

2010 COMMISSION MEETING MINUTES

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, December 15, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Kay Moline, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Curt Savstrom, CFO; Dr. Benjamin Chaska, Chief Medical Officer; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Kristin Schultz, Director of Quality, Risk Management and Infection Control; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Brian Kuiper, Trustee; Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 4:00 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the December 15, 2010, meeting was reviewed.

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

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of November 24, 2010, were reviewed.

ACTION: A motion was made by Jerry Pfeifer to approve the regular Commission meeting minutes of November 24, 2010, as presented. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the December 14, 2010, Medical Staff meeting were reviewed.

ACTION: A motion was made by Helen White to acknowledge receipt of the Medical Staff meeting minutes of December 14, 2010. The motion was seconded by Kay Moline and carried with all members voting in favor.

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 listed on the report:

Reappointment to Medical Staff:

Patrick O'Brien, MD
Martin Schularick, MD

Courtesy Staff, Radiology
Courtesy Staff, Radiology

Request for Additional Privileges:

Carolyn Bowles, MD

Active Staff, Rheumatology
Request for privileges for Medical Acupuncture

ACTION: A motion was made by Michelle Chaline to accept the recommendations of the Credentials Committee and grant reappointment to the practitioners listed above. The motion was seconded by Margie Nelsen and carried with all members voting in favor. A motion was made by Michelle Chalin to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Margie Nelsen and carried with all members voting aye.

FINANCIAL REPORT

The financial report for November, 2010, was presented by Curt Savstrom, CFO. Total Days Cash on Hand is up slightly to 224.6 days, with actual cash increasing by \$273,296. The current ratio is 3.66, down from 3.92 last month. Days in Accounts Receivable is currently at 49.5 days. Bad debt continues to increase, but is still \$23,000 below this period last year. Revenue over expense for the month resulted in a loss of (\$253,492), and when combined with non-operating gain for November showed a net loss of (\$201,130). Year-to-date there is a net loss of (\$1,928,551).

Community Care grants for the month totaled \$6,241.

Inpatient utilization is down 16.1% from last year. Outpatient utilization is up 6.8%, although average outpatient revenue has declined from \$978 to \$888. Inpatient revenue is down 14% and outpatient revenue is down 3%. The clinic revenue continues to grow.

Expenses are 3.3% higher than 2009. Total FTEs are down by 0.2 FTE and overtime hours have dropped significantly over the year.

ACTION: Helen White made a motion to approve the November, 2010, financial report as presented, along with approval of payment of bills, write-offs to collection and bad debt and accounts payable review. The motion was seconded by Kay Moline and carried with all members voting in favor.

2011 Employee Benefits/Staff Hour Reductions/ACH Bank Account Approval: Tammie Hudspith presented a summary of the employee benefits that will be offered for 2011.

Medical – No increase in premiums for health insurance. Introduction of a Section 105 plan.

Change in broker for administration of insurance benefits to Hanratty & Associates, Inc. This change will result in a savings of \$170,000.

Paid Time Off (PTO) – Plan modification, no impact on cost to REHC.

PERA (Public Employees Retirement Account) – Contributions will increase by 0.25% for both the employer and the employee. This will result in an additional cost to the facility of approximately \$15,000.

Additional benefits that are unchanged from 2010 include: Dental insurance, Life insurance (basic, supplemental employee, supplemental dependent), long and short-term disability insurance, flexible spending accounts for health care and dependent care, a 457 plan (Minnesota State Deferred Compensation Plan), tuition reimbursement, employee assistance program, and a cancer plan offered through Aflac. An additional accident policy thru Aflac is also offered for 2011. This is voluntary for employees and has no financial impact for the facility.

Staff Hour Reductions: A plan to reduce staff hours and wages has been implemented. The plan calls for a reduction of 4.06 FTEs. A number of employees have been told of reductions in their hours or changes from full-time to part-time status. Efforts were made to minimize the impact on benefits for these employees, although the change in hours for one position moved it from benefits eligible to ineligible. Wages have been frozen for 2011. Overall savings are estimated as follows:

Reduction in total salaries:	\$293,611
Reduction in benefit expense	\$ 88,083
Change in ED staffing model from MD to NP/PA	\$114,540
Discontinue ambulance apartment	\$ 10,872
PTO Accruals based on reduced hours	\$ 34,051
Increased expense for changes to holiday pay	+\$ 45,483
Estimated additional expense for unemployment benefits	+\$ 25,000

Total savings estimated at \$610,174.

ACTION: A motion was made by Helen White to approve the employee benefits for 2011 and the staff reductions and wage changes for 2011. The motion was seconded by Kay Moline and carried with all members voting in favor.

ACH Bank Account Approval: Since Hanratty & Associates, Inc. will now be the broker for administering health insurance benefits for employees, an account will need to be established at the bank that Hanratty & Associates utilizes. Money will be transferred by REHC into this account so that Hanratty can pay out claims to REHC employees.

ACTION: A motion was made by Michelle Chalin for River's Edge Hospital & Clinic to establish an ACH bank account at the Landmark Community Bank. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

Budget for 2011: Curt Savstrom presented the proposed revenue and expense budget for 2011. Overall the budget calls for a net operating loss of (\$1,126,241). This compares to the current 2010 estimated loss of (\$2,348,505). Hospital revenues are projected to increase by 3%, primarily due to an increase in bariatric surgery and anticipated increased volumes for mammography and CT due to new equipment. Revenues are also projected to increase in the ambulance service due to a new staffing model allowing for more availability and increasing the number of ambulance runs, and in physician services in the clinic. Supply expense is expected to increase. Lease expenses will increase due to the expense for leasing mammography and CT equipment – this expense will be offset by revenues coming in. A decrease in interest expense will also be seen. Additional opportunities that are not part of the budget include:

CMDi equipment use rebate (mammography and CT).

Standard charge increase of 3-4%.

Vendor payment programs via Mastercard with rebate to REHC.

Standard cost reductions with Fairview GPO.

ACTION: A motion was made by Helen White to approve the 2011 budget as presented. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was present for review. She noted the opportunity for Commission members to attend the Medi-Sota Trustee Conference – those interested should complete the attached registration form and turn it in to her. She also reported on a meeting held with the Mankato Clinic for the purpose of discussing joint opportunities. Additional surgical coverage was one topic that was addressed.

QUALITY / EDUCATION / OPERATIONS

A. Foundation Purchases.

Colleen Spike reported on capital equipment items that the REHC Foundation has approved for purchase. These include:

Steris System 1E – Surgery Dept. \$14,510.38

Sterrad NX – Surgery Dept. \$44,162.74

TeleRehab Advantage – Cardiac Rehab \$41,150

Chair Scale Digital 600 lb. capacity – Therapy \$ 1,740

Welch Allen Spot Vital Signs with Oximeter – Therapy \$ 2,949

NuStep TRS 4000 Recumbent Cross Trainer – Therapy \$ 4,195

Zoll Auto Pulse – Ambulance and ED \$16,860

2011 John Deere Select x724 with Deck – Maintenance \$ 5,500

The total for the equipment is \$131,067.12.

The Foundation will be sending fundraising letters to households in St. Peter and is also looking for additional fundraising opportunities.

B. Minnesota Department of Health Bassinet License.

The hospital is currently licensed by the Department of Health for 5 bassinets and 17 acute beds. Colleen Spike proposed that the bassinets be de-licensed at this time as a cost-saving measure, since the hospital is not currently providing OB care. Should an OB program be reinstated, MDH has said the bassinets could again be licensed following successful completion of a recertification process. The de-licensing would not prohibit emergency OB care in the ED.

ACTION: A motion was made by Jerry Pfeifer to approve the de-licensing of the five bassinets. The motion was seconded by Kay Moline and carried with all members voting in favor.

C. Accountable Care Organizations.

Colleen Spike presented an overview of the Accountable Care Organization health care model. This is a new model put forth by the federal government with an ultimate goal of constraining volume growth while improving the quality of care. An Accountable Care Organization, or ACO, would be a group of providers, physicians and hospitals that would accept joint responsibility for the quality and cost of care received by their patients. The ACO would be either a real or virtually integrated system that is of sufficient size and

capacity to support comprehensive performance measurement. An ACO would be paid for and responsible for the overall health of the patient. The ACO would receive payment for the care of the patient and then divide it among the providers involved in performing the patient's services. The ACO model is currently a voluntary program, but could be mandated in the future. In contrast, the "Baskets of Care" model is a health care model currently used by the State of Minnesota to provide care for specific services or conditions, such as OB or asthma care, but does not address the total patient. A third model, also being used in Minnesota, is called "Health Care Homes." This model is designed for patients with or at risk of developing medically complex or chronic conditions, whereas ACO would address the needs of their entire patient population.

D. DNV / NIAHO / ISO.

Kristin Schultz presented an update on the hospital accreditation process. The hospital has contracted with DNV Healthcare, Inc. to be the accrediting body for the hospital. DNV has now been approved by Medicare to conduct surveys for critical access hospitals, and thus will take over the survey process for REHC from the Minnesota Department of Health. The hospital and clinic will be surveyed under NIAHO standards (National Integrated Accreditation for Healthcare Organizations). NIAHO standards include two sets of standards – ISO 9001 Quality Management System and Medicare Conditions of Participation. A pre-assessment survey was conducted by DNV in June of 2009, and preparation for meeting the new standards has been underway since that time. Under DNV, REHC can expect an annual survey with a team of two to three people – a nurse or physician and a physical environment specialist. The survey will include interviews with Commission members, document review of specific policies and procedures, staff interviews, medical record reviews and visits to multiple areas of the facility. This new accreditation model is designed to ensure quality and patient safety is being managed, not just measured, and should help ensure that there is continual improvement within the organization with consistent service provided to patients and customers.

E. PT and OT Services for Benedictine Living Community – Update.

A new proposal has been sent to BLC outlining two options for continued PT/OT services. The first option is to provide 3.4 FTEs, including a PT aide, at a cost of \$47.40/resident/treatment. The second option is to provide 2.4 FTEs, not including a PT aide, at a cost of \$42.25/resident/treatment. A response to this proposal is expected by the end of the week.

COMMISSION MEMBERSHIP

Colleen Spike noted that Brian Kuiper and Dr. Schelli McCabe are completing their terms with the Commission. Jerry Pfeifer will be finishing his appointed year as the City Council representative. The City Council representative will be reappointed in January. Ms. Spike thanked them for their service. Dr. Elizabeth Osborne will be replacing Dr. McCabe as the President of the Medical Staff. Todd Prafke reported that a number of letters have been sent to potential candidates to fill the open position and he is awaiting responses. Any further suggestions for commission candidates should be forwarded to Mr. Prafke. Candidates do have to live within the city limits.

DIRECTOR'S COMMENTS

Curt Savstrom, CFO: Mr. Savstrom thanked everyone for their support during the budget season.

Colleen Spike, CEO: Ms. Spike reported that the ambulance was involved in an accident yesterday involving a collision with another car. Poor road conditions and snow banks were contributing factors. No one was hurt in either the ambulance or the car, and the ambulance was not carrying a patient at the time. The ambulance involved, which is the secondary ambulance, is not usable at this time. Reports have been filed with the insurance company.

Peggy Carlson, Community Liaison: A smoking cessation class is scheduled to begin on January 5, 2011. The next Red Cross blood drive will be held at the hospital on January 13 and 14, 2011.

Todd Prafke, City Administrator: The bids for demolition of the old building have come in, with the winning bid being less than \$300,000. The building will be turned over to the contractor in January with the project slated to be completed by mid-summer 2011.

MEETING RECESS

The meeting was recessed at 5:15 p.m. for a dinner break.

The meeting was reconvened at 5:58 p.m. for the Strategic Planning Session.

STRATEGIC PLANNING SESSION

The following items were reviewed:

- The Mission / Vision / Values of River's Edge Hospital & Clinic.
- Updated Organizational Chart.
- Roster of Commission Members.
- Hospital Commission Policies (due or review in 2011).
- Commission Member Core Competencies.
- River's Edge Hospital & Clinic Organizational Leadership Roster.
- Medical Staff Roster.
- NIAHO Critical Access Hospital Accreditation Requirements for Governing Body / Chief Executive.
- REHC Department Goals.
- Medical Staff Goals.
- 2011 REHC Risk Map
- 2011 – 2015 REHC Strategy Map
- 2011 WOW Factors.
- Commission Abbreviation List.

2011 GOALS

A listing of departmental goals was presented. Key areas were highlighted and discussed by the directors. A few of the major goals center around improving communication during patient care handoffs, compliance with NIAHO and ISO standards and continued work toward computerized health records.

MEDICAL STAFF ANNUAL REPORT

Dr. Chaska presented the report from the Medical Staff. He reviewed the current make-up of the staff in comparison with previous years. He then reviewed the 2010 goals and the status of each and presented the Medical Staff goals for 2011, which include the following:

- Implement Focused Professional Practice Evaluation and Ongoing Professional Practice Evaluation.
- Revise Medical Staff Bylaws, Organization and Functions, Rules and Regulations, Policies and Procedures.
- Develop a community-wide medical staff initiative to standardize communication, handoffs and approach to patients who present to the ER with acute exacerbation of chronic pain.

2011 REHC RISK MAP / FIVE-YEAR STRATEGY MAP

Colleen Spike reviewed a summary of internal and external factors that will impact River's Edge Hospital & Clinic, including Regulatory, Market, Hazards and Third Party Actions, Financial, Compliance, Operations and Strategic factors. She then presented a strategic plan for the next five years, outlining challenges for the facility and a vision of how those challenges may change over this time period.

Patty Roessler talked about “WOW factors” that have been, or will be implemented to enhance the personalized care the facility provides. These suggestions have been made by individual departments as ways they can have a positive impact on patients and visitors.

Strategies for improving market share were reviewed, including development of specialized programs and promotion of services presently available within the facility.

ADJOURNMENT

ACTION: A motion was made by Helen White to adjourn the meeting. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor. The meeting was adjourned at 7:07 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, January 26, 2011, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 a.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room
Wednesday, November 24, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer;

Colleen Spike, CEO; Curt Savstrom, CFO; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Dr. William Shores and Paulette Redman, Recorder.

Absent: Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the November 24, 2010, meeting was reviewed.

ACTION: A motion was made by Margie Nelsen to approve the agenda as presented. The motion was seconded by Helen White and carried with all members voting in favor.

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of October 27, 2010, were reviewed.

ACTION: A motion was made by Kay Moline to approve the regular Commission meeting minutes of October 27, 2010, as presented. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the November 9, 2010, Medical Staff meeting were reviewed.

ACTION: A motion was made by Michelle Chalin to acknowledge receipt of the Medical Staff meeting minutes of November 9, 2010. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff:

Susan Connolly, LADC	Courtesy Staff, Alcohol/Drug Counselor
Michael Sparacino, DO	Active Staff, Family Medicine/Emergency Medicine
Alan Roiseland, MD	Courtesy Staff, Family Medicine/Colonoscopy

Reappointment to Medical Staff:

Sheila Anderson, CNP	Active Staff, Family Nurse Practitioner
Kimberly Beecher, MD	Active Staff, Family Medicine
Daniel Beggs, MD	Teleradiology – Change from Courtesy Staff

Withdrawals from Medical Staff:

ACTION: A motion was made by Jerry Pfeifer to accept the recommendations of the Credentials Committee and grant appointment, reappointment, or change in status for the practitioners listed above. The motion was seconded by Helen White and carried with all members voting in favor. A motion was made by Jerry Pfeifer to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Helen White and carried with all members voting aye.

