



Annual Report 2016

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

www.mercymooselake.org



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:



Michael Delfs
CEO

2016 was an exciting year for Mercy. We engaged our Board of Directors, medical staff, managers, staff and community members to develop a three-year strategic plan. This represents a culmination of what we will spend our time working on through December of 2019. This plan helps us identify what will continue to make us responsive to our patients and what will help Mercy in providing technologically advanced medical care close to home.



Kelly Goeb, M.D.
Board Chairperson

Mercy continues to add and expand services that help our patients and community based upon needs. One such example includes Therapeutic Listening, added during 2016. This state-of-the-art therapy is designed to give children who may have difficulties focusing on others the ability to truly hear what teachers, parents and caregivers are saying. This can be a life-changing therapy, making it possible for these kids to begin learning and interacting with the world in ways that most of us take for granted. This is just one example of how Mercy is continually looking at ways to bring the latest and most effective services directly to you, our community.

We are both humbled and honored that you entrust Mercy with your health care. We remain committed to serving each of you, providing the highest quality health care. On behalf of the Mercy Team and the Board of Directors, thank you for the privilege of caring for you and your family. Especially, thank you for choosing Mercy.

Sincerely,

Michael Delfs
CEO

Kelly Goeb, M.D.
Board Chairperson

Pursuing excellence

Creating a culture of patient safety

Our patients' health and safety are our top priorities. Creating a culture of patient safety takes commitment from all our staff across all departments.

With 17 different patient safety initiatives currently underway, Mercy's staff is working hard to implement steps outlined in Safety Roadmaps developed by the Minnesota Hospital Association (MHA) to meet evidence-based safety standards. These ongoing initiatives focus on a wide range of concerns, including fall prevention, safe procedures, skin safety, prevention of health care associated infections, prevention of adverse drug events, and more.

"The quality of the healthcare we provide at Mercy is of the utmost importance to me as the Director of Patient Care Services," said Donita Korpela, RN, BSN, MHA. "Our various quality initiatives touch every aspect of the healthcare system. Research shows that when patients and employees are engaged in their health care, it can lead to measurable improvements in safety and quality.



To promote stronger engagement, Mercy participates in the MHA safety initiatives and encourage positive changes throughout the continuum of care."

Mercy Hospital was recently recognized by MHA for our superior performance as part of the Partnership for Patients Hospital Engagement Network 2.0 (HEN 2.0).

The HEN 2.0 patient safety campaign focuses on improving 10 hospital-acquired conditions, with goals to:

- ▶ Decrease preventable hospital-acquired conditions by 40 percent
 - ▶ Decrease hospital re-admissions by 20 percent
- MHA recognizes HEN participants when they achieve and sustain a 40 percent reduction on at least six hospital-acquired conditions and meet three or more patient and family engagement criteria.

Becoming Baby Friendly

The staff of Mercy's Birthing Center continue their work towards Baby Friendly designation, preparing for a site evaluation this summer.

An international program sponsored by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF), the Baby Friendly Hospital Initiative (BFHI) is a comprehensive, detailed and thorough journey toward excellence in providing evidence-based maternity care with the goal of achieving optimal infant feeding outcomes and mother/baby bonding.

Becoming Baby Friendly compels facilities to examine, challenge and modify long-standing policies and procedures. It requires training and skill building among all levels of staff. It entails implementing audit processes to assure quality in all aspects of maternity care operations. The journey is exciting, challenging and worth it. It creates opportunities to develop high performance work teams and build leadership skills among staff, promotes employee pride, enhances



patient satisfaction and improves health outcomes.

Mercy began this process under the direction of the late Rhonda

Skelton, RN. Staff members continue this work on behalf of our mothers and babies, and also in Rhonda's honor.

"Mercy chose to strive to become a Baby Friendly designated facility to improve the health of our mothers and babies," said Donita Korpela, Director of Patient Care Services. "We deliver patient-centered care and want to provide as much support as possible to every mother and baby in our community. Baby Friendly has assisted Mercy with developing a professional environment, focused on competence and skills of our staff in the support of infant feeding and outcomes."

