

Meeting Name: Windom Area Health Governing Board of Directors
AGENDA

Purpose: Provide governance for Windom Area Health	
Meeting Date/Time/Location: Monday, April 26, 2021 / Meeting 5:30 pm / Large Conference Room or WebEx	
Members: All Windom Area Health Governing Board members Present: Absent: Others:	
Recorder: Janel Eichstadt, Admin Asst	
Category / Topic	Action step(s) / Updates
STANDING ITEMS	
Call to Order	Call Windom Area Health Governing Board meeting to order at 5:30 pm by WAH Board Chairperson
Minutes	Approve Windom Area Health Governing Board minutes from the regular meeting of March 22, 2021 and special meeting of April 12, 2021 (<i>Board motion</i>)
COMMITTEE REPORTS	
Professional Practice / Quality & Planning Cmte	Review Committee activities
Finance / Personnel / Labor Relations & Building & Grounds Cmte	Review Committee activities
OTHER REPORTS	
Statistical & Financial Performance Reports	Review & recommend approval of statistical & financial reports (<i>Board motion</i>)
Funded Depreciation Transfer	Review capital purchase activity & approve Funded Depreciation Account transfer (<i>Board motion</i>)
Educational Assistance Applications	Review & recommend approval of application(s) for educational assistance (<i>Board motion</i>)
New / Department Transfer Employees	Report on employees recently hired / transferred
Medical Staff Credentialing & Meeting Update	<ul style="list-style-type: none"> Review & approve medical staff credentialing, upon recommendation from WAH Medical Staff (<i>Board motion</i>) Present update on business addressed at WAH Medical Staff meeting
Patient Concern Reports	Review patient concern reports and patient survey comments
Patient Safety Reports	Review patient safety activities
Administration	<ul style="list-style-type: none"> Review/Update of Sr. Management Team Executive Summaries Review and approve WAH committee meeting reports as presented (<i>Board motion</i>) Designation of Privacy Officer – Shelby
City of Windom	Informational update
Sanford Health Network	Informational update
WAH Foundation Board	<ul style="list-style-type: none"> No Foundation Board meeting in April. Terry Tegels new Foundation Board member replacing Alice Huebert. Review and approve FY21-22 WAH Foundation Slate of Officers (<i>Board motion</i>)

WAH Auxiliary	Auxiliary met April 12, 2021, via Zoom. March's meeting minutes included in Board book	Shelby Medina
NEW & OLD BUSINESS		
Old Business	Review Governing Board meeting protocol beginning in May, meet in person or continue with WebEx meetings? Review Committee Assignments, Committee Chair Assignments, and Board Officers	Dr Michael Fisher
New Business	Adjourn into Governing Board Executive Session to review annual CEO evaluation and compensation adjustment. [Minn. Statute 13D.05., Subd.3] <i>(Board motion)</i>	Dr Michael Fisher
CONCLUSION		
	Conclude WAH Governing Board meeting	Dr Michael Fisher

Meeting Name: Windom Area Health Governing Board of Directors

MINUTES

Purpose: Provide governance for Windom Area Health	
Meeting Date/Time/Location:	Monday, March 22, 2021 / Meeting 5:30 pm / Large Conference Room or WebEx
Members: All Windom Area Health Governing Board members	Present: Dr. Michael Fisher, Dan Ortman, Mary Holmen, Ann Bartelt, Kay Gross, Justin Schmit, Laura Fresk, Julie Brugman/Mt Lk Advisory Mbr, John Peyerl/CFO, Emily Masters/CHRO, Kelsey Andrews/DON, Shelby Medina/CEO, Terry Mahar/Sanford Health Network VP Absent: Steve Nasby/City of Windom Administrator, Jacqueline Schmit, City Council Liaison Other Attendees: Dr. R. Dynes/Chief of Medical Staff
Recorder:	Janel Eichstadt, Admin Asst
Category / Topic	Action step(s) / Updates
STANDING ITEMS	
Call to Order	Windom Area Health Governing Board meeting was called to order at 5:30 pm by WAH Board Chairperson, Dr. Michael Fisher. Due to the Covid-19 pandemic, this meeting was held via WebEx per League of MN Cities Open Meeting Laws, Public Health Emergency.
Minutes	M/S/C UNANIMOUSLY TO APPROVE WINDOM AREA HEALTH GOVERNING BOARD MINUTES FROM THE REGULAR MEETING OF FEBRUARY 22, 2021 (ORTMANN/FRESK). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, KAY GROSS, DAN ORTMANN, JUSTIN SCHMIT, MARY HOLMEN, DR. MICHAEL FISHER. VOTING AGAINST: NONE. MOTION APPROVED.
COMMITTEE REPORTS	
Professional Practice / Quality & Planning Cmte	Dr. Dynes, Chief of Medical Staff, reported on the Avera eCare telehospitalist program presented at the Medical Staff meeting earlier today. Next step will be for the Medical Staff to make a recommendation to the Governing Board as to whether or not they would support a telehospitalist program and recommend which company would be their preference at providing telehospitalist services. Shelby informed committee members' that information contained in the CliftonLarsonAllen consultation report is currently under review for clarification before being presented to the WAH Governing Board and Medical Staff.
Finance / Personnel / Labor Relations & Building & Grounds Cmte	M/S/C UNANIMOUSLY TO APPROVE SENDING ACCOUNTS TOTALING \$59,665.06 TO AAA COLLECTIONS AND APPROVE 10 FINANCIAL ASSISTANCE ACCOUNTS SUBMITTED FOR WRITE-OFF TOTALING \$10,067.44 (BARTELT/SCHMIT). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, DAN ORTMANN, JUSTIN SCHMIT, KAY GROSS, MARY HOLMEN, DR. MICHAEL FISHER. VOTING AGAINST: NONE. MOTION APPROVED. To date, financial assistance accounts approved for write off total \$66,453.61 on a FY2021 budget of \$200,000. M/S/C UNANIMOUSLY TO ACCEPT THE RESIGNATION OF A MEDICAL SCREENER EFFECTIVE MARCH 12, 2021; A FT PATIENT ACCESS REPRESENTATIVE EFFECTIVE MARCH 19, 2021 AND RETIREMENT OF THE INFORMATION TECHNOLOGY MANAGER EFFECTIVE MAY 28, 2021 (BARTELT/HOLMEN). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, DAN ORTMANN, JUSTIN SCHMIT, KAY GROSS, MARY HOLMEN, DR. MICHAEL FISHER. VOTING AGAINST: NONE. MOTION APPROVED.
OTHER REPORTS	
Statistical & Financial Performance Reports	February 2021 statistical and utilization graphs were reviewed. The month's total patient revenue was above budget projections; contractual adjustments, as a percentage of revenue, were above budget projections; total operating expenses were above budget expectations; net operating revenue and total operating expenses factored together left a Net Gain from Operations totaling \$30,425. FY2021 year-to-date Net Income from Operations totals \$1,819,899 on a projected budget of (\$1,117,467). Days in A/R were reported at 45.65 and Days Cash on Hand totaled 352. M/S/C UNANIMOUSLY TO APPROVE FEBRUARY 2021 STATISTICAL AND FINANCIAL PERFORMANCE REPORTS AS PRESENTED (GROSS/BARTELT). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, DAN ORTMANN, JUSTIN SCHMIT, KAY GROSS, MARY HOLMEN, DR. MICHAEL FISHER. VOTING AGAINST: NONE. MOTION APPROVED.
Funded Depreciation Transfer	There were no capital acquisitions in February 2021 requiring Governing Board approval.

Educational Assistance Applications	There were no Educational Assistance applications submitted for Governing Board action.	Shelby Medina
New / Department Transfer Employees	The following new hires/department transfers were reported: 2 new screeners effective March 9 and FT HIM Coder beginning April 13, 2021 and an RN moving to PRN status effective April 16, 2021.	Shelby Medina
Medical Staff Credentialing & Meeting Update	<p>M/S/C UNANIMOUSLY, UPON RECOMMENDATION FROM WAH MEDICAL STAFF, TO APPROVE MEDICAL STAFF CREDENTIALING AS PRESENTED (GROSS/FRESK). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, DAN ORTMANN, JUSTIN SCHMIT, KAY GROSS, MARY HOLMEN, DR. MICHAEL FISHER. VOTING AGAINST: NONE. MOTION APPROVED.</p> <p>APPOINTMENTS: Nazita Adili-Khams, M.D. Family Medicine Emergency Services Kate Rasmussen, RN Vascular Allied Health Professionals</p> <p>REAPPOINTMENTS: Ramon Issa, M.D. Emergency Medicine Emergency Services Michael James, M.D. Urology Consulting Timothy Klassen, CRNA Anesthesia/Pain Allied Health Professionals Tomasz Lis, M.D. Emergency Medicine Emergency Services Obinna Nwadiibia, M.D. Emergency Medicine Emergency Services April Quigley, PA-C Orthopedics Allied Health Professionals</p> <p>SANFORD TELEMEDICINE APPOINTMENTS: Brooklyn Bertels, D.O. Emergency Medicine Telemedicine Ye Jung Christensen, M.D. Emergency Medicine Telemedicine Joshua Ryan, M.D. Diagnostic Radiology Telemedicine</p> <p>VRAD REAPPOINTMENTS: Jerome Klein, M.D. Teleradiology Telemedicine Donald Nicell, M.D. Teleradiology Telemedicine John Stewart, M.D. Teleradiology Telemedicine</p> <p>RESIGNATIONS: (for informational purposes only) John Alexander, M.D. Teleradiology Telemedicine Kenneth Bentson, PA-C Neurology Allied Health Professionals Matthew Finke, M.D. Emergency Medicine Telemedicine Kimberlie Lofano, CMA Podiatry Allied Health Professionals Matthew Mogenssen, CRNA Anesthesia Allied Health Professionals Anthony Pfeiffer, M.D. Emergency Medicine Telemedicine Andrew Reeves, M.D. Neurology Consulting Telemedicine</p> <p>Shelby noted at the Medical Staff meeting held earlier today, Dr. Hartberg announced his clinic has joined the Sanford Clinic group effective April 1, 2021, with no change in clinic location. Avera has signed on a new physician to join the Avera Windom clinic in July 2022. Representatives from Avera eCare was present at the Medical Staff meeting to give a presentation of their telehospitalist services. This medical service is currently under consideration at Windom Area Health.</p>	Dr R Dynes/ Shelby M
Patient Concern Reports	February 2021 Patient Concern Reports and patient survey comments were reviewed and appropriately addressed.	Shelby M / Kelsey A
Patient Safety Reports	Kelsey noted 0 reportable patient falls occurred; 0 documented skin integrity issues to patients; 0 use of patient restraints; and 0 opioid-related deaths. Kelsey stated there were no reportable adverse events for the month.	Kelsey Andrews
WAH Board & Medical Staff Event	The annual dinner with members of the WAH Governing Board, Foundation Board and WAH Medical Staff is being postponed for an undetermined length of time due to Covid-19 concerns.	Shelby M.
Administration	Members of the Senior Management Team reported on additional items of business along with information included in the Executive Summaries contained in the Board books. <ul style="list-style-type: none"> Kelsey noted visitation guidelines have been updated allowing more than one visitor per day over the age of 18 to visit non-Covid inpatients each day. 	Sr Mgmt Team

	<ul style="list-style-type: none"> Stroke and Trauma designations will be taking place at WAH in late April/early May. Emily noted 99.5% of WAH employees received flu vaccinations last fall. The Senior Team has decided to continue the FFCRA (COVID Sick Leave) through April and will be evaluating monthly whether or not WAH will continue this going forward, as it is now optional through the federal government. <p>M/S/C UNANIMOUSLY TO APPROVE THE FOLLOWING WAH COMMITTEE MEETING REPORTS AS PRESENTED (BARTELT/FRESK). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, DAN ORTMANN, JUSTIN SCHMIT, KAY GROSS, MARY HOLMEN, DR MICHAEL FISHER. THOSE VOTING AGAINST: NONE. MOTION APPROVED.</p> <ul style="list-style-type: none"> INFECTION PREVENTION SAFETY & SAFE PATIENT HANDLING 	Steve Nasby /Jacqueline S
City of Windom	No report available.	
Sanford Health Network	An update was given on the most current Covid statistics throughout the U.S. and Minnesota. Sanford recently announced they would be receiving \$300 million dollars from Denny Sanford earmarked to use towards Sanford's medical resident programs.	Terry Mahar, VP
WAH Foundation Board	Foundation Board meeting will be held March 23, 2021 at 5:00 pm in LCR. The Dad's Belgian Waffle event was very successful.	Shelby Medina
WAH Auxiliary	Auxiliary met March 8, 2021, via Zoom. February's meeting minutes were included in the Board book.	Shelby Medina
NEW & OLD BUSINESS		
Old Business	There was no old business to address.	Dr Michael Fisher
New Business	Shelby noted WAH Governing Board terms of Mary Holmen and Ann Bartelt will be up for renewal at the end of this fiscal year. Shelby announced Dr. Mary Olson would be the new Chief of Medical Staff effective May 1, 2021, replacing Dr. Dynes who has served as Chief of Medical Staff during FY20-21.	Shelby Medina
CONCLUSION		
	WAH Governing Board meeting was concluded by Chairperson, Dr. Michael Fisher.	Dr Michael Fisher

Signature _____, Ann Bartelt, Governing Board Secretary

Meeting Name: Windom Area Health SPECIAL Governing Board Meeting
SPECIAL GOVERNING BOARD MINUTES

Purpose: Discuss proposal for employee compensation, discuss potential partnership with Windom Police Department, and review/approve WAH FY2022 budget.	
Date/Time/Location:	Monday, April 12, 2021 / 4:30 pm / Large Conference Room or WebEX
Facilitator:	Dr. Michael Fisher
Attending Members: All WAH Governing Board members	Present: Dr. Michael Fisher, Dan Ortmann, Mary Holmen, Ann Bartelt, Kay Gross, Justin Schmit, Laura Fresk, Julie Brugman/Mt Lk Advisory Mbr, John Peyerl/CFO, Emily Masters/CHRO, Kelsey Andrews/DON, Shelby Medina/CEO, Absent: Terry Mahar/Sanford Health Network VP, Dr. R. Dynes/Chief of Medical Staff, Steve Nasby/City of Windom Administrator, Jacqueline Schmit, City Council Liaison Other Attendees:
Recorder:	Janel Eichstadt, Admin Asst
TOPIC	ACTION STEP(S)
AGENDA ITEMS	
Call to Order	Windom Area Health Governing Board meeting was called to order at 4:30 pm by WAH Board Chairperson, Dr. Michael Fisher. Due to the Covid-19 pandemic, this meeting was held via WebEx per League of MN Cities Open Meeting Laws, Public Health Emergency.
Meeting Status	Dr. Fisher announced this special meeting was open to the public.
WAH Employee Compensation	Emily Masters, CHRO, shared information relating to extending a one-time monetary Covid Incentive benefit to currently employed Windom Area Health employees who have worked through the Covid-19 pandemic during the timeframe of March 2020 through February 2021. This Covid Incentive benefit would be determined by each WAH employee's hours worked during the stated Covid period and is subject to state and federal taxes at an additional benefit pay rate. If board approved, the anticipated payout of this Covid Incentive benefit would be given during Hospital Week, May 14, 2021. Board members requested to have the Covid Incentive benefit validated to make sure this is allowable through governmental guidelines for a municipal healthcare organization. Emily agreed to follow through with this request. M/S/C UNANIMOUSLY TO APPROVE THE ONE-TIME WAH EMPLOYEE COVID INCENTIVE BENEFIT PROPOSAL AS PRESENTED WITH A CHANGE IN THE .2 & PRN EMPLOYEE STATUS CATEGORY AND EMPLOYEES HIRED DURING FEBRUARY 2021 AND AFTER, FOR A TOTAL COVID INCENTIVE BENEFIT PACKAGE TOTALING \$122,500 (SCHMIT/ ORTMANN). ROLL CALL VOTE FOR MOTION APPROVAL – HOLMEN-YES, FRESK-YES, GROSS-YES, SCHMIT-YES, ORTMANN-YES, BARTELT-YES, FISHER-YES. MAY – NONE. MOTION PASSED.
Windom Police Dept Partnership	Governing Board members discussed a proposal for Windom Area Health to possibly partner with the City of Windom Police Department in cost sharing services of a police officer to assist with providing additional security presence at the hospital. Board members expressed support of this proposal and requested Shelby to obtain further information and establish an agreement outlining roles and responsibilities for this police officer's role at Windom Area Health. No action necessary at this time.
FY2021-22 Budget	John Peyerl, CFO, reported on the proposed FY2022 budget. He noted Charity Care/Financial Assistance would be reduced to \$125,000 for FY2022. Projected FY2022 statistics shows an increase in services from the FY2021 statistics as WAH has recovered above expectations from the Covid-19 pandemic, which began one year ago. The FY2022 income statement was presented showing a 5.3% increase in total patient revenue; increase in revenue over expenses of 4% and income from Operations set at 3.3% in FY2022. John reviewed FY2022 Capital Budget items. He noted expenditures for capital items would be significantly higher than usual in FY2022 as spending for capital items was limited during FY2021 due to the uncertainty of the Covid pandemic and the current need to get back on track for specific projects placed on hold in FY2021. M/S/C UNANIMOUSLY TO APPROVE THE FY2022 OPERATING BUDGET AND CAPITAL BUDGET AS PRESENTED (BARTELT/SCHMIT). ROLL CALL VOTE FOR MOTION APPROVAL – HOLMEN-YES, GROSS-YES, SCHMIT-YES, ORTMANN-YES, BARTELT-YES, FISHER-YES. MAY – NONE. MOTION PASSED.
Conclude Meeting	WAH Governing Board meeting was concluded by Chairperson, Dr. Michael Fisher.
	LEADER:
	Dr. M Fisher
	Dr. M Fisher
	Shelby M / Emily M
	Shelby M
	John P
	Dr. M Fisher

