

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: July 26, 2018

Location: Conference Center

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

Members present: Lynn Clayton, Charlie Kyte, CC Linstroth, Charlie Mandile, Michelle Muench, MD, Rhonda Pownell, Fred Rogers, Pete Sandberg

Members excused: Steve O'Neill

Members absent:

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

Others present: Keith Olson, MD, Ben Martig (City)

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 6:30 p.m.	Information only.	Closed.
2. Consent Agenda	<p>Supporting documentation was included in the packet for all items on the Consent Agenda:</p> <ol style="list-style-type: none"> 1. Meeting Minutes: <ul style="list-style-type: none"> • 06/28/18 Board Meeting • 06/28/18 Quality Committee • 06/28/18 Budget & Finance Committee 2. Shared Use Agreements for Senior Services Project Status 3. CEO Performance Evaluation Policy 4. Gifts to NH+C Employees and Board Members Policy 	<p>A motion was made by Rhonda Pownell to remove the CEO Performance Evaluation policy from the Consent Agenda. Policy was removed and added to the regular agenda.</p> <p>A motion was made by CC Linstroth and second by Lynn Clayton to approve the Consent Agenda with the CEO Performance Evaluation policy removed as requested. Motion carried.</p>	Closed.
3. CEO Performance Evaluation Policy	<p>Rhonda Pownell questioned the language in the CEO Performance Evaluation policy related to 360 feedback. The revised policy states the feedback will be included from current board members that service the majority of the prior year. Currently the evaluation is done during the first quarter of the year, which is also when new board members are appointed, and would not be eligible to participate in the evaluation. She questioned whether there are options to do the evaluation later in the year when we could get full board participation.</p> <p>Discussions/comments included:</p>	<p>The policy was tabled and referred back to the Governance & Planning Committee for further discussion and analysis.</p> <p>Charlie Mandile noted that the Governance & Planning Committee is not scheduled to meet again until October, which would still allow the</p>	Bring back to the board for final approval.

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	<ul style="list-style-type: none"> • There is the potential to lose feedback from three or more board members in any year due to their terms ending, or resigning from the board. • Currently the timing of the evaluation process coincides with the Strategic Planning cycle. • Consider inviting board members (in good standing) whose terms are ending, to participate in the evaluation which is done the first part of the following year. This way we would get full participation and include board members who served on the board for the majority of the year, and during the time the CEO is being evaluated. • Full board participation means different things. Feedback from board members who have just gone off the board vs board members newly appointed. We would have full participation even though all members are not currently serving on the Board. • Not in favor of people not currently on the board participating in the evaluation. Is the goal to have all nine board members participate? The current process obtains feedback from six or more board members. • Consider doing exit interviews with board members, and incorporate feedback in the next CEO evaluation process. • Be cautious when combining the evaluation with the exit interview, as board members leave for a variety of reasons. • It is beneficial, in some way or another, to get feedback from board members who have served on the board for a long time. • Could consideration be given to starting the evaluation process in December to ensure we get feedback from board members who will be leaving the board at the end of the year? • The Management Incentive Plan is based on the calendar year. January is the timeframe used to determine if goals are achieved. It doesn't feel right to move this back to December. The financial results would also not be available in December, which is one of the major goals for the CEO. 	<p>board to implement before the end of the year. The committee may convene prior to October – to be determined.</p>	

