

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: January 30, 2020 Location: Conference Center Start time: 6:30 pm Adjourn time: 9:27 pm

Members present: Steve O'Neill, Lynn Clayton, Charlie Mandile, Bob Shepley, MD, Pete Sandberg, Fred Rogers, Sarah Carlsen, Jessica Peterson White

Members excused: CC Linstroth

Members absent:

Staff Present: Steve Underdahl, Jerry Ehn, Scott Edin, Jeff Meland, MD, Vicki Stevens, Betsy Spethmann, Gary Anderson (Pharmacy), Bobbi Jenkins (recorder)

Others present: David Emery (LWV)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																					
I. Call to Order and Approval of the Agenda	<p>The meeting was called to order by Steve O'Neill at 6:30 p.m. Steve noted that the Board will be going into Closed Session following the regular meeting this evening.</p> <p>Items from the consent agenda were included on the portal:</p> <ul style="list-style-type: none"> • Meeting minutes (approve) <ul style="list-style-type: none"> ✓ Board Meeting – 12/19/19 • Meeting minutes (accept) <ul style="list-style-type: none"> ✓ Quality Committee – 12/19/19 ✓ Governance & Planning Committee – 01/16/20 	A motion was made by Sarah Carlsen and seconded by Jessica Peterson White to approve the Consent and regular agenda as presented. Motion carried.	Closed.																					
II. Reports																								
• Hospital Chief of Staff Report	No report.	N/A	Closed.																					
1. Motion to Approve Applications for Medical Staff Membership/ Privileges	<p>Dr. Meland presented the applications for membership and privileges in Dr. Holt's absence (copies included on the portal). There were no issues with any of the medical staff files.</p> <p><u>Appointments</u></p> <table border="1"> <thead> <tr> <th>Prac #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>3926</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>3962</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> <tr> <td>4027</td> <td>AH:I</td> <td>Behavioral Health</td> </tr> </tbody> </table> <p><u>Reappointments</u></p> <table border="1"> <thead> <tr> <th>Prac #</th> <th>Category</th> <th>Privilege</th> </tr> </thead> <tbody> <tr> <td>7080</td> <td>Refer & Follow</td> <td>Refer & Follow</td> </tr> <tr> <td>3760</td> <td>Active</td> <td>Emergency Services</td> </tr> </tbody> </table>	Prac #	Category	Privilege	3926	AH:I	Behavioral Health	3962	AH:I	Behavioral Health	4027	AH:I	Behavioral Health	Prac #	Category	Privilege	7080	Refer & Follow	Refer & Follow	3760	Active	Emergency Services	A motion was made by Lynn Clayton and seconded by Pete Sandberg to accept the recommendations from the Medical Executive Committee as presented. Motion carried.	Closed.
Prac #	Category	Privilege																						
3926	AH:I	Behavioral Health																						
3962	AH:I	Behavioral Health																						
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Issue/Problem	Discussion/Conclusions			Action	Follow-up/Resolution
	3939	Affiliate	Pathology		
	3942	Telemedicine	Teleradiology		
	2739	Active	Ophthalmology		
	3717	Affiliate	Oncology		
	3762	AH:D	Orthopedic Surgery		
	3938	AH>D	Orthopedic Surgery		
	<u>Provisional Status</u>				
	<u>Prac #</u>	<u>Privilege</u>	<u>Advance</u>	<u>Extend</u>	
	3939	Pathology	X		
	<u>Resignations</u>				
	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>		
	3806	Neurology	Active		
III. Presentations/ Discussion/ Action Items					
<ul style="list-style-type: none"> Approval to Upgrade the Omnicell Automate Medication Distribution Cabinets 	<p>Gary Anderson, Director of Pharmacy, presented a request to purchase four Omnicell automated medication dispensing cabinets and upgrade seven of our newer cabinets to the Windows 10 platform (copy of slides and SBAR was included in the packets).</p> <p>Beginning in October of 2020, Microsoft will no longer support Windows 7, which is the platform for four of our dispensing cabinets. The other seven, newer cabinets, need to be upgraded to Windows 10 platform, but not completely replaced.</p> <p>Omnicell is a secure automated medication storage system and increases patient safety and medication security. It also has the ability to audit by user, patient and location.</p> <p>Gary responded to questions from the board related to diversion prevention, safeguards in place, restocking, cameras, software upgrades and life expectancy.</p>			<p>A motion was made by Fred Rogers and seconded by Pete Sandberg to approve the purchase of four Omnicell automated medication distribution cabinets and update seven of the new cabinets to the Windows 10 platform at a cost of \$354,242.03. Motion carried.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Board Chair Report 					

