**EXHIBIT 1**

# Memorial Hospital Lafayette County 'MHLC'
June 28, 2016
MHLC Conference Room
Minutes from Monthly MHLC Committee Meeting

**Present:** MHLC Chair Jack Sauer; MHLC County Supervisors Wayne Wilson; Larry Ludlum; Bob Boyle; Dr. Matt Solverson; Bev Anderson; Homer Evenstad; Jack Wiegel; Administrator Julie Chikowski; COO Kathy Kuepers; County Finance Manager Molly Wiegel; Finance Director Nicola Maurer; Interim Director of Finance: Joe Svetlik; Executive Secretary Jody Tuescher; Chief Nursing Officer Terri Vieth joined meeting at 12:25 pm.

## I. Call to Order
Mr. Sauer called the meeting to order at 12:00 p.m.

## II. Posting
Mr. Sauer asked if the meeting had been properly posted. Ms. Tuescher reported that the meeting had been posted with notices at the Hospital, Health Department, Manor, Court House, County Website, and sent to the local media. Mr. Sauer declared the meeting to be legal.

## III. Approval of Agenda - Discussion and possible action requested
Mr. Sauer presented the agenda and inquired if there were any changes. Ms. Chikowski asked to move item 6. ER Tech from New Business to Personnel 1. Staff Updates. After a brief discussion Mr. Wilson made the motion to approve the agenda with changes, seconded by Mr. Boyle. Voice vote, motion passed.

## IV. Minutes – Discussion and possible action requested
The motion was made by Mr. Ludlum, seconded by Mr. Wiegel to approve the minutes of the May 24, 2016 meeting. Voice vote, motion passed.

Jack Sauer has accepted the MHLC Hospital Chair position.

## V. Financial Report:
Ms. Chikowski introduced and welcomed our new Finance Manager, Molly Wiegel and everyone introduced themselves around the table.

**Dept. Profit/(Loss) & Income Statement – Mr. Svetlik – May 2016**

- May monthly total net loss is $246,296.
- May profit YTD is ahead of 2015 by $333,990. Includes transfers.
- YTD Swingbed days are down from 2015 by 50 patient days.
- YTD Acute Inpatient days are down from 2015 by 12 patient days.
- YTD Observation hours are down from 2015 by 72 patient hours.
- Comparing Department Current YTD Inpatient Revenue to Budget:
  Med/Surg, Radiology and Therapy are above budget.
  All other departments are below budget – due to a decrease in the ancillary service for an inpatient.
- Comparing Department Current YTD Outpatient Revenue to Budget:
  Therapy is the only department above budget.
  All remaining departments are below budget – due to decrease in patient count and ancillary service.
- Total Clinical Expenses YTD:
  Med/Surg, Outpatient Clinic and Therapy are over budget.
  All remaining departments are below budget.
- YTD Net income is a gain of $72,351, which is a 1.24% total margin YTD. Operating Percentage Margin YTD is 0.94%, ahead of 2015 which was -2.83%.
- Account balances that were written off to charity care for 2016 amount to $11,390, compared to 2015 amount of $24,885.

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- Reversing entry for Medicare settlement payment was made for $146,181 to correct a double posting. This correction increased our loss by $145,181.
- We found Rehab expenses of $108,251 for April were not recorded until May which overstated April Income and May Loss – same positive margin for May – YTD Correct. Ms. Chikowski & Ms. Wiegel know what Rehab bills are so there is no big flux.

**Balance Sheet**

- Cash as of May 31, 2016 is $406,010.
- The Gross Accounts Receivable balance as of May 31, 2016 is $2,793,847.
- We purchased a Glidescope Cart for $11,590 which will be used in both OR and ER. Total capital purchases are $45,554 so far in 2016.

**Aged Accounts Receivable**

- The net days outstanding in accounts receivable is 54.31.
- 56.56% of our aging accounts receivable is in 0-30 days outstanding, and 14.05% are in 31-60 days outstanding.
- Self-pay balances May 2016 total $312,309, compared to self-pay balances May 2015 total $236,441.
- Currently for May 2016, $606,602 is greater than 90 days outstanding, compared to May 2015, $528,073 greater than 90 days outstanding.
- Currently for May 2016, 51% of our aging accounts receivable consists of Medicare and Medicaid.

