

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

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

Wednesday, September 23, 2015

Present: Kay Moline, Vice-President; Trustees: Susan Carlin, Blake Combellick, H. Stuart Johnson, and Bob Meeks; George Rohrich, CEO; Gregg Chartrand, CFO; Laura Brink, Chief Clinic Services Officer; Jackie Kimmet, Chief Human Resources Officer; Roxanne Portner, Chief Quality Officer; Stephanie Hill, Chief Marketing and Development Officer; Todd Prafke, St. Peter City Administrator; Samantha Pherson, Administrative Assistant, and Paulette Redman, Recorder.

Absent: Margie Nelsen, Chairperson; Sandy Grunlach, Secretary-Treasurer; Roger Parras, Trustee; Nadia Malik, MD, Medical Staff President.

CALL TO ORDER

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

APPROVAL OF CONSENT AGENDA

The consent agenda includes the following:

- Approval of the September 23, 2015 Agenda.
- Approval of the August 26, 2015, Hospital Commission Meeting Minutes.
- Acceptance of the September 8, 2015, Medical Staff Meeting Minutes.
- Acceptance of the September 16, 2015, Finance Committee Meeting Minutes.
- Acceptance of the August 19, 2015, Quality Management Committee Meeting Minutes.

ACTION:

- 1) A motion was made by Bob Meeks to move Agenda item 5B up on the agenda to follow item 2. The motion was seconded by Blake Combellick and carried with all members voting in favor.
- 2) A motion was made by Bob Meeks to approve the consent agenda. The motion was seconded by H. Stuart Johnson and carried with all members voting in favor.

GENERAL VISITOR COMMENTS

The visitors present at the meeting were introduced. Visitors included: Brenda Prosocki, RN, Cathy Zahn, RN, Jay Bauder, MD, and Sarah Davis, CNP, all staff members of the River's Edge Clinic; Dana Melius from the *St. Peter Herald*, Nancy Madison from the *Mankato Free Press*, Kelsey Barchenger and Lucas Mera from KEYC TV.

Cathy Zahn requested to address the Commission. Ms. Zahn expressed her concerns regarding the decision to close the River's Edge Clinic. She noted the benefits the Clinic is providing for the community, including the services that are available, accessibility, providing a third option for coverage under health insurance plans, wonderful relationships with patients, and that feedback from patients indicates "people still want us here." She expressed that she did not think the Clinic was given a fair chance to survive and that leadership has not pursued avenues for improvement and growth for the Clinic. She feels a lack of support for the staff through this transition, both in terms of current staffing levels and in communication regarding the future options for the employees.

ADMINISTRATIVE REPORT

Clinic Services Change: George Rohrich updated the Commissioners on the current status of the negotiations with the Mankato Clinic and the Mayo Clinic Health System regarding possible joint ventures. He noted that he, Gregg Chartrand and Bob Meeks have attended multiple meetings with both entities. At this time the consensus is for the discussions to continue with the Mankato Clinic. An expert has been brought in to assist with identifying how to move through a process of developing a joint venture, a process that is projected to take 8 to 10 weeks. During the time that process is taking place, the conversation was started as to how best to care for staff and patients in St. Peter. The decision was made to discontinue primary care operations at the River's Edge Clinic, and that REHC employees would have the opportunity to move into positions with the Mankato Clinic if positions were available. River's Edge will also pursue expanding the urgent care program, separating urgent care from the Emergency Department and moving into a space in the Medical Office Building. Urgent Care would be staffed by River's Edge, and there may also be opportunities for clinic employees in this program. Mr. Rohrich concluded his statements by asking the Commissioners to provide feedback as to whether they believe these processes are moving in the right direction.

Bob Meeks summarized the process the Commission has gone through in evaluating the future for the clinic – initially bringing in consultants to evaluate the clinic, then identifying options for moving forward; the first option being to pursue a joint venture, secondly establishing an urgent care program, and the last option being to close the clinic. Mr. Meeks stated that the discussions with the Mankato Clinic have been good discussions and the goal would be to continue to work out something that is of benefit for the patients and staff, as well as the community. He also assured the Clinic staff members that, should there be a gap in employment between the closing of the clinic and the start of a joint venture or urgent care program with employment opportunities, as a Commission member he would recommend that Administration look at options for filling the gap. Staff members who choose to seek other employment would receive a severance package.

In terms of continuity of care for the River's Edge Clinic patients, Mr. Rohrich stated that all active patients will receive a written communication notifying them of the clinic's closing.