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	<ul style="list-style-type: none"> • Could we change when Board members are appointed to the board by the City (i.e. March to March instead of the calendar year)? Currently all City boards and commissions are appointed in January for calendar years. • Could we ask the full board to do the CEO evaluation in December, and hold the information until the evaluation is done in the first quarter. • Would like to see options where we could get full board participation. 																																																								
5. Reports																																																									
<ul style="list-style-type: none"> • Hospital Chief of Staff Report 	No report.	None.	Closed.																																																						
<ul style="list-style-type: none"> ✓ Motion to Approve Applications for Medical Staff Membership/ Privileges 	<p>Dr. Meland presented the following applications for approval from the Credentials Committee and Medical Executive Committee:</p> <p><u>Appointments:</u></p> <table border="1" data-bbox="386 877 938 1094"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3963</td> <td>Anesthesia</td> <td>Active</td> </tr> <tr> <td>3941</td> <td>Pediatrics</td> <td>Active</td> </tr> <tr> <td>3960</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> </tbody> </table> <p><u>Reappointments</u></p> <table border="1" data-bbox="386 1136 938 1892"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>2696</td> <td>Emergency Medicine</td> <td>Active</td> </tr> <tr> <td>3687</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3768</td> <td>Emergency Medicine</td> <td>Active</td> </tr> <tr> <td>7216</td> <td>Refer & Follow</td> <td>Refer & Follow</td> </tr> <tr> <td>3691</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3771</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3682</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3864</td> <td>Pathology</td> <td>Affiliate</td> </tr> <tr> <td>7440</td> <td>Physician Assistant</td> <td>AH:D</td> </tr> <tr> <td>3683</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3686</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>7194</td> <td>Ophthalmology</td> <td>Active</td> </tr> <tr> <td>7245</td> <td>CRNA</td> <td>AH:I</td> </tr> </tbody> </table>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3963	Anesthesia	Active	3941	Pediatrics	Active	3960	Teleradiology	Telemedicine	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	2696	Emergency Medicine	Active	3687	Teleradiology	Telemedicine	3768	Emergency Medicine	Active	7216	Refer & Follow	Refer & Follow	3691	Teleradiology	Telemedicine	3771	Teleradiology	Telemedicine	3682	Teleradiology	Telemedicine	3864	Pathology	Affiliate	7440	Physician Assistant	AH:D	3683	Teleradiology	Telemedicine	3686	Teleradiology	Telemedicine	7194	Ophthalmology	Active	7245	CRNA	AH:I	<p>A motion was made by Pete Sandberg and seconded by CC Linstroth to accept the recommendations from the Medical Executive Committee on the appointments, reappointments and advancement and extension of provisional status. Motion carried.</p>	Closed.
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	3684	Teleradiology	Telemedicine		
	3236	IM/EM	Active		
	3237	Orthopedics	Active		
	3873	Mental Health	AH:I		
	<u>Provisional Status</u>				
	Prac #	Privilege	Adv	Ext	
	3922	Mental Health	X		
	<u>No Action Required</u>				
	<u>Voluntary Resignations</u>				
	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>		
	3154	Oral & Maxillofacial Surgery Assistant	AH:D		
	3876	Mental Health	AH:I		
<ul style="list-style-type: none"> CMO Report 	No report.			None.	Closed.
<ul style="list-style-type: none"> NH+C Clinic Report 	Dr. Ben Flannery reported: <ul style="list-style-type: none"> Dr. Amy Kraushaar, pediatrician, is starting in the clinics in August. Staff re looking forward to her starting. Spending time on the evaluation of an EHR. 			Information only.	Closed.
<ul style="list-style-type: none"> Allina Report 	Dr. Keith Olson reported: <ul style="list-style-type: none"> Allina has a mental health consultant starting in August to assist in triaging mental health patients. Meetings are occurring between Allina and NH+C regarding mental health patients from the clinic to the hospital. New family medicine/OB provider will be joining the practice next summer. 			Information only.	Closed.
6. Presentations/ Discussion/ Action Items					
<ul style="list-style-type: none"> Approval of Supply Chain Remodel 	Scott Edin summarized a request presented to the board in June on the Supply Chain remodeling project (copy of slides included in the packet). The plan includes moving supply chain inventory into the basement of the new endoscopy center, and requires some modifications, including enclosing the loading dock to central storage area and constructing a caged storage area in the basement. The benefits include centralizing supply storage, recap money by better inventory			A motion was made by Fred Rogers and seconded by Charlie Kyte to approve the project as presented. Motion carried.	Closed.

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	<p>control, frees up space in revenue producing departments that can be used for other purposes, and does not restrict us from using basement space for different purposes in the future.</p> <p>The cost estimate is \$399,721 and includes the exterior build, HVAC and caging. The majority of this cost is related to enclosing the current exterior space.</p> <p>Last month, the board question the budget for this purpose. Scott noted that all but about \$90,000 was included in the budget. The majority of the cost is enclosing the pathway to get to the basement, and will benefit us later when we want to develop the area for something else.</p> <p>The board inquired about an ROI. Scott commented that this is not a revenue producing department so it does not lend itself to a ROI, however, we will recoup by being centralized.</p>		
<ul style="list-style-type: none"> Board Quality Dashboard 	<p>A copy of the second quarter board quality dashboard was included in packet. The board reviewed and discussed measures. It was noted that all of the measures on the report are publicly reported by CMS. The 2018 ratio is based on data that could be up to two years old. Steve Underdahl encouraged the board to ask questions and make recommendations going forward on changes to the report, information included, etc. The board appreciated the report and commented how nicely it was laid out and easy to understand.</p>	Information only.	Closed.
<ul style="list-style-type: none"> HR/Clinical Operations Update 	<p>Vicki Stevens, HR Executive/Clinical Operations Administrator, updated the board on Human Resources, including recruitment and retention, turnover and leadership & development; Advanced Care Planning; and Process Improvement (copy of slides included in the packet).</p> <p>There was board discussion about succession planning, turnover rate, career ladders and exit interviews. A question was raised related to supporting staff and whether we have policies in place to help us retain young professionals. Vicki responded that we do have policies in place, including a new policy to allow staff to work from home. Healthcare is family friendly, and we are competitive.</p>	Information only.	Closed.

