

MEETING MINUTES RECORD

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

Date: September 24, 2020 Location: Virtual Meeting Start time: 5:00 pm Adjourn time: 6:50 pm

Members: Steve O’Neill, Lynn Clayton, CC Linstroth, Charlie Mandile, Pete Sandberg, Sarah Carlsen, Jessica Peterson White, Fred Rogers

Members absent: Bob Shepley, MD

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

Others: Brad Ness (City), David Emery (LWV), David Willis (Advisory Board)

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 pm</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 – 08/27/20 • Meeting minutes (accept) <ul style="list-style-type: none"> ✓ Community Relations Committee – 08/27/20 • Annual Review of Quality & Performance Improvement Policy and Plan • Revision to the Medical Staff Certification Policy • Revision to the Family Medicine Core Privileges 	<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. Reports</p>			
<p>1. Employment Lawsuit</p>	<p>Steve Underdahl acknowledged that we received a notice about an employee lawsuit this week that had presence in the local newspaper. We will file our response in the near future. We believe that this case is without merit and we will be defending ourselves. As tempting as it is publicly to respond, out of respect for the legal process and people involved, we will not be drawn into litigating this in the media.</p>	<p>Continue to keep the board updated.</p>	<p>Closed.</p>

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	Our endoscopy services are safe and professional contrary to the insinuation in this complaint. There is a procedure in place to respond to anyone with questions about their past services or future services.																																																																														
2. Hospital Chief of Staff Report	There were no items to bring to the board from the med 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="378 573 933 1392"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr><td>3966</td><td>Teleradiology</td><td>Telemedicine</td></tr> <tr><td>3965</td><td>Teleradiology</td><td>Telemedicine</td></tr> <tr><td>7402</td><td>Emergency Medicine</td><td>Active</td></tr> <tr><td>3875</td><td>Anesthesia</td><td>AH:I</td></tr> <tr><td>7234</td><td>Telemedicine</td><td>Teleradiology</td></tr> <tr><td>3890</td><td>Internal Medicine</td><td>Affiliate</td></tr> <tr><td>7338</td><td>Family Medicine</td><td>Active</td></tr> <tr><td>2740</td><td>Pediatrics</td><td>Active</td></tr> <tr><td>3735</td><td>Teleradiology</td><td>Telemedicine</td></tr> <tr><td>3881</td><td>Anesthesia</td><td>AH:I</td></tr> <tr><td>3892</td><td>Neonatology</td><td>AH:I</td></tr> <tr><td>2621</td><td>Anesthesia</td><td>AH:I</td></tr> <tr><td>3698</td><td>Emergency Medicine</td><td>Active</td></tr> <tr><td>3967</td><td>Teleradiology</td><td>Telemedicine</td></tr> </tbody> </table> <p><u>Provisional Status</u></p> <table border="1" data-bbox="378 1434 933 1564"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv.</th> <th>Ext.</th> </tr> </thead> <tbody> <tr><td>4001</td><td>General Surgery</td><td>X</td><td></td></tr> <tr><td>4005</td><td>Family Medicine</td><td>X</td><td></td></tr> <tr><td>4003</td><td>Anesthesia</td><td></td><td>X</td></tr> </tbody> </table> <p>No Action Required</p> <p><u>Voluntary Resignations</u></p> <table border="1" data-bbox="378 1629 933 1917"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr><td>3993</td><td>Behavioral Health</td><td>AH:I</td></tr> <tr><td>3322</td><td>Anesthesia</td><td>AH:I</td></tr> <tr><td>3294</td><td>Refer & Follow</td><td>Refer & Follow</td></tr> <tr><td>3895</td><td>NP</td><td>AH:I</td></tr> </tbody> </table>	Prac #	Privilege	Category	3966	Teleradiology	Telemedicine	3965	Teleradiology	Telemedicine	7402	Emergency Medicine	Active	3875	Anesthesia	AH:I	7234	Telemedicine	Teleradiology	3890	Internal Medicine	Affiliate	7338	Family Medicine	Active	2740	Pediatrics	Active	3735	Teleradiology	Telemedicine	3881	Anesthesia	AH:I	3892	Neonatology	AH:I	2621	Anesthesia	AH:I	3698	Emergency Medicine	Active	3967	Teleradiology	Telemedicine	Prac #	Privilege	Adv.	Ext.	4001	General Surgery	X		4005	Family Medicine	X		4003	Anesthesia		X	Prac #	Privilege	Category	3993	Behavioral Health	AH:I	3322	Anesthesia	AH:I	3294	Refer & Follow	Refer & Follow	3895	NP	AH:I	A motion was made by Sarah Carlsen and seconded by Fred Rogers to accept the recommendations from the Medical Executive Committee as presented. Motion carried.	Closed.
