

# MEETING MINUTES RECORD

Meeting: Board of Directors

Date: June 28, 2018

Location: Conference Center

Start time: 6:30 pm Adjourn time: 9:15 pm

Members present: Charlie Kyte, CC Linstroth, Charlie Mandile, Michelle Muench, MD, Steve O'Neill, Fred Rogers, Pete Sandberg

Members excused: Rhonda Pownell, Lynn Clayton

Members absent:

Staff Present: Steve Underdahl, Scott Edin, Jerry Ehn, Laura Peterson, Betsy Spethmann, Vicki Stevens, Randy Reister, MD, Bobbi Jenkins (recorder)

Others present: David Emery (LWV), Brad Ness (City of Northfield)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
1. Call to Order and Approval of the Agenda	The meeting was called to order by Charlie Mandile at 6:35 pm. Two Board members were absent from the meeting: Rhonda Pownell and Lynn Clayton.	A motion was made by CC Linstroth and seconded by Steve O'Neill to call the meeting to order and approve the agenda as presented. Motion passed.	Closed.
2. Consent Agenda	Supporting documentation was included in the packet for all items on the Consent Agenda: A. <u>Meeting Minutes:</u> <ul style="list-style-type: none"> <li>• 05/24/18 Board Meeting</li> <li>• 05/24/18 Community Relations Committee</li> <li>• 05/24/18 Special Budget &amp; Finance Committee</li> </ul> B. <u>Entrance and Parking Easement</u> C. <u>Policies:</u> <ul style="list-style-type: none"> <li>• Government Data Practices Act Policy</li> <li>• Compliance &amp; Ethics Program</li> <li>• Code White</li> <li>• Expedited Credentialing Policy</li> <li>• Temporary Privileges Policy</li> <li>• Disaster Privileges Policy</li> </ul>	A motion was made by Charlie Kyte and seconded by Fred Rogers to approve the Consent agenda as presented. Motion passed.	Closed.
D. Reports			
• Hospital Chief of Staff Report	Charlie Mandile attended the June Medical Executive Committee meeting as a representative of the board. The committee noted space challenges they are dealing with and were very appreciative of having Charlie in attendance. Dr. Reister encouraged Board members to contact him if they have any questions or concerns related to the medical staff that he can address.	Information only.	Closed.
✓ Motion to Approve	Dr. Reister presented the following applications for approval from the	A motion was made by Steve O'Neill and	Closed.

