

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

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

Wednesday, November 28, 2018

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

Absent: Laura Hulsebus, Trustee.

CALL TO ORDER

The regular meeting of the Hospital Commission was called to order at 12:31 p.m. by Chairperson Margie Nelsen.

APPROVAL OF AGENDA

The November 28, 2018 Agenda was reviewed. A request by George Rohrich was made to add agenda item 9C: Hospital Compare.

ACTION: A motion was made by Jerry Pfeifer to approve the November 28, 2018 Amended Agenda to include item, 9C; Hospital Compare. The motion was seconded by John Lammert and carried with all members voting in favor.

APPROVAL OF MINUTES

The October 24, 2018, 2018 regular meeting minutes were reviewed.

ACTION: A motion was made by Blake Combellick to approve the October 24, 2018 Regular Meeting Minutes. The motion was seconded by Gary Swedberg and carried with all members voting in favor.

APPROVAL OF CONSENT AGENDA

The consent agenda includes the following:

- Acceptance of the November 21, 2018 Finance Committee Meeting Minutes.
- Acceptance of the November 15, 2018 Building Committee Meeting Minutes.
- Acceptance of the November 21, 2018 Quality Committee Meeting Minutes.
- Acceptance of the November 6, 2018 Medical Staff Meeting Minutes.
- Acceptance of the December 6, 2017 Policy Review Committee Minutes.
- Acceptance of the December 6, 2018 Policy Review Committee Minutes.

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

GENERAL VISITOR COMMENTS

Visitors: Nancy Madsen, St. Peter Herald; Chuck Zieman, City of St. Peter Mayor.

COMMISSION DEVELOPMENT

Commission Development.

The Hospital Commission Evaluation was handed out along with a return envelope. Commission members should complete the evaluation and return it to Samantha by December 19, 2018.

CONTINUED

QUALITY REPORT

The Quality Dashboard was reviewed by Paula Meskan. The dashboard contains results from a number of measurable and reportable quality measures. There was discussion on prevention of patient falls. The fall rate has decreased with no falls in the month of October or November.

ADMINISTRATIVE REPORT

A. Executive Summary.

The written report submitted and reviewed by George Rohrich.

- River's Edge is showing a month-to-date bottom line for the month of October of approximately \$436,000 versus a month-to-date budget of \$1,008,000.
- Net Operating Revenue MTD is \$488,000 vs MTD budget of \$1,038,000.
- October results show an increase of cash on hand of \$458,000 resulting in balance of \$7,446,000 million. The 2018 Year End Budget goal is \$9.78M.

B. Statistical Dashboard.

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

C. Hospital Compare.

Stephanie Holden provided an overview of the Medicare Hospital Compare website.

FINANCIAL REPORT

1. October Financial Summary.

Lori Zook presented the financial reports for October. The month of October had a Net Operating Income of \$488,288 and a year-to-date stand at \$2,459,557. Total Patient Revenue stands at \$7,713,179. Year-to-date Total Patient Revenue stands at \$63,077,564, over an YTD budget of \$56,181,840. October Net Patient Revenue stands at \$3,925,340 with a budget of \$3,989,176. Monthly Net Operating Revenue stands at \$3,935,811, versus a budget of \$4,000,373. Monthly Operating Expenses stands at \$3,447,523 over budget of \$2,962,695.

Year-to-date Gross Revenue is \$63,077,564 versus a budget of \$56,181,840 which is \$6,895,724 over budget. Year-to-date Net Patient Revenue is \$32,229,048 versus a budget of \$26,119,334 or \$6,109,714 over budget. Year-to-date Total Operating Expenses are \$29,769,491 versus a budget of \$28,114,175 or \$1,655,316 over budget

Cash flow for October was positive at \$458,000. Days Cash On Hand is 68.29 days, and Days Revenue in Accounts Receivable stands at 49.64 days. Debt coverage is 1.66 for the month of October.

2. Write-Off to Collection.

Community Care grants totaled \$1,387.66, covering 4 accounts. Presumptive community care grants totaled \$47,989.04 covering 56 accounts. Year-to-Date Community Care grants total \$474,316. Collection activity approval totaled \$109,710.30. Year-to-Date collection activity stands at \$908,417. Year-to-Date \$279,115 of gross bad debts have been recovered. The Revenue Recapture program through the State of Minnesota resulted in receipt of \$3,854.98, year-to-date recovery total of \$193,011.

ACTION: A motion was made by John Lammert to accept the recommendation made by the Finance Committee for approval of \$1,387.66 in Community Care grants, \$47,989.04 in Presumptive Community Care grants and \$109,710.30 in write-offs to collection for October. The motion was seconded by Blake Combellick and carried with all members voting in favor.

3. Accounts Payable Review.

Accounts Payable review for October included a total of \$2,251,558 paid via check.

ACTION: A motion was made by MaryAnn Harty to recommend approval of checks totaling \$2,251,558. The motion was seconded by Stephen Grams and carried with all voting in favor.

4. 2019 Budget

Lori Zook presented information on the 2019 Budget. Lori dived the budget into four groups; Statistics, Revenues, Expenses, and Capital. Statics were evaluated based on past years, and also using the expected increase in patient rooms that will be completed in the expansion project. Gross revenue was calculated using revenue-producing departments by applying the dollar amount to the 2019 statics to provide gross revenue per department. An overall 3% price increase was calculated, but will not necessarily be applied to all charges across the board, but will be applied according to market indications.