**Liabilities**

Long term liabilities includes $650,000 loan for the remodel of the outpatient clinic. Payments are being made monthly, and the current balance is listed at $570,947

Mr. Ludlum asked how much money we have paid out for items budgeted for Capital Purchases so far this year – the number in the finance report seemed a little bit low as we have approved several large purchases in the last couple of months. After a brief discussion it was requested to bring a current number for discussion at the next meeting. The motion was made by Mr. Boyle to approve the financial report, seconded by Mr. Wilson. Voice vote, motion passed.

**VI. Audit of the Bills: Discussion and possible action.**

Mr. Svetlik reported that there was nothing out of the ordinary for AP and after a general discussion Mr. Ludlum made the motion to approve the audit of the bills, seconded by Ms. Anderson. Voice vote motion passed.

**VIII. Personnel – discussion and possible action requested.**

1. Staff Updates: Ms. Chikowski/Ms. Kuepers:
   - Terri Vieth, the new CNO has been working on filling open RN & CNA positions. Fill ins for vacations for RNs and Interviewing for open positions.
2. ER Tech: [Moved up from New Business]:
   - CNA/HUC Shortage was discussed. Applicants are 16 year olds and they are not able to cover the open shifts which are usually nights and weekends. There is a limit to their availability. That has prompted us to work on a new job description - ER Tech. This would be an LPN level position – it would tap into a new pool of people in the market and they would work under the delegation of an RN. This would mirror the Med Tech position that was recently created at the Manor Ms. Chikowski said. We are using OT right now to fill in the gaps which is costly, but it is also burning out our current staff. We can resort to filling in with agency nurses if necessary, but it will be very expensive. Terri Vieth, CNO joined the discussion – an ER Tech Job Description which was recently developed was handed out and reviewed. The wage difference between and LPN & CNA is about $4 - $5 per hour. Mr. Sauer commented that we really have no choice but to go with the new position and increase the wage. Ms. Vieth said that we have 2 FT positions open and currently have 1 CNA who is an LPN who can transition into this new

position – all 3 would be for the ER Dept. After a brief discussion it was motioned by Dr. Solverson to approve the creation of the new ER Tech position & wage increase as presented. This will have to be taken to HR and County Board for approval. Seconded by Mr. Wilson, voice vote, motion passed.

- FMLA – Family Medical Leave Act: Ms. Vieth reported that we have an employee who is a CNA that has worked for MHLC for less than a year that has been diagnosed with cancer so doesn't qualify for FMLA. We would like to offer her FMLA so her job can be held open while she is on medical leave. After a brief discussion the motion was made by Mr. Boyle, seconded by Mr. Wilson to grant this request. Voice vote, motion passed. Mr. Sauer also suggested that this employee apply to the Sick Leave Bank that we have established through the County for further assistance.
- Molly Wiegel was hired as the new finance manager and is orienting.
- Brooke Nipple was hired as a Radiology Tech and is orienting.

3. May OT Report: Ms. Chikowski:
   Reviewed the report continue to monitor as needed.

**IX. Medical Staff Report**:

1. Appointments/Reappointments: Dr. Solverson:
   We have 2 recommendations from Medical Staff for appointment:
   - Susan Portz, Dietitian
   - Dr. Martin McKinney, MD – ER Physician – Probationary 6 months or 3 visits

   After a brief discussion a motion was made by Mr. Ludlum, seconded by Mr. Wiegel to approve the 2 new appointments. Voice vote, motion passed.

2. Family Health/Hospital Communication:
   Dr. Solverson reported that there is nothing new for the hospital committee at this point in time. General discussion continued.

**X. Management Report: Discussion and possible action requested. (Management/Old Business was moved up)**
**Old Business:**

1. Laundry Quotes: Ms. Chikowski:
   After our onsite visit to Orchard Manor it was decided to continue with Superior. After a brief discussion the motion was made by Dr. Solverson, seconded by Mr. Wilson to go with this recommendation, voice vote, motion passed.

2. Nursery Buildout Update:
   The plans were finalized and will be sent to State for approval. General discussion continued.