Signature _____ Ann Bartelt, Governing Board Secretary

WINDOM AREA HEALTH
GOVERNING BOARD EXECUTIVE SUMMARY
as of April 22, 2021
WAH MISSION: “Dedicated to Health”

CHIEF EXECUTIVE OFFICER REPORT

• **Organizational Updates**

- COVID vaccination process updates:
 - With the saturation of vaccinations available at multiple locations within our community, WAH will discontinue offering vaccination clinics effective May 1, 2021. Sanford and Avera will begin to operationalize their vaccination offerings at their respective clinic locations.
- Effective May 2021, WAH will invite department leaders to governing board meetings on a quarterly bases to provide a short presentation of their respective areas of responsibility.
- MHA Annual Financial Report highlights (*full report found under ‘education’ tab*)
 - While 45 of the 76 hospitals and health systems shown on the report generated positive operating margins in 2019, 31 hospitals, or 41% of the hospitals and health systems reflected in the report, experienced negative operating margins.
 - A negative operating margin does not mean a hospital may close. In some cases, hospitals and health systems experiencing negative operating margins rely on nonoperating revenue gains to offset these losses. When the net margin is also negative, hospitals and health systems can utilize their fund reserves to balance their finances. Most hospitals and health systems with negative margins will remain open, but they may need to make operational adjustments to ensure ongoing financial sustainability. It also means a balancing act for hospitals and health systems in providing the right mix of services for the community.
 - Many hospitals and health systems in Minnesota continuously adjust their service lines depending on the needs in the community, which services are better provided at a larger nearby hospital, and the skills and experience of their health care professional workforce.
 - Approximately 52% of hospitals’ expenses are in the form of wages and benefits to recruit and retain all the members of the care team necessary to deliver high-quality patient care.
 - In an effort to reduce the rate of growth of health care costs, hospitals and health systems have partnered with the Medicare and Medicaid programs, as well as health plans, to enter into value-based payment arrangements. In these arrangements, hospitals, health systems and payers work together to reduce the overall cost of care while improving quality and patient safety.
 - These financial arrangements increasingly allow health care providers to create ways to improve population health, provide care management to the communities they serve and improve overall quality of care to ensure the best outcomes. (Triple Aim)
 - Many hospitals and health systems nationwide reported experiencing financial instability because of increased expenses associated with responding to a pandemic and lower revenues from decreased use of other services. Hospitals and health systems indicated that many of the challenges were more severe in rural areas.

- **Committee Meeting Updates**

- Work Place Violence: **Nothing to Report**
 - Last report January 2021
- Infection Prevention: **Nothing to Report**
 - Last report March
- Emergency Preparedness: **Met February 22, 2021**
 - Portable ARMER Radio added to nursing station to assist nursing in determining when additional assistance is needed in ED.
 - Secured Emergency Recovery Agreement with Insight Restoration for the purpose of WAH receiving priority emergency service (IE: water damage, etc.)
 - Participated in Skills Fair in March discussing: 2 way radio competency, proper fire extinguisher usage and locations.
 - Fire drills continue to be done virtually due to COVID restrictions and precautions.
- Pharmacy and Therapeutics: **Nothing to Report**
 - Last report February 2021
- PI/ Risk: **Met February 18, 2021**
 - Each department present at the meeting and provided updates on 2021 goals
 - (Risk) – Q4 69 recorded events with improved follow documentation of departmental leaders.
 - Total of 6 mortality cases reviewed in Q4 – all deemed appropriate by Dr. Lynch and DON.
 - Total of 19 blood transfusions for Q4
 - Eye and Tissue Procurement called on 7 total deaths
- Utilization Review: **Nothing to Report**
 - Next meeting May 10, 2021

WINDOM AREA HEALTH
GOVERNING BOARD EXECUTIVE SUMMARY
As of April 22, 2021
WAH MISSION: "Dedicated to Health"

CHIEF FINANCIAL OFFICER REPORT

Overview:

- Net income from operations was \$234,667 compared to a budget of \$60,005. Our net patient revenue was \$100,739 more than last March. This brings the year-to-date net income to \$2,054,564 versus a budget of (\$1,057,462). We have applied \$835,000 in stimulus dollars this year. Year-to-date Net Income from operations would be about \$1,219,500 without the stimulus funds compared to last year when we had a Net Income of \$594,653 YTD. The YTD operating income is 9.7%. The YTD operating margin would be 6.0% without stimulus dollars applied.

The volume of activity in March was down slightly from budget on the inpatient side. Inpatient admissions exceeded budget, but patient days fell short. Activity surpassed anticipated volumes in all key outpatient categories with the exception of Emergency Department visits. Seventy-seven percent of our gross revenues came from outpatient activity. This is consistent with our year to date percentage as well. Acute admissions totaled twenty-eight. Those twenty-eight admissions produced sixty-five inpatient days for an average daily census of 2.1. There were five Swing Bed admissions that equated to thirty-three days. Gross outpatient revenue was the most ever reported at WAH at \$3,058,940. Outpatient gross revenue was 26.4% more than budget and \$450,000 more than last March.

- Imaging procedure counts continue to be strong, exceeding budgeted numbers again. Imaging performed 613 procedures compared to a budget of 495. Year to date; 6,074 procedures have been performed compared to 5,724 last year.
- Laboratory volumes continue to exceed budget and historical averages. Last fiscal year laboratory tests averaged about 9,130 in a given month. There were 10,858 in the month of March this year.
- Ninety-two surgical procedures were performed in March, which is twelve above our budgeted number of eighty. Seven of those surgeries were joint replacements.
- Rehab Therapy performed 1,565 modalities in February. That total is 340 more modalities than budgeted and the most in a month this fiscal year. Overall modalities are down about 6.0% compared to year to date last year. However, volumes overall continue to exceed budgeted totals.

Contractual adjustments came in at 47.0% for the month. Contractual adjustments are budgeted at 43.2%. Year to date is 44.75% compared last year's amount of 44.1%.

Overall, expenses were \$17,406 more than budget. Supplies were about \$24,000 more than budget, provision for bad debts at \$26,000 less and salaries at \$34,000 more than budgeted were the key outliers.

Looking Forward:

- Financial Assistance Policy
- Investment of Reserves
- Annual Financial Audit – June 2021

WINDOM AREA HEALTH

GOVERNING BOARD EXECUTIVE SUMMARY

as of April 19th, 2021

WAH MISSION: "Dedicated to Health"

DIRECTOR OF NURSING REPORT

- **Medical/Surgical/OB/Emergency Room:**
 - MOAB (Management Of Aggressive Behavior) trainer class is coming up: Jason Ella and Tabitha Damm will be attending.
 - Have 3 RN openings, all .8 FTEs (one mostly nights, the others rotating). Michelle Powers is moving to PRN.
 - Trauma designation site visit will be April 29th.
 - Stroke designation site visit will be May 11th.

- **Diabetes Management/Oncology:**
 - Working with Pharmacy to get premixed insulin IV fluids. Will be the same ratio.

- **Surgery:**
 - Working through next steps in leadership in the Surger Department. Will start advertising for a surgical manager, while we advertise position will be filled with a charge nurse role.
 - Sara Wilson from our Surgery Dept has filled the temporary Lead Surgical Tech position.

- **Committee Meetings:**
 - ER committee-nothing to report
 - OB committee-met April 12th
 - OB coordinator has arranged a lunch and learn prior to our May nurses meeting starting at noon on May 12th to review Neonatal Resuscitation Program.
 - Discussion was had on our Magnesium Sulfate Policy/Order Set and was decided to order magnesium levels when reflexes are absent.
 - Added HTN meds to our existing Preeclampsia/Eclampsia order set
 - 7 staff attended Fetal Strip Reading class
 - Discussed topics that were covered at the Skills Fair
 - Baby Café has been discontinued. We will continue to do our Great Beginnings class.
 - Panda Warmer for infants has been ordered

 - MHA Safety Data as of April 19th.
 - Falls – 0
 - Skin Integrity - 0
 - Restraints – 0
 - Opioid Deaths – 0
 - Reportable Events – 0

WINDOM AREA HEALTH
GOVERNING BOARD EXECUTIVE SUMMARY
as of April 22, 2021
WAH MISSION: "Dedicated to Health"

CHIEF HUMAN RELATIONS OFFICER REPORT

Human Resources/Employee Health

- Posted positions:
 - NP or PA
 - Fitness Specialist
 - RN - .8 & .7 FTE
 - IT Support Tech
 - Clinical Program Director/Program Director (Healogics)
 - Surgery Manager
 - Surgery Charge (RN)
 - RN - .8 FTE Nights
 - Internships (PT, Dietary, Wellness)
- Hospital Week events are being planned. (*See flier in the Board Book for details.*)
- We are opening up for limited student job shadows.
- Occupational Medicine services will officially transfer from the CHRO to the Outreach Clinic Director on May 1.

Community Health and Wellness/Wellness Center

- We have started offering personal training services to the public. (*See rack card*)
- Our Healthy Together classes started in April with four community members.

Marketing/PR

- We are planning for professional video shoots on May 25th and 26th. Our Rehab, Wound and Ortho services will be highlighted, along with a video that promotes the hospital in general. Board members interested in volunteering as 'models' please contact Emily!
- OT services are being promoted through paid social media ads. Podiatry is being featured through radio. Podiatry and Ortho will be featured on billboards.
- Marketing and Kim Armstrong worked together to host the Volunteer Appreciation event that was held on April 21st.
- We've signed a 3 year contract to have a sign in Island Park on the ballfield fence.

Donations/Sponsorships

- \$178 was raised through the Jeans Fund in Q1. These funds will be used for internal gardening needs/projects. Southwest Crisis Center will receive the Q2 funds.
- \$200 donation to Hospice Cottage for banquet tickets.
- After-prom prize donations for Springfield, Windom, Mt. Lake
- 90 hand sanitizers donated to gymnastics sections (goodie bags)
- \$1,000 donation to Windom Community Shelter (Lions)
- 300 provider magnets and pens for Windom Welcome Bags (Windom Chamber)

Committee Meetings

- Employee Focus/Finance: Committee meeting 4/23
- Patient & Family Advisory Committee: Committee met on 4/13. Discussed keeping the same goal of promoting Outreach/Outpatient Services. Reviewed outreach/outpatient brochure and discussed possible distribution ideas. Toured outreach clinic.
- Safety: No meeting.
- Safe Patient Handling: No meeting.

W WINDOM AREA HEALTH HOSPITAL WEEK EVENTS

NATIONAL HOSPITAL WEEK • MAY 9–15

Monday, May 10

- **EMPLOYEE/SPOUSE HEALTH SCREENS**

- **BE WELL PATH BINGO** (WEATHER PERMITTING)

Grab a bingo card and head to the path for outdoor bingo. Be aware of all the objects and creatures around you and check if they are on your card. Get five in-a-row and yell BINGO! Bingo cards will be available for pickup on the employee info table in cafeteria and mail room.*

**Prize must be redeemed from Wellness by Friday, May 14, 3 p.m.*

Tuesday, May 11

- **EMPLOYEE/SPOUSE HEALTH SCREENS**

- **EMPLOYEE BREAKFAST**

6:30–10 a.m. Cafeteria Line
Egg bake, muffins, fruit cocktail,
juice and coffee

- **SUBWAY SUPPER** (PROVIDED FOR 3–11 P.M. STAFF)

6:00 p.m. Conference Room
Sandwiches, chips, cookies & Beverages

- **CITY COUNCIL PROCLAMATION OF HOSPITAL WEEK**

- **FOOD TRUCK:**

ANGELA'S EGG ROLLS | 11 A.M.–1 P.M.

Serving a variety of Chinese cuisine including egg rolls, wontons, lo mein, rice and more!

Wednesday, May 12

- **EMPLOYEE/SPOUSE HEALTH SCREENS**

- **FREE HEELS SCANS** (SIGN-UP ONLY, CAFETERIA)

10 a.m.–12 p.m., 1–3 p.m. Imaging Department

Recommended for ages 35 & up

Thursday, May 13

- **FREE HEELS SCANS** (SIGN-UP ONLY, CAFETERIA)

10 a.m.–12 p.m., 1–3 p.m. Imaging Department

Recommended for ages 35 & up

- **THEATRE THURSDAY**

Movie: ??? Time:???

Free admission for your immediate household family/significant other along with a snack (up to a \$5 value).

Friday, May 14

- **WAH SPIRIT DAY**

All employees who wear WAH logo apparel receive free jeans day! Free jeans day valid only on Friday, May 14 only.

- **FOOD TRUCK:**

SIMPLY SWEET CHEESECAKE | 11 A.M.–1 P.M.

Serving a variety of mini cheesecake, sure to please any cheesecake lover!

WEEK LONG EVENTS

- Patient Appreciation Gifts
- Employee Hot/Cold Tumbler Giveaway
- Auxiliary Thank Yous
- Fun Run
- Community Video Release
- Apparel Arrival
- And more surprises!

#MyHospital





Personal Training

Personal Training at the Windom Area Health Wellness Center is ideal for those 17 years or older who are interested in improved functional movement, weight loss, weight management, active aging, or strength training.

We not only want to improve our clients' physical health, but also help them maintain healthy lifestyle changes, and overall wellness.

Pricing and Packages on Other Side



LINDSEY ENGLAR, ACE-CPT
Certified Personal Trainer

 **WELLNESS CENTER**
Windom Area Health

2150 Hospital Dr. | Windom, MN 56101 | 507-831-0673



PRICING AND PACKAGES:

INITIAL CONSULTATION:

30 minutes.....Free

(As a part of the first session)

INDIVIDUAL:

30 minute session.....\$20

Training Package.....\$115
(Six 30 minute sessions)

**Wellness Center Membership
Not Included.**

COMING SOON:

Packages that include appointments
with our Certified Health Coach
and/or Registered Dietitians
as well as Group Training options.

***To schedule an appointment call
507-831-0673***



WINDOM AREA HEALTH FOUNDATION

TO: WAH Governing Board Members
FROM: Kim Armstrong, Foundation Director
DATE: April 26, 2021
RE: Approval of FY2021-22 WAH Foundation Slate of Directors

In accordance with WAH Foundation Bylaws, Section 3.6, Presentation and Approval of Directors by Windom Area Health Governing Board, the following FY2021-22 Slate of Directors for WAH Foundation is submitted to WAH Governing Board for approval at its regular meeting of April 26, 2021.

FY2021-22 WAH FOUNDATION SLATE OF DIRECTORS:

- Foundation Chair – Steve Johnson
- Foundation Vice-chair – Greg Scheitel
- Foundation Secretary – Sandy Robinson

(Section 3.6 - Presentation and Approval of Directors by Hospital Board)

Each year, prior to its annual meeting, the Board of Directors of the Windom Area Hospital Foundation ("Foundation Board") shall present a proposed slate of directors for the upcoming year to the Board of Directors of the Windom Area Hospital ("Hospital Board"). The Hospital Board shall then vote to approve or deny the proposed slate of directors. If denied, the Hospital Board shall provide immediate feedback to the Foundation Board regarding what changes need to be made in order for the slate of directors to be approved by the Hospital Board. After receipt of the Hospital Board's proposed changes, the Foundation Board shall assemble and submit a revised slate of directors to the Hospital Board for approval. Upon approval by the Hospital Board, the Foundation Board shall take action to accept the approved slate of directors for the upcoming year.

The power vested in the Hospital Board by this provision is intended to cause the Windom Area Hospital to possess the control required for the Windom Area Hospital Foundation to qualify as a Type 1 Supporting Organization under Section 509(a)(3) of the Internal Revenue Code.)

