

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: October 25, 2018 Location: Conference Center

Start time: 6:30 pm Adjourn time: 8:55 pm

Members present: Lynn Clayton, CC Linstroth, Charlie Mandile, Steve O'Neill, Rhonda Pownell, Pete Sandberg

Members excused: Charlie Kyte, Fred Rogers, Michelle Muench, MD

Members absent:

Staff Present: Steve Underdahl, Scott Edin, Jerry Ehn, Vicki Stevens, Laura Peterson, Betsy Spethmann, Bobbi Jenkins (Recorder)

Others present: Brad Ness (City), Ben Martig (City)

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 6:30 pm.</p> <p>Steve Underdahl shared the sad news about the loss of our friend and colleague, Dr. Chris Nielsen. We don't have much information at this point, but it appears Dr. Nielsen may have died while biking. We are working on what we need to do to provide support for staff and Dr. Nielsen's family.</p> <p>Charlie Mandile will send a note to Dr. Nielsen's family on behalf of the Board.</p> <p>Charlie Mandile noted one addition to the Board agenda. CC Linstroth will give a verbal report on the City/Hospital Governance Committee meetings.</p>	<p>A motion was made by Steve O'Neill and seconded by Lynn Clayton to approve the agenda as presented. 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 (Approve) <ul style="list-style-type: none"> • 09/27/18 Board Meeting 2. Meeting Minutes (Accept) <ul style="list-style-type: none"> • 09/27/18 Quality Committee • 09/27/18 Budget & Finance Committee 3. Annual review on contracted services 4. Revision to Capital Expenditure policy 5. Short Term Disability/Salary Continuation 6. Change in Control Addendum 7. Budget & Finance Committee Job Description <p>Charlie Mandile asked that the Change in Control Addendum related to the CEO contract be removed from the Consent agenda due to advice received from legal counsel after the board packets were finalized.</p>	<p>A motion was made by Lynn Clayton and seconded by CC Linstroth to approve the Consent agenda with the Change in Control Addendum removed. Motion carried.</p>	<p>Closed.</p>
3. Change in Control	<p>Charlie Mandile reported that Laura Peterson, in-house legal counsel,</p>	<p>The consensus of the board was to bring it</p>	<p>Add to the Consent agenda for the</p>

