

# MEETING MINUTES RECORD

Meeting: Board of Directors – **Virtual Meeting**

Date: May 28, 2020

Location: Virtual Meeting

Start time: 5:00 pm

Adjourn time: 6:40pm

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

Members absent:

Staff: Steve Underdahl, Jerry Ehn, Scott Edin, Jeff Meland, MD, Betsy Spethmann, Bobbi Jenkins (recorder)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution									
<p>I. Call to Order and Approval of the Agenda</p>	<p>The board meeting was called to order by Steve O'Neill at 5:05 pm.</p> <p>It was determined that it was not feasible for members of the board of directors to be physically present at the board meeting due to the COVID 19 pandemic. The virtual meeting was held via WebEx.</p> <p>The board was reminded to mute their microphone when not speaking and to raise their hands for voting, making motions and with any questions.</p> <p>There was one change noted to the agenda for tonight's meeting. The oral report for the Community Relations Committee meeting will be moved up in the agenda under "Reports".</p> <p>Item on the consent agenda was included on the portal:</p> <ul style="list-style-type: none"> <li>• Meeting minutes (approve) <ul style="list-style-type: none"> <li>✓ Board Meeting – 04/30/20 Electronic</li> </ul> </li> </ul>	<p>A motion was made by Lynn Clayton and seconded by CC Linstroth to approve the consent and regular agenda as presented. Motion carried</p>	<p>Closed.</p>									
<p>II. Reports</p>												
<ul style="list-style-type: none"> <li>• Hospital Chief of Staff Report</li> </ul>	<p>The only action item from the MEC are the medical staff files. Dr. Holt commented that the MEC had a good discussion at their May meeting regarding medical staff disciplinary actions</p>	<p>Information only.</p>	<p>Closed.</p>									
<p>1. Motion to Approve Applications for Medical Staff Membership/ Privileges</p>	<p>Dr. Holt presented the applications for membership and privileges (copies included on the portal). There were no issues with any of the medical staff files.</p> <p><u>Reappointments</u></p> <table border="1" data-bbox="386 1822 938 1961"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3728</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>7433</td> <td>Cardiology</td> <td>Affiliate</td> </tr> </tbody> </table>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3728	Teleradiology	Telemedicine	7433	Cardiology	Affiliate	<p>A motion was made by Sarah Carlsen and seconded by CC Linstroth to accept the recommendations from the Medical Executive Committee</p>	<p>Closed.</p>
<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>										
3728	Teleradiology	Telemedicine										
7433	Cardiology	Affiliate										

Issue/Problem	Discussion/Conclusions			Action	Follow-up/Resolution
	3770	Teleradiology	Telemedicine	as presented. Motion carried.	
3680	Teleradiology	Telemedicine			
3947	Teleradiology	Telemedicine			
3958	Teleradiology	Telemedicine			
3194	Otolaryngology	Affiliate			
3726	Teleradiology	Telemedicine			
3801	Oncology	Active			
3954	Anesthesia	AH:I			
3868	Anesthesia	Active			
<b>No Action Required</b>					
Voluntary Resignations					
Prac. #	Privilege	Category			
3957	Teleradiology	Telemedicine			
3685	Teleradiology	Telemedicine			
2. Oral Report: Community Relations Committee Meeting	CC Linstroth reported on the May 27, 2020 Community Relations Committee meeting. The majority of the meeting was devoted to a presentation from Julie Nikolai-Sullivan and Betsy Spethmann on Marketing and Communications, including an overview of strategies, media relations efforts, and patient surveys/research tools. The presentation slides are available on the board portal. The board commended Julie and Betsy for their excellent work.			Information only.	Closed.
III. Presentations/ Discussion/ Action Items					
• Hyperbaric Oxygen Wound Program Business Plan	Scott Edin introduced a potential new service line for wound healing ("First Look"). This service is specialized to care for patients with chronic wounds, including wound debridement, skin replacement and oxygen therapy through a hyperbaric chamber to aid healing. Engaged "Healogics", a management company, to help review and analyze this service in our service area. They have experience with design and development and could help develop a state-of-the-art wound healing program. They can also provide physician and staff training, assist with billing nuances, marketing and the development of a safety program. Scott shared income potential with a modest			Information only.	Bring back recommendation to the Board in June.

