

MEETING MINUTES RECORD

Meeting: Board of Directors – **Virtual Meeting during COVID-19 Pandemic**

Date: July 30, 2020

Location: Virtual Meeting

Start time: 5:00 pm

Adjourn time: 6:55 pm

Members: Steve O’Neill, Lynn Clayton, CC Linstroth, Charlie Mandile, Pete Sandberg, Sarah Carlsen, Bob Shepley, MD

Members absent: Jessica Peterson White, Fred Rogers

Staff: Steve Underdahl, Jerry Ehn, Scott Edin, Tammy Hayes, Tom Holt, MD, Betsy Spethmann, Bobbi Jenkins (recorder)

Others: David Emery (LWV), Brad Ness (City Council Liaison), Mayor Rhonda Pownell, Sam Wilmes (Northfield News)

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 p.m.</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>Items on the consent agenda (included on the portal):</p> <ul style="list-style-type: none"> • Meeting minutes (approve) <ul style="list-style-type: none"> ✓ Board Meeting – 06/25/20 Meeting minutes (accept) <ul style="list-style-type: none"> ✓ Quality Community – 06/22/20 ✓ Budget & Finance Committee: 06/25/20 • Annual Review of Government Data Practices Act • Revision to Clinical Privilege Forms related to Water Births 	<p>A motion was made by Lynn Clayton and seconded by Sarah Carlsen to approve the consent and regular agenda as presented. Motion carried</p>	<p>Closed.</p>
<p>II. Introduction: Teresa Knoedler, FriedemannFirm</p>	<p>Steve Underdahl introduced new colleague, Teresa Knoedler. Teresa is an attorney at FriedemannFirm and is our new legal counsel of record. Teresa shared her background and experience. She will be presenting later in the agenda on NH+C compliance and ethics program.</p>	<p>Information only.</p>	<p>Closed.</p>
<p>III. Reports</p>			

