

MEETING MINUTES RECORD

Meeting: Board of Directors – Virtual Meeting during COVID-19 Pandemic

Date: March 31, 2022

Location: Virtual Meeting

Start time: 5:02 pm

Adjourn time: 7:41 pm

Board Members:

- Fred Rogers, Board Chair
- Sarah Carlsen, Vice-Chair
- Rick Estenson
- Michael Hemesath
- CC Linstroth
- Charlie Mandile
- Robert Morrison
- Rhonda Pownell
- Jami Reister

Staff:

- Steve Underdahl, CEO
- Jerry Ehn, COO
- Jeff Meland, MD., CMO
- Monty Seper
- Scott Edin, CFO
- Tammy Hayes, CNE
- Betsy Spethman, Director of Community Relations
- Kelly Velander (Recorder)
- Vern Lougheed

Others:

- Ben Martig, City Administrator
- Teresa Knoedler, Legal Counsel

Guests:

Rob Schile, CLA
Daniel Deyle, CLA

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> • Call to Order and Approval of the Agenda 	<p>The board meeting was called to order by Fred Rogers at 5:04 p.m.</p> <p>It was determined that it is was not feasible for members of the board of directors to be physically present at the board meeting due to the COVID-19 pandemic. The virtual meeting was held via WebEx.</p> <p>A closed session will follow the open meeting this evening pursuant to Minn. Stat. 144.581, subd. 5 Marketing: marketing activity related to the Hospital's competitive position with other health care providers that offer similar services.</p> <p>Items on the consent agenda (available on the portal):</p> <ul style="list-style-type: none"> • Meeting minutes (approve) <ul style="list-style-type: none"> ✓ Board Meeting- (2/24/22) • Meeting minutes (accepted) <ul style="list-style-type: none"> ✓ Community Relations Committee (2/22/22) ✓ Governance and Planning Committee (2/17/22) ✓ Budget & Finance Committee (3/24/22) reflects receiving the full 2021 audit report prior to the board meeting. 	<p>A motion was made by Rick Estenson and seconded by CC Linstroth to approve the regular and consent agendas as presented. Motion carried.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																																																			
• Reports																																																						
1. Hospital Chief of Staff Report		No updates provided.	Closed																																																			
<ul style="list-style-type: none"> Approval of Applications for Medical Staff Membership/Privileges 	<p>The medical staff applications from the Credentials Committee were presented for approval.</p> <p>Appointments</p> <table border="1" data-bbox="378 443 873 510"> <thead> <tr> <th>Practitioner #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>4139</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> </tbody> </table> <p>Initial Appointments eHospitalists</p> <table border="1" data-bbox="378 583 878 665"> <thead> <tr> <th>Practitioner #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>4141</td> <td>Telemedicine</td> <td>eHospitalist</td> </tr> <tr> <td>4142</td> <td>Telemedicine</td> <td>eHospitalist</td> </tr> </tbody> </table> <p>Reappointments</p> <table border="1" data-bbox="378 745 881 1203"> <thead> <tr> <th>Practitioner #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>3366</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> <tr> <td>3562</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> <tr> <td>3946</td> <td>Active</td> <td>Internal Medicine</td> </tr> <tr> <td>4032</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>7440</td> <td>AH:D</td> <td>Physician Assistant</td> </tr> <tr> <td>7452</td> <td>AH:D</td> <td>Orthopedic PA</td> </tr> <tr> <td>7367</td> <td>Active</td> <td>Orthopedic Surgery</td> </tr> <tr> <td>4033</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>3553</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> <tr> <td>3595</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> <tr> <td>3266</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> </tbody> </table>	Practitioner #	Category	Privilege	4139	Telemedicine	Teleradiology	Practitioner #	Category	Privilege	4141	Telemedicine	eHospitalist	4142	Telemedicine	eHospitalist	Practitioner #	Category	Privilege	3366	Telemedicine	Teleradiology	3562	Telemedicine	Teleradiology	3946	Active	Internal Medicine	4032	AH:I	Behavioral Health	7440	AH:D	Physician Assistant	7452	AH:D	Orthopedic PA	7367	Active	Orthopedic Surgery	4033	AH:I	Behavioral Health	3553	Telemedicine	Teleradiology	3595	Telemedicine	Teleradiology	3266	Telemedicine	Teleradiology	<p>A motion was made by Jami Reister and seconded by Michael Hemesath to accept the recommendations from the Medical Executive Committee as presented. Motion carried.</p>	Closed
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<ul style="list-style-type: none"> Presentations/ Discussion / Action Items 																																																						

