

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

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

Wednesday, June 27, 2018

**Present:** Margie Nelsen, Chairperson; John Lammert, Vice Chairperson, Blake Combellick, Secretary; Trustees: MaryAnn Harty, Laura Hulsebus, Stephen Grams, Gary Swedberg, Jerry Pfeifer, Kyle Swanson, MD, President of Medical Staff; George Rohrich, CEO; Lori Zook, CFO; Jackie Kimmet, Chief Human Resources Officer; Janelle Rauchman, Chief Quality Officer, Paula Meskan, Chief Nursing Officer; Stephanie Holden, Chief Marketing Officer; Todd Prafke, St. Peter City Administrator; Samantha Pherson, Recorder.

**Absent:** None

### **CALL TO ORDER**

The regular meeting of the Hospital Commission was called to order at 12:30 p.m. by Chairperson Margie Nelsen.

### **APPROVAL OF AGENDA**

The June 27, 2018 Agenda was reviewed.

**ACTION:** A motion was made by Jerry Pfeifer to approve the June 27, 2018 Agenda. The motion was seconded by Blake Combellick and carried with all members voting in favor.

### **APPROVAL OF MINUTES**

The May 23, 2018 regular meeting minutes were reviewed.

**ACTION:** A motion was made by John Lammert to approve the May 23, 2018 Regular Meeting Minutes. The motion was seconded by MaryAnn Harty and carried with all members voting in favor.

### **APPROVAL OF CONSENT AGENDA**

The consent agenda includes the following:

- Acceptance of the June 20, 2018 Finance Committee Meeting Minutes.
- Acceptance of the June 21, 2018 Building Committee Meeting Minutes.

**ACTION:** A motion was made by MaryAnn Harty to approve the consent agenda. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

### **GENERAL VISITOR COMMENTS**

Visitors: Chuck Zieman, Mayor of Saint Peter; Nany Madsen, St. Peter Herald; David Yackell, Quorum Health Resources (QHR); Brendan Rokke, QHR; Blake Seitz, QHR; Shannon Sweeney, David Drown Associates.

### **COMMISSION EDUCATION REPORT**

On June 12, 2018 the Hospital Commission was invited to view a webinar on Putting a Consumer Focus on Strategic Planning. At the end of the webinar commission members were encouraged to ask questions. A total of four commission members attended this webinar, and reviewed the information from the webinar at the commission meeting.

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**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:**

Thomas A. Gebhard, MD	Courtesy Staff, Teleradiology
Amy L. Kappes, DO	Active Staff, Hospitalist

**Reappointment to the Medical Staff:**

Vinit B. Amin, MD	Courtesy Staff, Teleradiology
Curtis L. Binder, MD	Courtesy Staff, Teleradiology
Eric A. Evans, MD	Courtesy Staff, Pathology
Jennie L. Gappa, CRNA	Courtesy Staff, Nurse Anesthetist
Robert K. Gazzola, MD	Active Staff, Family Medicine
Nathan J. Groebner, MD	Courtesy Staff, Radiology
Karen M. Hansen, PA-C	Courtesy Staff, Urgent Care
Jamie J. Heitzinger, PA-C	Courtesy Staff, Emergency Medicine
Justin W. LeBlanc, MD	Courtesy Staff, Teleradiology
Jerome A. Swanson Jr., MD	Courtesy Staff, Teleradiology

**Change in Category – Provisional to Full Membership: None**

**Provisional Membership: None**

**Increase in Privileges: None**

**Change in Staff Category: None**

**Withdrawn from Medical Staff:**

Bruce Anderson, MD	Courtesy Staff, Urgent Care
Kristen Holland, MD	Courtesy Staff, Family Medicine

**ACTION:**

- 1) A motion was made by Gary Swedberg 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 Blake Combellick and carried with all members voting in favor.
- 2) A motion was made by Gary Swedberg 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 John Lammert and carried with all members voting in favor.

**QUALITY REPORT**

The Quality Dashboard was reviewed by Janelle Rauchman. The dashboard contains results from a number of measurable and reportable quality measures.

