Perham Health
Perham, MN
Operations Committee of the Board
Minutes

Date: January 29, 2014
Time: 5:30 p.m.
Place: Perham Living Board Room

Present:
Jerry Kunza
Jeremy Kovash
Gilbert Ebner
Katherine Hemmelgarn
Alisyn Keil
Deb Cullen
Terry Marthaler
Staci Malikowski
Eugene Jahnke
Alfred Fresonke
Cyndy Rastedt
Rich Richter
Dr. Chuck Breen, Sanford
Dr. Tim Studer (Sanford)
Chuck Hofius (conference call)
Brad Wurgler
Jim Rieber
Pat Sjolie
Katie Lundmark
Bonnie Johnson
Sue Von Ruden
Jim Lee
Korey Boelter, CLA
Justine Ostlie
Tracy Hendrickx

Absent: Jane Aschnewitz

Excused: Marsh Korman (Sanford), Ellen Cooke (Sanford), John Halvorson

A. Call to Order

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

B. Board Education

E.1. 2013 Audit Report was presented at this time.

C. Consent Agenda

A motion was made by Hemmelgarn, seconded by Keil, to approve the consent agenda as presented. Motion carried.

D. Reports

1. *Operating Reports*

a. Fiscal and Support Services

Wurgler reviewed the December financials stating that the month saw a net gain from operations of $372,784, compared to a budgeted loss of $151,879. With the addition of the non-operating income, December finished with a gain of $446,653, compared to a budgeted

loss of $41,942. This brings the facility to a total net gain of $502,634 for the first quarter, versus a budgeted loss of $118,272, a positive variance of $620,906.

b. Patient Services
No additions to the report.

c. Long Term Care
Lundmark stated that a campaign has launched to gain legislative approval for additional funding of long-term care initiatives to address the workforce crisis and highlight the need for support in three main areas: retention of current staff, attracting new individuals to the field of senior care, and the establishment of career ladders for individuals working in older adult services. Medicaid currently reimburses $34 less than the cost of care in long-term care each day, making it difficult for all nursing homes to operate and resulting in approximately a $1.1 million loss at Perham Living. This disparity is concerning for all nursing homes in the state.

Lundmark added that a new Director of Nursing has been hired at Perham Living and will begin transitioning into the new role.

d. Ancillary Services
Sjolie added that she will be taking the lead role on the geriatric psych project. A contract has been signed with Susan Tabor and Todd Johnson to work for legislative and Minnesota Department of Health approval of the program during the upcoming legislative session.

2. *CEO Report*
Hofius noted that while Federal Sequestration required a 2 percent cut to Medicare payments, the Minnesota Department of Health has decided to cut 2 percent of the Medicaid payments independently. Minnesota Hospital Association is pushing back on this cut as there is no law in place allowing for this action to be taken.

Hofius stated that Tracy Hendrickx has resigned from the Executive Assistant to move on to a new role as a nursing home administrator. Recruitment for a replacement is currently underway.

Hofius added that he is currently attending an ACHE education session with 25 CEOs from around the country focusing on increasing leadership skills.

3. *Medical Staff Report*
Dr. Breen stated that the focus for Medical Staff is on providing higher quality in order to improve patient outcomes as healthcare moves toward a pay-for-performance system. Sanford has formed a Quality Cabinet, consisting of CMOs from Bemidji, Fargo, and Sioux Falls to focus on improving quality and standardizing processes across the system in order to meet quality parameters to improve the health of patients.

4. *Sanford Report*
Dr. Breen added that Imagenetics would not be possible without the generous gift from Denny Sanford. The new project will allow medicine to be practiced by analyzing patients'

DNA footprints. This is how medicine will be practiced in the future and Sanford is able to be on the cutting edge of the research.

6. *Quarterly Community Relations Report*
   No additions to the report.

7. *Quarterly Strategic Goal Report*
   A motion was made by Hemmelgarn, seconded by Rastedt, to accept the Quarterly Strategic Goal Report as presented. Motion carried.

E. Old/Other Business

1. *2013 Fiscal Year Audit Report*
   Korey Boelter, CliftonLarsonAllen, presented the 2013 audit results and financial statements. Perham Health received another clean, unqualified opinion. A motion was made by Marthaler, seconded by Keil, to accept the 2013 Audit Report as presented. Motion carried.

