

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: August 30, 2018 Location: Conference Center Start time: 6:30 pm Adjourn time: 9:25 pm

Members present: Lynn Clayton, Charlie Kyte, CC Linstroth, Charlie Mandile, Michelle Muench, Steve O' Neill, Rhonda Pownell, Fred Rogers

Members excused: Pete Sandberg

Members absent:

Staff Present: Steve Underdahl, Jeff Meland, MD, Randy Reister, MD, Tammy Hayes, Laura Peterson, Betsy Spethmann, Bobbi Jenkins (Recorder)

Others present: David Emery (LWV)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
1. Call to Order and Approval of the Agenda	<p>The meeting was called to order by Charlie Mandile at 6:35 p.m. The agenda was amended to include a report from Fred Rogers on the Land Use Plan for the Northfield Northwest Area under "Executive and Committee Reports".</p> <p>Charlie Mandile commented that at the last Board meeting there was discussion about the CEO Evaluation policy. The Governance & Planning Committee is meeting next week to discuss and will bring back a final recommendation at the September Board meeting.</p>	<p>A motion was made by CC Linstroth and seconded by Steve O' Neill to approve the amended agenda. Motion carried.</p>	<p>Closed.</p>
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 Approved: <ul style="list-style-type: none"> • 07/26/18 Board Meeting 2. Meeting Minutes Accepted: <ul style="list-style-type: none"> • 07/18/18 Special Governance & Planning Committee • 07/26/18 Governance & Planning Committee 3. Revision to Northfield Hospital Foundation Bylaws <p>Charlie Mandile commented that it was an oversight not to use the two-step approval process for the Northfield Hospital Foundation Bylaws. The Bylaws were mentioned in the CEO report in July, but the Board did not have a chance to review a draft at that time.</p>	<p>A motion was made by CC Linstroth to remove the Northfield Hospital Foundation Bylaws from the Consent agenda and move to the regular agenda to discuss.</p> <p>A motion was made by Fred Rogers and seconded by Lynn Clayton to approve the Consent Agenda with the Northfield Hospital Foundation Bylaws removed as requested.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> • Northfield Hospital Foundation Bylaws 	<p>There was a question related to the minimum number of NH+C Board members on the Hospital Foundation Board, and whether ex-officio board members can vote. Laura Peterson confirmed that there will always be a minimum of three Foundation Board</p>	<p>Information only.</p>	<p>Bring back in September for final approval by the Board.</p>

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	<p>Members, and ex-officio members are voting members. It was suggested that wording be added stating that ex-officio members can vote, as traditionally the term "ex-officio" refers to non-voting members. It was noted, however, that the Bylaws indicate "All Directors shall have equal rights and duties in all matters", so no further clarification is required.</p> <p>It was also noted that changes were intended to make it easier to get the Foundation Board up and running, and not to have to rely on board members to serve on the Foundation Board if they are not inclined to do so.</p>		
4. Reports			
<ul style="list-style-type: none"> Hospital Chief of Staff Report 	<p>Dr. Randy Reister inquired whether there is specific information the board would like to hear from the Chief of Staff? Charlie Mandile mentioned that he attends the Medical Executive Committee on a quarterly basis and suggested that information be shared with the board related to committee discussions, approvals, etc. It was also suggested that on an annual basis, the board receive a review of the medical staff credentialing process so they can see how the information is vetted and processed before files come to the board for approval.</p> <p>There was a comment about board member / staff interactions. It was noted that there are employee events throughout the year where board members are welcome to attend, and it is appreciated by staff. Board members can also request more information about specific departments / areas at any time. Having a physician on the board is also an avenue for sharing comments and ideas from staff members with the board. Steve Underdahl holds regular "Breakfast with the CEO" sessions with 10-12 staff members invited. There may be an opportunity for board members to attend, listen, meet staff, and get a sense of what they are thinking about. It was noted that staff have different comfort levels regarding leadership interactions. There was caution noted regarding how much board interaction is appropriate.</p>	Steve Underdahl will think about options for staff/board interactions in the future.	Closed.

