

Perham Memorial Hospital and Home
Perham, MN
Board Operations Committee
Minutes

Date: July 27, 2011
Time: 5:30pm
Place: PMHH Board Room

Present: Kathy Hemmelgarn, Gail Quittschreiber, Bernice Genoch, Terry Marthaler, Eugene Jahnke, Alisyn Keil, Alfred Fresonke, Jane Aschnewitz, Gilbert Ebner, Rich Richter, Jerry Kunza, Cyndy Rastedt, Karen Field, Marsh Korman, Ellen Cooke (via Telehealth), and Dr. Corey Nyhus. Others present included: Chuck Hofius, Brad Wurgler, Katie Lundmark, Dan Peterson, Sarah Ament, Dennis Happel, Marilyn Oelfke, Karla Kupfer and Rick Giesel

Excused: Dr. Chuck Breen (Sanford)
Absent: Cal Dockter

A. Call to Order

Chair Hemmelgarn called the board meeting to order at 5:30 p.m.

There were no additions to the agenda.

Chuck Hofius provided board education on the “Environmental Scan” provided by Aging Services of Minnesota.

B. Consent Agenda

A motion was made by Genoch, seconded by Korman, to approve the consent agenda as presented. Motion passed.

C. Reports

1. *Operating Reports*

Brad reviewed the monthly statistics and financials for June. June saw a net gain from operations of \$312,205, compared to a budgeted gain of \$140,653. With the addition of the non-operating income, June finished with a total net gain of \$368,985 compared to a budgeted gain of \$215,069. This brings the facility to a total net gain of \$1,653,441, versus \$1,232,492 for the first eight months of the fiscal year, a positive variance of \$420,949, or 34.2%.

Brad gave the board an update on the water and sewer problems in the basement from the City sewer system getting too much rain and backing up the drains. Staff, along with Service Master, pitched in and got it all cleaned up rapidly and the insurance company has been here and assessed the damages. Repairs are being made to the sheetrock and discussions are being held with the City on what needs to be done so that this doesn't happen again. Meanwhile, while dietary was closed down for a couple of days, the kitchens in the nursing home households were able to furnish all of the meals for the patients and residents during this time.

(a) *Patient Services Report*

There were no additions to the report.

(b) *Long Term Care Report*

There were no additions to the report.

(c) *Community Services Report*

Dan noted that the Perham School Board has recently approved a three-year sports medicine contract with us, partnering with Sanford, to provide sports medicine services at home football, wrestling and gymnastics events. PMHH is providing this service as a community benefit. Dr. Robb Reed will primarily be the attending clinician.

There is a possibility of opening a geriatric behavioral health hospital in the current hospital building. There are still a lot of details to flesh out.

(d) *Move Consultant Report*

Katie noted that Beltman Moving Company from Minneapolis was chosen as the relocation company for the hospital move.

2. *CEO Report*

PMHH presented the Dr. Josh Chapman family with a house warming gift. It was suggested that board meetings rotate between the nursing home board room and the new hospital board room, starting in January 2012, for its regular board meetings. It has been decided that New York Mills and Ottertail will be PMHH clinics but not provider based or rural health, as the employees would need to transfer. Sanford will compensate PMHH for any loss of revenue this may cause.

3. *Medical Staff Report*

Dr. Nyhus shared that for the first time since he has been here, the hospital was at full capacity with inpatients and would have had to transfer patients if more would have come in to be admitted. ER continues to be very busy and the physicians appreciate Dr. Winston handling urgent care and ER for the summer months. Just this week, we signed a full-time ER physician to work Monday – Friday during the day. He will start in November. Dr. Nyhus commented on the quality of ER physicians we now have 24 hours a day seven days a week. Dr. Josh Chapman has moved into the community and will start September 1. A female physician is very close to signing and will be finished with her residency in the fall of 2012. She is very interested in OB, which will help tremendously.

4. *Sanford Report*

There were no additions to the report. Marsh introduced Rick Giesel from Sanford and Rick shared some of the regional Sanford news.

Dennis Happel joined the meeting at 6:35 p.m.

5. *Quarterly Strategic Goal Report*

A motion was made by Ebner, seconded by Quittschreiber, to approve the 2012-2014 Strategic Goal Report as presented. Motion passed.

6. *Quarterly Community Relations Report*

There were no additions to the report.

7. *Quarterly Personnel Report*

There were no additions to the report.

F. **Old/Other Business**

1. *Construction Update*

Chuck provided a construction update. There has been an error in the cabinetry colors in the patient rooms, and we are trying to figure how this occurred. Other than that, all seems to remain on schedule and going well.

2. *Legislative Update*

Chuck reviewed the most recent proposed cuts to supportive living services, the nursing home, and the hospital. It appears that the hospital will be hit the hardest; however, right now it is hard to calculate until more information becomes available. The ECPN program may help us some. We continue to watch what's going on at the Federal level and Chuck will keep the Board informed as developments continue to unfold.