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
1. City Board Member Reappointments	<p>The City appointed three NH+C board members to another term:</p> <ul style="list-style-type: none"> • Lynn Clayton – 2nd term • CC Linstroth – 3rd term • Charlie Mandile – 3rd term. 	Information only.	Closed.
2. 2020 Committee Assignments/ Meeting Schedule	<p>Steve O’Neill reported that no changes were made to the committee assignments for 2020. He also commented that he is open to changes if he receives requests from board members. Sarah Carlsen inquired about the process for assigning committees. Steve O’Neill responded that there are a number of factors that go into making the assignments, including board members expertise, and interests.</p>	Information only.	Closed.
IV. Strategic Discussion			
<ul style="list-style-type: none"> • Strategic Planning 	<p>Steve Underdahl presented part one of three to prepare the board for the Strategic Planning Retreat on May 1st. Steve reviewed the history and current state, including where we have been, where we are and where we want to go. Copy of the slides will be available on the Board portal.</p> <p>He left the board with three big rock questions to ponder:</p> <ol style="list-style-type: none"> 1. How sustainable is our current state over the next decade? 2. What will be the shape and scope of a future version of NH+C? 3. Are there key principles that should inform our planning? <p>Steve asked the board to especially think about #3 prior to the retreat. The goal this evening was to stimulate thinking.</p> <p>In February Steve will report on state / local healthcare eco-systems, and in March on national trends and influences.</p>	Information only.	Closed.
V. Executive and Committee Reports			
<ul style="list-style-type: none"> • CEO Report 	<p>Steve Underdahl reported on the following:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> • OB/clinic construction: Steel issue has been resolved and making progress to get back on schedule. • Small and independent hospital coalition meetings: The next meeting is 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>being arranged. They are focusing on what a group of generally non-competitive medical centers might do together.</p> <ul style="list-style-type: none"> • PERA: Impact to our bottom line for 2019 will be close to a negative \$2 million. The long-term medical viability of the PERA pension plan, as well as the negative impact on our ability to compete for talent, continue to be a significant concern. The PERA White Paper is being socialized among a broader group of institutions. Initial feedback is supportive. Discussion about advancing for legislation. The draft will be added the BoardEffect portal. • A recent EHR meeting was held with Olmsted Medical Center regarding potential for a Community Connect Epic product. • Social Determinants of Health: A meeting was held with Laura Baker Services to evaluate methods for coordinating care options for individuals with developmental disabilities. A meeting with local food growers was held to explore migrating some of our food purchasing to local farmers. • Consumer Facing Technology: Recent demos were held with two vendors – Luma and Jellyfish. <p><u>Operations</u></p> <ul style="list-style-type: none"> • Financial: The year ended with a very gratifying small positive margin. Hyper-seasonality continues and creates a big push of work and related stress for our clinical team. <p>Budget efforts are continuing to make progress. A formal report will be presented to the board in February</p> <p><u>Miscellaneous</u></p> <ul style="list-style-type: none"> • MHA selected a new President and CEO, Rahul Koranne, MD. Dr. Koranne served as Vice President and Chief Medical Officer for MHA since 2015. • Matt Anderson who has been functioning as the interim CEO for MHA will be leaving the organization on February 3, 2020 to take a leadership role at the State of Minnesota. • Reviewed energy conservation efforts. 		