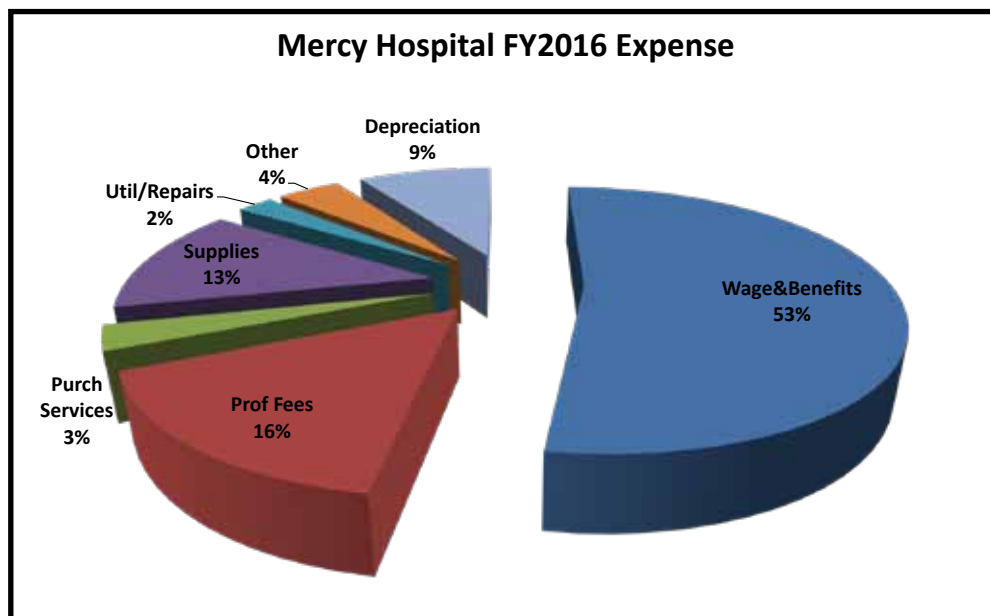
Our Vision

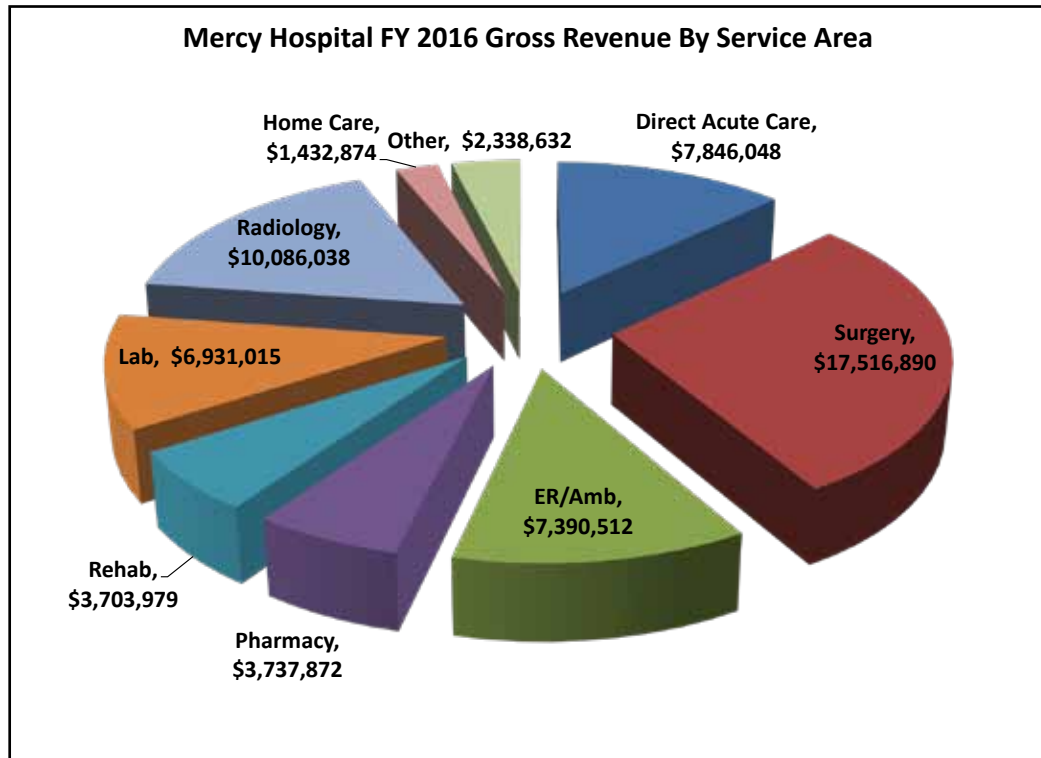
Mercy Hospital is the leading choice of healthcare services within our region, providing exceptional care in collaboration with our partners.

