

ANNUAL REPORT

2018



*Caring for our communities,  
one person at a time*

## Our Mission

Mercy Hospital is committed to delivering high quality, personalized care to people of all ages.

### To the residents of the Mercy Hospital District:



Trina Lower  
Interim CEO

Mercy made great strides in 2018. We saw dramatic increases in our Pain Management service line by adding new procedures to help patients manage their pain and by welcoming a spine surgeon, Dr. Dan Hanson. We are proud that this service approaches pain management through an opioid-free model. The focus remains on longer term and permanent solutions to managing pain. As of December, two of our Certified Registered Nurse Anesthetists, who perform many of these pain procedures, also earned their Doctorate degrees, giving them even more expertise in their specialty.



Kelly Goeb, M.D.  
Board Chairperson

Earlier in the year, Mercy was honored to send a delegation to accept the Louis Gorin Award for Outstanding Achievement in Rural Health Care from the National Rural Health Association (NRHA). This national recognition was awarded posthumously to Rhonda Skelton, one of Mercy's long-time managers. We are honored that Rhonda's award recognized the hard work and dedication she exhibited in moving Mercy Hospital to being a fully accredited Baby-Friendly® Hospital (2018-2023). This is the second time Moose Lake has had a healthcare professional awarded the Louis Gorin Award for Outstanding Achievement in Rural Health Care. Dr. Ray Christensen also accepted this honor in 1989.

This year also saw Mercy begin placement of a new cardiac device called the Confirm Loop Recorder. Dr. Sharon Gossett, General Surgeon, Gateway Clinic, began implanting these devices in August. This diagnostic implant sends data to an application on a smart phone so the patient's physician can better monitor the activities of the heart over long periods of time assisting in better care and management of heart related issues.

Our staff, physicians and our board are what makes all of this exceptional care possible here at Mercy. Their dedication and hard work is what makes our local healthcare truly outstanding.

We are honored that you continue to entrust Mercy with your health care. We are committed to serving each of you, providing the highest quality healthcare close to home. On behalf of the Mercy Team and the Board of Directors, thank you for the privilege of caring for you and your family and especially thank you for choosing Mercy.

Sincerely,

**Trina Lower**  
Interim CEO

**Kelly Goeb, M.D.**  
Board Chairperson

## Providing quality services close to home

2018  
Patient  
Care

### Mercy is first in region to use new smartphone technology



**Dr. Gossett**

In 2018, Mercy Hospital became the first hospital in the region to offer new smartphone compatible technology that is designed to help physicians remotely identify cardiac arrhythmias (irregular heartbeats).

Insertable cardiac monitors (ICM) are important diagnostic tools used to detect cardiac arrhythmias. The

Abbott Confirm Rx™ ICM now used at Mercy is the world's only smartphone compatible ICM.

The small device is implanted by Dr. Sharon Gossett, General Surgeon, Gateway Family Health Clinic, just under the skin in a patient's chest during a quick, minimally invasive outpatient procedure. The device then continuously monitors heart rhythms. Data collected by the device is securely transmitted to a patient's physician via a mobile app on a patient's smartphone.

### Mercy welcomes spine surgeon



**Dr. Hanson**

In 2018, Mercy Hospital and Gateway Family Health Clinic welcomed Dr. Daniel W. Hanson, Orthopedic Spine Surgeon, Minnesota Spine Institute.

Dr. Hanson provides clinical assessment and treatment for patients with spine pathology (spinal conditions). He sees patients by referral once a month at Gateway Family Health Clinic in Moose Lake. He performs surgical procedures at Mercy Hospital.

For referral information, contact your primary care provider or call Gateway Clinic at **218.485.4491**.

### Mercy Hospital receives prestigious international award

The *Rhonda Kay Skelton* Birthing Center at Mercy Hospital achieved the prestigious international recognition as a designated Baby-Friendly® birth facility by Baby-Friendly USA in 2018. This designation is awarded to hospitals that demonstrate a high commitment to excellence in breastfeeding education and support while caring for their patients.

