

# MEETING MINUTES RECORD

Meeting: Board of Directors

Date: October 26, 2017 Location: Conference Center

Start time: 6:30 pm Adjourn time: 8:35 pm

Members present: Patricia Christianson, Lynn Clayton, Virginia Kaczmarek, Charlie Kyte, CC Linstroth, Charlie Mandile, Steve O'Neill, Michelle Muench, MD

Members excused:

Members absent:

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

Others present: Heather Durenberger, Mayor Rhonda Pownell (Northfield City), Ben Martig (City of Northfield)

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.	A motion was made by Virginia Kaczmarek and seconded by Lynn Clayton to approve the agenda as presented. Motion carried.	Closed.												
2. Consent Agenda	Supporting documentation was included in the packets for items on the Consent Agenda: <ul style="list-style-type: none"> <li>Meeting Minutes: <ul style="list-style-type: none"> <li>✓ 09/28/17 Board Meeting</li> <li>✓ 09/28/17 Budget &amp; Finance Committee</li> </ul> </li> <li>Annual approval of contracted services</li> <li>Approval of 2018 Board &amp; Committee meeting schedules</li> </ul>	A motion was made by Steve O'Neill and seconded by Patricia Christianson to approve the Consent agenda as presented. Motion carried.	Closed.												
3. Reports															
• Hospital Chief of Staff Report	No report.	None.	Closed.												
✓ Motion to Approve Applications for Medical Staff Membership/ Privileges (enclosure)	Applications for medical staff membership/privileges were presented. Dr. Reister reported that there were no issues with any of the files. <u>Appointment:</u> <table border="1" data-bbox="386 1577 919 1707"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3931</td> <td>Mental Health</td> <td>AH:I</td> </tr> </tbody> </table> <u>Appointment by Expedited Credentialing:</u> <table border="1" data-bbox="386 1780 919 1911"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3914</td> <td>PM&amp;R</td> <td>Affiliate</td> </tr> </tbody> </table> <u>Reappointments:</u>	Prac #	Privilege	Category	3931	Mental Health	AH:I	Prac #	Privilege	Category	3914	PM&R	Affiliate	A motion was made by Steve O'Neill and seconded by Charlie Kyte to approve the appointments, and advancement and extension of provisional status as recommended by the Medical Executive Committee. Motion carried.	Closed.
Prac #	Privilege	Category													
3931	Mental Health	AH:I													
Prac #	Privilege	Category													
3914	PM&R	Affiliate													

Issue/Problem	Discussion/Conclusions				Action	Follow-up/Resolution
	<u>Prac #</u>	<u>Privilege</u>	<u>Categor y</u>			
	3809	CRNA	AH:I			
	3796	OB/GYN	Active			
	3500	Pediatrics	Active			
	7303	Family Medicine	Active			
	3805	Teleradiology	Telemedicine			
	7450	Oral Surgery	Affiliate			
	7335	Family Medicine	Active			
	2604	Fam Med/ Emerg. Med.	Active			
	Provisional Status:					
	3885	Privilege	Adv	Ext		
	3885	CRNA		X		
	3154	Oral Surgery Assistant		X		
	3884	Oral Surgery Assistant		X		
	3890	IM/Nephrology	X			
	3889	IM/Nephrology	X			
<ul style="list-style-type: none"> <li>CMO Report</li> </ul>	<p>Dr. Jeff Meland reported on the results of a provider burnout survey of our providers. The survey was sponsored by the Minnesota Hospital Association, and facilitated by the Chief Medical Officer Committee. The scores for NH+C providers were quite positive when compared to the state cohort, but room for improvement. Dr. Meland will be leading a discussion with the providers to identify and tackle one key issue in each major service line (clinic, hospital, operating room, etc.) and give it some focused attention with a goal to make a good place to work even better.</p>				Information only.	Closed.
4. Presentations/ Discussion/ Action Items						
<ul style="list-style-type: none"> <li>HR Update</li> </ul>	<p>Vicki Stevens, HR Executive, Clinical Operations Administrator, gave an update on human resources (HR) and process improvement (PI).</p>					

