

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: May 26, 2016 Location: Conference Center Start time: 6:30 p.m. Adjourn time: 8:35 p.m.

Members present: Virginia Kaczmarek, Charles Kyte, Michelle Muench, MD, Bob Murray, Steve O’Neill, James Schlichting

Members excused: CC Linstroth, Charlie Mandile, Jonathan Reppe

Members absent:

Staff Present (attended all or part of the meeting): Steve Underdahl, Scott Edin, Jerry Ehn, Tammy Hayes, Ben Flannery, Betsy Spethmann, MD, Jennifer Fischer, MD, (ED), Michelle Nolander (Surgery), Deb Maestri (ED), Joe Johnson (EMS), Brian Edwards (EMS), Bobbi Jenkins (recorder)

Others present: David Emery (LWV), David DeLong (City Council), Chris Rustad (Mayo), Keith Olson, MD (Allina), Tom Holt, MD (Medical Staff President)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
1. Call to Order and Approval of the Agenda	The meeting was called to order by James Schlichting at 6:30 p.m. James noted that we have three Board members excused from the meeting. There is a quorum with six Board members in attendance.	A motion was made by Charlie Kyte and seconded by Virginia Kaczmarek to approve the agenda as presented. Motion carried.	Closed.
2. Spotlight Report: Emergency Department/ Urgent Care	<p>Dr. Jennifer Fischer, Emergency Department Medical Director, and Deb Maestri, Director of the Emergency Department, gave a high level overview of the emergency department, urgent care and Steve’s Law.</p> <p><u>Emergency Department (ED)</u></p> <p>In 2015, the ED saw 10,621 patients, not including outpatient services (e.g. stress tests, outpatient infusions).</p> <p>Patient Satisfaction: The 90th percentile is set by our quality vendor PICKER for patient survey scores across the nation which is 77.8%. For the 4th quarter of 2015, the emergency department received a score of 79.25%.</p> <p><u>Urgent Care (UC)</u></p> <p>Opened in October of 2013 at the FamilyHealth Lakeville clinic. In 2015, they saw 6144 patients compared to 5797 in 2014.</p> <p><u>ED/UC Goals</u></p> <ul style="list-style-type: none"> • Use of Ultrasound led by Dr. Lum, • Follow-up appointments scheduled prior to discharge, • Clear discharge instructions and ensuring the absence of barriers to following those instructions, and • Safe pain management 	Information only.	Closed.