FINANCIAL REPORT

The financial report for October, 2010, was presented by Curt Savstrom, CFO. Total Days Cash on Hand is at 219.4 days, with actual cash declining \$130,210. The current ratio is 3.92, up slightly from 3.68 last month. Days in Accounts Receivable is currently at 49.5 days. Bad debt continues to increase, but is slightly below this period last year. Revenue over expense for the month resulted in a loss of (\$74,254), and when combined with non-operating gain for October showed a net loss of (\$67,099). Year-to-date there is a net loss of (\$1,727,424).

Community Care grants for the month totaled \$17,983.

Inpatient utilization is down almost 15% from last year. Outpatient utilization is up 7%, although outpatient revenue is slightly less than last year. Expenses will begin to see reductions due to a new purchasing contract through Fairview, as well as a reduction in interest expense due to bond refinancing. Total FTEs are down by 0.5 FTE and overtime hours have dropped significantly over the year.

ACTION: Brian Kuiper made a motion to approve the October, 2010, financial report as presented, along with approval of payment of bills, write-offs to collection and bad debt and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY / SAFETY

A. Patient Safety Meeting.

The minutes of the October 26, 2010 Patient Safety Committee were available for review.

ACTION: A motion was made by Margie Nelsen to acknowledge receipt of the Patient Safety Committee Meeting Minutes of October 26, 2010. The motion was seconded by Kay Moline and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report by Colleen Spike was present for review.

QUALITY / EDUCATION / OPERATIONS

A. Admission / Transfer Statistics.

Colleen Spike reported on the meeting held with Dr. Greg Kutcher and Rich Grace of Immanuel St. Joseph's-Mayo Health System. Gil Carlson, Jerry Pfeifer, Todd Prafke and Curt Savstrom were also in attendance. The purpose of the meeting was to open a dialogue regarding services available at River's Edge Hospital, and addressing misinformation heard from patients in the community. Examples of misinformation included statements that REHC does not have digital mammography, so the patient must go to Mankato, that Dr. Orcutt no longer provides services in St. Peter, or that diagnostic tests could not be done at River's Edge because they are not part of SPC's electronic health record. Dr. Kutcher did note the trend away from family medicine physicians admitting patients, preferring to have their patients cared for by hospitalists.

The request made to Dr. Kutcher and Rich Grace was for them to have their practitioners make sure they are giving the patients all options in regard to care, and that if services are available in St. Peter, that patients be allowed to make the choice to obtain services based on their preference.

In response to decreased utilization, REHC will continue to build and market the River's Edge Clinic, including the clinic in LeCenter, where Dr. Sparacino will be providing services on Monday and Friday of each week. Additional nontraditional marketing measures are being implemented to promote River's Edge services.

During the course of discussion in regard to changing practice patterns and utilization, suggestions were made to revisit the long term planning process and re-strategize for the long term, to continue face-to-face discussions with involved parties, and to further analyze specific cases and trends regarding changes in utilization.

B. Benedictine Health System Agreement.

River's Edge Hospital & Clinic has been providing PT and OT services to the Benedictine Living Community as part of a development agreement. Food and laundry services provided by BHS to REHC are also part of this agreement. The PT/OT services provided to BHS are not fully covered by the payment arrangement in the agreement; additionally the payment to REHC is currently in arrears. Colleen Spike has been communicating with BHS on this topic since April, 2010. She has provided them with proposed options for continued services, which would include an increase in price or decrease in services provided, but has not received a response from them; despite setting a November 29 deadline for reply.

Replacement of retiring PT staff will hinge upon whether REHC will be providing services to BLC in the future. Attempts have been made by Ms. Spike to establish a meeting with BHS and City of St. Peter representatives, but have met with little success. Feedback regarding the quality of the PT/OT services provided has consistently been very positive, and it is unclear why there is an issue with paying the hospital for the services.

ACTION: Recommendation from the Commission that a face-to-face meeting with BHS take place to discuss the issues involving PT/OT services. Todd Prafke to contact BHS to arrange a meeting time.

C. Accountable Care Organizations.

This topic will be deferred until the December meeting.

DIRECTOR'S COMMENTS

Tom Wilcox, Director of Environmental Services: Noting the inclement weather, Tom Wilcox cautioned the meeting attendees to be careful walking and driving due to icy conditions.

Peggy Carlson, Community Liaison:

- Letters detailing swing bed services have been personally delivered to area orthopedic surgeons.
- Informational letters regarding IV services have been sent to area physicians.
- Peggy Carlson is attending employee meetings at the Regional Treatment Center to promote the services and providers at River's Edge Hospital & Clinic. She is also in communication with their union representatives and HR Department.

ADJOURNMENT

ACTION: A motion was made by Kay Moline to adjourn the meeting. The motion was seconded by Helen White and carried with all members voting in favor. The meeting was adjourned at 1:36 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, December 15, 2010, at 4 p.m., followed by dinner and a meeting wrap-up. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 3:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, October 27, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Curt Savstrom, CFO; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Kristin Schultz, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Tammie Hudspeth, Director of Human Resources; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: None.

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the October 27, 2010, meeting was reviewed. A request was made to add an item in section VII – Proposal for Yellowfin Stirrups.

ACTION: A motion was made by Jerry Pfeifer to approve the agenda as amended. 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 September 21, 2010, were reviewed.

ACTION: A motion was made by Brian Kuiper to approve the regular Commission meeting minutes of September 21, 2010, 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 October 12, 2010, Medical Staff meeting were reviewed. Dr. McCabe noted the presentation on MRSA that was given to the Medical Staff by Dr. Thiha Tin, Infectious Disease specialist.

ACTION: A motion was made by Michelle Chalin to acknowledge receipt of the Medical Staff meeting minutes of October 12, 2010. The motion was seconded by Helen White and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff:

Shelby Lenzen, LADC Courtesy Staff, Alcohol/Drug Counselor

Request for Additional Privileges:

Benjamin Chaska, MD Active Staff, Emergency Medicine/Family Practice

Withdrawals from Medical Staff:

Timothy Koelz, MD Teleradiology

Reappointment to the Medical Staff:

Mark S. Akland, MD Active Staff, Family Medicine

Darren Cowl, DPM Courtesy Staff, AHP, Podiatry

Jose Crespo, MD Courtesy Staff, Pathology

J. Frank Foss, MD Courtesy Staff, Pathology

John Hoines, MD Courtesy Staff, Ophthalmology

Michael James, MD Courtesy Staff, Urology

Michael Kearney, MD Courtesy Staff, Orthopedics

Schelli McCabe, DPM Active Staff, AHP, Podiatry

Wayne Panning, MD Courtesy Staff, Radiology

ACTION: A motion was made by Jerry Pfeifer to accept the recommendations of the Credentials Committee and grant appointment, reappointment, or change in status for the practitioners listed above. The motion was seconded by Margie Nelsen and carried with all

members voting in favor. A motion was made by Margie Nelsen to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Kay Moline and carried with all members voting aye.

FINANCIAL REPORT

The financial report for September, 2010, was presented by Curt Savstrom, CFO. Total Days Cash on Hand is at 221.5 days, with actual cash declining to \$88,748. The current ratio is 3.68, compared to 3.76 last month. Days in Accounts Receivable is currently at 49.7 days. Bad debt continues to increase, but is slightly below this period last year. Revenue over expense for the month resulted in a loss of (\$51,297), and when combined with non-operating gain for September showed a net loss of (\$45,803). Year-to-date there is a net loss of (\$1,660,325).

Community Care grants for the month totaled \$12,244. Total charity care year-to-date is \$146,000, compared with \$95,000 last year. A large write-off of MA accounts was completed in September, as it is not expected that reimbursement will be received.

Beneficial effects of the change to the Fairview Purchasing group should start to be seen in lower supply costs. The contract took effect in September. Overtime hours continue to decline. Potential positive financial impacts may be seen by the addition of the new CT scanner in January of 2011, and reimbursement for health IT expenses under the Meaningful Use program.

ACTION: Kay Moline made a motion to approve the September, 2010, financial report as presented, along with approval of payment of bills, write-offs to collection and bad debt and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY / SAFETY

A. Quality Council Meeting.

The minutes of the July 15, 2010 Quality Council were available for review.

ACTION: A motion was made by Helen White to acknowledge receipt of the Quality Council Meeting Minutes of July 15, 2010. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report by Colleen Spike present for review. In addition she noted the following:

- The policy identifying the facility as a "Safe Place for Newborn / Child" was reviewed and updated; a copy was available for review.
- A letter from Central Minnesota Diagnostic, Inc., was included for review. The letter notes that the hospital will be receiving a yearly distribution of approximately \$6,000 based on the use and true costs of the diagnostic mammography equipment.
- Trustees interested in attending the regional trustee meetings should notify Colleen Spike.

- Dr. Michael Sparacino, family practitioner, will be joining the River's Edge Clinic on November 1. Dr. Chaska will also be working three days a week in the Clinic – he began work on October 19.

QUALITY / EDUCATION / OPERATIONS

A. River's Edge Clinic Stats/Staffing / Referral Stats.

Colleen Spike presented statistics showing year-to-date visits for River's Edge Clinic, identifying new patients, established patients and walk-ins. She also reviewed statistics for the LeCenter Clinic and broke out statistics according to specialty. Inpatient and swing bed statistics were then reviewed, comparing with 2009 -- swing bed days are up slightly, inpatient days are down.

Ambulance Staffing: Ambulance statistics were then reviewed. The number of BLS calls and patients has increased slightly; the number of ALS calls and patients had decreased. Both BLS and ALS transfer calls and patients have decreased. Ms. Spike then presented a plan for moving from a volunteer ambulance service to a full-time ALS ambulance service. She noted the difficulties involved in continuing to staff volunteers and the decrease in transfers due to lack of available staff. She then outlined a plan for staffing a paramedic and an EMT in the ED on the full-time basis and utilizing these two employees for ambulance calls. An on-call EMT would also be staffed full-time to be available to be called in as back-up to the ED if necessary. In reviewing financial aspects of the two options, there is not a great deal of savings for the new option; however the availability of the paramedic to provide coverage for ALS calls and transfers could potentially result in \$150,000 per year in additional revenue. Additionally, patient safety would be enhanced due to the potential for improvement in response times, and a decrease in the need to wait for a Gold Cross ALS transfer. The plan has been discussed with the ambulance staff, with some of the employees in favor, and some not in favor. It was noted that there will still be the opportunity for part-time volunteers to work with the ambulance service. Management will be working with the ambulance staff to develop staffing patterns and hours.

Brian Kuiper noted a recent situation where he had been in the Community Center and attempted to call 911. He was told by the 911 operator that they could not dispatch the ambulance. Todd Prafke noted that this should not be the case, but there was a possibility that if a telephone is "roaming" the call may have gone to LeSueur County rather than Nicollet County.

ACTION: Mr. Kuiper to provide call details to Mr. Prafke for follow-up.

Referral Patterns: Colleen Spike reported on some misinformation that has been spread to patients and community members. Instances have been reported where patients are being told they cannot receive mammogram services at the hospital, that they must be referred to ISJ for services even though the same services are available at REHC, and that Dr. Orcutt is no longer providing services in St. Peter (Dr. Orcutt continues to provide surgical services every Tuesday). Additionally, ED physicians have expressed difficulty with admitting patients to REHC, and are increasingly being told just to transfer the patients to ISJ. Following discussion, it was recommended to meet with the ISJ-MHS administration to discuss the issues identified and determine steps for resolution.

ACTION: Colleen Spike to set up a meeting with Greg Kutcher, ISJ-MHS CEO, to discuss issues raised. Dr. Chaska, Jerry Pfeifer, Gil Carlson and Todd Prafke will also attend the meeting.

Tammie Hudspith, Director of Human Resources: Of note, the facility does have a policy regarding social media which speaks to the employee's responsibility regarding use of media and the River's Edge Hospital & Clinic.

Kristin Schultz, Director of Quality and Infection Control: To date 85% of employees have been vaccinated for the flu.

Peggy Carlson, Community Liaison:

- Mary Kramer and Alison Fradenburgh are offering smoking cessation classes. A new class will be starting on November 9, 2010.
- A community education class on the topic of dealing with stress will be held on November 18, 2010, at 6:30 p.m.
- Peggy Carlson is attending employee meetings at the Regional Treatment Center to promote the services and providers at River's Edge Hospital & Clinic. She will also be attending the wellness fair that will be held at Gustavus next week.

ADJOURNMENT

ACTION: A motion was made by Jerry Pfeifer to adjourn the meeting. The motion was seconded by Helen White and carried with all members voting in favor. The meeting was adjourned at 1:56 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, November 24, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 a.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Tuesday, September 21, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Curt Savstrom, CFO; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Kristin Schultz, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Peggy Carlson, Community Liaison; Judy Hahn, Imaging Manager; and Paulette Redman, Recorder.

Absent: Kay Moline, Trustee.

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the September 21, 2010, meeting was reviewed.

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

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of August 25, 2010, were reviewed.

ACTION: A motion was made by Helen White to approve the regular Commission meeting minutes of August 25, 2010, as presented. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the September 14, 2010, Medical Staff meeting and the September 14, 2010, Medical Advisory Panel meeting were reviewed.

Dr. Chaska noted the presentations that were given to the Medical Advisory Panel regarding chiropractic services and imaging services.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Medical Staff meeting minutes of September 14, 2010, and the Medical Advisory Panel meeting minutes of September 14, 2010. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

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 listed on the report:

Reappointment to the Medical Staff:

Dennis D. Gremel, MD	Courtesy Staff, Pathology
Linda Welch, FP, WHNP	Active Staff, Nurse Practitioner
April Quigley, PA-C	Courtesy Staff, AHP, Orthopedic Physician Assistant

Withdrawals from Medical Staff:

John Perl II, MD	Teleradiology
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ACTION: A motion was made by Brian Kuiper to accept the recommendations of the Credentials Committee and grant reappointment or change in status for the practitioners listed above. The motion was seconded by Helen White and carried with all members voting in favor. A motion was made by Michelle Chalin to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Margie Nelsen and carried with all members voting aye.

FINANCIAL REPORT

The financial report for August, 2010, was presented by Curt Savstrom, CFO.

Revenue over expense for the month of August resulted in a loss of \$124,053, and when combined with non-operating loss showed a net loss of \$128,315. Year-to-date figures show a loss of \$1,373,696 for a margin of -14.16%. The year-to-date figures are approximately 10% below budget. Trends for Revenue in Excess of Expenses were reviewed. Cash on hand remains relatively stable. Expenses continue to be monitored closely. Salaries have increased 5% over 2009, but FTEs are down 0.4%. Overtime is down. Professional fees and purchased services have increased, primarily due to ED physician staffing and accounting services. The cost of cleaning services has increased. Supply costs are up, due to purchase of supplies for the Le Center Clinic and for Dr. Lee's surgeries. Lease expenses show an increase, but this is due to recategorization of a line item from "other" to "leases."

A total of \$120,004 will be referred to collections. Mr. Savstrom is currently working on obtaining an analysis of the effectiveness of the collections process after accounts are referred to collections.

ACTION: Brian Kuiper made a motion to approve the August, 2010, financial report as presented, along with approval of payment of bills, write-offs to collection and bad debt and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor. Per request, Mr. Savstrom will add a written narrative summary to the financial report.

ADMINISTRATIVE REPORT

Colleen Spike presented a verbal report. She thanked the Commission members for their support during the time of her husband's illness and recent death.

- An introductory meeting will be held later today with a physician who has expressed interest in working at the River's Edge Clinic.

