

Meeting Minutes Record

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

Date: March 28, 2024

Location: Virtual Meeting

Start Time: 5:05 pm

End Time: 7:44 pm

Board Members Present: Sarah Carlsen- Board Chair, Michael Hemesath- Vice-Chair, Rick Estenson (virtual), Katie Lane, Robert Morrison, Crystal Mulvihill, Rhonda Pownell, Jami Reister, Fred Rogers

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

Others Present: Ben Martig- City Administrator, Teresa Knoedler- Legal Counsel (virtual)

Guests: Jeff Mutz-Director of Human Resources, David Emery

Call to Order and Approval of the Agenda

The board meeting was called to order by Sarah Carlsen at 5:05 p.m.

Meetings will now take place in hybrid format. Board members that joined virtually were: Rick Estenson.

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

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

- Meeting minutes (approve)
 - Board Meeting (2/22/2024)
- Meeting minutes (accepted)
 - Community Relations Committee (2/20/2024)

Action: Motion was made by Michael Hemesath and seconded by Katie Lane to approve the agenda and consent agenda as presented. With board members participating virtually, a roll call was 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:

- 4285: Telemedicine, IDC Proxy, Credentialed

Reappointments:

- 3946: Active, Internal Medicine
- 7440: AH:D, Physician Assistant
- 7452: AH:D, Orthopedic Physician Assistant
- 7367: Active, Orthopedic Surgery
- 3553: Telemedicine, Teleradiology
- 3266: Telemedicine, Teleradiology

Action: A motion was made by Fred Rogers and seconded by Jami Reister to approve the medical staff files as presented. With board members participating virtually, a roll call was performed. Motion carried.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Nursing Updates: CCIC Accreditation and Birth Center-Birthing Friendly Designation

Tammy Hayes, CNE, presented a nursing update.

She emphasized the below two astounding accomplishments NH+C service lines received.

- NH+C is now an accredited Cancer Care program. This was received from the American College of Surgeons program named the Commission of Cancer. This is a three-year accreditation and will provide our program with increased quality data to continue to improve our patient care and health of our community. She praised the work of all the NH+C staff involved in this very extensive process, highlighting the Director of Cancer Care, Jodi Wiczorek.

- The NH+C Birth Center has had the privilege of receiving the Birthing Friendly Designation award recently. This designation was created by CMS that identify hospitals and health systems that participated in a statewide or nationwide perinatal quality improvement collaborative program and evidence-based care to improve maternal health. It is used as an online tool that helps patients find a hospital that has a “birthing-friendly” designation in their area.

Cyber Security Update

Vern Lougheed, Director of IT/ITS shared an update on the recent cyber security events that have affected NH+C.

- A recent cyber-attack occurred on three of our vendor partners: Consulting Radiology Limited (CRL), Medbridge and Change Health/Optum.
- It was a complicated mess.
- Our IT/ITS team worked tirelessly with our vendors and staff to ensure that this did not affect patient care.
- Some areas affected included patient statements and payment processing. Hope to resolve those by April 1st.
- We have now implemented and are working alongside a new clearinghouse partner to begin processing claims and payments. This process is going well.
- A new statement vendor has been chosen and the restoration process is going well.
- A future risk assessment is being performed as a result of these events.

Action: Information only.

Follow-up/Resolution: Closed.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

Strategic Update:

- Financial mitigation efforts are showing good results.
- The goal for 2024 is to have a balanced budget and the goal for 2025 is to move back to more of a traditional margin.
- Trends indicate a softer performance for the first part of the year due to normal deductible resets.
- Financials reflect a -\$3.2M loss from year-to-date 2023. 2024 year to date financials show a loss of -\$171K.
- Kurtis Read, Sydney Nerg, Aaron Cooper and Venessa Rinaldi were recently recognized as the 2023 honorees of the Do the Next Right Thing awards. These awards are given annually to people nominated by their peers for great work going over and above to ensure our patients and families are being cared for.

- Our Wound Healing Center earns national awards again for the second consecutive year as one of the best wound healing centers in the country with a patient satisfaction rate of 95% for 2023. NH+C is honored to be in the top 10% of 600 wound healing centers in the U.S.
- Our birth center continues to feel an increased demand for services.
- Home health growth lags and continues to be evaluated.

Operations Update:

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Policy Update:

- There are a number of legislative efforts that we are watching and working on like the proposal to change the exit formula for medical centers if they would ever leave PERA and a bill requiring a dedicated response team for mental health emergencies.
- Rebasing bill for Medicaid having the current rates being anchored to a base year of 2019 is also of concern.
- Steve congratulated Fred Rogers, board member and previous board chair, for being a recipient of the board and commissions excellence award recently.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Eric Guth, CFO, presented the February financial report.

February Key Drivers:

- Inpatient Admits were 17% over budget.
- Emergency Dept visits were 8% over budget.
- Surgery procedures were at budget.

Financial Outcomes:

- Gross Operating Revenues were \$2.3M over budget.
- Deductions were \$1.6M over budget.
- Bad Debt was \$14K over budget.
- Net Revenues were \$793K over budget.
- Operating expenses were \$88K under budget.
- Net operating loss was \$113K vs. a budget loss of \$986K.

Action: Information only.

Follow-up/Resolution: Closed.

Quality verbal report

Sarah Carlsen provided a brief summary of the recent Quality Committee meeting.

- There are new CMS requirements.

Action: Information only.

Follow-up/Resolution: Closed.

Budget & Finance verbal report

Eric Guth shared a brief summary of the most recent Budget & Finance Committee meeting.

- Audit presentation will be at the April board meeting.

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

No comments made.

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 6:55 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.

Action: A motion was made by Katie Lane and Crystal Mulvihill to move into Closed Session. A roll call vote was performed. Motion carried.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 7:44 pm.

Action: A motion was made by Crystel Mulvihill and seconded by Katie Lane to adjourn the open meeting session. A roll call vote was performed. Motion carried.

Follow-up/Resolution: Closed.