

# MEETING MINUTES RECORD

Meeting: Board of Directors

Date: May 30, 2019

Location: Conference Center

Start time: 6:30 pm Adjourn time: 9:45 pm

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

Members excused: Sarah Carlsen

Members absent:

Staff Present: Steve Underdahl, Jerry Ehn, Jeff Meland, MD, Scott Edin, Vicki Stevens, Laura Peterson, Tom Holt, MD, Betsy Spethmann, Bobbi Jenkins (recorder)

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

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<p>1. Call to Order and Approval of the Agenda</p>	<p>The meeting was called to order by Steve O'Neill at 6:30 pm. There will be a Closed Session at the end of the open session this evening: <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 and the annual evaluation of the performance of NH&amp;C President/CEO Steve Underdahl (pursuant to Minn. Stat 13D.05, Subd. 3(a))</i></p> <p>Charlie Mandile requested that the MN Pay Equity Compliance Report be removed from the agenda for further questions.</p>	<p>A motion was made by Jessica Peterson White and seconded by Fred Rogers to approve the agenda with the removal of the Pay Equity Compliance Report. Motion carried.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> <li>Consent Agenda</li> </ul>	<p>Items from the consent agenda were included in the packet:</p> <ul style="list-style-type: none"> <li>Meeting minutes (approved) <ul style="list-style-type: none"> <li>04/25/19 Board Meeting</li> </ul> </li> <li>Meeting minutes (accepted) <ul style="list-style-type: none"> <li>04/25/19 Governance &amp; Planning Committee</li> </ul> </li> <li>Revisions to the Expedited Credentialing Policy</li> <li>Revisions to the Medical Staff Bylaws</li> <li>MN Pay Equity Compliance Report</li> <li>Asphalt Replacement Project</li> </ul> <p>Discussion: MN <u>Pay Equity Compliance Report</u>. Charlie Mandile requested more detail about the report and statistically how we include diversity and pay equity. Jerry Ehn has Human Resources reporting to him with changes in the ASC. He asked Vicki Stevens for background. Vicki Stevens responded that the report is required to come to the board every three years. She noted that we have a merit-based process, and as we hire staff it is based on experience and gender,</p>	<p>Jerry Ehn volunteered to meet with Charlie Mandile offline and share more information about pay equity. Jessica Peterson White noted interest in participating as well.</p>	<p>Closed</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																																							
	and diversity is not part of that factor. In 2019, EEO will be required to be submitted in addition by job classification and will include a salary component. At that time, there will be a more in-depth analysis and report. We also have a plan in place this year for leadership competencies around diversity. Vicki noted that she does not have concerns and has done some spot checking around gender equity.																																									
2. Reports																																										
<ul style="list-style-type: none"> <li>Hospital Chief of Staff Report</li> </ul>	The MEC approved a revision to the Medical Staff Bylaws to add the CMO as a voting member of the MEC and change the definition of a quorum for the MEC. The next step is to go to the Active medical staff for approval, followed by board approval. The MEC is also discussing how a way to allow physicians in their residency program to moonlight with the intention of recruiting the physicians down the road. The MEC is also working with administration on rebasing efforts.	Information only.	Closed.																																							
<ul style="list-style-type: none"> <li>✓ Motion to Approve Applications for Medical Staff Membership/ Privileges</li> </ul>	<p>Dr. Tom Holt presented the applications for membership and privileges:</p> <p><u>Appointments:</u></p> <table border="1" data-bbox="386 1108 928 1390"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3996</td> <td>Telemedicine</td> <td>Behavioral Health</td> </tr> <tr> <td>3991</td> <td>AH:I</td> <td>Nurse Midwife</td> </tr> <tr> <td>3979</td> <td>Telemedicine</td> <td>Behavioral Health</td> </tr> </tbody> </table> <p><u>Reappointments</u></p> <table border="1" data-bbox="386 1432 928 1906"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3391</td> <td>Active</td> <td>Pediatrics</td> </tr> <tr> <td>3912</td> <td>AH:I</td> <td>Social Work</td> </tr> <tr> <td>3710</td> <td>Active</td> <td>Pediatrics</td> </tr> <tr> <td>3741</td> <td>AH:I</td> <td>Neonatal</td> </tr> <tr> <td>3896</td> <td>Active</td> <td>OB/GYN</td> </tr> <tr> <td>3407</td> <td>Active</td> <td>Otolaryngology</td> </tr> <tr> <td>3632</td> <td>Active</td> <td>OB/GYN</td> </tr> <tr> <td>3903</td> <td>Telemedicine</td> <td>Teleradiology</td> </tr> </tbody> </table>	Prac #	Privilege	Category	3996	Telemedicine	Behavioral Health	3991	AH:I	Nurse Midwife	3979	Telemedicine	Behavioral Health	Prac #	Privilege	Category	3391	Active	Pediatrics	3912	AH:I	Social Work	3710	Active	Pediatrics	3741	AH:I	Neonatal	3896	Active	OB/GYN	3407	Active	Otolaryngology	3632	Active	OB/GYN	3903	Telemedicine	Teleradiology	A motion was made by Jessica Peterson White and seconded by Charlie Mandile to accept the recommendations from the Medical Executive Committee. Motion carried.	Closed.
Prac #	Privilege	Category																																								
3996	Telemedicine	Behavioral Health																																								
3991	AH:I	Nurse Midwife																																								
3979	Telemedicine	Behavioral Health																																								
Prac #	Privilege	Category																																								
3391	Active	Pediatrics																																								
3912	AH:I	Social Work																																								
3710	Active	Pediatrics																																								
3741	AH:I	Neonatal																																								
3896	Active	OB/GYN																																								
3407	Active	Otolaryngology																																								
3632	Active	OB/GYN																																								
3903	Telemedicine	Teleradiology																																								