QUALITY / EDUCATION / OPERATIONS

A. CT Request for Approval.

A proposal was brought forth for replacement of the current 4-slice CT scanner with a new 64-slice scanner. Due to the age of the current equipment, the radiologists are beginning to see deterioration in the quality of the scans. An opportunity is available to get a new machine via a company called Central Minnesota Diagnostics, Inc. (CMDi). This is the same company the facility worked with to obtain the digital mammography equipment. REHC would lease the machine on a per-scan basis, and will also receive rebates from CMDi. The overall cost of the system would be more than an outright purchase cost of \$1.2 million, but with the rebates factored in the cost is significantly lower than the cost of purchase. Because the arrangement would be a lease arrangement, the expense is considered an operating expense rather than a capital lease. Although the hospital will be paying for the lease on a per-scan basis, there will be a minimum cost per month established.

Benefits of the new machine will include high image quality, faster turnaround times, increased patient safety components, decreased contrast expense and decreased calibration requirements, as well as the ability to perform scans that the current equipment cannot accommodate.

ACTION: A motion was made by Michelle Chalin to approve acquisition of the recommended 64-slice CT scanner via a lease arrangement as an operating expense. The motion was seconded by Brian Kuiper and carried with all members voting in favor. This proposal will be brought forward to the City Council for approval.

DIRECTOR'S COMMENTS

Benjamin Chaska, Chief Medical Officer: Dr. Chaska noted that in his role as a board member of the Minnesota Medical Association he has been appointed to serve as the Board Liaison on the MMA Quality Committee.

Tammie Hudspith, Director of Human Resources:

- REHC will be participating in a program called the HighSTEP Academy. As part of the program, the facility will be hosting a group of 20 high school juniors and seniors three days per week for 90-minute class periods over a 17-week time frame. While here, the students will receive instruction and experiences to expose them to the various health care careers that are represented within the facility.
- Ms. Hudspith is working on the employee benefit plan for 2011. In addition to health insurance quotes from Blue Cross/Blue Shield, she has also requested quotes from Medica and HealthPartners.

Kristin Schultz, Director of Quality and Infection Control: To date 66% of employees (127 employees) have received flu vaccinations. The goal is to reach 92% of employees vaccinated. Current supplies are running low, but additional shipments are expected by the end of the month. This year there is also a "high dose vaccine" that is specifically formulated for people age 65 and over. Commission members may contact the River's Edge Clinic during the beginning of October to arrange for flu vaccinations.

Peggy Carlson, Community Liaison:

- Girls Night Out will be held in St. Peter on October 7, 2010. All campus entities will be participating in hosting the event that evening.
- Mary Kramer and Alison Fradenburgh are offering smoking cessation classes. A new class will be starting on October 12, 2010.
- A walking club is being offered on Wednesday evenings during the fall season.
- REHC will participate in a Resource Fair that will be held on October 19. The fair will offer resources available during challenging economic times.

ADJOURNMENT

ACTION: A motion was made by Jerry Pfeifer to adjourn the meeting. The motion was seconded by Helen White and carried with all members voting in favor. The meeting was adjourned at 12:55 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, October 27, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, August 25, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Curt Savstrom, CFO, Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Kristin Schultz, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Doug Montgomery, Eide-Bailley Consultant; Gary Swedberg, Pharmacist, and Paulette Redman, Recorder.

Absent: None.

The regular meeting of the Hospital Commission was called to order at 12:22 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the August 25, 2010, meeting was reviewed.

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

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of July 28, 2010, were reviewed.

ACTION: A motion was made by Margie Nelsen to approve the regular Commission meeting minutes of July 25, 2010, as presented. The motion was seconded by Helen White and carried with all members voting in favor.

INTRODUCTIONS

Mr. Curt Savstrom was introduced as the new Chief Financial Officer and Director of IT. The Commission thanked Doug Montgomery for his assistance during the interim period between CFOs.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the August 10, 2010, Medical Staff meeting were reviewed. Dr. McCabe noted the program presented regarding participation in Minnesota's Stroke Registry in conjunction with Abbott-Northwestern Hospital.

ACTION: A motion was made by Helen White to acknowledge receipt of the Medical Staff meeting minutes of August 10, 2010. The motion was seconded by Kay Moline and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff:

William J. Lee, MD	Courtesy Staff, General Surgery
Angela J. Brown	Courtesy Staff, AHP, Surgical Technician
Elmer Calica, MD	Courtesy Staff, Emergency Medicine

Reappointment to the Medical Staff:

Doua Her, MD	Courtesy Staff, Emergency Medicine
Grame Browne, MD (Change from Active to Courtesy)	Courtesy Staff, Emergency Medicine
Alpana Singh, MD	Courtesy Staff, Emergency Medicine
Robert Morris, MD	Courtesy Staff, General Surgery
William Shores, MD	Active Staff, Family Medicine
Scott Rassbach, DO	Active Staff, Family Medicine
Tracy Altmann, AuD	Courtesy Staff, AHP, Audiologist
Shirley Anderson, MD, CCC-A	Courtesy Staff, AHP, Audiologist

Change from Provisional Status to Full Membership:

Jennifer Donkin, RD/LC	Courtesy Staff, AHP, Dietician
Heidi Faul, FNP-C	Active Staff, Family Nurse Practitioner.

ACTION: A motion was made by Michelle Chalin to accept the recommendations of the Credentials Committee and grant appointment, reappointment or change in status for 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 the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Helen White and carried with all members voting aye.

FINANCIAL REPORT

The financial report for July, 2010, was presented by Curt Savstrom, CFO.

Revenue over expense for the month of July resulted in a loss of \$180,005, and when combined with non-operating gain showed a net loss of \$170,617. Year-to-date figures show a loss of \$1,245,381 for a margin of -14.08%. Trends for Revenue in Excess of Expenses were reviewed. Revenues year-to-date are approximately \$1 million lower than in 2009. Cash on hand is remaining relatively stable. A \$500,000 cash settlement was received in July from the Medicare Cost Report.

ACTION: Brian Kuiper made a motion to approve the July, 2010, financial report as presented, along with approval of payment of bills, write-offs to collection and bad debt and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. In addition, she noted the following:

- The number of patients seen in the River's Edge Clinic continues to rise, including both established patient visits and new patient visits.
- A change was made in the River's Edge Clinic "tier designation" with Health Partners. The change should be a positive change for Regional Treatment Center employees who may consider River's Edge Clinic as a primary clinic. RTC employees will have open enrollment in November.
- Peggy Carlson has distributed letters and information to over 160 area business noting the services that are available to them through River's Edge Hospital & Clinic, including such things as pre-employment lab work, drug testing, and on-site blood draws for lab services. Currently there are four businesses that have pending contracts with the facility.
- Heidi Faul, FNP-C, has accepted a job at Hamline University. She will be leaving the River's Edge Clinic in mid-October. A replacement is being actively recruited. If needed, a locums will be brought in to help cover the LeCenter Clinic until a replacement is hired.

QUALITY / EDUCATION / OPERATIONS

A. Veterans' Administration Community Based Outreach Clinic (VA CBOC).

Colleen Spike reported on the proposed contract put out by the VA for establishment of a VA Community Based Outreach Clinic. The VA is looking for a single provider to provide all services for an estimated 2,500 eligible beneficiaries resulting in approximately 6,000 visits per year. Reimbursement for services would be a capitated payment rate of \$28.02 per beneficiary per month to provide unlimited health care for that beneficiary. Resources needed would include 1 MD, 1 NP, 8.5 FTE support staff, 9,670 square feet of space plus supplies and equipment. Employees would need to be paid according to VA pay scales, and would receive the same benefits as VA employees. The facility would also need to be accredited by the Joint Commission. Estimated operating expenses would be \$1,256,812 per year, with income of \$840,600 per year. The decision has been made that River's Edge Hospital & Clinic will not be responding to this proposal at this time.

B. Surgical Equipment.

Colleen Spike reported that since Dr. William Lee has begun providing services at River's Edge Hospital, he has generated \$179,935 in hospital revenue. He is anticipating performing 2 to 4 LapBand surgeries per month. Based on this volume, projected revenue for a year will be between \$528,000 and \$1,056,000. In order to accommodate Dr. Lee's surgery, as well as provide additional equipment for other surgeons performing laparoscopic surgery, the following equipment requests were brought to the Commission:

- 1) Requests totaling \$12,788.41 for the following equipment were reviewed:
 - a) Microline Surgical Instrument set - \$4,307.60.
 - b) Equipment for second OR - \$4,485.81.
 - c) Nathanson Liver Retractor - \$3,995.

A second liver retractor is being requested in order to facilitate sterilization between cases without having to delay surgery times.

ACTION: A motion was made by Jerry Pfeifer to approve purchase of the above-listed equipment at a total price of \$12,788.41. The motion was seconded by Kay Moline and carried with all voting in favor.

Anesthesia Machine.

A second anesthesia machine is being requested to be used in the second OR. Currently the facility has only one anesthesia machine. The second OR will be set up primarily for laparoscopic procedures. A bid totaling \$46,669 for a Mindray Anesthesia Delivery System was reviewed. A suggestion was made to consider funding purchase of this equipment through the Hospital Foundation.

ACTION: A motion was made by Helen White to request funds for purchase of a Mindray Anesthesia Delivery System from the Hospital Foundation. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

DIRECTOR'S COMMENTS

Jerry Pfeifer, Trustee: Mr. Pfeifer asked whether the facility could be considered a drop-off site for children when families are in crisis. Ms. Spike noted that all hospitals in Minnesota are part of the "safe haven" program and are designated as safe drop off sites.

ACTION: Peggy Carlson will look into inclusion of this information on hospital literature and promotional materials.

Benjamin Chaska, Chief Medical Officer: Dr. Chaska noted that Dr. William Shores will be retiring from the St. Peter Clinic in September. He thanked Dr. Shores for his years of service and for serving as a role model and mentor over the years.

Kristin Schultz, Director of Quality and Infection Control: Flu vaccine supplies are starting to arrive. Commission members may contact either the hospital or clinic in another week to arrange for flu vaccinations.

Peggy Carlson, Community Liaison:

- Informational letters promoting hospital and clinic services have been sent to area businesses.
- Ms. Carlson is working with Dr. Theresa Marshall to set up a community education class series.
- Girls Night Out will be held in St. Peter on October 7, 2010. All campus entities will be participating in hosting the event that evening.

Doug Montgomery, Financial Consultant: Mr. Montgomery thanked the Commission, Administration and Directors for the courtesies extended to him during his time at River's Edge.

ADJOURNMENT

ACTION: A motion was made by Helen White to adjourn the meeting. The motion was seconded by Michelle Chalin and carried with all members voting in favor. The meeting was adjourned at 1:05 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, July 28, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Dr. Benjamin Chaska, Chief Medical Officer; Tom Wilcox, Director of Environmental Services; Kristin Schultz, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Doug Montgomery, Eide-Bailley Consultant; and Paulette Redman, Recorder.

Absent: Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the July 28, 2010, meeting was reviewed. A request was made to add item V-C, Report on Complaints and Opportunities for Improvement.

ACTION: A motion was made by Jerry Pfeifer to approve the agenda as revised. 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 June 30, 2010, were reviewed.

ACTION: A motion was made by Margie Nelsen to approve the regular Commission meeting minutes of June 30, 2010, as presented. The motion was seconded by Helen White and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the July 13, 2010, Medical Staff meeting were reviewed. Dr. Chaska commented on a news report in the Minneapolis Star Tribune that identified average turnaround time for patients in Emergency Rooms in Minnesota to be 3 hours and 11 minutes. For the River's Edge ER, the median turnaround time is 63 minutes, with 95% of patients being discharged within 88 minutes. The most recent patient satisfaction scores for the ED were at 91% favorable. Dr. Chaska also noted the asthma presentation given by Dr. Jacobsen, and the new dietary program changes being instituted by Jennifer Donkin, RD/LD.

ACTION: A motion was made by Kay Moline to acknowledge receipt of the Medical Staff meeting minutes of July 13, 2010. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff:

Kristen L. Holland, MD	Active Staff, Family Medicine
Arthur Peter Troedson, MD	Active Staff, Family Medicine
Sarah Davis, FNP-C	Active Staff, Nurse Practitioner, Rheumatology
Jeffery Gordon, MD	Teleradiology

Change from Provisional Status to Full Membership:

Chad Buhs, MD	Courtesy Staff, General Surgery
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Extension of Provisional Period:

Hope Bollig, PA-C	Courtesy Staff, AHP, Surgical Physician Assistant
Christopher Fischer, MD	Courtesy Staff, Radiology/Nuclear Medicine
Muriel Stulen, CRNA	Courtesy Staff, AHP, Anesthetist

Withdrawals from the staff include Ali Latefi, MD, Courtesy Staff - Urology.

ACTION: A motion was made by Jerry Pfeifer to accept the recommendations of the Credentials Committee and grant appointment, change in status or extension of status for the practitioners listed above. The motion was seconded by Helen White and carried with all members voting in favor. A motion was made by Brian Kuiper to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Michelle Chalin and carried with all members voting aye.

FINANCIAL REPORT

The financial report for June, 2010, was presented by Doug Montgomery of the accounting firm Eide-Bailley. Mr. Montgomery is assisting the hospital with financial matters during the interim period until a new CFO is hired.

Revenue over expense for the month of June resulted in a loss of \$247,707, and when combined with non-operating gain showed a net loss of \$238,033. Year-to-date figures show a loss of \$1,074,766 for a margin of -14.35%. Trends for Revenue in Excess of Expenses were reviewed. Comparing 2009 to 2010, the facility shows gross revenues of close to \$1 million less this year. Mr. Montgomery did note the sizeable depreciation expense that is part of the year-to-date loss figure. Expenses show an increase over the 2009 total - this is primarily due to expenses associated with opening the Le Center Clinic. Cash on hand is staying relatively strong and the days in accounts receivable remains good.

Steps that have been taken to improve the financial picture include beginning the bariatric program with Dr. Lee, who is already seeing 20 to 25 patients during the afternoons he runs his clinic. He has already scheduled 6 surgical cases. The hospital will also be switching to a new purchasing group in October, with the anticipation of realizing savings in the cost of supplies and pharmaceuticals.

ACTION: Helen White made a motion to approve the June, 2010, financial report as presented. The motion was seconded by Brian Kuiper and carried with all members voting in favor. A motion was made by Kay Moline to approve payment of bills, write-offs to

collection and bad debt in the amount of \$28,571.73, and accounts payable review. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

QUALITY/SAFETY REPORT

A. Quality Council Meeting Minutes.

The minutes of the April 15, 2010, Quality Council Meeting were reviewed.

ACTION: A motion was made by Helen White to acknowledge receipt of the Quality Council meeting minutes of April 15, 2010. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

B. Patient Safety Committee Meeting Minutes.

The minutes of the July 20, 2010, Patient Safety Committee were reviewed. Dr. Chaska reported on the hand washing initiative that is underway, and the first week of measurement showed a 91% compliance rate, meeting the goal of 90%. A sepsis detection project for the ED is underway as a new project. Patient harms show a rate of 2%, compared with a 40% rate seen nationwide. Dr. Chaska then presented a graphical view of patients taking Warfarin who present to the hospital with an INR of 5 or greater. The graph shows the positive effects of the community-wide project instituted to improve the status of patients on warfarin.