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## **STRATEGIC SERVICE LINE EVALUATION**

Brendan Rokke and Blake Seitz from Quorum Health Resources presented information on the service line evaluation. Brendan and Blake collected information from community members, commission members and looked at market data to be able to compile this service line report. The report recommended that River's Edge grow regional surgical specialties, build community-based programs, and add ancillary services.

## **ADMINISTRATIVE REPORT**

### **A. Executive Summary.**

The written report submitted by George Rohrich was reviewed.

- River's Edge is showing a month-to-date bottom line for the month of May of approximately \$81,000, versus a month-to-date budget of \$148,000.
- Net Operating Revenue MTD is \$111,000 vs MTD budget of \$177,000.
- May results show a decrease of cash on hand of \$263,000 resulting in balance of \$11,749,000 million. The 2018 Year End Budget goal is \$9.78M.

### **B. Statistical Dashboard.**

The statistical report for May, 2018, was reviewed. Of the 17 measured activities, 15 are green. The monthly strategic report was also reviewed.

## **FINANCIAL REPORT**

### **1. May Financial Summary.**

Lori Zook presented the financial reports for May. The month of May had a Net Income of \$111,001 and a year-to-date net income of \$807,430. Total Patient Revenue stands at \$6,371,321. Year-to-date Total Patient Revenue stands at \$30,588,826, over budget of \$26,838,895. May Net Patient Revenue stands at \$3,010,315 with a budget of \$3,028,038. Monthly Net Operating Revenue stands at \$3,024,142, under budget of \$3,028,259. Monthly Operating Expenses stands at \$2,913,141 over budget of \$2,860,949.

Year-to-date Gross Revenue is \$30,588,826 versus a budget of \$26,838,895 which is \$3,749,931 ahead of budget. Year-to-date Net Patient Revenue is \$15,510,334 versus a budget of \$12,256,700 or \$3,253,634 above budget. Year-to-date Total Operating Expenses are \$14,772,629 versus a budget of \$13,887,226, or \$885,393 over budget. Excess Revenue over Expenses year-to-date is \$807,430 versus a budget of (\$1,582,355).

Cash flow for May was positive at \$263,312. Days Cash On Hand is 127.94 days, and Days Revenue in Accounts Receivable stands at 50.44 days.

### **2. Write-Off to Collection.**

Community Care grants totaled \$1,954.54 in May, covering 4 accounts that qualified for 100% write-off and 2 accounts at 50% write-off. Presumptive community care grants totaled \$20,958.24 covering 26 patients and 36 accounts. Year-to-Date Community Care grants total \$212,636. Collection activity approval totaled \$66,819.95. Year-to-Date collection activity stands at \$348,989. Year-to-Date \$191,067 of gross bad debts have been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$14,116.15, year-to-date recovery total of \$152,209.

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**ACTION:** A motion was made by John Lammert to accept the recommendation made by the Finance Committee for approval of \$1,954.54 in Community Care grants, \$20,958.24 in Presumptive Community Care grants and \$66,829.95 in write-offs to collection for May. The motion was seconded by Stephen Grams and carried with all members voting in favor.

### 3. Accounts Payable Review.

Accounts Payable review for May included a total of \$1,936,880.96 paid via check.

**ACTION:** A motion was made by Gary Swedberg to recommend approval of checks totaling \$1,936,880.96. The motion was seconded by Blake Combellick and carried with all voting in favor.

### 4. Capital Requests.

#### 1. Ambulance Upgrade

River's Edge needs to repair Ambulance 1801. In April, the ambulance hit a deer and caused damage to the radiator and chassis. After evaluating repair and purchase options, the most economical decision was to re-chassis the box of the ambulance. Two bids were acquired for this work, and the lowest bid for the work was from Forbes for \$110,533.18.

**ACTION:** A motion was made by Gary Swedberg to recommend repair of Ambulance 1801 by placing the box on a new chassis to the Saint Peter City Council for the amount of \$110,533.18. The work would be done by Forbes. The motion was seconded by John Lammert and carried with all members voting in favor.

#### 2. Vantage Workforce Management System

River's Edge is looking to develop labor productivity benchmarks and better manage our largest expense, which are salaries and benefits. The Vantage decision support system will allow us to model new and expanding services, such as Food Service, to identify the optimum level of staffing. Initial cost of the system is \$24,000 for initial development and implementation and \$18,000 for annual licensing fees.