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Addendum to the CEO Contract	recommended a change in the language to the Change in Control Addendum to the CEO Contract. Charlie commented that the Board could either approve the language changes this evening or bring it back next month with the changes included in the packet.	back next month with the changes included in the board packet.	November board meeting.																																																
4. Reports																																																			
• Hospital Chief of Staff Report	No report	NA	NA																																																
✓ Motion to Approve Applications for Medical Staff Membership/ Privileges	<p>Steve Underdahl presented the applications for approval from the Medical Executive Committee in Dr. Reister's absence. There were no issues with any of the files:</p> <p><u>Appointments:</u></p> <table border="1" data-bbox="386 716 927 932"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3966</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3968</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> <tr> <td>3969</td> <td>Teleradiology</td> <td>Telemedicine</td> </tr> </tbody> </table> <p><u>Reappointments</u></p> <table border="1" data-bbox="386 974 927 1776"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3884</td> <td>Oral & Maxillofacial Surgery</td> <td>AH:D</td> </tr> <tr> <td>3599</td> <td>Family Medicine</td> <td>Active</td> </tr> <tr> <td>3697</td> <td>Pathology</td> <td>Affiliate</td> </tr> <tr> <td>3890</td> <td>Nephrology</td> <td>Affiliate</td> </tr> <tr> <td>7338</td> <td>Family Medicine</td> <td>Active</td> </tr> <tr> <td>3892</td> <td>Neonatology</td> <td>AH:I</td> </tr> <tr> <td>3322</td> <td>Anesthesia</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>3294</td> <td>Refer and Follow</td> <td>R&F</td> </tr> <tr> <td>3888</td> <td>Family Medicine</td> <td>Active</td> </tr> </tbody> </table> <p><u>Provisional Status</u></p>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3966	Teleradiology	Telemedicine	3968	Teleradiology	Telemedicine	3969	Teleradiology	Telemedicine	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3884	Oral & Maxillofacial Surgery	AH:D	3599	Family Medicine	Active	3697	Pathology	Affiliate	3890	Nephrology	Affiliate	7338	Family Medicine	Active	3892	Neonatology	AH:I	3322	Anesthesia	AH:I	2621	Anesthesia	AH:I	3698	Emergency Medicine	Active	3294	Refer and Follow	R&F	3888	Family Medicine	Active	A motion was made by CC Linstroth 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 as presented. Motion carried.	Closed.
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	Prac #	Privilege	Adv	Ext		
	3931	Mental Health		X		
	3884	OMS	X			
	3914	PM&R	X			
	<u>No Action Required</u>					
	<u>Withdrawal of Privileges</u>					
	3487	Neonatal care privileges				
	3929	Admitting, Moderate Sedation				
	<u>Voluntary Resignations</u>					
	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>			
	3811	BHP	AH:I			
	3917	BHP	AH:I			
	7375	Teleradiology	Telemedicine			
	3889	Nephrology	Affiliate			
	3906	BHP	AH:I			
	3106	Hospital	Locum Tenens			
5. Presentations/ Discussion/ Action Items						
<ul style="list-style-type: none"> Revision to Northfield Hospital Foundation Bylaws 	<p>Laura Peterson reviewed revisions to the Northfield Hospital Foundation Bylaws following input from the board at the September board meeting. The changes are as follows:</p> <ul style="list-style-type: none"> At-Large Directors <ul style="list-style-type: none"> ✓ Appointed by Hospital Board (§2.2.1) ✓ Removed by Hospital Board (§2.5) Foundation Activities Reports <ul style="list-style-type: none"> ✓ Required annually (§5.7) Bylaws Amendments <ul style="list-style-type: none"> ✓ Only with the approval of the Hospital Board (Article VII) <p>Discussion included a request to leave in the language requiring a 2/3 majority vote to remove foundation directors.</p>				<p>A motion was made by Lynn Clayton and seconded by Steve O’Neill to approve the revised Foundation Bylaws changes, with the exception of language in 2.5. in that section, wording will be added that removal of a director requires a 2/3 majority vote.</p>	<p>Closed.</p>
6. Strategic Discussion						
<ul style="list-style-type: none"> Clinic/ OB Space Expansion Project: Potential Solutions- 1st Look 	<p>Jerry Ehn reviewed the Northfield Clinic and OB expansion project goals, budget, financial impact, project impact, and schedule (PowerPoint was included in the packet). This information will also be shared with City Council for a first look prior to coming to the board for approval.</p>				<p>Bring back to the board with more information and a request for approval in November.</p>	<p>Open.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>The request that will be coming to the board in the next one to two months is to approve the expansion project with a cost of up to \$13 million.</p> <p>Discussion at the board meeting included questions from the board related to an ROI for the project, comfort level on what is a healthy number of days cash on hand, what are the best and worst-case scenarios, and our comprehensive understanding of our overall short and long-term capital needs for the organization?</p> <p>Steve Underdahl suggested that next month we bring additional financial information back to the board. He also suggested that we look at our financial analysis over time, and the indicators of financial health.</p>		
<ul style="list-style-type: none"> MANOVA Conference Observations 	<p>CC Linstroth and Jerry Ehn recently attended the "Manova: The Global Healthcare Summit on the Future of Health on Medical Alley" at the Minneapolis Convention Center. They shared observations about innovations in future healthcare. They were both very impressed with the conference materials, and speakers related to what is new on the horizon. It was suggested that we consider offering this to other board members and some staff members next year.</p>	Information only.	Closed.
7. Executive and Committee Reports			
<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl reported:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> Continuing to make progress on the orthopedic practice. Working on contracts, staffing and the Faribault practice. Continuing to vet approaches for midwifery services. Presentation to board in November. Celebrating our 15th anniversary of the main Northfield campus. Pictures were on display outside the conference center this evening. The NH+C Magazine won the 2018 Folio Award for Custom Content Marketing Newsletters. Other award winners include ESPN Magazine, Harvard Medicine, Food and Wine, 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>and Consumer Reports. This represents purposeful work to professionalize our public-facing communication efforts.</p> <ul style="list-style-type: none"> • Testing the market to see if our rebranding made a difference. Julie Nikolai-Sullivan will make a formal presentation to the Board in December. • We will continue to use the software we contracted for Enterprise Risk Management, but as less reliant on consultations services for 2019. A formal update will occur in November. • The Northfield Clinic and Birth Center expansion project was presented to the board this evening. An update to the City is being scheduled. • Continue to vet EMR options. Formal recommendations expected Q4 2018. <p><u>Operations</u></p> <ul style="list-style-type: none"> • Financial outcomes were better than expected in September. October is looking good as well. • Senior housing project is coming along nicely. • Express Care is gaining traction and visits are increasing each month. • Received our first financial credits related to our solar garden contract. • Rebasement efforts continue to make good progress. Productivity/staffing benchmarks represent the current priority. • Supply Chain is making innovative technology. We have interest from people as far away as New York in what we are doing related to the two-bin process. RFID (Radio Frequency Identification), and RPA (Robotic Process Automation). Our Supply Chain director will make a formal presentation to the board in the next few months. <p><u>Policy</u></p> <ul style="list-style-type: none"> • Pulling back from participating in policy public events until the election is over. • The impact of Medicare Advantage plans on the local and regional markets are beginning to be revealed. • The City/ Hospital Board Governance Committee is continuing to focus on 		

