



# MEETING MINUTES RECORD

Meeting: Board of Directors

Date: August 25, 2016      Location: Conference Center      Start time: 6:30 p.m.      Adjourn time: 8:00 p.m.

Members present: Virginia Kaczmarek, Charles Kyte, CC Linstroth, Charlie Mandile, Bob Murray, Steve O'Neill, Jonathan Reppe, James Schlichting

Members excused: Michelle Muench, MD

Members absent:

Staff Present: Steve Underdahl, Scott Edin, Jeff Meland, M.D., Jerry Ehn, Tammy Hayes, Vicki Stevens, Betsy Spethmann, Tom Richard, Bobbi Jenkins (recorder)

Others present: David Emery (LWV), Chris Rustad (MCHS), Tom Holt, MD (Medical Staff President)

| Issue/Problem                           | Discussion/Conclusions   | Action  | Follow-up/Resolution |
|---|--|---|----------------------|
| 1. Call to Order and Approval of Agenda | The meeting was called to order by James Schlichting at 6:30 p.m. James noted an addendum to the Board meeting minutes from the July 28 <sup>th</sup> under "Roundtable". A copy of the added language was distributed to the Board this evening. There were no requests to remove items from the Consent agenda.  | A motion was made by CC Linstroth and seconded by Jonathan Reppe to approve the agenda with the addition to the July Board meeting minutes. Motion carried. | Closed.              |
| 2. Spotlight Report- Analytics          | <p>Tom Richard, Director of Pricing, Payor and Contracts and Reimbursement, Management reviewed Revenue Cycle Initiatives including:</p> <ul style="list-style-type: none"> <li>• A Chargemaster Committee was established in June, 2015 to assist managers and the hospital in the maintenance of Northfield's chargemaster.</li> <li>• "Rycan Revenue Cycle Solutions" was implemented in the 4<sup>th</sup> qtr. 2015.               <ul style="list-style-type: none"> <li>✓ Contract Management – ensures correct payment from payers</li> <li>✓ Denial Management – helps identify, track and appeal denials</li> <li>✓ Patient Liability Estimator – allows Northfield Hospital to provide potential patients with accurate estimates of out of pocket costs.</li> </ul> </li> <li>• Establishment of Pricing Council in April 2016, to help set pricing guidelines for the organization.</li> <li>• Implementation of Craneware Revenue Integrity in July-Sept 2016</li> </ul> | Information only.   | Closed.              |