Statement of Revenues and Expenses

For Years Ending 9/30/16 and 9/30/15

	<u>2016</u>	<u>2015</u>
Gross Patient Revenue	\$60,983,860	\$55,814,938
Less: Charity Care	(153,197)	(63,709)
Patient Billed Revenue	60,830,663	55,751,229
Less: Contractual Adjustments	(26,178,147)	(24,238,979)
Patient Reimbursable Revenue	34,652,516	31,512,250
Less: Bad Debt Provision	(909,060)	(1,254,258)
Net Patient Revenue	33,743,456	30,257,992
Other Operating Revenue	1,289,926	1,537,926
Total Operating Revenue	<u>\$35,033,382</u>	<u>\$31,795,918</u>
Operating Expenses		
Salaries & Benefits	\$17,718,938	\$17,522,497
Professional Fees	5,322,893	4,691,339
Other Purchased Services	1,003,721	971,041
Supplies	4,395,128	3,940,117
Utilities and Repairs	794,009	797,186
Other Costs	1,409,581	1,410,450
Depreciation	3,061,825	2,208,723
Total Operating Expenses	<u>\$33,706,095</u>	<u>\$31,541,353</u>
Operating Loss	\$1,327,287	\$254,565
Operating Revenue Less Expenses	<u>(872,770)</u>	<u>(319,118)</u>
Revenue In Excess Of Expense	<u>\$454,517</u>	<u>\$(64,553)</u>





Balance Sheet

As of 9/30/16 and 9/30/15

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets	\$15,158,539	\$11,838,416
Noncurrent Cash And Investments	1,468,095	1,787,728
Capital Assets, Net	40,696,413	42,850,220
Investments In Affiliates	<u>602,197</u>	<u>683,081</u>
Total Assets	<u>\$57,925,244</u>	<u>\$57,159,445</u>
Liabilities		
Current Liabilities	\$3,921,346	\$5,777,513
Long-term Liabilities	<u>37,282,181</u>	<u>35,227,893</u>
Total Liabilities	<u>\$41,203,527</u>	<u>\$41,005,406</u>
Net Position		
Net Investment In Capital Assets	3,294,033	8,142,008
Restricted	-	4,800
Unrestricted	<u>13,427,684</u>	<u>8,007,231</u>
Total Net Position	<u>\$16,721,717</u>	<u>\$16,154,039</u>
Total Liabilities and Net Position	<u>\$57,925,244</u>	<u>\$57,159,445</u>

