



Northfield Hospital
MEETING MINUTES RECORD

Meeting: Board of Directors

Date: December 18, 2008 Location: Conference Center

Start time: 6:45 p.m. Adjourn time: 8:05 p.m.

Members present: Dixon Bond, John Lundblad, Brett Reese, James Schlichting, Curt Swenson

Members excused: Terry Gilbertson, Peggy Hoffman, Randy Reister, M.D., Gina Washburn

Members absent:

Others present: Rhonda Pownell (City Council Liaison), David Rainiero, M.D., Ken Bank, Mary Crow, Scott Richardson, Bobbi Jenkins (recorder)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
Call to Order	The meeting was called to order by Curt Swenson at 6:50 p.m.	Information only.	Closed.
Quality and Patient Safety			
1. Safety Committee	Minutes from the 12/02/08 Safety Committee meeting were included in the Board packets (copy attached).	Information only.	Closed.
Action Items			
1. Approval of Minutes of 11/20/08 Regular Board Meeting	Minutes from the 11/20/08 Board meeting were included in the Board packets (copy attached). There were no changes recommended to the minutes.	A motion was made, seconded and unanimously passed to approve the minutes as presented.	Closed.
2. Approval of 2009 Operating Budget	Roger Stapek presented the 2009 operating budget which reflects gross revenues of approximately \$ 126 million, deductions of approximately \$60 million and operating expenses of \$66 million (copy attached). Overall, the budget reflects a volume increase of 6.8% and a rate increase of approximately 4.4%. Roger also reviewed in detail the significant variances from the 2008 budget. Dixon Bond inquired whether there is a contingency plan in case we have to adjust expenses in the future due to economic conditions. Ken responded that we don't have a full contingency plan, but administration has had many discussions related to it. The importance of forecasting and keeping a close eye on the situation so we can react quickly was discussed.	A motion was made, seconded and unanimously passed to approve the 2008 operating budget as presented. Continue to keep Board informed of budgetary trends.	Closed
3. Approval of 2009 Capital Budget	Roger Stapek reviewed the proposed 2009 capital budget in the amount of \$5.6 million (copy attached). The Board was reminded that anything over \$25,000 would be brought back to the Board for approval prior to purchasing. Ken commended Roger Stapek for the excellent work he does on the budget every year. The process went exceptionally well this year, partly due to the leadership efforts of Kathleen Meier and Tammy Hayes in working	A motion was made, seconded and unanimously passed to approve the budget as presented in the amount of \$5,631,490.	Closed.

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	with their managers.		
4. Approval of 2008 Audit Proposal	<p>The Budget & Finance Committee recommended that the Board accept a proposal from the firm of Larson Allen, LLP to perform the hospital's 2008 audit (copy of proposal and audit letter attached). The cost of the audit is \$24,000, which is an increase of \$1,250.</p> <p>The Board discussed and felt this was a fair price for the audit. Roger noted that we could pay a substantially higher amount for other larger firms. It was suggested that consideration be given possibly next year to getting quotes from other firms since we have used Larson Allen for several years.</p>	A motion was made, seconded and unanimously passed the approve the 2008 audit engagement with Larson Allen, LLP at a cost of \$24,000.	Closed.
5. Approval of Depositories & Safe Keeping Entities	Roger Stapek reviewed the proposal to approve the depositories and safekeeping entities used by Northfield Hospital (copy attached). Administration recommends that we continue the banking relationships and related accounts as described in the proposal for 2009.	A motion was made, seconded and unanimously passed to approve the banking relationships as presented.	Closed.
6. Approval of 2008 Donations Funding	<p>Ken Bank reported that generally donations are set at a percentage of the hospital's net operating income or \$50,000, whichever is greater. The Budget & Finance Committee recommended that we maintain the \$50,000 amount as we did last year, with the individual donations approved by the Budget & Finance Committee after the audit in February. The donations are paid in 2009, but accrued in 2008.</p> <p>Dixon Bond questioned whether this amount is included in the budget. Roger responded that it is not included in the budget, but also noted that in 2008 there was \$50,000 included in the budget for donations, sponsorships, etc. that come up throughout the year and of that only \$8,250 was used. There is a remaining \$42,000 left that could be applied toward these donations.</p>	A motion was made, seconded and unanimously passed to approve 2008 donation funding as presented.	Closed.
7. Ratification of Medical Staff Officers	<p>The medical staff election took place earlier this month and Tom Holt, M.D. was elected as President-elect for 2009-2010. Greig Glover, M.D., served as President-Elect for 2007-2008 and is now moving into the position of President for 2009-2010. The Medical Staff Bylaws state the medical staff officers do not take office until the Board ratifies their positions.</p> <p>Dixon Bond questioned whether the Board is required to ratify these officers. During discussion, it was noted that the medical staff bylaws state the election of officers becomes official as soon as they are ratified by the Board, and the Governance Bylaws state the</p>	A motion was made, seconded and unanimously passed to ratify Greig Glover, M.D. to move into the position of Medical Staff President and Tom Holt, M.D. as President-Elect for 2009-2010.	Approved

