

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: May 25, 2017

Location: Conference Center

Start time: 6:30 pm

Adjourn time: 8:10 p.m.

Members present: Patricia Christianson, Lynn Clayton, Virginia Kaczmarek, David Koenig, Charlie Kyte, CC Linstroth, Charlie Mandile, Michelle Muench, MD, Steve O'Neill

Members excused:

Members absent:

Staff Present: Steve Underdahl, Jerry Ehn, Jeff Meland, MD, Scott Edin, Tammy Hayes, Laura Peterson, Randy Reister, MD, Ben Flannery, MD, Betsy Spethmann, Bobbi Jenkins (recorder)

Others present: Chris Rustad (Mayo), Bobbie Gostout, MD, (Mayo), Brad Ness (City), David Emery (LWV)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
1. Call to Order and Approval of the Agenda	<p>The meeting was called to order by Charlie Mandile at 6:31 p.m.</p> <p>Charlie commented that at the request of the Board, the format for the Board agenda for tonight's meeting and for the next few months will be slightly modified in an effort to make the meeting agendas more efficient. One example is the financial report was included in the packets, and Scott Edin will review only the highlights at the meeting and then allow time for questions. A Closed Session will follow the regular meeting this evening. It is anticipated that the Board will have regular Closed Sessions going forward to discuss marketing activity relative to the hospital's position with other health care providers that offer similar goods and services.</p>	<p>A motion was made by CC Linstroth and seconded by Lynn Clayton to call the meeting to order. Motion carried.</p>	<p>Closed.</p>
2. Consent Agenda	<p>Supporting documentation was included in the packets for all items on the Consent Agenda:</p> <ul style="list-style-type: none"> • Meeting Minutes <ul style="list-style-type: none"> ✓ 04/27/17 Board minutes ✓ 04/27/17 Governance & Planning Committee ✓ 04/27/17 Special Budget & Finance Committee • Revisions to the Medical Staff Manual 	<p>A motion was made Charlie Kyte and seconded by Steve O'Neill to approve the Consent agenda as presented. Motion carried.</p>	<p>Closed.</p>