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Applications for Medical Staff Membership/ Privileges	<p>Credentials Committee and Medical Executive Committee:</p> <p><u>Appointments:</u></p> <table border="1" data-bbox="386 254 917 636"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3852</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3956</td> <td>Int. Med/Med Oncology</td> <td>Affiliate</td> </tr> <tr> <td>3953</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3951</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3962</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3961</td> <td>Mental Health</td> <td>AH:I</td> </tr> </tbody> </table> <p><u>Reappointments</u></p> <table border="1" data-bbox="386 680 917 1119"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3861</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3869</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3858</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3870</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3685</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3866</td> <td>Pathology</td> <td>Affiliate</td> </tr> <tr> <td>3860</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3865</td> <td>Pathology</td> <td>Affiliate</td> </tr> </tbody> </table> <p><u>Provisional Status</u></p> <table border="1" data-bbox="386 1163 917 1661"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv</th> <th>Ext</th> </tr> </thead> <tbody> <tr> <td>3909</td> <td>Teleradiology</td> <td>X</td> <td></td> </tr> <tr> <td>3891</td> <td>Anesthesiology</td> <td></td> <td>X</td> </tr> <tr> <td>3919</td> <td>Teleradiology</td> <td>X</td> <td></td> </tr> <tr> <td>3896</td> <td>Internal Medicine</td> <td>X</td> <td></td> </tr> <tr> <td>3911</td> <td>Teleradiology</td> <td>X</td> <td></td> </tr> <tr> <td>3920</td> <td>Mental Health</td> <td></td> <td>X</td> </tr> <tr> <td>3918</td> <td>Internal Medicine</td> <td>X</td> <td></td> </tr> <tr> <td>3908</td> <td>Teleradiology</td> <td>X</td> <td></td> </tr> </tbody> </table> <p><u>No Action Required</u> <u>Voluntary Resignations</u></p>	Prac #	Privilege	Category	3852	Teleradiology	Telemedicine	3956	Int. Med/Med Oncology	Affiliate	3953	Teleradiology	Telemedicine	3951	Teleradiology	Telemedicine	3962	Mental Health	AH:I	3961	Mental Health	AH:I	Prac #	Privilege	Category	3861	Teleradiology	Telemedicine	3869	Mental Health	AH:I	3858	Teleradiology	Telemedicine	3870	Mental Health	AH:I	3685	Teleradiology	Telemedicine	3866	Pathology	Affiliate	3860	Teleradiology	Telemedicine	3865	Pathology	Affiliate	Prac #	Privilege	Adv	Ext	3909	Teleradiology	X		3891	Anesthesiology		X	3919	Teleradiology	X		3896	Internal Medicine	X		3911	Teleradiology	X		3920	Mental Health		X	3918	Internal Medicine	X		3908	Teleradiology	X		seconded by Pete Sandberg to accept the recommendations from the Medical Executive Committee on the appointments, reappointments and advancement and extension of provisional status. Motion carried.	
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	3907	Mental Health	AH:I		
	3944	Mental Health	AH:I		
	7389	Teleradiology	Telemedicine		
E. Presentations/ Discussion/ Action Items					
<ul style="list-style-type: none"> <li>Supply Chain Remodel- First Look</li> </ul>	<p>Scott Edin presented the first look at the supply chain remodeling project. The supply chain department began rolling out the two-bin system which reduces the inventory in departments and requires balance of inventory to be stored centrally or remotely. The remodeling project would allow the current supply chain area to be repurposed to include a training/meeting room. The two-bin system has been implemented in the ED and OB, and started in the OR, but they ran into space limitations in central storage. The remodeling proposal is to move all inventory into the basement of the endoscopy center, which requires some modifications, including enclosing the dock to the central storage area, and constructing caged storage areas, which can be easily repurposed in the future as space needs change (copy of slides included in the packet). The proposed cost estimate is \$392,221, which includes the exterior build, HVAC, and caging.</p> <p>Board comments/suggestions:</p> <ul style="list-style-type: none"> <li>• Would like to see a benefit analysis of the project. How much will we save by consolidating supplies, what will the vacated space be used for, etc.?</li> <li>• Is this the right solution? Is this what we really want, or is this the easiest/least expensive?</li> <li>• Is it possible to add a new elevator to move the supplies easier?</li> <li>• Concerns about the traffic flow. It seems awkward from where the supplies enter the facility to where they will be stored.</li> <li>• What is the supply cost savings? How does this fit into the tactical priorities / strategic plan?</li> <li>• Where is the money coming from?</li> </ul>			Bring back next month for final approval, including addressing questions from the board this evening.	Add to the July Board meeting agenda.

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<ul style="list-style-type: none"> <li>Compliance 101- Part 2</li> </ul>	<p>Laura Peterson presented Part 1 of Compliance 101 in April. Tonight, she presented parts 2, 3 and 4 (copy of slides included in the packet).</p> <p><u>Part #2 – Guidance and Benchmarks</u></p> <p>The following compliance articles were added to the BoardEffect portal for the board members to review at their convenience:</p> <ul style="list-style-type: none"> <li>U.S. Department of Justice Criminal Divisions Fraud Section: "Evaluation of Corporate Compliance Programs".</li> <li>Office of Inspector General, U.S. Department of Health and Human Services: "Practical Guidance for Health Care Governing Board on Compliance Oversight"</li> <li>Health Lawyers' Public Information Series: "The Health Care Director's Compliance Duties: A Continuous Focus of Attention and Enforcement"</li> </ul> <p><u>Part #3 – Risk Identification</u> (things we need to protect ourselves against)</p> <p>Enterprise Risk Management Process:</p> <ul style="list-style-type: none"> <li>Regulatory risk (Stark, Anti-Kickback, EMTALA, external audits, billing/coding, OIG Work Plan, HIPAA)</li> <li>Financial risk (operational audits, ACA, cost reports)</li> <li>Quality of care (safety, patient metrics)</li> <li>Strategic risks (competition, patient preferences)</li> <li>Etc.</li> </ul> <p><u>Part #4- Questions you should ask</u></p> <p>Laura reviewed several structural questions that we should ask ourselves, as well as the answers (see slides included in the packet).</p>	<p>Information only.</p>	<p>Laura will give quarterly updates to the Governance &amp; Planning Committee and report to the board on a regular basis.</p>
<p>F. Executive and Committee Reports</p>			
<ul style="list-style-type: none"> <li>CEO Report</li> </ul>	<p>Steve Underdahl reported on the following:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> <li>The board received and reviewed the latest draft of the 2018-19 Strategic Plan following the Board retreat. Assuming there are no more changes, administration will move forward with the updated plan.</li> </ul>	<p>Information only.</p>	<p>Closed.</p>