Meeting Name: Windom Area Health Finance / Personnel / Labor Relations & Building & Grounds Committee
AGENDA

Purpose: Review and recommend annual operating budget and capital expenditure plan, review and recommend capital expenditures, review and evaluate monthly financial reports, review and recommend approval of annual audit report, and recommend board approval to agenda items as requested.

Meeting Date/Time/Location: **Monday, April 26, 2021 / 4:30-5:15 pm / Large Conference Room or WebEx**

Members: Ann Bartelt, Laura Fresk, Justin Schmit, Dr. Michael Fisher-ex officio, Julie Brugman/Mt Lake Advisory Mbr, John Peyer/CFO, Emily Masters/CHRO, Kelsey Andrews/DON, Shelby Medina/CEO

Present:
Absent:
Others:

Chairperson (or Acting Chairperson): Ann Bartelt, Chairperson
Recorder: Janel Eichstadt, Admin Asst

Category / Topic	Action step(s) / Updates	Leader:
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STANDING ITEMS

Call to Order	Call Finance/Personnel/Labor Relations & Building & Grounds Committee meeting to order at 4:30 pm by Chairperson	Ann B
Minutes	Approve minutes from regular Committee meeting of March 22, 2021 (<i>Cmte Motion</i>)	Ann B
Collections & Financial Assistance	Review & recommend approval of patient financial accounts (<i>Cmte Motion / Bd Motion</i>)	John P
Employee Resignations/Terminations	Review & recommend acceptance of WAH employee resignations / terminations (<i>Cmte Motion / Bd Motion</i>)	Shelby M

FOLLOW-UP ITEMS

MOU Windom PD/WAH	Review next steps	Shelby M

NEW/CURRENT ITEMS

RN Union Contract	Present and approve new RN union contract and wage adjustments (<i>Cmte Motion / Bd Motion</i>)	Emily M
Other		

CONCLUSION

	Conclude Finance/Personnel/Labor Relations & Building & Grounds Committee meeting	Ann B
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Meeting Name: Windom Area Health Finance / Personnel / Labor Relations & Building & Grounds Committee
MINUTES

Purpose: Review and recommend annual operating budget and capital expenditure plan, review and recommend capital expenditures, review and evaluate monthly financial reports, review and recommend approval of annual audit report, and recommend board approval to agenda items as requested.

Meeting Date/Time/Location: Monday, March 22, 2021 / 4:30pm / Large Conference Room or WebEx

Members: Ann Bartelt, Laura Fresk, Justin Schmit, Dr. Michael Fisher-ex officio, Julie Brugman/Mt Lake Advisory Mbr, John Schmit, Dr. Michael Fisher-ex officio, Julie Brugman/Mt Lake Advisory Mbr, John Peyerl/CFO, Emily Masters/CHRO, Kelsey Andrews/DON, Shelby Medina/CEO, Terry Mahar/Sanford Health Network VP
Absent:
Others:

Chairperson (or Acting Chairperson): Ann Bartelt, Chairperson

Recorder: Janel Eichstadt, Admin Asst

Category / Topic	Action step(s) / Updates	Leader:
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STANDING ITEMS

Call to Order	Finance/Personnel/Labor Relations & Building & Grounds Committee meeting was called to order at 4:30 pm by chairperson, Ann Bartelt. Due to the Covid-19 pandemic, this committee meeting was held via WebEx per League of MN Cities Open Meeting Laws, Public Health Emergency.	Ann B
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Minutes	M/S/C UNANIMOUSLY TO APPROVE COMMITTEE MINUTES FROM THE REGULAR MEETING OF FEBRUARY 22, 2021, AS PRESENTED (FISHER/BRUGMAN). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, JUSTIN SCHMIT, JULIE BRUGMAN. VOTING AGAINST: NONE. MOTION APPROVED.	Ann B
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Collections & Financial Assistance	M/S/C UNANIMOUSLY TO RECOMMEND APPROVAL TO SEND PATIENT ACCOUNTS TOTALING \$59,665.06 TO AAA COLLECTIONS; RECOMMEND APPROVAL OF THE FOLLOWING FINANCIAL ASSISTANCE PATIENT ACCOUNTS: 4 NEW ACCOUNTS SUBMITTED FOR WRITE-OFF TOTALING \$8860.21; 2 ACCOUNTS FOR WRITE-OFF WITH A BALANCE BELOW \$1500 TOTALING \$870.00; AND 4 PREVIOUSLY APPROVED ACCOUNTS FOR WRITE-OFF TOTALING \$337.23, WITH ALL APPROVED FINANCIAL ASSISTANCE ACCOUNTS SUBMITTED FOR WRITE-OFF TOTALING \$10,067.44 (FISHER/FRESK). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, JUSTIN SCHMIT, JULIE BRUGMAN. VOTING AGAINST: NONE. MOTION APPROVED.	John P
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Employee Resignations/ Terminations	In month 10 of FY2021, accounts totaling \$66,453.61 have been approved for Financial Assistance on a budget of \$200,000. M/S/C UNANIMOUSLY TO RECOMMEND APPROVAL OF THE FOLLOWING RESIGNATIONS – MEDICAL SCREENER EFFECTIVE 3-12-21 AND PATIENT ACCESS REPRESENTATIVE EFFECTIVE 3-19-21; AND RETIREMENT OF INFORMATION TECHNOLOGY MANAGER EFFECTIVE 5-28-21 (FRESK/FISHER). ROLL CALL VOTE TO APPROVE: ANN BARTELT, LAURA FRESK, JUSTIN SCHMIT, JULIE BRUGMAN. THOSE VOTING AGAINST: NONE. MOTION APPROVED.	Emily M
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FOLLOW-UP ITEMS

	There were no follow-up items to report.	
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NEW/CURRENT ITEMS

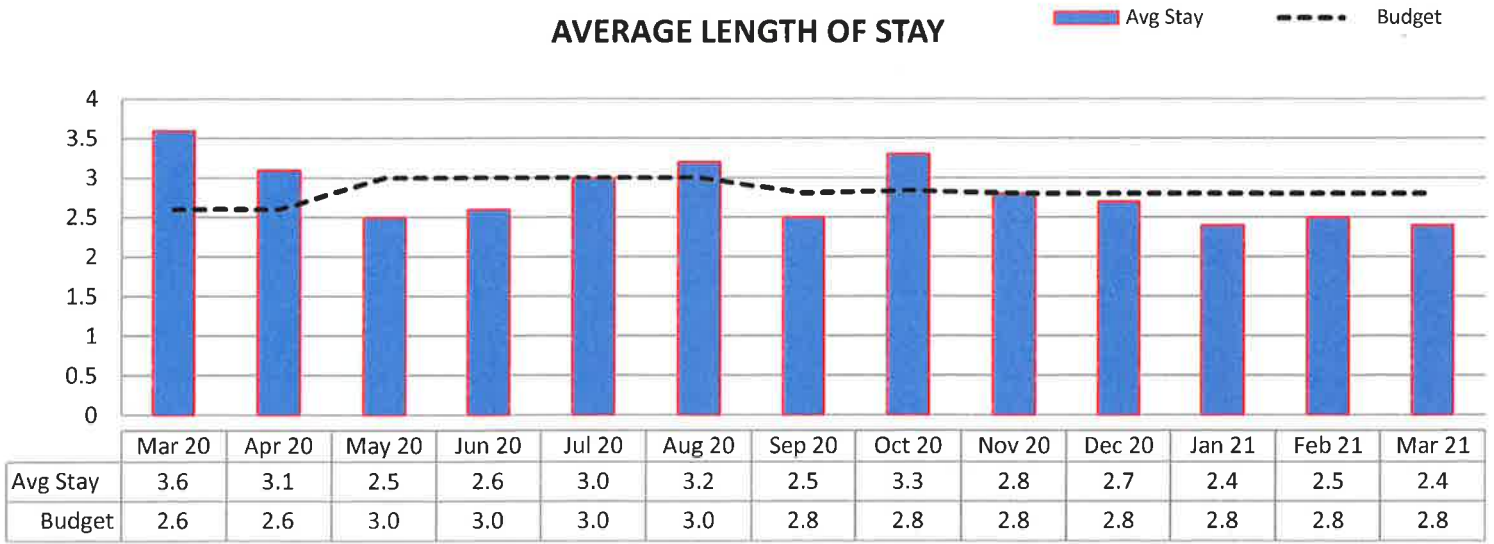
Outpatient Services	Shelby shared information regarding established and new Outreach services, current levels of support, and marketing strategies for WAH services.	Shelby M
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FY2022 Budget	John stated the FY2022 budget is currently being worked on. Committee members were in agreement to hold a special Governing Board meeting April 12, 2021 at 4:30 p.m. to review and approve the FY2022 operating and capital budget. John noted he will present the FY2022 budget to the Windom City Council at their April 20, 2021 meeting for City Council approval	John P.
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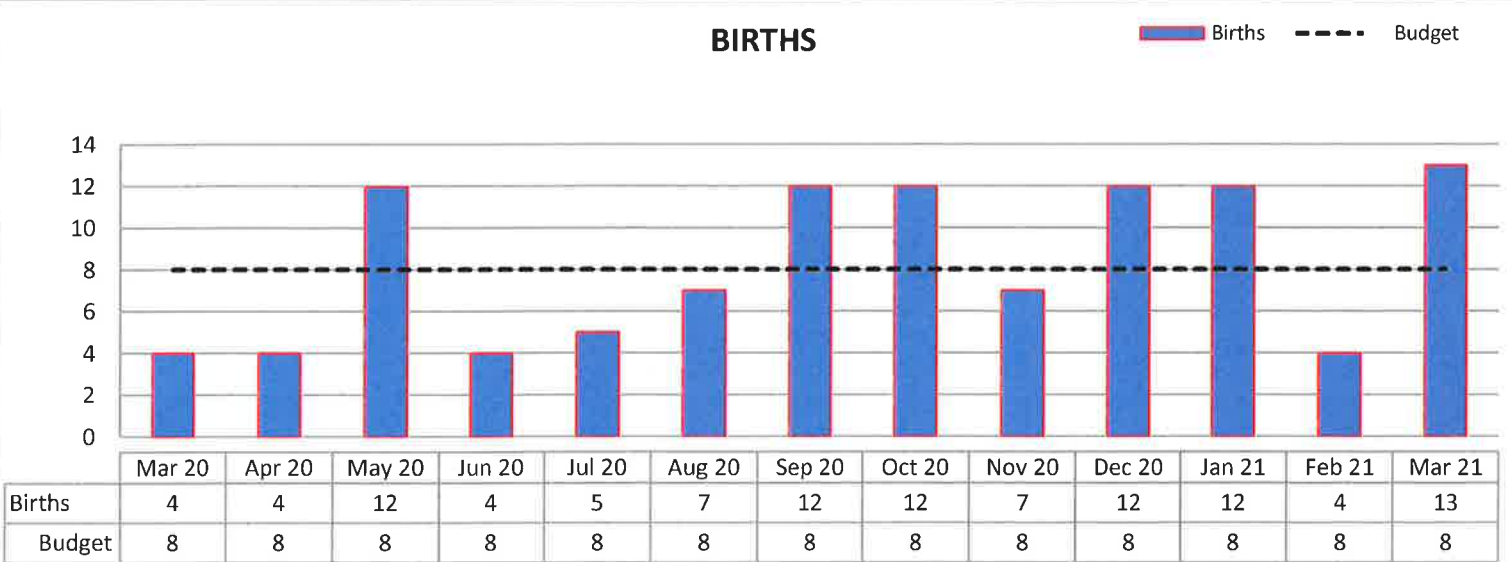
CONCLUSION

	Chairperson, Ann Bartelt, concluded the Finance/Personnel/Labor Relations & Building & Grounds Committee meeting.	Ann B
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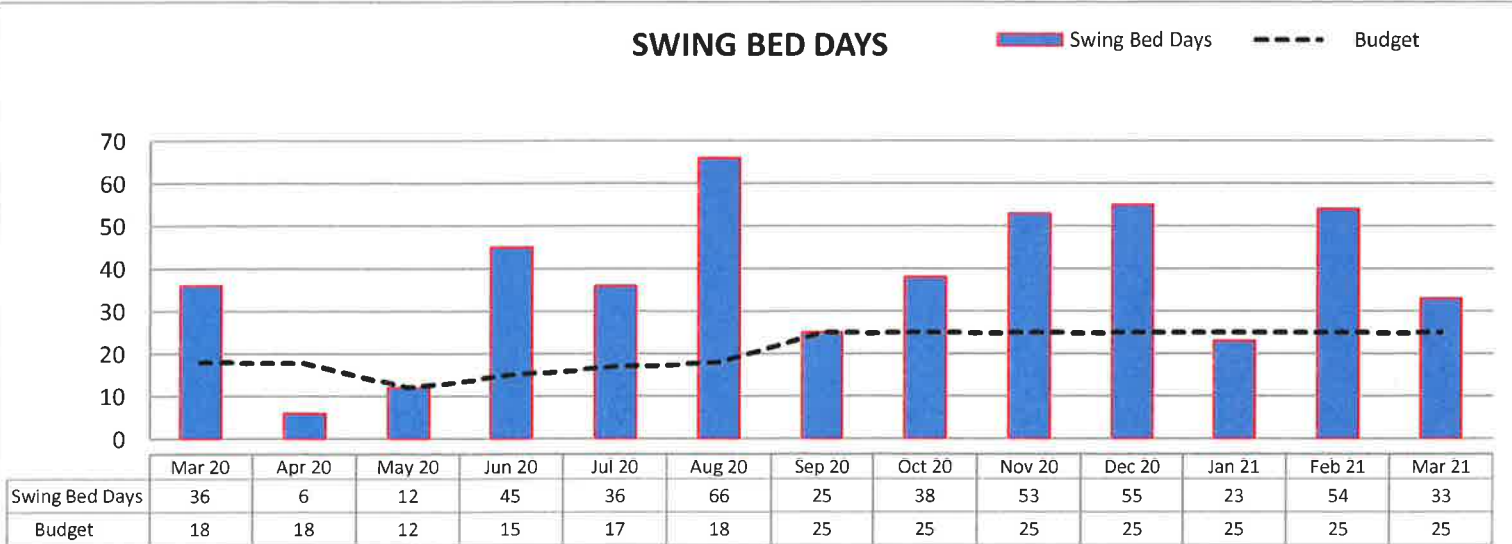
AVERAGE LENGTH OF STAY



BIRTHS

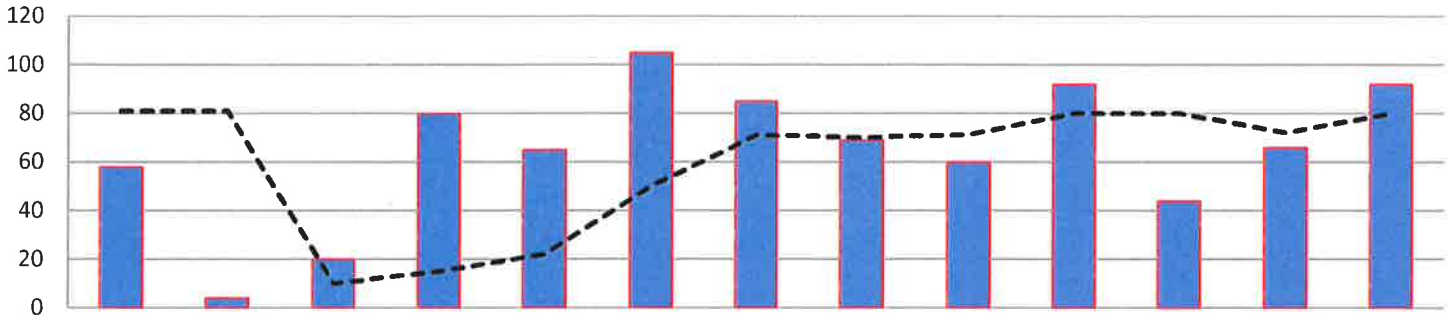


SWING BED DAYS



SURGERY

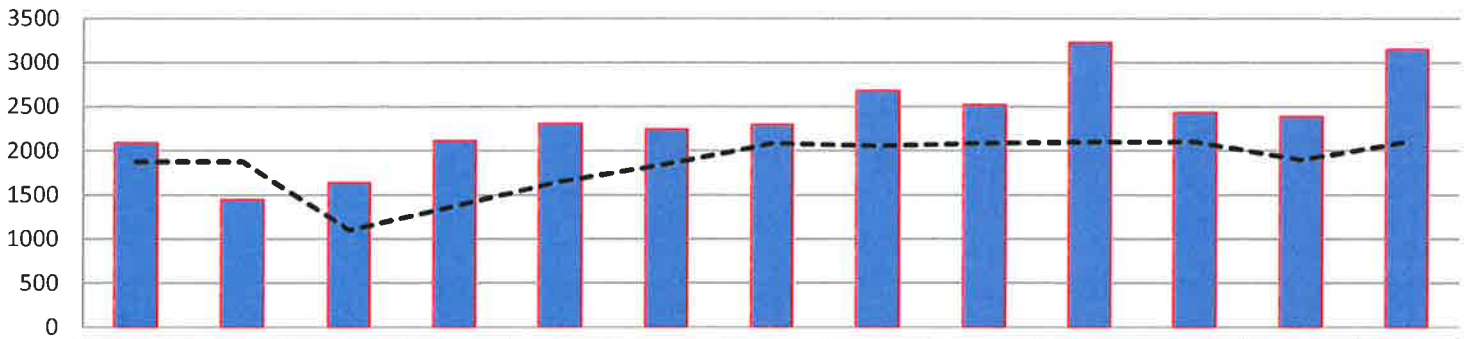
Surgery Budget



	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
Surgery	58	4	20	80	65	105	85	69	60	92	44	66	92
Budget	81	81	10	15	22	50	71	70	71	80	80	72	80

