



Meeting Minutes Record

Meeting: Board of Directors - Hybrid: In-Person/Virtual Meeting

Date: June 22, 2023

Location: Virtual Meeting

Start Time: 5:04pm

End Time: 8:19pm

Board Members Present: Sarah Carlsen- Board Chair, Michael Hemesath- Vice-Chair, Katie Lane, Robert Morrison, Crystal Mulvihill, Jami Reister, Fred Rogers

Staff Present: Steve Underdahl- CEO, Jerry Ehn- COO, Monty Seper, Ben Flannery- MD, Eric Guth- Interim CFO, Tammy Hayes- CNE, Betsy Spethman- Director of Community Relations, Kelly Velandar (Recorder), Vern Lougheed- ITS

Others Present: Teresa Knoedler- Legal Counsel

Guests: Korey Boelter, CLA

Board Members Absent: Rick Estenson, Rhonda Pownell

Staff Absent: Jeff Meland-CMO

Others Absent: Ben Martig – City Administrator

Call to Order and Approval of the Agenda

The board meeting was called to order by Sarah Carlsen at 5:04 p.m.

Meetings will now take place in hybrid format. Board members that joined virtually were: Michael Hemesath. Rhonda Pownell had indicated attending virtual, but due to other obligations was not in attendance.

The locations of board members attending by electronic means were included in the public notice of the meeting.

Sarah also announced that at the conclusion of the open session meeting, there will be a closed session pursuant of Minn. Stat. 144.581, subd.5 Marketing: To discuss marketing activity related to the hospitals competitive position with other health care providers that offer similar services and Minn. Stat. 13D.05, subd. 3(a)- To evaluate the performance of an individual who is subject to its authority of the board.

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

- Meeting minutes (approve)
 - Board Meeting (May 25, 2023)
- Meeting minutes (accepted)
 - Community Relations Committee (May 23, 2023)
 - Governance & Planning Committee (May 16, 2023)
 - Governance & Planning Committee (May 23, 2023)
- Board Policies (approve)
 - Board approval policies and practices policy
 - CEO performance evaluation policy
 - Board committee policy
 - Board meeting agenda planning
 - Contract approval and maintenance policy
- Credentialing committee policies (accepted)
 - Confidentiality and access of credentialing and privileging information policy
 - Disaster privileging policy
 - Expedited credentialing policy
 - Medical credentialing policy
 - Medical staff certifications policy
 - Medical staff dues policy
 - Medical staff events and recognition policy
 - Medical staff history and physical assessment policy
 - OB privilege request form
 - Family Medicine privilege request form
 - Certified nurse midwife privilege request form
- Patient safety committee
 - Disclosure: Communicating outcomes to patients

Action: Motion was made by Robert Morrison and seconded by Fred rogers to approve the agenda and consent agenda items as presented. Due to members of the board participating virtually, a roll call vote was also performed. Motion carried.

Follow-up/Resolution: Closed.

- Recommendation to appoint Board Treasurer
 - With the recent passing of colleague, Scott Edin, CFO, Sarah Carlsen, board chair made a recommendation to the board to appoint Eric Guth, CFO as board treasurer.

Action: A motion was made by Jami Reister and seconded by Katie Lane to approve Eric Guth as board treasurer. Due to members of the board participating virtually, a roll call vote was also performed. Motion carried.

Follow-up/Resolution: Closed.

- Bond Resolution
 - Eric Guth, CFO presented a resolution providing for the negotiation and execution of a term sheet related to the prepayment of the city's hospital revenue bond, series 2016A and authorizing execution of related documents with Wells Fargo Bank, NA (know knows as Computershare Trust Company, NA).

Action: A motion was made by Fred Rogers and seconded by Crystal Mulvihill to approve the bond resolution as provided. Due to members of the board participating virtually, a roll call vote was also performed. 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. Flannery.

