

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: December 15, 2016 Location: Conference Center Start time: 6:30 pm Adjourn time: 10:22 pm

Members present: Virginia Kaczmarek, CC Linstroth, Charlie Mandile, Michelle Muench, Steve O'Neill, James Schlichting, Charlie Kyte (arrived at 8:10 p.m.)

Members excused:

Members absent:

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

Others present: David Emery (LWV), Keith Olson (Allina), Chris Rustad (Mayo), Walt Flynn (Flynn & Associates), Jan Hanson (St. Olaf College)

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<p>1. Call to Order and Approval of the Agenda</p>	<p>The meeting was called to order by James Schlichting at 6:30 p.m.</p> <p>James reported that we have quorum with six members present. Charlie Kyte was present for part of the Budget & Finance Committee meeting prior to the Board meeting this evening, but had to leave for another commitment. He is expected to arrive later in the Board meeting.</p> <p>Jonathan Reppe and Bob Murray resigned from the Board. Jonathan resigned due to his schedule and Bob resigned because he moved out of the Northfield School District and is no longer eligible to be on the Board.</p> <p>James noted that we need a quorum (four members) to approve all action items this evening except the Bylaws which require 2/3 of the Board (five).</p> <p>There were no requests to remove items from the Consent agenda.</p>	<p>A motion was made by Steve O'Neill and second by Virginia Kaczmarek to approve the agenda as presented. Motion carried.</p>	<p>Closed.</p>
<p>2. CEO Evaluation Process</p>	<p>Walt Flynn, Flynn & Associates, presented his recommendation for the CEO evaluation process. Walt was retained to help devise an evaluation process that is less onerous and stable over time. He has worked with the Governance & Planning Committee on this process. Objectives were to standardize and simplify the process, provide meaningful performance feedback to the President & CEO, evaluate day-to-day management and accomplishments of NH&C's strategic priorities, and a process that fulfills the Board's fiduciary role of ensuring the competency of the CEO.</p>	<p>The Board requested that the action on the CEO evaluation process come back at the January Board meeting.</p>	<p>Bring back for final approval in January,</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>The recommended process includes 360-degree evaluation to be completed by the entire Board and Senior Leadership Team, as well as a representative sample of the employed and non-employed physician leaders at NH&C. It also includes and assessment of strategic priorities. Information generated from the 360-degree evaluations would be the driver for base compensation increase and accomplishments of the strategic priorities would trigger the bonus compensation.</p> <p>Questions from the Board:</p> <ul style="list-style-type: none"> • Would it be beneficial to get 360-degree feedback from department leaders in addition to physician leaders, and possibly non-management staff. Steve Underdahl commented we are developing an employee survey process that could be utilized in the future in some manner. It was noted that it is important that staff that provide input should be staff that interact with the CEO on a regular basis. It was recommended that ways to incorporate staff input into the process should be explored. • Would the full Board have access to the same information seen by the Governance & Planning Committee? Walt noted that the committee would bring the final report to the Board for approval. 		
3. Reports			
<ul style="list-style-type: none"> • Hospital Chief of Staff Report 	<p>Dr. Tom Holt reported that the MEC is looking at a better way to structure the quarterly medical staff meetings as there has been an issue with attendance and less engagement of physicians who don't practice at the hospital.</p> <p>Steve Underdahl thanked Dr. Holt for his hard work and dedication to the medical staff and Board over the last year and presented him a recognition plaque.</p>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																																																								