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3. Reports <ul style="list-style-type: none"> Hospital Chief of Staff Report 	Dr. Randy Reister reported on the following: <ul style="list-style-type: none"> The Medical Executive Committee is working on rolling out additional information on the MyHealth patient portal. Looking at an arrangement for infectious disease consulting related the measles outbreaks in Minnesota. 	Information only.	Closed.																																																															
<ul style="list-style-type: none"> Motion to Approve Applications for Medical Staff Membership/ Privileges 	Dr. Randy Reister presented applications for medical staff membership/privileges and reported there were no issues with any of the files: <p style="text-align: center;"><u>Appointments</u></p> <table border="1" data-bbox="386 682 917 1180"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr><td>3917</td><td>Mental Health</td><td>AH:I</td></tr> <tr><td>3912</td><td>Mental Health</td><td>AH:I</td></tr> <tr><td>3916</td><td>Mental Health</td><td>AH:I</td></tr> <tr><td>3896</td><td>OB/GYN</td><td>Active</td></tr> <tr><td>3907</td><td>Still working on Mental Health</td><td>AH:I</td></tr> <tr><td>3903</td><td>Teleradiology</td><td>Tele-medicine</td></tr> <tr><td>3913</td><td>Mental Health</td><td>AH:I</td></tr> <tr><td>3915</td><td>Mental Health</td><td>AH:I</td></tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="1" data-bbox="386 1222 928 1606"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr><td>3391</td><td>Pediatrics</td><td>Active</td></tr> <tr><td>3741</td><td>Nurse Practitioner</td><td>AH:I</td></tr> <tr><td>3407</td><td>Otolaryngology / Sleep</td><td>Active</td></tr> <tr><td>3632</td><td>OB/GYN</td><td>Active</td></tr> <tr><td>7100</td><td>Family Medicine</td><td>Active</td></tr> <tr><td>3780</td><td>Neurology</td><td>Affiliate</td></tr> </tbody> </table> <p style="text-align: center;"><u>Provisional Status</u></p> <table border="1" data-bbox="386 1648 928 1864"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> <th>Adv.</th> <th>Ext.</th> </tr> </thead> <tbody> <tr><td>3843</td><td>Family Medicine</td><td>Active</td><td>X</td><td></td></tr> <tr><td>3801</td><td>IM/ Oncology</td><td>Active</td><td>X</td><td></td></tr> </tbody> </table>	Prac #	Privilege	Category	3917	Mental Health	AH:I	3912	Mental Health	AH:I	3916	Mental Health	AH:I	3896	OB/GYN	Active	3907	Still working on Mental Health	AH:I	3903	Teleradiology	Tele-medicine	3913	Mental Health	AH:I	3915	Mental Health	AH:I	Prac #	Privilege	Category	3391	Pediatrics	Active	3741	Nurse Practitioner	AH:I	3407	Otolaryngology / Sleep	Active	3632	OB/GYN	Active	7100	Family Medicine	Active	3780	Neurology	Affiliate	Prac #	Privilege	Category	Adv.	Ext.	3843	Family Medicine	Active	X		3801	IM/ Oncology	Active	X		A motion was made by Steve O' Neill and seconded by Patricia Christianson to approve the appointments, reappointments, and advancements from provisional status, as recommended by the Credentials Committee and the MEC. Motion carried.	Closed.
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	3868	Anesthesia	Active	X			
	<u>No Action Required</u> <u>Declared Resignation</u>						
	<u>Prac #</u>	<u>Privilege</u>		<u>Category</u>			
	2671	Anesthesia		Active			
	<u>Voluntary Recognition</u>						
	<u>Prac #</u>	<u>Privilege</u>		<u>Category</u>			
	3751	Radiology		Affiliate			
<ul style="list-style-type: none"> NH+C Clinic Report 	<p>Dr. Ben Flannery reported on the following:</p> <ul style="list-style-type: none"> The clinics have been very busy keeping up with the demand. Dr. Jack Felland, Family Medicine, will be transitioning from the Northfield clinic to Lakeville. Working to replace Dr. Felland in Northfield. Working to stay on top of information and communication with providers on the measles outbreak, which is changing daily, and is likely to impact our community. Steve Underdahl added that Dr. Flannery has taken the lead on the measles outbreak. 					Information only.	Closed.
<ul style="list-style-type: none"> CMO Report 	No report.					None.	Closed.
<ul style="list-style-type: none"> Allina Medical Clinic Report 	No report.					None.	Closed.
<ul style="list-style-type: none"> Mayo Report- Introduction of Dr. Gostout 	<p>Chris Rustad reported that the Joint Advisory Committee (JAC) is now meeting every other month vs. monthly. Several people from NH+C, including Steve Underdahl, Jerry Ehn, Dr. Meland and Tammy Hayes recently toured Mayo's eICU at the Red Wing hospital. eICU is remotely monitored by Mayo in Rochester.</p> <p>Chris introduced Dr. Bobbie Gostout, VP for Mayo Clinic, and a member of the Mayo Clinic Board of Trustees, and Board of Governors.</p>					Information only.	Closed.