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<p>✓ Human Resources Benefits/ Broker</p>	<p>NH+C has engaged a new broker, Associated Benefits &amp; Risk Consulting for employee benefits. Open enrollment for employees begins on October 31 and goes through November 17. There are minimal plan design changes; however, we are adding additional voluntary benefits (group accident, critical illness, group hospital insurance). The Health Savings Account will be administered through Associated Bank and the Flex Savings Account and COBRA by Benefits Extras.</p>	<p>Information only.</p>	<p>Closed.</p>
<p>✓ Process Improvement</p>	<p>Developed a structure to support Process Improvement (PI) with administrative focus, including development of a PI Steering Committee, hiring a PI specialist, and evaluating PI at other facilities. The focus is both clinical and non-clinical departments.</p> <p>A group toured Iverson Memorial Hospital in Laramie, WY to review their PI process. They are similar in size to us, and further advanced in the PI process.</p> <p>Just this week, we recruited a PI Specialist. Tina Evans accepted the position. Tina currently serves as NH+C Clinic Laboratory Services Technical Consultant.</p> <p>Next steps are:</p> <ul style="list-style-type: none"> <li>• onboarding PI Specialist,</li> <li>• finalize the projects and scope,</li> <li>• enhance the toolkit for staff and leaders,</li> <li>• provide baseline education, and continually evaluate,</li> <li>• adapt and improve.</li> </ul> <p>The board requested an update once the program is up and running.</p>	<p>Information only.</p>	<p>Closed.</p>
<p>• Approval of Revised Investment Policy</p>	<p>Scott Edin presented revisions to the investment policy from the Budget &amp; Finance Committee. The policy was updated to allow for municipal hospitals to invest in any security which has been recommended by an investment advisor as amended in MN Statute 2015, section 144.581. A copy of NH+C current policy, as well as a revised policy was included in the packets. Items highlighted in yellow in the policy are estimates and most likely will be changed once we engage an investment advisor and get his/her feedback on risk tolerance.</p>	<p>A motion was made by Virginia Kaczmarek and seconded by Steve O'Neill to approve the policy as presented to use as an instrument for the RFP process</p>	<ul style="list-style-type: none"> <li>• Bring policy back for another review after our investment advisor has reviewed and made recommendations.</li> <li>• Discuss the appointment of an Investment Committee at an upcoming meeting.</li> </ul>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>The goal is to generate enough income to cover 50% of annual capital expenses (\$4 million and growing). Our current \$50 million portfolio is currently netting approximately 2% (\$1 million). A 6% return would generate an additional \$2 million.</p> <p>The next steps are to request RFPs from 4-6 investment advisors, interview the top two in December, and recommend a preferred advisory team to the Board for approval.</p> <p>An investment advisor would assist in reviewing risk tolerance, suggest market entry advice, and assist in developing investment strategy. All of which would come to the Board for approval.</p> <p>There was extensive discussion among the Board. The Board was reminded that the policy will most likely need to be changed once we have an investment advisor on board to give advice.</p> <p>There was discussion about the appointment of an Investment Committee. It can be the same members of the Budget &amp; Finance Committee with the addition of the Investment Advisor, but does require Board approval.</p>		