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	<p>10% capture of new patient demand with a gross margin potential of \$250,000 - \$400,000 annually.</p> <p>Next steps include reviewing proposals from various companies, obtaining construction estimates to build out the space below the new Birth Center (initial estimate \$750,000), and bring a recommendation to the Board at the June meeting.</p> <p>There were questions from the board related to marketing, market analysis, expected gross income, access to services, owning vs leasing equipment, other uses for the hyperbaric chamber, average length of treatment plans, insurance reimbursement, and physician interest in this service. The board also inquired about whether we would need a management company long-term or if at some point, we could manage this service on our own. It was also suggested that administration have a conversation with the appropriate leaders at Allina to see if they would consider using this local service in Northfield (slides included on the board portal).</p>		
IV. Executive and Committee Reports			
<ul style="list-style-type: none"> <li>CEO Report</li> </ul>	<p>Steve Underdahl reported on the following (slides included on board portal):</p> <ul style="list-style-type: none"> <li>Rob Schile, CLA, will be representing NH+C 2019 audit to the City Council on June 2. Scott Edin and Steve will be available for questions, and to update the Council on the economic status of the medical center.</li> <li>There was a recent legislative meeting regarding changes to the law related to PERA. Initially, there was verbiage to make it difficult for municipal hospitals to make any changes related to PERA. After conversations with state legislators, language related to hospitals was removed from the document that was approved.</li> <li>Shared headline from article in the Star Tribune regarding ICU/Vents at record highs and another from a Memorial Day pool party in the Ozarks. This is contrasted with the</li> </ul>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>Minnesota's the stay at home order lifted, and not all people properly social distancing. Our ability to reopen the economy will likely hinge on two things: our ability and willingness to maintain some personal and collective vigilance and our ability and willingness to dial back if circumstances dictate.</p> <ul style="list-style-type: none"> <li>• Daily metrics followed are the number of hospitalizations, number of ICU/vent patients and number of deaths in the state.</li> <li>• A contract has been executed with Mayo Clinic for the majority of our testing. We still do not have the ability to run tests on our own analyzer, but this may change in the near future.</li> <li>• Reanimating our clinic practices and standing up a modified surgery practice is a big lift. We are expanding the ability to do time-sensitive and prioritized elective surgeries.</li> <li>• We will be expanding from two ORs to three opening next week. Currently have a process/dashboard in place to help determine critical surgeries. <ul style="list-style-type: none"> <li>✓ Actively working on how to safely standup the clinic practices that we have closed or restricted.</li> </ul> </li> <li>• Financial mitigation: <ul style="list-style-type: none"> <li>✓ Continue to have team members on furlough and are bringing some of them back as need indicates.</li> <li>✓ Salary reductions for administrators and leaders will continue and will be reassessed at the end of July.</li> </ul> </li> <li>• Have received approximately \$8.1 million in state and federal grants to replace direct expenses and lost income. Grants are helpful and appreciated but will not cover projected losses.</li> <li>• Efforts to reengage our strategic planning: <ul style="list-style-type: none"> <li>✓ Post COVID-19 Work Team</li> <li>✓ Emerging best practice assessment</li> <li>✓ Continue to evaluate our portfolio of services</li> <li>✓ Prioritize board of directors focus on strategic issues</li> </ul> </li> <li>• Building projects are on schedule. Clinic Phase I expected to be done</li> </ul>		