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4. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> Vacuum Pump Replacement 	<p>At the May Board meeting, Jerry Ehn presented information on a replacement vacuum pump for the hospital. The pump provides suction for all patient care areas within the hospital and is a mission critical piece of equipment for providing care to our patients. This evening, he reviewed the proposal and requested approval to purchase a vacuum pump at a cost not to exceed \$142,300; \$110,000 was included in the capital budget. Jerry noted that if we place the order by Friday, the price will be reduced by \$15,000.</p>	<p>A motion was made by Lynn Clayton and seconded by Steve O'Neill to approve the purchase of a vacuum pump at a cost not to exceed \$142,300.</p>	<p>Approved.</p>
<ul style="list-style-type: none"> Compliance & Ethics Update 	<p>Laura Peterson gave an update on the Compliance and Ethics Program, including compliance plan policies and code of conduct; oversight; education and training; reporting mechanism; response to report; disciplinary standards; and auditing and monitoring (copy included in the packets).</p> <p>Steve Underdahl reported that he, Scott Edin and Laura are exploring how we look at risk realms for the organization and will be discussing more with the Board over the summer.</p> <p>Laura commented that she received an enhanced compliance officer certification this past year.</p>	<p>Information only.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Nursing Patient Care Update 	<p><u>RN Clinical Ladder Program</u></p> <p>Tammy Hayes gave an update on the RN Clinical Ladder Program, which was initiated in July of 2016. The goal is to continue to grow in the scope/level of patient care which we deliver by encouraging the professional and skill development of the nursing staff regardless of experience level. Applications to the clinical ladder are voluntary, and it is open to all RNs employed at NH+C for at least one year; full-time or part-time. A clinical ladder committee makes the determination on the promotion. The committee is made up of RNs from all departments, two nursing directors and one HR representative. Tammy reviewed statistics, including the number of</p>	<p>Information only.</p>	<p>Closed.</p>

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	<p>applications and promotions, and examples of RN II and III projects.</p> <p>The Board supported this program and encouraged other departments to consider similar programs. Jerry Ehn noted that EMS is working on something similar for their department.</p> <p><u>Include Always</u></p> <p>Tammy introduced "Include Always", which is a Minnesota Hospital Association (MHA) campaign to include patients and family members to share feedback and experiences to help shape how care is provided. The goals are:</p> <ul style="list-style-type: none"> • Motivation to embrace the Include Always journey wholeheartedly and with true passion • New perspective on Patient and Family Engagement • Culture Change • Dedicated person • Functioning Patient and Family Advisory Council (PFAC) in every hospital. <p>On April 12th, MHA provided five learning sessions at NH+C for our employees and medical staff. On May 10th, NH+C and MHA hosted a regional Include Always conference. The next steps are to finish the development of an orientation booklet, recruit patient partners for the Advisory Council, and education for the patient partners. Tammy asked for assistance from the Board in recruiting PFAC members. She distributed applications, along with an informational booklet and asked board members to distribute to patients who they feel would be a good fit for the council. A requirement to serve on the council is to be either a patient or a family member of a patient.</p> <p>Charlie Mandile asked that we be mindful in reflecting the community accurately as we chose members for the council.</p>		

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5. 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"> • Dr. Don Lum has taken a lead role in emergency department in learning about ultrasound in the emergency department and he recently completed a mini fellowship on Community Practice Emergency Ultrasound. The next step will be for Dr. Lum to train the ED physicians to use point of service ultrasound. Newly trained physicians received this training in school. • Vetting continues on an Electronic Health Record. An initial contract negotiation session was held this week. We are keeping an eye on some merger and acquisition activity. • Toured eICU at the Mayo Clinic Health System hospital in Red Wing on Tuesday. eICU electronically monitors patients in real time. • Exploring an option to participate in a Medicare shared savings program with Caravan Health. The program is designed for small and rural providers, and assembles cohorts of similar hospitals to meet the minimum of 5000 attributed lives. There is potential to gain experience in an ACO product with minimal risk. • Currently exploring options with Enterprise Risk Assessment, for a more comprehensive and proactive approach to risk management. More information will be forthcoming. • Long Term Care is on pace to deliver feasibility study results to the Board in June. • Met with representatives from Northfield Shares to better understand local foundation / financial management options. A board sub-committee met today and expects to have something for the board to react to in June. • The PERA roundtable meeting hosted by CliftonLarsonAllen was held on May 5. Since then, Steve met with the Mayor and City Administrator to bring 	Information only.	Closed.

