

Meeting Minutes Record

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

Date: October 23, 2025

Location: Meeting Room C

Start Time: 5:04pm

End Time: 7:16pm

Board Members Present: Michael Hemesath- Board Chair, Rick Estenson- Vice Chair (virtual), Sarah Carlsen (mid-meeting), Rod Christensen, Katie Lane, Crystal Mulvihill, Jami Reister, Fred Rogers

Staff Present: Zander Abbott- CEO, Josh Salzman- COO, Jeff Meland- MD CMO, Jennifer Fischer- MD, Eric Guth- CFO, Lisa Bauer- CNE, Betsy Spethman- Director of Community Relations, Kelly Lee (Recorder)

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

Guests: Mayor Erica Zweifel, Anne Larson

Board Members Absent: Jessica Peterson White

Staff Absent: None

Others Absent: None

Call to Order and Approval of the Agenda

Board Chair, Michael Hemesath called the meeting to order at 5:04 p.m.

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

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

- Meeting minutes (approve)
 - Board meeting (September 25, 2025)
- Committee Meeting minutes (accepted)
 - Budget & Finance (September 22, 2025)
 - Quality & Safety (September 11, 2025)
- Policies / Forms / Other (accepted)
 - Quality Improvement Policy and Program
 - QAPI Policy
 - 2026 Quality Program List

Board Chair, Michael Hemesath, along with NH+C board member and staff, welcomed new board member, Rod Christensen to the board. Rod's extensive experience in healthcare settings will add great depth to our board and the dedication to continue to grow and provide great services to those we serve.

Action: Motion was made by Katie Lane and seconded by Fred Rogers to approve the agenda and consent agenda as presented. Motion carried.

Follow-up/Resolution: Closed.

Reports

Hospital Chief of Staff Report

Dr. Jennifer Fischer available for questions.

Action: Information only.

Follow-up/Resolution: Closed.

Approval of Applications for Medical Staff Membership/Privileges

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

Appointments:

- 4398: Active, Family Medicine with OB
- 4399: Affiliate, OBGYN
- 3740: AH:I, Medical Oncology
- 4400: Telemedicine, Tele Neuro- PROXY Allina

Reappointments:

- 4118: Telemedicine, Teleradiology
- 4009: Affiliate, Pathology
- 3999: Affiliate, Pathology
- 4014: Telemedicine, Telepathology
- 4011: Telemedicine, Telepathology
- 4268: Affiliate, Cardiology
- 4269: Affiliate, Cardiology
- 4012: Telemedicine, Telepathology
- 4265: Active, Family Medicine with OB
- 4010: Affiliate, Pathology
- 4270: Affiliate, Cardiology
- 4007: AH:D, Orthopedics
- 4013: Telemedicine, Telepathology
- 4271: Affiliate, Cardiology

- 3660: Active, Family Medicine with OB
- 4016: Affiliate, Telepathology
- 4266: Affiliate, Cardiology
- 3415: Affiliate, Cardiology

Request for additional privileges:

- None.

Action: Motion was made by Fred Rogers and seconded by Jami Reister approved the medical staff files as presented. Roll call performed. Motion carried.

Follow-up/Resolution: Closed.

Presentations / Action Items

Q3 Strategic Priorities Update

Zander Abbott, CEO, shared the current Q3 Strategic priorities updates around financial performance, engaged workforce, service line growth and quality and safety.

Action: Information only.

Follow-up/Resolution: Closed.

OB Strategic Planning

Nicole Strusz-Mueller, Director of Operations and Strategic Priorities, provided a current overview of our Women's Health Services, statistics and providers. In conjunction with this, she shared the identified programmatic growth areas of gynecologic and women's health to address our communities unmet needs.

Action: Information only.

Follow-up/Resolution: Closed.

Executive and Committee Reports

CEO Report

Zander Abbott, CEO provided updates on the below:

- Shared a great patient story where the patient was very appreciative of being able to "get care close to home where our support circle is. Having a really good hospital right here makes a huge difference".

- Provided current state and federal policy updates, and his participation in the events where he was able to voice the importance of the care we provide as a rural healthcare facility.
- Touched on regional updates that included recent Owatonna OBGYN services ending coverage in November and the impact this may have on NH+C. Processes are in place to ensure that we are able to care for all those in need of our services.
- Provided organizational updates about the current new flooring project happening in OR and Med\Surg as well as expanding services in Lakeville.

Board will meet in closed session for the annual planning retreat on 11/7.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Eric Guth, CFO, presented the August financial report.

Key Drivers

- Surgeries were 24% under budget.
- Births were 9% over budget.
- Imaging procedures were 11% over budget.
- ED visits were 7% under budget.

Financial Outcomes:

- Operating loss of \$1.2M vs budgeted operating loss of \$341K, shortfall of \$859K.
- Volumes-mixed bag.
- Discount rate unfavorable to budget.
- Bad debt unfavorable to budget.
- Expenses on budget.

Action: Information only.

Follow-up/Resolution: Closed.

Governance & Planning Verbal Report

Michael Hemesath provided a verbal report on the most recent Governance & Planning Committee meeting.

Action: Information only.

Follow-up/Resolution: Closed.

Budget & Finance Committee Verbal Report

Fred Rogers provided a verbal report on the most recent Budget & Finance Committee meeting.

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 6:43 pm the board went into Closed Session of the NH+C Board pursuant to 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 Sarah Carlsen and Katie Lane to move into Closed Session. Motion carried.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 7:16 p.m.

Action: A motion was made by Sarah Carlson and seconded by Jami Reister to adjourn the open meeting session. Motion carried.

Follow-up/Resolution: Closed.