

PATIENT-CENTERED CARE

2016 Annual Report



A Message From Our CEO

Chad Cooper, *CEO*



Dear Friends and Supporters,

At Riverwood Healthcare, delivering the highest quality patient-centered care is a top priority in all that we do. And we are continually examining emerging healthcare needs of the communities we serve throughout Aitkin County and the Garrison and Lake Mille Lacs area.

One of those needs is an increasing elderly population in need of dialysis services closer to home. After a thorough analysis of kidney care needs and services currently available, Riverwood and CentraCare Health signed a letter of intent to collaborate on a new dialysis facility to serve residents of Aitkin County and the surrounding area. Subsequently, our Governing Board and senior management did an extensive review of options for the location of a dialysis unit as well as evaluating other clinical needs on our Aitkin campus.

For specialty care, we will redesign and enlarge our clinic to accommodate expanded imaging capabilities for orthopaedic care. For primary care, we will re-organize clinic space to support a team-based model of care. For kidney care, we will partner with CentraCare to operate a kidney dialysis unit to be located in renovated space currently occupied by the rehabilitation department. A new rehabilitation department will be constructed near the front of the building adjacent to the specialty clinic. Groundbreaking for this project is set for Summer 2017.

After careful deliberation, we have decided to proceed with a clinic expansion and renovation project that addresses specialty care needs, outpatient primary care as well as kidney care.

OUR MISSION: To improve health by providing high quality, compassionate and personalized care.



Another growing health concern for the community we serve is heartburn and acid reflux. Collaborating with Cuyuna Regional Medical Center on the launch of the Minnesota Reflux and Heartburn Center (MRHC) in 2016, we saw significant growth in the number of people receiving advanced care for gastroesophageal disease. From fiscal year 2015 through 2016, Riverwood saw an astounding increase in Barrett's esophagus/esophageal cancer screenings, including a 77% increase in EGDs, an 82% increase in lower gastrointestinal funduplications, and a 391% increase in Bravo monitoring of GERD symptoms. To support these growing patient volumes, we added a MRHC nurse coordinator in Aitkin, Dawn Harcey, to help patients navigate customized plans of care.

With our aging populations, orthopaedic care continues to see a lot of growth. Together with Cuyuna Regional Medical Center, we added two orthopaedic surgeons, Dr. Jonathan Herseth and Dr. Susan Moen. Dr. Herseth brings sports medicine training as well as general orthopaedic surgery skills for joint replacements and other care. Dr. Moen is the only area orthopaedic surgeon specializing in diagnosing and treating hand, wrist and elbow conditions. The Rapid Recovery pain management protocol, rolled out in 2014 by Dr. Erik Severson, continues to support excellent patient outcomes for those with hip and knee replacements.

In 2016, we added providers in primary care areas as well. We were pleased to welcome two new family physicians, Dr. Erik Bostrom and Dr. Melissa Herbranson, and another family nurse practitioner, Karen Bartron-Sundeen. In addition, we added a third internal medicine provider, Faith Nyberg, physician assistant, who oversees hospital patient care and maintains an outpatient practice. At year-end, Faith Peterson, family nurse practitioner dedicated primarily to urgent care, joined our growing provider team.

On behalf of the Governing Board, I want to thank all Riverwood employees, healthcare practitioners, donors and volunteers for all they do to support outstanding patient-centered care.



Chad Cooper, CEO

Quality and Patient Safety

At Riverwood Healthcare, our mission is to improve health by providing high quality compassionate and personalized care. From clinic exams through emergency care and hospital stays, high quality personalized care is a promise we deliver on every day.



Our organization demonstrates a strong commitment to continuous quality improvement that shows in our patient satisfaction ratings. Since 2014, Riverwood has partnered with Press Ganey to measure inpatient, clinic, ambulatory surgery, emergency care, urgent care, and rehabilitation patient satisfaction. These survey results guide patient care delivery improvements and offer positive feedback for the excellent work our healthcare professionals are doing.

For the third consecutive year, Riverwood Healthcare Center was one of the hospitals nationwide given a five-star rating based on patient satisfaction from the Centers for Medicare and Medicaid.