**ACTION:** A motion was made by Stephen Grams to purchase the Vantage Workforce Management System for the initial cost of \$24,000 and \$18,000 for annual licensing fees. The motion was seconded by Gary Swedberg and carried with all members voting in favor.

## BUILDING COMMITTEE

### a. Project Summary

George Rohrich reviewed the project summary sheet and the budget that was provided by John Albert. The project summary will now be reviewed within the building committee as well as any change orders.

### b. Recommended Change Orders

George Rohrich reviewed the change orders that were provided in the packet in the Proposal Request Log. There was discussion about the process of the change orders and how they are reviewed in the building committee before being sent to the hospital commission. The building committee recommended that hospital commission approve the change orders.

**ACTION:** A motion was made by MaryAnn Harty to approve the change orders that were provided at that June 2018 Hospital Commission Meeting. The motion was seconded by John Lammert and carried with all members voting in favor.

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**c. Recommended Equipment Purchases**

The building committee reviewed and recommended that hospital commission recommend/approve the listed equipment/system.

**1. Nurse Call System**

A Nurse Call System satisfies the notification and communication requirements for hospital licensure. An RFP closed bid process was used to identify the lowest qualified bidder. There were four bids that were evaluated. The Nurse Call System from Omni Tech is the recommended choice by the building committee, staff, and is also the lowest bid for the amount of \$355,148.00.

**ACTION:** A motion was made by Blake Combellick to recommend purchase of the Omni Tech Nurse Call System for the amount of \$355,148.00 to the Saint Peter City Council. The motion was seconded by John Lammert and carried with all members voting in favor.

**2. Structured Cable Management System**

Bids were reviewed for a Structured Cable Management System. This system would satisfy requirements for hospital licensure. The bid from Parsons was the lowest bid at \$182,735. The building committee recommends the bid from Parsons.

**ACTION:** A motion was made by Jerry Pfeiffer to recommend the purchase of a Structured Cable Management System from Parsons for the amount of \$182,735 to the Saint Peter City Council. The motion was seconded by Blake Combellick and carried with all members voting in favor.

**3. Security Systems**

Bids were reviewed for the Security System. A security system provides perimeter security, video surveillance, and intercom systems. The building committee recommends the security system from Parsons for the amount of \$164,344.

**ACTION:** A motion was made by Gary Swedberg to recommend the purchase of the Security System from Parsons for the amount of \$164,344 to the Saint Peter City Council. The motion was seconded by MaryAnn Harty and carried with all members voting in favor.

**4. Audio/Visual Package**

Bids were reviewed for the Audio/Visual Package. This Audio/Visual Package provides television systems for the patient rooms and waiting areas. The building committee recommended the Audio/Visual Package by Omni Tech for the amount of \$78,453.

**ACTION:** A motion was made by John Lammert to recommend the purchase of the Omni Tech Audio/Video Package for the amount of \$78,453 to the Saint Peter City Council. The motion was seconded by Blake Combellick with all members voting in favor.

**5. Synchronized Clock System**

Bids were reviewed for the purchase of a synchronized clock system. This system would provide synchronized clocks in key care areas to accurate medical records. The building committee recommends the purchase of the Parsons Synchronized Clock System for the cost of \$19,756.

**ACTION:** A motion was made by MaryAnn Harty to purchase the Parson Synchronized Clock System for the amount of \$19,756. The motion was seconded by John Lammert with all members voting in favor.

**6. Furniture**

Bids were reviewed for the purchase of Furniture for the new spaces in the hospital. The building committee recommended Alternative Business Furniture for the amount of \$412,277.

**ACTION:** A motion was made by John Lammert to recommend the purchase of furniture through Alternative Business Furniture for the amount of \$412,277 to the Saint Peter City Council. The motion was seconded by MaryAnn Harty with all members voting in favor.

**7. Kitchen Equipment**

Bids were reviewed for the kitchen equipment. The bid package provides the equipment for the kitchen and café of the hospital. The building committee recommended Hotel Restaurant for the amount of \$412,035.

**ACTION:** A motion was made by Blake Combellick to recommend Hotel Restaurant for the purchase of the kitchen equipment for the cost of \$412,035 to the Saint Peter City Council. The motion was seconded by MaryAnn Harty with all members voting in favor.