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	<p>methods to build communication and trust, and working on values that might inform our ongoing relationship.</p> <ul style="list-style-type: none"> Working on a White Paper related to the burden of PERA on Municipal Hospitals and Medical Centers. 		
<ul style="list-style-type: none"> Financial Report 	<p>Scott Edin reported on the September financials:</p> <p><u>September Key Drivers</u></p> <ul style="list-style-type: none"> Inpatient days were 34% over budget Hospice days were 22% over budget Births were 12% over budget Surgeries were 16% under budget ED visits were 11% under budget Clinic visits were 12% under budget <p><u>September Financial Outcomes</u></p> <ul style="list-style-type: none"> Net operating revenues = \$214K under budget Operating expenses were \$176K under budget Net operating loss was \$63K <p>Days cash on hand were 234 compared to 232 in August.</p> <p>Scott noted that this is the first time in a while that the government payer mix was down. Process changes also helped to reduce supply costs.</p> <p>Reviewed the quarterly capital budget, including routine capital and strategic capital expenditures through the third quarter. Uncommitted strategic capital through the third quarter is \$6,161,017, and routine capital is \$1,776,727.</p> <p>Steve Underdahl commented that unlike some other businesses, if you don't use the money it is not lost. The administrative team is rigorous in challenging capital purchase requests.</p>	Information only.	Closed.
<ul style="list-style-type: none"> Special Budget & Finance Committee Oral Report 	<p>Lynn Clayton and Scott Edin reported on the Special Budget & Finance Committee meeting held on October 24. Investment advisors from BPS Capital and Cleary Gull presented the third quarter investment update. Our portfolio is currently invested with 12.75% in equities, and 84.6% in bonds and fixed income. The committee discussed the plan to increase the amount of investments in equities to 20% over the next three months. The investment advisors will report to the full board after the first quarter of 2019.</p>	Information only.	Closed.
<ul style="list-style-type: none"> Governance & Planning 	<p>Charlie Mandile reported on the Governance & Planning Committee</p>	Information only.	Closed.

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Committee Oral Report	meeting prior to the board meeting this evening. Laura Peterson gave a compliance update, including high level metrics. They discussed nomination of officers for the Board next year. Per the City Charter, the board will elect officers in February. Charlie is interested in hearing from board members who are interested in serving as an officer and will be meeting with board members individually.		
<ul style="list-style-type: none"> Board Quality Dashboard Report 	Charlie Mandile reviewed the NH+C Board quality dashboard (copy included in the packet).	Information only.	Closed.
<ul style="list-style-type: none"> City/ Hospital Board Governance Committee 	CC Linstroth updated the board on the work of the City/ Hospital Board Governance Committee. They met last week and left with an assignment to work with a partner related to communication between the City and Board. There is a possibility the group will extend their initial timeframe and meet into the new year.	Information only.	Closed.
8. Roundtable, Announcements and Questions	Ben Martig presented information on the Cannon River Civic Center and Parks and Recreation Referendum, which is a combination Civic Center & Ice Arena, and recreational/ parks/ trails improvements. He distributed a summary of the referendum to the board at the meeting.	Information only.	Closed
9. Pending Items			
<ul style="list-style-type: none"> Fall Retreat 	Charlie Mandile noted that in the past the board has held a fall governance retreat in addition to the spring strategic planning retreat. An option this year would be to forego the fall retreat given the meetings of the City/ Hospital Board Governance Committee, and possibly refer some issues to be addressed by that group. Another option would be to allow the City/ Hospital group to finish their work and consider a retreat when that group is done meeting to discuss topics/issues that come out of those meetings, as well as other topics that come up throughout the year.	The board agreed not to hold a fall retreat this year and consider a retreat after the City/ Hospital Governance Committee has completed their work.	Closed.
10. Adjourn	The meeting was adjourned at 8:55 p.m.	A motion was made by CC Linstroth and seconded by Lynn	Closed.

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		Clayton to adjourn the meeting. Motion carried.	