Riverwood has also received four-star rating overall in patient satisfaction data, quality data, and cost data from the Centers for Medicare and Medicaid.

In support of Riverwood's commitment to high quality, convenient, and personalized patient care we implemented Excellian on April 1, 2016. Excellian is an electronic health record platform of EPIC, one of the most advanced and widely used electronic medical records. With consent, the software allows a patient to have a single medical record across all organizations using Excellian, allowing healthcare providers to have the most up-to-date medical history for patients. At Riverwood, our entire team of healthcare professionals contributes to the delivery of high quality care for our patients in a safe environment.

In the Words of Our Patients...

"I'm so thankful for this hospital...when I had a major heart attack, emergency care saved my life! The extra care the staff gave me to make sure they could revive me was just unbelievable."

- Larry Walsh



"Here we are in Aitkin, a tiny town in the middle of the north woods, and we've got this outstanding, modern facility taking care of so many specialty areas of healthcare. It's just fantastic!"

- Bob Munneke

"Riverwood is so special because of the connection with our community. I feel like the minute you walk into the hospital and clinic, the staff gives out caring right from the start. The love that they show comes out in ways that help the whole healing process."

- Darlene Munneke

Financials and Community Benefits



Statement of Operations

Oct. 1, 2015 to Sept. 30, 2016

	2016	2015	2014
Gross Revenue	\$103,092,724	\$102,438,796	\$93,846,219
Contractual Adjustments	44,609,078	44,890,541	39,637,586
Bad Debts	680,573	888,524	944,063
Net Patient Revenue	\$57,803,073	\$56,659,731	\$53,264,570
Other Operating Revenue	1,226,486	1,289,015	1,653,552
Total Operating Revenue	\$59,029,559	\$57,948,746	\$54,918,122
Salaries and Benefits	\$27,487,540	\$26,390,229	\$25,613,281
Supplies and Other	24,114,262	23,208,402	22,107,647
Depreciation, Interest Expense	5,242,312	5,269,472	5,300,119
Total Operating Expenses	\$56,844,114	\$54,868,103	\$53,021,047
Income (Loss) from Operations	\$2,185,445	\$3,080,643	\$1,897,075
Investment Income	647,938	2,080,974	1,110,425
Loss of Extinguishment of Debt	(551,426)	0	0
Excess of Revenues over Expenses	\$2,281,957	\$5,161,617	\$3,007,500
Unrealized Market Value Gains (Losses)	\$1,007,014	(\$2,320,921)	\$346,002
Foundation Income and Contributions and Grants	284,183	146,991	389,741
Increase (Decrease) in Net Assets	\$3,573,154	\$2,987,687	\$3,743,243

“Patients are like family, an extended family. And over time you get to know them better and better. When you work, live and play in the area that your patients do, you have to meet a whole different level of care.”

– Janet Larson, Family & Mental Health Nurse Practitioner

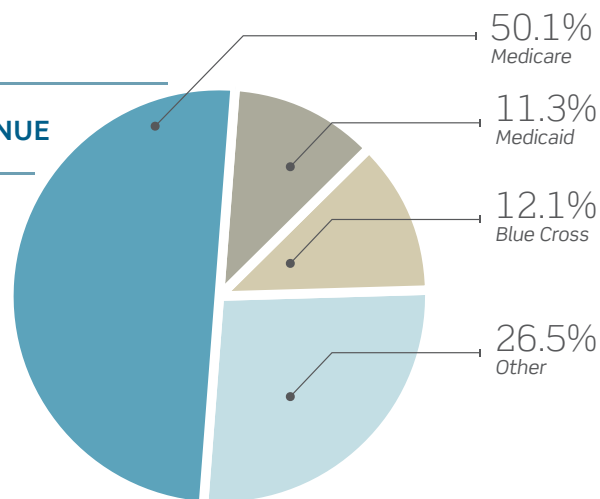
“Our philosophy is the patients first, their care is important, and they can rest assured that here at Riverwood, that’s what our priority is. They’re going to get the best care that we can offer.”