Issue/Problem	Discussion/Conclusions				Action	Follow-up/Resolution
	3913	AH:I	Social Work			
	7100	Active	Family Medicine			
	<u>Provisional Status</u>					
	<u>Prac #</u>	<u>Privilege</u>	<u>Adv.</u>	<u>Extended</u>		
	3945	Affiliate	X			
	3943	Active	X			
	3946	Active	X			
	3949	Active		X		
	<u>No Action Required</u>					
	<u>Voluntary Resignations</u>					
	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>			
	3935	Affiliate	General Medicine			
	3948	Active	General Medicine			
	3934	Affiliate	General Medicine			
	7439	H&P	H&P			
	3701	Affiliate	Urology			
	3908	Active	General Medicine			
	7090	Active	Orthopedic Surgery			
	3780	Affiliate	General Medicine			
<ul style="list-style-type: none"> <li>• CMO Report</li> </ul>	No report.				None.	Closed.
<ul style="list-style-type: none"> <li>• City Report</li> </ul>	Brad Ness reported on the following: <ul style="list-style-type: none"> <li>• The City is currently discussing the City Council Budget calendar, and</li> <li>• Changes to Accessory Dwelling Unit ordinance.</li> </ul>				Information only.	Closed.
3. Strategic Discussion						
<ul style="list-style-type: none"> <li>• Strategic Plan Refresh</li> </ul>	Steve Underdahl reviewed key themes from the May Strategic Planning Retreat, including: <u>Surviving and Thriving</u> <ul style="list-style-type: none"> <li>• Cost revenue ratios are a key metric</li> <li>• Friction-free/convenience will be key in our approach to customers</li> <li>• Strategic and mutual beneficial partnerships</li> </ul>				Administration will use this information for framework for developing the Strategic Plan for the next year. Additional feedback from board should be directed to Steve Underdahl.	A copy of the slides will be put on the board portal and emailed to board members individually.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> <li>• Take chances, but minimize risks whenever possible</li> <li>• Build around core competencies (Surgery, OB/GYN)</li> <li>• Continue to have a logical and diversified portfolio of services</li> </ul> <p><u>Social Determinants of Health</u></p> <ul style="list-style-type: none"> <li>• Concept agreement</li> <li>• Much of what contributes to the health of individuals and our community occurs outside of the healthcare campus</li> <li>• Scope: <ul style="list-style-type: none"> <li>◦ Almost anything can fit into this category</li> <li>◦ We should focus our energy on where we can do the most good</li> </ul> </li> <li>• Current State <ul style="list-style-type: none"> <li>◦ We do a lot now</li> <li>◦ Our efforts are not always as coordinated and strategic as they might be</li> </ul> </li> <li>• What are the big rocks? <ul style="list-style-type: none"> <li>◦ Mental health/addiction</li> <li>◦ Food insecurity</li> <li>◦ Access to credible health information</li> <li>◦ Access more broadly (transportation, internet/tech, language, financial assets..)</li> </ul> </li> <li>• General categories to consider: <ul style="list-style-type: none"> <li>◦ Business interventions (transportation)</li> <li>◦ Clinical interventions (transitions of care)</li> </ul> </li> <li>• What's next: <ul style="list-style-type: none"> <li>◦ A core team has been charged with drafting a plan - Dr. Ben Flannery, Charlie Mandile and Steve Underdahl</li> </ul> </li> <li>• Plan features <ul style="list-style-type: none"> <li>◦ In general, the plan will include: vision, key concepts to be addressed, and now, near and far tactics</li> </ul> </li> </ul> <p><u>Customer-facing Technologies</u></p> <ul style="list-style-type: none"> <li>• Critical areas: Infrastructure, customer expectations, barrier-free/friction-free care and services</li> <li>• Key concepts <ul style="list-style-type: none"> <li>◦ Solutions may need to be separate from the EHR (at least for now)</li> <li>◦ Start with where we are behind</li> </ul> </li> </ul>		

