



Northfield Hospital  
**MEETING MINUTES RECORD**

Meeting: Board of Directors

Date: February 19, 2009      Location: Conference Center      Start time: 6:45 p.m.      Adjourn time: 8:40 a.m.

Members present: Dixon Bond, Terry Gilbertson, John Lundblad, Brett Reese, Randy Reister, M.D., James Schlichting, Curt Swenson, Gina Washburn

Members excused: Peggy Hoffman

Members absent:

Others present: Tom Holt, M.D., Rhonda Pownell (City Council), Ken Bank, Mary Crow, Roger Stapek, Scott Richardson, Laura Peterson, Bobbi Jenkins (Recorder)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<b>Call to Order</b>	<p>The meeting was called to order by Curt Swenson at 6:45 p.m.</p> <p>Ken Bank reported that the Executive Session should be removed from the agenda of tonight's meeting,</p>	Information only.	Closed.
<b>Special Discussion</b>			
1. Mediated Floor Repair Settlement	<p>Ken Bank reviewed the history, remedial action, plan of correction, recourse and next steps of the floor repair issue for City Council members who were not members of the City Council when the floor issue occurred (copy of slides attached). The recommendation from legal counsel is to accept the settlement, which would require approval from the City Council. Ken noted that he expects to take this to the City Council for approval at their meeting on March 16.</p>	Information only.	Closed.
<b>Special Presentation</b>			
1. Annual Compliance Update	<p>Laura Peterson, Compliance Officer, presented the 2008 Compliance Report, including the following seven elements:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Oversight</li> <li>• Education</li> <li>• Reporting</li> <li>• Disciplinary Guidelines</li> <li>• Auditing and Monitoring, and</li> <li>• Corrective Action Initiatives.</li> </ul> <p>Laura also reviewed Recovery Audit Contractors (RAC), which is a new CMS initiative established to identify and recover over-payments. Other things on the horizon are:</p> <ul style="list-style-type: none"> <li>• Potential enactment of state False Claims Act (FCA)</li> <li>• OIG is increasing its enforcement focus on EMTALA in 2009, and</li> </ul>	Laura will put together recommendations for Board member training options.	Closed.

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	<ul style="list-style-type: none"> <li>OIG 2009 Work Plan</li> </ul> <p>The OIG requires the Board to be knowledgeable about the content and operation of the Compliance Program. The Board must also ensure that the program uses due diligence to prevent and detect criminal violations and must promote a culture that encourages ethical conduct and a commitment to compliance with the law.</p> <p>The Board has the responsibility for oversight of the Compliance Program. Laura noted that she will be putting together some recommendations for various training options for the Board. Gina questioned whether training is mandatory. Laura responded that training is voluntary and there is no specific law that says the Board must receive training. However, the OIG has made it clear that a Board must know whether the compliance program is effective, and the Board must help to create the culture of compliance.</p>		
2. Organizational Name Change Implementation	<p>Scott Richardson updated the Board on the work done on the organizational name change from Northfield Hospital to Northfield Hospital &amp; Clinics (copy of slides attached). He also presented the logos for each clinic and service, as well as the business cards, stationery and associated costs.</p> <p>Scott thanked the Board and managers for their support and cooperation through this process. We now have a coherency among all clinics and services.</p>	Information only.	Closed.
3. Grant Award	<p>Mary Crow reported that the hospital received a Rural Hospital Flex Grant in collaboration with HCI, the Rice County Drug Task Force, and other community organizations to address the problem of heroine use at the community level. The grant awarded was just under \$25,000, which was the full amount requested and is very remarkable in light of the very competitive market for grant dollars. Zach Pruitt was recognized for his contributions in having written the grant. The two-year grant will be coordinated by hospital leaders, HCI, and Rice County contributors.</p>	Information only.	Closed.
<b>Quality &amp; Patient Safety</b>			
1. Summary of Strategic & Organizational Objectives- 4 <sup>th</sup> Qtr.	<p>The Summary of Strategic &amp; Organizational Objectives was distributed at the January Board meeting. Questions were deferred to this meeting. There were none.</p>	Information only.	Closed.
2. Safety Committee	<p>Minutes from the 02/03/09 Safety Committee were included in the Board packets (copy attached).</p>	Information only.	Closed.