- Don Hughes, MD

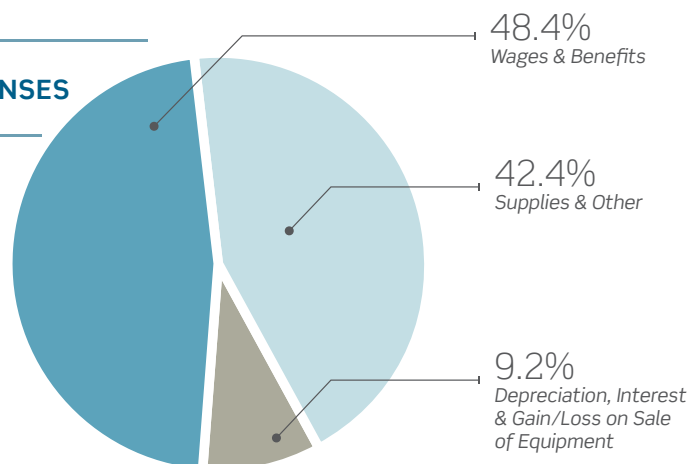
2016 COMMUNITY BENEFIT CONTRIBUTION SUMMARY

Uninsured Discount	\$190,423
Charity Care	\$99,000
Community Health Education & Research	\$531,686
Subsidized Health Services: HomeHealth Partnership	\$206,677
Medicaid Surcharge & MinnesotaCare Tax	\$801,014
Bad Debt	\$680,573
TOTAL	\$2,509,373

2016 REVENUE



2016 EXPENSES



Statistical Highlights

ITEM	2016	2015	2014
Admissions	1,231	1,293	1,123
Patient Days	4,013	3,880	3,588
Length of Stay	3.3	3.0	3.2
Average Daily Census	11.0	10.6	9.8
Emergency Care	6,953	6,536	6,027
Urgent Care	4,141	3,070	2,436
Births	72	72	54
Surgeries	2,441	2,553	2,257
Radiology	20,026	20,164	19,823
Clinic Visits	29,886	33,986	32,891

Foundation Highlights

Foundation Donors Support Quality Healthcare in Rural Minnesota

In 2016, Riverwood Foundation donors helped respond to various healthcare needs in the communities we serve.



More than \$30,000 was raised to support local hospice care from participants and sponsors for our annual July golf event. Through our annual fall Gala, more than \$45,000 was generated for new hospital bed mattresses at Riverwood.

Through the endowment scholarship funds, two local nurses and one medical student received support for advanced education. The Roger D. Wilson Scholarship Fund awarded \$2,000, and the Michael Zilverberg Scholarship Fund made two awards for \$2,500 each. In addition, seven children with cancer received grants from the Zachary Johnson Kids with Cancer Fund.

Riverwood Foundation donors recognize the importance of supporting advanced medicine to be delivered locally so that patients don't have to travel out of the area.

We appreciate every gift that helps our local hospital respond to the evolving healthcare needs of the communities we serve.

We are so grateful to have a community that understands the importance of quality of healthcare in our rural area. Thank you to all who have offered donations and volunteer support!

Katie Nelson, Riverwood Foundation Director
Henry Brucker, Riverwood Foundation Board Chair