3. Strategic Planning Meeting:
   No plans at this time – we have wrapped up the split of the finance positions at the Manor and Hospital. We signed a confidentiality agreement with Meriter Unity Point after approval from our corporate council. We visited Guttenberg Municipal Hospital and brought back a lot of great information to help make a decision. A lengthy discussion continued regarding how they formed their relationship and specific things that improved and other benefits their hospital realized. Ms. Chikowski suggested that after we receive their proposals we contact Quarles & Brady law firm to get an estimate for their legal opinion. Dr. Solverson suggested that we wait and see what our needs are first and then if we need assistance contact a consultant at that time.

**XI. New Business:**

1. IT Request(s): Ms. Chikowski:
   None at this time.

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2. Bylaw Review:
   Ms. Kuepers presented a change to the Bylaws that was approved by Family Health providers and will be discussed at Medical Staff that Outpatient Consulting Surgeons be granted admitting privileges that have surgeries scheduled for just that day only. So they can see their patient in the outpatient clinic and admit them for surgery and follow their care until they walk out the door. This will be making that outpatient clinic specialist responsible for the outcome of their patient. The Bylaws need to be reviewed by the hospital committee every year. After discussion and clarifications the motion was made by Mr. Wilson, seconded by Ms. Anderson to approve the change in the Bylaws as presented. Voice vote, motion passed.
3. Painting Exterior of the Hospital:
   Ms. Chikowski – Would like to have the front & side of the hospital exterior painted to go hand in hand with the beautiful landscaping that the Auxiliary has done. All-star Power washing estimate is $12,985. After a lengthy discussion it was decided that the committee members want to go out and actually look at other projects he has completed prior to proceeding with this and will discuss at the next meeting.
4. ER Cart:
   Ms. Kuepers said that we need a replacement ER Cart – it was in the budget for $19.5 and we found one for $14.5 – the other one is junk and was purchased in 1999. After general discussion the motion was made by Mr. Ludlum, seconded by Mr. Wiegel. Voice vote, motion passed.
5. Floor Scrubber:
   Ms. Kuepers said that we put in the budget for a floor scrubber for $7,500 – we have never had one at the hospital – the Manor has one and uses it 3 times a week – but we are not able to share it. We found one for $5,000 which is a good price. After a general discussion the motion was made by Mr. Wilson, seconded by Mr. Boyle to approve the purchase as presented. Voice vote, motion passed.
6. EKG Machine:
   Ms. Kuepers said that we have been looking through the UHS contracts at our leased equipment and we have been paying $7,752/year leasing EKG machines. We need 2 new machines - 1 in ER and 1 for clinic & floor. We can purchase 2 for $10,055.00 and the BioMed guy can service them - which is a very good deal. After a general discussion the motion was made by Dr. Solverson, seconded by Mr. Boyle to approve the purchase of 2 EKG Machines for $10,055.00. Voice vote, motion passed.
7. PFT Equipment:
   Ms. Chikowski said that we need a replacement PFT Machine and budgeted for one to be purchased this year for $50,000. We found one for $44,995. These machines typically last for 10+ years. A PFT Machine is used for breathing tests and measures lung function so we do a large volume. So with the reduced price, 10 year life & large volume of tests it will pay for itself within 2 years. After a general discussion the motion was made by Mr. Boyle, seconded by Mr. Wiegel to approve the purchase as presented, voice vote, motion passed.
8. Meriter Confidentiality Agreement:
   Ms. Chikowski said that she received the confidentiality agreement and forwarded it onto corporate council. We will then wait for them to send their proposals. Then we will review them in closed session.
9. Hospital Committee Agenda/Packet Mailings:
   Ms. Tuescher said that recently there have been some issues with the committee members not receiving their packets in a timely manner due to the mail being slow. Ms. Kuepers said that the agenda cannot be sent out until the last minute because we are adding items up until the last minute. We are asking if we can email them out to members or create a mail box at the court house where they can be picked up or any other ideas. After a general discussion the majority will have them emailed and the others will notify Ms. Tuescher how they would like them to be delivered.

**XII. Set Next Meeting Date –** After a general discussion Mr. Sauer set the next meeting date.

**Next Hospital Committee Meeting**
**July 28, 2016 8:00 a.m.**
**MHLC Downstairs Conference Room**

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**XIII. Adjournment** – Mr. Wilson made a motion, seconded by Mr. Boyle to adjourn the meeting. Voice vote, meeting was adjourned.