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7. Executive and Committee Reports			
<ul style="list-style-type: none"> • CEO Report 	<p>Steve Underdahl reported:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> • Shared a picture of an infographics poster outlining the big rocks of our Strategic Plan. • The renovation of the ortho clinic is on schedule. • A group, including staff and physicians visited a Meditech site in Boston. Continue to evaluate potential EPIC options. A recommendation the board is expected in Q4 • Evaluation on an ASC continues. Currently refreshing past assumptions. Introduced new variables that require additional discovery. • Foundation Bylaw changes have been drafted. They will be vetted and referred to the Board. • There was a recent fiber line break. Our redundant systems worked well. • Express Care Open House at Sterling Drug went well with a good turnout from the community. • Senior housing groundbreaking took place on July 18. • The City/Hospital Governance Committee held their first meeting on July 17. • National trends: expenses outpacing revenues around the country. Models assume profitable medical centers will be underwater starting 2021. Moody's has downgraded the entire not-for-profit healthcare sector. <p><u>Operations</u></p> <ul style="list-style-type: none"> • Goof financial outcomes for June. Some one-time impacts included in the month of June. • A Premier productivity tool was introduced to the leadership team. It is the key to controlling our costs with data and business analytics. • Making significant progress with rebasing efforts. Calculated achievement to date: 3.1M. Current target: 3.75M. • NH+C was presented with a recognition plaque from LifeSource for our efforts in working with patients and 	Information only.	Closed.

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	<p>families on tissue and organ donations. The plaque is displayed in the fireplace are of the hospital.</p> <p><u>Policy</u></p> <ul style="list-style-type: none"> • A meeting is scheduled in early August, including other municipal CEOs to vet proposed legislative language related to PERA. 		
<ul style="list-style-type: none"> • Financial Report 	<p>Scott Edin reported on the May financials.</p> <p><u>June Key Drivers:</u></p> <ul style="list-style-type: none"> ✓ Birth were 23% over budget ✓ Endo procedures were 16% over budget ✓ Hospital days were 15% over budget ✓ Ambulance runs were 13% over budget ✓ Home Health visits were 11% over budget ✓ Inpatient days were 10% over budget <p><u>June Financial outcomes:</u></p> <ul style="list-style-type: none"> ✓ Net operating revenues were \$436K over budget ✓ Operating expenses were \$305K under budget ✓ Net operating Income was \$674K (\$741K over the budgeted income of \$67K) <p>Scott noted one-time deductions taken in June related to the Medicare low volume discount, ambulance Inter-governmental transfer adjustment, and reimbursement from workers comp claims. A decision was made to take all adjustment in one month vs. spreading them out.</p>	Information only.	Closed.
<ul style="list-style-type: none"> • Governance & Planning Oral Report 	<p>Charlie Mandile reported on the Governance & Planning Committee meeting that met earlier this evening. The committee:</p> <ul style="list-style-type: none"> • Received a compliance update from Laura Peterson. Laura will give regular compliance updates to the committee going forward. • Discussed the committee job description, and annual calendar of committee work. 	Information only.	Closed.
<p>8. Roundtable, Announcements and Questions</p>	<ul style="list-style-type: none"> • Board members who attended the MHA Summer Trustee Conference shared information about the sessions they attended. New board members had the opportunity to meet other interesting people from hospitals all over the state. A comment was made related to the conference not being 	Information only.	Closed.

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	<p>well attended by representative from other hospitals.</p> <ul style="list-style-type: none"> • CC Linstroth reminded the board of the discussion at the spring board retreat related a coalition for broadband access to ensure those in the community have the technology needed. It was suggested that the hospital work together with other businesses in the community. She would like to see us be a leader in moving this forward. With the aging population and the desire for people to receive services in different ways, it would improve the quality of life for many. The hospital and services was identified as a valuable resource in the community in the recent Northfield Age Friendly Survey. She would like to get behind bringing broadband into our community. 		
9. Closed Session	<p>The board took a short break before moving into Closed Session for the purpose of 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.</p>	<ul style="list-style-type: none"> • A motion to go into Closed Session was made by Charlie Kyte and seconded by Fred Rogers. Motion carried. • Michelle Muench, MD excused herself from the Closed Session due to a conflict of interest related to the discussion. 	Closed.
10. Adjourn	<p>The meeting was adjourned at 9:15 p.m.</p>	<p>A motion was made by CC Linstroth and seconded by Lynn Clayton to adjourn the meeting. Motion carried.</p>	Closed.

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