage 7 days per week, 24 hours per day. A core group of physicians will be on a rotating schedule – they have been assigned a cell phone that will be passed to the oncoming hospitalist to allow communication to flow smoothly regardless of which physician is currently providing coverage. Initial feedback indicates the program is going smoothly, allowing a broader range of patients to be cared for at River's Edge, and decreasing the number of acute inpatients who are transferred to other facilities.

ACTION: George Rohrich to provide local physician clinics with informational brochures explaining the hospitalist service. Paula Meskan will provide hospitalist cell phone number to Dr. Klenk and other medical staff members.

EDUCATION – REHC AND STUDER GROUP PARTNERSHIP

George Rohrich introduced Dan Rabideaux, who will be the Studer Partner and Coach for River's Edge. Mr. Rabideaux described his background in healthcare and his current role within the Studer organization. The mission of the Studer Group is "To make healthcare a better place for employees to work, physicians to practice medicine, and patients to receive care." In partnering with Studer, organizations work to align goals, align behaviors and align processes, positively impacting operational outcomes in the areas of quality, people, finance, service, growth and community. Mr. Rabideaux will be assisting River's Edge with the process of working toward achievement of the Malcolm Baldrige award for quality. Initial work with River's Edge will begin with an evaluation process followed by development of an action plan to make improvements, and then work to sustain the results.

APPROVAL OF AGENDA

The agenda for the July 30, 2014, Hospital Commission meeting was reviewed. There were no changes or additions to the agenda.

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

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APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of June 25, 2014, were reviewed. There were no corrections or changes to the minutes.

ACTION: A motion was made by Kay Moline to approve the minutes of the regular Commission meeting of June 25, 2014, as presented. The motion was seconded by Chuck Zieman and carried with all members voting in favor.

MEDICAL STAFF

- A. **Medical Staff Meeting Minutes.** Dr. Klenk reported that the Medical Staff did not meet during the month of July.

ADMINISTRATIVE REPORT

A. **Executive Summary.**

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

- The hospitalist program has been in place since July 1, 2014. Since that time the hospital has seen an increased patient census with several days bordering on a full house – currently a total of 14 available beds. Nursing staff is actively working to manage the utilization of beds, assessing length of stay and working with discharge planning. Of the 17 licensed beds, one is being used by the hospitalist, two beds in the specialty care unit are not staffed. Utilization of licensed beds will be one of the focus areas for the space planning project.
- River's Edge will be ending the contractual relationship with Whitesell Staffing for physician coverage of the Emergency Department as of August 1, 2014. The ultimate goal for ED staffing is to work through Allina with the New Ulm and Hutchinson hospitals to establish a pool of physicians who will cover the three facilities. In the interim, Paula Meskan is working with a number of staffing agencies to provide physicians to cover the available shifts in the ED.

B. **Statistical Dashboard.**

The statistical report for June was reviewed. June showed improvement over the month of May, yet not enough for the facility to come out with a positive financial result.

C. **Strategic Plan Dashboard – Quarter 2 Update.**

Mr. Rohrich presented an update on the progress made on the 2014 strategic plan. Targets for growth in services provided are below the goal with the exception of inpatient surgeries, which are currently meeting the set goal. Patient satisfaction scores in the ED and Hospital are slightly below the set goal; patient satisfaction scores for the Clinic are above the goal. Goals set for quality and people are being met. Financial performance is not meeting set goals with the exception of the DNFB calculation (accounts discharged, not final billed).

D. **Space Review Plans for Selection and Approval.**

Proposals from two companies, I&S Group and American Health Facilities, LLC (AHFD), had been distributed to commission members for review prior to the meeting. The project encompasses a departmental review and development of strategic recommendations to enhance use of space and work flows. Both companies are available to begin work in August, with an estimate of 30 to 60 days to complete the project.

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The I&S Group proposal came in at a cost of \$27,800 plus \$1,500 estimated reimbursable expenses. The AFHD proposal was for \$29,880, with no estimation of reimbursable expenses.

ACTION: Following discussion, a motion was made by Sandy Gundlach to accept the proposal from the I&S Group at a cost of \$27,800 plus an estimated \$1,500 reimbursable expenses. The motion was seconded by Kay Moline and carried with all voting in favor.

E. Capital Equipment.

Mindray Patient Monitoring: A proposal was submitted for purchase of a Mindray patient monitoring system at a cost of \$48,178.81. The system is designed to incorporate the results of patient monitoring directly into the electronic health record. The Mindray Patient Monitor can be incorporated into Excellian at this point with no extra charge; waiting until after Excellian implementation will result in additional charges.

Fusion Voice and Text System.

A proposal was submitted for purchase of a new dictation/transcription system—Fusion Voice and Text. Total cost of the equipment is \$74,663.00 with an additional \$13,022.94 for a Service and Support contract following expiration of the warranty. This system will also be interfaced with the Excellian system.

