

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: July 27, 2017 Location: Conference Center Start time: 6:30 pm Adjourn time: 10:10 p.m.

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

Members excused: Steve O'Neill

Members absent:

Staff Present: Steve Underdahl, Jeff Meland, MD, Jerry Ehn, Scott Edin, Vicki Stevens, Sandy Mulford, Bobbi Jenkins (recorder)

Others present: David DeLong (City), Ben Martig (City), Keith Olson, MD (Allina), David Emery (LWV)

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 6:33 pm. Charlie Mandile reported that we continue to strive to improve the agenda for the monthly Board meetings.	A motion was made by Virginia Kaczmarek and seconded by Charlie Kyte to approve the agenda as presented. Motion carried.	Closed.																											
2. Consent Agenda	Supporting documentation was included in the packets for all items on the Consent Agenda: <ul style="list-style-type: none"> Meeting Minutes <ul style="list-style-type: none"> ✓ 06/29/17 Board Meeting ✓ 06/29/17 Budget & Finance Committee ✓ 06/29/17 Quality Committee 	A motion was made by CC Linstroth and seconded by Lynn Clayton to approve the consent agenda as presented. Motion carried.	Closed.																											
3. Reports																														
• Hospital Chief of Staff Report	Dr. Reister was not present. No report.	None.	Closed.																											
✓ Motion to Approve Applications for Medical Staff Membership/Privileges (enclosure)	Applications for medical staff membership/privileges were presented. There were no issues with any of the files: <p style="text-align: center;"><u>Appointments</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Prac #</th> <th style="text-align: center;">Privilege</th> <th style="text-align: center;">Category</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3922</td> <td style="text-align: center;">Mental Health</td> <td style="text-align: center;">AH:I</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Prac #</th> <th style="text-align: center;">Privilege</th> <th style="text-align: center;">Category</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7163</td> <td style="text-align: center;">IM/Gastro</td> <td style="text-align: center;">Active</td> </tr> <tr> <td style="text-align: center;">3790</td> <td style="text-align: center;">Rad/Oncology</td> <td style="text-align: center;">Affiliate</td> </tr> <tr> <td style="text-align: center;">7439</td> <td style="text-align: center;">H&P</td> <td style="text-align: center;">AH:I</td> </tr> <tr> <td style="text-align: center;">3454</td> <td style="text-align: center;">Teleradiology</td> <td style="text-align: center;">Telemedicine</td> </tr> <tr> <td style="text-align: center;">3749</td> <td style="text-align: center;">Family Medicine</td> <td style="text-align: center;">Active</td> </tr> <tr> <td style="text-align: center;">3657</td> <td style="text-align: center;">Teleradiology</td> <td style="text-align: center;">Telemedicine</td> </tr> </tbody> </table>	Prac #	Privilege	Category	3922	Mental Health	AH:I	Prac #	Privilege	Category	7163	IM/Gastro	Active	3790	Rad/Oncology	Affiliate	7439	H&P	AH:I	3454	Teleradiology	Telemedicine	3749	Family Medicine	Active	3657	Teleradiology	Telemedicine	A motion was made by Virginia Kaczmarek and seconded by Patricia Christianson to approve the appointments, reappointments, advancements from provisional status, and change in medical staff category as recommended by the Credentials Committee and the MEC. Motion carried.	Closed.
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<ul style="list-style-type: none"> NH+C Clinic Report 	<p>Dr. Flannery reported on the following:</p> <ul style="list-style-type: none"> Clinic volumes are close to budget. All primary cre provider positions are filled. <p>CC Linstroth commended Dr. Flannery for his work on literacy both through the clinics and the community. Steve Underdahl added that Dr. Flannery has also taken the lead around immunizations, which has received a lot of attention in the community.</p>	Information only.	Closed.																										
<ul style="list-style-type: none"> Allina Medical Clinic Report 	<p>Dr. Keith Olson reported on the following:</p> <ul style="list-style-type: none"> Dr. Amundson will be leaving Allina and is relocating to Wyoming. Allina Northfield is recruiting for one physician that will soon be retiring. 	Information only.	Closed.																										
<ul style="list-style-type: none"> Mayo Report 	No report.	None.	Closed.																										
<ul style="list-style-type: none"> City Business Report 	<p>David DeLong commended the hospital for good marketing and interesting billboards. He also reported that the City passed a resolution proclaiming Northfield to be an Age Friendly Community. The City will be sending out a random age friendly survey related to eight domains, including aging in place, transportation, independence, etc. In addition to the mailing, there are other options to community members to take the survey. Ben Martig reported that the City is working on strategic planning, and will adopt and move forward with action plans. They are also monitoring debt issue related to projects and financing.</p>	Information only.	Closed.																										
<ul style="list-style-type: none"> CMO Report 	<p>Dr. Jeff Meland reported on the following:</p> <ul style="list-style-type: none"> Reported on the work of the physician admin leadership group. This group discusses how to be efficient and 	Information only.	Closed.																										