2. *Sanford Relationship Discussion*
   Hemmelgarn stated that the Negotiating Committee met with Sanford Health representatives to discuss the relationship. The group determined that they are open to negotiations. The next steps will be for Sanford Health and Perham Health to each develop a list of what will make the organization better and stronger for the future. Together, the group will look at the future goals and determine how to best meet these goals.

3. *MN Adverse Health Event Report*
   The Minnesota Adverse Health Event Report was released in January. The report consists of 28 events that should never occur in a hospital. Perham Health is not in the report this year, but Hofius requested the Board to review the report and understand that these events can occur in small hospitals and staff work diligently towards preventing them.

F. New Business

1. *Credentialing*
   Upon recommendation by the Executive Committee of the Medical Staff, a motion was made by Jahnke, seconded by Rastedt, to approve medical staff privileges for Dr. Jonathan Edel until January 31, 2015 and Dr. Lucy Peterson, Dr. Thomas Strinden, Judy Bellanger-Dahl, PA-C, Susan Cariveau, AEC-NP, and Dr. Corey Nyhus until January 31, 2016. Motion carried.

2. *Medical Staff Bylaws*
   A motion was made by Kovash, seconded by Marthaler, to adopt the Medical Staff Bylaws as presented. Motion carried.

3. *Medical Staff Rules and Regulations*
   A motion was made by Dr. Breen, seconded by Rastedt, to adopt the Medical Staff Rules and Regulations as presented. Motion carried.

4. *New York Mills Clinic, LLC*
   Wurgler provided history on the New York Mills Clinic stating that discussions are underway with the original investment group to purchase the second half of the New York Mills Clinic in order to minimize the loss at the clinic. The purchase is expected to save approximately $86,000 on an annual basis for Perham Health and the investors are satisfied with the projected outcome. The group has met and a verbal agreement has been made. The purchase is expected to close on April 1.

5. *Hospital District Annual Meeting*
   The Hospital District Annual Meeting has been scheduled for Wednesday, February 26 at Wild Oaks.

6. *Board Education*
   Board members were notified of dates and encouraged to attend an outside conference in 2014 to meet their annual goal of 100 percent of Board members receiving annual external education.

7. *Board Conference Reports*
   Reports from the Board members who attended the January MHA Trustee Conference were distributed.

I. <u>Adjournment</u>

A motion was made by Fresonke, seconded by Cullen, to adjourn the meeting. Motion carried.

There being no further business, the meeting adjourned at 6:34 p.m.

_____
Jerry Kunza, Chair

_____
Katherine Hemmelgarn, Clerk

_____
Tracy Hendrickx, Recorder

District Board Meeting
Minutes

Present:	Jerry Kunza	Chuck Hofius (conference call)
	Jeremy Kovash	Brad Wurgler
	Gilbert Ebner	Jim Rieber
	Katherine Hemmelgarn	Pat Sjolie
	Alisyn Keil	Katie Lundmark
	Deb Cullen	Bonnie Johnson
	Terry Marthaler	Sue Von Ruden
	Staci Malikowski	Jim Lee
	Eugene Jahnke	Dr. Chuck Breen, Sanford
	Alfred Fresonke	Dr. Tim Studer, Sanford
	Cyndy Rastedt	Tracy Hendrickx
	Rich Richter	
Absent:	Jane Aschnewitz	
Excused:	John Halvorson	

Chair Kunza called the District Board meeting to order at 6:34 p.m.

1. *Amendment to Professional and Related services Agreement Between Perham Hospital District and Sanford Clinic North*
   The amendment will allow for patient satisfaction information to be shared with Sanford Health for physicians providing care at Perham Health. A motion was made by Kovash, seconded by Keil, to adopt the Addendum to the Professional Services Agreement as presented. Motion carried.

A motion was made by Fresonke, seconded by Cullen, to adjourn the District Board meeting. Motion carried.

There being no further business, the meeting adjourned at 6:36 p.m.

_____
Jerry Kunza, Chair

_____
Katherine A. Hemmelgarn, Clerk

_____
Tracy Hendrickx, Recorder