<ul style="list-style-type: none"> Approval of Applications for Medical Staff Membership/ Privileges 	<p>Medical Staff files were presented for approval:</p> <p style="text-align: center;"><u>Appointments</u></p> <table border="1" data-bbox="378 262 899 525"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3887</td> <td>Psychiatry</td> <td>Affiliate</td> </tr> <tr> <td>3895</td> <td>Nurse Practitioner</td> <td>AH:I</td> </tr> <tr> <td>3886</td> <td>Psychiatry</td> <td>Affiliate</td> </tr> <tr> <td>3894</td> <td>Mental Health</td> <td>AH:I</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Reappointments</u></p> <table border="1" data-bbox="378 569 899 1094"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3679</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> <tr> <td>7366</td> <td>Internal Medicine</td> <td>Affiliate</td> </tr> <tr> <td>3737</td> <td>Sleep Medicine</td> <td>Affiliate</td> </tr> <tr> <td>7401</td> <td>CRNA</td> <td>AH:I</td> </tr> <tr> <td>37385</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> <tr> <td>7103</td> <td>Internal Medicine</td> <td>Affiliate</td> </tr> <tr> <td>7456</td> <td>OB/GYN</td> <td>Affiliate</td> </tr> <tr> <td>3701</td> <td>Urology</td> <td>Affiliate</td> </tr> </tbody> </table> <p style="text-align: center;"><u>Provisional Status</u></p> <table border="1" data-bbox="378 1136 911 1234"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Adv.</th> <th>Ext</th> </tr> </thead> <tbody> <tr> <td>3808</td> <td>Family Medicine</td> <td>X</td> <td></td> </tr> </tbody> </table> <p style="text-align: center;"><u>No Action Required</u></p> <p style="text-align: center;"><u>Resignations</u></p> <table border="1" data-bbox="378 1312 911 1434"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3693</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> </tbody> </table>	Prac #	Privilege	Category	3887	Psychiatry	Affiliate	3895	Nurse Practitioner	AH:I	3886	Psychiatry	Affiliate	3894	Mental Health	AH:I	Prac #	Privilege	Category	3679	Teleradiology	Tele-medicine	7366	Internal Medicine	Affiliate	3737	Sleep Medicine	Affiliate	7401	CRNA	AH:I	37385	Teleradiology	Tele-medicine	7103	Internal Medicine	Affiliate	7456	OB/GYN	Affiliate	3701	Urology	Affiliate	Prac #	Privilege	Adv.	Ext	3808	Family Medicine	X		Prac #	Privilege	Category	3693	Teleradiology	Tele-medicine	<p>A motion was made by CC Linstroth and seconded by Virginia Kaczmarek to approve the appointments, reappointments and advancement from provisional status as recommended by the Medical Executive Committee. Motion carried.</p>	<p>Approved.</p>
Prac #	Privilege	Category																																																									
3887	Psychiatry	Affiliate																																																									
3895	Nurse Practitioner	AH:I																																																									
3886	Psychiatry	Affiliate																																																									
3894	Mental Health	AH:I																																																									
Prac #	Privilege	Category																																																									
3679	Teleradiology	Tele-medicine																																																									
7366	Internal Medicine	Affiliate																																																									
3737	Sleep Medicine	Affiliate																																																									
7401	CRNA	AH:I																																																									
37385	Teleradiology	Tele-medicine																																																									
7103	Internal Medicine	Affiliate																																																									
7456	OB/GYN	Affiliate																																																									
3701	Urology	Affiliate																																																									
Prac #	Privilege	Adv.	Ext																																																								
3808	Family Medicine	X																																																									
Prac #	Privilege	Category																																																									
3693	Teleradiology	Tele-medicine																																																									
<ul style="list-style-type: none"> CMO Report 	<p>No Report.</p>	<p>None.</p>	<p>Closed.</p>																																																								
<ul style="list-style-type: none"> FamilyHealth Clinic Medical Director Report 	<p>No Report.</p>	<p>None.</p>	<p>Closed.</p>																																																								
<ul style="list-style-type: none"> Allina Clinic Medical Director Report 	<p>No Report.</p>	<p>None.</p>	<p>Closed.</p>																																																								
<ul style="list-style-type: none"> Mayo Report 	<p>No Report.</p>	<p>None.</p>	<p>Closed.</p>																																																								
<ul style="list-style-type: none"> City Business Update 	<p>No Report.</p>	<p>None.</p>	<p>Closed.</p>																																																								