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	<p>work together, and includes leaders from clinical areas. They are now expanding the group to include Jerry Ehn and Tammy Hayes and will work on bridge the silos between medical care in the clinical areas.</p> <ul style="list-style-type: none"> • Dr. Don Lum was recently trained in bedside ultrasound as part of a mini-fellowship sponsored by the NH+C medical staff. The next step will be to provide training for the ED providers. • The hospitalist program has been up and running now for close to one year and is going very well, and has been a god enhancement. 		
4. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> • Digital Retrofit System for Diagnostic Imaging Preview 	<p>Sandy Mulford, Imaging Director, previewed a request that will be coming to the Board in August for the imaging department to become fully digital (copy of SBAR and slides were included in the packet).</p> <p>Digital detectors capture image data electronically and the image is available in 3 seconds. Benefits include lower radiation dose, increased efficiency, and faster diagnosis in critical settings. Digital is standard of care in imaging. Effective January 2018, Medicare will implement reimbursement cuts for those not utilizing digital radiography.</p> <p>\$400,000 was included in the 2017 budget for this conversion. It was difficult to estimate the cost due to unknowns. The cost has also decreased. The expected cost is \$190,644, plus a \$10,000 variance.</p> <p>The was a discussion about fast tracking the approval, but discussion concluded that we will adhere to our two-step process with a reminder that at the August meeting, the presentation will be abbreviated. The time between now and the August meeting gives Board member time to get questions addressed.</p> <p>There was also discussion about the desire to consider in the future increasing the capital purchase threshold that requires Board approval.</p>	Information only.	Present recommendation at the August Board meeting.

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<ul style="list-style-type: none"> Sub-committee Report on Foundation 	<p>Lynn Clayton reported on a recent Board Foundation Sub-committee meeting. Those on the committee are himself, Steve Underdahl, Charlie Kyte, Steve O'Neill, Scott Edin and Laura Peterson. The mission is to develop a foundation that will support the goals, operations and services of NH&C. They will come back to the Board with a formal report in September.</p>	<p>Information only.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Senior Care Options Feasibility Study Recommendation 	<p>Jerry Ehn, COO, reviewed the senior care options including the highlights of the feasibility study, board questions from the June meeting related to financial projections and options available to transition out of the nursing home if the need arises, recommendations, timeline, and request (copy of the report was included in the packet).</p> <p>The recommendation is to move forward with plans to support the development of senior housing services by negotiating a development agreement with Yanik.</p> <p>Next steps if approved:</p> <ul style="list-style-type: none"> Work towards a development agreement Negotiate a land lease Finalize a design Gain approval (Board, City and St. Olaf) Finalize project timeline Potential Start: May 2018 Completion: summer of 2019 <p>A question was raised regarding the need to extend the lease with St. Olaf. This will be addressed as we get further into the process.</p> <p>There was discussion about the angst in the community over the possibility of losing nursing home beds in the community. If an option is provided at a lower cost and higher quality, we may find we need less beds as people choose what works best for them. The number of beds would be truly based on the need as it would be driven by the market. It allows citizens to drive the need.</p> <p>There was a question related to location and whether consideration has been given to having it located off campus, and is this top priority to use the current space? Do we need it for future hospital expansion? Jerry commented that the</p>	<p>A motion was made by Charlie Kyte and seconded by Virginia Kaczmarek to move forward with plans to support the development of senior housing services by negotiating a development agreement with Yanik. Motion carried.</p>	<p>Talking points will be updated and shared with the Board and Ben Martig to share with the City to assist in answering questions from the community. Questions can also be directed to administration or Betsy Spethmann, Director of Community Relations. Information is also available on the NH+C website.</p>