Mercy is one of only two Critical Access Hospitals in Minnesota with this designation and is one of 13 total Baby-Friendly® hospitals in the state.

### Mercy's Pain Management Clinic adds new treatment option



Mercy's Pain Management Clinic began offering patients with chronic pain a new treatment option in 2018 for long-lasting pain relief.

Cooled Radiofrequency Treatment (Cooled RF) is a minimally invasive, non-surgical outpatient procedure that targets and treats the nerves causing chronic pain. This advanced procedure uses cooled radiofrequency energy to safely target the sensory nerves causing pain. The treatment is designed to treat chronic pain lasting for longer than three months. Studies show that the treatment can provide chronic back pain patients up to 24 months of pain relief, improved physical function and reduced use of pain medicines.

Mercy's Pain Specialists see patients for initial appointments at Gateway Family Health Clinic in Moose Lake and Sandstone. Contact your primary care provider for referral or call **218.485.5800** with questions. *Mercy's Pain Management Clinic is a non-narcotic pain clinic.*

# 2018 Financial Report

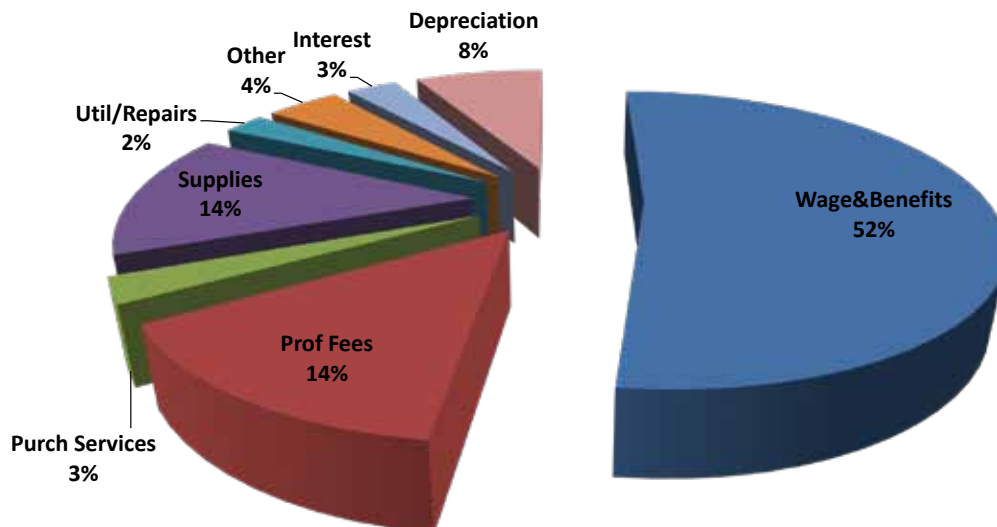
## Statement of Revenues and Expenses

For Years Ending 9/30/18 and 9/30/17

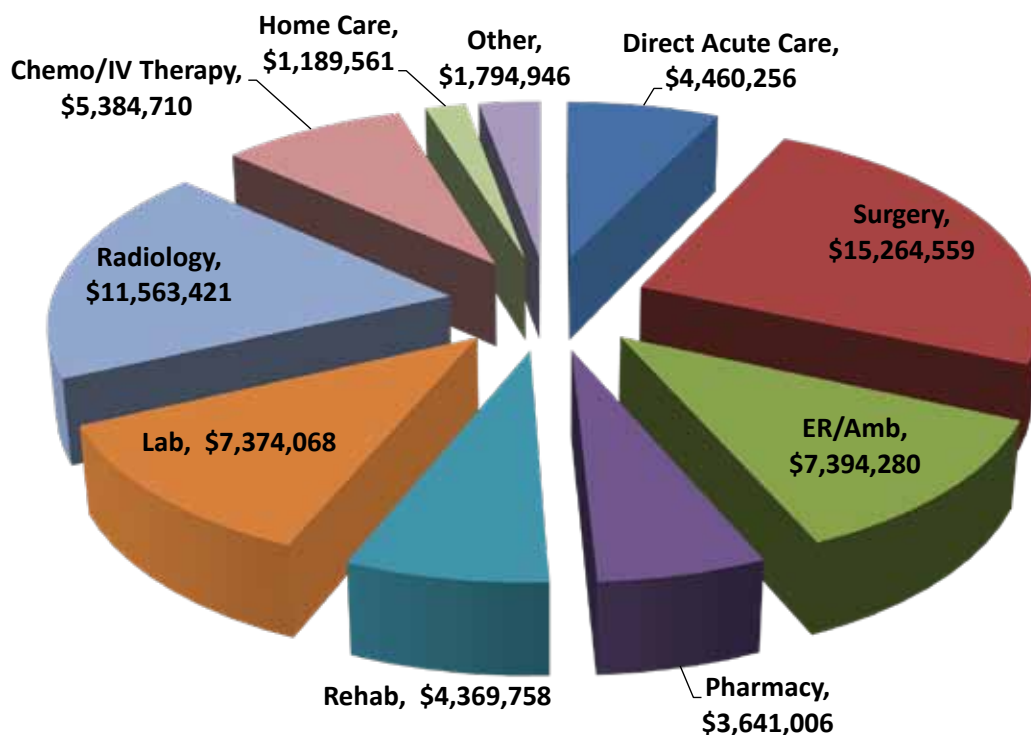
	<u>2018</u>	<u>2017</u>
<b>Gross Patient Revenue</b>	<b>\$62,436,565</b>	<b>\$62,145,771</b>
Less: Charity Care	(160,936)	(99,104)
Patient Billed Revenue	62,275,629	62,046,667
Less: Contractual Adjustments	(25,547,373)	(26,861,134)
Patient Reimbursable Revenue	36,728,256	35,185,533
Less: Bad Debt Provision	(857,988)	(918,871)
Net Patient Revenue	35,870,268	34,266,662