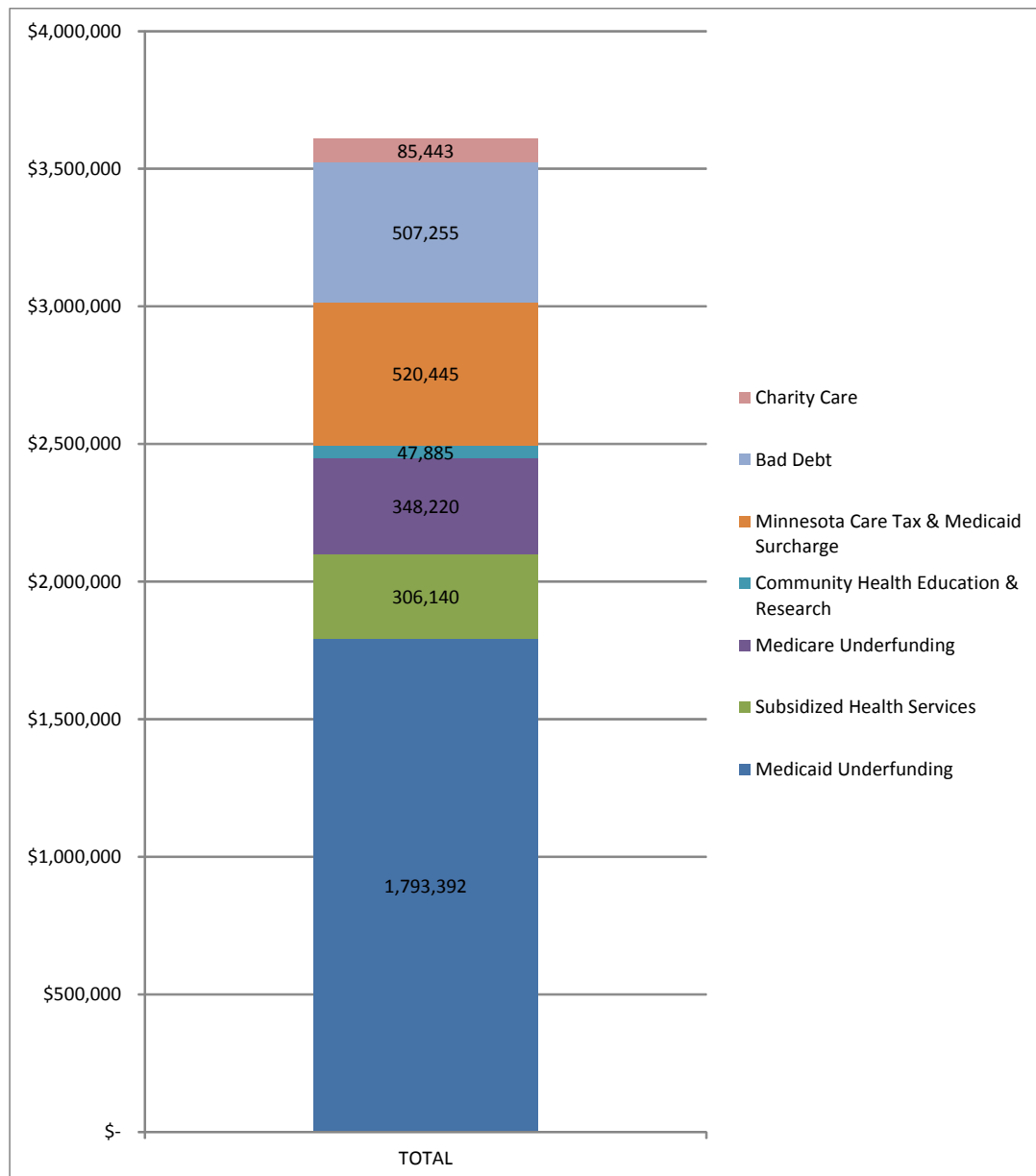
Caring for our communities, one person at a time

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 2016, Mercy contributed over \$3.6 million in numerous free and reduced-cost services and programs that are critical to the health of our region.

2016 Community Benefit Summary





THE MERCY FOUNDATION

Dear Friends of The Mercy Foundation,

It is through the generous support of the many donors and events highlighted in this report that we are able to help Mercy Hospital. Thank you for trusting us with your precious resources and please know how grateful we are for your ongoing commitment in support of The Mercy Foundation. We extend our sincere appreciation and gratitude to the many generous individuals, families and groups who help make it possible for Mercy Hospital to provide above and beyond care every day.

Fiscal Year 2016 - The Mercy Foundation

During our Fiscal Year of 2016, generous donors from our community partnered with us to raise \$192,686.



Well Within Reach, The Mercy Foundation Campaign for OUR Hospital, reached the goal of \$1 million in April of 2016! Gifts and pledges made during the year totaled nearly \$150,730. Many groups and individuals generously contributed to the five-year building fund campaign, which began in 2013; lo and behold the campaign was completed ahead of schedule! Hooray for small communities with big hearts!

Unrestricted revenue, which funds on-going gifts to Mercy Hospital other than the building fund, totaled \$15,053. These cash gifts came to us through direct solicitation, memorials and tributes, 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.

- ▶ Autumn Gala - October 10, 2015 - \$14,207
- ▶ Midsummer Golf Benefit - June 24, 2016 - \$12,696
- ▶ In-kind donations for events - \$14,950



You Are Invited

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

- ▶ **Midsummer Golf Benefit - Friday, June 23, 2017**
- ▶ **Autumn Gala Saturday - October 7, 2017**

Gifts of Health, Gifts of Hope

Grants awarded in the amount of \$86,139 by The Mercy Foundation helped with the purchase of equipment to provide the care and comfort for the individuals and families we serve.