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III. Strategic Discussion			
IV. National Healthcare Landscape: State of the Union	<p>Over the last few months, the board has been provided education sessions to help prepare for the October Board Retreat. The first was a current state analysis presented by Steve Underdahl, followed by Dr. Koranne from MHA, who talked about the lay of the land in Minnesota. Tonight Mr. David Willis will present on the national landscape.</p> <p>David is Vice President of Delivery Services at the Advisory Board. The Advisory Board is a research institution that focuses on healthcare. They have been a good thought partner over the years helping us see national trends and differentiating between the things that consultants get excited about and what are actual trends. The state of the union presentation was revised recently by the Advisory Board with the onset of COVID. The discussion tonight is intended to stimulate discussion about where we are and where we may be going. David encouraged interactive discussion vs saving questions for the end. He emphasized that skepticism is the Advisory Board's hallmark; they tend not to buy into what others assure will happen. David also emphasized the amount of uncertainty in healthcare at this time. He presented guiderails about what to pay attention to and what not to worry about. The discussion revolved around seven propositions for discussion:</p> <ol style="list-style-type: none"> 1. With a few notable exceptions, COVID-19 is accelerating pre-existing trends much more than it is reshaping them. 2. The COVID story will not end with a vaccine; the long-term ramifications will be felt for years, if not decades (public health, evolution of consumer preferences, delayed preventive care, racial equity as a health care issue, economic disruption, etc.). 3. Whether dealing from financial strength or weakness, payers have a lot of leverage right now. Expect private payers to use that leverage to reshape industry dynamics in their favor (e.g. telehealth reimbursement, frameworks for risk). Expect public payers to use their full range of authority to drive down the cost of 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>care (price reductions, reduced benefits, site of care shift, etc.).</p> <p>4. Imperative One: Build, maintain, and carefully monitor the most compelling value proposition for physician partnership. The number of suitors courting physicians is growing and diverse (payers, PE, national players...)</p> <p>5. Imperative Two: Site of care shifts will continue and likely accelerate. Be prepared to play both offense and defense – and recognize that you can lose this game without even realizing it (e.g. infusion).</p> <p>6. Imperative Three: Adopt a no-excuses mindset for maximizing systemness. At the height of crisis, health systems proved they can do very difficult things; future success will be determined by those who can continue to do them when there is less urgency.</p> <p>7. Imperative Four: Maintaining the health, engagement, and effectiveness of a workforce that is under incredible strain and duress may be the most difficult and important thing health systems need to do. Everyone says that people are their competitive advantage. Now is the time to prove it.</p> <p>David reviewed four areas we need strategies and should be looking at:</p> <p>1. Physician marketplace in the county – physicians have choices.</p> <p>2. Site of care shifts. Moving procedures to physician offices and surgery centers.</p> <p>3. Systemness: can we do hard things? Should have an advantage making decisions quicker than a large systems.</p> <p>4. Take care of staff. They put themselves in harm's way when they were needed. Stay in tune with them as they are dealing with social stress, economic conditions, anxiety about the future, etc.</p>		
V. Executive and Committee Reports			
✓ CEO Report	Written CEO report available on the portal:	Information only.	Closed.