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> • CFO Report 	<p>Scott Edin presented the November financials and noted an extra column with the month-to-date data that has been added to the statistical highlights. He noted that we have been very busy this year with growth steady throughout the year vs. the majority during the fourth quarter. Michelle Muench, MD indicated that the spirit of the surgical services staff seems good. It was felt that this is most likely due to spreading the volumes over a longer period of time.</p>	Information only.	Closed.
<ul style="list-style-type: none"> ✓ November Financials 	<p>November patient revenues were \$1,195,000 over-budget, while deductions from revenue were \$30,000 over-budget. Operating expenses were \$775,000 over-budget. Operating income was \$470,000 vs. a budget of \$247,000 (year-to-date: 4.2% operating margin vs. 0.5% budgeted). Key positive and negative volumes for November were reviewed, as well as day's cash on hand, payer mix and salary and benefits as % of net revenues. Year-to-date we have accrued \$450,000 for the PERA reserve fund for 2016.</p>	Information only.	Closed.
<ul style="list-style-type: none"> • Pricing Council Update 	<p>Scott Edin updated the Board on the Pricing Council. As of August 1st, Blue Cross stopped reimbursing for lab tests sent to outside labs, instead they required them to be billed by the outside lab. This change requires us to bill clinic labs from the hospital rather than the clinic which creates an increase in cost to clinic patients. Reimbursement has increased, however, we have seen an increase in complaints. In an effort to correct and make this budget-neutral, hospital lab prices have been reduced by 30%. The council will continue to look at other options and continue to monitor other price sensitive areas.</p>	Information only.	Closed.
<ul style="list-style-type: none"> • CEO Report 	<p>Steve Underdahl thanked James Schlichting for his service to this institution and community for the past 10 ½ years (three full terms and one partial term), and presented him with a plaque. James has been a passionate supporter of the institution and has dedicated thousands of hours to NH&C. James commented on how quickly the time has gone, all the changes that have occurred during his time on the Board, and noted his</p>	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>appreciation for the good work this organization does.</p> <p>Steve Underdahl reported on the following:</p> <ul style="list-style-type: none"> • Shared a story of an EMS employee who came across an accident while driving home from work, stopped on the freeway a resuscitated a pediatric cardiac arrest victim. This employee is being recognized by Scott County on December 20th and will be presented with a "Hero" award. • The Ken Bank Wall of Honor reception was held on December 13th. It was well attended with positive feedback received. <p><u>Strategic / Tactical</u></p> <ul style="list-style-type: none"> • Pricing Council: update was presented earlier in the agenda. • Clinic improvement plan: on target with a full report to the Board in January presented by Kathleen Meier. • Foundation options: On target. Presented later in the agenda by Laura Peterson. • Employ Allina Hospitalists – complete • Expanded RT coverage: Program in place with coverage from 7am – 7pm. In the process of hiring two more FTE's to cover nights. • Strategic Planning Process: Will begin in January. Matt Anderson be joining the Board for these discussions. <p><u>Operational</u></p> <ul style="list-style-type: none"> • Summit PSA Process: On pace with meetings through the end of the year. • Sterling Drug: Design work moving forward for local urgent care. • The City Council approved the purchase of the O'Halloran building. The closing is expected to occur in the next few weeks. • EMR demonstrations (three vendors) are on-site over the next couple of weeks. Physicians are encouraged to attend and help evaluate the systems. • Thanked everyone for another good year. 		