A comparison of expense budgets from year to year were provided to managers. The managers confirmed staff rosters and provided budget requests for non-wage expenses. Salary assumptions were that there would be a 3% increase for all non-union staff; Union staff will continue follow their contract. Capital requests were submitted by department managers, along with supporting documentation. This list was also compared to the equipment list for construction. Each capital request will come before the commission and we are requesting the approval of a target dollar amount of \$750,000.

ACTION: A motion was made by Gary Swedberg to approval of the 2019 Budget to the Hospital Commission. The motion was seconded by MaryAnn Harty and carried with all members voting in favor.

5. Capital Requests.

A. Cybex Eagle NX Leg Press:

This is equipment designed for lower body strengthening. It allows for progressive strengthening with a safe and controlled mechanism. This particular leg press may also be used for plyometric exercise, beneficial for certain PT patient populations. Other leg press models and manufacturers were considered, but this model allows for adjustability through the seat and the foot plate, which accommodates a wider variety of user sizes and abilities, as well as a greater range of motion for the exercises. The cost for the Cybex Eagle NX Leg Press from Life Fitness is \$6,135.84.

ACTION: A motion was made by Blake Combellick to approve purchasing the Cybex Eagle Leg Press for the amount of \$6,165.84. The motions was seconded by Stephen Grams and carried with all members voting in favor.

BUILDING COMMITTEE

a. Project Summary

George Rohrich presented information on the overall project, cash flow, and an update on the work that has been completed.

Project Highlights

- South Patient Wing is enclosed.
- Same Day Surgery Framing and MEP rough-in in progress.
- Stone complete on South and East Patient Wing.

Construction Update:

- Door frames installed in Same day Surgery.
- Roofing complete at South and East Wings.
- Air and Water Barrier complete in South and East Wings.
- Interior framing in South and East Wings.

Upcoming Work

- Underground utilities at North addition.
- Slab on grade in North addition.
- Interior framing in South and East wings.
- Mechanical, electrical, and plumbing rough-ins in South and East wings.
- Interior framing in Same Day Surgery.
- Mechanical, electrical, and plumbing rough-ins in Same Day Surgery.

b. Recommended Change Orders

George Rohrich reviewed the change orders numbers:

67. Added pavement for utility relocations.
72. Reduce composite panels and add EIFS, Elev G/A2.3
73. Lower ceiling/add dwl soffit to clear ductwork in Inpat Rehab.
74. Delete plantings at door M01.
76. Add O2 outlet in Infusion W84.
79. Reinstall Errosion Control due to rain event.
- 80A. Savings- Bid Permit, Builder's Risk, Sub Default Prem.
- 80B. Savings-Bid Permit, Builder's Risk, Sub Default Prem.
81. Additional duct to relocated EF 8-3.
82. Add dimmer switch to Inpat Rehab V51, V52, V53 and V54.
83. Relocate hydronic piping and duct in B05 Elec.
86. Raise Helipad from Elev. 901 to Elev. 903.
87. Relocate existing duct between SDS and Waiting to avoid damper.
88. Add 2 two-tier lockers in E43 Break.
91. Add rough-in for suture sterilizer in decontam S-19.
92. Additional patching at rear parking lot.
95. Helipad light fixture location revisions.

ACTION: A motion was made by Jerry Pfeifer to approve change orders 67, 72, 73, 74, 76, 79, 80A, 80B, 81, 82, 83, 86, 87, 88, 91, 92, and 95. The motion was seconded by MaryAnn Harty and carried with all members voting in favor.

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ROUNDTABLE COMMENTS

Paula Meskan:

1. Baldrige application has been submitted.
2. DNV – Spine and Shoulder certification.
3. BCBS – applying to be an Orthopedic Center of Distinction.

Jackie Kimmet: Second Q12 survey has gone out to employees. Our last survey was in April.

Janelle Rauchman: MN department of Health was here completing labs CLIA inspection.

Stephanie Holden: River's Edge has received Press Ganey's Guardians of Excellence award.

EXECUTIVE SESSION – CEO ANNUAL EVALUATION

A. Resolution Calling for Closed Session to discuss CEO Evaluation.

ACTION: A motion was made by Jerry Pfeifer to adjourn to closed session for the purpose of discussing the Chief Executive Officer's Evaluation. Motion was seconded by John Lammert and carried with all voting in favor. Meeting was adjourned to closed session at 2:00 p.m.

B. Call Closed Session to Order

The closed session of the Hospital Commission was called to order at 2:03 p.m. by Chairperson Margie Nelsen.

C. Call Closed Session to Adjourn

The closed session of the Hospital Commission was adjourned at 2:28 p.m. by Chairperson Margie Nelsen.

CALL BACK TO ORDER

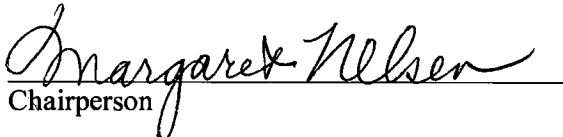
The regular meeting of the Hospital Commission was called back to order at 2:29 p.m. by Chairperson Margie Nelsen.

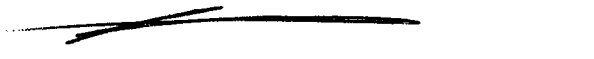
ADJOURNMENT

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 2:29 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, December 19, 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, December 19, 2018, at 10:00 a.m. This meeting will convene in the River's Edge Hospital Clinic Conference Room 1.


Chairperson


Secretary