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	<p>them up to date on discussions. Currently evaluating potential of a legislative approach. Still trying to understand, and expect to have a position and plan of action sometime this summer.</p> <p><u>Operations</u></p> <ul style="list-style-type: none"> • Rebranding signage is beginning to be updated and replaced. The project should be completed by July. • Expense reduction efforts are underway across the organization in response to financial results in April. • A Steering Committee, including staff was established and has met twice related to diversity throughout the organization. • A van for the long term care center was received as a gift from the Hospital Auxiliary from proceeds from the Book Fair. Staff and residents are very appreciative. • A new billboard for the Women's Health Center will be going up on Highway 3 South in Northfield. • Steve is attending an Advisory Board CEO Roundtable in Washington, DC on June 1st. • Have an agreement with GreenMark Solar garden to assist with energy and cost savings for the organization. We will receive a rebate based on our use. • Making progress with Summit Orthopedics to utilize space at the ENT building in Faribault. The target move-in date is July 1st. Discussed with the City and they felt it is not necessary to take to the City Council for approval. • As a member of the Minnesota Hospital Association Executive Committee, Steve was invited to participate in the Minnesota Medical Association Strategic Planning meeting. • Recent legislation passed that expands investment options for municipal hospitals. 		

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<ul style="list-style-type: none"> • Financial Report ✓ April Financials 	<p>Scott Edin presented a streamlined report on the April financials. He focused on the highlights as requested by the Board.</p> <ul style="list-style-type: none"> ✓ Loss of \$375,000 in April ✓ Decrease in admissions/births (22% below budget) ✓ Increase in government payer mix ✓ Salaries \$195,000 over budget <p>Key Drivers:</p> <ul style="list-style-type: none"> ✓ Increase in government payer mix (over budget in Medicare and under budget in commercial payers) ✓ Salaries over budget <ul style="list-style-type: none"> ➤ Overtime was \$54,000 over budget ➤ Accrued PTO increased \$114,000 due to salary increase and increased accrued hours <p>Directors were asked to look at their departments and reduce discretionary spending by 3% over the next two months.</p>	Information only.	Closed.
<ul style="list-style-type: none"> ✓ Community Relations Committee Report 	<p>Steve O' Neill reported on the Community Relations Committee meeting that took place prior to the Board meeting this evening:</p> <ul style="list-style-type: none"> • Taking a proactive approach to set up meetings with community and state legislators. • Received an update on branding, and new and replacement signage. • Reviewed and updated the process for non-profit partners to request donations from NH+C. • Discussed how to better engage community members. 	Information only.	Closed.
<ul style="list-style-type: none"> • Special Governance & Planning Committee Report 	<p>Virginia Kaczmarek reported on the Special Governance & Planning Committee meeting that took place prior to the Board meeting this evening. The committee finalized their recommendation to the full Board on the 2016 CEO evaluation, which will be presented to the full Board this evening in Closed Session. Vicki Stevens worked on the process with the committee.</p>	Information only.	Closed.
<p>6. Roundtable, Announcements and Questions</p>	N/A	N/A	N/A
<p>7. Pending Items</p>	<p>The MHA Summer Trustee conference is July 14-15, 2017 in Alexandria, MN.</p>	Information only.	Closed.

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8. Closed Session	<p>The Board went into Closed Session at 8:15 p.m. for the purposes of:</p> <ol style="list-style-type: none"> 1. Discussion of marketing activity related to the hospital's competitive position with other health care providers that offer similar goods and services (pursuant to Minn. Stat 144.581, subd 5) 2. Annual evaluation of the performance of NH+ C President/CEO Steve Underdahl (pursuant to Minn. Stat 13D.05, Subd.3(a)) 	<p>A motion was made by David Koenig and seconded by Lynn Clayton to go into Closed Session. Motion carried.</p>	<p>Closed.</p>
3. Adjourn	<p>The meeting was adjourned at 9:45 p.m.</p>	<p>A motion was made by Lynn Clayton and seconded by Patricia Christianson to adjourn the meeting. Motion carried.</p>	<p>Closed.</p>