3. *Supportive Living Services Update*

Dan explained the losses we are seeing with supportive living services funding. We have had a 40% reduction in revenue over the last few years and it is questionable whether we can continue the program. The problem is worse in New York Mills because of low numbers. The staff is exploring some cost reduction measures in the hope of not having to close the program entirely.

4. *Public Comments*

None.

G. **New Business**

1. *Credentialing*

Upon the recommendation of the Medical Staff Executive Committee, a motion was made by Aschnewitz, seconded by Marthaler, to approve medical staff privileges for Dr. Josh Chapman, Pediatrics and Internal Medicine, appointment until 7-31-12. Motion passed.

2. *Market Share Analysis*

Sarah Ament, Administrative Intern, presented an Inpatient Market Share Analysis. We are holding our own in the market share, except in OB.

3. *Digital Sign Purchase*

A change order proposal to add a digital sign to our entrance sign at the new hospital has been received from the contractor who received the bid for the signage contract. Discussion was held on how the Board felt about digital signage for our hospital.

A motion was made by Kunza, seconded by Aschnewitz, to approve the change order of adding a digital sign to the signage contract at a cost not to exceed \$110,000. A roll call vote was taken with all voting in favor, except Marthaler and Ebner. Motion passed.

4. *2012-2014 Strategic Plan*

Being there were no suggested changes from the Board regarding the draft of the 2012-2014 Strategic Plan, the District Board will vote on approving the plan at the District Board meeting following this meeting.

5. *2012 Strategic Goals*
Being there were no concerns from the Board regarding the draft of the 2012 Strategic Goals, the District Board will vote on approving the goals at the District Board meeting following this meeting.
6. *Board Comments*
Jerry Kunza thanked Sarah Ament for her internship this summer. This will be Sarah's last board meeting, as her last day with PMHH will be August 5.
7. *Future Integration – What can a hospital district legally do?*
Dan McInerney, Attorney, joined the meeting via conference call at 7:35 p.m.
Dan laid out the legal options for further integration with another organization, should we decide to do that in the future.

A motion was made by Kunza, seconded by Fresonke, to adjourn the meeting. Motion passed.

There being no further business, the Operations Committee Board meeting was declared adjourned at 7:45 p.m.

Chair Hemmelgarn declared a five minute recess, and will call the District Board meeting to order following the recess.

District Board Meeting
Minutes

Present: Kathy Hemmelgarn, Gail Quittschreiber, Bernice Genoch, Terry Marthaler, Eugene Jahnke, Alisyn Keil, Jane Aschnewitz, Gilbert Ebner, Rich Richter, Jerry Kunza, Karen Field, Alfred Fresonke, Cyndy Rastedt, Chuck Hofius, Brad Wurgler, Sarah Ament, Dennis Happel and Karla Kupfer

Absent: Cal Dockter

Chair Hemmelgarn called the District Board closed meeting to order at 7:50 p.m.

Dan reviewed the options and possible outcomes for a hospital district to further integrate with another organization. He outlined what some of the possible expectations would be if Sanford would own the organization, and gave some comparisons of the same type of affiliation from across the state. Much thought would have to be given to who would pay the debt, the owner or the hospital district? If leased, who would keep track of any leasing payments, timeframes of the lease, renewal of the lease and terms of the debt? Who would “own” the capital campaign donations? And if choose the option to sell the organization, how would the community buy in to that? Would Sanford be interested in owning the nursing home or would that remain with the hospital district and lease out only the hospital.

After all the possible scenarios were presented by Dan, discussion was held on how long should the Board wait to make a decision -- within the next couple of years, or at the end of the five-year management agreement?

Dan encouraged the Board to start thinking about this now and probably make a more final decision in about two years before the management agreement is up, basing the decision on what’s in the best interest of the hospital district and its constituents. Dan provided the Board with some (attorney-client) suggestions to think about.

The Board thanked Dan for laying out all the options. Dan left the meeting at 8:20 a.m.

A motion was made by Keil, seconded by Field, to accept the 2012-2014 Strategic Plan as presented. Motion passed.

A motion was made by Marthaler, seconded by Field, to accept the 2012 Strategic Goals as presented. Motion passed.

Kathy reminded the board members who attended the recent Summer Trustee Conference, to send their written conference reports to Karla prior to the August board packet distribution so they can report on it at the August board meeting.

Board Comments: None.

There being no further business, a motion was made by Genoch, seconded by Keil, to adjourn the meeting. Motion passed. The meeting was declared adjourned at 8:30 p.m.

Katherine A. Hemmelgarn, Chair

Gail Quittschreiber, Clerk

Karla Kupfer, Recorder