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> <li>o Focus on what customers want and need now</li> <li>o Make sure tech works prior to implementation (bad tech may be worse than no tech)</li> <li>o Devices and related connectivity will be crucial to future interaction and care: wearable, available and fast internet</li> <li>o Rural healthcare may benefit disproportionately from customer-facing technology</li> <li>• Now, near and far roadmap will be developed</li> </ul> <p><u>More effective meetings</u></p> <ul style="list-style-type: none"> <li>• Generally good board meetings and engagement</li> <li>• Often too long and too late in the evening</li> <li>• Stacking the committee meetings on the same day of the board meeting can make the day too long</li> <li>• Limit the number of standing reports</li> <li>• Streamline reporting (key ideas/less detail/detail provided in packet)</li> <li>• Provide more time for important strategic issues</li> <li>• Meetings that go beyond two hours benefit from a break</li> <li>• Don't redo the committee meeting discussion at the board meeting</li> <li>• Other discussions: <ul style="list-style-type: none"> <li>o More time for strategic/tactical work</li> <li>o One time per year is not adequate</li> <li>o Explore options for mini retreats or modified regular meetings</li> <li>o Allow members of committee to establish meeting times that work best for the group</li> </ul> </li> <li>• Next steps <ul style="list-style-type: none"> <li>o Continue to experiment</li> <li>o Develop shorter agendas when possible</li> <li>o Reduce unnecessary reports</li> <li>o Utilize the consent agenda better with regard to budgeted items</li> <li>o Find more strategic time</li> </ul> </li> </ul>		
4. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> <li>• Patient Care Update: Long</li> </ul>	Tammy Hayes presented the Long Term Care Center Star Rating (5 stars out of 5) from the Center of Medicare and	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
Term Care Center	<p>Medicaid. The two Minnesota Department of Health satisfaction surveys in 2018: Quality of Life survey was above the state average; 2018 Family Satisfaction survey was also above state average. We were rated number 2 out of 352 nursing homes in the state. Tammy also reviewed the annual infection rate, LTCC annual hospitalizations within 30 days after admission, community discharge rate and quality of resident care ratings.</p> <p>The nursing home had their annual Health Inspection last week. In the exit interview they cited four minor deficiencies. We will receive the final written report within the next ten business days.</p> <p>There were no Medicare penalties/payment denials. Staffing hours per resident day is higher than the national average in nursing assistants, and higher than the national and state average for RNs. We are lower than the averages for LPNs. Tammy noted that this is a state trend, and it has become difficult to recruit LPNs as less are going into this field. There were 1000 less LPNs graduating in the state this year compared to last year.</p> <p>There was a request from the board to include the units of measure on the future reports as the information can be difficult to interpret without this information.</p>		
5. Executive and Committee Reports			
