

# MEETING MINUTES RECORD

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

**Date: October 27, 2022**

**Location: Virtual Meeting**

**Start time: 5:07 pm**

**Adjourn time: 7:01 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(joined later)
- Jeff Meland, MD., CMO
- Monty Seper
- Scott Edin, CFO
- Tammy Hayes, CNE
- Betsy Spethman, Director of Community Relations
- Kelly Velander (Recorder)
- Vern Lougheed, ITS

**Others:**

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

**Guests:**

Julie Nikolai Sullivan, Dir. Marketing  
David Emery

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> <li>• Call to Order and Approval of the Agenda</li> </ul>	<p>The board meeting was called to order by Fred Rogers at 5:07 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>Items on the consent agenda (available on the portal):</p> <ul style="list-style-type: none"> <li>• Meeting minutes (approve)               <ul style="list-style-type: none"> <li>✓ Board Meeting- (9/22/22)</li> </ul> </li> <li>• Meeting minutes (accepted)               <ul style="list-style-type: none"> <li>✓ Quality Board Committee (9/20/22)</li> </ul> </li> <li>• Policies (accepted)               <ul style="list-style-type: none"> <li>✓ Annual review of patient care minimum and professional liability coverage solution</li> <li>✓ Patient rights policy</li> <li>✓ Quality &amp; Performance Improvement Policy</li> </ul> </li> </ul>	<p>A motion was made by Robert Morrison 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																								
<ul style="list-style-type: none"> <li>Reports</li> </ul>																											
1. Hospital Chief of Staff Report		No updates provided.	Closed																								
<ul style="list-style-type: none"> <li>Approval of Applications for Medical Staff Membership/Privileges</li> </ul>	<p>The medical staff applications from the Credentials Committee were presented for approval by Dr. Meland.</p> <p><b><u>Appointments</u></b> None</p> <p><b><u>Reappointments</u></b></p> <table border="1" data-bbox="376 554 906 829"> <thead> <tr> <th>Practitioner #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>4045</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>4042</td> <td>Active</td> <td>Family Medicine</td> </tr> <tr> <td>4052</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>4055</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>4044</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>4056</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td></td> <td>AH:I</td> <td>Family Medicine w/ OB</td> </tr> </tbody> </table>	Practitioner #	Category	Privilege	4045	AH:I	Behavioral Health	4042	Active	Family Medicine	4052	AH:I	Behavioral Health	4055	AH:I	Behavioral Health	4044	AH:I	Behavioral Health	4056	AH:I	Behavioral Health		AH:I	Family Medicine w/ OB	<p>A motion was made by CC Linstroth 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"> <li>Presentations</li> </ul>																											
<ul style="list-style-type: none"> <li>Marketing and Communications Update</li> </ul>	<p>Julie Nikolai Sullivan, Director of Marketing and Betsy Spethmann, Director of Communication provided a marketing and communications update.</p>	Information only.	Closed.																								
<b>Executive and Committee Reports</b>																											
<ul style="list-style-type: none"> <li>CEO Report</li> </ul>	<p>Steve Underdahl, CEO, reported on the following:</p> <p><b><u>COVID-19 Update:</u></b></p> <ul style="list-style-type: none"> <li>Transmissions rates are down, and hospital rates are up.</li> </ul> <p><b><u>Strategic update:</u></b></p> <ul style="list-style-type: none"> <li>Re-emerging from the pandemic has morphed into something different than originally thought. Pressures include inflation, workforce, transfer of patients and payer mix. This brings on a new set of challenges.</li> <li>Work teams continue to meet and advance their work regarding DEI and Social determinants of health.</li> <li>Efforts to explore population health options for our market continue to make great strides.</li> <li>We recently signed a no-cost contract with out ACO vendor to help drive up the annual wellness participation level and identification of vulnerable people.</li> </ul>	Information only.	Closed.																								

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> <li>NH+C board retreat will take place mid-November.</li> </ul> <p><u>Operations update:</u></p> <ul style="list-style-type: none"> <li>Things are still uncertain, but we are making progress.</li> <li>Financial trends continue to trend down due to coding backlogs (due to new EHR), workforce shortages, workforce costs, inflation and payer mix deterioration.</li> <li>Mitigation processes have been put in place to better analysis these trends.</li> <li>Our team members are busy and stressed.</li> <li>We share in these unfortunate trends with other hospitals in the state.</li> <li>Reimbursement from both Medicare and Medicaid are trending between 20-27% below the cost of care on average.</li> <li>Finding placement in skilled nursing facilities continues to be a challenge, which causes additional clinical and financial challenges for our hospital practice.</li> <li>We are in the process of selecting the Do the Next Right Thing recipients. These awards acknowledge individuals that have provided exceptional, compassionate care to those we care for over the past year.</li> <li>Steve Underdahl shared recent news of Dr. Matthew Hillmann for his recent accomplishment as the 2023 Minnesota Superintendent of the Year.</li> </ul>		
<ul style="list-style-type: none"> <li>Financial Report</li> </ul>	<p>Scott Edin, CFO was not able to share September financials due to delay with implementation of the new EHR.</p> <p>Scott Edin, CFO presented the August financial report.</p> <p><u>August Key Drivers</u></p> <ul style="list-style-type: none"> <li>Inpatient Admits were 13% under forecast at 110</li> <li>Emergency Dept visits were 8% over forecast</li> <li>Surgery procedures were 22% over forecast</li> </ul> <p><u>Financial Outcomes</u></p> <ul style="list-style-type: none"> <li>Gross Operating Revenues were up \$1.9M</li> <li>Deductions were \$2M over forecast</li> <li>Bad Debt was \$158K over forecast</li> <li>Net Revenues were \$500K under forecast</li> <li>Operating expenses were \$516K over forecast</li> <li>Resulting in a Net Operating Loss of \$1.37M</li> </ul>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> <li>Budget &amp; Finance Committee (verbal report)</li> </ul>	Fred Rogers, chair, provided a brief summary of the Budget & Finance Committee meeting from October 20 <sup>th</sup> .	Information only.	Closed.
<ul style="list-style-type: none"> <li>Roundtable, Announcements and Questions</li> </ul>	<ul style="list-style-type: none"> <li>No discussion.</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>Adjourn</li> </ul>	The meeting was adjourned at 7:01 p.m.	Motion made by CC Linstroth and seconded by Sarah Carlsen to adjourn meeting. Motion carried.	Closed.