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> Special & Regular Budget & Finance Committee Report 	<p>Virginia Kaczmarek reported that the Budget & Finance Committee met on 11/29/16 to review the 2017 operational and capital budget. The met again before the Board meeting tonight and reviewed the following:</p> <ul style="list-style-type: none"> Approved meeting minutes from last two meetings, November financials Depositories and Safe Keeping entities 2017 Capital & Operating Budgets Donation Pool Authorization for 2016. 	Information only.	Closed.
<ul style="list-style-type: none"> ✓ Depositories & Safekeeping Entities 	<p>Virginia Kaczmarek presented the depositories and safekeeping entities used by NH&C, and recommend full Board approval as described in the proposal (copy included in Board packet). The only change from last year are new accounts with Wells Fargo required by the bond issues.</p>	<p>A motion was made by CC Linstroth and seconded by Steve O’Neill to approve the depositories and safekeeping entities for 2017 as recommended. Motion carried.</p>	Closed.
<ul style="list-style-type: none"> ✓ Approval of Annual Donations Pool 	<p>The Budget & Finance Committee approved the donation pool for the fiscal year ending 12/31/16 of \$233,072. This amount is accrued as an expense in December 2016 and paid out in year 2017. The Public Relations Committee is responsible for the donation allocation process for the community donations portion of this pool. Each year the Budget and Finance Committee take into consideration both NH&C’s current year financial performance and community needs and makes a recommendation to the Board regarding the total donation pool.</p> <p>Steve Underdahl reported that the YMCA has closed their capital campaign and will be looking at their long-term mortgage commitment soon. NH&C currently has \$150,000 pledge remaining in the original \$350,000 pledge. The \$50,000 2016 pledge has already been processed. If the Board is willing to pay our remaining pledge of \$100,000 this year, it would help the YMCA’s principal and related interest payments. We would also have the benefit of satisfying this obligation during a good financial year.</p>	<p>Charlie Mandile abstained from voting due to a possible conflict of interest as his employer has been a recipient of a donation in the past. Virginia Kaczmarek also abstained from voting due to a conflict of interest related to her employment with the YMCA.</p> <p>A motion was made Steve O’Neill and seconded by Michelle Muench, MD to approve the following amounts:</p> <ul style="list-style-type: none"> Up to \$70,000 for the Northfield community and the regional communities where we have medical clinics (Northfield, Farmington, Lakeville, and Lonsdale) (accrue as 2016 expense and pay in 2017). 	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
		<ul style="list-style-type: none"> • \$50,000 to YMCA for calendar year 2016 (accrued as 2016 expense, pay in 2017). • \$113,072 to City of Northfield as pass-thru to Northfield Park and Recreation Program. Year one of the three-year agreement (accrued as 2016 expenses, pay in 2017). <p>Total Payable in 2017 = \$233,072 Motion Carried</p> <p>A seconded motion was made by CC Linstroth and seconded by Steve O'Neill to approve the remaining \$100,00 pledge of a \$350,000 total pledge to the YMCA. Accrued at 2016 expenses paid in 2017. Motion carried.</p>	
<ul style="list-style-type: none"> • Special Governance & Planning Committee 	<p>James Schlichting reported on the Special Governance & Planning Committee meeting held on 11/29/17. The committee reviewed the following:</p> <ul style="list-style-type: none"> • Reviewed and recommended full Board approval on the CEO evaluation process from Walt Flynn • Reviewed feedback from the Board on the gaps and general recommendations to be advanced to the Mayor-Elect related to Board appointments for 2017. • Reviewed and recommended full Board approval on revisions to the Bylaws. • Reviewed disqualification of a board member because of lack of residency in the Northfield School district. Board member submitted resignation earlier this week. 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> Quality Assurance Committee Report 	<p>Charlie Mandile reported on the Quality Assurance Committee meeting held this evening prior to the Board meeting. The committee:</p> <ul style="list-style-type: none"> Approved meeting minutes from the last committee meeting. Reviewed the quality dashboard Discussed supporting evidence for selected quality activities by expanding patient access to their medical record on the patient portal "MyHealth". This is also being discussed by other stakeholders. Received an update on clinic practice / optimal care from Jerry Ehn Discussed the committee report to the Board. CC Linstroth will work with Ann Reuter on reviewing a Board education video from MHA which may be shared with the Board. 	Information only.	Closed.
<p>4. Consent Agenda</p>	<p>Supporting documentation was included in the packets for items on the Consent Agenda:</p> <ul style="list-style-type: none"> Meeting Minutes: <ul style="list-style-type: none"> ✓ 11/18/16 Board Meeting ✓ 11/18/16 Community Relations Committee ✓ 11/29/16 Special Budget & Finance Committee ✓ 11/29/16 Special Governance & Planning Committee Medical Staff Peer Review Policy Ratification of Medical Staff Officers 	<p>A motion was made by CC Linstroth and seconded by Steve O'Neill to approve the November Board meeting minutes, accept the committee meeting minutes, and approve the Medical Staff Peer Review policy and ratification of medical staff officers as presented. Motion carried.</p>	Closed.
<p>5. Presentations/ Discussion/ Action Items</p>			
