

# MEETING MINUTES RECORD

Meeting: Board of Directors

Date: November 30, 2017 Location: Conference Center

Start time: 6:30 pm Adjourn time: 8:25 pm

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

Members excused:

Members absent:

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

Others present: Brad Ness (City), David Emery (LWV), Keith Olson MD (Allina), Mayor Rhonda Pownell

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 revised agenda was distributed at the meeting. The Land Lease Update will be incorporated into the CEO report and will not be a separate presentation.	A motion was made by Charlie Kyte and seconded by CC Linstroth to approve the revised 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>✓ 10/26/17 Board Meeting</li> <li>✓ 10/26/17 Governance &amp; Planning Committee</li> </ul> </li> <li>Revision to Emergency Medicine Privilege Request Form</li> <li>Medical Staff Policies</li> <li>Compliance Policies</li> </ul>	A motion was made by Virginia Kaczmarek and seconded by Steve O'Neill to approve the Consent agenda as presented. Motion carried.	Approved															
3. <u>Reports</u>																		
• 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. Appointments: <table border="1" data-bbox="386 1549 938 1833"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>3932</td> <td>NP</td> <td>AH:(I</td> </tr> <tr> <td>3929</td> <td>IM/ Oncology</td> <td>Active</td> </tr> <tr> <td>3933</td> <td>Family Medicine</td> <td>Active</td> </tr> </tbody> </table> Reappointments: <table border="1" data-bbox="386 1879 938 1957"> <thead> <tr> <th><u>Prac #</u></th> <th><u>Privilege</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> </tbody> </table>	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	3932	NP	AH:(I	3929	IM/ Oncology	Active	3933	Family Medicine	Active	<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>	A motion was made by Patricia Christianson and seconded by Lynn Clayton to approve the appointments, reappointments, advancement and extension of provisional status, and change in medical staff category as recommended by the Medical Executive Committee. Motion carried.	Closed.
<u>Prac #</u>	<u>Privilege</u>	<u>Category</u>																
3932	NP	AH:(I																
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Issue/Problem	Discussion/Conclusions				Action		Follow-up/Resolution	
	7278	Emergency Medicine	Active					
	3758	Teleradiology	Telemedicine					
	3665	General Surgery	Active					
	3807	Teleradiology	Telemedicine					
	3660	Family Medicine	Active					
	3756	Teleradiology	Telemedicine					
	3715	IM/Cardiology	Affiliate					
	Provisional Status:							
	Prac #	Privilege	Adv	Ext				
	3878	OB/GYN	X					
	3893	Teleradiology	X					
3888	Family Medicine	X						
Change in Medical Staff Category:								
<u>Prac #</u>	<u>From</u>	<u>To</u>						
3706	Telemedicine	Affiliate						
<ul style="list-style-type: none"> <li>CMO Report</li> </ul>	Dr. Jeff Meland reported that we are currently interviewing for a hospitalist and have two very good candidates being considered.				Information only.	Closed.		
<ul style="list-style-type: none"> <li>NH+C Clinic Report</li> </ul>	Dr. Ben Flannery reported: <ul style="list-style-type: none"> <li>Beginning to talk about, and look forward to, the Northfield clinic remodeling project.</li> <li>Sara Gergen, Neonatal NP, started in the clinics a couple of months ago and is doing very well. She comes to us with a lot of experience and has been a good asset to the team.</li> </ul>				Information only.	Closed.		
<ul style="list-style-type: none"> <li>Allina Report</li> </ul>	Dr. Keith Olson reported: <ul style="list-style-type: none"> <li>Parking lot expansion project completed, provides additional space on-site for future expansion</li> <li>Recruitment – signed an experienced family medicine PA that will join the clinic in March 2018. Sourcing and interviewing family medicine resident candidates for 2018 and 2019.</li> <li>Allina doing readmission work at District One Hospital, Faribault – open to providing assistance to Northfield Hospital if requested</li> </ul>				Information only.	Closed.		