OUTPATIENT OCCASIONS OF SERVICE

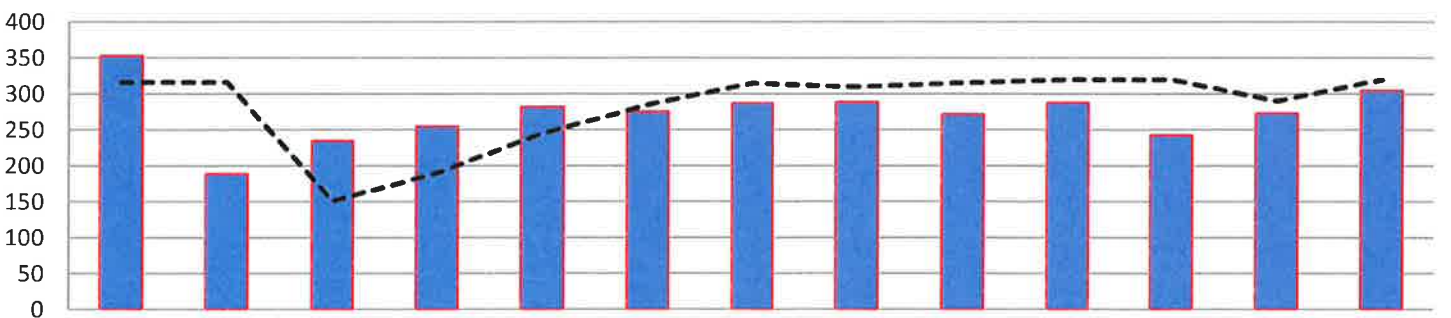
OP Visits Budget



	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
OP Visits	2092	1445	1639	2115	2309	2243	2298	2682	2524	3227	2438	2390	3151
Budget	1875	1875	1100	1375	1650	1850	2083	2055	2083	2100	2100	1897	2100

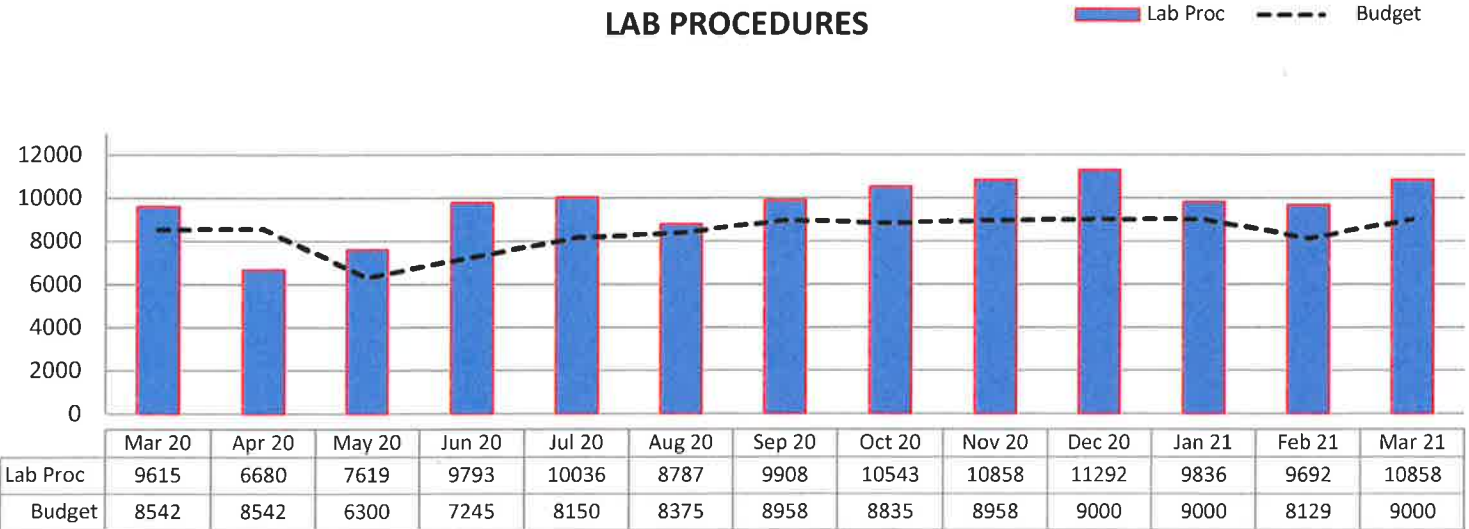
EMERGENCY VISITS

ER Visits Budget

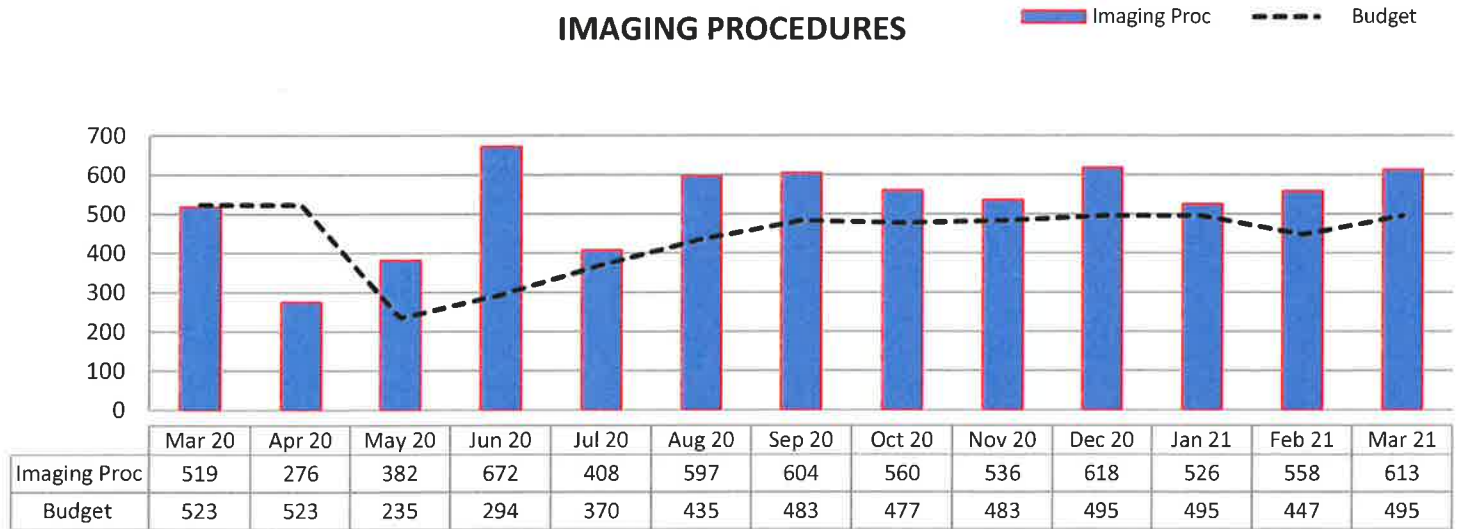


	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
ER Visits	353	189	235	255	282	275	287	289	272	288	243	273	305
Budget	316	316	151	190	245	285	315	310	315	320	320	290	320

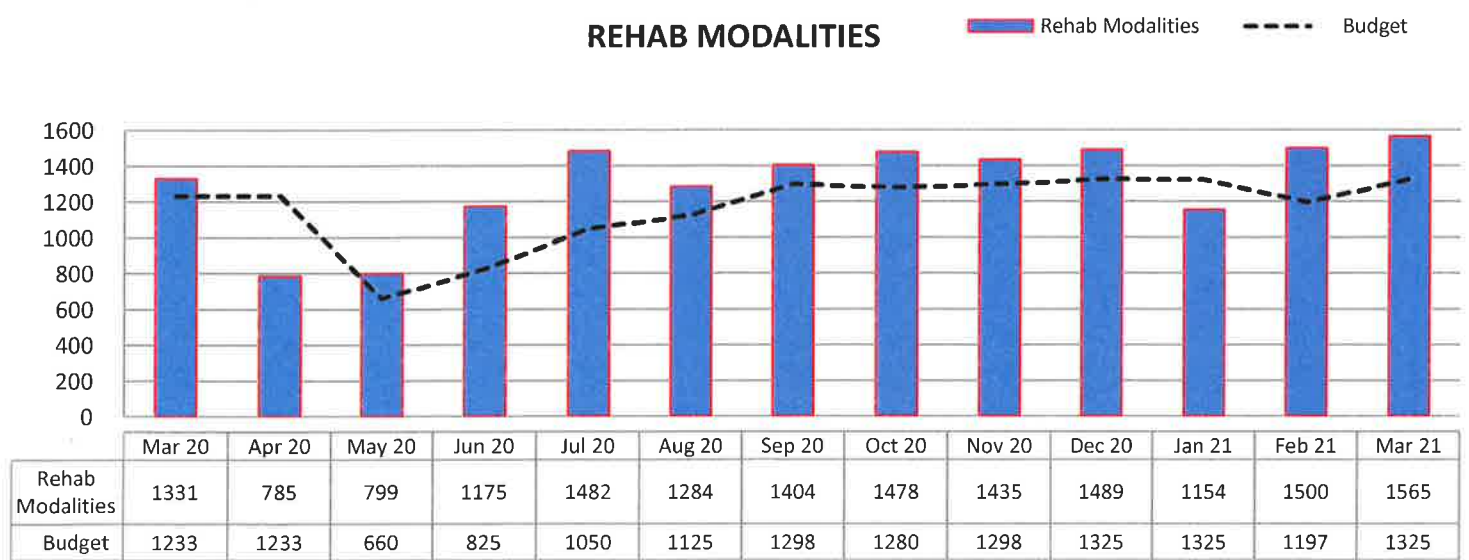
LAB PROCEDURES



IMAGING PROCEDURES



REHAB MODALITIES



WINDOM AREA HEALTH
INCOME STATEMENT

3/31/2021

	3/31/2021		Revenue		Budget 2021		Comparison		Y-T-D 2021		Revenue		Comparison		Budget 2021		Revenue		March		Y-T-D 2020		From Last Year		From Last Year			
	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison	Revenue	Comparison
PATIENT REVENUE																												
Inpatient Revenue	\$723,547	19.13%	\$964,079	30.00%	\$8,269,396	22.71%	9,070,300	30.00%	\$7,773,861	30.00%	\$7,773,861	30.00%	\$495,535	6.4%														
Outpatient Revenue	\$3,058,940	80.87%	\$2,249,518	70.00%	\$28,144,323	77.29%	21,164,033	70.00%	\$25,971,190	70.00%	\$25,971,190	70.00%	\$2,173,133	8.4%														
Total Patient Revenue	\$3,782,487	100.00%	\$3,213,597	100.00%	\$36,413,719	100.00%	\$30,234,333	100.00%	\$33,745,051	100.00%	\$33,745,051	100.00%	\$2,668,668	7.9%														
Contractual Adjustments	\$1,778,288	47.01%	\$1,386,919	43.16%	\$16,296,249	44.75%	\$13,035,450	43.11%	\$14,555,238	43.11%	\$14,555,238	43.11%	\$1,741,011	12.0%														
Other Income	\$29,049	0.77%	\$14,502	0.45%	\$1,023,605	2.81%	\$159,522	0.53%	\$194,861	0.53%	\$194,861	0.53%	\$828,744															
NET OPERATING REVENUE	\$2,033,248	100.00%	\$1,841,180	100.00%	\$21,141,075	100.00%	\$17,358,405	100.00%	\$19,384,674	100.00%	\$19,384,674	100.00%	\$1,756,401	9.1%														
EXPENSE																												
Employee Salaries	\$707,577	34.80%	\$673,018	36.55%	\$7,135,024	33.75%	\$6,973,332	40.17%	\$6,984,833	40.17%	\$6,984,833	40.17%	\$150,191	2.2%														
Employee Benefits	\$202,358	9.95%	\$214,378	11.64%	\$2,208,111	10.44%	\$2,253,044	12.98%	\$2,189,342	12.98%	\$2,189,342	12.98%	\$18,769	0.9%														
Pharmaceuticals	\$71,672	3.53%	\$78,562	4.27%	\$736,120	3.48%	\$794,487	4.58%	\$741,258	4.58%	\$741,258	4.58%	(\$5,138)	-0.7%														
Supplies	\$135,595	6.67%	\$112,037	6.09%	\$1,532,271	7.25%	\$1,210,720	6.97%	\$1,309,196	6.97%	\$1,309,196	6.97%	\$223,075	17.0%														
Rents & Utilities	\$22,773	1.12%	\$27,880	1.51%	\$273,520	1.29%	\$301,284	1.74%	\$278,403	1.74%	\$278,403	1.74%	(\$4,883)	-1.8%														
Purchased Services	\$413,062	20.32%	\$373,450	20.28%	\$4,035,478	19.09%	\$3,497,930	20.15%	\$4,103,254	20.15%	\$4,103,254	20.15%	(\$67,776)	-1.7%														
Other Direct Expenses	\$117,443	5.78%	\$138,298	7.51%	\$1,222,104	5.78%	\$1,585,995	9.14%	\$1,266,132	9.14%	\$1,266,132	9.14%	(\$44,028)	-3.5%														
Provision for Bad Debts	(\$1,328)	-0.07%	\$27,083	1.47%	\$478,173	2.26%	\$297,916	1.72%	\$408,218	1.72%	\$408,218	1.72%	\$69,955	17.1%														
Depreciation	\$115,802	5.70%	\$122,333	6.64%	\$1,311,111	6.20%	\$1,345,666	7.75%	\$1,351,886	7.75%	\$1,351,886	7.75%	(\$40,775)	-3.0%														
Interest Expense	\$13,627	0.67%	\$14,136	0.77%	\$154,597	0.73%	\$155,493	0.90%	\$157,500	0.90%	\$157,500	0.90%	(\$2,903)	-1.8%														
Total Operating Expense	\$1,798,581	88.46%	\$1,781,175	96.74%	\$19,086,509	90.28%	\$18,415,867	106.09%	\$18,790,022	106.09%	\$18,790,022	106.09%	\$296,487	1.6%														
Income (loss) From Operations	\$234,667	11.54%	\$60,005	3.26%	\$2,054,566	9.72%	(\$1,057,462)	-6.09%	\$594,652	-6.09%	\$594,652	-6.09%	\$1,459,914															
Investment Income	\$6,496	0.32%	\$15,417	0.84%	\$105,914	0.50%	\$169,584	0.98%	\$188,637	0.98%	\$188,637	0.98%	(\$82,723)															
Other Revenue/(Expenses)	\$2,066	0.10%	(\$2,083)	-0.11%	\$96,145	0.45%	(\$22,916)	-0.13%	(\$12,050)	-0.13%	(\$12,050)	-0.13%	\$108,195															
Non Operating Rev/Exp	\$8,562	0.42%	\$13,334	0.72%	\$202,059	0.96%	\$146,668	0.84%	\$176,587	0.84%	\$176,587	0.84%	\$25,472															
Increase in Net Assets	\$243,229	11.96%	\$73,339	3.98%	\$2,256,625	10.67%	(\$910,794)	-5.25%	\$771,239	-5.25%	\$771,239	-5.25%	\$1,485,386															

**WINDOM AREA HEALTH
FY 2021
CAPITAL ASSET ACQUISITIONS**

Yrs Dep	Capital Asset	Vendor	Asset class	May	June	July	August	September	October
5	Rhinolayngoscope	Olympus	Maj Mov		6,697				
5	Glidescope	Verathon	Maj Mov						13,482
Total				-	6,697	-	-	-	13,482

Yrs Dep	Capital Asset	Vendor	Asset class	November	December	January	February	March
5	Upgrade to Phone Servers and Voice Gateway	Marco	Maj Mov	45,079				
5	Cabling for Voice Gateway	City of Windom	Fixed Equip	1,538				
7	Hematology Equipment	Sysmex America, Inc	Maj Mov		33,278			
Total				46,618	33,278	-	-	-

Total YTD Capital Acquisitions 100,074

Meeting Name: Windom Area Health Professional Practice / Quality & Planning Committee
AGENDA

Purpose: Oversee WAH compliance with regulations and laws, receive recommendations from the Medical Staff, oversee preparation and implementation of strategic plans, receive and consider all quality reports, and recommend board approval to agenda items as requested.