A number of capital equipment items have been put off for future consideration, including upgrade of some imaging equipment to digital capability, upgrade of IV monitors and addition of vital signs monitors. A capital budget will be completed as part of the budgeting process at the end of the year. Dr. Klenk noted that she would like to see the capability of transferring images back and forth between REHC and the local clinics – Mr. Rohrich will follow-up with Kim Henze, Imaging Manager, and provide Dr. Klenk with further information on this issue.

ACTION: A motion was made by Chuck Zieman to recommend purchase of the Mindray Patient Monitoring system at a cost of \$48,178.81, and the Fusion Voice and Text System at a cost of \$74,663.00 plus \$13,022.94 for subsequent Service and Support Contract. The motion was seconded by Sandy Gundlach and carried with all voting in favor. The recommendation for purchase of this equipment will be forwarded to the City Council.

FINANCIAL REPORT

Ann Lauer presented the financial report for June, 2014. The dashboard for financial indicators was reviewed and discussed. Gross operating revenue was \$2,292,673, compared to a budget of \$2,531,136. Net operating revenue was \$1,734,118 for June, which is above the budget set of \$1,666,617. Operating expenses stood at \$1,806,534, above the budgeted amount of \$1,702,729. Operating expenses increased during the month due in part to ramping up for the hospitalist program and projected increase in surgeries. Salaries were also noted to be higher in June as there were three payrolls during the month. June resulted in a net operating loss of (\$37,577). Combined with non-operating revenue, the facility shows a loss of (\$36,159). This brings the year-to-date excess revenue over expense to (\$741,944), compared with a budgeted loss of (\$195,954). Current Ratio at the end of June stands at 3.41. Days Cash On Hand is 84.08 days, and Days Revenue in Accounts Receivable stands at 41.36 days. June showed a negative cash flow of (\$294,777). Operating cash is \$4,758,042 in addition to funded depreciation of \$4.4 million.

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Community Care grants totaled \$10,267.69 in June, covering 25 accounts that qualified for 100% write-off. Collection activity for Commission approval totaled \$76,940.93 for June, representing 176 patient accounts. Of this total, \$43,139.82 was from 131 insured accounts, \$33,801.11 was from 45 uninsured accounts. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$5,326.67. Gross collections activity year-to-date 2014 is \$459,19201; gross bad debt recovery year-to-date 2014 is \$206,998.86.

Accounts Payable review for June included a total of \$754,180.47 paid via check. There were no payments made via accounting data program.

ACTION:

- 1) A motion was made by Kay Moline to accept the Financial Report for June, 2014. The motion was seconded by Chuck Zieman and carried with all members voting in favor.
- 2) A motion was made by Chuck Zieman to approve \$76,940.93 in write-offs to collection for June. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.
- 3) A motion was made by Chuck Zieman to accept the Accounts Payable Review. The motion was seconded by Sandy Gundlach and carried with all members voting in favor.
- 4) Commission members recommended discontinuing distribution of the monthly statistical report as part of the Commission packet.

QUALITY REPORT

A. Quality Management Committee Meeting Minutes.

The minutes of the June 18, 2014, Quality Management Committee Meeting were distributed for review. Roxanne Portner noted the following:

- Dr. Malik has resigned her position of co-chair of the committee in order to serve as the Vice President of the Medical Staff.
- The hospital had no instances of restraint or seclusion use during the second quarter.
- The hospital has been achieving the goals set for readmission rates. River's Edge received recognition for participation in the RARE Campaign to reduce avoidable readmissions.
- River's Edge Clinic received a cash award from the Bridges to Excellence program for work on vascular care.

ACTION: A motion was made by Chuck Zieman to acknowledge receipt of the Quality Management Committee meeting minutes of June 18, 2014. The motion was seconded by Kay Moline and carried with all members voting in favor.

DIRECTOR COMMENTS

Roxanne Portner, Director of Quality and Infection Control: The Baldrige Regional Conference will be coming to Minneapolis on September 23. Sheri Schmidt and Roxanne Portner will be attending a two-day Studer conference in Chicago entitled, "Taking the Organization to the Next Level."

Tom Wilcox, Director of Environmental Services: The Red Cross will be conducting a blood drive tomorrow, July 31, at River's Edge Hospital.

George Rohrich, CEO: Meetings are being held with OFC to establish a joint marketing campaign. Mr. Rohrich also recognized the hard work being accomplished by the team of Directors.

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

Chuck Zieman, Trustee: Noted that this will be his last Commission meeting. Susan Carlin will be representing the City Council at future Hospital Commission meetings. Margie Nelsen thanked Mr. Zieman for his service to 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 2:12 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, August 27, 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