| Issue/Problem   | Discussion/Conclusions  | Action       | Follow-up/Resolution |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
|---|---|--------------|----------------------|----------|------|---------------|------|------|--------|-----------|------|---------------|--------------|------|--------------------|------|------|---------------|------|--------|-----------|----------|------|-----------|-----------|------|-----------------|--------|------|----------|----------|------|-----------------|--------|------|-------------------------------|--------|------|------|------|---|---------|
|   | <ul style="list-style-type: none"> <li>✓ Online Reference Toolkit – helps ensure chargemaster is in compliance</li> <li>✓ Chargemaster Toolkit – assists in the overall maintenance and compliance of chargemaster</li> <li>✓ Supplies Toolkit – identifies the correct coding for patient supply charges</li> </ul> <p>The annual cost to maintain the chargemaster is approximately \$40,000. The hospital generates \$180 million in charges. Craneware will assist in ensuring billing is compliant and captures all charges earned. This will become more important each year as our governmental payers increase faster than our non-governmental payers. Governmental payers currently reimburse Northfield Hospital 28% of charges while non-governmental payers reimburse at 60% of charges.</p>   |              |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3. Reports  |   |              |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| <ul style="list-style-type: none"> <li>• Hospital Chief of Staff Report</li> </ul>  | No report   | N/A          | N/A                  |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| <ul style="list-style-type: none"> <li>• Motion to Approve Applications for Medical Staff Membership/ Privileges</li> </ul> | <p>Medical staff files were presented for approval:</p> <p style="text-align: center;"><u>Appointments</u></p> <table border="1" data-bbox="386 1108 938 1413"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3874</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3793</td> <td>OB/GYN</td> <td>Affiliate</td> </tr> <tr> <td>3879</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3871</td> <td>Nurse Practitioner</td> <td>AH:I</td> </tr> <tr> <td>3876</td> <td>Mental Health</td> <td>AH:I</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="1" data-bbox="386 1455 938 1854"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3261</td> <td>Pathology</td> <td>Affiliate</td> </tr> <tr> <td>3769</td> <td>General Surgery</td> <td>Active</td> </tr> <tr> <td>3586</td> <td>H&amp;P Only</td> <td>H&amp;P Only</td> </tr> <tr> <td>2716</td> <td>Family Medicine</td> <td>Active</td> </tr> <tr> <td>3772</td> <td>Family Med/Emergency Medicine</td> <td>Active</td> </tr> <tr> <td>3254</td> <td>CRNA</td> <td>AH:I</td> </tr> </tbody> </table> | Prac #       | Privilege            | Category | 3874 | Mental Health | AH:I | 3793 | OB/GYN | Affiliate | 3879 | Teleradiology | Telemedicine | 3871 | Nurse Practitioner | AH:I | 3876 | Mental Health | AH:I | Prac # | Privilege | Category | 3261 | Pathology | Affiliate | 3769 | General Surgery | Active | 3586 | H&P Only | H&P Only | 2716 | Family Medicine | Active | 3772 | Family Med/Emergency Medicine | Active | 3254 | CRNA | AH:I | <p>A motion was made by CC Linstroth and seconded by Steve O’Neill to approve the appointments, reappointments and advancement from provisional status as recommended by the Credentials Committee and the Medical Executive Committee. Motion carried.</p> | Closed. |
| Prac #  | Privilege   | Category     |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3874  | Mental Health   | AH:I         |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3793  | OB/GYN  | Affiliate    |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3879  | Teleradiology   | Telemedicine |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3871  | Nurse Practitioner  | AH:I         |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3876  | Mental Health   | AH:I         |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| Prac #  | Privilege   | Category     |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3261  | Pathology   | Affiliate    |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3769  | General Surgery   | Active       |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3586  | H&P Only  | H&P Only     |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 2716  | Family Medicine   | Active       |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3772  | Family Med/Emergency Medicine   | Active       |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |
| 3254  | CRNA  | AH:I         |                      |          |      |               |      |      |        |           |      |               |              |      |                    |      |      |               |      |        |           |          |      |           |           |      |                 |        |      |          |          |      |                 |        |      |                               |        |      |      |      |   |         |

| Issue/Problem   | Discussion/Conclusions   | Action            | Follow-up/Resolution |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
|---|--|-------------------|----------------------|------|------|------|--------|---|--|------|-----------------|---|--|------|--------|---|--|--------|-----------|----------|------|-------------------|-----------|------|-------------------|-----------|------|---------------|--------------|--|--|
|   | <p style="text-align: center;"><u>Provisional Status</u></p> <table border="1" data-bbox="386 184 938 401"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv.</th> <th>Ext.</th> </tr> </thead> <tbody> <tr> <td>3789</td> <td>OB/GYN</td> <td>X</td> <td></td> </tr> <tr> <td>3785</td> <td>Family Medicine</td> <td>X</td> <td></td> </tr> <tr> <td>3798</td> <td>OB/GYN</td> <td>X</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;"><u>No Action Required</u></p> <table border="1" data-bbox="386 443 938 674"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3703</td> <td>IM/<br/>Cardiology</td> <td>Affiliate</td> </tr> <tr> <td>3690</td> <td>IM/<br/>Cardiology</td> <td>Affiliate</td> </tr> <tr> <td>3800</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> </tbody> </table> | Prac #            | Privilege            | Adv. | Ext. | 3789 | OB/GYN | X |  | 3785 | Family Medicine | X |  | 3798 | OB/GYN | X |  | Prac # | Privilege | Category | 3703 | IM/<br>Cardiology | Affiliate | 3690 | IM/<br>Cardiology | Affiliate | 3800 | Teleradiology | Telemedicine |  |  |
| Prac #  | Privilege  | Adv.              | Ext.                 |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3789  | OB/GYN   | X                 |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3785  | Family Medicine  | X                 |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3798  | OB/GYN   | X                 |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| Prac #  | Privilege  | Category          |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3703  | IM/<br>Cardiology  | Affiliate         |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3690  | IM/<br>Cardiology  | Affiliate         |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| 3800  | Teleradiology  | Telemedicine      |                      |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| <ul style="list-style-type: none"> <li>CMO Report</li> </ul>                                  | <p>Dr. Meland reported that the Hospitalist Program is officially starting on September 1<sup>st</sup>. Trial rounding has been done and went very well. Some of the advantages of having hospitalists is standardized practices and maintaining continuity. He shared two recent patient stories with excellent outcomes; both due to our excellent staff who were able to quickly diagnose and get the care needed. Once the program is up and running, we will be able to care for higher acuity patients here.</p> <p>Steve Underdahl added that an enormous amount of energy was put into getting this program up and running. He commended Dr. Meland and all the physicians participating in this service for working so hard to implement.</p>   | Information only. | Closed.              |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| <ul style="list-style-type: none"> <li>FamilyHealth Clinic Medical Director Report</li> </ul> | No report.   | N/A               | N/A                  |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| <ul style="list-style-type: none"> <li>Allina Clinic Medical Director Report</li> </ul>       | No report.   | N/A               | N/A                  |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| <ul style="list-style-type: none"> <li>Mayo Report</li> </ul>                                 | No report.   | N/A               | N/A                  |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |
| <ul style="list-style-type: none"> <li>City Business Update</li> </ul>                        | No report.   | N/A               | N/A                  |      |      |      |        |   |  |      |                 |   |  |      |        |   |  |        |           |          |      |                   |           |      |                   |           |      |               |              |  |  |