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	<p>cost would be significantly higher to build away from the hospital. We also still have space for future expansion at this location and will not be landlocked.</p> <p>It was noted that this development is not hospital based and there would be property taxes, with the possible exception of memory care.</p> <p>David Koenig requested this be discussed in more depth related to strategic planning during the closed session this evening (Minn. Stat 144.581, subd 5).</p> <p>The board requested a copy of Jerry's presentation, as well as talking points to assist in responding to questions from the community. David DeLong requested a copy for the City as well.</p> <p>The Board commended Jerry for his work on this project and responding to questions from the Board and the community.</p>		
5. Executive and Committee Reports			
<ul style="list-style-type: none"> Human Resources/ Process Improvement Update 	<p>Vicki Stevens, Human Resources Executive / Clinical Operations Administrator updated the Board on the new director of human resources/ education, human resources; benefit broker; and process improvement.</p> <p><u>HR Director</u></p> <ul style="list-style-type: none"> New director of HR/Education, Jeff Mutz, started on March 28, 2017. Brings 25+ years of experience with strong experience / focus on customer service, building strong teams, and develop and design best practice in HR. <p><u>Benefit Broker</u></p> <ul style="list-style-type: none"> Current benefit broker is One Digital (formerly Corporate Health Services) for 15+ years. Developed a benefit broker review team and developed and distributed a request for proposal, in an effort to continue HR modernization. Seven requests were received and four were invited to present further information. Selected Associated Benefits and Risk Consulting as our new benefit broker starting in 2018. I 	Information only.	Closed.

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	<p><u>Merit-Based Pay</u></p> <ul style="list-style-type: none"> Moved to merit-based pay to help attract and retain top talent. Effective April 2017, all staff received annual performance assessment and salary review. The review is simple, aligns with organizational goals, includes 360 feedback and allows for meaningful dialogue. Have received positive feedback from leaders and staff on the process and continue to review and enhance the process as we move forward. <p><u>Process Improvement (PI)at NH+C</u></p> <ul style="list-style-type: none"> Create dedicated focus on PI in clinical and non-clinical departments Drive improvement in processes, efficiency and ensure patient-centric approach; building on existing culture Resource across the organization, assist with education, and facilitate designated process improvement projects PI Steering Committee to develop structure, process and resources 		
<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl reported on the following:</p> <p>Operations</p> <ul style="list-style-type: none"> July revenues continue to be volatile with payer mix and revenues poor Implemented a hiring pause for all open non-mission-critical positions The Hospice Program received a penalty (2% reduction in payments from Medicare) related to process errors discovered last year and reported to the Board in December. The impact is approximately \$15,000. Year-to-date for this year we are 100% compliant. The Budget & Finance Committee will be reviewing our investment policy at a special meeting in August, as well as current state and future options. Monthly breakfast with CEO is ongoing. 8-10 staff members are invited to have breakfast with Steve to hear updates and ask questions. Steve continues to job shadow with staff from all departments. Working on the next steps for DTNRT (Do the Next Right Thing) 		