The consensus of the Commissioners was to continue to move forward in the discussions with the Mankato Clinic in pursuit of a joint venture.

HOSPITAL COMMISSION CHAIRPERSON REPORT

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

MEDICAL STAFF

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:

Initial Appointment to the Medical Staff:

Emily Birkholz, MD

Donald Beitzel, PA-C

Jennifer Schopp, MD

Courtesy Staff, Ophthalmology

Courtesy Staff/AHP, Surgical Physician Assistant

Teleradiology

Reappointment to the Medical Staff:

Gwen Krogwold, PA-C

Jessica Axmacher, MD

Trudi Parker, MD

Courtesy Staff/AHP, Surgical Physician Assistant

Teleradiology

Teleradiology

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Change in Category – Provisional to Full Membership:

Micara Anderson, CRNA	Courtesy Staff/AHP, Anesthetist
Ifechi Anyadioha, MD	Courtesy Staff, Pain Management
Christopher Crocker, PA-C	Courtesy Staff/AHP, Emergency Medicine/ Surgical Physician Assistant
Alicia Frankwitz, DO	Courtesy Staff, Emergency Medicine
Albert Gambino, PA-C	Courtesy Staff/AHP, Emergency Medicine
Liban Hired, MD	Courtesy Staff, Emergency Medicine
Karen Mollner, PA-C	Courtesy Staff/AHP, Emergency Medicine
Richard Nellis, PA-C	Courtesy Staff/AHP, Emergency Medicine
James O'Reilly, MD	Courtesy Staff/AHP, Emergency Medicine
Heidi Otto, CNP	Active Staff/AHP, Family Medicine

Change in Category, Courtesy Staff to Active Staff:

Tommy Cho, MD	Active Staff, Internal Medicine--Hospitalist
Kakin Iong, MD	Active Staff, Internal Medicine--Hospitalist

Withdrawn from Medical Staff:

Kathryn Kramer, MD	Courtesy Staff, Emergency Medicine
Erin Sandmeyer, COA	Courtesy Staff/AHP, Ophthalmology Assistant

ACTION: A motion was made by H. Stuart Johnson 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 Susan Carlin and carried with all members voting in favor. A motion was made by H. Stuart Johnson 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, Continued

A. Executive Summary.

The written report submitted by George Rohrich was reviewed.

- August was a disappointing month statistically and financially, showing a negative bottom line of approximately (\$375,000). It is expected that September will look better, due to an increased number of surgical procedures scheduled.
- The amount of cash on hand decreased in August, due primarily to the annual bond payment and a one-time payment to Medicare under the 2015 interim cost report.

B. Statistical Dashboard.

The statistical report for August, 2015, was reviewed. Of the 19 measured activities, 10 are noted to be at or above budget for the month. Swing bed days continue to remain low. Mr. Rohrich indicated that a strategy has been developed for increasing swing bed days, primarily looking at opportunities for orthopedic patients to utilize swing bed services.

C. Updates.

- On-Call Room Project: State approval for the project has been received and the bidding phase has begun.
- Education Events: Mr. Rohrich noted several upcoming educational events for hospital trustees. Commission members are encouraged to attend, and should respond to Samantha Pherson, Administrative Assistant, if they are interested in going. Stuart Johnson noted he will go to the presentation scheduled in Redwood Falls, Minnesota.

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FINANCIAL REPORT

A. July Financial Summary.

Gregg Chartrand presented the financial report for August, 2015. Minutes from the September 16, 2015, Finance Committee meeting were available for review. He noted that August included a one-time interim payment back to Medicare for the 2015 Cost Report, as well as a bond payment. Gross operating revenue was \$3,182,278 for the month, with net patient revenue at \$1,753,138. Year-to-Date gross revenue is \$1,522,990 ahead of budget, and net patient revenue is \$329,281 ahead of budget. Operating expenses stood at \$2,149,161. Year-to-date operating expenses are above budget by (\$244,933), largely due to the expense associated with implants. August resulted in a net operating loss of (\$375,136). This brings the year-to-date excess revenue over expense to (\$490,205), compared with a budgeted loss of (\$505,312). The EBIDA (expense before interest, depreciation and amortization) calculation showed a monthly loss of \$219,670, with a year-to-date profit of \$786,289.

Cash flow for July showed a decrease of (\$680,256), with operating cash standing at \$4,072,870 and funded depreciation at \$3,043,649. Current Ratio at the end of August stands at 3.06. Days Cash On Hand is 107.70 days, and Days Revenue in Accounts Receivable stands at 58.93 days.