<ul style="list-style-type: none"> <li>Board Retreat Themes/ Opportunities/ Next Steps</li> </ul>	<p>Heather Durenberger will be facilitating the Board Retreat on December 15<sup>th</sup> focusing on governance. She met with each Board member individually to discuss governance practices and how the board can bring our best governing and thinking to their leadership roles. Heather distributed a high-level summary of areas of opportunity for the board, based on her individual interviews, as well as next steps. The retreat is an opportunity to invest time in board development. Some topics might include: what makes a good board meeting, develop a shared vision of work of the board and work of the committees, development of a board covenant of how we work together. She asked the board to think about themes and opportunities and what big questions to focus on at the retreat?</p> <p>Board Comments / Potential topics for the retreat:</p> <ul style="list-style-type: none"> <li>Talk about the process for board meetings, and how they are set-up so</li> </ul>	<p>Board members were encouraged to send additional feedback directly to Heather Durenberger.</p>	<p>At the November meeting, develop a proposed agenda for the December retreat.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>there is ample time for discussion prior to taking action.</p> <ul style="list-style-type: none"> <li>• Like a shared vision on how the work of the committees fits in with the full board.</li> <li>• Establish bylaws including how the board should operate and members behave with each other.</li> <li>• Encouraging to hear comments from the Board and we all have the same shared vision.</li> </ul>		
5. Executive and Committee Reports			
<ul style="list-style-type: none"> <li>• CEO Report</li> </ul>	<p><u>Strategic</u></p> <ul style="list-style-type: none"> <li>• Continue the vetting process with OMC EPIC. Scott Edin is meeting with staff from OMC tomorrow.</li> <li>• A process improvement specialist has been hired; on-boarding will take place soon. The program is taking shape and expands beyond clinical.</li> <li>• Working with the land lease decision-makers (City, St. Olaf and the developer) on senior services project. There may be a work session scheduled to include all parties.</li> <li>• Working on establishing a meeting with Senator Julie Rosen regarding PERA to look at advantages while we remain a municipal entity.</li> <li>• Looking at framework for credentialing of a Physical Medicine &amp; Rehabilitation (PM&amp;R) provider.</li> <li>• Prep continues for the ACO "go live" in January.</li> <li>• Meeting held recently with the CEO of Allina. A meeting is scheduled to meet with the CEO at HCMC in November, and will include Dr. Jeff Meland.</li> </ul> <p><u>Operations</u></p> <ul style="list-style-type: none"> <li>• The payor mix for September and October continues to be poor.</li> <li>• Participated in a provider burnout survey sponsored by MHA. Working on an improvement plan. Dr. Meland reported on this earlier in the agenda.</li> <li>• The Board portal through Board Effect is expected to be rolled out to the board in January.</li> <li>• Received recognition from Lakeville High School thanking us for our</li> </ul>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>contributions to their "Project Lead the Way program". Stacey Zell, RT, has taken a lead role in working with high school students in the surrounding communities who have an interest in healthcare careers. Earlier this week, we had students from New Prague High School visiting and touring the facility.</p> <p><u>Policy Issues</u></p> <ul style="list-style-type: none"> <li>Alexander-Murray healthcare proposal is associated with cost sharing reduction payments, gives expanded access to catastrophic care plans, and has flexibility to use 1332 waivers.</li> <li>A meeting was held with Representative Pat Garofalo to establish a relationship, and an opportunity for him to learn about NH+C. CC Linstroth and Patricia Christianson attended on behalf of the Board. Senator Matt Little will be visiting on November 14<sup>th</sup>. Invitations have been sent to other legislators to visit as well.</li> </ul>		
<ul style="list-style-type: none"> <li>Financial Report</li> </ul>			
<ul style="list-style-type: none"> <li>✓ September Financials</li> </ul>	<p>Scott Edin reported on the September financials.</p> <p><u>2017 Key Drivers:</u></p> <ul style="list-style-type: none"> <li>CCIC was 15% over budget</li> <li>Imaging procedures were 8% over budget</li> <li>ED visits were 4.4% over budget</li> <li>Inpatient days were 98.9 of budget</li> <li>Surgery cases were 97.4% of budget</li> </ul> <p><u>Financial Outcomes:</u></p> <ul style="list-style-type: none"> <li>Net operating revenues were \$181,000 under budget</li> <li>Operating expenses were \$38,000 over budget</li> <li>Net operating loss was \$108,000 (\$189,000 under budget)</li> </ul> <p>Scott noted the increase in government payor mix (47.9% budget v 52.2% actual for September). Other hospitals are experiencing the same patterns.