C. Report on Complaint and Opportunity to Improve Data.

Kristin Schultz presented the report for the second quarter of 2010. She summarized the types of complaints and opportunities to improve that are being reported. Each instance involves an investigation and determination of steps to be taken to resolve the situation as well as improvements that can be made to processes. Follow-up education is performed as appropriate. Complaints are kept “open” until completely resolved.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. In addition, she noted the following:

- A second interview has been completed with a candidate for the CFO position. Based on this interview and a reference check, an offer will be extended to this candidate.
- The Minnesota Department of Health has returned for a follow-up survey. Steps taken to resolve previously identified issues were approved. The Fire Marshall will also be returning for a re-survey.
- Dr. Timothy Bachenberg has been appointed as the new Medical Director for the Emergency Department. He will be representing Whitesell within the organization.
- The LeCenter Clinic has opened and things are going well. Issues with the T1 line seem to be resolved and electronic information is flowing between the clinic and REHC.
- A patient safety alert has been received from the Minnesota Hospital Association in regard to wrong site procedures and surgeries. Instances of wrong site surgery have been increasing, despite the attention placed upon this event. There have been no wrong site surgeries identified at River's Edge Hospital & Clinic. Current processes have been reviewed. The facility will also be reviewing all processes and policies in place in light of a recent case in the Twin Cities where a patient fell from an operating room table.

QUALITY / EDUCATION / OPERATIONS

A. Meaningful Use Objectives.

Colleen Spike presented an overview of the government’s new program for “meaningful use.” The rule requires that hospitals adopt and meaningfully use certified electronic health records (EHRs) to meet 14 mandatory objectives and an additional five objectives of which at least one must address public health objectives. The meaningful use rules also include additional quality measures that will need to be reported, primarily on the topics of emergency department throughput, stroke, and venous thromboembolism. The objectives were reviewed. Currently REHC has met some of the objectives and is continuing to work toward the remainder. Goals will be established for the coming year to assure that the objectives are met. Hospitals that meet the objectives will receive additional reimbursement from Medicare. Hospitals that do not meet the objectives by 2015 will have negative reimbursement consequences.

B. Mid Year Statistics.

Colleen Spike reviewed year-to-date utilization statistics for the facility, comparing 2010 to 2009. Inpatient discharges and days are down in comparison to 2009. Swing bed discharges are down but swing bed days are increased, indicating a longer average length of stay. Outpatient services are down in most categories, with the exception of infusion therapy and PT, OT and speech therapies. The increased infusion therapy business is primarily coming from rheumatology services. Emergency department visits show a shift from urgent care to emergency care, due to the changes in urgent care hours, and this has resulted in an overall increase in ED use and decrease in urgent care in comparison to 2009. Outside services performed by the Lab, PT and OT for organizations such as the Community Behavioral Health Hospital, CARE and nursing homes show a decrease compared to 2009. Imaging services continue to be down, despite the addition of digital mammography.

DIRECTOR’S COMMENTS

Peggy Carlson, Community Liaison:

- Two facility employees will be participating in the Susan G. Komen Walk for Cancer later in the summer. Fundraising events have been held with approximately \$2,000 raised within REHC to support their walks.
- The open house events at the Le Center Clinic went well.
- The facility will be participating in an “End of the Season” community recreation department celebration.
- REHC will be hosting a Red Cross Blood Drive the first week in August.

ADJOURNMENT

ACTION: The meeting was adjourned by general consensus at 1:10 p.m.

RIVER’S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River’s Edge Hospital & Clinic Conference Room
Wednesday, June 30, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Kristin Schultz, Director of Quality and Infection Control; Sheri Schmidt, Director of Business Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Doug Montgomery, Eide-Bailley Consultant; Sandy Krenik, Senior Accountant; Kelly Hyska, Student; and Paulette Redman, Recorder.

Absent: Colleen Spike, CEO.

The regular meeting of the Hospital Commission was called to order at 12:18 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the June 30, 2010, meeting was reviewed. A request was made to add item VII-C, Minnesota Department of Health Survey Results. The financial audit presentation will be moved up on the agenda.

ACTION: A motion was made by Jerry Pfeifer to approve the agenda as revised. The motion was seconded by Helen White and carried with all members voting in favor.

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of May 26, 2010, were reviewed.

ACTION: A motion was made by Brian Kuiper to approve the regular Commission meeting minutes of May 26, 2010, as presented. The motion was seconded by Helen White and carried with all members voting in favor.

ANNUAL AUDIT REPORT

Mark Dale, representing EideBailly, LLP, presented the results of the financial audit for the year 2009, as outlined in the formal report.

Mr. Dale noted the financial statements and management letters that were distributed for review. He then discussed the following:

- Communication with the Board –
 - Identifying the auditor’s responsibility – noted a clean audit.
 - Significant accounting policies – no changes in any accounting practices.
 - Management judgments and accounting estimates and qualitative aspects of accounting practices – certain items in the audit are based on estimates.
 - Corrected and uncorrected misstatements – a substantial receivable from Medicare at the end of the year, partially due to the addition of the Clinic and depreciation.
 - Difficulties encountered in performing the audit – timely reconciliations not performed, additional property-related work.
 - Disagreements with management – none.
 - Management consultations with other independent accountants – none noted.
 - Other matters discussed prior to retention –
- none.
- Internal control matters – material weaknesses, significant deficiencies.

- Management Discussion – purpose and objectives, Mission & Vision, observations.

Mr. Dale then summarized industry trends, including the following topics:

- Health care risk universe.
- Enterprise risk management.
- Economic stimulus bill.
- Health care environmental trends.

Mr. Dale reviewed the balance sheets and presented statistics comparing River's Edge Hospital & Clinic to Minnesota Critical Access Hospitals and to all hospitals in the state of Minnesota. The figures also compared the 2009 data to 2005, 2006, 2007 and 2008. Days cash on hand at the end of the year stood at 283, days in accounts receivable – 41, current ratio -- 4.1, average payment period 42 days.

The Statement of Operations was reviewed, showing an operating loss of - \$132,531, down from 2008's income of \$1.2 million. A decrease in volumes was also noted. Operating margin for 2009 was -0.8% with a total profit margin of -3.4%. Contractual allowances were down from 33% in 2008 to 31% in 2009. A SWOT analysis was reviewed, identifying strengths, weaknesses, opportunities and threats to the facility.

ACTION: A motion was made by Kay Moline to accept the audit report as presented. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes and Medical Advisory Panel Minutes. The minutes of the June 8, 2010, Medical Staff and Medical Advisory Panel meetings were reviewed. It was noted that the hospital is planning on implementing computerized physician order entry (COPE) in the coming months.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Medical Staff meeting minutes and Medical Advisory Panel meeting minutes of June 8, 2010. The motion was seconded by Kay Moline and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff:

Nathan Groebner, MD	Courtesy Staff, Radiology
Eric Evans, MD	Courtesy Staff, Pathology

Reappointment to the Medical Staff:

Janice Shelton, PA-C	Courtesy Staff, AHP, General Surgery Physician Assistant
Robert Gazzola, MD	Active Staff, Family Medicine

Withdrawals from the staff include Tara Denke, MD, OB/GYN.

ACTION: A motion was made by Helen White to accept the recommendations of the Credentials Committee and grant appointment or reappointment for the practitioners listed above. The motion was seconded by Kay Moline and carried with all members voting in favor. A motion was made by Helen White to accept the recommendation of the Credentials Committee and grant clinical privileges to 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 aye.

FINANCIAL REPORT

The financial report for May, 2010, was presented by Doug Montgomery of the accounting firm Eide-Bailley. Mr. Montgomery is assisting the hospital with financial matters during the interim period until a new CFO is hired.

Revenue over expense for the month of May resulted in a loss of \$140,710, and when combined with non-operating gain showed a net loss of \$129,655. Year-to-date figures show a loss of \$836,734 for a margin of -13.46%. Trends for Revenue in Excess of Expenses were reviewed. Comparing 2009 to 2010, the facility shows gross revenues of almost \$1 million less this year. Part of this decrease may be due to the economy, but there are also other issues that may be driving this downward. Inpatient days and number of discharges have decreased from 2009. Expenses are also down in comparison to last year. Cash on hand is staying relatively strong and the days in accounts receivable remains good.

ACTION: Brian Kuiper made a motion to approve the May, 2010, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY/SAFETY REPORT

A. Patient Safety Committee Meeting Minutes.

The minutes of the May 4, 2010, Patient Safety Committee were reviewed. Dr. Chaska reported on the handwashing initiative that is underway and presented some handwashing posters that were made by local children in a poster contest. The posters will be placed at various locations throughout the facility. Dr. Chaska has been asked by the IHI to write an article about the River's Edge patient safety program experience.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. Patty Roessler reported in Ms. Spike's absence. She noted a senior accountant has been hired and will begin work on July 7. The search continues for a new CFO, as the initial offer made to a candidate was turned down. The facility participated in an emergency preparedness exercise earlier in the day entitled "Operation Dry Summer." This exercise dealt with the effects of severe drought in the area.

The Le Center Clinic will be opening on July 12. An invitation-only open house will be held

on July 6 from 5:30 to 7 p.m. An open house for the public is scheduled for July 7, 2010, from 4 to 6 p.m.

QUALITY / EDUCATION / OPERATIONS

A. Fairview Purchasing Network.

As of October 1 of this year, the hospital will be switching from the VHA purchasing network to the Fairview Purchasing Network. Fairview has a membership of 24 acute care hospitals and 13 retail pharmacies. Based on a market basket analysis of current purchases, a savings of 13-19% is expected for medical and surgical supplies, as well as a 3-4% savings for pharmaceuticals.

B. Surgery Equipment Request.

A request for new equipment needed for Lap-Band surgery by Dr. William Lee was presented. Dr. Lee is a general surgeon who performs gastric lap band surgery and expects to begin surgery at River's Edge in July. Proposals were submitted for a liver retractor, \$3,995.00, a Harmonic EnSeal device for \$19,606.65, and a glidescope for \$20,099.25. The equipment can be paid for out of the funded depreciation account.

ACTION: A motion to approve the purchases of the liver retractor, Harmonic EnSeal and glidescope was made by Kay Moline. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor. The recommendation will be forwarded to the City Council for final approval.

C. Minnesota Department of Health Survey.

The Department of Health completed their survey on June 10, 2010, the first survey done in four years. Recommendations included the following:

- Documentation regarding use of alcohol-based skin preps – documentation must include that surgical staff are waiting for the alcohol to dry before making an incision.
- Patient Care Policies – Medications must be stored securely in the ED and the Clinic. In the ED, medications that were stored on top of the crash cart have now been secured inside the cart. Storage areas in the Clinic that were kept unlocked during the day will now be kept locked.
- Medical Records – all signatures must be dated and timed.
- Patient Activities – Current activities plans for swing bed patients are directed by OT and administered by nursing. The OT job description will be updated to identify this responsibility. The surveyors will return in 45 days to review actions taken.

DIRECTOR'S COMMENTS

Sheri Schmidt, Director of Business Services: Cross training and back-up processes are being put in place to address some of the findings of the Financial Audit in regard to the limitations a small staff. Implementation of an electronic medical record continues, with plans to add CPOE later in the summer.

Peggy Carlson, Community Liaison:

- A continuing education event will be held at the facility for area chiropractors.
- A series of community education classes will be started in August with the plan for one seminar or class per month.
- Dr. Troedson's services are being promoted for the River's Edge Clinic.

Doug Montgomery, Financial Consultant: Mr. Montgomery reported that an award was presented to Colleen Spike at the Rural Health Conference held recently in Duluth. David Yanik accepted the award on her behalf.

ADJOURNMENT

ACTION: A motion was made by Margie Nelsen to adjourn the meeting. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor. The meeting was adjourned at 1:48 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, July 28, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING **River's Edge Hospital & Clinic Conference Room** **Wednesday, May 26, 2010**

Present: Gil Carlson, Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Kay Moline, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Doug Montgomery, Eide-Bailley Consultant; Kelly Hyska and Derek Berndt, Students; and Paulette Redman, Recorder.

Absent: Michelle Chalin, Vice-Chairperson.

The regular meeting of the Hospital Commission was called to order at 12:18 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the May 26, 2010, meeting was reviewed.

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

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of April 28, 2010, were reviewed.

ACTION: A motion was made by Margie Nelsen to approve the regular Commission meeting minutes of April 28, 2010, as presented. The motion was seconded by Helen White and carried with all members voting in favor.

decline in volumes in 2010 compared with 2009 with a corresponding decrease in revenue.

Mr. Montgomery also reported that the loss incurred on the refunding of debt done in February was recorded for the month of April, and thus is reflected in the reports. Although a loss shows on the report, there will be an economic gain from this process, saving \$1.7 million dollars over the years of the debt.

The Medicare Cost Report for 2009 has been completed, with a \$524,000 receivable identified. The money coming in from this receivable will apply to 2009 receivables. The money coming back from Medicare is due to the fact that Medicare interim rates were not adjusted during 2009. The factors of a drop in patient days, increased costs, and cost associated with the clinic building would have affected the interim rates.

ACTION: Brian Kuiper made a motion to approve the April, 2010, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY/SAFETY REPORT

A. QHI Dashboard.

Colleen Spike presented an overview of the quality reporting available through the organization called Quality Health Indicators (QHI). Data on measures relating to clinical quality of care, risk management, patient satisfaction, human resources and financial indicators are submitted to QHI. Comparison reports are then returned, showing River's Edge Hospital & Clinic data compared to other participating hospitals within Minnesota and participating hospitals within a multi-state area. The reports will be included with the Hospital Commission packets on a monthly basis.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. Ms. Spike noted the following:

- Interviews for the CFO position have been completed and an offer will be extended to a candidate next week.
- Dr. Troedson began work at the River's Edge Clinic this past Monday. He will not be seeing patients until payer credentialing has been completed.
- New Urgent Care hours will go into effect in June. The hours will be 5 to 8 p.m. Monday through Friday, and 10 a.m. to 4 p.m. on Saturdays, Sundays and holidays.
- Planning for the clinic is LeCenter continues to move forward.
- A regional emergency preparedness exercise will be held on June 30, entitled "Operation Dry Summer." The facility will be setting up the Incident Command structure on that day.

QUALITY / EDUCATION / OPERATIONS

A. Shared EHR Agreement.

Physicians at the St. Peter Clinic and Mankato Clinic now have access to the REHC electronic health record at their clinics. Administration has worked with the hospital attorneys to draw up a document outlining each facility's responsibilities in terms of access to the hospital system. It will be presented to each clinic for acceptance and signature, with the ultimate goal of assuring confidentiality of patient information. Included in the document are statements that

- Clarify that REHC is the sole owner of the EHR system along with the information in the EHR system.
- REHC will audit use and access to patient information on the system.
- Information in each medical record is to be used for treatment purposes only.

Passwords will be issued by REHC to personnel identified as having a need to access the system.

B. Surgery Equipment Request.

The request for new equipment is in response to the addition of Dr. William Lee to the area. Dr. Lee is a general surgeon who performs gastric lap band surgery. He is developing a private practice and would like to see patients in the outpatient clinic and perform surgery at River's Edge Hospital on a part-time basis. The actual request for equipment is not yet finalized and will be brought before the Commission at the June meeting.

Dr. Lee is planning to be in St. Peter for four days a month beginning in July – two days every other week. He would perform surgery the morning of the first day, see patients in consultation in the afternoon, and then follow-up and discharge the surgical patients the next day. He would also be available during these days to perform other general surgical procedures. Dr. Lee has asked that the hospital consider becoming a "Center of Excellence" for the performance of lap band surgeries. A hospital task force has been established and will be meeting next week to look at the requirements for this designation.

DIRECTOR'S COMMENTS

Todd Prafke, City Administrator: Mr. Prafke distributed copies of the document amending the City ordinance regarding the hospital. Changes that were made included the section on hiring, discipline and termination of the hospital CEO, as discussed at the April Commission meeting. Additionally, wording was changed to designate the ambulance service as a department of the hospital. The third area of change involved the financial reporting responsibilities of REHC to the City Council, amending the ordinance to reflect the reporting that is done yearly regarding the financial audit.

