

Meeting Minutes Record

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

Date: August 18, 2022

Location: Virtual Meeting

Start Time: 5:04 pm

End Time: 7:14 pm

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

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

Others Present: Teresa Knoedler- Legal Counsel, Matt Anderson- Atrede Consulting

Board Members Absent:

Staff Absent: Monty Seper

Others Absent: Ben Martig- City Administrator

Call to Order and Approval of the Agenda

The board meeting was called to order by Fred Rogers at 5:04 p.m.

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.

Items on the consent agenda (available on the portal):

- Meeting minutes (approve)
 - Board meeting (July 28, 2022)
- Meeting minutes (accepted)
 - Budget and Finance Committee (July 21, 2022)
- Meeting minutes (accepted)
 - Governance and Planning Committee (July 26, 2022)

Action: A motion was made by CC Linstroth and seconded by Robert Morrison to approve the regular and consent agendas as presented. Motion carried.

Follow-up/Resolution: Closed.

Reports

Hospital Chief of Staff Report

Action: No update provided.

Follow-up/Resolution: Closed.

Approval of Applications for Medical Staff Membership/Privileges

The medical staff applications from the Credentials Committee were presented for approval.

Appointments:

- 4157: Telemedicine, eHospitalist

Provisional Status:

- 4065: AH:I, Behavioral Health
- 3823: AH:I, Behavioral Health
- 4081: AH:I, Behavioral Health
- 4086: AH:I, Behavioral Health
- 4082: AH:I, Behavioral Health
- 4076: AH:I, Behavioral Health

Reappointments:

- 3882: AH:I, Behavioral Health
- 3261: Affiliate, Pathology
- 3959: Telemedicine, Teleradiology
- 3697: Affiliate, Pathology
- 3769: Active, General Surgery
- 3968: Telemedicine, Teleradiology
- 3586: H and P, H and P
- 2716: Refer and Follow, Refer and Follow
- 3772: Active, EM/FM

Action: A motion was made by Sarah Carlsen and seconded by Rick Estenson to accept the recommendations from the Medical Executive Committee as presented. Motion carried.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Patient Care Update- Home Care and Hospice

Tammy Hayes presented the home care & hospice Quality report.

- This report is reviewed by the board annually.
- The Home care quality data includes complaints, feedback, vulnerable adult reports, incident reports, medication errors, infection surveillance, chart audits, results of MDH surveys, home health care CAHPS data, OASIS measure and high risk, high volume or problem-prone areas that are identified.
- Home Care at NH+C is above national and state trends for care and service.
- Home Care improvement projects included documentation improvements (new EMR on April 1st, and OASIS training), timely initiation of care and education, medication including the Color my Meds project Amount of time to get help (Magnets).
- Hospice quality data shows complaints, feedback, vulnerable adult reports, incident reports, medication errors, infection surveillance, chart audits, results of MDH surveys, Hospice CAHPA data to include Evaluation of Grief support services data, HIS measures and high-risk, high volume or problem-prone areas that are identified.
- 2nd quarter Hospice data indicates NH+C is at or above state and national trends.

Hospice current improvement projects include documentation projects and training of family.

Action: Information only.

Follow-up/Resolution: Closed.

Environmental Scanning

Matt Anderson, of Atrede Consulting, shared insight on current trends and turbulence in Minnesota's health care ecosystem. Areas highlighted were payers, providers, patients, public policy and quality.

Matt believes these areas are being currently Influenced by such things as inflationary pressures, higher acuity of patients affordability, new payer mix and strategic partnerships, hospital consolidations and capital realignments, federal policy pressures and workforce pressures.

Action: Information only.

Follow-up/Resolution: Closed.

Bank Financing Proposal

Scott Edin, CFO, presented a recommendation that we enter into a bank financing with Community Resource Bank. A resolution was included in the Board packet that allows Scott & Steve to negotiate terms of a bank financing on behalf of NH+C. A loan has been identified that will allow NH+C to borrow

funds of up to \$10 million to repay itself for Capital costs related to the Birthing Center project that was completed in June 2021.

Action: A motion was made by Rick Estenson and seconded by Michael Hemesath to approve the recommended issuance of hospital revenue bond authorizing execution of supplemental indentures of trust and related documents in the total amount of \$10M as presented. All voting members of the NH+C Board were present, and the motion carried unanimously.

Follow-up/Resolution: The approved revenue bond recommendation will be shared at the September 6th, 2022 City Council meeting. Upon City approval, final documents will be executed and on or about September 19, 2022 and the closing of series 2022 bond and receipt of proceeds will occur with a second closing of series 2023 of bond and receipt of proceeds to follow on or about January 9th, 2023.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

COVID-19 Update:

- Toggling between 0-1 hospitalized COVID patients at NH+C
- Transmission rates in most of Minnesota is still high.

Strategic update:

- EHR post-live is going well. We are validating and pressure testing many process and putting small “fires” as they occur.
- A multi-disciplinary group is establishing a process for contemporaneous review of transfers of patients.
- A team is reviewing a gaps analysis approach regarding current and future mental health/substance abuse resources.
- Workforce continues to be a significant rate limiting factor and budget concern.

Operations update:

- Tough summer for healthcare for many Minnesota hospitals
- NH+C Urgent Care has as go-live date of September 15th, 2022.
- The Faribault NH+C Clinic has received new signage and new identity.
- Four new providers will be joining the NH+C practice.

Policy:

- New federal legislation has been passed that will provide several additional healthcare resources, including prescription drug assistance.

- News of labor negotiations in the Twin Cities could impact our ability to transfer patients if they end up in a strike. Impact of this possible strike will have an impact all around the state.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Scott Edin, CFO was not able to share July financials due to delay with implementation of the new EHR.

Scott Edin, CFO presented the June financial report.

June Key Drivers

- Inpatient Admits were 13% over forecast
- Emergency Dept visits were 8% under forecast
- Surgery procedures were 3% under forecast

Financial Outcomes:

- Gross Revenues were \$298K over forecast
- Deductions were \$422K over forecast
- Bad Debt was \$145K over forecast
- Net Revenues were \$278K under forecast
- Operating expenses were \$43K under forecast
- Resulting in a Net Operating Loss of \$730K

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

Nothing shared.

Action: Information only.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 7:14 p.m.

**Action: Motion made by Robert Morrison and seconded by CC Linstroth to adjourn meeting.
Motion carried.**

Follow-up/Resolution: Closed.