Meeting Date/Time/Location: Monday, April 26, 2021 / 4:00-4:30 pm / Large Conference Room or WebEx

Members: Kay Gross, Mary Holmen, Dan Ortmann, Dr. Michael Fisher-ex officio, Julie Brugman/Mt Lake Advisory Mbr, Emily Masters/CHRO, John Peyerl/CFO, Kelsey Andrews/DON, Shelby Medina/CEO

Present:
 Absent:
 Others:

Chairperson (or Acting Chairperson)

Kay Gross, Chairperson

Recorder: Janel Eichstadt, Admin Asst

Category / Topic	Action step(s) / Updates	Leader:
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STANDING ITEMS

Call to Order	Call Professional Practice/Quality & Planning Committee meeting to order at 4:00 pm by Acting Chairperson	Kay Gross
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Minutes	Approve minutes from the regular Committee meeting of March 22, 2021 (<i>Cmte Motion</i>)	Kay Gross
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FOLLOW-UP ITEMS

Medical Staff / CMO Review	WAH Medical Staff meeting business	Dr Dynes / Shelby M
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CLA Consulting Services	Review next steps	Shelby M
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NEW/CURRENT ITEMS

CONCLUSION

	Conclude Professional Practice/Quality & Planning Committee meeting	Kay Gross
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**Meeting Name: Windom Area Health Professional Practice / Quality & Planning Committee
MINUTES**

Purpose: Oversee WAH compliance with regulations and laws, receive recommendations from the Medical Staff, oversee preparation and implementation of strategic plans, receive and consider all quality reports, and recommend board approval to agenda items as requested.

Meeting Date/Time/Location: **Monday, March 22, 2021 / 4:00pm / Large Conference Room or WebEx**

Members: Kay Gross, Mary Holmen, Dan Ortman, Dr. Michael Fisher-ex officio, Julie Brugman/Mt Lake Advisory Mbr, Emily Masters/CHRO, John Peyerl/CFO, Kelsey Andrews/DON, Shelby Medina/CEO

Present: Mary Holmen, Dan Ortman, Kay Gross, Julie Brugman/Mt Lake Advisory Mbr, Dr. Michael Fisher-ex officio, John Peyerl/CFO, Emily Masters/CHRO, Kelsey Andrews/DON, Shelby Medina/CEO, Terry Mahar/Sanford Health Network VP

Absent:

Others: Dr. R. Dynes/Chief of Medical Staff

Chairperson (or Acting Chairperson)
Kay Gross, Chairperson

Recorder:
Janel Eichstadt, Admin Asst

Leader:

Category / Topic Action step(s) / Updates

STANDING ITEMS

Call to Order	The Professional Practice/Quality & Planning Committee meeting was called to order at 4:00 pm by Chairperson, Kay Gross. Due to the Covid-19 pandemic, this committee meeting was held via WebEx per League of MN Cities Open Meeting Laws, Public Health Emergency.	Kay Gross
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Minutes	M/S/C UNANIMOUSLY TO APPROVE COMMITTEE MINUTES FROM THE REGULAR MEETING OF FEBRUARY 22, 2021, AS PRESENTED (ORTMANN/HOLMEN). ROLL CALL VOTE TO APPROVE: MARY HOLMEN, DAN ORTMANN, KAY GROSS, JULIE BRUGMAN. VOTING AGAINST: NONE. MOTION APPROVED.	Kay Gross
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FOLLOW-UP ITEMS

Medical Staff / CMO Review	WAH Medical Staff recommended approval of the March credentialing appointments as presented. Avera eCare representatives were present at the Medical Staff meeting to provide a presentation on their telehospitalist services. It is anticipated at the April Medical Staff meeting members will present a recommendation to the Governing Board of how to proceed. Shelby noted Dr. Yusuf, Emergency Department Director, had communicated at the Medical Staff meeting, information pertaining to ED coverage changes. Dr. Hartberg announced that the Hartberg Medical Clinic would be joining Sanford effective April 1, 2021 with his clinic continuing to operate at its current location. Dr. Dynes announced the Avera Clinic has signed on a new physician who will be starting at the Avera Windom clinic July 1, 2022.	Dr Dynes / Shelby M
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CLA Consulting Services	Shelby shared information on the status of the CliftonLarsonAllen consultation report. She noted information contained in this report is being reviewed for clarification before being presented to the WAH Governing Board and Medical Staff.	Shelby M
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NEW/CURRENT ITEMS

Covid-19 Vaccinations	Shelby reported two additional Covid-19 vaccination clinics are being offered at Windom Area Health this week for Sanford and Avera patients.	Shelby M
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CONCLUSION

	Chairperson, Kay Gross, concluded the Professional Practice/Quality & Planning Committee meeting.	Kay Gross
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Statement of Confidentiality: Records, data, and knowledge, including minutes collected for and by individuals or committees, or committees assigned peer review functions, are confidential, not public records and are not available for court subpoena in accordance with Minnesota MSA 145.61-145.67.

**WINDOM AREA HEALTH
CREDENTIALING**

APRIL 26, 2021

APPOINTMENTS:

Sarah Heckel, CNP	Cardiology	Allied Health Professionals
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REAPPOINTMENTS:

Gaither Bynum, M.D.	Emergency Medicine	Emergency Services
Scott Hoffman, DPM	Podiatry	Associate Professional
Alison Huber, PA-C	Orthopedics	Allied Health Professionals
Clay Pavlis, M.D.	Psychiatry	Consulting

SANFORD TELEMEDICINE APPOINTMENTS:

vRAD REAPPOINTMENTS:

James Faliszek, M.D.	Teleradiology	Telemedicine
David Spirer, M.D.	Teleradiology	Telemedicine

RESIGNATIONS:

Gregory DeSautel, M.D.	ENT	Courtesy
Joseph Keenan, M.D.	Emergency Medicine	Emergency Services
John Lewis, M.D.	Emergency Medicine	Telemedicine

MARCH 2021 COMMENTS

Question Pod	Comment
Emergency Department	After a snarky comment from the provider, care was good.
Imaging - Non Magnet	The technician that performed my mammogram (Darcy?) was very kind, laughed with me and made it a positive experience.
Outpatient	Outpatient visit went very well
Emergency Department	My visit was good. My care was efficient and professional.
Lab	I had a wonderful experience when I had the camera test last Wednesday at Windham the nurses were very kind inconvenient. I think I've got a top notch specialist that did the procedure and I would highly recommend this to anybody. Thank you.
Lab	I was just there for the covid testing prior to my surgery and it was done very well very efficiently. I was in and out and just a matter of minutes and that was great. Thank you.
Lab	They are the best!
Ambulatory Surgery	They were great
Lab	The nurses and Dr. Dynes were great. I felt at ease throughout the whole experience!
Emergency Department	While waiting for lab results, it would have been nice to have the nurse check in on me. After a blood draw and EKG, I didn't see anyone until the doctor came back with results.
Outpatient	Machine didn't work so have to come back. The time before for a different procedure they canceled on me without telling me Never did get a reason why
Outpatient	I really liked Naomi Bach and her nurses. They were So caring and compassionate.
Imaging - Non Magnet	When I was walking down to the various locations I was instructed to go, I met different nurses and staff and they all had smiles and were very friendly and asked if they could assist me but I told them where I was to be and they said " have a good day".
Imaging - Non Magnet	You need assist to the area you're suppose to go to as well accompany on the way out instead of left on your own to figure it out.
Imaging - Non Magnet	Very great experience
Imaging - Non Magnet	We are so lucky to have a wonderful hospital in a small town. As I age it gives me comfort to know help and not only help but excellent help is so nearby. Thank You
Imaging - Non Magnet	Very careing and very professional
Imaging - Non Magnet	Thank you, Valeri, for your professionalism and good work.
Lab	no problems
Emergency Department	They were super quick to see me and get me the help I needed.
Outpatient	So grateful for having this service available and the excellent staff working there.
Outpatient	Hi, I was pressing too fast, so I think I gave some negatives responses. But that's incorrect. Everything today was perfect and wonderful. Michelle helped us and couldn't have been better.
Lab	Very helpful and kind.
Imaging - Non Magnet	Was able to get in quickly instead of sending me to emergency room. Very appreciative!
Emergency Department	Staff were over all nice and caring
Ambulatory Surgery	Surgery on my eyes is a delicate procedure, I had full confidence in the numerous professionals who treated me. I am not sure that I heard clearly the things to expect when I pulled off the eye-patch for the first time following surgery. It was a moment of uncertainty when the eye on which surgery had been performed acted so strangely. Again, it may have been communicated to me and in the commotion I did not hear it clearly. Otherwise, all went very well.

MARCH 2021 COMMENTS

Clinic - Windom	Botker and staff were great. The experience with the xray tech was not. The shorts offered are only one size that did not fit so I ended up wrapping a gown around me. Then the way they had to adjust my legs caused significant pain but they did not offer a wheelchair back to the reception area even though I was already using a cane to move around. They also repeatedly called me "dear" which I did not appreciate. This is not my first experience with xrays at Windom but definitely the most negative one.
Clinic - Windom	There was not that much room to social distance at the time of my appointment close to 1 pm.The lobby was full to the doorway...
Lab	They were great
Lab	It was a very good experience. Dr Dynes and the staff from front desk to the nurses were amazing!
Ambulatory Surgery	I wish I could have talked to the doctor when I was more alert afterwards. I don't remember any conversation with him!
Ambulatory Surgery	Those nurses were the best I have ever experienced!! Thank You for making me so comfortable. They went above and beyond. Cannot say enough good about that nursing staff that morning!!
Emergency Department	In the past, we have had many bad experiences, but it seems like things have gotten MUCH better! Very pleased! Thank you and keep up the good work!
Inpatient	Fix the windows in117 had cold draft fix the heat
Lab	I was told to go to door 3 of the emergency entrance for a COVID test. I was on time. I parked at the door and waited until I finally left my vehicle and went in the people door. Pushed the button and told why I was there. From this point on everything went great. It would have been nice had I been instructed to walk inside and let someone know I was there.
Lab	was very calming. nurses very friendly
Ambulatory Surgery	Treatment was excellent & very professional.
Outpatient	It was a positive experience
Lab	Friendly & professional
Lab	I think it was the second or third question, on press the numbers 1 through 4. Yes, I was definitely happy, and I accidentally pressed the 1, instead of the 4. So overall the whole lab experience was perfect. So yeah, that was a boo boo pressing the 1 instead of the 4. Thank you.
Lab	nurses and doctors were very nice and helpful
Imaging - Non Magnet	Very professional.
Emergency Department	Thank You for your GOOD care I received.
HCAHPS Inpatient	I want to thank the nursing staff. They were awesome, especially the night nurse, Jen who helped me through my worst night of pain. Keep up the great work you do for our community.
HCAHPS Inpatient	To use Windom Hosp is the best
HCAHPS Inpatient	Overall - I had a wonderful experience. The nurses did a phenomenal job! They kept the best interest of my baby and I in mind at all times.
HCAHPS Inpatient	Excellent facility with excellent care from staff.
HCAHPS Inpatient	I had excellent care throughout my stay! Very professional staff! Thank you Vivian Richards
HCAHPS Inpatient	Nothing about care but disappointed in TV channel selections being only basic. I'm sure it's cost but shouldn't be the patient not getting better selection. I'm not basically a TV watcher but disappointed I couldn't watch what I do watch.
HCAHPS Inpatient	I corrected my information regards my name, my husbands, and my daughters to be hyphenated and they did not correct it so I have to get my daughters SSN and birth certificate corrected and reprinted.

**Windom Area Hospital Auxiliary Meeting
March 8, 2021**

The Windom Area Hospital Auxiliary held their monthly meeting Monday, March 8, 2021 at 6:30 p.m. via Zoom. President Mary Klosterbuer called the meeting to order and welcomed 9 members.

M/S Diane Vellema/Phyllis Heinitz to approve the agenda. Motion carried.

Recording Secretary's Report – Marlene Smith, Recording Secretary

- M/S Karen Skarphol/Joanne Kaiser to approve the minutes as presented for the February 8, 2021 meeting. Motion carried.

Treasurer's Report – Gerri Burmeister, Treasurer

- Balance on hand February 28, 2021 was \$5,750.82
- M/S Dona Olsen/Diane Vellema to approve the Treasurer's Report as presented. Motion carried.

Auxiliary Liaison/WAH Updates – Kim Armstrong

- Submit your February volunteer hours to Kim. She has recorded volunteer hours for those working at the Covid-19 vaccination clinics.
- Covid-19 vaccination clinics continue next week on March 18 and 19.
- Naomi Bak is now doing Department of Transportation exams.
- Belgian Waffle Brunch will be at the Community Center on Sunday, March 14, from 9:00-1:00. Tickets will be sold at the door.
- The Maintenance Department has purchased many tools and items needed. They still have \$259.43 left to spend from the \$5,000 we donated to them.

Old Business:

- None

New Business:

- Joanne Kaiser, chair of the nominating committee presented the following slate of officers:
 - President – Mary Klosterbuer
 - Vice President - open
 - Treasurer – Gerri Burmeister
 - Board Members: Pat Lenz, Dona Olsen, Connie McCarthy
 - A unanimous ballot was cast. Their terms begin May 1, 2021.
- The Auxiliary was awarded a second CARES grant of \$1,500.
 - The pharmacy hood used for mixing chemo drugs needs to be replaced. Cost is over \$20,000. The Foundation has pledged \$10,000. M/S Karen Skarphol/Gerri Burmeister to donate the \$1,500 from the CARES grant to the purchase of the pharmacy hood. Motion carried.
- The Spring Banquet was discussed. Consensus was that a banquet will not be held again this year due to Covid-19 guidelines.
- Hospital Week in May was also discussed. A suggestion was made to do coupons and cards to all employees again so that everyone is recognized. This will be discussed again at the April meeting.
- The Incident Command Team will discuss if the hospital is ready for Lobby Hostesses to resume.

Corresponding Secretary –

- A card was sent to Carol Corwin who broke her shoulder.

MAHV – Minnesota Association of Hospital Volunteers –

- Karen Skarphol and Mary Klosterbuer reported on the District E & F meeting held on March 3 via Zoom.

- A MAHV webinar will be held on Wednesday, April 14, 2021 from 10:00-11:30 via Zoom Register at www.mahv.org.

The meeting was adjourned at 7:20.

Upcoming Events

- Monday April 12, 2021 at 6:30 p.m. - WAHA meeting
- Wednesday April 14, 2021 MAHV Webinar for all members

Marge Paschke
Recording Secretary Pro tem

**WINDOM AREA HEALTH FOUNDATION
FOUNDATION BOARD MEETING MINUTES
MARCH 23, 2021, AT 5:00 P.M.**

Attending: Alice Huebert, Steve Johnson, Sandy Robinson, Greg Scheitel, Kay Gross, Ann Bartelt, Emily Masters/CHRO, Kim Armstrong/Exec Dir. Compliance & Foundation/Auxiliary

Absent: Laura Fresk, Shelby Medina/CEO

Recorder: Janel Eichstadt/Admin Asst

CALL TO ORDER: WAH Foundation Board Chairperson, Alice Huebert, called the meeting to order.

FOUNDATION MINUTES:

M/S/C UNANIMOUSLY TO APPROVE MINUTES FROM THE REGULAR MEETING OF FEBRUARY 23, 2021 AS PRESENTED (GROSS/JOHNSON).

FINANCIAL STATEMENT:

M/S/C UNANIMOUSLY TO APPROVE THE FINANCIAL STATEMENT ENDING FEBRUARY 28, 2021 AS PRESENTED (BARTELT/SCHEITEL).

Review Donations & Assign Gift Thank-you Calls

Foundation donor gifts received during February 2021 were reviewed. Those donors giving gifts of \$100 or more will receive a personal phone call or a thank you note from a Board member acknowledging their gift.