Other Operating Revenue	1,001,575	1,241,379
<b>Total Operating Revenue</b>	<b>\$36,871,843</b>	<b>\$35,508,041</b>
<b>Operating Expenses</b>		
Salaries and Benefits	\$19,240,612	\$18,328,726
Professional Fees	5,251,668	5,326,734
Other Purchased Services	988,649	1,024,624
Supplies	5,006,738	4,696,411
Utilities and Repairs	884,117	704,028
Other Costs	1,607,454	1,513,448
Interest Expense	1,123,547	1,142,943
Depreciation	2,889,305	2,928,059
Total Operating Expenses	<u>\$36,992,090</u>	<u>\$35,664,973</u>
Operating Gain(Loss)	\$(120,247)	\$(156,932)
Non-Operating Revenue **	744,264	742,347
<b>Revenue In Excess Of Expense</b>	<b>\$624,017</b>	<b>\$585,415</b>

\*\* Includes tax levy dollars

### Mercy Hospital FY2018 Expense



## Mercy Hospital FY 2018 Gross Revenue By Service Area



## Balance Sheet

*As of 9/30/18 and 9/30/17*

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current Assets	\$16,225,932	\$17,992,219
Noncurrent Cash and Investments	5,462,944	1,796,449
Capital Assets, Net	36,180,661	38,326,686
Investments in Affiliates	<u>680,702</u>	<u>686,659</u>
<b>Total Assets</b>	<b><u>\$58,550,239</u></b>	<b><u>\$58,802,013</u></b>
<b>Liabilities</b>		
Current Liabilities	\$3,551,072	\$3,928,967
Long-term Liabilities	<u>36,015,114</u>	<u>36,648,560</u>
<b>Total Liabilities</b>	<b><u>\$39,566,186</u></b>	<b><u>\$40,577,527</u></b>
<b>Net Position</b>		
Net Investment in Capital Assets	(599,843)	1,187,327
Restricted	1,315,899	1,284,364
Unrestricted	<u>18,267,997</u>	<u>15,752,795</u>
<b>Total Net Position</b>	<b><u>\$18,984,053</u></b>	<b><u>\$18,224,486</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$58,550,239</u></b>	<b><u>\$58,802,013</u></b>