Mr. Chartrand noted factors contributing to the decrease in cash include the \$191,960 paid to Medicare for the 2015 interim Cost Report settlement and the annual bond payment of \$738,538.

B. Write-Off to Collection.

Community Care grants totaled \$3,125.41 in August, covering 15 accounts that qualified for 100% write-off. Year-to-Date Community Care grants total \$65,113. Collection activity for Commission approval totaled \$93,213.29 for August. Year-to-Date collection activity stands at \$593,243.00, of which \$232,938.00 has been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$15,769.40 in August. Year-to-date recovery total is \$190,278.00. Mr. Chartrand stated he will be identifying additional opportunities to reach out people before their account is turned over to collections, in particular those with large balances, with the potential for setting up payment plans or offering discounts.

ACTION: A motion was made by Blake Combellick to accept the recommendation made by the Finance Committee for approval of \$3,125.41 in Community Care grants and \$93,213.29 in write-offs to collection. The motion was seconded by Susan Carlin and carried with all voting in favor.

C. Accounts Payable Review.

Accounts Payable review for August included a total of \$2,982,511.52 paid via check. Mr. Chartrand noted that the amount is higher than expected due to renewal of four CDs – as the CDs were renewed the money came into the account and then subsequently was transferred out of the account.

ACTION: A motion was made by Susan Carlin to recommend approval of checks totaling \$2,982,511.52. The motion was seconded by Blake Combellick and carried with all voting in favor.

QUALITY REPORT

The Quality Dashboard report was distributed for review. The dashboard contains results from a number of measurable and reportable quality measures. Roxanne Portner noted that action plans surrounding the measures are recorded in the minutes of the Quality Management Committee meetings.

DIRECTOR COMMENTS

Todd Prafke, City Administrator: Mr. Prafke noted the policies regarding commissioner absences. Current policy states that absence of more than four meetings per year constitutes resignation from the Commission; although the Commission has to take action for the resignation to be effective. At this time Mr. Prafke noted that Commissioner Sandy Gunlach has exceeded the allowed number of absences and recent attempts to contact her have been unsuccessful. Kay Moline responded that Ms. Gundlach has provided her with notice that she would be discontinuing her membership on the Hospital Commission due to the unforeseen requirements for her current job. Ms. Gundlach will be sending a written notice of her resignation to Margie Nelsen and Todd Prafke.

Mr. Prafke also informed the Commission that the City Council has discussed modifying an ordinance that would affect the purchasing power of the Commission. The modifications would provide greater clarity regarding the Commission's ability to approve the purchase of items, the process of seeking quotes and bids, and identifying what is expected to come before the Council for approval.

Stephanie Hill, Chief of Marketing and Development: The Hospital and Clinic Foundation is actively raising money for the purchase of a new ambulance. Just under \$50,000 has been raised thus far, with additional activities underway, including grant applications, development of brochures and speaking to community groups.

Roxanne Portner, Chief of Quality Services: Through her involvement with the Performance Excellence Network, Ms. Portner has become part of a survey team for the network. Her team recently completed a survey of another critical access hospital. She noted the survey team has members from several different industries, not specifically health care, and that one of the greatest benefits of participating in this process was seeing how the Baldrige criteria come together.

George Rohrich: Mr. Rohrich noted that the consultant who will be working with River's Edge on the strategic plan will be in Minnesota for another meeting in October, and would also have the opportunity to spend time with River's Edge. Mr. Rohrich stated that October 27, 2015, would be the potential date for a Commission workshop to address the strategic plan.

Additionally, Mr. Rohrich noted that the City Council has approved the plan for the digital upgrade of the Imaging equipment.

H. Stuart Johnson, Commissioner: Noted the members of the Hospital and Clinic Foundation are supporting the ambulance fundraising efforts with 100% of the members making donations.

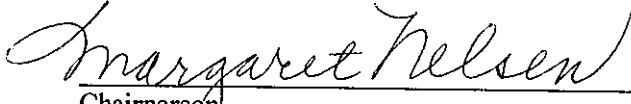
ADJOURNMENT

ACTION: A motion was made by H. Stuart Johnson to adjourn the meeting. Motion seconded by Susan Carlin and carried with all voting in favor. Meeting was adjourned at 1:32 p.m.

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NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, October 28, 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, October 21, 2015, at 1:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.



Chairperson

Secretary