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	<ul style="list-style-type: none"> <li>• Dr. Olson is involved with representing Allina on the health system collaborative work at ICSI (Institute for Clinical System Improvement) on the opioid crisis – again available to provide assistance if requested</li> <li>• Discussed DHS press conference that occurred on 12/1 regarding opioid prescribing guidelines</li> </ul>		
4. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> <li>• Hospice Quality</li> </ul>	<p>Tammy Hayes reported on the NRC health scores for hospice and bereavement on the pillars of performance, which are publicly reported (copy of slides was included in the packet):</p> <ul style="list-style-type: none"> <li>• Service</li> <li>• Care</li> <li>• Safety</li> <li>• Cost &amp; Financial</li> <li>• People</li> </ul> <p>Over the past year, there have been several staffing changes, as well as the implementation of a new EHR which was felt to contribute to previous lower patient satisfaction scores. Most of the scores are now above the national average. Steve Underdahl commended Tammy for the good work she has done in this department.</p>	Information only.	Closed.
<ul style="list-style-type: none"> <li>• Nurse Call/Code Blue System- First Review</li> </ul>	<p>Tammy Hayes reviewed a request for a nurse call/code blue system that will be coming to the Board in December for approval (slides were included in the packet).</p> <p>The system is used to communicate patient needs to the staff for both routine, and emergency situations. The current system is at the end of life and requires replacement. There are frequent issues with the Code Blue system not functioning. We currently have the Rauland 4 system in some parts of the hospital, which was new when the hospital was built, and the Rauland 5 in other parts that was added later (Cancer Care and Infusion, Sleep Center and the new Surgery Center).</p> <p>The Rauland 4 is no longer supported and if the system fails it would need to be sent back to the manufacture due to the</p>	Bring back next month for final approval by the Board.	Add to the December Board agenda.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>unavailability of parts. Communication between both systems has been difficult and often causes the malfunction of the Code Blue System.</p> <p>The replacement of the system will extend into the first quarter of 2018. The cost is \$515,035. The 2017 capital budget includes \$340,725 and the remained will be placed on the 2018 capital budget. The board questioned how this ranked over other significant improvements needed. Jerry Ehn responded that this item is ranked as "critical". Tammy added that we are required to have a system that works. This system is also included in our Premier buying group which ensures it is the lowest price, and we are not required to bid.</p>		
<ul style="list-style-type: none"> <li>Foundation Board Nominations</li> </ul>	<p>The board approved moving forward with a NH+C Foundation a couple of months ago. Articles of incorporation are in place, and require we have three hospital board members on the Foundation Board. They are three year terms with the first term staggered so not everyone departs at the same time. We are looking for three board members, with one serving a three-year term, one two-year term, and one one-year term. The first year, the Foundation Board will include the three NH+C board members, and will be spent getting the foundation up and running. Laura Peterson is happy to sit in and assist as needed as the foundation gets started. The second year, the other four members will join, including the President &amp; CEO of NH+C, the Auxiliary Chair and two at-large members of the community.</p>	<p>Board members interested in serving on the Foundation Board, or having any questions should contact Charlie Mandile,</p>	<p>Closed.</p>
<ul style="list-style-type: none"> <li>Foundation Funding</li> </ul>	<p>Charlie Mandile reported that at the December board meeting, the board will be asked to consider providing a modest donation (\$5,000-\$10,000) to the NH+C Foundation to assist in getting the foundation set-up and the infrastructure in place.</p> <p>CC Linstroth questioned whether this is something the Board would do annually. This is something the board will think about going forward.</p>	<p>The Board will be asked to vote on this in December.</p>	<p>Add to the December Board agenda.</p>

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<ul style="list-style-type: none"> <li>December Board Special Meeting</li> </ul>	<p>Charlie Mandile reported in Heather Durenberger's absence. The Board's Special meeting on December 15<sup>th</sup> will focus on creating space for board members to invest in the governance activities to drive a high level of performance and impact (copy of the agenda was included in the packet). The outcome will be a shared vision for the board, to develop criteria for good meetings, develop a draft agreement on how we can work together, and to map key board questions/issues for 2018. We will not come away from the retreat with a final document, but will have a rough outline that will come back to the Board for final review and approval.</p> <p>Also included in the packet was a chapter from Ram Charan to paint a picture of different types of governance boards.</p> <p>Heather wants the board to be confident that the NH+C board is working, but sees an opportunity to think about what is the board vision for meaningful work and what refinements, improvements or evolutions of governing might take our board services and outcomes to the next level.</p> <p>The Board questioned whether the final document will be something that the board will review annually. Steve Underdahl commented that this is something that will be discussed as part of the process. He suggested that this would be a good idea given the dynamics of the board and the fact that board members change.</p>	<p>Some additional articles will be sent to the Board for reading prior to the retreat.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> <li>Land Lease Update</li> </ul>	<p>The land lease presentation was removed from the agenda and will be incorporated into the CEO report this evening.</p>	<p>Information only.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> <li>EHR Update</li> </ul>	<p>Scott Edin and Steve Underdahl brought the board up-to-date on discussions related to an EPIC EHR through Olmsted Medical Center. It is a very expensive purchase and we want to make sure we have properly vetted all options. Scott noted that we were looking at paying for it in seven years, but are now looking at ten years to make it more affordable. Support costs are also high. We may share some support costs, such as IT/IS.</p>	<p>Continue to keep the board updated.</p>	<p>Closed.</p>