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	<ul style="list-style-type: none"> • MHA summer trustee conference was held in early July. MHA regional trustee meetings are scheduled in October for any Board member interested in attending: <ul style="list-style-type: none"> ✓ October 11 – Staples ✓ October 17 – Duluth ✓ October 19 – Redwood Falls <p><u>Strategic /Tactical</u></p> <ul style="list-style-type: none"> • The Healthcare Bill is advancing for formal debate in the Senate. Marketplace uncertainty continues. Federating Insurance Company is abandoning health line • Working on final agreement details for a lease with Sterling Drug for Urgent Care in Northfield. Final board review will be in August with City Council in September • Continue to explore Enterprise Assessment resources with meeting and demos scheduled. • Joined an Accountable Care Organization (ACO) with ten other hospitals in Minnesota, and will be operationalized beginning in January of 2018. • Detailed review and discussion of MACRA/MIPS and APMs will occur at the August Board meeting • Board foundation sub-committee met and the process is moving forward. Lynn Clayton gave a report earlier in the agenda this evening. • The Faribault ortho clinic is up and running. New signage is coming soon. • Board PERA sub-committee is meeting in August. Assume that this fiscal year will be better, but not the overall trajectory. • Continue to receive interest and question from the community on Long Term Care planning. Guidance and permission to proceed was requested from the Board this evening. Next steps are to review and get approval from St. Olaf and the Northfield City Council. 		
• Financial Report			
✓ June Financials	<p>Scott Edin presented the June financials:</p> <p>Key Drivers:</p> <ul style="list-style-type: none"> • Gross revenues were \$191,000 over budget 	Information only.	Closed.

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	<ul style="list-style-type: none"> • Discounts were \$401,000 over budget <ul style="list-style-type: none"> ✓ Government payor mix was 53.7% vs a budget of 47.9% • Expenses were at budget • Operating loss was \$235,000 • Total expenses on plan but variances by category <ul style="list-style-type: none"> ✓ Salaries and benefits managed by continuing to control staffing levels - \$185,000 under budget ✓ Drugs were \$148,000 over budget due to chemo drug costs 		
<ul style="list-style-type: none"> • Governance & Planning Committee Report 	<p>Virginia Kaczmarek reported on the Governance & Planning Committee meeting held prior to the Board meeting this evening:</p> <ul style="list-style-type: none"> • Approved meeting minutes from the previous meeting. • Reviewed the committee's job description. • Received an update on PERA from Steve Underdahl. • Received an update on a local option for a Board portal that administration is currently exploring. • Reviewed CEO goals and key deliverables, and assigning weights to them. • Discussed the need for legal representation at Board meetings. 	Information only.	Closed.
<ul style="list-style-type: none"> • Quality Data and Process Update 	<p>Charlie Mandile distributed and briefly reviewed a draft of NH+C quality dashboard from the Quality Committee. The committee discussed and proposed that a dashboard be distributed to the Board quarterly. Charlie asked for feedback on the format, information included, etc. The purpose of the document is to keep the board informed at a higher level. Feedback from the Board was positive.</p>	Additional feedback should be directed to the Quality Committee. The dashboard can be adjusted as needed going forward.	Closed.
6. Roundtable, Announcements and Questions	N/A	N/A	N/A
<ul style="list-style-type: none"> • Learnings/ Feedback from MHA Trustee Conference 	<p>Board members who attended the MHA Trustee conference earlier in July shared learnings with the Board.</p>	Information only.	Closed.
7. Pending Items	N/A	N/A	N/A
8. Closed Session	<p>The Board went into Closed Session at 8:55 p.m. pursuant to Minn. Stat 144.581, subd 5 for the purpose of discussion of</p>	Information only.	Closed.

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	marketing activity related to the hospital's competitive position with other health care providers that offer similar goods and services		
9. Adjourn	The meeting was adjourned at 10:10 p.m.	A motion was made by Virginia Kaczmarek and seconded by CC Linstroth to adjourn the meeting. Motion carried.	Closed.