

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: April 25, 2019

Location: Conference Center

Start time: 6:30 pm Adjourn time: 8:34 pm

Members present: Sarah Carlsen, Lynn Clayton, CC Linstroth, Charlie Mandile, Steve O'Neill, Jessica Peterson White, Pete Sandberg

Members excused: Fred Rogers, Bob Shepley, MD

Members absent:

Staff Present: Steve Underdahl, Jerry Ehn, Jeff Meland, MD, Scott Edin, Vicki Stevens, Laura Peterson, Tom Holt, MD, Betsy Spethmann, Lisa Lang (Diagnostic Imaging), Dean Anderson (Anesthesia), Bobbi Jenkins (recorder)

Others present: David Emery (LWV), Brad Ness (City), Ben Martig (City)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																					
1. Call to Order and Approval of the Agenda	The meeting was called to order by Steve O'Neill at 6:30 pm. Steve reminded the board to use their microphone when speaking.	A motion was made by Lynn Clayton and seconded by Pete Sandberg to approve the agenda. Motion carried.	Closed.																					
2. Consent Agenda	Items from the consent agenda were included in the packet: <ul style="list-style-type: none"> Meeting minutes (approved) <ul style="list-style-type: none"> 03/21/19 Board Meeting Meeting minutes (accepted) <ul style="list-style-type: none"> 03/21/19 Special Budget & Finance Committee 03/21/19 Quality Committee Governance & Planning job description Medical Staff Credentialing Form Revisions <ul style="list-style-type: none"> Intended practice OB/GYN privilege request Pathology privilege request 	A motion was made by Pete Sandberg and seconded by Sarah Carlsen to approve the consent agenda. Motion carried.	Closed																					
3. Reports																								
• Hospital Chief of Staff Report	No report.	None.	Closed.																					
✓ Motion to Approve Applications for Medical Staff Membership/Privileges	Dr. Tom Holt presented the applications for membership and privileges: <u>Appointments:</u> <table border="1" data-bbox="386 1577 938 1766"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3975</td> <td>Podiatry</td> <td>Affiliate</td> </tr> <tr> <td>3973</td> <td>Podiatry</td> <td>Affiliate</td> </tr> <tr> <td>3972</td> <td>Podiatry</td> <td>Affiliate</td> </tr> </tbody> </table> <u>Reappointments</u> <table border="1" data-bbox="386 1808 938 1944"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3638</td> <td>OB/GYN</td> <td>Affiliate</td> </tr> <tr> <td>3746</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> </tbody> </table>	Prac #	Privilege	Category	3975	Podiatry	Affiliate	3973	Podiatry	Affiliate	3972	Podiatry	Affiliate	Prac #	Privilege	Category	3638	OB/GYN	Affiliate	3746	Teleradiology	Telemedicine	A motion was made by Lynn Clayton and seconded by Jessica Peterson White to accept the recommendations from the Medical Executive Committee. Motion carried.	Closed.
Prac #	Privilege	Category																						
3975	Podiatry	Affiliate																						
3973	Podiatry	Affiliate																						
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3638	OB/GYN	Affiliate																						
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Issue/Problem	Discussion/Conclusions			Action	Follow-up/Resolution
	3092	Teleradiology	Telemedicine		
	7398	Teleradiology	Telemedicine		
	3910	Cardiology	Affiliate		
	3702	Radiation Oncology	Affiliate		
	3745	CRNA	AH:I		
	3740	Oncology	AH:I		
	3706	Radiology	Affiliate		
	3743	CRNA	AH:I		
	7380	Cardiology	Affiliate		
	7224	Emergency Medicine	Active		
	<u>No Action Required</u>				
	<u>Voluntary Resignations</u>				
	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>		
	3645	H&P	H&P		
7090	Orthopedics	Active			
3400	Urology	Affiliate			
3763	Urology	Affiliate			
<ul style="list-style-type: none"> CMO Report 	Dr. Jeff Meland thanked Steve O' Neill for taking the time to meet with him earlier this month. Dr. Meland invited board members to meet with him to get to know each other better and ask questions.			Information only.	Closed.
4. Strategic Discussion					
<ul style="list-style-type: none"> Board Planning Retreat Preparation 	<p>Steve Underdahl presented the strategical and tactical refresh to help the board prepare for the annual planning retreat in early May (copy of slides included on the portal). We are currently starting year three of the three-year strategic plan, and generally assuming the major tenets of our existing plan are still relevant. The primary focuses of the retreat will be:</p> <ul style="list-style-type: none"> Surviving and thriving Social determinants of health Customer-facing technologies <p>During lunch, the board will discuss how to make meetings more efficient, including meaningful content, engaged participation and generally in a two-hour timeframe.</p>			Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>A document titled "Smart Exam" was distributed to the board at the meeting. Steve asked that board members add this to their retreat book for the May 3rd meeting under tab#5 "Customer-facing Technologies".</p>		
<p>5. Presentations/ Discussion/ Action Items</p>			
<ul style="list-style-type: none"> Guidelines for One vs Two-look Approval Process 	<p>Scott Edin and Steve Underdahl reviewed criteria for the board to consider, based on recent feedback from the board, regarding a one vs two-look approval process (copy included on the board portal). They emphasized that any item presented as a one review approval can always be moved to a two-look process at the board's request.</p> <p>There was a request to change the wording in parentheses under #3 of "One review criteria" to "Time-dependent actions that would create significant disadvantage if delayed." It was also noted that this may be on a case-by-case basis.</p>	<p>A motion was made by Sarah Carlsen and seconded by Pete Sandberg to approve the guidelines with change noted. Motion carried.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Faribault Lease 	<p>Jerry Ehn presented a request to relocate the Faribault clinic to a new location in Faribault through leasing a new building (copy of slides available on the portal). This would also require the purchase of new imaging equipment. The current clinic was not intended to support an orthopedic practice, and the lack of space is limiting efforts for efficient operations and growth of our orthopedic and ENT programs. Jerry explained that we have had surgery cases from Faribault for many years and do not want to lose business due to facility challenges. Challenges include undersized patient waiting and imaging space, equipment is not sufficient, support staff are separated from the clinics space, there are privacy issues, and lack of exam rooms to grow the practice. Three locations were evaluated. The recommended option is located at 1980 30th Street NE in Faribault. This option provides a favorable location, excellent parking, square footage to support program growth, lower remodeling costs and the opportunity to purchase. Base rent is \$11 sq. ft. with estimated operating costs of</p>	<p>A motion was made by Pete Sandberg and seconded by CC Linstroth to approve the lease of space located at 1980 30th St. NW Faribault. Motion carried.</p>	<p>Next step to take to the City for approval.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>\$5.50 sq. ft. The cost to furnish, remodel and install imaging equipment is estimated to be \$300,000. Signage will be an additional \$30,000. Overall not to exceed \$330,000.</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Board request to approve lease • City Council request to approve lease • 60-day notice to current tenant • Install imaging equipment and remodeling • Move in: September <p>There was discussion around the projected growth of the orthopedic and ENT programs. Jerry explained that we are losing business due to the less than desirable space, and feel there is a great opportunity for more business. It was also noted that we are changing the model of the orthopedic practice which makes us more efficient.</p> <p>There was also a question about what we will do with the current space. No plans for that location have been made, but it is likely a request will come to the board to sell at some time in the future.</p>		
