

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

End Time: 7:01 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 Loughheed

Others Present: Ben Martig- City Administrator, Teresa Knoedler- Legal Counsel, Julie Nikolai Sullivan- Director of Marketing, David Emery

Board Members Absent:

Staff Absent: Monty Seper

Others Absent:

Call to Order and Approval of the Agenda

The board meeting was called to order by Fred Rogers at 5:07 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 (September 22, 2022)
- Meeting minutes (accepted)
 - Quality Board Committee (September 20, 2022)
- Policies (accepted)
 - Annual review of patient care minimum and profession liability coverage solution
 - Patient rights policy

- Quality and Performance Improvement Policy

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

Follow-up/Resolution: Closed.

Reports

Hospital Chief of Staff Report

Action: No updates 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 by Dr. Meland.

Appointments:

- none

Reappointments:

- 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 with OB

Action: 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.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Marketing and Communications Update

Julie Nikolai Sullivan, Director of Marketing and Betsy Spethmann, Director of Communication provided a marketing and communications update.

Action: Information only.

Follow-up/Resolution: Closed.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

COVID-19 Update:

- Transmission rates are down, and hospital rates are up.

Strategic update:

- 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.
- Work teams continue to meet and advance their work regarding DEI and Social determinants of health.
- Efforts to explore population health options for our market continue to make great strides.
- We recently signed a no-cost contract with our ACO vendor to help drive up the annual wellness participation level and identification of vulnerable people.
- NH+C board retreat will take place mid-November.

Operations update:

- Things are still uncertain, but we are making progress.
- Financial trends continue to trend down due to coding backlogs (due to new EHR), workforce shortages, workforce costs, inflation and payer mix deterioration.
- Mitigation processes have been put in place to better analyze these trends.
- Our team members are busy and stressed.
- We share in these unfortunate trends with other hospitals in the state.
- Reimbursement from both Medicare and Medicaid are trending between 20-27% below the cost of care on average.
- Finding placement in skilled nursing facilities continues to be a challenge, which causes additional clinical and financial challenges for our hospital practice.
- 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.
- Steve Underdahl shared recent news of Dr. Matthew Hillmann for his recent accomplishment as the 2023 Minnesota Superintendent of the Year.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

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

Scott Edin, CFO presented the August financial report.

August Key Drivers

- Inpatient Admits were 13% under forecast at 110
- Emergency Dept visits were 8% over forecast
- Surgery procedures were 22% over forecast

Financial Outcomes:

- Gross Operating Revenues were up \$1.9M
- Deductions were \$2M over forecast
- Bad Debt was \$158K over forecast
- Net Revenues were \$500K under forecast
- Operating expenses were \$516K over forecast
- Resulting in a Net Operating Loss of \$1.37M

Action: Information only.

Follow-up/Resolution: Closed.

Budget and Finance Committee (verbal report)

Fred Rogers, chair, provided a brief summary of the Budget & Finance Committee meeting from October 20th.

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

No discussion.

Action: Information only.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 7:01 pm.

**Action: Motion made by CC Linstroth and seconded by Sarah Carlsen to adjourn meeting.
Motion carried.**

Follow-up/Resolution: Closed.