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	<p><u>Steve's Law</u> was born out of the untimely death of a young man due to narcotic overdose. Narcan (naloxone) reverses the effect of narcotics (including heroin). The law provides use of Narcan to those at risk of overdose and to those who arrive first on the scene following an overdose. It also ensures immunity from prosecution of those that call 911 for help if they stay on the scene. The Board watched a short video that will be shown to people who are presented with a prescription for Narcan.</p>																																																								
3. Reports																																																									
<ul style="list-style-type: none"> Hospital Chief of Staff Report 	No report.	None.	Closed.																																																						
<ul style="list-style-type: none"> Applications for Medical Staff Membership/ Privileges 	<p>Dr. Tom Holt presented the following medical staff files for approval from the Credentials Committee. There were no concerns with any of the files.</p> <p style="text-align: center;"><u>Appointments</u></p> <table border="1" data-bbox="386 877 938 1098"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3843</td> <td>Family Medicine</td> <td>Active</td> </tr> <tr> <td>3801</td> <td>Int Med/ Oncology</td> <td>Active</td> </tr> <tr> <td>3868</td> <td>Anesthesiology</td> <td>Active</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="1" data-bbox="386 1140 938 1654"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3728</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3676</td> <td>Int Med/ Cardiology</td> <td>Affiliate</td> </tr> <tr> <td>3730</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3729</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>7433</td> <td>Int Med/ Cardiology</td> <td>Affiliate</td> </tr> <tr> <td>3770</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3680</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3194</td> <td>Otolaryngology</td> <td>Affiliate</td> </tr> <tr> <td>3726</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Provisional Status</u></p> <table border="1" data-bbox="386 1696 938 1833"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv.</th> <th>Ext.</th> </tr> </thead> <tbody> <tr> <td>3779</td> <td>Neurology</td> <td>X</td> <td></td> </tr> <tr> <td>3780</td> <td>Neurology</td> <td>X</td> <td></td> </tr> </tbody> </table>	Prac #	Privilege	Category	3843	Family Medicine	Active	3801	Int Med/ Oncology	Active	3868	Anesthesiology	Active	Prac #	Privilege	Category	3728	Teleradiology	Telemedicine	3676	Int Med/ Cardiology	Affiliate	3730	Teleradiology	Telemedicine	3729	Teleradiology	Telemedicine	7433	Int Med/ Cardiology	Affiliate	3770	Teleradiology	Telemedicine	3680	Teleradiology	Telemedicine	3194	Otolaryngology	Affiliate	3726	Teleradiology	Telemedicine	Prac #	Privilege	Adv.	Ext.	3779	Neurology	X		3780	Neurology	X		<p>A motion was made by Steve O'Neill and seconded by Bob Murray to approve the appointments, reappointments and extension of provisional status as recommended by the Credentials Committee and the Medical Executive Committee. Motion carried.</p>	Closed.
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	<p style="text-align: center;"><u>No Action Requires</u> <u>Voluntary Resignations</u></p> <table border="1" data-bbox="386 222 938 359"> <thead> <tr> <th data-bbox="386 222 527 268"><u>Prac #</u></th> <th data-bbox="527 222 776 268"><u>Privilege</u></th> <th data-bbox="776 222 938 268"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="386 268 527 310">3817</td> <td data-bbox="527 268 776 310">Mental Health</td> <td data-bbox="776 268 938 310">AH:I</td> </tr> <tr> <td data-bbox="386 310 527 359">2572</td> <td data-bbox="527 310 776 359">Anesthesiology</td> <td data-bbox="776 310 938 359">Affiliate</td> </tr> </tbody> </table>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3817	Mental Health	AH:I	2572	Anesthesiology	Affiliate		
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<ul style="list-style-type: none"> FamilyHealth Clinic Medical Director Report 	<p>Dr. Ben Flannery reported on the following:</p> <ul style="list-style-type: none"> Dr. Jack Felland, family medicine, started seeing patients at the Northfield clinic and one day a week in Lonsdale. The Northfield clinic is trialing a new team nursing model. This approach utilizes a team vs. the provider doing everything. Following the trial in Northfield, it will be rolled out to the other clinics. 	Information only.	Closed.									
<ul style="list-style-type: none"> CMO Report 	No report	None.	Closed.									
<ul style="list-style-type: none"> Allina Clinic Medical Director Report 	<p>Dr. Keith Olson reported on the following:</p> <ul style="list-style-type: none"> Allina is preparing for a change in care teams in Northfield. The Allina Northfield Clinic is remodeling to make room for the two mental health providers starting later this summer (general and child / adolescent psychologists) Continue to meet with Steve Underdahl and Dr. Jeff Meland on the transition of the Hospitalist Program expected in early September. 	Information only.	Closed.									
<ul style="list-style-type: none"> Mayo Report 	<p>Chris Rustad reported on the following:</p> <ul style="list-style-type: none"> Gold Cross leadership met with Brian Edwards and Jerry Ehn to discuss EMS educational offerings. Gold Cross supports many community EMS services with educational offerings on skills training and quality assurance. Looking at fall educational offerings to support to the Hospitalist Program EMG planning is underway for Dr. Sarah Bernini to start in July at Mayo's Northfield radiation oncology center. Dr. Sarah Kratz will begin her Medical Oncology practice on June 2. 	Information only.	Closed.									

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<ul style="list-style-type: none"> City Business Update 	<p>David DeLong reported on the following in the absence of Mayor Dana Graham:</p> <ul style="list-style-type: none"> The City Council received a presentation from Rob Schile from CliftonLarsonAllen on the hospital's 2015 audit. The City Council appreciated the report and the manner in which he presented. Thanked NH&C for the recent donation to the Community Recreation Program. He left statistical information on the program with Bobbi Jenkins for anyone wanting a copy. 	Information only.	Closed.
<ul style="list-style-type: none"> CFO Report 			
<ul style="list-style-type: none"> ✓ April Financials 	<p>April gross patient revenues were \$1,390,000 over-budget, while deductions from revenue were \$847,000 over-budget. Operating expenses were \$444,000 over-budget. Operating income was \$558,000 vs. a budget of \$243,000 (year-to-date: 4.2% operating margin vs. (0.4%) budgeted).</p> <p>Key positive and negative volumes for April were reviewed, day's cash on hand, payer mix and salary and benefits as % of net revenues.</p> <p>Scott Edin noted that we had a negative bad debt largely due to the revenue recapture program. Because it was tax season, we collected more bad debt through the recapture program than we wrote off during the month of April. This program is available to us as a municipal hospital and gives us the ability to capture revenues from patients who are not paying their bills from their tax refunds. The Board inquired about how much money we received from the program last year. Scott estimated it to be about \$900,000.</p>	Information only.	Closed.
<ul style="list-style-type: none"> ✓ PERA Reserve Fund 	<p>Scott Edin reported that with the great financial start we have to the year, he recommended a \$250,000 reserve for the PERA expense that we may incur at the end of the year. We will not know the actual expense until the PERA Actuary reviews and discloses the actual impact closer to the end of the year. We don't want to be surprised by a large expense again this year and we believe this is a conservative approach. The entry can be reversed if it is not needed at year</p>	Information only.	Closed.