</p>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> <li>Governance &amp; Planning Committee Report</li> </ul>	<p>Virginia Kaczmarek reported highlights from the Governance &amp; Planning Committee meeting earlier this evening:</p> <ul style="list-style-type: none"> <li>Discussed Board officers for 2018. 2018 will be the second year of a two-year term for officers: <ul style="list-style-type: none"> <li>✓ Chair, Charlie Mandile</li> <li>✓ Vice Chair, Virginia Kaczmarek</li> <li>✓ Secretary/Treasurer, Charlie Kyte</li> </ul> </li> <li>All officers are interested in serving the second year of their two-year term. The Governance &amp; Planning will make formal nominations in January and the Election will occur at the Board meeting as dictated by the City Charter.</li> <li>Discussed and recommended the committee assignments be changed from one year to two-year assignments. Since committees meet less often, the two years would give members an opportunity to better understand specific committee work. Committee members may request from the Board Chair to be reassigned after one year.</li> <li>Laura Peterson presented a compliance update including a peer review matter. The committee did not feel it needed to be brought to the full Board at this time.</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>Quality Committee Report</li> </ul>	<p>Charlie Mandile reviewed highlights of the 10/05/17 Quality Committee meeting (a draft of the meeting minutes was included in the packet).</p> <p>The committee reviewed the updated quality dashboard for NH+C, and received updates on:</p> <ul style="list-style-type: none"> <li>Include Always</li> <li>DTNRT</li> <li>Patient Experience Committee</li> <li>Process Improvement</li> <li>Piloting Scribe Services</li> <li>Optimal care measures in the clinic</li> <li>Patient Access</li> <li>Pricing Council</li> </ul>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
✓ Quality Dashboard Report	The updated Quality Dashboard was included in the packet. Charlie asked for feedback regarding the content, and noted that it is still a work in progress. The board's reaction was positive and they thanked the committee for their work on this very informational, easy to read, dashboard.	Information only.	Closed.
6. City Update	<p>Ben Martig, City Administrator, gave a City update including:</p> <ul style="list-style-type: none"> <li>• Appreciated attending a hospital board meeting as an observer.</li> <li>• Nice to see planning for the Express Clinic in downtown Northfield moving forward.</li> <li>• Planning for the Northfield street project in the spring. Open to feedback. City road project is coming to an end for the season.</li> <li>• Northfield Boards &amp; Commissions training took place this week and was well received. Inspired by the positive work in progress.</li> <li>• One City Council seat will be opening this year with an election to fill the vacancy.</li> </ul>	Information only.	Closed.
7. Roundtable, Announcements and Questions	<ul style="list-style-type: none"> <li>• Virginia Kaczmarek reported that the Y is unveiling the permanent donor wall since completing the Capital Campaign pledge goal. They will unveil the wall on November 25th and then invite folks to come to Imminent Brewing. Imminent will be giving 10% of the evening proceeds towards the Y's annual scholarship campaign.</li> <li>• Charlie Kyte commented that he was recently a patient at NH+C Faribault clinic and it was a nice experience and environment.</li> <li>• CC Linstroth inquired about Board members receiving flu shots. All board members are welcome to participate in NH+C flu shot program that is currently underway.</li> <li>• Patricia Christianson attended the open houses at the Farmington and Lakeville clinics last week and commented on how nice it was and what a good job the staff did organizing. Other board members attended as well.</li> </ul>	Motion to adjourn	Charlie and stee 835

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
8. Pending Items	The governance focused retreat is scheduled on December 15 <sup>th</sup> in the morning at St. Olaf College	Information only.	Closed.
9. Adjourn	The meeting was adjourned at 8:35 pm.	Information only.	Closed.