Peggy Carlson, Community Liaison:

- A Women's Health Forum was held on Tuesday, May 4, 2010, and had over 100 participants.
- A VIP Open House will be held for the LeCenter Clinic on July 6 from 5 to 7 p.m. An open house for the public will be held on July 7 from 4 to 6 p.m.
- A silent auction will be held on July 22 from 7 a.m. to 4 p.m. The funds raised from the auction will go to the hospital team participating in the Susan G. Komen 3-day cancer walk held later in the summer.

- **Kelly Hyska was introduced. She is a Minnesota State University Student working with Ms. Carlson over the summer.**

Colleen Spike, CEO: The financial audit is not yet complete and will be presented to the Commission at the June meeting.

Kay Moline, Trustee: Ms. Moline noted a benefit fundraiser for the Arboretum being held on June 27, 2010.

ADJOURNMENT

ACTION: A motion was made by Kay Moline to adjourn the meeting. The motion was seconded by Margie Nelsen and carried with all members voting in favor. The meeting was adjourned at 1:07 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, June 30, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, April 28, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Margie Nelsen, and Jerry Pfeifer; Colleen Spike, CEO; Dr. Schelli McCabe, Medical Staff President; Patty Roessler, Director of Patient Care and Ancillary Services; Kristin Schultz, Director of Quality and Infection Control, Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; Doug Montgomery, Eide-Bailley Consultant; and Paulette Redman, Recorder.

Absent: Kay Moline, Trustee; Dr. Benjamin Chaska, Chief Medical Officer.

The regular meeting of the Hospital Commission was called to order at 12:17 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the April 28, 2010, meeting was reviewed. A request was made to add item VI-B – City Ordinance.

ACTION: A motion was made by Jerry Pfeifer to approve the agenda as revised. 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 March 31, 2010, were reviewed.

ACTION: A motion was made by Michelle Chalin to approve the regular Commission meeting minutes of March 31, 2010, as presented. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the April 13, 2010, Medical Staff meeting were reviewed. Dr. McCabe noted the majority of the meeting consisted of a program presented by Dr. Andrew Reeve, neurologist.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Medical Staff meeting minutes of April 13, 2010. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

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 listed on the report:

Reappointment to the Medical Staff:

Mary Hestness, MD	Courtesy Staff, Radiology
Stanley Kurisko, MD	Courtesy Staff, Radiology
Gary Goldberg, MD	Courtesy Staff, Urology
Nathan Schneider, MD	Courtesy Staff, General Surgery
Loretta Krahn, CRNA	Courtesy Staff, AHP, Anesthetist
Richard Marlow, DMD	Courtesy Staff, Oral and Maxillofacial

Surgery

Billie Jo Grieve, MD	Courtesy Staff, General Surgery
Gina Risty, MD	Courtesy Staff, General Surgery

Withdrawals from the staff include Larry Larson, MD, OB-GYN, and Teleradiologists Trudi Parker, MD, and Gregory Haines, DO.

ACTION: A motion was made by Michelle Chalin to accept the recommendations of the Credentials Committee and grant reappointment for the practitioners listed above. The motion was seconded by Brian Kuiper and carried with all members voting in favor. A motion was made by Michelle Chalin to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioners listed above, as requested and approved by the Credentials Committee. The motion was seconded by Brian Kuiper and carried with all members voting aye.

FINANCIAL REPORT

The financial report for March, 2010, was presented by Doug Montgomery of the accounting firm Eide Bailley. Mr. Montgomery is assisting the hospital with financial matters during the interim period until a new CFO is hired.

Revenue over expense for the month of March resulted in a loss of \$88,831, and when combined with non-operating gain showed a net loss of \$77,772. Year-to-date figures show a loss of \$539,110 for a margin of -14.79%. Trends for Revenue in Excess of Expenses were reviewed. A statistical summary of utilization was also reviewed, showing acute patient days 5.6% over budget, swing bed days 2.7% over budget, outpatient registrations 10.0% over budget and clinic visits 11.9% below budget. The percentage of inpatient revenue (22.74%) versus outpatient revenue (77.26%) was also reviewed, as well as a balance sheet for the month. Mr. Montgomery noted an upswing in volumes in March with a resulting increase in revenue. He also noted that the expense for employee benefits looks high for the month, in part due to some expenses that should have been paid in February. In terms of the budget, the facility is below budget 13.4%, and down \$526,000 from budget for the year to date.

Mr. Montgomery also reported that the balance sheet shows overstated assets and understated liabilities due to cross-over refunding, or reselling of bonds.

ACTION: Brian Kuiper made a motion to approve the March, 2010, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

QUALITY/SAFETY REPORT

The minutes of the January 21, 2010, Quality Council meeting were available for review. The meeting was primarily an organizational meeting.

ACTION: A motion was made by Margie Nelsen to acknowledge receipt of the Quality Council meeting minutes of January 21, 2010. The motion was seconded by Helen White and carried with all members voting in favor.

ADMINISTRATIVE REPORT

A. The written report submitted by Colleen Spike was reviewed. Ms. Spike noted the following:

- The billboard advertising colonoscopy services is up, located on Highway 22 south of St. Peter.
- She has not yet heard from Medicare regarding the facility's critical access status within the newly designated metropolitan statistical area.
- The River's Edge Clinic is currently in the process of installing an electronic record. The Clinic is serving as a beta site for the HMS software, and challenges are being encountered due to the early development stage of the software.

B. City Ordinance Change.

Todd Prafke presented a draft of a modified section of City Code that was presented to the City Council on April 16. The purpose of the changes was to include a process whereby the City Council would play a role should there be a change in the position of Chief Executive Officer of the Hospital & Clinic. The drafted change states "The Commission shall have power: to hire, discipline and terminate the chief administrative officer of the hospital and clinic with concurrence of the City Council. The Commission shall have the power to hire all other necessary employees; to fix and pay their

compensation including that of the chief administrative officer of the hospital and clinic.” Mr. Prafke noted the importance of the position of CEO, and that the changed wording does not prescribe a process, but ensures that the Commission will work together with the City Council in the event that a change in CEO should occur.

ACTION: Mr. Prafke asked that Commission members review the drafted ordinance changes and notify himself or Colleen Spike of any suggestions for changes.

QUALITY / EDUCATION / OPERATIONS

A. Opportunity to Improve/HealthStream/Complaint Reports.

Kristin Schultz presented a report outlining data from the first quarter of 2010. She reviewed the numbers and types of opportunities to improve and complaints that were generated during January through March, and discussed the actions taken to resolve or improve the situations. Currently there are no outstanding issues to resolve.

The latest results from the HCAHPS Patient Perspective surveys were presented. This is data that will be publically reported. HealthStream put together a report that compares this facility to peer facilities. Of 90 hospitals in Minnesota, River's Edge Hospital & Clinic ranks number 13 in overall patient satisfaction. In comparing 15 hospitals in this geographic area, River's Edge ranks second. The three areas that have the lowest scores for River's Edge include pain management, communication about medications, and discharge information.

Ms. Schultz also reported that the facility has had no healthcare-associated infections reported in the first quarter of 2010.

B. LeCenter Clinic Lease.

The proposed lease for the LeCenter Clinic was available for review. It is a five-year lease, the first two years rent-free for River's Edge. At the end of two years there will be an opportunity to reassess and determine if either party chooses not to continue with the lease. Beyond the two years, River's Edge will begin making rent payments for the clinic facility. Ms. Spike recommended a change be made to state that utilities for gas, electric, water and garbage be pro-rated based on occupancy. Each party occupying the building will be responsible for their own telephone and hazardous waste expenses.

The LeCenter Clinic will be staffed two days per week with a nurse practitioner, nurse and receptionist. Dr. Jacobsen will spend one-half day in LeCenter twice a month. Start-up costs for the Clinic were projected at \$39,824. Opening is slated for July, as it will take approximately two months to get the site credentialed with the payers.

ACTION: A motion was made by Helen White to approve the lease and move ahead with initiating clinic operations in LeCenter. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

C. Urgent Care / Medicare Cost Report.

Colleen Spike presented a proposal for changing the hours that Urgent Care is offered in the hospital's Emergency Department. The change is recommended due to the method that Medicare uses in looking at the costs associated with providing emergency coverage. Time spent by a physician as ER standby time is an allowable cost, but time

spent by the physician seeing urgent care patients is not. Thus, it is costing the hospital money to provide urgent care.

The proposal is to shift some of the urgent care hours to the River's Edge Clinic, where walk-in appointments are already being taken. The change would be as follows:

<u>Current Urgent Care Hours in ED</u>	<u>Proposed Hours in ED</u>
Monday-Friday 6 a.m. to 10 p.m.	Monday-Friday 5 p.m. to 8 p.m.
Saturday-Sunday 9 a.m. to 6 p.m.	Saturday-Sunday 9 a.m. to 5 p.m.

Walk-in appointments will be available at the River's Edge Clinic Monday – Friday, 8:30 a.m. to 5 p.m.

D. Personnel Changes.

Interviews for the CFO/CIO position will start in two weeks. Gil Carlson, Helen White and Brian Kuiper have agreed to serve as part of the interview team for this position. An internal candidate has accepted the position for Accounts Payable, and a number of applications have been received for a Senior Accountant.

Dr. Peter Troedson has signed a contract and will be starting to work at the River's Edge Clinic in June. Sarah Davis, a nurse practitioner, has been hired to work with Dr. Bowles. During her training time she will be completing coursework to become a rheumatology nurse practitioner. Dr. Kvidera has left the Clinic and will be pursuing other endeavors. Another family physician interested in the Clinic will be coming for an interview. Recruiting for physicians with an interest in OB has been difficult thus far.

A plan has been set in place for a temporary reduction of staffed hours, with an overall goal of staffing to patient needs. The changes in hours have been spread across departments and across personnel in order to minimize the effect on individual employees. Hourly reductions, resulting in a savings of \$200,000 per year, are as follows: Imaging 74 hours, Business Services 16 hours, Registration 32 hours, OR 27 hours, Emergency Preparedness 8 hours, Administration 8 hours, OT/PT 148 hours. These temporary cuts will be reassessed in six months, or sooner based on changes in patient volumes.

Contracted PT and OT services to the Benedictine Living Community are also being reassessed. Rates being charged have not increased for two years, and payments have been received on an inconsistent basis. Consideration is being given to cutting back on the services being provided.

Plans are still in progress for Dr. William Lee to be establishing a private practice with a presence in St. Peter. Dr. Lee performs lap band surgery.

DIRECTOR'S COMMENTS

Tammie Hudspith, Director of Human Resources: Ms. Hudspith reported on a project being undertaken in conjunction with the South Central Service Cooperative. A "High Step Academy" is being established for 11th and 12th grade students interested in health care careers. A curriculum is being designed, and coursework would include

onsite observation within the hospital and other health care facilities in the area. Ms. Hudspith, Patty Roessler, and Colleen Spike are working with this project.

The hospital is also participating in a SCHIP program, working with grant money received for Brown and Nicollet Counties. The grant is to be used to improve the health of people living within the counties. Patty Roessler and Mary Kramer are working with this program, which is focusing on smoking cessation, improving nutrition and promoting exercise.

Peggy Carlson, Community Liaison:

- A Women's Health Forum will be held on Tuesday, May 4, 2010, from 6 to 8 p.m.
- Rasmussen College has asked permission to do some promotional filming of their students working with healthcare professionals at River's Edge Hospital.
- Discussions are underway with the HR Department at the Regional Treatment Center to promote the River's Edge Clinic as a Tier-2 clinic for their state health plan.
- River's Edge Clinic is now performing DOT (Department of Transportation) examinations. These services are being marketed directly to local businesses. As a result of this marketing, the Clinic may also pick up some pre-employment physical business.
- The Business After Hours event for the Chamber was well received.

ADJOURNMENT

ACTION: A motion was made by Helen White to adjourn the meeting. The motion was seconded by Margie Nelsen and carried with all members voting in favor. The meeting was adjourned at 1:35 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, May 26, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, March 31, 2010

Present: Gil Carlson, Chairperson; Michelle Chalin, Vice-Chairperson; Helen White, Secretary-Treasurer; Trustees: Brian Kuiper, Margie Nelsen, Kay Moline and Jerry Pfeifer; Colleen Spike, CEO; Patty Roessler, Director of Patient Care and Ancillary Services; Kristin Schultz, Director of Quality and Infection Control, Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 12:22 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the March 31, 2010, meeting was reviewed. A request was made to add item IV-D – Policy Statement.

ACTION: A motion was made by Jerry Pfeifer to approve the agenda as revised. The motion was seconded by Helen White and carried with all members voting in favor.

EXECUTIVE SESSION

The regular meeting of the Hospital Commission was temporarily adjourned at 12:25 p.m., following which an Executive Session was convened. The purpose of the Executive Session was for discussion of personnel issues.

The Executive Session was adjourned and the regular meeting of the Hospital Commission was reconvened at 12:55 p.m.

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of February 24, 2010, and the workshop meeting of February 24, 2010 were reviewed. A correction was made to the minutes to reflect the actual date of the March Commission meeting as March 31, 2010, rather than March 24, 2010.

ACTION: A motion was made by Michelle Chalin to approve the regular Commission meeting minutes of February 24, 2010, as revised, and the workshop meeting minutes as presented. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

Correction to January 27, 2010 Minutes: A motion was made by Helen White to make a correction to the January 27, 2010 Commission meeting minutes to include a statement “The purpose of the Executive Session held was to perform the annual review for the CEO and determine a compensation package for the year.” The motion was seconded by Michelle Chalin and carried with all members voting in favor.

MEDICAL STAFF

A. **Medical Staff Meeting Minutes.** The minutes of the March 9, 2010, Medical Staff meeting were reviewed.

ACTION: A motion was made by Michelle Chalin to acknowledge receipt of the Medical Staff meeting minutes of March 9, 2010. The motion was seconded by Kay Moline and carried with all members voting in favor.

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 listed on the report:

Reappointment to the Medical Staff:

Theresa Dzwonkowski, ST Courtesy Staff, AHP, Surgical Technician

Withdrawals from the staff include Dr. Dennis Kessler, DPM, Podiatrist, and Teleradiologists
Steven Sirr, MD, Anthony Cook, MBBS, and Geoffrey Raile, MD.

ACTION: A motion was made by Jerry Pfeifer to accept the recommendation of the Credentials Committee and grant reappointment for the practitioner listed above. The motion was seconded by Brian Kuiper and carried with all members voting in favor. A motion was made by Helen White to accept the recommendation of the Credentials Committee and grant clinical privileges to the practitioner listed above, as requested and approved by the Credentials Committee. The motion was seconded by Kay Moline and carried with all members voting aye.

C. Medical Advisory Panel.

The minutes of the Medical Advisory Panel meeting of March 9, 2010, were reviewed.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Medical Advisory Panel Meeting minutes of March 9, 2010. The motion was seconded by Margie Nelsen and carried with all members voting in favor.

FINANCIAL REPORT

The financial report for February, 2010, was presented by Doug Montgomery of the accounting firm Eide Bailey. Mr. Montgomery is assisting the hospital with financial matters during the interim period until a new CFO is hired. He noted that his first priority was to review the Medicare Cost Report, which he has completed. His second priority is to finalize the books for February, in conjunction with the accountant.

Revenue over expense for the month of February resulted in a loss of \$188,087, and when combined with non-operating gain showed a net loss of \$177,875. Year-to-date figures show a loss of \$548,200 for a margin of -24.05%. Trends for Revenue in Excess of Expenses were reviewed. A statistical summary of utilization was also reviewed, showing acute patient days 10.9% over budget, swing bed days 37% below budget, outpatient registrations 4.4% over budget and clinic visits 17.4% below budget. The percentage of inpatient revenue versus outpatient revenue was also reviewed, as well as a balance sheet for the month.