OLD BUSINESS

Dad's Belgian Waffle Brunch

Dad's Belgian Waffle event was held Sunday, March 14, 2021 at the Windom Community Center and was a very successful event. Kim noted 337 people were served, with 55 of those meals were designated as "Take Out", with a final net profit of \$1498.60. Board members were in agreement to schedule this event again in March 2022. Kim agreed to contact the Dad's Belgian Waffles vendor and the Community Center to schedule this event as requested.

Transfer Funds for Panda Baby Warmer

Kim reported the end of year solicitation letter brought in \$5745 in funds designated to the Panda Baby Warmer. Two other donations totaling \$10,000 were received at the end of year.

M/S/C UNANIMOUSLY TO DONATE \$15,745 FROM WAH FOUNDATION TO WINDOM AREA HEALTH FOR THE PANDA BABY WARMER (JOHNSON/GROSS).

Spring Solicitation Letter

Kim noted she and Emily Masters are working on the spring solicitation letter, which will drop the first week of May. Board consensus was to have funds from this letter designated to replacement of the Pharmacy's chemotherapy hood.

CARES Grant

Kim shared the WAH Foundation received \$3500 in CARES grant funds allocated from Cottonwood County Treasurer due to Covid-19. Board members were in agreement to designate these funds towards the purchase of a new chemotherapy hood along with monies received from the spring solicitation letter.

Rebrand Donor Wall/Digital Signage

Emily communicated she had received a response from the vendor generally used for donor wall signage. The examples she received was not fitting to what Board members requested for our donor wall. Emily and Kim shared information from Reach Media Network pertaining to options available for digital signage. Further research of options will be looked into by Emily. Board members requested Emily to pursue exploring the availability of large TV's for placement in the Rehab Lobby and total cost of this project.

Scholarship Selection Committee

Kim shared the Scholarship Selection Committee will be meeting during the week of April 19th to select applications to be awarded \$1000 scholarships through the Foundation. She stated applications are available online until April 11th and Sanford will send applications to Kim April 12th. Selection Committee members requested to have the scholarship applications forwarded to them prior to April 19th for review and comment in preparation for the meeting the week of April 19th.

Virtual Fun Run May 9-15, 2021

Kim stated a virtual Fun Run would take place during the week of May 9-15th.

Strategic Planning Session

Kim communicated the Strategic Planning Session is being postponed due to Alice retiring off the Foundation Board effective April 30, 2021. This event will be rescheduled after a new board member is named.

NEW BUSINESS

Board Member to Replace Alice

Kim requested Board members to think of potential candidates for the vacant board position after Alice retires from the Foundation Board. Names can be brought to the next meeting or emailed to Kim.

Kim and other board members thanked Alice for her 21 years of service and dedication to the Foundation.

Slate of Officers

Board members reviewed and discussed the Slate of Officer for FY21-22. Due to Alice's impending retirement from the Board, the office of chairperson will be vacant.

M/S/C UNANIMOUSLY TO PRESENT THE FOLLOWING SLATE OF OFFICERS FOR FY21-22 TO THE WINDOM AREA HEALTH GOVERNING BOARD FOR APPROVAL AT THEIR APRIL 26, 2021 MEETING: CHAIRPERSON-STEVE JOHNSON, VICE-CHAIRPERSON-GREG SCHEITEL, AND SECRETARY-SANDY ROBINSON (GROSS/BARTELT)

Mountain Lake Police Pink Patch Fundraiser

Kim stated the Mountain Lake Police Dept recently inquired if the WAH Foundation had a program assisting women with cancer related issues, as they were interested in donating funds from a Pink Patch fundraiser promotion in their community. To date, Kim has not heard back from the police department as to their intent on what to do with their collected funds. More information will be shared as it becomes available.

Golf Tournament

The date of September 18, 2021 has been booked at the Windom Country Club to hold a Foundation golf tournament fundraiser. More planning of this event will take place at future meetings.

NEXT MEETING DATE

Next WAH Foundation meeting is tentatively planned for April 27, 2021 at 5:00 p.m. in the Large Conference Room if agenda items require a meeting.

Windom Area Health Foundation meeting was concluded by Chairperson, Alice Huebert.

Sandy Robinson

WAH Foundation Secretary

Recorded by: Janel Eichstadt, Admin Asst



Minnesota Hospital Association

The Financial Health of Minnesota Hospitals and Health Systems

April 2021

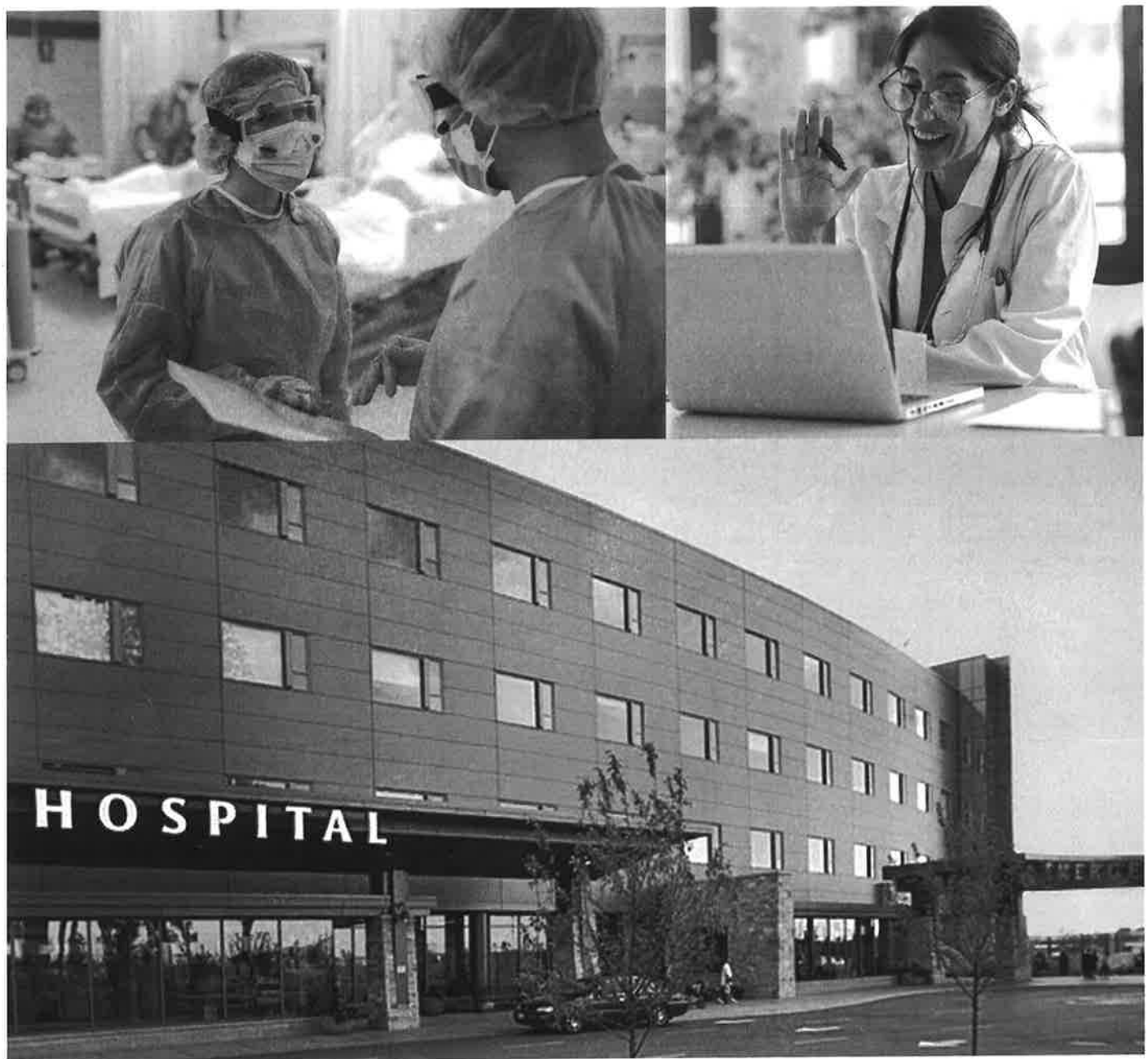


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Executive summary

Between 2014 and 2018, the trend of overall median hospital and health system operating margin in Minnesota remained steady at just over 2%. In 2018, however, the median operating margin declined to 1.7% and fell yet again in 2019 to 1.4% – a signal that Minnesota’s hospitals and health systems are experiencing challenges including declining reimbursements from both government and commercial payers; health care professional shortages that bring higher staffing costs; and increasing costs of products and supplies such as pharmaceuticals, devices and technology systems for electronic health records. This year-over-year declining trend line of median operating margin signals a financially fragile health system in Minnesota, even before the additional significant challenges presented by the global pandemic in 2020.

Topline findings include:

- The median operating margin of hospitals and health systems declined to 1.4% in 2019 from 1.7% in 2018.
- Operating margins for both urban and rural hospitals have declined and converged at 1.4%.
- The net margin of hospitals and health systems recovered to 3.3% in 2019 from a dip to 2.4% in 2018.
- Data collected for this report precedes the COVID-19 pandemic, which caused substantial financial instability, though hospitals and health systems saw some positive mitigation from state and federal funding responses.

The Minnesota Hospital Association (MHA) appreciates the work of the MHA Finance Committee in guiding the development of this report, as well as the input of hospital and health system chief executive officers and chief financial officers for providing the data for analysis.

This report about the financial health of the hospital and health system community would not be complete without expressing our deep gratitude for our health care heroes and staff for their tireless service to patients and communities throughout Minnesota every day.

Introduction

Minnesota’s hospitals and health systems have earned a national reputation as leaders in delivering high-quality, high-value care to meet the needs of their patients and communities. This is the fifth annual report MHA has produced analyzing the financial health and financial trends of Minnesota’s hospitals and health systems. It is the most accurate depiction of Minnesota hospitals’ and health systems’ financial positions because it draws from standard, independently audited data.

This report reflects fiscal year (FY) 2019 data for 76 hospitals and health systems in Minnesota. All but two¹ of Minnesota’s hospitals and health systems are operated as either private, not-for-profit charities or as government-owned organizations and are driven by missions dedicated to strengthening the health of the communities they serve. Hospitals and health systems include clinics and services that span the entire continuum of care: primary care, ambulance and emergency medical services, hospice, nursing home care, home care, mental health services and the most specialized and complex care – including organ transplants, burn care and chronic disease management.

While some of the statistics and trends summarized in this report pertain specifically to hospital-only services, MHA has gathered data and financial performance indicators reflecting these health systems’ full scope of operations and services to provide a complete picture of their financial health. For accuracy of reporting, MHA’s data are derived from hospitals’ and health systems’ independently audited 2019 financial statements, as well as publicly available information collected by the Minnesota Department of Health (MDH).

¹ Two for-profit specialty hospitals are operating in Minnesota: Regency Hospital of Minneapolis and PrairieCare.

Data sources, methodology and context

Analysis based on the most reliable sources

Data used for this report were derived from hospitals' and health systems' audited financial statements. MHA collects this information as part of hospitals' and health systems' reporting requirements under the state-mandated Health Care Cost Information System. MDH maintains similar information as mandated by Minnesota Statutes sections 144.695-144.703.

To the greatest extent possible, MHA relies on audited financial statement data because they are rigorously scrutinized by independent, third-party, certified public accounting firms to ensure the data's accuracy and consistency following generally accepted accounting practices and reporting standards.² This data source is considered the most reliable and optimal for comparing financial performance – in other words, the gold standard.

This report lists both individual hospitals and health systems. Where possible, data are reported at the individual hospital level. However, system-level reporting is necessary for organizations in which financial records and accounting are reported as a single entity, such as Allina Health and M Health Fairview. In a few cases, MHA has reported system-affiliated hospitals, such as those that are part of the Avera Health, Ridgeview Medical Center and St. Luke's systems, as separate entities because their hospital-level audited financial statements are available. Also, for systems headquartered in other states, MHA has shown the Minnesota portion of their systems' activities. Minnesota hospitals owned and operated by Catholic Health Initiatives (CHI) and Sanford Health are examples of system-affiliated hospitals that are part of health systems headquartered in other states.

General, acute care community hospitals and health systems are the basis of MHA's analysis of operating margins. State- and federal-operated hospitals, including Minnesota's Community Behavioral Health Hospitals and the Veterans Administration medical centers, are excluded from this review because they are financed and operated differently from community hospitals, making any statistical comparisons of financial performance confusing or misleading.

To supplement this report's statewide information, MHA has included comparable national statistics when relevant and available to place Minnesota's results and trends into a larger context. Numerous data companies, consultants, lending institutions and credit rating agencies produce financial comparison data targeted for hospitals of varying sizes, service types and locations. To maintain a consistent approach, MHA has relied on Piper Sandler Companies (formerly Piper Jaffray), an investment bank with expertise in health care, to supply the Standard & Poor's (S&P) medians as an appropriate source for national comparison data benchmarks.

Selecting the most meaningful measure of financial performance: operating margins versus net margins

MHA relies on the operating margin to evaluate hospitals' and health systems' financial performance. The operating margin is a measure of an organization's revenues compared with its expenses related to patient care services and activities. While many indicators are relevant for thorough financial health and performance analysis, the operating margin is the most recognizable, succinct, bottom-line measure. While there is no specific benchmark operating margin established for not-for-profit or government organizations, a positive operating margin is necessary to ensure their ongoing ability to serve patients in their community, to invest in innovations and new services, to maintain strong credit ratings and affordable access to capital, and to recruit and retain the highly educated and skilled workforce necessary to care for patients.

Another factor referred to in this report is the net margin. An organization's net margin goes beyond performance on patient care operations by adding revenues and expenses related to nonpatient care activities, such as receiving donations, earning investment income or experiencing financial gains or losses from the disposal of assets. MHA's analysis utilizes net margin before any unrealized gains or losses.

² There are instances in which audited financial data are not available or would not be comparable. In these situations, MHA used either internal financial statements or Hospital Annual Report data reported through the Health Care Cost Information System (HCCIS).

This report primarily focuses on organizations' operating margins because providing patient care services is the focus of hospitals and health systems and because operating margins are the most relevant and comparable measure of financial performance related to patient care services.

The aggregated analysis of the financial performance of hospitals and health systems performed in this report utilizes the median value of margins in conformance with the practice of many national sources. The median figure represents the statistical middle value, whereby 50% of organizations had margins above the median value and 50% had margins below this amount. Using the median value eliminates some of the statistical bias or skewing that a simple average can have, especially when there is significant variation between different sized organizations.

For proper context, it is essential to recognize hospitals' and health systems' nonprofit or public status. Unlike for-profit entities, not-for-profit and government-owned hospitals are not pressured to maximize shareholders' income or disperse available margins to pay dividends. Instead, net margins at not-for-profit or government-owned hospitals are reinvested back into the facilities and services that advance their community service missions and support access to high-quality patient and community care. For example, most of Minnesota's hospitals are part of an organization that provides other kinds of medical services that often generate low or even negative margins, such as clinics, nursing homes, ambulance services, mental and behavioral health care, home health care and hospice services. Therefore, to meet these high-priority community needs, a positive margin earned from hospital patient care services is used to cross-subsidize and financially support some of these nonhospital health care services for the community.

Factors that often influence operating margin

A hospital's mix of payer sources significantly impacts its ability to achieve a positive and sustainable operating margin. Serving a community with higher poverty rates, for example, may result in the hospital or health system receiving less revenue because it is caring for proportionately more uninsured or underinsured patients. Hospitals across the state all care for low-income, elderly and disabled residents in their communities, many of whom are covered by the state's Medicaid program, called Medical Assistance, and MinnesotaCare. The Medical Assistance program's provider reimbursement rates are below the actual cost for delivering patient care. The most recent estimate from the Minnesota Department of Human Services (DHS) shows the Medical Assistance program's fee-for-service inpatient payments support only 74% of the actual costs hospitals incurred to provide that care.³ The federal Medicare program, which provides coverage for the majority of Minnesotans over age 65, also routinely reimburses hospitals below the actual costs of care they provide.

Other factors that might result in lower revenues include each organization's commitment to providing needed services in the community, which may have low or even negative margins. Examples of low- or negative-margin services often include emergency departments, mental and behavioral health care, nursing home services or home health agencies. Because these services result in revenues that do not match patient care expenses, health care organizations face more significant challenges to achieve or maintain a positive operating margin.