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	<ul style="list-style-type: none"> <li>• A team of staff and physicians recently visited a site in Boston to explore our current EMR vendor upgrade.</li> <li>• Continue to meet and make progress on orthopedic practice. More information to come next month.</li> <li>• Continuing to become more familiar with ACO work. We are having difficulties transmitting data easily from Meditech to the analytics tool from Caravan. The Mountlake ACO had its second board meeting this week. Initial data, both from individual sites and in aggregate, reflects that we are all starting. Recommendation from Caravan that all 2018 ACO starts remain in their small cohort, and not join a mega ACO at this point</li> <li>• Given the difficulty in soliciting NH+C board members to participate in the Northfield Hospital Foundation, Laura Peterson will be crafting a proposed language change in the bylaws which will allow more flexibility in the membership. The Article of Incorporation will stay the same ensuring the same protections and limitations relative to the function of the Foundation and the use of the money.</li> <li>• Currently evaluating methodology for retesting brand recognition following recent rebranding efforts. With the diminishment of landline telephones, survey methodology has changed significantly over the last decade. Exploring alternative methods, including a combination of surveys and focus groups.</li> </ul> <p><u>Operations</u></p> <ul style="list-style-type: none"> <li>• Evaluating potential new dermatology provider.</li> <li>• A mid-level provider will begin at the OAT clinic in Lonsdale to help expand the practice of Dr. Reznikoff.</li> <li>• The orthopedic remodel is underway, and expected to be completed in August</li> <li>• A new production benchmarking tool that compares productivity standards across similar hospitals nationwide has been acquired. Build-out and</li> </ul>		

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	<p>interfaces have begun. The go-live is scheduled for late summer.</p> <ul style="list-style-type: none"> <li>• The MDH was here this week surveying the Long Term Care Center.</li> <li>• The stress test remodel is underway and expected to be done in three weeks.</li> <li>• Blacktop repair will be starting in July at the main campus and the rehab campus</li> <li>• Recently attended the AHA policy review board meeting. Price transparency is coming at a national level.</li> <li>• Proposed Association health plan could potentially offer skinny coverage inconsistent with ACA.</li> <li>• Dr. Atul Gawande appointed CEO of the Amazon, Berkshire Hathaway and JP Morgan Chase Health Company last week. The goal is to develop a better, less expensive care model. If innovations are successful, they intend to share freely with other organizations. Perhaps the disruption we have been talking about.</li> </ul>		
<ul style="list-style-type: none"> <li>• Financial Report</li> </ul>	<p>Scott Edin reported on the May financials.</p> <p><u>May key drivers:</u></p> <ul style="list-style-type: none"> <li>✓ Endo procedures were 19% over budget</li> <li>✓ CCIC procedures were 15% over budget</li> <li>✓ Home Health Visits were 11% over budget</li> <li>✓ Work RVUs and Imaging procedures were both 9% over budget</li> <li>✓ Births were 30% under budget</li> <li>✓ Surgeries were 10% under budget</li> <li>✓ Inpatient days were 13% under budget</li> </ul> <p><u>May Financial outcomes:</u></p> <ul style="list-style-type: none"> <li>✓ Net Operating Revenues were \$337K over budget</li> <li>✓ Operating Expenses were \$143K over budget</li> <li>✓ Net Operating Income was \$230K (\$194K over the budgeted income of \$36K)</li> </ul>	Information only.	Closed.