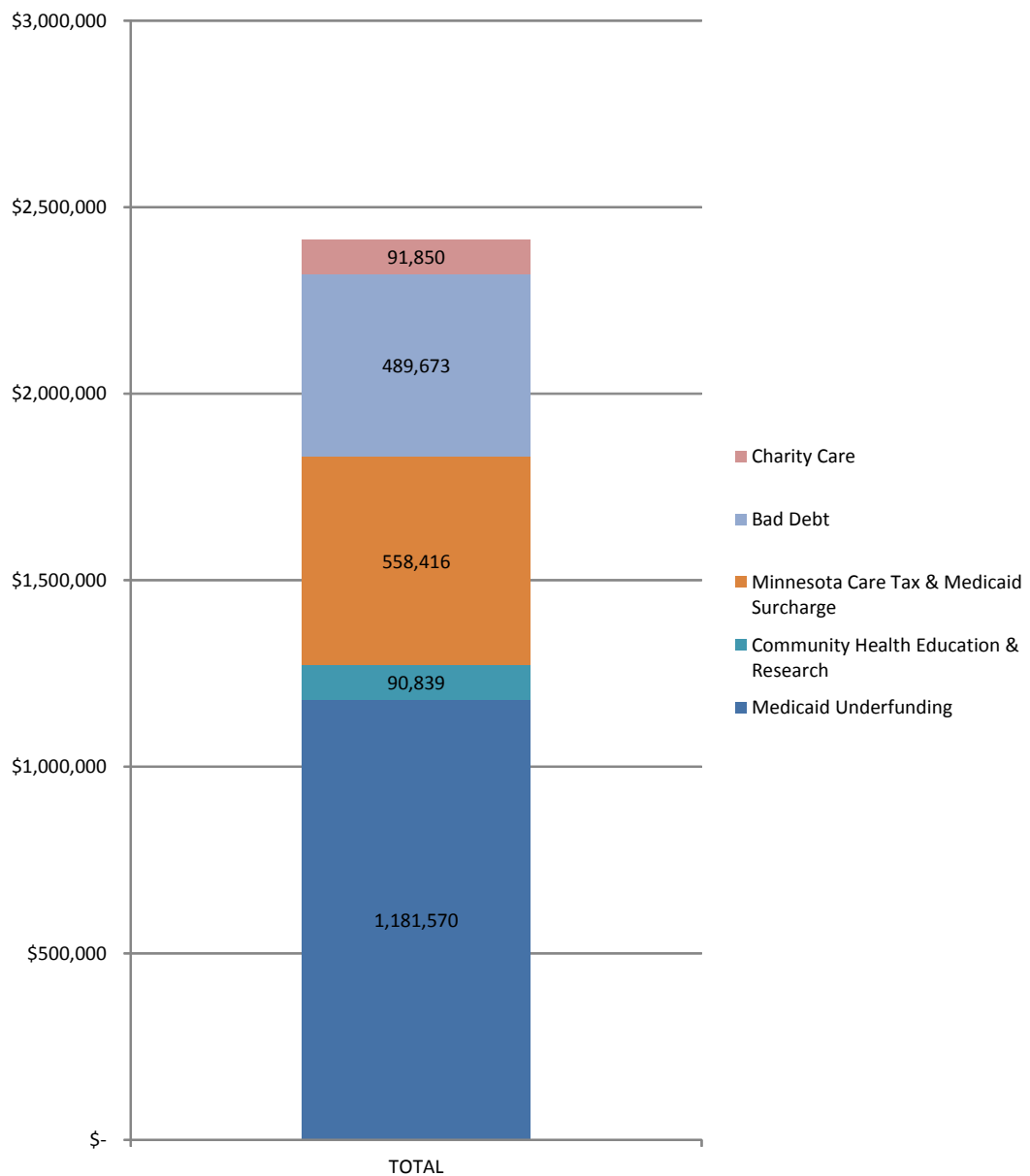


## Serving our communities

### Community Benefit

As a health care provider, major employer and community citizen, Mercy serves and strengthens our region in many ways. In fulfilling these roles in 2018, Mercy contributed over \$2.4 million in numerous free and reduced-cost services and programs that are critical to the health of our region.

### 2018 Community Benefit Summary



## 2018 Giving Report

Donors truly change lives. As our philanthropic partner, your support allows us to help Mercy Hospital continue to enhance the quality of health care in our community today and in the future. We thank you for your trust in The Mercy Foundation and are grateful for the role you have played in our success.

During our Fiscal Year 2018, more than \$170,051 was contributed by our generous donors including in-kind donations.

New restricted revenue received was \$10,550 for the *Well Within Reach* Building Fund; in addition, we received nearly \$68,000 in pledged funds.

Our unrestricted revenue was nearly \$41,773, which funds on-going gifts to Mercy Hospital. These cash gifts came to us through direct solicitation, memorials and tributes. This includes an increase in The Dr. Martin and Mrs. Eleanor Munson Endowed Fund by the Munson family along with dividends and interest on that fund, and interest earned on longer-term savings instruments.



Our events make a huge impact on our ability provide grants for life-saving equipment within a healing environment.

- ▶ Autumn Gala October 7, 2017 - \$20,084
- ▶ Midsummer Golf Benefit June 22, 2018 - \$14,931