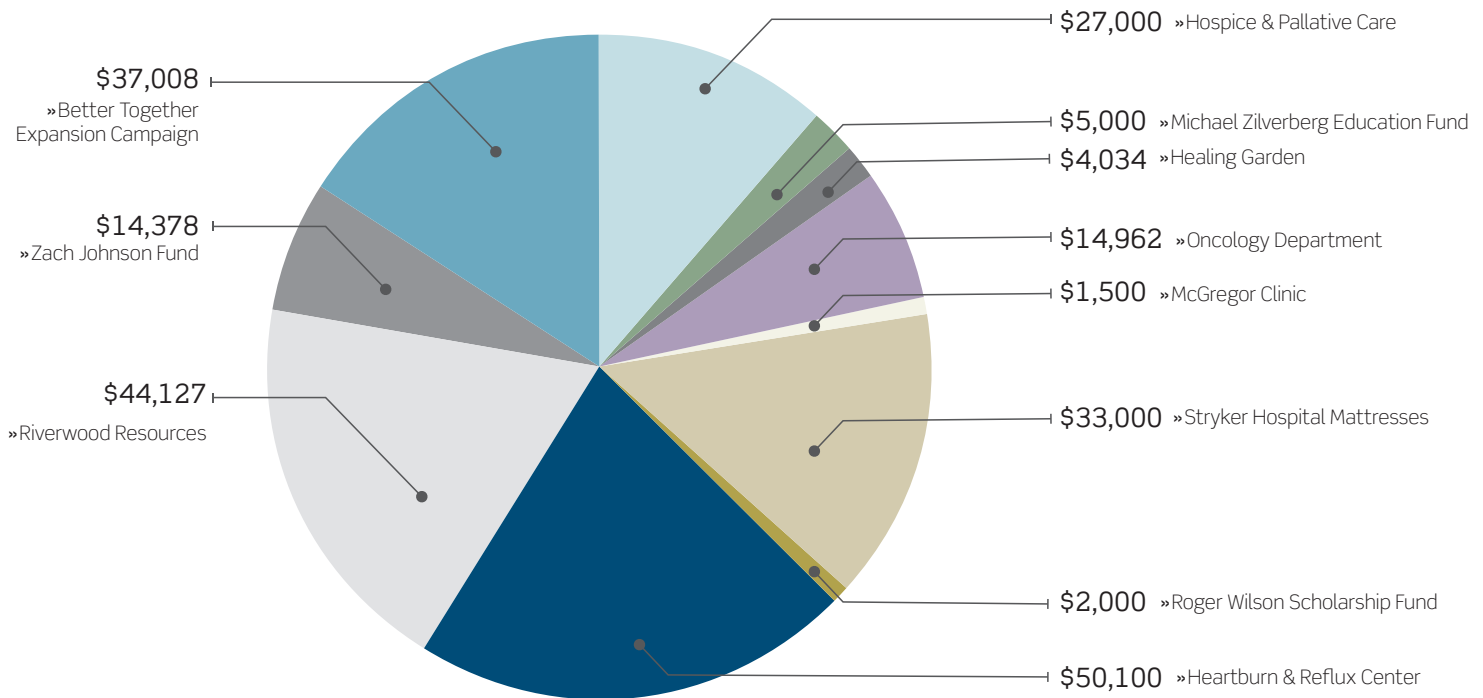


Donor Dollars at Work

Each year, with financial support of the community, Riverwood Foundation lends support to quality healthcare programs and medical equipment that benefit patients and our staff in a number of ways. For fiscal year 2016, disbursements totaled **\$233,109** (as shown in the pie chart below).

Additional grant dollars given to Riverwood Healthcare Center in fiscal year 2016 included:

- » Minnesota Department of Health - SHIP Grant
- » Minnesota Department of Health - Capital Improvement
- » Minnesota Hospital Association - Patient Safety
- » Minnesota Hospital Association - Patient Family Engagement



Riverwood Foundation Board of Directors (Fiscal year 2016)

- | | | |
|---|----------------|--------------------|
| » Henry Brucker, <i>Chair</i> | » Jan Hegman | » Melissa Magnuson |
| » Shirley Callahan-Winegar, <i>Vice Chair</i> | » Tom Kuppich | » Tricia Martin |
| » Terry Butenhoff, <i>Secretary</i> | » Loren Larson | » Mark Meyer |
| » Dave Hommes, <i>Treasurer</i> | » Tom Lundberg | » Kathleen Ryan |

Friends of Riverwood

Riverwood Foundation recognizes those who give \$500 or more annually.



