

April 16, 2020

Dear Township Board Representatives:

Thank you for your support of JMHS this past year! FY 2019, ending 9/30/19 was another eventful year for JMHS. As a reminder, we plan to share a JMHS Annual Report with the township boards in March/April of each year, to touch some of the highlights and give a short report on JMHS' most recent fiscal year's audited financials, which we receive in March.

We have attached the "JMHS Fiscal Year 2019 Accomplishments" and the "JMHS Fiscal Year 2019 Financial Summary" for you to share with your township members. If your township would like your JMHS Board Representative and me to come to a future township board meeting to discuss this Annual Report, we would be happy to do so.

A few highlights of our FY 2019 Accomplishments included opening the JMHS Surgery Suite with a state-of-the-art Operating Room, Procedure Room, and 5 Pre/Post-Operative Rooms. We also added a Total Joint Replacement Program, Foot/Ankle Surgeries, and additional Cardiac Surgeries with great outreach providers coming on-site to JMHS. We opened Blackjack Babies, in a collaborative effort with the Dawson-Boyd Community Education Program that has already exceeded capacity and has a waiting list. We were grateful to have completed approximately 98% of our Capital Building Project, and the community support has been awesome!

As you all know, the current COVID-19 pandemic has affected our community, region, state, country, and world. planning/preparing for a potential surge of COVID-19 patients, working within the parameters of the MN Stay-At-Home executive order, and adjusting to the lower census numbers due to postponing all non-emergent surgeries, diagnostic screenings, and preventative on-site clinic appointments. This is not an easy feat, for JMHS or any of the healthcare organizations. However, the JMHS staff has been outstanding with revising processes and protocols, implementing telehealth visits, cross-training and working in departments in need of staffing, daily staff/patient/resident screening to keep everyone safe, sanitizing and disinfecting like crazy, keeping the residents spirits up in our fully occupied Care Center by creatively incorporating virtual family visits and traveling Bingo, and on and on.

We continue to evaluate our financial forecasts, and making adjustments both now and as we look ahead, in order to do everything we can to keep our patients/residents/staff at the forefront, while continuing to focus on the financial viability of JMHS through and beyond the COVID-19 pandemic. Consequently, we've been actively seeking out numerous COVID-19 Relief funding mechanisms on a daily basis. The current MN Stay-At-Home executive order, social distancing put in place, healthcare surgical and source (home-made) masking, washing hands with soap and often, and monitoring our increased need and ongoing availability for PPE have all been great measures for JMHS and our community/region/state to be able to plan and prepare for a potential COVID-19 surge. Our next step is getting timely and accurate COVID-19 testing access and availability. We have the best JMHS team - caring, compassionate, hard-working, and innovative. Thank you all for your continued support of JMHS.