<ul style="list-style-type: none"> • Imaging Equipment Replacement- 1st Look 	<p>Lisa Lang, Director of Diagnostic Imaging presented on a request for imaging equipment both for the Faribault and Northfield orthopedic clinics (copy of slides available on the portal).</p> <p><u>Faribault Clinic</u></p> <p>The assessment of needs was reviewed with the orthopedic leadership and physicians. They evaluated options including transition from Computed Radiology (CR) to Digital Radiology (DI) and is available through Premier (group purchase organization – GPO) options. Lisa reviewed the enhancements and improvements. Recommendation:</p> <ul style="list-style-type: none"> • Del Medical with Konica detector from Brown’s Medical • Equipment quote \$110,000 • Additional construction and registration included in Faribault clinic move. <p>The budget included in the Faribault clinic move is not to exceed \$300,000.</p> <p><u>Northfield Orthopedic Clinic</u></p> <p>The current x-ray room is ten years old and at end of life. Ongoing repairs include collimator, cracked screen and</p>	<p>Lynn Clayton made a motion and Pete Sandberg seconded it to approve the request for imaging equipment replacement as presented (Faribault not to exceed \$330,000, and Northfield not to exceed \$220,000). Motion carried.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>ongoing maintenance. Improvements/enhancements include Digital radiography, reduced radiation and improved image quality. 2019 capital budget included \$220,000 for clinic imaging equipment, request for total project cost not to exceed \$220,000.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> • Del Medical \$165,000 • Construction \$50,000 • State registration/etc. <u>\$5,000</u> • Total (not to exceed) \$220,000 <p>Next Steps:</p> <p>Faribault Orthopedic Clinic</p> <ul style="list-style-type: none"> • Secure site lease • Purchase equipment (6-8 wk. delivery) • Construction • State registration • Staff training <p>Northfield Orthopedic Clinic</p> <ul style="list-style-type: none"> • Purchase equipment (6-8 wk. deliver) • Construction • State registration • Staff training <p>It was noted that we are currently getting penalized with a 7% reduction in reimbursement from Medicare in the clinics for not having digital radiography. We currently have digital in the hospital so there is no reduction for hospital services. In 2023, the reduction will increase to 10%.</p> <p>Steve O'Neill noted that based on the new process the board adopted this evening, this request would qualify for the one step process.</p>		
<ul style="list-style-type: none"> • Anesthesia Machines Replacement- 1st Look 	<p>Dean Anderson, Director of Anesthesia, presented a request to replace five anesthesia machines and monitors (copy of slides available on the portal). One machine and monitor will be in each of the four operating rooms, and one in the procedure room. The current machines are 15+ years old and are no longer supported by the manufacturer as of 2020. The medical gas vaporizers are needing manual monitoring and have outdated technology, and the anesthesia machines and monitors are different. Enhancement and improvements include improved safety with monitoring and functionality, enhanced technology that will be upgradeable in the future, gas</p>	<p>A motion was made by Pete Sandberg and seconded by Sarah Carlsen to approve the purchase of five anesthesia machines and monitors from GE at a total price of \$414,497.04. Motion carried.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>vaporizer compliance, new technology, and ease of use for anesthesia staff. Dean reviewed the evaluation process which included the anesthesia staff (CRNAs and MDAs). The preferred vendor, GE, is included in the Premier group purchasing organization.</p> <p>The 2019 capital budget included \$450,000 for anesthesia machines. The request for the total project cost is not to exceed \$420,000. One-week on-site staff training is also included in the cost.</p> <p>Steve Underdahl noted that often we chose not to replace all equipment at once, and replace incrementally. The reason to replace all at one this time is for safety and efficacy reasons; we don't want to use multiple generations of equipment.</p> <p>Steve O'Neill noted that based on the new process the board adopted this evening, this request would qualify for the one step process.</p>		
6. Executive and Committee Reports			
<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl reported on:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> Strategic Plan refresh is scheduled on May 3rd at St. Olaf College. ASC planning continues: size and scope, strategic partner evaluation and business plan inputs. Vicki Stevens has been asked to operationalize the project. During this time, she is temporarily stepping away from some of the departments she oversees. Contract discussion continues with Sanford regarding an EHR, but are partially stalled while we wait for a response to questions. Site visits with other independent Sanford sites were conducted. Design and pricing process are underway related to the Clinic / OB expansion project. Initial pricing estimate was received this week. <p><u>Operations</u></p> <ul style="list-style-type: none"> Disappointing March volumes and financial results due partially to weather, and physicians out during spring break. 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> • Expense rebasing efforts continue. The plan is to achieve \$1.5 million in hard and durable expense. The final recommendations are next week. Our expense profile needs to be reduced going forward. <p><u>Policy</u></p> <ul style="list-style-type: none"> • Attended a meeting in Washington, DC in early April. • Medicare for All is getting political traction and little policy rigor. It is, however, likely to become a plank in some version. • There are a fair number of state legislators, mostly senators, that are interested in having the Minnesota provider tax sunset at the end of the year. MHA's position, as well as most medical organizations, position is although we generally are not in favor of being taxed, this tax supports the MinnesotaCare program that would likely go away without the provider tax. Steve is participating in a meeting with Governor Walz next week regarding this issue. <p>CC Linstroth inquired about the status of the City/Hospital Governance Committee? Steve noted that Ben Martig and he have been discussing over the past couple of months and recently met with someone who may be able to serve as the facilitator and pick up where the previous facilitator left off. For new board members, Steve explained that the goal of this temporary committee is to explore best practice around governance models/practices for a stronger working relationship between NH+C and the City. The initial facilitator was only able to commit through the end of 2018. The hope is to get this group back together soon. Ben and Steve will meet with the Mayor and hope to come to the board soon for approval to move forward.</p>		