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	<p>end. Based on last year's experience, Scott would like to see us have \$500,000 reserved for this purpose as we near the end of the year.</p>		
<ul style="list-style-type: none"> • CEO Report 	<p>Steve Underdahl reported that a dashboard will be created and divided by strategic and operational elements relative to strategies as a quick reference for the Board. This will be included in the packet in the near future.</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> • A meeting is scheduled with the representatives from the colleges and pharmacy partners in early June. • A draft of the Strategic Plan was distributed to the Board for review and feedback. This is the third year of a three-year cycle. Next year, we will be looking at reimagining our strategic direction. • Looking forward to online bill paying to be implemented in August. • ASC partner has asked for an additional month. Feedback is expected by June 1. • Expense reduction efforts challenged the organization to come up with \$1 million reduction in expenses. It is looking like this goal will be met by mid-summer. • Attended the Allina CEO Summit in Minneapolis. <p><u>Operations</u></p> <ul style="list-style-type: none"> • Minnesota Department of Health was here for an on-site survey of the hospital May 2-5. • We continue to be busy across most sectors of the organization. • We are moving toward a smoke-free campus August 1, 2016. Options for staff to quit smoking have been made available. • Attended a recent Northfield Promise meeting with a member of Governor Dayton's Cabinet. • Reported on a recent security issue at the hospital involving a patient hitting a nurse. There have been an increased number of events this year. Additional measures are being taken to ensure the safety of staff, patients and visitors. 	Information only.	Closed.

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	<ul style="list-style-type: none"> • Dr. Sarah Kratz, Medical Oncologist, is starting on June 2 to replace Dr. Dalton in the Cancer Care & Infusion Center. • Year-to-date, we have received \$117,000 for Meaningful Use. Incentive has dropped significantly and if we are not compliant. 		
<ul style="list-style-type: none"> • Governance & Planning Committee 	<p>James Schlichting reported that there was a special meeting of the Governance & Planning Committee on May 19th specifically to work on the CEO evaluation recommendation to the Board. The recommendation will be discussed in Closed Session following the Board's regular meeting this evening.</p>	Information only.	Closed.
<ul style="list-style-type: none"> • Community Relations Committee 	<p>Steve O'Neill reported on discussions at the Community Relations Committee meeting held prior to the Board meeting this evening. Charlie Kyte and James Schlichting attended as non-voting members in the absence of CC Linstroth and Jonathan Reppe.</p> <ul style="list-style-type: none"> • Approved the meeting minutes from the last committee meeting in February. • Discussed updates to the "Health Award" donations policy to ensure it matches current practice. • Received and update on branding and marketing activities. More information will be forthcoming to the Board this summer. • Discussed scores from the most recent Board Self-evaluation related to the "Community and External Relationships" section. 	Information only.	Closed.
4. Consent Agenda	<p>Supporting documentation was included in the packets for the following items on the Consent Agenda:</p> <p>Meeting Minutes:</p> <ul style="list-style-type: none"> • 03/31/15 Board Meeting (revised) • 04/28/16 Special Board Meeting • 04/28/16 Regular Board Meeting • 04/28/16 Governance & Planning Committee • 05/02/16 Special Budget & Finance Committee 	A motion was made by Virginia Kaczmarek and seconded by Charlie Kyte to approve the Board meeting minutes and accept the committee meeting minutes as presented on the Consent agenda. Motion carried.	Closed.

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5. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> Approval: Ambulance Replacement 	<p>Joe Johnson, EMS Supervisor, presented a proposal to purchase a replacement ambulance at a cost of \$204,468.75 (copy of the proposal was included in the packet). This was previewed for the Board in April. \$231,000 was included in the 2016 capital budget for this purchase. He noted that there is an expected five-month delivery time from the time the order is placed.</p>	<p>A motion was made by Charlie Kyte and seconded by Steve O'Neill to approve the purchase of an ambulance for \$204,468.75 from Crestline Emergency Vehicles. Motion carried.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Preview: Instrument Washers & Sterile Ultrasonic Cleaner 	<p>Michelle Nolander, Director of Surgical Services, previewed the purchase of instrument washers and ultrasonic cleaner that are expected to come to the Board for approval in June. The washers are used to clean instruments following surgical procedures and use high temperatures and water pressure combined with detergent to clean and disinfect surgical debris and bioburden. The ultrasonic is a device used to soak instrumentation in high level disinfectant with hard to clean surfaces. Our current washers were purchase 13 years ago and the ultrasonic was manufactured over 18 years ago. Both devices have exceeded their life expectancy. The washers have broken down multiple times in the past two years. Without the washers we are unable to sterilize instruments, which can lead to surgical delays, cancelations of cases, patient safety risk, and overtime for staff. In addition, our volumes have grown significantly over the years. The new system will cut down on the processing time from 2.5 hours to 30 minutes.</p> <p>Over the last five years we have paid \$163,518 for maintenance contracts. The price for 2016 will increase from \$35,311 to over \$40,000 due to the age of the equipment and the number of service calls. The new washers will cost \$12,357 for a year service contract. The cost of repairs is also significant and will continue to rise due to the age of the equipment.</p> <p>The cost of the new instrument washers and ultrasonic cleaner with construction and a 5% contingency is expected to be \$309,715. \$285,816.69 was included in the</p>	<p>A motion was made by Steve O'Neill and seconded by Michelle Muench. MD to approve the purchase of the washers and ultrasonic cleaner included construction and a 5% percent contingency at the expected cost of \$309,715 from Getinge. Motion carried.</p>	<p>Closed.</p>