Sincerely,



Stacey L. Lee, CEO/Administrator

## FY 2019 Accomplishments

- A partnership between the Dawson-Boyd School, the Lac qui Parle School, JMHS, MHS, and AAHS, we were awarded a LYFT Pathways grant to develop a shared CNA training course. JMHS has hired 3 CNAs from the program & Dawson has 12 DBHS students enrolled in the CNA training course for the upcoming year. (Oct 18)
- Completed 1 year of offering JMHS Guest Suites with a 63% usage rate. (Oct 18)
- Completed 1 year of offering JMHS Café (Oct 18)
- Successful Ladies Night Out with 140 participants in attendance. (Oct 18)
- JMHS attained Re-Designation from the MN Statewide Trauma System as a Trauma IV site (Nov 18)
- Live Nativity Scene with Christmas program (Dec 18)
- Surgical Suite Open House (Dec 18)
- Development of Total Joint Program with Dr. Nwakama which has resulted in 14 total additional orthopedic surgical procedures performed at JMHS since January including: Total Hip, Total Knee, ORIF of hip fracture, ORIF of wrist fracture, and Hip Reduction & Rod Fixation. (Jan 19)
- First iStent inject surgery with Dr. VandenBosch. (Feb 19)
- New Outreach providers joining the JMHS team in FY 19: Dr. Salem Maaliki (Cardiologist), Dr. Susan Okoniewski (OB/GYN), Big Stone Therapy (Care Center OT Services), Dr. Eric Woolley (Podiatrist), and Dr. Clay Pavlis & Abbey Kitto (Psychiatry) contracted to see JMHS patients. (Feb 19)
- Received Aroha Art Grant for \$12,500 - Round 2 of Arts and Aging Grant (Feb 19)
- First Volunteer Fair held (Feb 19)
- Kevin Hines Speaker – All-Staff Training & Community Event held in collaboration with DB School (Apr 19)
- L.I.F.T. (Let's Invest For Tomorrow) Committee met their goal of 50% employee participation (April 19)
- New Urology surgical procedures (Dr. Uke) May 19)
- Opening of Blackjack Babies Daycare in collaboration with DB Schools (May 19)
- Received funds from the JM Foundation to purchase a Hot Dog Warmer, equipment for surgical patients that provides effective warming while eliminating the risks of blowing air – all at a significant cost savings (May 19)
- Awarded Planning & Transition Grant for an Operational Analysis and Strategic Planning (May 19)
- Awarded Capital Improvement Grant for Omnicell in Surgery Suite (May 19)
- Added two new members to the JMHS medical staff: Ali Peterson, NP in May 2019, and temporary provider Dr. Utpal Chakavorty in July 2019.
- First Pacemaker implant with Dr. Maaliki. (June 19)
- Healthline e-Newsletters started in June with currently 160 subscribers (June 19)
- Carla Lee, FNP obtained certification in Pediatric ImPACT (concussion) Testing. Bonnie Will, PT is an ImPACT trained physician therapist. (June 19)
- Successful 1<sup>st</sup> Annual Golf Fore! Health Tournament with proceeds used to purchase a Hospital Lift Chair (June 19)
- New Podiatry surgical procedures (Dr. Woolley): Ankle Arthroscopy and Ankle Fractures. (June & July 19)
- Care Center One-Year Celebration (July 19)
- Started our Menu Magic Team, with new menus in place in July 19
- 2 medical providers (Rena Durfee & Ali Peterson) completed bariatric training (July 19)
- JMHS Clinic/Hospital New Entrance & Parking Lot Open House (July 19)
- Successful CC Family and Friends Picnic with Culminating Event for Arts & Aging Grant Writing Class (Aug 19)
- MN Department of Transportation approved & issued the license to operate the JMHS Heliport.
- Capital Project 98% complete! (Sept 19)
- JMHS staff participated in a successful Mock Drill with JMHS Ambulance Staff, Dawson Fire Dept., local and County law enforcement. (Sept 19)

## Johnson Memorial Health Services

### Statement of Revenue, Expenses, and Changes in Net Position

Fiscal Year End September 30, 2019

(audited financials)

	2019	2018
Operating Revenues	\$ 18,100,890	\$ 17,272,582
Operating Expenses	18,192,264	16,874,627
Operating Income (Loss)	(91,374)	397,955
Nonoperating Revenue (Expenses)	161,490	382,549
Revenue in Excess of (Less than) Expenses	70,116	780,504
Grants and Contributions for Capital Assets	174,183	389,996
Increase (Decrease) in Net Position	\$ 244,299	\$ 1,170,500

\*The full detailed audited financial statements are available upon request from [cmbothun@jmhsmn.org](mailto:cmbothun@jmhsmn.org)

#### Financial Notes:

- The Organization's net position increased in each of the past 2 years with a \$244,299 or 1.41% increase in 2019 and a \$1,170,500 or 7.22% increase in 2018.
- The Organization reported an operating loss of \$91,374 for the 2019 fiscal year and operating income of \$397,955 for the 2018 fiscal year.
- Operating revenues increased by \$1,071,472 in 2019 compared to 2018, mainly due to orthopedic surgeries.
- A significant component of the change in the Organization's net position is due to an increase in capital assets and liabilities. This is primarily driven by the new Care Center and the multi-phased building remodel and addition project that started at the beginning of fiscal year 2017 and was completed in fiscal year 2020. This capital project increased overall depreciation expense by \$478,326 and interest expense by \$308,135 in 2019.
- Nonoperating revenues decreased by \$221,059 in 2019 compared to 2018, mainly due to rounding out the JM Foundation's Caring for Our Community fundraising campaign for the new Care Center.