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<b>Action Items</b>			
1. Approval of Minutes of 01/22/09 Regular Board Meeting	The minutes of the 01/22/09 Board meeting were reviewed. Brett Reese noted that he was absent from the 01/22/09 Board meeting.	A motion was made, seconded and unanimously passed to approve the minutes with the one change noted.	Closed.
2. Election of Board Officers	At the Board meeting of 01/22/09, the Governance & Planning Committee nominated John Lundblad to serve as Board Chairperson, Dixon Bond to serve as Board Vice Chairperson, and Ken Bank to serve as Secretary/Treasurer. No nominations from the floor were received.	A motion was made, seconded and passed to cast a unanimous ballot for the nominees. The Board applauded Curt Swenson for the excellent job he did as Board Chairperson for the past two years. John Lundblad then took over chairing the remainder of the meeting.	Closed.
3. Approval of Annual Bonus Pool	<p>Ken Bank reviewed the proposal for an employee bonus (copy attached). The recommendation was to approve the creation of a bonus pool based on the formula used for the past eighteen years. The calculation is based on a formula on how much the net operating income exceeded the budget. This year, the all-employee bonus would equate to 1% of each employee's total wages compared to 2.5% last year.</p> <p>He noted that the operating income goal was met for 2008 after adjusting for the start-up of our three newest clinics.</p> <p>The Board discussed whether approval should be given this year given the difficult economic conditions and the unknown future of the economy. Ken Bank responded that the bonus is being recommended based on our operating income in 2008. He also noted that based on income in 2009, we may not be able to recommend a bonus next year. Dr. Reister questioned whether staff depends on the bonus as part of their annual salary. Ken responded that while we have been able to give the bonus for many years, it is never a guarantee. Bonuses are looked at as additional income and not as expected income. There was discussion about how PERA benefits are presented to staff and what a nice benefit it is. Ken agreed that it is a good benefit, but it is hard to use as a sales pitch because not all employees see the advantage of retirement programs, particularly those who are early in their careers.</p>	<p>A motion was made, seconded and unanimously passed to approve:</p> <ol style="list-style-type: none"> <li>1. Creation of a bonus pool in an amount equal to 2% of the total 2008 wages.</li> <li>2. Payout of an all-employee bonus equal to 1% of each employee's 2008 wages.</li> <li>3. Payout of the remainder of the pool based on evaluation of specific 2008 performance objectives for each eligible salaried individual.</li> </ol>	Closed.

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4. Approval of Revised Orange Alert Policy	The Orange Alert policy was removed from the agenda so it could be reformatted.	Information only.	Bring back to the Board for final approval.																					
5. Approval of Revised Proposal to Purchase Radiographic Equipment for OFC	Ken Bank reviewed a revision to the proposal to purchase and install replacement radiographic equipment for the Orthopaedic & Fracture Clinic (OFC) (copy attached). It was originally approved in August of 2008 at a cost of \$94,000. In preparing to install the equipment, it was determined that additional \$15,400 of electrical work is needed at the clinic site in order to accommodate a new transformer. This raises the total project cost to \$109,400. Based on the new cost, the ROI will increase by 11 months (3 years, 7 months vs. 4 years, 6 months).	A motion was made, seconded and unanimously passed to approve the total cost of the purchase and installation of replacement radiographic equipment for OFC of \$109,400.	Closed.																					
6. Approval of Internal Medicine Core Privileges	<p>Ken Bank reviewed the internal medicine core privileges (copy attached) used to credential physicians applying for internal medicine privileges. It has been reviewed and recommended by the General Medical, Credentials and Medical Executive committees. Ken reminded the Board they are responsible for approving forms used for medical staff credentialing.</p> <p>Dixon Bond commented on the wording in the last paragraph of the document appeared to be taken from a generic form and thought it may be stated better by using the name of the hospital instead of referring "the entity at which the privileges are requested". After discussion, no change was recommended to the form.</p>	A motion was made, seconded and unanimously pass to approve the core privileges as presented.	Closed.																					
7. Approval of Applications for Medical Staff Membership/ Privileges	<p>Dr. Holt reviewed the following medical staff applications:</p> <p style="text-align: center;"><b>Appointment</b></p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>#</u></th> <th style="text-align: left;"><u>Specialty</u></th> <th style="text-align: left;"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3625</td> <td>Surgery</td> <td>Courtesy</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Reappointments</b></p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>#</u></th> <th style="text-align: left;"><u>Specialty</u></th> <th style="text-align: left;"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>7008</td> <td>Surgery</td> <td>Courtesy</td> </tr> <tr> <td>7363</td> <td>Emergency Medicine</td> <td>Courtesy</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Resignation</b> (No Action Required)</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>#</u></th> <th style="text-align: left;"><u>Specialty</u></th> <th style="text-align: left;"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>2936</td> <td>Family Practice.</td> <td>Active</td> </tr> </tbody> </table>	<u>#</u>	<u>Specialty</u>	<u>Category</u>	3625	Surgery	Courtesy	<u>#</u>	<u>Specialty</u>	<u>Category</u>	7008	Surgery	Courtesy	7363	Emergency Medicine	Courtesy	<u>#</u>	<u>Specialty</u>	<u>Category</u>	2936	Family Practice.	Active	A motion was made, seconded and unanimously passed to approve the appointment and reappointments for membership and privileges as recommended by the MEC.	Closed.
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<b>Discussion Items</b>			
1. Regional Clinics Updates	<p>Mary Crow reported on the following:</p> <ul style="list-style-type: none"> <li>➤ A team, including physician representation, is meeting to standardize processes and forms used at the hospital and clinics.</li> <li>➤ Document scanning is in the process of being initiated in the clinics. We are starting with Farmington. If everything goes as planned, we expected to start in the other clinics soon thereafter.</li> <li>➤ A transition team continues to meet regarding the recruitment of a medical director to replace Dr. Glover. The next step is to have a sub-committee, including representation from administration interview candidates.</li> <li>➤ With the replacement of the x-ray machine at OFC, the clinic will need to be shut down for one week. During this time, patients will be seen at the Northfield Clinic. It was noted that two of the four OFC physicians will be on vacation during this time, which will lessen the impact on patients.</li> <li>➤ Consideration is being given to expanding the Lakeville extended hours further since they have been quite busy. The peds clinic in Northfield is not as busy as we had hoped. We are monitoring to see if there is a real need for peds extended hours.</li> <li>➤ The transition of moving Dr. Faber to Farmington to replace Dr. Glover is going well. Dr. Faber is well liked by patients and staff.</li> <li>➤ The Lonsdale clinic continues to be busy. The physician we were recruiting who was interested in working in Lonsdale accepted a position at another facility where she is not required to take call. We continue to work on the recruitment of another physician for the Lonsdale clinic.</li> <li>➤ Heart health screening in the clinics was held this week in the clinics and was a success. Farmington saw 90 patients (35 were new patients), Lakeville saw 48 patients (24 new) and Northfield saw 125 (not sure how many were new).</li> <li>➤ The opiate addiction clinic has been quite busy. Dr. Kris Matson is building skills in this area and is becoming a local resource in addition to Dr. Reznikoff.</li> </ul>	Information only.	Closed.