- ▶ \$5,750 - Mercy Wellness Center - Fitness Equipment
- ▶ \$3,157 - Chemotherapy & Infusion - Chemo Chair
- ▶ \$336 - The Mary Bothwell Memorial Library - Books
- ▶ \$4,075 - Med/Surg - Hand Rails for Patient Rooms
- ▶ \$2,821 - Rehabilitation - Therapeutic Listening Equipment
- ▶ \$70,000 - Well Within Reach Building Fund

Community Hugs

- ▶ In support of our community partnership, \$1,560 grants were provided to enhance healthy community activities including The Mercy Foundation Moose Run, Moose Lake Triathlon, PTA Halloween Hustle and the Annual Easter Egg Hunt.
- ▶ Four \$1,000 scholarships were awarded to Dollars for Scholars high school seniors entering the medical field. These students attended Barnum, Cromwell-Wright, Moose Lake and Willow River High Schools.

Our Mission

The mission of The Mercy Foundation is to inspire giving that supports Mercy Hospital's ability to respond to the changing healthcare needs of our community.

Many Ways to Give

- ▶ **Financial Gifts**
Gifts easily donated via cash, a check, or a credit card.
- ▶ **Memorial/Tribute**
Donations in memory or in honor of a loved one.
- ▶ **Life-Income Gifts**
Philanthropic gifts made through Estate and Retirement Planning.

We invite you to show your support for your hospital, today and tomorrow. Please call us—we're happy to answer any questions:

218.485.5586

Online donations: <http://www.mercywooselake.org/Foundation/donation.html>

THE MERCY FOUNDATION BOARD OF DIRECTORS

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Trina Lower
Vice Chair/Secretary
Byron Kuster
Treasurer
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Liaison Board Member
Gail Langhorst
Liaison Board Member
Jon Lund
Liaison Board Member
Lola Davidson
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Kristin LaBounty
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Ron Luoma
Director
Maggie Neudecker, M.D.
Director
Rita Parzy
Director
Michael Delfs
CEO, Mercy Hospital, ex officio

THE MERCY FOUNDATION

Michelle Anderson
Executive Director
Karen Ackerson
Data Manager



4572 County Road 61
Moose Lake, MN 55767

Mercy Services

mercymooselake.org

- ▶ Ambulance Service
- ▶ 24-Hour Emergency Department
 - Level 4 Trauma Center
 - Stroke Ready Designation
- ▶ Urgent Care
- ▶ Birthing Center
 - Private Suites
 - Birthing Classes
 - Caring for Your Newborn Class
 - Feeding Your Baby Class
 - Certified Lactation Counselors
- ▶ Cardiopulmonary Services
 - Cardiac Rehab - Phase II
 - Pulmonary Rehabilitation
 - LUNGS R US Support Group
- ▶ Chemotherapy & Infusion Services
 - Cancer Support Group
- ▶ Community Education
- ▶ Diabetes Program/Wellness Group
- ▶ Diagnostic Imaging
 - 3-D Mammography
 - Stereotactic Breast Biopsy
- ▶ Grief Support Groups
- ▶ Home Care
- ▶ Laboratory Services
- ▶ Nutrition Counseling
- ▶ Pharmacy
- ▶ Physician Specialty Services
 - Orthopedics
 - General Surgery
 - Ear, Nose & Throat
 - Oncology/Hematology
 - Gynecology
 - Urology
 - Ophthalmology
 - Podiatry
 - Neurology (EMG clinic)
- ▶ Surgery Center
 - Anesthesia/Pain Management
- ▶ 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, Vice Clerk**
Moose Lake Township
- Joanne Collier, Treasurer**
Director-at-Large
- Thea Erickson**
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- Jon Lund**
City of Moose Lake
- Tricia Riel**
City of Kettle River
- Christopher Thiessen, M.D.**
Silver Township
- Tim Zwickey**
Barnum Township
- Ray Christensen, M.D.**
Medical Director, ex officio

MERCY HOSPITAL ADMINISTRATION

- Michael Delfs**
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- Gordy Forbort**
Chief Financial Officer
- Angie Gran**
Director of Finance
- Donita Korpela**
Director of Patient Care Services
- Trina Lower**
Director of Quality & Health Information
- 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
- John Baga, M.D.**
At-Large