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<ul style="list-style-type: none"> Financial Report 	<p>Scott Edin reported on the March financials:</p> <p><u>March Key Drivers</u></p> <ul style="list-style-type: none"> Observation hours were 21% over budget Ambulance runs were 18% over budget Inpatient days were 34% under budget CCIC procedures were 16% under budget Endo procedures were 11% under budget Births were 9% under budget Surgery cases were 8% under budget mainly due to lower IP cases <p><u>March 2019 Financial Outcomes</u></p> <ul style="list-style-type: none"> Net operating revenues were \$767K under budget Operating expenses were \$125K under budget 	Information only.	Closed.
<ul style="list-style-type: none"> Budget & Finance Committee Oral Report 	The committee did not meet this evening as planned. The meeting will be rescheduled.	Information only.	Closed.
<ul style="list-style-type: none"> Governance & Planning Committee Oral Report 	<p>The Governance & Planning Committee met this evening to work on the 2018 CEO evaluation, which will be presented to the full Board in Closed Session following the regular board meeting in May. Steve O'Neill thanked Vicki Stevens and Walt Flynn for their work in this very important work. He also noted that excellent response received from those asked to participate. He identified the expectation is for all board members to provide feedback in the process and hoped we will get 100% participation going forward. A new process this year was to request input from exiting board members. Information was requested from the three exiting board members; one board member responded, and that feedback was reviewed in the process.</p>	Information only.	Closed.