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	<p>Board is responsible for setting up medical staff committees and its organization. The Board was comfortable with this approach.</p> <p>This is Dr. Rainiero's last meeting as Medical Staff President. He was presented with a plaque at the annual medical staff meeting in December. The Board commended Dr. Rainiero for his hard work and dedication during the last two years as Medical Staff President.</p>		
8. Approval to Increase Medical Staff Dues	<p>Ken Bank reviewed the proposal to increase medical staff dues for 2009 (copy attached). Over the past few years, the medical staff checking account balance has been declining because dues income has been less than expenses. The MEC discussed and recommended an increase in annual dues from \$150 to \$175 per year for everyone except teleradiology. The recommendation for teleradiology dues is to increase annual dues from \$50 to \$75 per year. The MEC also reviewed stipends for the medical staff officers and service chiefs and recommended no changes.</p>	<p>A motion was made, seconded and unanimously passed to approve the increase in medical staff dues as presented.</p>	<p>Closed.</p>
9. Approval to Purchase Additional Meditech User Licenses	<p>Mary Crow reviewed the proposal to purchase ten additional provider software licenses from Meditech and LSS Data Systems (copy attached). We budgeted \$60,000 for these licenses in the 2008 capital budget. The actual cost for the number of licenses needed to comply with our agreement with Meditech and LSS is \$75,000. The added \$15,000 will come from unspent dollars in the capital budget.</p>	<p>A motion was made, seconded and unanimously passed to approve the purchase of ten provider licenses from Meditech and LSS Data Systems at a cost of \$75,000.</p>	<p>Closed.</p>
10. Approval of Property Sale	<p>Ken Bank reviewed the proposal to approve the sale of the property at 908 W. Second Street (copy attached). An offer has been received including a stipulation that the owner pays \$3,500 of the buyer's closing costs. It is also contingent on an inspection which has been completed and an appraisal, which has not been completed. It is expected that some of the items noted in the inspection will need to be repaired in order to successfully complete the appraisal. The listed price was \$119,900. After paying the closing costs and the expected repairs, it is expected we will net between \$105,000 and \$110,000.</p> <p>Dixon Bond questioned whether we wanted to wait until we know the extent of the repairs before approving. Ken Bank noted that we would not take to the City Council until the costs of repairs is negotiated and we are sure the sale will close.</p>	<p>A motion was made, seconded and unanimously passed to recommend approval to the City Council the sale of the house at 908 W. Second Street as presented.</p>	<p>Take to the City Council for final approval.</p>