ACTION: Margie Nelsen made a motion to approve the February, 2010, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed.

QUALITY / EDUCATION / OPERATIONS

A. Physician Recruitment.

The recruiting firm of Martin Fletcher will be reopening their search for physicians. Their first search did not result in any viable candidates. Colleen Spike has negotiated an agreement with them to reopen their search at no cost to the facility. Thus far they have sent one resume for review. An independent family physician has expressed interest in working at the clinic -- a physician currently working in the Cities as a hospitalist who is interested in getting back into family practice. Ms. Spike will be following up with this physician.

B. Colonoscopy Campaign.

The hospital will be initiating a marketing campaign to promote colonoscopies. A billboard on Highway 22 between St. Peter and Mankato will be rented at a cost of \$495 per month. The billboard will highlight the importance of colonoscopy as well as promote the hospital's use of anesthesia services to make colonoscopy procedures virtually painless. The billboard will be leased for 12 months, with an option to change the billboard as often as the facility would like for an additional fee.

C. LeCenter Clinic.

Colleen Spike presented details outlining proposed costs for starting a clinic in LeCenter. Initial plans would be to staff the clinic two days per week, Monday and Friday, with a nurse practitioner, RN and receptionist, all currently employees of River's Edge Clinic. Start up costs would include \$8,429 for laboratory equipment, \$21,582 for IT equipment, \$7,850 for supplies, and \$6,402 for utilities. There are approximately \$5,000 in building maintenance costs projected, and Ms. Spike will be asking the LeCenter Economic Development Agency to provide all but \$200 of the building improvements. The hospital will pay \$200 for installation of appropriate locks and security.

The question has also been raised as to whether radiology services could be included. This would necessitate purchase of an x-ray machine for \$62,327, as well as supplying a CMA to run the equipment. Ms. Spike will be discussing this issue further with the LeCenter leaders.

Expenses to get started total \$44,463 with projected income of \$73,320 without including radiology services. By including radiology services, initial expenses would be \$63,433 with income projected at \$95,784.

The City of LeCenter is proposing a five-year lease with the first two years being no rent and shared utilities with the chiropractor who is also using the clinic building. Year three would see \$300/month rent, year four \$400/month, and year five \$500/month. Ms. Spike will be pursuing a caveat with the rent agreement to allow the hospital the chance to bow out of the deal if the clinic is not making money.

ACTION: A motion was made by Jerry Pfeifer to allow Colleen Spike to pursue a formal rental agreement with LeCenter. The motion was seconded by Helen White and

carried with all members voting in favor. Ms. Spike will bring the formal rental agreement before the Commission for approval.

D. Policy Statement.

The Medical Staff has approved a change to the Medical Staff Rules and Regulations. The change addresses the time frame for pre-operative History and Physical Exam reports and pre-operative lab work. Time frames are changed from 7 days to 30 days. The change is in line with Medicare Conditions of Participation.

ACTION: A motion was made by Michelle Chalin to approve the change to the Medical Staff Rules and Regulations as presented. The motion was seconded by Kay Moline and carried with all members voting in favor.

DIRECTOR'S COMMENTS

Todd Prafke, City Administrator: Mr. Prafke noted that Immanuel St. Joseph's – Mayo Health System has paid their share of the medical office building costs. A slight modification to the shared services agreement has been made, as the square footage they are using is actually different from the original plan.

Peggy Carlson, Community Liaison:

- The Chamber Business After Hours event will be held in the lobby of the River's Edge Medical Office Building on April 20. This event will be held in conjunction with Mankato Chiropractic in celebration of the first anniversary in the building. The event will be from 5 to 6:30 p.m.
- Dedication plaques have been ordered.
- River's Edge Clinic is now performing DOT (Department of Transportation) examinations. These services are being marketed directly to local businesses.
- The colonoscopy campaign is being promoted to community groups. Rick Cauley, CRNA, will be attending service group meetings to discuss colonoscopy and colon cancer prevention.
- The hospital will be hosting a Red Cross blood drive on April 8, 2010.

ADJOURNMENT

ACTION: A motion was made by Helen White to adjourn the meeting. The motion was seconded by Margie Nelsen and carried with all members voting in favor. The meeting was adjourned at 1:39 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, April 28, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING
River's Edge Hospital & Clinic Conference Room

Wednesday, February 24, 2010

Present: Gil Carlson, Chairperson; Helen White, Secretary-Treasurer; Trustees: Michelle Chalin, Brian Kuiper, Margie Nelsen, Kay Moline and Jerry Pfeifer; Colleen Spike, CEO; Ken Cornish, Director of Finance; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Kristin Schultz, Director of Quality and Infection Control, Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: None.

The regular meeting of the Hospital Commission was called to order at 12:22 p.m. by Chairperson Gil Carlson.

OATH OF OFFICE

Gil Carlson, Commission Chairperson, administered the oath of office to the members of the Hospital Commission.

APPROVAL OF AGENDA

The agenda for the February 24, 2010, 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 January 27, 2010, were reviewed.

ACTION: A motion was made by Kay Moline to approve the regular Commission meeting minutes of January 27, 2010, as presented. The motion was seconded by Helen White and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the February 9, 2010, Medical Staff meeting were reviewed.

ACTION: A motion was made by Kay Moline to acknowledge receipt of the Medical Staff meeting minutes of February 9, 2010. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

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 listed on the report:

Reappointment to the Medical Staff:

Mohammed Solaiman, MD	Active Staff, Family Medicine
Amy Kvidera, MD	Active Staff, Family Medicine
April Burns, CST	Courtesy Staff, AHP, Surgical Technician
Jill Christianson, CST	Courtesy Staff, AHP, Surgical Technician

Change from Provisional to Full Membership:

Rebecca Bailey, PA-C	Courtesy Staff, AHP, Surgical Physician
Assistant	
Ashley Brenden, PA-C	Courtesy Staff, AHP, Surgical Physician
Assistant	

Continuation of Provisional Status:

Stephen Fridinger, DACBR	Courtesy Staff, Chiropractic Radiologist
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Withdrawals from the staff include Dr. Mark Conover, DDS

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

FINANCIAL REPORT

The financial report for January, 2010, was presented. Total Days Cash on Hand is at 270 days. The current ratio remains strong at 5.9. Days in Accounts Receivable is currently at 49.7 days. Revenue over expense for the month resulted in a loss of \$365,000, and when combined with non-operating gain for December showed a net loss of \$353,300, for a margin on -33%.

Community Care grants for January totaled \$11,380. Bad debt for the month totaled \$50,430, including 38 accounts from uninsured patients with a total of \$30,636 and 82 accounts from patients with balances after insurance of \$19,794. The Revenue Recapture program through the State of Minnesota has results in \$193,045 recovered for the hospital during 2009.

Mr. Cornish noted that the 2010 budget does include a loss for the operations of the Clinic; this was planned for as a result of a new clinic start up. The facility is feeling the effects of the overall downturn of the economy.

Ken Cornish and Colleen Spike attended a recent City Council workshop where they presented information about the 2009 finances and 2010 budget.

ACTION: Brian Kuiper made a motion to approve the January, 2010, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and

accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY / SAFETY

A. Opportunity to Improve and Press Ganey Summary.

Kristin Schultz presented a summary of complaints and Opportunities To Improve that occurred in January. She discussed the Opportunity to Improve (OTI) reporting process and distributed the associated policies and term definitions for review. There were 6 complaints (2 inpatient, 4 ED/UC) received and 10 OTI reports. Of these, 6 were attributed to technical competence/appropriateness issues, 3 to communications issues and 3 to coordination of care issues. All but one have been resolved, and the last one is still in the process of resolution. Appropriate actions and process changes are made based on the complaints and OTI reports received.

HCAHPS patient satisfaction data from the 4th quarter of 2009 was presented. The top box scores and mean trends for each indicator were reviewed. Survey data for Emergency Department patients has been difficult to obtain due to low response rates. The sampling rate is being adjusted and REHC managers and staff will be providing additional information to patients regarding the surveys.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. In addition, the following was noted:

- Peggy Carlson reviewed the wording and format for the dedication plaques that will be made to go onto the hospital and the medical office building near the main entrances. The 9x12" plaques will cost \$438 each and will be cast in bronze. Colleen Spike will be asking the Foundation to cover this cost.
- The pharmacy in the Medical Office Building will be opening on Tuesday, March 2.
- The St. Peter Herald featured an article about Heidi Faul, CNP, and her upcoming trip for a medical mission to Haiti. Janet Nordstrom, PT, is currently in Haiti working at a hospital for two weeks.
- The River's Edge Clinic is now a provider for the Regional Treatment Center's employee BC/BS plan. There have been 28 of their employees that have identified REHC as their primary clinic.
- Ms. Spike reviewed utilization statistics for the past five years, showing the trends in activity throughout the facility.

QUALITY / EDUCATION / OPERATIONS

A. SEQUEL Software Purchase.

A proposal to purchase a software package entitled SEQUEL was presented. Sequel is a report writer that will enable increased reporting capabilities for the HMS system. The system also provides security measures to limit access as appropriate to job functions. The cost of the system is \$13,135.00 with installation cost of \$5,035.00. **ACTION:** A motion was made by Jerry Pfeifer to approve the purchase of the Sequel software package for \$13,135.00 with \$5,035.00 for installation. The motion was seconded by Helen White and carried with all members voting in favor.

DIRECTOR'S COMMENTS

Peggy Carlson, Community Liaison:

- A series of classes on women's health is ongoing, the first of which was held on February 3, with 35 in attendance. The next class will be tonight, February 24, on pre-menstrual syndrome and March 3 on menopause. These classes are being presented by Dr. Kvidera and the Mankato Chiropractic Center, to include information about diet, exercise, acupuncture, aromatherapy and chiropractic care. A demonstration night is being planned closer to Mother's Day.
- A seminar on "Dealing with Asthma for Daycare Providers" was held on February 18 with 18 registered.
- REHC will be one of the sponsors for the Arthritis Walk that will be held in May.
- The Chamber Business After Hours event will be held in the lobby of the River's Edge Medical Office Building on April 20. This event will be held in conjunction with Mankato Chiropractic in celebration of the first anniversary in the building. The event will be from 5 to 6:30 p.m.
- The Consumer Advisory Council will have its first meeting in March with a membership of 12 to 15 people.

Tammie Hudspith, Director of Human Resources: Ms. Hudspith is looking at again participating in the Scrubs Camp for Youth to be held in Mankato during the summer. The camp is geared for junior high youth interested in health care careers.

Jerry Pfeifer, Trustee: Mr. Pfeifer thanked Administration for getting the work done on the dedication plaques. He also suggested having a ceremony and another open house at the time the plaques are installed.

Benjamin Chaska, MD, Chief Medical Officer: Dr. Chaska announced that Dr. Graeme Browne, a physician in the ED, has been appointed to the American Board of Physician Specialists for Emergency Medicine. Dr. Alpana Singh, also an ED physician, has passed her Family Medicine boards. Dr. Chaska also reported that the Institute for Healthcare Improvement (IHI) has asked the him to author a paper about the facility's experience with improvement initiatives, and he will be working on this project.

ADJOURNMENT

ACTION: A motion was made by Helen White to adjourn the meeting. The motion was seconded by Kay Moline and carried with all members voting in favor. The meeting was adjourned at 1:06 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, March 24, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 11:30 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, January 27, 2010

Present: Gil Carlson, Chairperson; Helen White, Secretary-Treasurer; Trustees: Michelle Chalin, Brian Kuiper, Kay Moline and Jerry Pfeifer; Colleen Spike, CEO; Ken Cornish, Director of Finance; Dr. Benjamin Chaska, Chief Medical Officer; Dr. Schelli McCabe, Medical Staff President; Kristin Schultz, Director of Quality and Infection Control, Sheri Schmidt, Director of Business Services; Patty Roessler, Director of Nursing and Ancillary Services; Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Margie Nelsen, Trustee.

The regular meeting of the Hospital Commission was called to order at 12:20 p.m. by Chairperson Gil Carlson.

Chairperson Gil Carlson turned the meeting over to Colleen Spike, CEO.

COMMISSION MEMBERSHIP

Colleen Spike announced that Margie Nelsen has been appointed by the City of St. Peter as a new Commission member. She is currently traveling out of the country and unable to attend this meeting. Jerry Pfeifer has been reappointed as the City Council representative on the Commission. The oath of office will be administered at the February meeting.

ELECTION OF OFFICERS

Commission members were presented with ballots to nominate members for the offices of Chairperson, Vice-Chairperson, and Secretary-Treasurer. The ballots were completed and votes tallied. Commission members nominated for office: Chairperson – Gil Carlson, receiving 6 votes; Vice-Chairperson – Three-way tie; Secretary-Treasurer – Helen White, receiving 5 votes.

ACTION: A motion was made by Kay Moline to approve the nomination for Chairperson and Secretary-Treasurer as voted upon by the Commission members. The motion was seconded by Michelle Chalin and carried with all voting in favor.

Colleen Spike turned the meeting over to Chairperson Gil Carlson.

ACTION: Mr. Carlson opened the floor for nominations for Vice-Chairperson. Brian Kuiper was nominated; Mr. Kuiper declined the nomination. Michelle Chalin was nominated; Ms. Chalin accepted the nomination. Kay Moline was nominated; Ms. Moline declined the nomination. Kay Moline made a motion that nominations cease. The motion was seconded and carried. A motion was made by Jerry Pfeifer to approve the nomination of Michelle Chalin as the vice-chairperson. The motion was seconded by Kay Moline and carried with all members voting in favor.

APPOINTMENT OF COMMITTEE MEMBERS

Committee appointments were made as follows:

Finance Committee: Brian Kuiper and Helen White.

ACTION: A motion was made by Jerry Pfeifer to appoint Brian Kuiper and Helen White as

members of the Commission Finance Committee. The motion was seconded by Kay Moline and carried with all members voting in favor.

Quality Council: Michelle Chalin and Helen White.

ACTION: A motion was made by Kay Moline to appoint Michelle Chalin and Helen White to the Quality Council. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

River's Edge Hospital & Clinic Advisory Group: This is a new committee with membership to include representatives from surrounding communities for purposes of discussion on meeting the health care needs of the communities being served by River's Edge Hospital & Clinic.

ACTION: A motion was made by Jerry Pfeifer to appoint Kay Moline and Helen White to the Advisory Group. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

APPROVAL OF AGENDA

The agenda for the January 27, 2010, meeting was reviewed.

ACTION: A motion was made by Kay Moline to approve the agenda as presented. The motion was seconded by Helen White and carried with all members voting in favor.

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of December 16, 2009, and the Strategic Planning meeting of December 16, 2009, were reviewed.

ACTION: A motion was made by Brian Kuiper to approve the regular Commission meeting minutes and Strategic Planning meeting minutes of December 16, 2009, as presented. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Meeting Minutes. The minutes of the January 12, 2010, Medical Staff meeting were reviewed.

ACTION: A motion was made by Kay Moline to acknowledge receipt of the Medical Staff meeting minutes of January 12, 2010. The motion was seconded by Helen White and carried with all members voting in favor.