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5. Executive and Committee Reports			
<ul style="list-style-type: none"> <li>• CEO Report</li> </ul>	<p>Steve Underdahl reported:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> <li>• Thanked board members who attended the special meeting with the City Council earlier this week related to senior services. No further action is required from the NH+C Board. We will support the City in their vetting and evaluation process.</li> <li>• Currently doing preliminary financial modeling for EPIC EHR with NH+C being a minority partner. An EHR governance document was drafted and will be discussing with legal tomorrow. A team of NH+C employees is meeting with Olmsted Medical Center to continue to learn about it. Working on scheduling additional demos for the providers. Expect to have more information at the December board meeting.</li> <li>• Have contracted with an Enterprise Risk Management (ERM) vendor to provide tools and guidance to begin our ERM process.</li> <li>• Preparing to go live with the ACO – in January. In addition to weekly webinars, there is a meeting in Arizona next week to learn more about it. We are meeting with a Minnesota partners regarding the potential of a phase 2 group for year two. Lynn Clayton commented that the Community Relations Committee is interested in learning more about this concept. Steve Underdahl responded that this would be a good educational session for the whole board in 2018.</li> <li>• Articles of incorporation are in place for the Foundation. Seed money and initial board seats to be determined.</li> <li>• Steve and Dr. Meland recently met with HCMC leadership.</li> <li>• Currently exploring opportunities with Olmsted Medical Center to cooperate in southeast markets.</li> <li>• District One/Allina CEO is retiring on December 8. The CEO from Owatonna will support both practices.</li> </ul>	Information only.	Closed.

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	<p><u>Operations</u></p> <ul style="list-style-type: none"> <li>• Payor mix continues to have a profound impact. Volumes are on target, but dollars are behind budget. Medicare Low Volume Program is a key driver.</li> <li>• Self-funded insurance is barely breakeven for 2017. Most years, there has been a surplus. Key driver is high deductible plans.</li> <li>• Currently reviewing organizational policies and procedures around sexual harassment.</li> </ul> <p><u>Policy Issues</u></p> <ul style="list-style-type: none"> <li>• A sub-committee, including board members met with Senator Matt Little. He is interested in our plan to reduce congested heart failure readmissions (CHF)</li> <li>• A meeting with Senator Julie Rosen regarding PERA considerations is expected to be confirmed soon.</li> <li>• Participating with MHA Board meeting with gubernatorial candidates</li> </ul>		
<ul style="list-style-type: none"> <li>• Financial Report</li> </ul>			
<ul style="list-style-type: none"> <li>✓ October Financials</li> </ul>	<p>Scott Edin reviewed October financials.</p> <p><u>Key Drivers:</u></p> <ul style="list-style-type: none"> <li>✓ Cancer Care &amp; Infusion Center was 18.5% over budget</li> <li>✓ ED visits were 8.7% over budget</li> <li>✓ Imaging procedures were 5.7% over budget</li> <li>✓ Inpatient days were 2.1% over budget</li> <li>✓ Surgery cases were 94.6% of budget</li> </ul> <p><u>Financial Outcomes:</u></p> <ul style="list-style-type: none"> <li>✓ New operating revenues were \$218,000 under budget</li> <li>✓ Operating expenses were \$74,000 over budget</li> <li>✓ Net operating income was \$99,000 (\$292,000 under budget)</li> </ul>	Information only.	Closed.
<ul style="list-style-type: none"> <li>• Community Relations Committee Report</li> </ul>	<p>Steve O'Neill reported on the Community Relations Committee meeting, which met earlier this evening:</p> <p>The majority of the meeting was spent discussing health award requests. There were more requests than the pool of money budgeted for donations (\$55,000 over budget). The committee is seeking direction on how to proceed. Steve also noted that the amount of \$70,000 has not changed over the past several years.</p>	Information only.	Closed.

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	<p>Charlie Kyte suggested that this be reviewed by the Budget &amp; Finance Committee, and then come to the full Board with a recommendation. The Budget &amp; Finance Committee is meeting twice in the month of December. The committee also discussed ACO requirement for partnerships, and questioned if it would have an impact on the organizations we support.</p>		
<p>6. Roundtable, Announcements and Questions</p>	<ul style="list-style-type: none"> <li>• There was a request for more board education on ACO and population health.</li> <li>• The Budget &amp; Finance Committee met this evening and reviewed proposal from investment advisors. Three or four will be invited to come back to meet with the committee in early December. The committee will come back to the Board with a recommendation. Once the Board agrees on a firm, the firm will meet with the Board regarding investment strategy.</li> </ul>	<p>Information only.</p>	<p>Closed</p>
<p>7. Pending Items</p>	<ul style="list-style-type: none"> <li>• Governance Focused Retreat: December 15 at St. Olaf College</li> </ul>		
<p>8. Adjourn</p>	<p>The meeting was adjourned at 8:35 pm</p>	<p>A motion was made by Steve O'Neill and seconded by Charlie Kyte. Motion carried.</p>	<p>Closed.</p>