Donations received from Oct. 1, 2015 to Sept. 30, 2016

- » Aitkin Body Shop
- » American Peat Technology
- » Chuck & Jayne Anderson
- » Harriet Anderson
- » Cindi & Mark Baker
- » Bann's Bar & Restaurant
- » Mary & Tony Belz
- » Bremer Bank
- » Dr. Joselito & Jen Burgos
- » Sherri & Tom Burke
- » Shirley Callahan-Winegar
- » Central Minnesota Diagnostic
- » Century 21 Twin Lakes Realty
- » Beth & Chad Cooper
- » Cathy & Gere Cooper
- » Cuyuna Regional Medical Center
- » Shirley Davies
- » Bill & Liz Dean
- » Deerwood Bank
- » DeGraaf Financial
- » Dutch's Electric
- » Dr. Jeffrey & Jennifer Ehnstrom
- » Laura & Mike Eisenbraun
- » Dean & Paula Fisher
- » Kathy & William Galliger
- » Garrison Commercial Club
- » Grand Casino - Mille Lacs
- » Great River Eye Clinic
- » Greater Insurance Service
- » Dawn & Joey Harcey
- » Hays Companies
- » Dr. Mark & Liz Heggem
- » Jan & Jon Hegman
- » Cindi & Greg Hills
- » David & Linda Hommes
- » Dr. Donald & Cathy Hughes
- » Casey & Sarah Johnson
- » Bryan & Marilyn Johnson
- » Judie Jones
- » Daryl & Pam Kallevig
- » Donald Kilpela
- » Dr. Timothy Komoto
- » Brenda & Rick Hillard
- » Shirley & Virgil Koski
- » Kraus Anderson Construction Company
- » Tineka Kurth
- » Evie Ladd
- » Janet Larson & Al Torgerson
- » Keith & Kristine Layne
- » Peg & Tom Lundberg
- » Lundberg Plumbing & Heating
- » Melissa & Scott Magnuson
- » Alison & Ben Matalamaki
- » McGregor Insurance Agency
- » Medtronic
- » Claudia & John Meehan
- » Members Cooperative Credit Union
- » Mille Lacs Band of Ojibwe
- » Mille Lacs Electric Community Trust
- » Dr. Susan Moen
- » Neighborhood National Bank
- » Brett & Katie Nelson
- » Paulbeck's County Market
- » Pine Insurance Agency
- » Dr. Sweetie Prethish & Prethish Matthew
- » Judy & Nick Priadka
- » Riverwood Auxiliary
- » RSM McGladrey
- » Dr. Charles & Nancy Schotzko
- » David Scott
- » Dr. Paul & Theresa Severson
- » Sorensen-Root-Thompson Funeral Home
- » Stinson Leonard Street
- » Tamarack Sno-Flyers
- » Technical Life Care Medical Company
- » David TenEyck
- » tenX Capital, Mark Meyer
- » Thermal Plastic Designs
- » Tidholm Productions
- » Township of Shamrock
- » Greg & Kim Waffensmith
- » Julie & Steve Wilson
- » Sandy Wilson



OUR VISION: The region's preferred health system providing exceptional care

Riverwood Healthcare Center Governing Board of Directors

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Mike Paulbeck

VICE CHAIR

Chad Gross

SECRETARY

David Meyer

TREASURER

Alison Matalamaki

Christine Bright
Timothy Dirks, MD
Jeff Ehnstrom, MD
Tom Lundberg
Jared Lundgren
Kathleen Ryan
Steve Wilson

Riverwood Healthcare Center Directors

CHIEF EXECUTIVE OFFICER

Chad Cooper

CHIEF OPERATING OFFICER

Cindi Baker

CHIEF MEDICAL OFFICER

Mark Heggem, MD

CHIEF NURSING OFFICER

Kristine Layne

CHIEF FINANCIAL OFFICER

Casey Johnson

CHIEF INFORMATION OFFICER

Daryl Kallevig

DIRECTOR OF QUALITY & RISK

Jayne Anderson

DIRECTOR OF HUMAN RESOURCES

Cindi Hills

Riverwood Healthcare Community Auxiliary Executive Board

September 30, 2016

PRESIDENT

Cathy Wilke

VICE PRESIDENT

Jeanie Christian

CO-SECRETARIES

Kathy Futhey
Wilma Sandberg

TREASURER

Judie Jones

ADVISER

Katie Nelson

*Fiscal year ending September 2016.
This institution is an equal opportunity
provider and employer.*





Aitkin + Garrison + McGregor
www.RiverwoodHealthcare.org