Uncompensated care costs, in the form of charity care write-offs and bad debt expenses, are a crucial challenge to hospitals and health systems in achieving a positive operating margin. As health insurance companies increasingly enroll people in high-deductible health plans, which place greater financial responsibility on individual patients and their families, hospitals and health systems shoulder more losses from unpaid expenses. Often, patients are unable to pay the deductible amounts they owe under the coverage terms established by their health plans. In addition, an estimated 4.7% of Minnesotans lack any health insurance coverage, according to the Minnesota Health Access Survey published by MDH.⁴

3 Based on the analysis done by DHS during its rebasing that is facilitated by its consultants from Guidepoint.

4 MDH's Minnesota Health Access Survey published February 2021 based on 2019 results.

In recent years, Minnesota's commercial health plans have taken measures to cut fee-for-service reimbursements to hospitals and health systems. Commercial health plan reimbursements have had a traditional role in ensuring access to care by cross-subsidizing some of the losses health care providers experience from low Medicare and Medicaid reimbursements. The combination of more patients covered by government programs and reimbursement cuts from commercial health plans increases the likelihood of hospitals and health systems experiencing low or negative operating margins.

In an effort to reduce the rate of growth of health care costs, hospitals and health systems have partnered with the Medicare and Medicaid programs, as well as health plans, to enter into value-based payment arrangements. In these arrangements, hospitals, health systems and payers work together to reduce the overall cost of care while improving quality and patient safety. These financial arrangements increasingly allow health care providers to create ways to improve population health, provide care management to the communities they serve and improve overall quality of care to ensure the best outcomes. Partnership models between governmental and commercial payers and delivery systems – in which the partners work together to create value for the individuals and communities they serve and equally share in the value created – provide hope for the future of the health care industry.

On the expense side, costs associated with patient care activities that affect margins include the costs of supplies, technology such as electronic health records, utilities, insurance and other related operating needs. Therefore, hospitals' and health systems' margins are affected when external market forces increase supply costs, such as the rapidly skyrocketing cost of pharmaceuticals or increasing electricity and gas prices and expenses for technology such as investment in and maintenance of electronic health records and information technology infrastructure.

Health care delivery systems are heavily dependent on a highly educated and skilled workforce to deliver the sophisticated and lifesaving care patients need. To recruit and retain these talented caregivers and employees, jobs at hospitals and health systems typically pay higher wages and salaries than other sectors, according to data from MHA's workforce report analyzing trends in hospitals' and health systems' clinical staff. In addition, Minnesota's teaching hospitals invest in medical education to train the next generation of caregivers.

Approximately 52% of a typical hospital's expenses are in the form of wages and benefits to recruit and retain all the care team members necessary to deliver excellent patient care. In many communities across Minnesota, workforce shortages in key clinical areas further drive up compensation costs.

Health care, especially the complex level of care provided in hospitals, is a capital-intensive undertaking and requires hospitals and health systems to secure capital bonds or loans to finance major projects or expensive equipment and technology. In emergency and life-sustaining situations, providers depend on high-tech diagnostic imaging, sophisticated laboratory equipment, increasingly expensive pharmaceuticals, medical devices, scopes and scanners – along with highly skilled medical providers – to achieve the best outcomes for patients. Much of the technology and equipment utilized by hospitals is subject to constant upgrade needs in line with technological advancements. At the same time, models of care are ever improving, migrating from inpatient to outpatient settings.

While buildings and capital equipment are critical for patient care, their impact on an organization's margin, reflected in financial statements as annual interest and depreciation expenses, generally represents less than 6% of the average hospital's or health system's cost structure. The organizations that provide loans for capital projects and equipment, like bond agencies, charge higher interest rates for loans they make to organizations with low or negative operating margins and lower interest rates to organizations that consistently generate positive operating margins. Accordingly, hospitals' and health systems' ability to get capital loans at lower interest rates, and therefore reduce costs to patients, further increases the importance of achieving and maintaining positive margins.

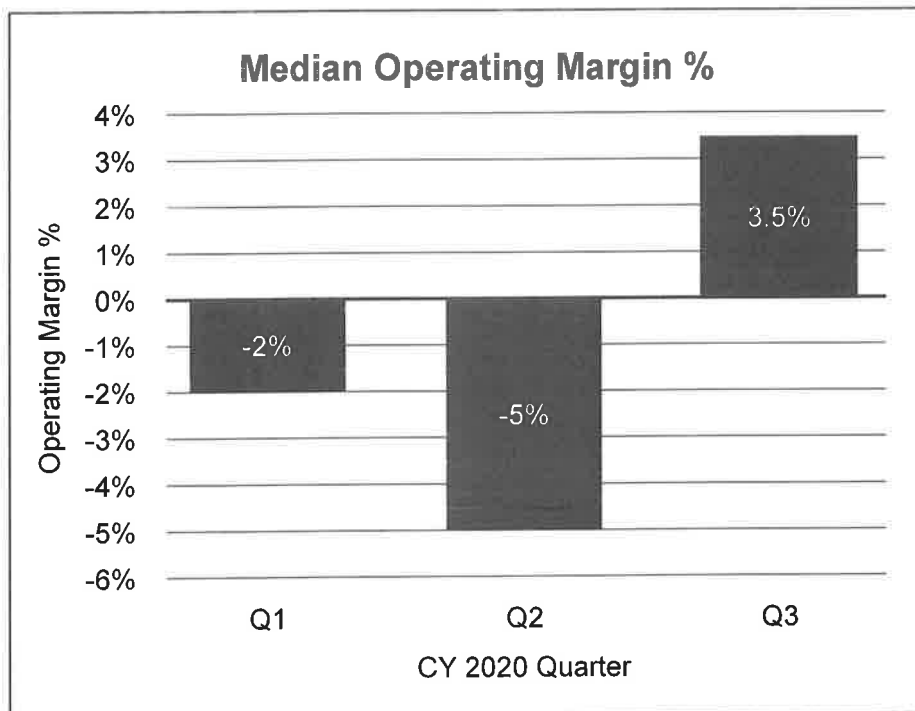
Financial impact of the COVID-19 pandemic in 2020

The FY 2019 data included in this report precedes the COVID-19 pandemic. MHA expects next year's financial health report to encompass the impacts of the pandemic on hospitals' and health systems' financial health during FY 2020. Throughout the pandemic, MHA has worked with hospitals and health systems to understand the financial costs of COVID-19, which included staffing; scaling up facilities and spaces; and acquiring supplies and equipment, including personal protective equipment (PPE).

During the COVID-19 pandemic, hospitals and health systems were severely impacted by a shutdown of non-COVID services, which resulted in staff furloughs in some areas that were not seeing patients, including ambulatory clinic care; therapies; and routine service areas such as colonoscopies and knee and hip repairs. As COVID-19 hospitalizations grew, hospitals were challenged with having enough clinically trained specialists to support their medical-surgical and intensive care units. In some cases, existing staff received cross-training. For remaining needs, health care providers from staffing agencies were needed, often at a premium cost due to nationwide demand.

Hospitals and health systems were challenged to scale up spaces and supplies necessary to care for patients during the COVID-19 pandemic. Anticipating inpatient hospitalization needs during expected COVID-19 surges, spaces were expanded to meet severely ill patients' needs. Hospitals and health systems purchased equipment such as ventilators and oxygen as well as specialized pharmaceuticals and supplies such as PPE to meet anticipated needs. With all of these supplies in critical demand internationally, prices skyrocketed.

To get an idea of the impact of the COVID-19 pandemic, MHA surveyed hospitals for a preview of their calendar year (CY) 2020 operating margins. The results are summarized in the table below. These survey results do not include any state or federal provider relief funds, given regulatory compliance issues that are determined at year-end. In total, 52 individual hospitals and two health systems encompassing 20 additional hospitals replied to the survey.



In the first quarter of 2020, hospital and health system efforts included caring for the state's initial cases of COVID-19, ensuring stable supply chains, deploying crisis response plans and implementing additional precautions to prevent virus spread. Over this time period, hospitals saw a median operating margin of -2%.

From March 23 to May 10, 2020, a state executive order postponed non-time-sensitive surgical procedures in order to conserve PPE for front-line caregivers, ensure care capacity in hospitals for a potential surge of COVID-19 patients, reduce potential exposure for patients and health care workers and slow the increasing spread of the virus.

At the same time, patients also deferred routine care and necessary services such as knee and hip replacements. Hospitals and health systems saw losses in patient volumes of 20% in inpatient, 26% in the emergency department and 41% in outpatient surgeries based on data from MHA's statewide claims data system. This deferral of care caused harm for patients, but also contributed to the financial impact. In April 2020, MHA worked with accounting firm CliftonLarsonAllen to model the near-term impact of the pandemic and found that Minnesota's hospitals and health systems would lose an estimated \$2.9 billion over the first 90 days of the COVID-19 public health crisis.

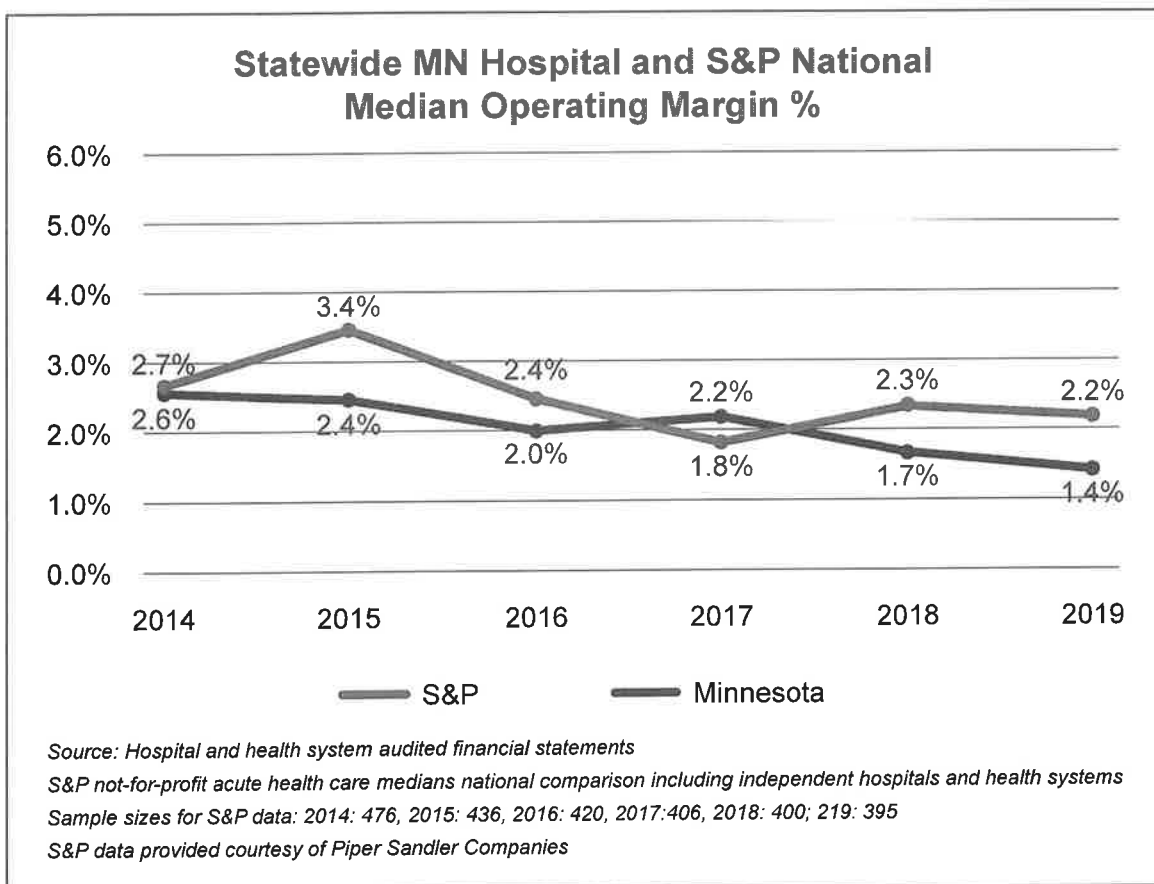
Some of the operating margin improvement in quarter three can be attributed to the return of pent-up demand for health care services as the surgery pause was lifted and patients felt more comfortable accessing care in health care facilities. However, a second peak of COVID-19 hit in the fourth quarter of 2020. MHA anticipates that next year's financial health report will more comprehensively analyze the extent to which the COVID-19 pandemic has impacted Minnesota's hospitals and health systems for the entire year.

Minnesota hospitals' and health systems' operating margins declined in 2019

Between 2014 and 2018, the trend of overall median hospital and health system operating margin in Minnesota remained steady at just over 2%. In 2018, however, the median operating margin declined to 1.7% and it fell yet again in 2019 to 1.4% – a signal that Minnesota's hospitals and health systems are experiencing challenges including declining reimbursements from both government and commercial payers; health care professional shortages that bring higher staffing costs; and increasing costs of products and supplies such as pharmaceuticals, devices and technology systems for electronic health records. This year-over-year declining trend line of median operating margin signals a financially fragile health system in Minnesota, even before the additional significant challenges presented by the global pandemic in 2020.

While 45 of Minnesota's hospitals and health systems shown on this report generated positive operating margins in 2019, 31 hospitals, or 41% of the hospitals and health systems reflected in this report, experienced negative operating margins. The number of hospitals reporting negative margins has grown over the last two years. In 2017, 26 hospitals reported negative margins; in 2018, 27 hospitals reported negative margins. In some cases, hospitals and health systems experiencing negative operating margins rely on nonoperating revenue gains to offset these losses. When the net margin is also negative, hospitals and health systems can utilize their fund reserves to balance their finances. Most hospitals and health systems with negative margins will remain open, but they may need to make operational adjustments to ensure ongoing financial sustainability.

There remains an ongoing concern with the continued growth of uncompensated care costs from Minnesota's uninsured population, as well as underinsured Minnesotans, including patients with high deductibles and copayment obligations they cannot afford. In addition, Minnesota's hospitals and health systems see increasing numbers of patients covered through government-sponsored programs such as Medicare, Medicaid and MinnesotaCare. With reimbursement rates from government-sponsored programs typically below the cost of care, this puts pressure on hospitals and health systems to cross-subsidize losses through negotiated rates with commercial insurers in order to remain viable.

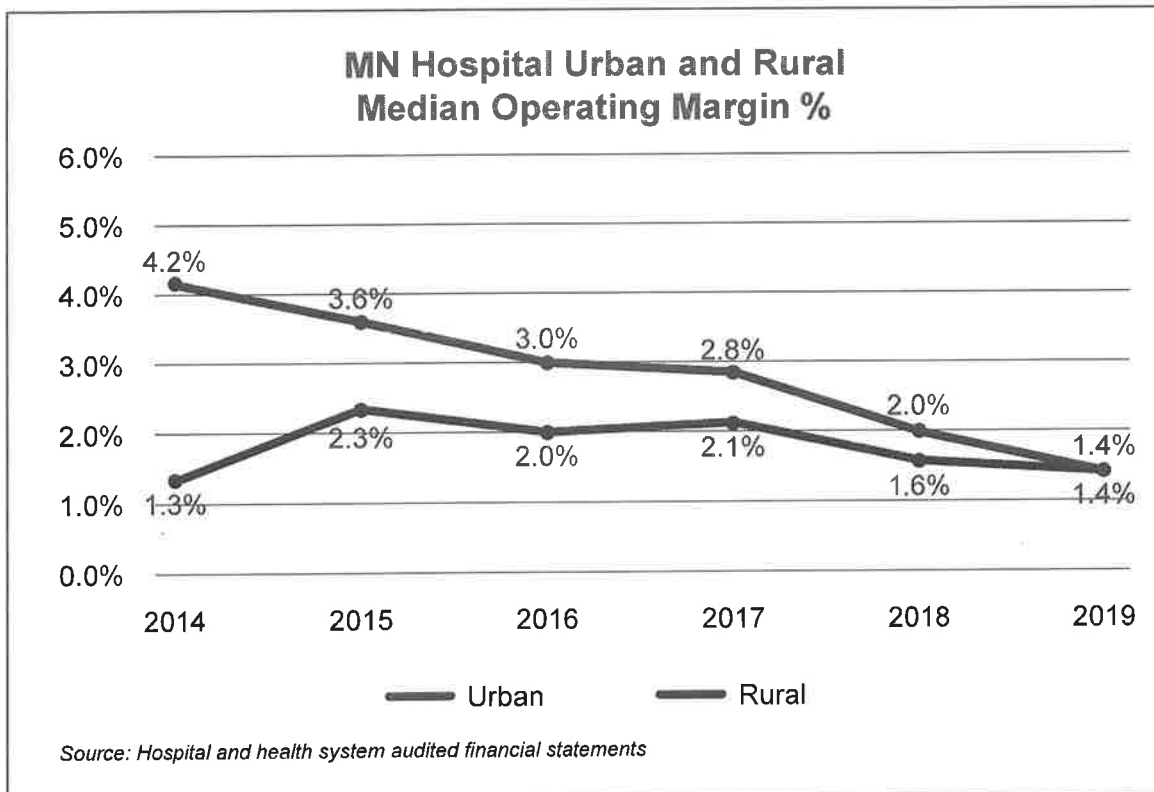


Urban and rural median operating margins converged

Historically, Minnesota's urban hospitals have had higher margins than rural hospitals; however, the gap has narrowed in recent years. Rural hospitals experience lower margins, on average, due to the smaller volumes of patients they treat and scope of services they provide. Many rural hospitals also cross-subsidize a larger portion of their total operations to support other nonhospital health care services their communities need, such as nursing homes, ambulances, free-standing clinics and home health care.