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	<p>2015 capital budget. The cost increased due to new regulations and rebate programs.</p> <p>The normal approval process for large purchase items is to present to the Board one month and bring it back the following month for action. The Board discussed and recommended we move forward with the purchase now vs. waiting until next month.</p>		
<ul style="list-style-type: none"> Approval: TV System Replacement 	<p>Tammy Hayes presented a proposal to replace 102 television sets throughout the hospital with current technology at a cost of \$150,000, including cabling, wall mounts, updated digital signal to the building and disposal of the old TV's (copy of SBAR was included in the packet). Televisions in inpatient areas, Med/Surg and the Birth Center, will be replaced with flat screen healthcare grade televisions, which connect to the nurse call system. The others will be replaced with consumer grade televisions, which are less expensive. Patient satisfaction data indicates that patients are asking for updated televisions.</p>	<p>A motion was made by Steve O'Neill and seconded by Virginia Kaczmarek to approve the request for 102 television sets for \$150,000 as requested. Motion carried.</p> <p>Bob Murray abstained from voting due to a conflict of interest.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Nursing Patient Care Update 	<p>Tammy Hayes presented on the Hospital Elder Life Program (HELP) that was implemented in 2015. The goal of the program is to improve the hospital experience of older patients and targets patients with hospital-acquired delirium. Patients who develop delirium have longer lengths of stay, higher rates of 30-day readmission, greater risk of falls, greater rates of cognitive decline, and greater risks of other adverse events. The program is staffed by volunteers who visit with the patients, do therapeutic activities and assist patients to ambulate. The program was implemented in July of 2015, with 122 patients seen by volunteers. So far this year, they have worked with 138 patients. The program has made positive impacts on patients at no cost to the hospital.</p>	<p>Information only.</p>	<p>Closed.</p>

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6. Roundtable, Announcements and Questions	<p>Bob Murray inquired about the Mayor's concerns voiced on KYMN radio regarding the hospital Board's discussion related to interest in discovery information related to 501(c)3 status, and not including the City in the discussions. Steve Underdahl responded that there was a misunderstanding about what the Board was asking. Since the discussion aired on the radio, Steve Underdahl and James Schlichting met with Mayor Dana Graham and the new City Administrator, Ben Martig and the Mayor's concerns were relieved. Steve Underdahl noted that he met with the previous City Administrator and the Mayor on a regular basis to keep them abreast of hospital Board discussions, as well as regular hospital updates to the City Council. Due to variety of reasons, these meetings lapsed during the recruitment of a new City Administrator. They are back on schedule now. David DeLong noted his appreciation for the hospital updates to the City Council (i.e. PERA update), as it helps the City Council better understand issues the hospital Board is dealing with. He also commented that he has not heard of any recent concerns from members of the City Council related to Hospital Board discussions.</p>	Information only.	Closed.
7. Pending Items			
8. Fill out the Board Evaluation Form	Board members completed the meeting evaluation form.	Board Members were asked to return the completed form to Bobbi Jenkins.	Closed.
9. Recess	At 8:15 p.m., James Schlichting announced that the Board would take a short recess before going into Closed Session pursuant to Minn. Stat 13D.05, Subd. 3(a) for the purpose of the annual evaluation of the performance of NH&C President/CEO.	Information only.	Closed.
10. Closed Session	Only Board members were invited to the Closed Session.	A motion was made by Virginia Kaczmarek and seconded by Steve O'Neill to move into Closed Session. Motion carried.	Closed.

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11. Reconvene in Public Session	Following the Closed Session, at 8:35 p.m., the Board reconvened in Public Session. James Schlichting, Board Chair, reported that the Board conducted the Annual CEO Evaluation on Steve Underdahl.	The Board approved a merit increase, market adjustment and management bonus for Steve Underdahl.	Closed.
12. Adjourn	The meeting was adjourned at 8:40 p.m.	A motion was made by Charlie Kyte and seconded by Virginia Kaczmarek to adjourn the meeting. Motion carried.	Closed.