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<p>11. Approval of Medical Staff Membership/Privileges</p>	<p>Dr. Rainiero reviewed the following medical staff applications:</p> <p style="text-align: center;"><u>Appointment</u></p> <table border="0"> <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>3609</td> <td>Orthopedic Assistant</td> <td>AH: D</td> </tr> <tr> <td>7401</td> <td>Nurse Anesthetist</td> <td>AH: I</td> </tr> <tr> <td>3602</td> <td>Internal Medicine</td> <td>Courtesy</td> </tr> <tr> <td>3615</td> <td>Physicians Assistant</td> <td>AH: D</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="0"> <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>7365</td> <td>Peds/IM/EM</td> <td>Active</td> </tr> <tr> <td>7103</td> <td>Internal Medicine</td> <td>Courtesy</td> </tr> <tr> <td>7113</td> <td>Internal Medicine</td> <td>Courtesy</td> </tr> <tr> <td>7456</td> <td>Ob/Gyn</td> <td>Active</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Teleradiology Reappointments</u></p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>#</u></th> <th style="text-align: left;"><u>Category</u></th> </tr> </thead> <tbody> <tr><td>2717</td><td>Courtesy</td></tr> <tr><td>7409</td><td>Courtesy</td></tr> <tr><td>3027</td><td>Courtesy</td></tr> <tr><td>7410</td><td>Courtesy</td></tr> <tr><td>7375</td><td>Courtesy</td></tr> <tr><td>7414</td><td>Courtesy</td></tr> <tr><td>7415</td><td>Courtesy</td></tr> <tr><td>7417</td><td>Courtesy</td></tr> <tr><td>2626</td><td>Courtesy</td></tr> <tr><td>7257</td><td>Courtesy</td></tr> <tr><td>7419</td><td>Courtesy</td></tr> <tr><td>7258</td><td>Courtesy</td></tr> <tr><td>7457</td><td>Courtesy</td></tr> <tr><td>7422</td><td>Courtesy</td></tr> <tr><td>7423</td><td>Courtesy</td></tr> <tr><td>7424</td><td>Courtesy</td></tr> <tr><td>2968</td><td>Courtesy</td></tr> <tr><td>4725</td><td>Courtesy</td></tr> <tr><td>7376</td><td>Courtesy</td></tr> <tr><td>7426</td><td>Courtesy</td></tr> <tr><td>7167</td><td>Courtesy</td></tr> <tr><td>7372</td><td>Courtesy</td></tr> <tr><td>7374</td><td>Courtesy</td></tr> </tbody> </table> <p>There was also discussion at the MEC regarding practitioner #3602 (Internal Medicine/Nephrology) because the practitioner's "Intent To Practice" does not have a back-up physician who has privileges here. The practitioner provided the name of a physician who could provide phone consultations in his absence. In a hospital of our size, it is common that we would not have more than one nephrology physician on staff. The practitioner is not expected to be a primary admitting physician. The MEC</p>	<u>#</u>	<u>Specialty</u>	<u>Category</u>	3609	Orthopedic Assistant	AH: D	7401	Nurse Anesthetist	AH: I	3602	Internal Medicine	Courtesy	3615	Physicians Assistant	AH: D	<u>#</u>	<u>Specialty</u>	<u>Category</u>	7365	Peds/IM/EM	Active	7103	Internal Medicine	Courtesy	7113	Internal Medicine	Courtesy	7456	Ob/Gyn	Active	<u>#</u>	<u>Category</u>	2717	Courtesy	7409	Courtesy	3027	Courtesy	7410	Courtesy	7375	Courtesy	7414	Courtesy	7415	Courtesy	7417	Courtesy	2626	Courtesy	7257	Courtesy	7419	Courtesy	7258	Courtesy	7457	Courtesy	7422	Courtesy	7423	Courtesy	7424	Courtesy	2968	Courtesy	4725	Courtesy	7376	Courtesy	7426	Courtesy	7167	Courtesy	7372	Courtesy	7374	Courtesy		
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	recommended approval of membership and privileges for practitioner #3602 and recommended the Credentials Committee investigate how our Bylaws address physician back up. It was noted that there are other specialists who also do not have a local provider as a back up.		
Discussion Items			
1. Committee Assignment Request Form	Board members were reminded to complete the form included in their Board packet regarding their preference for committee assignments for 2009.	Forms should be returned to Bobbi Jenkins prior to the January Board Meeting.	Closed.
2. CSMR Addition	<p>Ken Bank reported that administration is creating a timeline to go with the Master Plan Study. The highest priority is the CSMR addition. CSMR is significantly undersized for the patient volumes it has been experiencing. Several years ago, space in a separate facility was leased to accommodate our pediatric therapy program and industrial program, both of which should ideally be co-located with physical therapy and occupational therapy. More recently, physical therapy has been experiencing serious shortages of exam rooms, gym space and waiting space. This has resulted in delays for patients in being scheduled for treatments, less than adequate treatment facilities and the use of temporary buildings to meet storage needs. In addition, the facility is showing its age, and the quality of its appearance has not kept pace with the new hospital and the new clinic facilities that we have created over the past five years.</p> <p>Ken noted that CSMR could only move to the hospital site if we were to do the two-story office building addition, which would cost over \$14 million and is not being recommended at this time. The other option is to expand space at the current CSMR building. The proposed project would include approximately 6400 sq/ft of new space to accommodate the entire physical therapy department and to create a new lobby and reception area. It would also include remodeling of approximately 2700 sq/ft of existing space, which would continue to accommodate occupational therapy and allow the relocation of the industrial program and the pediatric therapy program into a single facility.</p> <p>Ken noted that although this project will not be brought to the Board for approval until next month, he has authorized our architects to proceed with the Planning Commission process. The reason for this is to avoid delays in the project schedule if the project is approved.</p>	More information is expected to come to the Board next month.	Open.