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>July 6, and the OB project by the end of Q1 - 2021</p> <ul style="list-style-type: none"> <li>• Sample of other amazing work: <ul style="list-style-type: none"> <li>✓ IT director developed an automated method for employees to attest to their health status and record their temperature. This tool has been implemented. Director also secured a grant from MDH to acquire automatic temperature scanning technology to be installed at the entrances in the future to improve the process even more.</li> <li>✓ Laboratory director helped secure test kits and is close to an agreement with an organization that will provide us a reagent for our own analyzer allowing us to do some rapid tests. This will be an important tool in caring for patients that need a COVID diagnosis quickly.</li> <li>✓ Marketing and communications colleague responded to urgent and rapidly evolving needs of this emergency, and at the same time have stayed focused on the long-term strategic priorities of the institution.</li> <li>✓ Finance department has helped secure over \$8 million in grants from state and federal programs, and at the same time has helped manage the financial implications of the emergency.</li> <li>✓ Our clinic team not only does their normal job under the additional stress of this situation, but also acts as surrogates for our patients' families when family cannot visit or be with their loved one.</li> <li>✓ We have an exceptional supply chain system for an organization our size. This department has been key to a smooth response to ever-changing circumstances regarding PPE.</li> <li>✓ Many team members are jumping into new roles, new departments, and new functions to help in any way they are able. This becomes an important</li> </ul> </li> </ul>		

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	<p>mission-enhancing benefit for NH+C.</p> <ul style="list-style-type: none"> <li>✓ Jerry Ehn has done an outstanding job as Incident Commander over the past few months during the COVID pandemic.</li> <li>✓ A debt of gratitude to the whole team. The list could go on but it is important to recognize that at every level of the organization there are people doing quiet extraordinary things for the benefit of the organization, for the patients we serve and for our community.</li> </ul>		
<ul style="list-style-type: none"> <li>• Financial Report</li> </ul>	<p>Scott Edin presented the April financials (copy available on portal):</p> <p><u>April Key Drivers:</u></p> <ul style="list-style-type: none"> <li>• Nursing Home Days were 3% over budget</li> <li>• Hospice visits were 19% over budget</li> <li>• Births were 35% over budget</li> <li>• IP Days were 31% under budget</li> <li>• OP Hospital visits were 62% under budget</li> <li>• Clinic visits were 62% under budget</li> <li>• ED visits were 32% under budget</li> <li>• Surgery cases were 74% under budget</li> <li>• Endo Procedures were 96% under budget</li> </ul> <p><u>April 2020 Financial Outcomes:</u></p> <ul style="list-style-type: none"> <li>• Net Operating Revenues were \$2.1M under budget</li> <li>• Operating Expenses were \$719K under budget</li> <li>• Net Operating Loss was \$1.2M (\$1.4M under budget)</li> </ul> <p><u>April 2020 Financial Notes:</u></p> <ul style="list-style-type: none"> <li>• Recognized \$1.4M in other revenue from federal COVID grants which offset related expenses.</li> <li>• Net revenue down approximately \$1M per week. Decrease in allowance for bad debt, federal grants, salary and expense reductions reduced the overall operating loss.</li> <li>• Investment gains were \$1.6M for March</li> <li>• A bar graph was included at the request of the board last month to show our cash position. For the month</li> </ul>	Information only.	Closed.

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	<p>is April we had 249 days cash on hand: 49 days in cash, 145 days in bonds, and 55 days in equity.</p> <ul style="list-style-type: none"> <li>• Scott commented that the impact of the furlough, plus the 10% salary reduction is a savings of \$270,000 per pay period. He reminded the board that prior to COVID there was also several people let go with severance packages.</li> <li>• To date, we have received over \$8 million in grants. A cost center was set up to track COVID expenses and for the month of April \$1.4 million of grants was applied with approximately \$6.5 million is left to be applied.</li> </ul>		
V. Roundtable, Announcements and Questions	<p>Question/Discussion:</p> <ul style="list-style-type: none"> <li>• What is NH+C COVID testing capacity in the fall with thousands of students returning to the colleges, as well as ongoing testing for the community? Steve Underdahl commented that we will monitor and hope by that time to have better testing capability. We will also partner with the colleges to think about the alternatives and reason through it.</li> <li>• Discussion about how insurance companies are handling costs related to COVID for people who are uninsured or lost insurance due to losing their jobs. It was noted that there are some grants available. Administration will discuss offline with Charlie Mandile and share information with each other.</li> </ul>		
VI. Pending Items	NA	NA	NA
VII. Adjourn	The meeting was adjourned at 6:40 pm.	A motion was made by Lynn Clayton and seconded by Sarah Carlsen to adjourn the meeting. Motion carried.	Closed.