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✓ Motion to Approve Applications for Medical Staff Membership/ Privileges	<p>Dr. Reister 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="386 325 930 541"> <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="386 583 930 1581"> <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> <tr> <td>3684</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3236</td> <td>IM/EM</td> <td>Active</td> </tr> <tr> <td>3237</td> <td>Orthopedics</td> <td>Active</td> </tr> <tr> <td>3873</td> <td>Mental Health</td> <td>AH:I</td> </tr> </tbody> </table> <p><u>Provisional Status</u></p> <table border="1" data-bbox="386 1623 930 1749"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Adv</u></th> <th><u>Ext</u></th> </tr> </thead> <tbody> <tr> <td>3922</td> <td>Mental Health</td> <td>X</td> <td></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	3684	Teleradiology	Telemedicine	3236	IM/EM	Active	3237	Orthopedics	Active	3873	Mental Health	AH:I	<u>Prac #</u>	<u>Privilege</u>	<u>Adv</u>	<u>Ext</u>	3922	Mental Health	X		<p>A motion was made by Lynn Clayton and seconded by Steve O'Neill to accept the recommendations from the Medical Executive Committee on the appointments, reappointments and advancement and extension of provisional status. Motion carried.</p> <p>Consider having a few board members attend a future Credentials Committee meeting to learn more about the credentialing process.</p>	<p>Closed.</p>
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	<p>No Action Required</p> <p><u>Voluntary Resignations</u></p> <table border="1" data-bbox="386 220 927 487"> <thead> <tr> <th data-bbox="386 220 516 304"><u>Prac #</u></th> <th data-bbox="516 220 732 304"><u>Privilege</u></th> <th data-bbox="732 220 927 304"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="386 304 516 445">3154</td> <td data-bbox="516 304 732 445">Oral & Maxillofacial Surgery Assistant</td> <td data-bbox="732 304 927 445">AH:D</td> </tr> <tr> <td data-bbox="386 445 516 487">3876</td> <td data-bbox="516 445 732 487">Mental Health</td> <td data-bbox="732 445 927 487">AH:I</td> </tr> </tbody> </table>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3154	Oral & Maxillofacial Surgery Assistant	AH:D	3876	Mental Health	AH:I		
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<ul style="list-style-type: none"> CMO Report 	<p>Dr. Jeff Meland reported that he tries to give the board information in his monthly reports so they are never taken by surprise, as well as offer information needed to help them make decisions. He welcomed board members to meet with him any time.</p> <p>The Minnesota Hospital Association is preparing a provider survey related to provider burnout. The last survey, NH+C providers scored higher than both the state and national averages. This year the survey will be couched with information about what NH+C has done to improve processes and help make their work life better.</p>	Information only.	Closed.									
5. Presentations/ Discussion/ Action Items												
<ul style="list-style-type: none"> ENT Sinus Navigation System- First Look 	<p>Tammy Hayes presented the "first look" at a sinus navigation system used in surgery, and provides 3D modeling to increase the visualization of the patient's anatomy and pathology. It also allows the ENT surgeon to perform more complex cases.</p> <p>We currently rent this piece of equipment, and year-to-date have spent \$81,000 in rental fees (32 surgeries). An evaluation was done, and showed that purchasing this system is more cost effective than renting the system. The cost of the system is \$155,424, minus a portion of the rental fees. This item was not included in the capital budget so it will come from the contingency budget.</p> <p>There was discussion about the life expectancy of this equipment, which is anticipated to be about five years. A cost analysis/ROI was requested. Currently only one surgeon utilizes this equipment; however, it is the standard of care and could be used by ENT surgeons.</p>	Bring back next month for final approval, and include an ROI.	Open.									