## Gifts of Health and Gifts of Hope

The Mercy Foundation awarded a total of \$145,716 in grants, including scholarships and sponsorships. Your gifts support the purchase of equipment and services to provide the care and comfort and community wellness for the individuals and families we serve.

### Grants included:

- ▶ *Well Within Reach* Building Fund - \$70,000
- ▶ Diabetes Education Department - \$813  
Two Professional Dexcom CGM Transmitters.
- ▶ Chemotherapy & Infusion Department - \$7,466  
Two specialty chairs designed for our patients' comfort.

### You Are Invited

We'd love to have you join us at our annual upcoming events!

- ▶ **Midsummer Golf Benefit - Friday, June 21, 2019**
- ▶ **Autumn Gala - Saturday, October 12, 2019**

- ▶ Rehabilitation Department - \$5,875  
Real Eyes Video Goggles to help with vestibular rehab.
- ▶ *Rhonda Kay Skelton* Birthing Center - \$40,000

- Two Halo Bassinets
- Pro-Nox Nitrous Delivery System
- Birthing Monitors
- Lactation Support Training

- ▶ Four \$1,000 scholarships were awarded to Dollars for Scholars and local high schools for graduating seniors entering the medical field. The students attended Barnum, Cromwell-Wright, Moose Lake and Willow River High Schools.

- ▶ *Rhonda Kay Skelton* Memorial Nursing Scholarship  
Two \$2,500 scholarships were awarded. One scholarship was awarded to a Moose Lake High School graduating senior pursuing a degree in nursing. The second scholarship was awarded to non-traditional student continuing their education in nursing.



## Community Kindness

In support of our community partnership, more than \$2,000 in gifts were provided to enhance healthy community activities including Woodland Trail, The Mercy Foundation Moose Run, Moose Lake Triathlon, Kiddie Parade, and the Moose Lake Fourth of July Parade.