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<ul style="list-style-type: none"> Hospital Chief of Staff Report 	Dr. Holt reported that the Medical Executive Committee continues to cope with the COVID-19 pandemic and how it impacts the work of the medical staff.	Information only.	Closed.																																																																																																					
1. Motion to Approve Applications for Medical Staff Membership/ Privileges	<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="386 472 933 1533"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr><td>2696</td><td>Emergency Medicine</td><td>Active</td></tr> <tr><td>3687</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3768</td><td>Emergency Medicine</td><td>Affiliate</td></tr> <tr><td>7216</td><td>Refer and Follow</td><td>Refer and Follow</td></tr> <tr><td>3691</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3771</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3682</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3963</td><td>Anesthesia</td><td>Active</td></tr> <tr><td>3941</td><td>Pediatrics</td><td>Active</td></tr> <tr><td>3864</td><td>Pathology</td><td>Active</td></tr> <tr><td>3683</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3686</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>7194</td><td>Ophthalmology</td><td>Active</td></tr> <tr><td>7245</td><td>Anesthesia</td><td>AH:I</td></tr> <tr><td>3684</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3236</td><td>Emergency Medicine/Internal Medicine</td><td>Active</td></tr> <tr><td>3873</td><td>Behavioral Health</td><td>AH:I</td></tr> <tr><td>3960</td><td>Telemedicine</td><td>Teleradiology</td></tr> </tbody> </table> <p><u>Provisional Status</u></p> <table border="1" data-bbox="386 1575 933 1921"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv.</th> <th>Ext.</th> </tr> </thead> <tbody> <tr><td>3991</td><td>CNM/Perinatology</td><td>X</td><td></td></tr> <tr><td>3998</td><td>Radiation Oncology</td><td></td><td>X</td></tr> <tr><td>3795</td><td>Urology</td><td>X</td><td></td></tr> <tr><td>4000</td><td>Radiation Oncology</td><td></td><td>X</td></tr> <tr><td>3988</td><td>Teleradiology</td><td>X</td><td></td></tr> <tr><td>3990</td><td>Teleradiology</td><td>X</td><td></td></tr> <tr><td>3986</td><td>Teleradiology</td><td>X</td><td></td></tr> <tr><td>4004</td><td>Internal Medicine</td><td>X</td><td></td></tr> <tr><td>3994</td><td>Anesthesia</td><td></td><td>X</td></tr> <tr><td>4002</td><td>Anesthesia</td><td>X</td><td></td></tr> </tbody> </table>	Prac #	Privilege	Category	2696	Emergency Medicine	Active	3687	Telemedicine	Teleradiology	3768	Emergency Medicine	Affiliate	7216	Refer and Follow	Refer and Follow	3691	Telemedicine	Teleradiology	3771	Telemedicine	Teleradiology	3682	Telemedicine	Teleradiology	3963	Anesthesia	Active	3941	Pediatrics	Active	3864	Pathology	Active	3683	Telemedicine	Teleradiology	3686	Telemedicine	Teleradiology	7194	Ophthalmology	Active	7245	Anesthesia	AH:I	3684	Telemedicine	Teleradiology	3236	Emergency Medicine/Internal Medicine	Active	3873	Behavioral Health	AH:I	3960	Telemedicine	Teleradiology	Prac #	Privilege	Adv.	Ext.	3991	CNM/Perinatology	X		3998	Radiation Oncology		X	3795	Urology	X		4000	Radiation Oncology		X	3988	Teleradiology	X		3990	Teleradiology	X		3986	Teleradiology	X		4004	Internal Medicine	X		3994	Anesthesia		X	4002	Anesthesia	X		A motion was made by Pete Sandberg and seconded by CC Linstroth to accept the recommendations from the Medical Executive Committee as presented. Motion carried.	Closed.
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	3997	Oncology	X			
IV. Presentations/ Discussion/ Action Items						
1. Annual Compliance & Ethics Program Report	<p>Teresa Knoedler, JD, Friedemann Firm, presented on NH+C annual compliance and ethics program. She has been working with Scott Edin, CFO, regarding the transition into the role of NH+C Compliance Officer in the absence of Laura Peterson. Teresa reviewed (slides included on the board portal):</p> <ol style="list-style-type: none"> 1. Compliance Plan, Policies and Code of Conduct <ul style="list-style-type: none"> ✓ No changes 2. Oversight <ul style="list-style-type: none"> ✓ Finance ✓ Coding ✓ Emergency Department ✓ Long Term Care ✓ Accounting ✓ Safety ✓ Patient Financial Service ✓ Information Security Officer ✓ Privacy Officer ✓ Human Resources ✓ Health Information Officer 3. Education and training, including who receives it, time frame and method 4. Reporting Mechanism and Response to Reports Hotline: No call or website submissions 5. Disciplinary Standards 6. Auditing and monitoring including 2019 internal audits – good results 7. Regulatory Changes <ul style="list-style-type: none"> ✓ Blanket Waivers 1135 ✓ Telemedicine ✓ HIPAA ✓ CARES Act ✓ Families First Act 8. Focus in 2020 <ul style="list-style-type: none"> ✓ Nimble and responsive (COVID-10) ✓ Compliance program management transition 				Information only.	Closed.
2. Sale of Faribault Property	Jerry Ehn, COO, presented a request to sell the former Faribault clinic (copy of slides included on the portal). The property has been on the market for over				A motion was made by Bob Shepley, MD	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>a year listed at \$209,000. NH+C purchased it in late 2016 for \$170,000. A purchase agreement was received for \$185,000 contingent on financing and final review by our legal. If approved, the next step is to take it to the City Council on September 1 for approval followed by closing sometime in September.</p>	<p>and seconded by Sarah Carlsen to:</p> <ul style="list-style-type: none"> ✓ Accept the purchase offer for \$185,000 for 1645 Lyndale Avenue NW, Suite #103 in Faribault, MN (pending legal review) ✓ Instruct NH+C administration to request a final sale approval to the Northfield City Council. <p>Motion carried.</p>	
<p>3. Medicare for All Discussion</p>	<p>Steve Underdahl alerted the board regarding local discussions he is having related to Mediate for All. Steve was approached by a local chapter advocating for Medicare for All. Initially, the conversation was about a request this group made to the City Council to consider passing a resolution to change the Medicare for All Bill. The City Council voiced interest in the view of NH+C. Steve has met a couple of times with this group, including some representatives from the Twin Cities area chapter, and shared with them that although he supports the basic idea of everyone being covered, he doesn't see anything in the current environment that would lend itself to massive reengineering of the economy. Steve shared that the unintended consequences are high. He did a quick analysis based on NH+C 2019 revenues. If we were paid at the Medicare rate, we would have lost \$50 million dollars last year. Steve agreed to continue dialogue with this group as we do not want to close the door on shared learnings, but also do not want political lobbying in legislation that has little chance of coming to fruition.</p>	<p>Information only. The board supported Steve having this conversation on behalf of NH+C.</p>	<p>Closed.</p>
<p>V. Strategic Discussion</p>			