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Informational Items			
1. Medical Staff Report	<ul style="list-style-type: none"> ✓ Ongoing discussions are occurring at the MEC on issues regarding EMTALA regulations related to specialty call in the emergency department. ✓ The MEC continues to work on the best process to communicate changes and pertinent information to the medical staff ✓ The MEC recommended to the Board an increase to the annual medical staff dues. ✓ 2009 Medical Staff Committee assignments were made. Dr. Helgen is the new chairperson of the General Medical Committee since Dr. Holt will serve as the 2009-2010 Medical Staff President. 	Information only.	Closed.
2. Administrative Report			
<ul style="list-style-type: none"> • November Statistical Reports 	November revenues were \$926,000 under-budget while deductions from revenue were \$864,000 under-budget and operating expenses were \$7,000 over-budget. Operating income was (\$77,000) vs. a budget of (\$11,000), and total net income was \$36,000 vs. a budget of \$95,000.	Information only.	Closed.
<ul style="list-style-type: none"> • Operations Report 	Ken Bank reported that the Minnesota Department of Health has put together a task force along with the Minnesota Hospital Association regarding the use of tasers in emergency departments. Both Ken and Mary Crow will be participating on the task force with the first meeting on January 16	Information only.	Closed.
<ul style="list-style-type: none"> • EMS Call Volumes 	EMS Call volumes were included in the packets (copy attached).	Information only.	Closed.
3. Committee Reports			
<ul style="list-style-type: none"> • Public Relations 	Minutes from the 11/20/08 Public Relations Committee were included in the Board packets (copy attached)	Information only.	Closed.
<ul style="list-style-type: none"> • Governance & Planning 	The Governance & Planning Committee did not meet during the last month.	None.	Closed.
<ul style="list-style-type: none"> • Budget & Finance 	<p>The Budget & Finance Committee met tonight and discussed the following:</p> <ul style="list-style-type: none"> ✓ Monthly Financials ✓ Proposed Budgets ✓ Depositories & Safekeeping Entities ✓ Audit Proposal Review ✓ Donation Recommendation ✓ CSMR Addition ✓ Sale of Property 	Information only.	Closed.

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4. Adjournment	The meeting was adjourned at 8:05 p.m.	None.	Closed,