## Many Ways to Give

The generosity of our donors provides us the ability to continue to make vital investments in technology and services for Mercy Hospital.

Please call us with questions: **218.485.5586**  
**Online gifts:**  
[mercymooselake.org](http://mercymooselake.org)

### THE MERCY FOUNDATION BOARD OF DIRECTORS

**Lola Davidson**  
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**Trina Lower**  
Vice Chair/Secretary  
**Byron Kuster**  
Treasurer  
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Director  
**Lainie Janke**  
Director  
**Anna Lattu**  
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**Jon Lund**  
Liaison Board Member  
**Maggie Neudecker, MD**  
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**Rita Parzy**  
Director  
**John Shannon**  
Director  
**Lilli Skelton**  
Director

### THE MERCY FOUNDATION

**Michelle Anderson**, Executive Director  
**Karen Ackerson**, Data Manager



## Mercy Services

- ▶ Ambulance Service
- ▶ 24-Hour Emergency Department
  - Level 4 Trauma Center
  - Stroke Ready Designation
- ▶ Urgent Care
  - Weekdays, 5 to 9pm;
  - Weekends/Holidays, 9am to 3pm
- ▶ Rhonda Kay Skelton Birthing Center
  - Baby-Friendly® Hospital (2018-2023)
  - Private Suites
  - Free Childbirth Education
  - A full range of analgesic options, including nitrous oxide, intrathecal and epidurals
  - VBAC option
  - Certified Lactation Counselors
- ▶ Cardiopulmonary Services
  - Cardiac Rehab - Phase II
  - Pulmonary Rehabilitation
  - LUNGS R US Support Group
- ▶ Chemotherapy & Infusion
  - Cancer Support Group
- ▶ Community Education
- ▶ Diabetes Program/Wellness Group/Pre-Diabetes
- ▶ Diagnostic Imaging
  - 3-D Mammography
  - Stereotactic Breast Biopsy
- ▶ Grief Support Groups
- ▶ Home Care
- ▶ Laboratory Services
- ▶ Nutrition Counseling
- ▶ Pain Management Clinic
- ▶ Pharmacy
- ▶ Physician Specialty Services
  - Orthopedics
  - General Surgery
  - Ear, Nose & Throat
  - Oncology/Hematology
  - Gynecology
  - Urology
  - Ophthalmology
  - Podiatry
  - Neurology (EMG clinic)
- ▶ Surgery Center
- ▶ Rehabilitation
  - Physical Therapy
  - Occupational Therapy
  - Speech Therapy
- ▶ Social Services
- ▶ Wellness Center
- ▶ Wound Care Services
- ▶ Auxiliary/Volunteers
- ▶ The Mercy Foundation

## MERCY HOSPITAL BOARD OF DIRECTORS

**Kelly Goeb, M.D., Chairperson**  
Windemere Township

**Gail Langhorst, Vice Chairperson**  
Kalevala Township

**Anna Lattu, Clerk**  
Moose Lake Township

**Joanne Collier, Treasurer**  
Director-at-Large

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**Tricia Riel**  
City of Kettle River

**Sue Pedersen**  
Silver Township

**Tim Zwickley**  
Barnum Township

**Ray Christensen, M.D.**  
Medical Director, ex officio

## MERCY HOSPITAL ADMINISTRATION

**Trina Lower**  
Interim Chief Executive Officer

**Director of Quality & Health Information**

**Gordy Forbort**  
Chief Financial Officer

**Angie Gran**  
Director of Finance

**Donita Korpela**  
Director of Patient Care Services

**Sonya Towle**  
Director of Human Resources

## MERCY HOSPITAL MEDICAL STAFF OFFICERS

**Steven Tekippe, M.D.**  
Chief of Staff

**Mark Gregerson, M.D.**  
Vice Chief of Staff

**Maggie Neudecker, M.D.**  
Secretary

**Lynn Stottler, M.D.**  
At-Large