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<ul style="list-style-type: none"> Annual Audit Report 	<p>Steve Underdahl introduced Rob Schile, CPA, CLA Principal, and Daniel Deyle, CLA Manager. Rob and Daniel met with the Budget & Finance Committee prior to the Board meeting to review the 2021 audit in detail. Rob presented a high-level executive summary of the 2021 audit to the full board (slides available on the portal).</p> <p>Results included:</p> <p><u>Significant Events and Transactions</u></p> <ul style="list-style-type: none"> Provider Relief Funds during COVID Adoption of GASB 87 <p><u>Audit Adjustments</u></p> <ul style="list-style-type: none"> There was one passed adjustments <p><u>Subsequent Events</u></p> <ul style="list-style-type: none"> No subsequent events <p><u>Internal Controls</u></p> <ul style="list-style-type: none"> No material weaknesses noted <ul style="list-style-type: none"> Rob pointed out the strong Cash position of 253 Days and noted that NH+C had an 1.1% Operating margin, which included a PERA adjustment of \$4.0 million. We also recognized \$3.44 million of CARES Act grants. <p>The audit was done virtually this year due to COVID. It went as planned with no difficulties, no disagreements, and no issues. Rob commended both Eric Guth, Controller for financial prep work and Vern Loughheed for Cyber security penetration test that was performed.</p>	Information only.	Rob will report this information to the City Council at an upcoming meeting.
Executive and Committee Reports			
<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl, CEO, reported on the following:</p> <p><u>COVID-19 Update:</u></p> <ul style="list-style-type: none"> NH+C has not had hospitalized COVID patients for a couple of weeks. Watching data and cases on the BA.2 Omicron variant. It is 50-60% more transmissible than Omicron. Cases for this variant have rapidly risen in UD and China. COVID funding has been discontinued in substantial ways. <p><u>Strategic update:</u></p> <ul style="list-style-type: none"> An updated strategic plan will be discussed in closed session tonight. An ever-evolving set of cyber threats have emerged recently. Cyber-attack vulnerability is a pressing concern. We have good systems in place. 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> • NH+C level 4 Trauma Re-designation is in process. This is done every 3 years. During COVID pandemic this timeframe was extended. • Count-down to summer go-live of EHR has begun. Mock go-live sessions are underway. • A multi-disciplinary team will be analyzing mental health/addiction needs for our community. • A team of physicians, nurses and other leaders will be taking next steps to evaluate the clinical scope of practice for NH+C. • The community needs white paper is near completion and will be shared at the April Board meeting. • Elko New Market land sale is to be closed upon in April. The property was sold to Kwik Trip for \$800,000. <p><u>Operations update:</u></p> <ul style="list-style-type: none"> • Volumes have softened in some service lines and remain strong in others. This results in staffing challenges. • Continue to feel inflationary pressures with regards to rising costs of talent, stuff and energy pricing. • A response plan to these pressures is in place. Open positions are receiving additional assessments and cash position related to the potential to borrow is being evaluated. • Highlighted in the Kaufman Hall flash report were statistics that showed financial implications for over 900 hospitals surveyed. Margins are down, as are gross operating revenue for many hospitals as well. • Kenyon Clinic continues to do well. The clinic is seeing both new and existing patients. Patients are also receiving other downstream services at other NH+C locations and specialties. <p><u>Policy</u></p> <ul style="list-style-type: none"> • COVID is officially not the priority it once was at a policy level. 		
<ul style="list-style-type: none"> • Financial Report 	<p>Eric Guth, Controller presented the February financial report in Scott Edin's absence</p> <p><u>February Key Drivers</u></p> <ul style="list-style-type: none"> • Inpatient Admits were 18% under forecast • Emergency Dept visits were 13% under forecast • Surgery procedures were 13% under forecast 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p><u>Financial Outcomes</u></p> <ul style="list-style-type: none"> • Net Operating Revenues were \$1.05M under forecast • Gross Revenues were \$982K under forecast • Deductions were \$106K over forecast • Bad Debt was \$42K under forecast <p><u>Financial Notes</u></p> <ul style="list-style-type: none"> • Recognized \$287K of COVID grants • Investment losses were \$1.2M for the month • Purchased services of \$57K to Mayo for COVID testing; our purchase of two analyzers has helped reduce this cost 		
<ul style="list-style-type: none"> • Quality Committee Verbal Report 	<p>Sarah Carlsen shared the information from the March 28th meeting.</p> <ul style="list-style-type: none"> • Sarah expressed thanks that the patient experience group can begin meeting again in person to provide data to better increase patient satisfaction. This group was not previously able to meet in person due to COVID restrictions. 	Information only.	Closed.
<ul style="list-style-type: none"> • Roundtable, Announcements and Questions 	No announcements.	Information only.	Closed.
<ul style="list-style-type: none"> • Closed Session 	<p>Prior to the start of Closed session, everyone was excused from the meeting except board members.</p> <p>At 7:00 pm the Board went into Closed Session pursuant to Minn. Stat. 144.581, subd. 5 Marketing: Marketing activity related to the Hospital's competitive position with other health care providers that offer similar services.</p>	Motion made by Sarah Carlsen and seconded Rick Estenson to move into the closed session. Motion carried.	Closed.
<ul style="list-style-type: none"> • Adjourn 	The meeting was adjourned at 7:46 p.m.	Motion made by Sarah Carlsen and seconded by CC Linstroth to adjourn meeting. Motion carried.	Closed.