| Issue/Problem   | Discussion/Conclusions   | Action            | Follow-up/Resolution |
|---|--|-------------------|----------------------|
| <ul style="list-style-type: none"> <li>• CFO Report</li> <li>✓ July Financials</li> </ul> | <p>July gross patient revenues were \$928,000 over-budget, while deductions from revenue were \$839,000 under budget. Operating expenses were \$73,000 under-budget. Operating income was \$105,000 vs. a budget of \$219,000 (year-to-date: 3.5% operating margin vs. 0.00% budgeted).</p> <p>Key positive and negative volumes for July were reviewed, as well as day's cash on hand, payer mix and salary and benefits as % of net revenues.</p> <p>Scott Edin noted that we were below budget due to surgeon vacations' however, we managed expenses well and ended the month positive.</p> <p>We have also implemented a daily position report to help administration track revenues to easily see if we are online with budget, and if not it allows time to react.</p>  | Information only. | Closed.              |
| <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>• Showed examples of strategic, operational, quality and patient satisfaction dashboards. It is anticipated that eventually, this type of information will be available on a Board portal for Board members to access. Administration is working on tools for management to diagnose and drill down, which we were not able to do previously.</li> <li>• Ambulatory Survey Center (ASC) planning / real estate is moving forward.</li> <li>• Awaiting information from urgent care vendor.</li> <li>• Jerry Ehn will present later this evening on expense reduction efforts in which we are exceeding targets.</li> <li>• First commercial is now airing on Cable TV and in movie theaters.</li> <li>• The spotlight report for next month will be on Patient Satisfaction.</li> </ul> <p><u>Operations</u></p> <ul style="list-style-type: none"> <li>• Administration is revisiting the clinic committee and management structures.</li> <li>• Value Based Purchasing: We are now being rewarded for 2015</li> </ul> | Information only. | Closed.              |

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|---|---|---|----------------------|
|   | <p>performance. 2.0% was withheld and we earned back 4.05%.</p> <ul style="list-style-type: none"> <li>The Long Term Care Center was recently surveyed by the Minnesota Department of Health (MDH). We received a letter from MDH informing us that we are in full compliance.</li> <li>Shared pictures of the new surgical washers/sterilizers and TV's that the Board recently approved and are now in place.</li> <li>Thanked the Mayor, City Council and staff for all their help with refinancing the hospital's revenue bonds.</li> </ul>   |   |                      |
| <ul style="list-style-type: none"> <li>Community Relations Committee</li> </ul> | <p>Steve O'Neill reported on discussion at the Community Relations Committee meeting earlier this evening:</p> <ul style="list-style-type: none"> <li>Approved meeting minutes from their last committee meeting.</li> <li>Reviewed and will recommend to the full Board approval to move forward with years two and three of the City's request for donation for Northfield School District Community Services Division Recreation Program. A formal recommendation will come to the Board in September.</li> <li>Reviewed and will recommend to the full Board a grant request from Northfield Public Schools for approximately \$15,000 for wrist-wearable heart rate monitors for students. A formal recommendation will come to the Board in September.</li> <li>Reviewed processes and rationale for grant requests.</li> </ul> | Information only.   | Closed.              |
| 4. Consent Agenda   | <p>Supporting documentation was included in the packets for items on the Consent agenda:</p> <p>Meeting Minutes:</p> <ul style="list-style-type: none"> <li>07/28/16 Board Meeting</li> <li>07/28/16 Governance &amp; Planning Committee</li> <li>06/30/16 Budget &amp; Finance Committee</li> </ul>  | A motion was made by CC Linstroth and seconded by Jonathan Reppe to approve the meeting minutes from the 07/28/16 Board meeting with the addition presented earlier in the meeting, and accept the meeting minutes from the committee meetings. | Closed.              |