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 listed on the report:

Reappointment to the Medical Staff:

Timothy Deaconson, MD	Courtesy Staff, General Surgery
Todd Christianson, OPA-C	Courtesy Staff, AHP, Orthopedic Physician
Assistant	
Mark Mahoney, DC	Active Staff, Chiropractic
Teresa Marshall, DC	Active Staff, Chiropractic
Susan Klenk, MD	Active Staff, Family Medicine
Teleradiologists:	
Norman Arslanlar, DO	Geoffrey Bodeau, MD
Brent Bullis, MD	
Nerraj Chepuri, MD	Anthony Cook, MBBS
Benjamin Crandall, DO	
Charles Donovan, MD	Mark Doyscher, MD
Kevin Edelman, M	
Eduardo Ehrenwald, MD, PhD	Christopher Engeler, MD
Nazih Farah, MD	
Stephen Fry, MD	Frederick Gramith, MD
Gregory Haines, DO	
Douglass Hassell, MD	Stephen Hite, MD
Thomas Ibach, MD	
Radha Inampudi, MD	Subbarao Inampudi, MBBS
Steven Jensen, MD	
Jon Kane, MD	Eul Kang, MD
Timothy Koelz, MD	
J. Denise Krivach, MD	Richard Levey, MD
Thomas Matson, MD	
Jason Mehling, MD	Karla Myhra-Bloom, MD
James Mylrea, MD	
Gwen Nazarian, MD	John Nobrega, MD
Frederick Olson, MD	
Mark Oswood, MD	Robin Parker, MD
John Perl, MD	
Jeffrey Peterson, MD	Michael Plunkett, MD
Robert Pollock, MD	
Kenneth Priemesberger, MD	Geoffrey Raile, MD
Anne Reddy, MD	
Paul Rust, MD	Lisa Schneider, MD
Clark Schumacher, MD	
Scott Sidney, MD	Steven Sirr, MD
John Steely, MD	
Christopher Tillotson, MD	David Tubman, MD
Sara Beth Veldman, MD	
Robert Yost, MD	
Additional Teleradiology Privileges:	Daniel Beggs, MD
Stephen Fridinger, DACBR	
Mary Hestness, MD	Mareve Kayfes, MD
Stanley Kurisko, MD	
David Mills, MD	Patrick O'Brien, MD
Martin Schularick, MD	Matthew Stone, MD

Change from Provisional to Full Membership:

John Jacobsen, MD	Active Staff, Allergy
Bret Cardwell, MD	Courtesy Staff, General Surgery
Julie Buettner, DC	Active Staff, Chiropractic

Withdrawals from the staff include Paul Mittelstadt, MD, Emergency Medicine, Brian Lambrect, Surgical Technician, and Burrel Deaton, MD, moving to Honorary Staff following retirement.

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

FINANCIAL REPORT

The financial report for December, 2009, was presented. Total Days Cash on Hand is at 257 days. The current ratio remains strong at 6.2. Days in Accounts Receivable is currently at 44 days. Revenue over expense for the month resulted in a loss of \$222,500, and when combined with non-operating gain for December showed a net loss of \$189,667, for a margin on -15.5%. Year-to-date there is a net loss of \$757,744, for a margin of -4.67%.

Community Care grants for December totaled \$13,283. Bad debt for the month totaled \$76,371, including 43 accounts from uninsured patients with a total of \$39,358 and 99 accounts from patients with balances after insurance of \$37,013. The Revenue Recapture program through the State of Minnesota has results in \$193,045 recovered for the hospital. The compares with \$148,000 recovered in 2008 and \$124,000 recovered in 2007.

Mr. Cornish reported that the City of St. Peter is looking into refinancing the hospital debt. Standard & Poors has rated the bonds as A+ stable. The bonds will go out to bid this afternoon or tomorrow morning, and it is expected that a lowering of the interest rate would result in savings of \$80,000 per year over the life of the bonds.

The budget process for the State of Minnesota has resulted in the elimination of the program for General Assistance Medical Care, or GAMC. Eliminating this program results in an estimated loss in revenue of \$65,000 for River's Edge Hospital & Clinic. The Minnesota Hospital Association has developed a compromise plan. If accepted, this plan would result in a loss of \$160,000 for River's Edge, but would be providing equity across the state and additional funding for the state's safety net hospitals, such as Hennepin County and Regions, each of which stand to lose in excess of \$20 million with the elimination of GAMC.

ACTION: Kay Moline made a motion to approve the December, 2009, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

QUALITY / SAFETY

A. Quality Council Meeting.

The minutes of the November 19, 2009, meeting were available for review.

ACTION: A motion was made by Michelle Chalin to acknowledge receipt of the Quality Council meeting minutes of November 19, 2009. The motion was seconded by Helen White and carried with all members voting in favor.

B. Patient Safety Committee Meeting.

The minutes of the January 19, 2010, Patient Safety Committee meeting were available for review. Dr. Chaska noted that River's Edge will again be designated as a Mentor Hospital for the IHI. The Patient Safety Committee has reviewed the IHI's new Improvement Map program and has determined priorities for working on various measures. A number of the measures have been instituted over the past years, and the hospital is performing at benchmark on many of them.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Patient Safety Committee meeting minutes from January 19, 2010. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. In addition, the following was noted:

- Each of the Commissioners received a packet of forms to review and sign. The signed forms may be turned in to Colleen Spike.
- The new digital mammography equipment is up and running in the Imaging Department.
- The pharmacy space in the Medical Office Building should be completed by the first week in March.
- The hospital and clinic staff sponsored a potluck lunch last week and raised \$1,079 for Haitian relief following the recent earthquake in that country.
- Michelle Chalin has recently attended a "New Trustee Boot Camp," as well as attending the Minnesota Hospital Association conference along with Colleen Spike. Ms. Spike questioned whether the commissioners would be willing to have an informal planning session prior to February's commission meeting. The purpose of the session would be to discuss directions the hospital and clinic may wish to look at for future planning, specifically in light of the financial challenges being faced. Ms. Spike reported that ISJ-Mayo/St. Peter Clinic will be starting to do scope procedures in their clinic beginning in April, which will result in a revenue decrease of over \$500,000 for the hospital. In view of this, the hospital will be looking at a marketing strategy in an effort to keep cases here. Ms. Spike also stated she had received a telephone call from LeCenter – the City has asked that she have a discussion with their leaders to discuss the health care needs of their city.

ACTION: Informal planning session to be held at 11 a.m. on Wednesday, February 24, 2010.

QUALITY / EDUCATION / OPERATIONS

A. BHS Senior Housing Entrance Turnaround.

The most recent revision of the BHS senior housing plan had taken up some space that had been designated as potential hospital expansion space. Colleen Spike had requested

that BHS look at this again and revise the plan. A revised plan was presented and was less beneficial to the hospital, as it required that traffic exiting the senior housing parking lot would travel through the hospital employee parking lot to return to the street. This was not acceptable to Administration. BHS has returned to the first plan presented, with some alterations to utilize a smaller piece of the hospital expansion property.

B. Minnesota Statewide Quality Reporting.

Colleen Spike reported on the legislation that has been passed requiring hospitals and clinics to report patient care data to the state for quality comparison and pay for performance programs. River's Edge Clinic will be reporting data related to optimal diabetes care, optimal vascular care, care for patients with depression, and health information technology use. Beginning in 2011, the clinic will also be required to report patient race, ethnicity and language data. The hospital will be reporting on quality measures for both inpatient and outpatient care. For inpatients this includes topics relating to acute myocardial infarction congestive heart failure, pneumonia and surgical care. Mortality measures, patient safety issues and complications of care will also be monitored. Outpatient data will include topics of acute myocardial infarction, chest pain and outpatient surgical measures, as well as looking at patient experience through the HCAHPs patient satisfaction data.

C. Minnesota Stroke Registry.

River's Edge Hospital & Clinic has been named as one of three hospitals to receive a grant to be a part of the Minnesota Rural Health Stroke Pilot project. The aim of the project is to improve quality of care for stroke patients. The project will begin in February, 2010, and will end in January 2011. Hospitals included are River's Edge, Kanabec Hospital in Mora, and Abbott Northwestern Hospital.

D. River's Edge Ambulance Update.

Ms. Spike reported that there have been no further indications of unionizing activity following a change in leadership within the ambulance service. Management for the ambulance service is contracted through Gold Cross.

DIRECTOR'S COMMENTS

Sheri Schmidt, Director of Business Services: Monitoring results for the documentation policy were presented. Ms. Schmidt noted an improvement in the timeliness of record completion since the policy was put into place.

Peggy Carlson, Community Liaison: Classes coming up include:

- A series of classes on women's health, the first of which will be February 3, discussing perimenopausal issues, followed by February 24 on pre-menstrual syndrome and March 3 on menopause. These classes are being presented by Dr. Kvidera and the Mankato Chiropractic Center, to include information about diet, exercise, acupuncture, aromatherapy and chiropractic care.
- Heidi Faul, CFNP, will be presenting a class entitled "Living a Stress-Reduced Life". The class is geared toward young mothers and will be held February 9 at Creative Play Place.
- On February 18, in collaboration with the American Lung Association, a seminar will be presented on "Dealing with Asthma for Daycare Providers."

Additionally, several groups of high school students have been hosted for health care career exploration.

Todd Prafke, City Administrator: Mr. Prafke reported that he just received word that the hospital bonds had been refinanced, with a resulting savings to the hospital of \$1.13 million over the life of the bonds.

Colleen Spike, CEO: Ms. Spike reported that Dr. Teresa Marshall of Mankato Chiropractic has been reappointed to the Chiropractic Board of Examiners.

EXECUTIVE SESSION

The regular meeting of the Hospital Commission was temporarily adjourned at 1:15 p.m., following which an Executive Session was convened.

The Executive Session was adjourned and the regular meeting of the Hospital Commission was reconvened at 1:28 p.m.

CEO SALARY

ACTION: A motion was made by Jerry Pfeifer to increase the CEO salary by 3% for the year 2010, plus associated benefits. The motion was seconded by Helen White and carried with all members voting in favor.

ADJOURNMENT

ACTION: A motion was made by Jerry Pfeifer to adjourn the meeting. The motion was seconded by Kay Moline and carried with all members voting in favor. The meeting was adjourned at 1:40 p.m.

NEXT MEETING

The next regular meeting of the Hospital Commission will be Wednesday, February 24, 2010, at 12 noon. This meeting will convene in the River's Edge Hospital Conference Room. The Finance Committee meeting will be held at 10:30 p.m. An informal planning session with the Commission will take place from 11 a.m. until 12 noon.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

River's Edge Hospital & Clinic Conference Room

Wednesday, December 16, 2009

Present: Gil Carlson, Chairperson; Bonnie Hunt, Vice Chairperson; Helen White, Secretary-Treasurer; Trustees: Michelle Chalin, Brian Kuiper, Kay Moline and Jerry Pfeifer; Colleen Spike, CEO; Ken Cornish, Director of Finance; Dr. Benjamin Chaska, Chief Medical Officer; Kristin Schultz, Director of Quality and Infection Control, Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 4:01 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the December 16, 2009, meeting was reviewed.

ACTION: A motion was made by Helen White 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 18, 2009, were reviewed.

ACTION: A motion was made by Kay Moline to approve the regular Commission meeting minutes of November 18, 2009, as presented. The motion was seconded by Bonnie Hunt and carried with all members voting in favor.

MEDICAL STAFF

A. **Medical Staff Minutes / Medical Advisory Panel Minutes.** The minutes of the December 8, 2009, Medical Staff and Medical Advisory Panel meetings were reviewed. Dr. Chaska noted the patient safety initiative the Medical Staff will be working on for 2010 is the "Clean Your Hands" initiative.

ACTION: A motion was made by Brian Kuiper to acknowledge receipt of the Medical Staff meeting minutes of December 8, 2009. The motion was seconded by Helen White and carried with all members voting in favor. A motion was made by Brian Kuiper to acknowledge receipt of the Medical Advisory Panel meeting minutes of December 8, 2009. The motion was seconded by Kay Moline and carried with all members voting in favor.

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 listed on the report:

Reappointment to Medical Staff

David Mills, MD	Courtesy Staff, Radiology
Lynn Gustafson, DPM	Courtesy Staff, Podiatry
Paula Prybylla, DC	Active Staff, Chiropractic / Acupuncture
Jennifer Miller, DDS	Courtesy Staff, Dentist

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

FINANCIAL REPORT

A. Financial Report.

The financial report for November, 2009, was presented. Revenue over expense for the month resulted in a gain of \$81,297, and when combined with non-operating gain for November showed a gain of \$93,451. Year-to-date there is a net loss of \$545,643. Mr. Cornish noted that reductions from revenue were recalculated based on the new Medicare rates that went into effect in October.

Community Care grants for November totaled \$16,508. Bad debt for the month totaled \$74,030, including 35 accounts from uninsured patients and 86 accounts from patients with balances after insurance.

ACTION: Helen White made a motion to approve the November, 2009, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

B. 2010 Budget:

The proposed budget for 2010 was reviewed. Ken Cornish noted the projected utilization for the coming year to be similar to 2009 – inpatient days are expected to be steady with an average daily census of 5, and outpatient utilization is expected to show steady growth of 9.9%, with the increase mainly coming from the clinic. Revenue projections include an average 2.12% rate increase, with some charges seeing no increase, and some, including room rates, seeing an increase of 4%. Deductions from revenue are increased by 8.6% over 2009. Net inpatient revenue is projected to increase 17% over current levels, outpatient revenue increase 5.5%, and clinic revenue to double from 2009 levels. Net patient services revenue is projected to increase 21% over current levels.

Salaries and benefits make up the largest percentage of expense. Total salary expense is expected to increase 20%, including a 2% increase in employee wages and additional FTEs needed. Total benefits costs will remain steady on an individual basis, but overall a 14% increase is projected due to an increase in employees. The cost of professional services will increase 14.2%. Leases and rental expense will increase 152% due to the leasing of the clinic space and the leasing of new mammography equipment. Three areas of focus for cutting expenses are professional development, minor equipment and overtime.

A net loss from operations of \$719,699 is projected. Including nonoperating gains, revenue over expense is projected at a loss of \$435,858, for a -2.51% margin. This compares to overall projected loss of \$435,858, or a -5.73% margin for 2009 thus far.

ACTION: A motion was made by Brian Kuiper to approve the 2010 hospital and clinic budget as presented. The motion was seconded by Kay Moline and carried with all members voting in favor.

QUALITY / SAFETY

A. Patient Safety Committee.

The minutes of the December 1, 2009, Patient Safety Committee meeting were available for review. Dr. Chaska noted that the IHI (Institute for Healthcare Improvement) campaigns for Save 100,000 Lives and 5 Million Lives have been completed. Their new improvement campaign is an "Improvement Map." There are 72 different initiatives included in the Improvement Map, and facilities can choose the initiatives they wish to focus on. River's Edge already has a number of the measures in place and will be looking at additional measures to work on. Dr. Chaska summarized the results of the various initiatives that have been worked on over the past year, noting the successes and improvements seen, including, but not limited to, 0 nosocomial infections in 2009, a decrease in the use of catheters with no associated infections identified, implementation of a Surgical Safety Checklist, continued high utilization of the medication reconciliation process, improvement in administration of aspirin for chest pain patients and implementation of quality/safety measures in the clinic.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Patient Safety Committee meeting minutes from December 1, 2009. The motion was seconded by Bonnie Hunt and carried with all members voting in favor.

ADMINISTRATIVE REPORT

The written report submitted by Colleen Spike was reviewed. In addition, the following was noted:

- An additional 200 doses of H1N1 vaccine were received and distributed within two days.
- The hospital has received Level 4 Trauma designation from the State of Minnesota.
- The Nash Finch agreement for lease of the pharmacy space in the Medical Office Building has been completed. It was presented to and approved by the City Council on Monday and is now pending agreement by Nash Finch. A pharmacist has been hired to work in the pharmacy. Colleen Spike will be talking with them regarding time frames for completion of the project.