<ul style="list-style-type: none"> <li>CEO Report</li> </ul>	<p>Steve Underdahl reported on the following:  <u>Strategic</u></p> <ul style="list-style-type: none"> <li>EHR: Received feedback from Sanford Health. Currently assessing our response.</li> <li>Faribault Clinic Space: Approval granted to move forward. Renovation will begin in early summer.</li> <li>Foundation: Moving forward with volunteers we have to constitute the new board.</li> <li>Clinic / OB Expansion: Design is being finalized. Value engineering review to fit budget.</li> <li>Women's Health Fair was held on May 9, 2019 and was well attended.</li> </ul>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p><u>Operations</u></p> <ul style="list-style-type: none"> <li>• Low and disappointing volumes in Q1. Seems to be a trend statewide.</li> <li>• Rebasement of expenses continues with labor expense being the focus. Reduction in labor expense have been a priority following a 2016 spike. Reductions by attrition, FTE reduction, and layoffs of seven positions. Moving forward with attention to productivity tools and fast reaction to workload variation, and elevated rigor regarding replacing position as they come forward.</li> <li>• Revenue capture efforts: Pilot audit in the emergency department. There is a potential for \$200,000 of additional revenue capture.</li> </ul> <p><u>Policy</u></p> <ul style="list-style-type: none"> <li>• Provider tax funding was extended. Reduced from 2% to 1.8% beginning in 2020.</li> </ul>		
<ul style="list-style-type: none"> <li>• Financial Report</li> </ul>	<p>Scott Edin reported on the April financials:</p> <p><u>April Key Drivers</u></p> <ul style="list-style-type: none"> <li>• Endo procedures were 12% over budget</li> <li>• Imaging procedures were 12% over budget</li> <li>• CCIC procedures were 16% over budget</li> <li>• Births were 11% over budget</li> <li>• Work RVUs were 8% over budget</li> <li>• Inpatient days were 21% under budget</li> <li>• Surgery cases were 4% under budget</li> </ul> <p><u>April 2019 Financial Outcomes</u></p> <ul style="list-style-type: none"> <li>• Net Operating Revenues were \$176K under budget</li> <li>• Operating Expenses were \$187K over budget</li> <li>• Net Operating Loss was \$111K (\$363K under budget)</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>• Community Relations Committee Oral Report</li> </ul>	<p>CC Linstroth reported on the Community Relations Committee meeting held prior to the board meeting this evening. The committee received an update on marketing and communications strategies, including brand awareness research, and wrapped up the grants process.</p> <p>The committee got started late due to another committee meeting that ran late that included some of the same</p>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	members. The next Community Relations Committee meeting is in August. They will look at alternate times to meet that work for all committee members.		
<ul style="list-style-type: none"> <li>Budget &amp; Finance Committee Oral Report</li> </ul>	Fred Rogers reported on the Budget & Finance Committee meeting held at 4:00 p.m. today. The committee reviewed the response to the audit management letter, reviewed the April financials, and received a presentation related to investing in real estate.	Information only.	Closed.
6. Roundtable, Announcements and Questions	None	None.	Closed.
7. Pending Items	None	None	None.
8. Closed Session	The board concluded open session business at 8:35 pm. They took a short break before moving into Closed Session: <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 and the annual evaluation of the performance of NH&amp;C President/CEO Steve Underdahl (pursuant to Minn. Stat 13D.05, Subd. 3(a)).</i>	Information only.	Closed.
9. Adjourn	The meeting was adjourned at 9:45 pm.	A motion was made by Jessica Peterson White and seconded by Pete Sandberg to adjourn the meeting. Motion carried.	Closed.