| Issue/Problem   | Discussion/Conclusions   | Action            | Follow-up/Resolution |
|---|--|-------------------|----------------------|
| 5. Presentations/<br>Discussion/<br>Action Items                              |  |                   |                      |
| <ul style="list-style-type: none"> <li>Human Resources Update</li> </ul>      | <p>Vicki Stevens, Human Resources Executive / Clinical Operations Administrator, updated the Board on the new applicant tracking system (ATS), merit based pay transition, and newly implemented performance behaviors.</p> <p><u>Applicant Tracking System</u></p> <p>The ATS is a streamlined process for leaders, with many advantages including customized templates, easier application process for candidates, pre-screening questions built into the application, view applications in real time, ability to run reports, etc.</p> <p><u>Merit-Based Transition</u></p> <p>Transition for all job classifications will be one by the end of 2016. Annual performance reviews for all staff will take place annually beginning in April 2017. The rating scales have changed from three to five categories.</p> <p><u>Performance Behaviors</u></p> <p>Performance behaviors have been adopted. The next steps are:</p> <ul style="list-style-type: none"> <li>Finalize the new performance assessment.</li> <li>Educate leaders and staff.</li> <li>Share behavior expectations.</li> </ul> | Information only. | Closed.              |
| <ul style="list-style-type: none"> <li>Nursing Patient Care Update</li> </ul> | <p>Tammy Hayes, CNE / Hospital and Long Term Care Administrator reported on Music and Memory Program in the Long Term Care Center, an update on the RN Clinical Ladder Program and Patient Safety Excellence Award received from MHA.</p> <p><u>Music &amp; Memory</u></p> <p>Long Term Care staff have received training in a music and memory program and will roll out the program to residents in the near future. Residents/families will be able to choose the music they want to listen to and will receive an iPod with the music loaded. The benefits include giving pleasure to persons with advanced dementia; offers an enjoyable, fulfilling activity for persons who are bed-bound; increase cooperation and attention and reduce resistance to care; reduces agitation and sun-downing; enhanced</p>  |                   |                      |

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|--|--|--|----------------------|
|  | <p>engagement and socializing; fostering a calmer social environment; and provides a valuable tool for the effort to reduce reliance on anti-psychotic and anti-anxiety medication.</p> <p><u>RN Clinical Ladder</u></p> <ul style="list-style-type: none"> <li>• 15 RNs submitted promotion packets in July.</li> <li>• All 15 RNs met the criteria for promotion to RN II</li> <li>• At this time, there are 10 promotion applications for October RN II.</li> <li>• Shared examples of projects they are working on.</li> </ul> <p><u>Patient Safety Excellence Award</u><br/>Received from MHA for our outstanding performance in the Partnership for Patient Campaign. We achieved the benchmark on six or more topics, in addition to leadership criteria and patient and family engagement. We were one of 16 hospitals being recognized.</p> |  |                      |
| <ul style="list-style-type: none"> <li>• Expense Reduction Report</li> </ul> | <p>Jerry Ehn, COO, reported on the work of the Expense Reduction Committee. The initial challenge from the CEO was made on October 1, 2015 to find \$1 million in ongoing cost reduction/net income over 12 months. To date, the team has identified 100 opportunities to reduce costs or increase revenue. 36 of these opportunities will have an impact of \$1.84 million in 2017. The team set a new goal of \$2 million and will continue to explore and identify other opportunities.</p>   | Information only.  | Closed.              |
| 6. Roundtable, Announcements and Questions                                   | N/A  | N/A  | N/A                  |
| 7. Pending Items   | N/A  | N/A  | N/A                  |
| 8. Complete Board Evaluation Form  | Board members were asked to complete the meeting evaluation form and return to Bobbi Jenkins.  | Information only.  | Closed.              |
| 9. Adjourn   | The meeting was adjourned at 8:00 p.m.   | A motion was made by Charlie Mandile and seconded by Steve O'Neill to adjourn the meeting at 8:00 p.m. Motion carried. | Closed.              |