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<p>7. Roundtable, Announcements and Questions</p>	<ul style="list-style-type: none"> • Information was available at the table regarding the Women’s Health Fair on May 9th hosted by NH+C. the board was invited to attend the event, and spread the word. • The Auxilliary Book Fair is this week (April 23-27) at the Northfield Ice Arena. • CC Linstroth commented that she will be absent from the retreat this year but would like to see the following items discussed: <ol style="list-style-type: none"> 1. <u>Expansion of Broadband in our service area</u> Ben Martig gave a high-level update on the status of broadband in the area. Northfield in general has a robust internet service capacity with multiple service providers. However, residential is not state of the art as it relates to download/upload speeds. It is not an easy task to change due to wiring, fibers, etc. The City has had ongoing conversations with Jaguar Communications and encouraging them to expand. The City is looking at adding conduit pipes to help as they are working on the city streets. The city is driving this technology and wants to be on the forefront. It was noted that broadband will be very beneficial to the hospital as we move forward with customer-facing technologies. 2. <u>Education opportunities for board members</u> What other educational options are available in addition to the two MHA meetings each year? What are other organizations offering? CC Linstroth and Jerry Ehn attended MANOVA Global Summit last year and found it very beneficial. There was representation from all over the world on the future of healthcare. Last year there was a lot of discussion on social determinants. It helps broaden your mind on what is possible. It was noted that is an expensive conference, but it is multiple days and each 	<p>None.</p>	<p>Closed.</p>

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	<p>registration can be shared by more than one person.</p> <p>3. <u>Hospital Foundation</u> Important that we concentrate of getting our Foundation off the ground and up and running this year.</p>		
8. Pending Items	None	None	None.
9. Adjourn	The meeting was adjourned at 8:34 pm	A motion was made by Charlie Mandile and seconded by Sarah Carlsen to adjourn the meeting. Motion carried.	Closed.