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VI. Current State Revisited	<p>Steve Underdahl reported on NH+C current state, including a refresh of what was presented in February before COVID-19, in preparation for the October 2020 strategic planning retreat (copy of slides included in the packet).</p> <p>We continue to have the same challenges at least as acutely as they were before COVID-19. Markets continue to be disrupted, big payors believe they are really healthcare and we are the shop, and pressures on rural healthcare will continue to be a serious issue.</p> <p>Steps taken:</p> <ol style="list-style-type: none"> 1. Post COVID Team recommended priorities driven by the pandemic: <ul style="list-style-type: none"> ✓ Digital Health ✓ Safety / physical and psychological ✓ Access and service 2. Marketing data has been updated and analysis is underway 3. Administrative SWOT analysis was done, including a focus on four questions: <ul style="list-style-type: none"> ✓ What should our focus of practice be in the future (particularly in the hospital)? ✓ How do we leverage technology? Which patients' needs to be treated onsite, and which employee need to work on campus? ✓ How do we improve service and get to "Yes"? ✓ How do we protect our financial health? <p>Next Steps:</p> <ol style="list-style-type: none"> 1. SWOT analysis exercise for the Board (electronic survey – early August) 2. State of the State presented at the August Board meeting by Rahul Koranne, CEO, MHA 3. State of the Nation presented at the September Board meeting by the Advisory Board 4. Planning manuals will be sent out to the Board in August 5. Planning Retreat in October 	Information only.	Closed.
VII. Executive and Committee Reports			
• CEO Report	Steve Underdahl reported:	Information only.	Closed.

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	<p>✓ COVID-19: Hotspots continue to be problematic in the south and southwest. In Minnesota, some slight upticks are worth watching. Shared statistics as well as testing profiles.</p> <p><u>Operations</u></p> <p>✓ Hyperbaric wound program in progressing. The contract has been finalized and geographic exclusivity has been negotiated.</p> <p>✓ The Birth Center addition is on time and on budget.</p> <p>✓ Supply Chain has completed Two Bin implementation in all 28 departments. 19 of the 28 are fully automated, with more to come in the next three months.</p> <p>✓ Volumes continue to rebound.</p> <p>✓ New rolling budget process and related software are in development. This will have the potential to streamline the budgeting process and provide better concurrent management tools.</p> <p>✓ Faribault and Elko New Market property sales are pending.</p> <p>✓ Temporary salary reduction for administrators and director staff ended 7/18/20.</p> <p>✓ Additional CARES Act dollars have been received in both June and July.</p> <p><u>Policy</u></p> <p>✓ Continue to stay current with COVID policy waivers and related processes and requirements.</p> <p>✓ Participated in a meeting with Congresswoman Angie Craig regarding social determinants of health / COVID-19 / rural medicine.</p> <p>Comment made from the board regarding the impact COVID-19 may have on the community with the students returning to classes at both St. Olaf and Carleton colleges this fall. Steve Underdahl added that we are working with both colleges to better understand their processes and what they may need from us related to COVID-19. It was also noted that there is funding to cover the costs of COVID-19 care for the those who are uninsured.</p>		
<ul style="list-style-type: none"> Financial Report 	<p>Scott Edin presented the June financials (copy available on portal):</p>	<p>Information only.</p>	<p>Closed.</p>