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<ul style="list-style-type: none"> Financial Report 	<p>Scott Edin presented the December financials (copy available on portal):</p> <p><u>December Key Drivers</u></p> <ul style="list-style-type: none"> Clinic visits were 3% over budget Imaging procedures were 13% over budget ED Visits were 9% over budget <p><u>December 2019 Financial Outcomes</u></p> <ul style="list-style-type: none"> Net operating revenues were \$224K under budget Operating expenses were \$278K over budget Net operating income was \$446K (\$502K under budget) <p>Days cash on hand is 251.</p> <p>There was a question from the board related to the births being below budget for the year.</p> <p>Our self-insurance had a positive impact of \$500,000. Our claims experience was much better than the previous year, and thus we had over reserved in 2019. Self-insurance is hard to forecast as it varies each year. Scott also reported on an IRS expense related to the ACA reporting requirements that we are disputing, and a Minnesota Department of Revenue expense related to the classification of physicians working in the ED. We are working with legal counsel on this to push back but have not yet resolved.</p> <p>We received information from CLA regarding the PERA impact for 2019 which is a negative \$2 million. This is an operational adjustment (non-cash item). Scott noted that this was offset by investment income (\$5.5 million).</p> <p>January is off to a very good start.</p>	Information only.	Closed.
<ul style="list-style-type: none"> Budget & Finance Committee Oral Report 	<p>The Budget & Finance Committee did not meet. The meeting will be rescheduled in late February or early March.</p>	Information only.	Closed.
<ul style="list-style-type: none"> Governance & Planning Committee Oral Report 	<p>The Governance & Planning Committee met earlier this month (minutes were included on the portal). The committee:</p> <ul style="list-style-type: none"> Nominated Board officers for 2020 Reviewed 2019 board member attendance and education summary Reviewed annual job description Discussed the committee's role in the Hospital/City Governance Committee 	Information only	Closed.

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	<ul style="list-style-type: none"> Discussed CEO evaluation process for 2020 Discussed deferred compensation for CEO 		
1. Nomination of Officers	<p>Steve O’Neill reported that the Governance & Planning Committee recommended the Board officers remain the same in 2020 as in 2019:</p> <p>Nominations: Board Chair – Steve O’Neill Board Vice Chair – Fred Rogers Treasurer – Lynn Clayton Secretary – Bobbi Jenkins</p>	A motion was made Charlie Mandile and seconded by Sarah Carlsen to approve the nominations.	Election of officers will take place at the February Board meeting.
<ul style="list-style-type: none"> Board Quality Dashboard Report 	Charlie Mandile reviewed the Board Quality Dashboard for the fourth quarter 2019 (copy included on the portal). He also commented on a casual conversation he had with one of the obstetricians related to patient satisfaction surveys, as it now impacts physician compensation. Following the conversation, the providers brought their concern re: gender bias to administration & they developed a way to adjust for it.	Information only.	Closed.
VI. Roundtable, Announcements and Questions	<p>Sarah Carlsen, Steve O’Neill and Steve Underdahl shared learnings from the MHA Winter Trustee Conference they attended in January. CC Linstroth was recognized for achieving MHA’s Board certification. Sarah attended the boot camp for board members and found it very beneficial. Interesting sessions discussed:</p> <ul style="list-style-type: none"> Diagnosis to Advocate: My Mental Health Journey presented by Ken Barlow. Follow the Money: Dynamic Changes in Minnesota’s Health Insurance Markets The High-Performance Mindset: Top Habits of the most Successful 		
VII. Pending Items	There were no pending items. The Board took at short break at 8:37 pm before the Closed Session.	None	None.
VIII. Closed Session	The Board took a short break at 8:05 pm before going into a closed session for the purpose of <i>Strategic Planning (pursuant to Minn. Stat 144.581, subd 5 for the purpose of discussion of marketing activity related to the hospital’s competitive position with other health care providers that offer similar goods and services.</i>	Information only.	Closed.

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IX. Adjourn	The meeting was adjourned at 9:35 pm	A motion was made by Pete Sandberg and seconded by Sarah Carlsen to adjourn the meeting. Motion carried.	Closed.