QUALITY / EDUCATION / OPERATIONS

A. Mission Statement.

The proposed revision of the Mission and Vision Statement has been reviewed by DNV and suggestions were made to modify it. The proposed Mission and Vision Statement now reads:

"River's Edge Hospital & Clinic provides quality health services that value all dimensions of health including mind, body and spirit. Our goal is to improve the health of all individuals we serve through continuous, measurable improvement in patient satisfaction, clinical quality, and operational effectiveness."

ACTION: A motion was made by Bonnie Hunt to approve the Mission and Vision Statement as presented. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

B. Website / Agenda & Meeting Minutes.

The City of St. Peter has asked that the Hospital Commission agendas and meeting minutes (following approval) be posted on the hospital website. A link would then be established on the City website for access to these documents. Proposed start date for posting is March, 2010. Peggy Carlson will be working on implementation of this project.

C. Physician Recruitment Lunch.

A female family practice physician currently practicing in South Dakota will be on site on December 29, 2009, to interview and see the hospital and clinic. A luncheon will be provided and Commission members are invited to attend. A packet of information about the community of St. Peter has been sent to her.

ACTION: Commission members wishing to attend the luncheon should notify Colleen Spike.

D. Benedictine Health System Senior Housing Plan.

The most recent revision of the BHS senior housing plan had taken up some space that had been designated as potential hospital expansion space. Colleen Spike reported that she had rejected this plan, and BHS has subsequently revised it, although the revision plans have not yet been available to view. The agreement with BHS does state they are required to obtain a building permit from the City by the end of the year.

Todd Prafke updated the Commission on the other senior housing project, "Bristle Cone," that has been proposed for St. Peter. A request has been submitted to sell the purchase agreement with Ecumen to private owners who currently have a number of facilities in the Dakotas. There will need to be approval from the City Council before this can be done.

E. Clinic Proforma.

Colleen Spike reviewed the River's Edge Clinic proforma that had been completed in 2007. The proforma projected a loss in 2010 of \$642,529. This compares to the actual proposed budget for 2010 of a projected loss of \$645,000. The losses currently seen in 2009 and projected for 2010 were anticipated when the proforma was first completed.

F. Trustee Conference.

Information regarding two upcoming conferences for hospital trustees was distributed.

ACTION: Commission members wishing to attend either of the conferences should notify

Colleen Spike.

DIRECTOR'S COMMENTS

Tammie Hudspith, Director of Human Resources: Ms. Hudspith distributed annual evaluation forms for the Commission members to complete and turn in to either herself or Gil Carlson.

Peggy Carlson, Community Liaison: REHC partnered with the American Lung Association and offered a COPD class for healthcare providers on December 16. A "Living on Less" expo was held at the Community Center on December 1 – REHC was represented with a booth. The next American Red Cross blood drive will be held January 14 and 15, 2010. The hospital will be hosting approximately 40 students from the St. Peter Public Schools for a career exploration experience on January 13, 2010. Packets made up for new patients and physicians were available for review.

Todd Prafke, City Administrator: Mr. Prafke congratulated the Commission and the Administration on a successful year,

Kay Moline, Commission Member: Ms. Moline thanked the Commission and Administration for the efficiency of the meetings and Commission processes.

Bonnie Hunt, Commission Member: Ms. Hunt noted that the five years of her first term are up and thanked the City, Commission and hospital for the opportunity to serve.

Benjamin Chaska, Chief Medical Officer: Dr. Chaska noted that the plenary sessions from the recent IHI conference are available online for viewing. He particularly recommended the presentation by Dr. Berwick discussing how to make health care affordable.

ADJOURNMENT

ACTION: A motion was made by Kay Moline to adjourn the meeting. The motion was seconded by Helen White and carried with all members voting in favor. The meeting was adjourned at 4:53 p.m.

Strategic Planning Meeting River's Edge Hospital Conference Room Wednesday, December 16, 2009

Present: Gil Carlson, Chairperson; Bonnie Hunt, Vice-Chairperson; Helen White, Secretary; Trustees: Michelle Chalin, Brian Kuiper, Kay Moline, and Jerry Pfeifer; Colleen Spike, CEO; Ken Cornish, Director of Finance; Dr. Benjamin Chaska, Medical Director; Amy Kvidera, MD, Julie Buettner, DC, Andrew Lundquist, DPM, Heidi Faul, CNP; Kristin Schultz, Director of Quality and Infection Control; Tammie Hudspith, Director of Human Resources; Sheri Schmidt, Director of Business Services; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; and Paulette Redman, Recorder.

Absent: Todd Prafke, City Administrator.

The meeting was called to order at 6:05 p.m. by Chairperson Gil Carlson.

COMMISSION MEMBER CORE COMPETENCIES

River's Edge Hospital & Clinic will be participating in a program by the American Hospital Association called "Competency Based Governance." Colleen Spike presented an outline of the core competencies the AHA has identified for Commission members, covering four categories of knowledge and skills in health care delivery and performance, personal capabilities, knowledge and skills in business and finances, and knowledge and skills in human resources. Administration will be working with the

Commission over the coming year to develop the competencies. One tool that will be used is participation in a new quality program called QHi. QHi provides a database for submission and benchmarking of quality data. Reports are then available to compare your facility with similar facilities also participating in the program. A statistical “dashboard” will be available to display key measures regarding quality, safety, customer satisfaction, financial and employee performance.

STRATEGIC GOALS FOR 2010

The Strategy Map for the coming year was laid out during the November Commission meeting. As a means of moving through the map, a number of goals have been set for the 2010. The primary objective for the year is to work toward compliance with ISO 9001 standards accreditation by the DNV. The three overall facility goals are:

- Achieve 50% of the ISO 9001 implementation by July 31, 2010.
- Respond to 100% of ISO Pre-Assessment Audit nonconformities from DNV by December 31, 2010.
- Remain 100% compliant with Medicare Conditions of Participation and other regulatory bodies.

A major initiative for ISO 9001 will be control of records, which will involve establishing a numbering system for policies and procedures, organizing and centralizing all policies and forms on the G drive. Emphasis is also placed on how things are done – procedures need to be done the same way 100% of the time, regardless of shift or day of the week.

Departmental goals have also been delegated to each department. The Directors have established one or two goals per department. Each department will formulate an action plan and determine how to measure the outcomes. Departments can also choose to set additional goals.

A question was raised about goals set for documentation in relation to the documentation policy that was established by the Hospital Commission. Concern was expressed regarding difficulties in meeting the policy at the 100% compliance level, thus resulting in reportable variances. Dr. Chaska noted the patient safety issues affected by this policy, but that a task force is being established to discuss compliance issues, measures and guidelines in regard to this policy.

ACTION: A motion was made by Kay Moline to approve the initiatives and goals for River’s Edge Hospital & Clinic for 2010 as outlined. The motion was seconded by Jerry Pfeifer and carried with all members voting in favor.

ADJOURNMENT

The Strategic Planning Meeting was adjourned by general consensus at 6:35 p.m.

RIVER'S EDGE HOSPITAL & CLINIC COMMISSION MEETING

**River's Edge Hospital & Clinic Conference Room
Wednesday, November 18, 2009**

Present: Gil Carlson, Chairperson; Bonnie Hunt, Vice Chairperson; Helen White, Secretary-Treasurer; Trustees: Michelle Chalin, Brian Kuiper, Kay Moline and Jerry Pfeifer; Colleen Spike, CEO; Ken Cornish, Director of Finance; Dr. Benjamin Chaska, Chief Medical Officer; Patty Roessler, Director of Patient Care and Ancillary Services; Kristin Schultz, Director of Quality and Infection Control, Sheri Schmidt, Director of Business Services; Tammie Hudspith, Director of Human Resources; Tom Wilcox, Director of Environmental Services; Peggy Carlson, Community Liaison; Todd Prafke, City Administrator; and Paulette Redman, Recorder.

Absent: Dr. Schelli McCabe, Medical Staff President.

The regular meeting of the Hospital Commission was called to order at 12:26 p.m. by Chairperson Gil Carlson.

APPROVAL OF AGENDA

The agenda for the November 18, 2009, meeting was reviewed.

ACTION: A motion was made by Helen White to approve the agenda as presented. The motion was seconded by Bonnie Hunt and carried with all members voting in favor.

APPROVAL OF MINUTES

The minutes of the regular Hospital Commission meeting of October 21, 2009, were reviewed.

ACTION: A motion was made by Kay Moline to approve the regular Commission meeting minutes of October 21, 2009, as presented. The motion was seconded by Michelle Chalin and carried with all members voting in favor.

MEDICAL STAFF

A. Medical Staff Minutes. The minutes of the November 10, 2009, Medical Staff meeting were reviewed. Dr. Chaska noted that Dr. Amy Kvidera has recently passed her board certification for Holistic and Integrative Medicine. Dr. Carolyn Bowles has been certified by this board since 2008.

ACTION: A motion was made by Jerry Pfeifer to acknowledge receipt of the Medical Staff meeting minutes of November 10, 2009. The motion was seconded by Brian Kuiper and carried with all members voting in favor.

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 listed on the report:

Initial Appointment to the Medical Staff

Heidi R. Faul, CNP-FNP

Active Staff, AHP, Family Nurse Practitioner

Jennifer L. Donkin, RD/LD Courtesy Staff, AHP, Dietitian

Reappointment to Medical Staff

Matthew R. Stone, MD Courtesy Staff, Radiology
Andrew Lundquist, DPM Active Staff, Podiatry
James Nack, DPM Courtesy Staff, Podiatry
Kevin Sirmons, MD Courtesy Staff, Emergency Medicine

Voluntary Withdrawal of Medical Staff Membership

Scott Stevens, MD -- Courtesy, Orthopedics

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

FINANCIAL REPORT

The financial report for October, 2009, was presented along with key financial indicators. Operating days cash on hand dropped to 91.4 days. Total days cash on hand is at 247.9 days. The current ratio is 6.3. Industry standard is 2.0. Days in accounts receivable for the hospital increased to 50 days. The Minnesota average for rural hospitals would be 60 to 65 days. Revenue over expense for the month resulted in a gain of \$61,700, and when combined with non-operating loss for October showed a gain of \$60,988. Year-to-date there is a net loss of \$639,096, a -4.72% margin. Mr. Cornish reported that the Medicare payment of \$250,000 is reflected in lower discounts.

Community Care grants for October totaled \$18,198, covering 13 accounts. Bad debt for the month totaled \$73,178, including \$40,797 from uninsured patients and \$32,381 from patients with balances after insurance.

ACTION: Brian Kuiper made a motion to approve the October, 2009, financial report as presented, along with payment of bills, write-offs to collection and bad debt, and accounts payable review. The motion was seconded by Helen White and carried with all members voting in favor.

QUALITY / EDUCATION / OPERATIONS

The written report submitted by Colleen Spike was reviewed. Ms. Spike stated that the community seems to be on the down side of the influenza wave, although health experts are predicting additional waves to come. Work on the details of Flu Center operation is continuing.

Nash Finch is reviewing the final details of the contract for the pharmacy space in the Medical Office Building. They have hired a pharmacist to work in this pharmacy.

The statewide Adverse Events report will be distributed in December or January. Ms. Spike reminded Commission members that the hospital did report an adverse event (pressure ulcer) occurring in January of 2009. A prepared statement will be available should media outlets call to ask questions about the event.

QUALITY / EDUCATION / OPERATIONS

A. Benefits 2010.

Tammie Hudspith presented a summary of the benefits that will be offered to employees for 2010. She reported that benefits will essentially stay the same and there will be no increase to health insurance premiums. A benefit fair has been held for employees featuring 10 of the benefit providers. Benefit forums have also been held. Of the 180 staff employees of the facility, 120 are benefit-eligible. Of the 120, 89% participate in the health insurance and 94% participate in the dental insurance plans. There has been a 10% increase in the number of employees participating in the health insurance program.

ACTION: A motion was made by Kay Moline to approve the 2010 employee benefits as presented, with no changes from 2009. The motion was seconded by Helen White and carried with all members voting in favor.

B. River's Edge Hospital & Clinic Mission Statement.

The initial review and survey by the DNV surveyors resulted in a suggestion to revise and add to the facility's mission and vision statement. Administration and the team of Directors have met and drafted a combined mission/vision statement, to read as follows:

"River's Edge Hospital & Clinic provides quality health services that value all dimensions of health including mind, body and spirit. Our goal is to create continuous, measureable improvement in the health of all individuals within the communities we serve."

ACTION: A motion was made by Jerry Pfeifer to approve the statement as presented.

The

motion was seconded by Bonnie Hunt and carried with all members voting in favor.

C. 2010 Strategy Map.

Colleen Spike presented the 2010 Strategy Map that will be further defined, along with the Balanced Scorecard, during the upcoming Strategic Planning meeting in December. The four major categories of the map are:

1. **Patients, Physicians and Community Partnerships.**
 - Improve Community Health Outcomes.
 - Grow Physician Support.
 - Increase Patient Satisfaction.
 - Grow Community Confidence.
 - Recapture Market Share.
2. **Learning, Implementation and Growth.**
 - Leadership Development.
 - Staff Development.
 - Empowering Culture.
3. **Internal Processes/Quality.**
 - Recognized Leader in Innovation and Quality Improvement.
 - Safety/Risk Management.
 - HIT Implementation.
 - Clinical Process Improvement/Innovation.
 - Business Process Improvement/Innovation.
 - Operational Process Improvement/Innovation.
4. **Finance.**
 - Maximize Operating Efficiency.
 - Grow Revenues from Existing and New Markets.
 - Minimize Financial Instability During Growth.
 - Ensure Adequate Margin to Fund Mission.

Each of the categories and subcategories contains multiple goals to be achieved during 2010.

D. Strategic Planning Meeting – December.

The Strategic Planning meeting is set for December 16, 2009. The Commission Finance Committee will meet at 3:30 p.m., followed by the Commission meeting from 4:00 to 5:15 p.m. Dinner will be served, followed by the Strategic Planning meeting from 6 to 7 p.m.

DIRECTOR’S COMMENTS

Sheri Schmidt, Director of Business Services: Ms. Schmidt thanked the Commission for their support of the documentation policy, noting that benefits are already being seen.

Peggy Carlson, Community Liaison: The Halloween Fun Run had 738 finishers, compared with 535 in 2008. Heidi Faul will be presenting a class on “Stress-Reduced Life.” A class for health care providers on the topic of COPD will be presented on December 16, 2009, at 12 p.m. in the Hospital Conference Room. River’s Edge is partnering with the Recreational Department and Community Education to provide a program entitled “Living on Less.”

Todd Prafke, City Administrator: The project manager from the Benedictine Health Services has made some changes to the Assisted Living facility that will be attached to the nursing home. The project seems to be on track for obtaining a building permit by the end of the year.

Michelle Chalin, Commission Member: Ms. Chalin invited members of the Commission to attend the ribbon cutting for the Forensic Nursing Home located on the State Hospital campus. The ceremony will be held on Thursday, November 19, 2009, at 10:30 a.m.

Benjamin Chaska, Chief Medical Officer: Dr. Chaska thanked the staff of the hospital and the Commission members for providing the support and resources to enable the facility to continue to provide quality care in St. Peter.

Jerry Pfeifer, Commission Member: Mr. Pfeifer noted that he serves on the Hospital Commission as the representative of the City Council, and serves at the discretion of the Mayor. City Council appointments will be made for 2010, and Mr. Pfeifer does not know at this point if he will be returning to the Hospital Commission. He thanked the Commission and staff for the opportunity to work with them.

ADJOURNMENT

Colleen Spike noted that she will be on vacation over the next week. In her absence, Patty Roessler will be on administrative call and Kristin Schultz will be handling any ILI-related issues.

ACTION: A motion was made by Kay Moline to adjourn the meeting. The motion was seconded by Bonnie Hunt and carried with all members voting in favor. The meeting was adjourned at 1:20 p.m.