**8. Telephone Equipment**

Loffler is the single source vender and service provider for the existing system, no other bids were requested for the telephone equipment. This equipment upgrades and expands the hospital telephone system. Same manufacturer equipment is added to equipment already in service at the hospital. The cost of the telephone equipment is \$61,125.91.

**ACTION:** A motion was made by John Lammert to recommend the Loffler Telephone Equipment for the amount of \$61,125.91 to the Saint Peter City Council. The motion was seconded by Stephen Grams with all members voting in favor.

**9. Overhead Paging System**

Bids were reviewed the overhead paging system. This system provides an overhead emergency communication system. The building committee recommended the system from Ideacom for the amount of \$29,791.

**ACTION:** A motion was made by Jerry Pfeifer to purchase the Overhead Paging System from Ideacom for the amount of \$29,791. The motion was seconded by Blake Combellick with all members voting in favor.

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**d. Bond Resolution.**

Shannon Sweeney discussed Bond Note Series 2018B and 2018C.

**1. Bond Anticipation Note Series 2018B**

This bond is for temporary financing of the construction project for no more than \$24,146,000.

**ACTION:** A motion was made to recommend approval of the Bond Anticipation Note Series 2018B for the amount of \$24,146,000 to the Saint Peter City Council. The motion was seconded by MaryAnn Harty with all members voting in favor.

**Roll Call Vote:** MaryAnn Harty, Aye; Jerry Pfeiffer, Aye; Gary Swedberg, Aye, Margie Nelsen, Aye; John Lammert, Aye; Blake Combellick, Aye; Stephen Grams, Aye.  
Not present: Dr. Kyle Swanson, Laura Hulsebus.

**2. Bond Anticipation Note Series 2018C**

This bond is for private placement for no more than \$5,000,000 with the final maturity rate that shall not be late than 28 years after the date of issuance of the Note.

**ACTION:** A motion was made by Jerry Pfeifer to recommend approval of the Bond Anticipation Note Series 2018C for the amount of \$5,000,000 to the Saint Peter City Council. The motion was seconded by Blake Combellick with all members voting in favor.

**Roll Call Vote:** MaryAnn Harty, Aye; Jerry Pfeiffer, Aye; Gary Swedberg, Aye, Margie Nelsen, Aye; John Lammert, Aye; Blake Combellick, Aye; Stephen Grams, Aye.  
Not present: Dr. Kyle Swanson, Laura Hulsebus.

**ROUNDTABLE COMMENTS**

**Stephanie Holden:**

1. There were two community education events.
  - a. Dr. Swanson had a Joint Seminar – around 30 individuals attended.’
  - b. Chronic Pain Workshop hosted by Deb Mattson on June 20<sup>th</sup>.
2. July 18<sup>th</sup> – LSTV Big: For patients that have Parkinson’s Disease and want to improve their movement.
3. July 26<sup>th</sup> – Joint Replacement Seminar in Mankato.
4. July 4<sup>th</sup> – Trolley in Parade.
5. River’s Edge is updating the website to offer patient stories.
6. August 9<sup>th</sup> strategic planning session.

**Paula Meskan:** DNV has finalized the spine program. We will be working with Dr. Jones to pursue that certification.

**Janelle Rauchman:**

1. Is working on managing infection control through DNV.
2. Still working on Baldrige certification.

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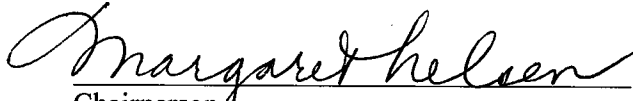
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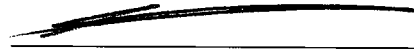
**ADJOURNMENT**

**ACTION:** A motion was made by Jerry Pfeifer to adjourn the meeting. Motion seconded by Blake Combellick and carried with all voting in favor. Meeting was adjourned at 2:31 p.m.

**NEXT MEETING**

The next regular meeting of the Hospital Commission will be Wednesday, July 25, 2018, at 12:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center. The Finance Committee meeting will be held on Wednesday, July 18, 2018, at 12:30 p.m. This meeting will convene in the River's Edge Hospital Helen G. White Conference Center.

  
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Chairperson

  
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Secretary