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<ul style="list-style-type: none"> Nursing Patient Care Update: LTCC Quality 	<p>Tammy Hayes presented the Long Term Care Center Star Rating (5 stars out of 5) from the Center of Medicare and Medicaid. The two Minnesota Department of Health satisfaction surveys in 2017: Quality of Life survey was above the state average; 2017 Family Satisfaction survey was also above state average. There were no trends in the infection rates. We received 4 stars for SNF annual hospitalization within 30 days after admission. The Quality of Resident Care scores were about half above the national average and half below. An area of focus is urinary catheters. The nursing home had their annual Health Inspection recently with two minor deficiencies, which is well below the state and national averages. There were no Medicare penalties/payment denials. Staffing hours per resident day is higher than the national and state average in nursing assistant, lower in LPNs, and lower than the national average and higher than the state average in RNs. Tammy commented on the difficulty of recruiting LPNs to staff the nursing home. This is a state-wide issue, and not only in nursing homes.</p> <p>Tammy responded to questions related to comparing our nursing home against other state and national nursing homes, which includes all private and public nursing homes. This information is available to the public. The Board was encouraged to look at this information online. The board voiced interest in a matrix of our top competitors, and how we compare to them.</p>	<p>Share information on how we compare to other nursing homes at a future meeting.</p>	<p>Closed.</p>
<p>6. Executive and Committee Reports</p>			
<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl reported on the following: <u>Strategic:</u></p> <ul style="list-style-type: none"> Vetting of an EHR continues. A meeting was held with colleagues from Sanford Health regarding EPIC Community Connect. The EHR team will be visiting a similar size hospital currently using the upgraded Meditech platform. An EHR recommendation is expected to 	<p>Information only.</p>	<p>Closed.</p>

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	<p>come to the board in the fourth quarter.</p> <ul style="list-style-type: none"> • Ortho services work continues. More information to report in September. • The facilities master plan was revisited related to clinic and OB space to help determine how much capital we can spend on improvements. A detailed report is expected in September. • Engaging our IT colleagues regarding the cyber security dimension of our enterprise risk management plan. • Customer-facing technology assessment is underway. The focus is about making healthcare easy and accessible with technology. <p><u>Operations:</u></p> <ul style="list-style-type: none"> • The rehab clinical remodel is nearly complete, and the parking lot has been resurfaced. • July volumes and financials were better than planned. • Senior care construction is moving forward and on schedule. • Value Based Purchasing: Once again, we will be rewarded for a total performance score (50.00) well above the national average (38.09). This means we will be reimbursed at a higher rate on all Medicare inpatient discharges in fiscal year 2019. • Express Care volumes are lower than budget. Have seen an increase since the road work on Division Street is done. <p><u>Policy:</u></p> <ul style="list-style-type: none"> • Met with CEOs from other municipal facilities regarding PERA. Writing a "white paper" and will be reviewing with a broader audience in September. • The City/Hospital Governance Work Team has met twice. The group is facilitated by David Koenig. The work schedule is expected to be completed by year-end, but will go longer if needed. 		
<ul style="list-style-type: none"> • Financial Report 	<p>Steve Underdahl reported on the July financials in Scott Edin's absence:</p> <p><u>July Key Drivers:</u></p> <ul style="list-style-type: none"> ✓ Endo procedures were 42% over budget 	<p>Revise future financial reports based on feedback from the board and the Budget & Finance Committee.</p>	<p>Closed.</p>

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	<ul style="list-style-type: none"> ✓ Home health visits were 18% over budget ✓ Hospice days were 17% over budget ✓ Inpatient days were 7% over budget ✓ Clinic work RVUs were 7% over budget ✓ Surgery cases were 13% below budget <p><u>July Financial outcomes:</u></p> <ul style="list-style-type: none"> ✓ Net operating revenues were \$197K over budget ✓ Operating expenses were \$72K under budget ✓ Net operating Income was \$58K (\$269K better than the budgeted loss of \$327K) <p>August appears to be a good month as well.</p> <p>Discussion/questions/comments:</p> <ul style="list-style-type: none"> • How many days cash on hand do we need to maintain and remain financially healthy? Do we have a policy / guideline on this? Steve Underdahl talked about the 200-day general standard. • Consider streamlining the monthly financial report for the full board, and give a more detailed report two – four times a year. • Would like to see the capital equipment budget more regularly vs once a year when approved. • The payor mix slide can be confusing. There is a lot of information buried in it. Like to know what percentage of the type of patients in each category, and the distribution of services per payor. What would this graph look like if we used patients vs dollars, and possibly 12-month rolling vs one month at a glance? Consider having the Budget & Finance Committee explore further, and discuss at the annual board planning retreat. 		
<ul style="list-style-type: none"> • Strategic Discussion Now/Near/Far Method 	<p>Steve Underdahl reviewed a potential organizing framework “Now / Near / Far”. The issue is how do we provide the time, talent and treasure to address our current needs, our near terms goals, and our long-term position? And, how do we do these things all at once? Steve reviewed a Ford Motor Company case study that ended with the implementation of a</p>	Information only.	Closed.