All hospitals and health systems rely on higher reimbursement rates from commercial health plans to cover government underfunding. This cost shift occurs when higher payments from another sector offset underpayments imposed by one sector of the payer market. Some hospitals and health systems, such as safety-net hospitals and small, rural hospitals, serve communities with older populations and, on average, lower incomes compared with hospitals and health systems situated in areas of population that are younger and more affluent. This leads to a higher proportion of patients covered by government-sponsored health care programs, such as Medicare and Medicaid. Hospitals and health systems with higher proportions of government-sponsored payers often struggle more financially. As noted earlier, Medicare and Medicaid routinely reimburse hospitals at rates set below the actual cost of care.

While urban and rural hospital and health system median operating margins have been historically divergent, the trend in recent years has been convergence, with both urban and rural hospitals and health systems showing declines since 2017. The median operating margins for urban and rural hospitals and health systems were the same in 2019 at 1.4%. This trend signals that challenges related to rural versus urban location are less of a driver of financial fragility than other ubiquitous financing challenges discussed above.

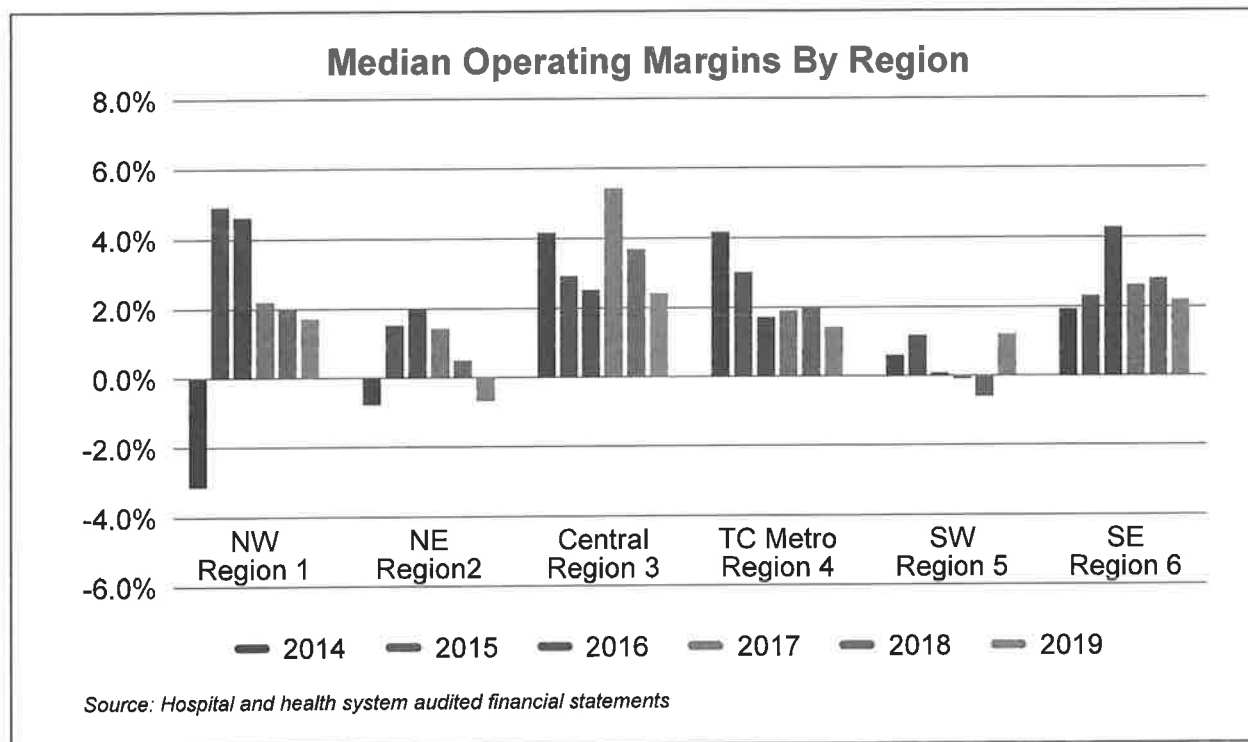


Operating margin trends by geographic region

Much of the variation in operating margins in geographic regions of the state reflects differences in hospitals' and health systems' size and local population mix. MHA's regional map (see Appendix A) identifies the regions discussed below.

From 2014-19, the six regions of the state have seen slightly differing operating margin results. Despite the variation noted, hospitals' and health systems' positive median operating margins remain mainly below 4% across the state.

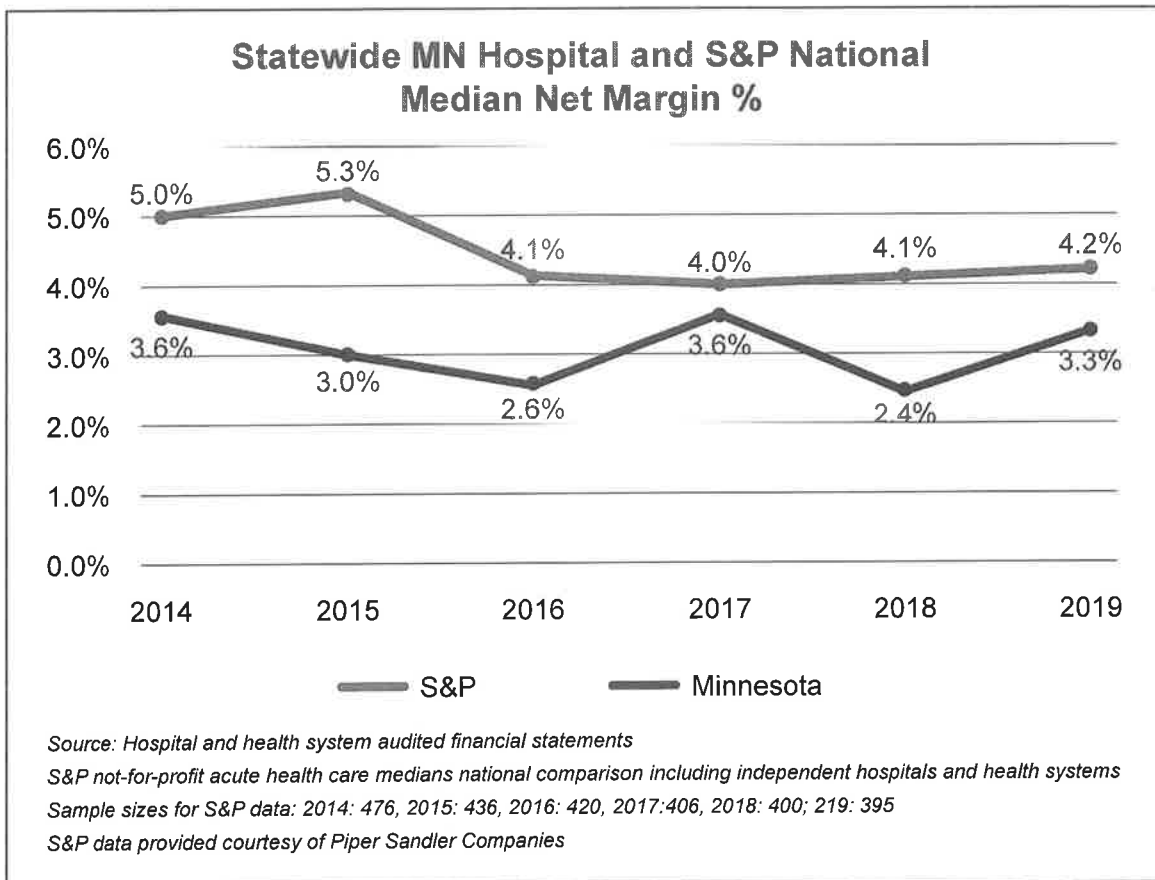
Hospitals and health systems in most regions of the state experienced a decline in median operating margins in 2019. The median operating margins for rural hospitals and health systems in the northeast and southwest regions have trended lower than other regions at or below 2% for six years. The northeast region experienced a negative median operating margin in 2019. All regions' median operating margins were lower for 2019 compared to 2018, except in the southwest region, where the median operating margin is now positive for the first time in four years.



Hospital and health system net margins remained steady

As mentioned previously, the net margin reflects the overall financial impact of all revenues over all expenses during the fiscal year reporting period. It comprises patient care-related and nonpatient care-related revenues over expenditures, including donations, investment performance and disposal of assets.

Minnesota hospitals' and health systems' net margin trend has been relatively stable for the six-year period, with a decrease occurring in 2018, but nearly returning to its 2017 value in 2019. A sharp drop in the investment market at the end of 2018 may have contributed to the decline in net margin during that year. The market's climb in 2019 may be a factor in why the median net margin has improved.



Hospital- and health system-specific operating and net margins

The chart below lists both the operating margin and net margin in total dollars and as percentages for Minnesota's hospitals and health systems. Detailed information about individual hospitals within multihospital health systems is not available because it is generally not presented in audited financial statements. In a few cases, MHA has reported system-affiliated hospitals such as those that are part of Avera Health, Catholic Health Initiatives (CHI), Ridgeview Medical Center, Sanford Health and St. Luke's as separate entities because separate audited financial statements were available or because their system headquarters are located outside of Minnesota. The figures presented below are based on the fiscal year-end operating period that ended in 2019.

Hospital	FY2019 Operating Margin Dollars	Operating Margin %	FY2019 Net Margin Dollars	Net Margin %
Allina Health	62,585,000	1.4%	302,004,000	6.4%
Alomere Health *	2,480,815	1.4%	7,559,603	4.2%
Appleton Area Health *	189,510	1.3%	318,682	2.2%
Avera Granite Falls *	(776,569)	-2.8%	(651,916)	-2.3%
Avera Marshall Regional Medical Center	(7,789,097)	-8.1%	(7,014,561)	-7.3%
Avera Tyler	886,952	7.6%	1,010,021	8.6%
Bigfork Valley Hospital *	(1,513,723)	-6.4%	(465,356)	-1.9%
CCM Health *	2,285,940	4.9%	3,126,773	6.6%
CentraCare	35,643,000	2.1%	61,207,000	3.6%
CHI LakeWood Health	(2,625,878)	-19.0%	(1,911,246)	-13.1%
CHI St. Francis Health	(895,301)	-3.2%	3,404,228	10.4%
CHI St. Gabriel's Health	2,616,442	3.4%	3,363,839	4.3%
CHI St. Joseph's Health	2,654,363	5.4%	5,043,635	9.8%
Children's Minnesota	32,447,000	3.3%	62,463,000	6.2%
Community Memorial Hospital	(1,589,011)	-2.7%	(1,332,875)	-2.2%
Cook Hospital & Care Center *	(1,061,545)	-7.5%	734,050	4.6%
Cuyuna Regional Medical Center	2,651,465	2.1%	3,276,878	2.5%
Ely-Bloomenson Community Hospital	(140,577)	-0.7%	736,902	3.4%
Essentia Health	53,470,000	2.5%	98,287,000	4.4%
Gillette Children's Specialty Healthcare	9,364,634	3.6%	28,862,606	10.4%
Glacial Ridge Health System *	(1,191,887)	-2.7%	(645,517)	-1.4%
Glencoe Regional Health	740,597	1.2%	6,124,234	9.0%
Gundersen Saint Elizabeth's Hospital and Clinics	(9,736,574)	-28.4%	(9,723,829)	-28.4%
HealthPartners, Inc.	189,632,000	2.6%	189,632,000	2.6%
Hendricks Community Hospital Association	(503,148)	-3.7%	(484,971)	-3.5%
Hennepin Healthcare *	(30,235,000)	-2.9%	(27,287,000)	-2.6%
Johnson Memorial Health Services *	(508,091)	-2.8%	70,116	0.4%
Kittson Healthcare	(1,217,797)	-8.3%	(1,072,222)	-7.2%
Lake Region Healthcare	(7,116,204)	-5.0%	(1,327,990)	-0.9%
Lake View Hospital	1,024,844	5.6%	1,739,188	9.2%
Lakewood Health System	2,637,278	2.5%	4,620,984	4.3%
LifeCare Medical Center	3,639,640	7.1%	4,967,434	9.4%
M Health Fairview	(96,238,000)	-1.6%	13,392,000	0.2%
Madelia Community Hospital Inc.	(1,645,674)	-15.2%	(1,446,149)	-13.1%
Madison Healthcare Services	1,062,658	5.9%	1,508,418	8.2%
Mahnomen Health Center *	171,455	1.7%	534,276	5.2%
Meeker Memorial Hospital & Clinics *	3,141,439	8.6%	4,000,395	10.7%
Mercy Hospital *	(1,217,203)	-3.2%	(57,097)	-0.1%

Hospital	FY2019 Operating Margin Dollars	Operating Margin %	FY2019 Net Margin Dollars	Net Margin %
Mille Lacs Health System	1,074,377	2.4%	1,401,376	3.2%
Murray County Medical Center *	(1,750,755)	-11.3%	(1,633,559)	-10.4%
North Memorial Health	2,599,419	0.3%	54,581,184	5.4%
North Shore Health *	(2,663,828)	-15.2%	(1,415,229)	-7.5%
North Valley Health Center	(803,010)	-7.4%	(672,009)	-6.1%
Northfield Hospital & Clinics *	(1,830,896)	-1.7%	3,455,466	3.0%
Olivia Hospital & Clinic *	2,982,564	9.1%	3,708,906	11.1%
Olmsted Medical Center	1,680,887	0.8%	7,897,968	3.6%
Ortonville Area Health Services *	1,697,962	5.3%	2,066,541	6.4%
Perham Health *	(1,613,362)	-2.8%	460,276	0.8%
Pipestone County Medical Center *	(918,077)	-3.1%	1,106,381	3.5%
Prairie Ridge Hospital and Health Services	(1,724,323)	-9.8%	(1,594,009)	-9.0%
Rainy Lake Medical Center	293,940	1.0%	538,431	1.8%
Ridgeview Le Sueur Medical Center	315,231	2.4%	368,192	2.8%
Ridgeview Medical Center	3,851,356	1.4%	6,875,538	2.5%
Ridgeview Sibley Medical Center	312,667	2.2%	770,178	5.3%
River's Edge Hospital & Clinic *	986,824	2.5%	1,016,237	2.6%
RiverView Health	(2,587,142)	-4.4%	(2,480,663)	-4.2%
Riverwood Healthcare Center	4,059,133	5.8%	6,270,696	8.7%
Sanford Bagley Medical Center	1,614,181	12.0%	1,691,231	12.5%
Sanford Bemidji Medical Center	7,427,139	2.4%	6,074,579	2.0%
Sanford Canby Medical Center	1,050,919	4.5%	1,075,920	4.6%
Sanford Jackson Medical Center	1,918,892	14.8%	1,919,109	14.8%
Sanford Luverne Medical Center	3,779,740	13.0%	4,143,032	14.1%
Sanford Thief River Falls Medical Center	10,443,139	13.7%	10,464,662	13.8%
Sanford Tracy Medical Center	389,339	3.7%	1,109,370	9.9%
Sanford Westbrook Medical Center	(114,562)	-1.5%	(113,232)	-1.5%
Sanford Wheaton Medical Center	897,236	10.0%	959,266	10.6%
Sanford Worthington Medical Center	(3,893,399)	-8.9%	(3,845,089)	-8.8%
Sleepy Eye Medical Center *	(711,590)	-4.2%	(551,862)	-3.2%
St. Luke's Hospital	2,041,763	0.4%	5,689,111	1.1%
Stevens Community Medical Center	983,757	2.6%	1,251,303	3.2%
Swift County-Benson Health Services *	(799,018)	-4.3%	(618,079)	-3.3%
Tri-County Health Care	4,938,527	6.8%	5,934,174	8.1%
United Hospital District	1,809,336	4.7%	2,127,020	5.5%
Welia Health *	3,795,431	4.0%	4,989,651	5.2%
Windom Area Health *	642,838	3.2%	861,737	4.3%
Winona Health Services	(3,202,381)	-2.7%	(1,800,054)	-1.5%

* Government-owned hospitals' margins may be impacted by fluctuations in Public Employees Retirement Association (PERA) pension obligations. In addition, some government-owned hospitals classify interest expense as a nonoperating expense. For the analysis in this report, MHA reclassified interest expense into operating expense in these situations to keep the reporting consistent.

Appendix A

MHA regional map