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	<ul style="list-style-type: none"> • COVID numbers have stayed relatively stable in Minnesota over the summer. • There are some indications that infections may be on the upswing again in Minnesota and throughout the Midwest. • The shift in seasons may drive more cases this fall and early winter. • New mandated testing in Long Term Care Centers: <ul style="list-style-type: none"> ○ We have new regulations and requirements to adhere to ○ We have tested all our residents with no cases ○ We are testing all staff that have contact with long term care residents ○ The frequency and other elements of this testing requirement are dependent on the discovery of any NH+C cases, as well as the infection rates in Rice and Dakota counties <p><u>Strategic</u></p> <ul style="list-style-type: none"> • EHR: <ul style="list-style-type: none"> ○ Total cost of ownership and related value analysis for the Meditech Expanse EHR is nearing completion. ○ A full report and recommendations will be brought forward to the senior administration team on October 12. • Luma <ul style="list-style-type: none"> ○ Appointment reminders, broadcast messaging, e-forms and live chats are complete for all ambulatory clinics. ○ More functionality is on the way. ○ This tool is a significant step toward better customer facing technology. • October strategic planning retreat materials have been sent to each board member. • The 2020 honorees represent the very best of NH+C values in action: <ul style="list-style-type: none"> ○ Joel Beithon ○ Maria Bohl ○ Renae Chappuis ○ Rachel Eckelman ○ Colleen Johnson ○ Paul Plank ○ Jon Sampson <p><u>Operations</u></p>		

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	<ul style="list-style-type: none"> • Volumes continue to be uneven, but with some promising indicators. • It is unclear if we will experience the high volumes that are typical in the 4th quarter. • The financial implications, if volumes stay low, could be significant. • Potential Medicaid cuts: <ul style="list-style-type: none"> ○ State budgets are in tough shape ○ Substantial cuts to Medicaid are possible if not likely • Birth Center expansion: <ul style="list-style-type: none"> ○ On track to start using new rooms on October 5, 2020 ○ New nursery – winter 2020-21 ○ Current space remodel complete – spring 2021 <p><u>Policy</u></p> <ul style="list-style-type: none"> • As we enter the election season, both at a Minnesota level and a national level, healthcare policy is less likely to evolve in a material way. • There is a concern that with the changes to the Supreme Court, elements of the Affordable Care Act, such as preexisting conditions, may be lost as a result of constitutional challenges to the ACA. • Impact of the elections: <ul style="list-style-type: none"> ○ At a national level, healthcare policy will likely continue to change: <ul style="list-style-type: none"> ✓ If Mr. Trump wins, his current policies are likely to accelerate ✓ If Mr. Biden wins, there will likely be a significant recalibration of Public Policy ○ At a state level, the most significant impact may be the response to the budget shortfall. 		
✓ Financial Report	<p>Written CFO report available on the portal.</p> <p><u>August 2020 Key Drivers:</u></p> <ul style="list-style-type: none"> • Only one service line that exceeded Plan • Home Health visits were 4% over budget • IP Days were 25% under budget • OP Hospital visits were 16% under budget • Nursing Home days were 17% under budget • Work RVUs were 10% under budget • Surgery cases were 37% under budget 	Information only.	Closed.

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	<ul style="list-style-type: none"> CCIC procedures were 24% under budget Rehab Procedures were 13% under budget <p><u>August 2020 Financial Outcomes</u></p> <ul style="list-style-type: none"> Net Operating Revenues were \$689K under budget Other Operating revenues were \$58k over budget Net Operating Loss was \$67k vs. a budget of \$701K Surplus Recognized \$68k in other revenue from federal COVID grants which offset related expenses and loss of revenue Investment gains were \$851K for August <p><u>Days cash on hand: 267</u></p>		
✓ Oral Report: Budget & Finance Committee	<p>Fred Rogers reported on discussions at the Budget & Finance Committee meeting from earlier today:</p> <ul style="list-style-type: none"> Reviewed the August financials. Grants Update & Medicare Advance Payments – We recently received a \$6.8 million advance on our expected Medicare claims. This is a Loan and is expected to be repaid over next 4-12 months. Received an overview of the Syntellis rolling budget process that is currently being implemented for 2021 budget. This process is expected to streamline the budget process and is a high-level rolling forecast up to two years. Received an update on the investment portfolio from Johnson Financial. 	Information only.	Closed.
✓ Oral Report: Quality Committee	<p>The Quality Committee met on September 15. The quality dashboard will be included in the October board packet and will be reviewed at that time with the board.</p>	Information only.	Closed.
VI. Roundtable, Announcements and Questions	<p>Excellent presentation from the Advisory Board. Look forward to more detailed discussions at the Board retreat in October.</p>	Information only.	Closed.
VII. Pending Items	NA	NA	NA
VIII. Adjourn	<p>The meeting was adjourned at 6:50p.m.</p>	<p>A motion was made by Fred Rogers and seconded by Jessica Peterson White to adjourn the meeting. Motion carried.</p>	Closed.