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	<p><u>June Key Drivers:</u></p> <ul style="list-style-type: none"> • Births were on budget • Hospice visits were 36% over budget • Home Health visits were 16% over budget • Inpatient days were 17% under budget • Outpatient visits were 35% under budget • Clinic visits were 14% under budget • Emergency Department visits were 10% under budget • Surgery cases were 20% under budget • Endo procedures were 6% under budget • Rehab procedures were 46% below budget <p><u>June 2020 Financial Outcomes:</u></p> <ul style="list-style-type: none"> • Net Operating Revenues were \$813K under budget • Operating Expenses were \$471K under budget • Net Operating Loss was \$102K (\$342K under budget) <p><u>June 2020 Financial Notes:</u></p> <ul style="list-style-type: none"> • Recognized \$398K in other revenue from federal COVID grants which offset related expenses and loss of revenue • Net revenue down approx. \$250K per week. Decrease in allowance for bad debt, federal grants, salary and expense reductions and grant revenue reduced the overall operating loss. • Investment gains were \$567K for March <p>CARES Act grants were down in June. As of June 30, 2020, we have received just under \$8.2 million.</p> <p>Stocks continue to be profitable. Days cash on hand at the end of June was 263.</p> <p>Year-to-date 2020 capital expenditures:</p> <ul style="list-style-type: none"> ✓ Uncommitted strategic capital is \$2,110,000. There were no strategic expenses during the first two quarters. ✓ Strategic expenses committed in prior year is \$7,060.628 (birth center and Northfield clinic projects). ✓ Remaining prior year strategic expenses committed \$5,939,372 ✓ Uncommitted operating expenditures is \$3,050,596. 		

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<ul style="list-style-type: none"> Oral Report: Governance & Planning Committee 	<p>Steve O'Neil reported on the Governance & Planning Committee meeting on July 27:</p> <ul style="list-style-type: none"> ✓ Received a preview of the annual compliance report that was presented to the full board this evening. ✓ Reviewed the committee job description and made minor revisions. ✓ Discussed the temporary salary reduction implemented earlier this year for administrators and directors that ended on 07/18/20. <p>The committee made a recommendation to the full board regarding the CEO salary. While Steve Underdahl is able to reduce his salary, he is not authorized to reinstate his own salary. The committee discussed and felt strongly that his salary should be reinstated to the same as it was prior to the reduction. This requires full board approval.</p>	<p>Information only.</p> <p>A motion was made by Pete Sandberg and seconded by CC Linstroth to reinstate Steve Underdahl's salary to the level he was at before the 10% salary reduction earlier this year. Motion carried.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Board Quality Dashboard Report 	<p>Steve O'Neill reviewed the highlights of the second quarter Board Quality Dashboard, including patient experience scores and federal penalty and payment programs (copy available on portal). A request was made by the board to hear more in the future about the ACO measures and help give the board context to the numbers.</p>	<p>Information only.</p>	<p>Closed.</p>
<p>III. Roundtable, Announcements and Questions</p>	<p>MHA offers board education through web conferences. Board members were encouraged to look at the MHA website for the schedule. Anyone interested can contact Bobbi Jenkins to assist with registration. Sarah Carlsen is registered to attend an upcoming session titled "Leading a Quiet Revolution for Healing During a Pandemic".</p>	<p>Information only.</p>	<p>Closed.</p>
<p>IX. Pending Items</p>	<p>NA</p>	<p>NA</p>	<p>NA</p>
<p>X. Adjourn</p>	<p>The meeting was adjourned at 6.55 pm.</p>	<p>Information only.</p>	<p>Closed.</p>