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	<p>framework for strategy and operations described as Now / Near / Far.</p> <p><u>Now</u>: What we need to keep doing to survive, or what do we need to fix because it is broken?</p> <p><u>Near</u>: What do we need to prepare to do in the very near future?</p> <p><u>Far</u>: How do we position ourselves to be sustainable in the long-term?</p> <p>A thought to consider: Begin to be purposeful about the Now / Near / Far strategies and tactics, differentiate our current strategic and tactical work into these categories, and develop a work team both at the governance level, and at a management level, focused on far, and the bridge between where we are and where we think we need to go.</p> <p>Feedback from the board:</p> <ul style="list-style-type: none"> • Greatly appreciated this information for the board to think about. • Provides good background for strategic planning. • Will be a way to organize our conversations, what we are doing, and where we need to spend more energy. • As we think about the future, we need to create a safe place to brainstorm and exchange ideas. • Things we do now and near should be rationally connected to far. 		
<ul style="list-style-type: none"> • Community Relations Committee Oral Report 	<p>CC Linstroth distributed a flyer that was shared with the Community Relations Committee this evening on a Health Care Cost Listening Session on September 7th at 10:00 am at Laura Baker Center. The meeting is part of a series of meetings that Senator Tina Smith's staff are conducting across the state to bring Minnesota perspectives on health care costs to Washington D.C. Board members were encouraged to attend.</p> <p>The committee also worked on revising their job description, and developing an annual calendar to help inform the board of their activities. They plan to finalize both documents at their meeting in November prior to sharing with the full board.</p>	Information only.	Closed.

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<ul style="list-style-type: none"> Land Use Plan for the Northfield Area Process Advisory Committee 	<p>Fred Rogers presented information on the Northwest Area Process Advisory Committee that he served on behalf of the NH+C board. The committee was tasked with providing recommendations on a process forward with consulting services to the City Council. They were not tasked with defining land use.</p> <p>Objectives:</p> <ul style="list-style-type: none"> Increase tax base and new growth plan, and Future goals for the Northwest Area <p>Fred reviewed background information and a map of the area. He also reviewed the committee's thoughts:</p> <ul style="list-style-type: none"> Memo to City Council with learnings from this review and discussion City focus should be on workforce development and affordable housing to enable economic development and investment of new jobs Staff recommendation to narrow scope initially: <ul style="list-style-type: none"> Staff recommends narrowing the scope to 2 property owners (St. Olaf and Sorem) 80 acres to the west (industrial /commercial) <p>Fred shared a list of what he sees as the hospital perspectives:</p> <ul style="list-style-type: none"> What would add value and market sustainability for the hospital? What would be compatible and help develop the "neighborhood"? What would be acceptable, but may be difficult? What would be a "show stopper" to be fought? <p>Next Steps:</p> <ul style="list-style-type: none"> Meeting(s) with St. Olaf and the City of Northfield to develop ideas and possibilities? (staff) Discussion of options with St. Olaf and Hospital boards. Discussion of options with City Boards: <ul style="list-style-type: none"> Planning Commission EDA City Council ? <p>Question to the Board: Is there interest in pursuing these discussions to see what would happen with this parcel of land?</p>	<p>The board was supportive of NH+C leadership getting involved in these discussions.</p>	<p>Continue to keep the board updated on progress.</p>

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7. Roundtable, Announcements and Questions	None.	N/A	N/A
8. Pending Items	None	N/A	N/A
9. Adjourn	The meeting was adjourned at 9:35 p.m.	A motion was made by Charlie Kyte and seconded by Lynn Clayton to adjourn the meeting at 9:25 pm. Motion carried.	Closed.