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2. CEO Evaluation	The annual CEO evaluation is underway. We are using the long form this year. Each member of the MEC, Board and Administrative Staff, as well as five department managers, will receive a packet and asked to complete an evaluation. The Governance & Planning Committee is scheduled to meet in early March to review input and make a recommendation to the Board at the March Board meeting.	Information only.	Closed.
<b>Informational Items</b>			
1. Medical Staff Report	<p>Dr. Holt reported on the following:</p> <ul style="list-style-type: none"> <li>➤ The MEC continues to work on understanding EMTALA regulations in the ED. A task force has been appointed to develop policies and make recommendations so this work can be done outside the committee.</li> <li>➤ The hospital continues to look new laws related to CMS's RACs program. The General Medical Committee is the driving force behind RACs. Dixon inquired whether the Board should get more involved in RACs and have a better understanding of it. Dr. Holt and Ken Bank noted we are still in the process of figuring out the requirements. More information may be forthcoming to the Board from the medical staff and administration.</li> <li>➤ New technologies are being offered in the lab. New equipment has been installed, as well as the availability of offering new tests that are very helpful.</li> </ul>	Information only.	Closed.
2. Administrative Report			
<ul style="list-style-type: none"> <li>• January Statistical Reports</li> </ul>	<p>January revenues were \$1,169,000 under-budget while deductions from revenue were \$489,000 under-budget and operating expenses were \$518,000 over-budget. Operating income was (\$323,000) vs. a budget of (\$171,000), and total net income was (\$246,000) vs. a budget of (\$87,000).</p> <p>Roger Stapek talked about the wide patient fluctuations throughout the month with a many as 27 patients one day and as low as 6 the next. He noted how difficult staffing is when we vary so much.</p>	Information only.	Closed.
<ul style="list-style-type: none"> <li>• Capital Purchase Summary –4<sup>th</sup> Qtr.</li> </ul>	A copy of the year-end capital purchase summary was included in the packets (copy attached). There were no questions.	Information only.	Closed.
<ul style="list-style-type: none"> <li>• EMS Call Volumes</li> </ul>	A copy of the January EMS call volumes was included in the packets (copy attached). Volumes were down slightly.	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> <li>Operations Report</li> </ul>	<ul style="list-style-type: none"> <li>Administration is keeping a close eye on the Employee Free Choice Act (EFCA),</li> <li>Ken Bank is meeting with every department to talk about the current economic environment and answer questions staff may have. He is asking that all departments hold off on new hires and purchasing items, even though they have been approved, as long as possible. Employees Ken has met with so far have been very appreciative and understanding,</li> <li>Nursing homes are getting hit harder than ever with Medicare reductions. Ken noted that we may see fewer nursing homes and more assisted living facilities in the future. This is something administration is closely monitoring to see where this trend is going. The Board questioned whether this is something the Board should be more educated and aware of and suggested the Board have information and talking points so they can talk with legislators.</li> </ul>	Administration will see if the Aging Services Association has materials available.	Keep Board updated.
3. Committee Reports			
<ul style="list-style-type: none"> <li>Public Relations</li> </ul>	<p>The Public Relations Committee met prior to the Board meeting tonight and discussed the following:</p> <ul style="list-style-type: none"> <li>Organizational name change implementation</li> <li>Online advertising</li> <li>Pubic relations events coming up</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>Governance &amp; Planning</li> </ul>	Minutes from the 02/12/09 Governance & Planning Committee meeting were included in the Board packets (copy attached).	Information only.	Closed.
<ul style="list-style-type: none"> <li>Budget &amp; Finance</li> </ul>	The Budget & Finance Committee did not meet during the last month.	None.	Closed.
4. Adjournment	The meeting was adjourned at 8:20 p.m.	None.	Closed.