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<ul style="list-style-type: none"> <li>Annual Report on MN Attorney General's Agreement on Hospitals &amp; Debt Collections</li> </ul>	<p>Scott Edin presented the Attorney General's Agreement with Hospitals on Debt Collection (copy of slides included in the Board packet). This information was reviewed in detail with the Budget &amp; Finance Committee prior to the Board meeting this evening.</p> <p>Information included:</p> <ul style="list-style-type: none"> <li>✓ Debt litigation against hospital patients</li> <li>✓ Debt collection activity of outside agencies</li> <li>✓ Debt collection activities of internal collections:</li> <li>✓ Hospital compliance with Attorney General Agreement <ul style="list-style-type: none"> <li>○ Zero tolerance of abusive, harassing conduct</li> <li>○ Debt collection litigation policy</li> <li>○ Third party collection procedures</li> <li>○ Hospital collection procedures</li> <li>○ Application of Charity Care policy</li> </ul> </li> <li>✓ Results of the CEO &amp; CFO reviews of collection activity and agencies</li> <li>✓ Results of hospital audits of agencies</li> <li>✓ Hospital Charity Care practices.</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>Budget &amp; Finance Committee Oral Report</li> </ul>	<p>Charlie Kyte reported on the Budget &amp; Finance Committee meeting, which met prior to the board meeting:</p> <ul style="list-style-type: none"> <li>• Reviewed and approved the committee meeting minutes from the last committee meeting.</li> <li>• Reviewed the Attorney General's Agreement with Hospitals on Debt Collection.</li> <li>• Reviewed the May financials, including the May dashboard.</li> <li>• Reviewed the committee job description and recommended some changes. This will come back to the committee to review and approve before taking to the full board.</li> </ul> <p>Meeting minutes will be included in the July Board packet.</p>	Information only.	Closed.
<ul style="list-style-type: none"> <li>Quality Committee Oral Report</li> </ul>	<p>Charlie Mandile reported on the Quality Committee meeting, which met prior to the board meeting:</p> <ul style="list-style-type: none"> <li>• Reviewed and approved the committee meeting minutes from the last meeting.</li> <li>• Reviewed the committee job description.</li> </ul>	Information only.	Closed.

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	<ul style="list-style-type: none"> <li>Reviewed the quality dashboard which will come to the full board in July.</li> <li>Discussed three areas of focus related to the Strategic Plan.</li> </ul> <p>Meeting minutes will be included in the July board packet.</p>		
<ul style="list-style-type: none"> <li>Governance &amp; Planning Special Meeting</li> </ul>	<p>Charlie Mandile reported on a special meeting of the Governance &amp; Planning Committee which focused on revisions to the CEO Performance Evaluation policy (draft of policy included in the packet). The policy was revised to reflect the current practice for the CEO evaluation. It reflects the CEO evaluation process with the Governance &amp; Planning Committee developing a recommendation to the full board for recommendation on merit increase, technical adjustment (if necessary), and management incentive plan payout. The committee reviews the following to take into consideration for their recommendation:</p> <ul style="list-style-type: none"> <li>360 evaluations from current board members that served the majority of the prior year, physicians and internal staff including administrative team and key directors,</li> <li>CEO self-evaluation, and</li> <li>Comparative market salary information</li> </ul> <p>Charlie also reported that the committee utilized a consultant and recommended that a consultant be used going forward, however, this was not included in the policy.</p>	Bring back to the board for final approval in July.	Add to July board agenda.
G. Roundtable, Announcements and Questions	Jerry Ehn reported that groundbreaking on the senior services project is expected to be in early July.	Information only.	Closed.
H. Pending Items			
<ul style="list-style-type: none"> <li>MHA Summer Trustee Conference: July 13-15- Alexandria</li> </ul>	Five board members and Steve Underdahl are attending the MHA Trustee Conference on July 13-15. There was discussion about having the board spread out at the sessions so the majority of the sessions have some representation from the board. Administration will review and work with the board on adjusting if necessary. Those attending will share learnings with the full board at the July board meeting.	Information only.	Closed.



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I. Adjourn	A motion was made by Pete Sandberg and seconded by Charlie Kyte to adjourn the board meeting at 9:15 p.m. Motion carried.	Information only.	Closed.