Appointments:

- 4196 Telemedicine, Teleradiology
- 4209 Active, Emergency Medicine
- 4210 Telemedicine, Teleradiology
- 4211 Telemedicine, Teleradiology
- 4212 Telemedicine, Teleradiology

Reappointments:

- 3974 Affiliate, OBGYN - Locum
- 3427 Affiliate, Internal Medicine
- 3750 Active, Family Medicine
- 3989 Telemedicine, Teleradiology
- 3919 Telemedicine, Teleradiology
- 3790 Active, Radiation Oncology
- 2282 Active, EM/ FM
- 3752 Affiliate, Pathology
- 3791 AH:I, Nurse Practitioner
- 3747 Active, Emergency Medicine
- 3430 Telemedicine, Teleradiology
- 3911 Telemedicine, Teleradiology
- 3653 Active, Podiatry
- 2360 Telemedicine, Teleradiology
- 3655 Telemedicine, Teleradiology

Action: A motion was made by Katie Lane and seconded by Robert Morrison to approve the medical staff files as presented. Due to members of the board participating virtually, a roll call vote was also performed. Motion carried.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Annual Audit Report

Steve Underdahl introduced Korey Boelter, CPA, CLA Principal. Korey met with the Budget & Finance Committee prior to the Board meeting to review the 2022 audit in detail. Korey presented a high-level executive summary of the audit to the full board (slides available on the portal).

Results included:

Significant Events and Transactions

- Ongoing financial pressures and missing debt service coverage ratio. Some additional debt has been classified at year-end.
- PERA updates and changes.

Audit Adjustments

- No audit adjustments posted; one prior year passed adjustment for unrecorded revenue accrual.

Subsequent Events

- No subsequent events.

Internal Controls

- No material weaknesses noted.
- Korey pointed out the lower Cash position of 171 Days in 2022 and noted that NH+C had an -10.6 % Operating margin.

Action: Information only.

Follow-up/Resolution: Closed.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

Strategic Update:

- Steve will be restructuring the CEO deliverables as asked by the Governance & Planning committee, to place more emphasis on the primary work of mitigating the financial situation.
- Continuing to work with MediTech (EHR) to mature the functionality and are making promising advances.

Operations Update:

- Relatively high volumes, and even higher expenses.
- Much higher census than seen in years.
- A major update is being made to the Northfield Hospital website that will make accessing what patients needs more user friendly.

Policy Update:

Representative Pursell visited NH+C on June 19th.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Eric Guth, CFO presented the May financial report.

May Key Drivers

- Inpatient Admits were 11% over forecast.
- Emergency Dept visits were 29% under forecast.
- Surgery procedures were 19% over forecast.

Financial Outcomes:

- Gross Operating Revenues were \$2.6M over forecast.
- Deductions were \$1.5M over forecast.
- Bad Debt was \$61K over forecast.
- Net Revenues were \$1.1M over forecast.
- Operating expenses were \$902K over forecast.
- Net operating loss was \$604K vs. a forecast loss of \$770K.

Action: Information only.

Follow-up/Resolution: Closed.

Verbal Quality Committee report

Sarah Carlsen provided a brief update from the recent Quality Committee meeting.

She highlighted that NH+C is now offering Telestroke and Teleneurology services and is a big asset to the care provided at NH+C.

Sarah also shared that Ann Reuter, Director of Quality, informed the committee of new health equity requirements and the work being done to meet these guidelines.

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

No discussion.

Action: Information only.

Follow-up/Resolution: Closed.

Closed Session

A brief break was taken prior to the start of Closed session, everyone was excused from the meeting except board members.

At 6:26 pm the Board went into Closed Session pursuant to of Minn. Stat. 144.581, subd.5 Marketing: To discuss marketing activity related to the hospitals competitive position with other health care providers that offer similar services *and* Minn. Stat. 13D.05, subd. 3(a)- To evaluate the performance of an individual who is subject to its authority of the board.

Action: A motion was made by Crystal Mulvihill and Fred Rogers to move into Closed Session. Due to members of the board participating virtually, a roll call vote was also performed. Motion carried.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 8:19 p.m.

Action: A motion was made by Fred Rogers and seconded by Jamie Reister to adjourn the open meeting session. Roll call vote was not necessary as no members were attending virtually at this point. Motion carried.

Follow-up/Resolution: Closed.