<ul style="list-style-type: none"> Board Development Plan 	<p>James Schlichting reported that he and Charlie Mandile met with the Mayor-Elect. She has extended the application deadline to December 16th. This is James' last meeting as it is the end of his term. Charlie Mandile will chair the Board beginning in January. Policy states that our Board Chair and Vice Chair will be elected at the Board's February meeting. Next year, the Board may look at doing this earlier.</p> <p>Steve Underdahl reviewed a summary of feedback received from Board members regarding strengths and weaknesses of the</p>	<p>Steve Underdahl will craft a respectful letter to the Mayor-Elect including feedback from the Board.</p>	<p>Next year, The Governance & Planning Committee will work toward getting this process started earlier in the year so this information can be forwarded to the Mayor sooner.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>current Board. The areas of expertise / characteristics the Board needs are:</p> <ul style="list-style-type: none"> • Business / financial / law • Representation of our broader community • Collaboration / strategy / Mission <p>He commented that as an institution we don't want to recommend a person, but rather someone categorically. He asked for Board feedback on the communication to the Mayor-Elect. Steve will craft a letter to the Mayor-Elect including the Board's self-reflection and in terms of categories.</p> <p>Michelle Muench, MD suggested an added category of a medical person. Not necessarily a physician, but someone in direct patient care. It was noted that Board members cannot be an employee of the hospital. CC Linstroth suggested we add medical provider to the business / financial / law category.</p>		
<ul style="list-style-type: none"> • Nominating Committee Process 	<p>James Schlichting reported that historically the Governance & Planning Committee has served as the nominating committee for Board officers. The Governance & Planning Committee is recommending an amendment to the Bylaws, to be discussed later in the meeting, adding this language: "The Governance and Planning Committee shall be the nominating committee for all offices, unless the Board establishes a special nominating committee."</p> <p>There was extensive discussion among the Board, including a need for a description of the nominating process and transparency. The question was raised regarding the philosophy and whether it is to move people around in the committees to get exposure in all areas, or is to put people where they have the most expertise? Charlie Mandile commented that, as Chair, he is very interested in Board members' preferences. He added that he would like to meet with each Board member to discuss individually. He will continue to keep the Board updated in all aspects and promotes continued open discussion in the future.</p>	<p>Discussion concluded support of the Governance & Planning Committee serving as the nominating committee.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> • Strategic Tactical Update 			
<ul style="list-style-type: none"> ✓ Ortho Bundles 	<p>One of our tactical deliverables is to better understand bundled payments around joint replacements. Jerry Ehn reported that Medicare is moving forward from voluntary to mandatory bundled payments for ortho procedures. Retrospective bundle payment model holds hospitals accountable for episodes of care extending 90-days post discharge. At this point, only hospitals bear financial risk. There is no requirement for other providers to participate or collaborate with hospitals. By year four, the payments can be adjusted +/- 20%. In 2015, 279 hospitals were impacted in 67 metro areas. CMS is expected to expand this in 2018 and other payers will most likely follow. Jerry reviewed what we are doing to prepare for this change. We will continue to follow and understand the expansion of this mandatory bundled payment project and continue to educate ourselves on successful strategies being deployed.</p>	Information only.	Closed.
<ul style="list-style-type: none"> ✓ Birth Center & Senior Service Options 	<p>Jerry Ehn presented birth center and senior service options.</p> <p>The current birth center size challenges our daily work and is not sized for growth. There is no free space immediately adjacent to the center. A team has been established to look at options. Options include (1) relocate the Birth Center to another campus location, (2) relocate Birth Center and clinic to another campus location with a limited addition, and (3) new building for both Birth Center and clinic. Jerry reviewed the challenges and next steps before bringing forward a recommendation.</p> <p>Direction for senior services for the future is to offer sustainable senior care services addressing both the current and future community needs. Jerry reviewed our journey over the last 2 ½ year, including the moratorium exception process, community assessment, design and financial modeling, a new payment model and refining the vision. Conclusions at the end of last year were:</p> <ul style="list-style-type: none"> • A replacement SNF is not viable option 	Information only.	Open.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<ul style="list-style-type: none"> The new payment system has provided us with time to plan, but is not our long-term solution Current model of care will not meet our future needs We should continue to work with potential partners to develop a sustainable option for the community, <p>A team including Yanik Companies, Benedictine Health System and NH&C consulted with various other groups and conducted site visits. A community needs assessments was done that identified a change in Northfield needs which drives a new model:</p> <ul style="list-style-type: none"> Enhanced assisted living unit Memory care unit Assisted living Independent living Less true SNF services (offered by other organizations) More technology in the home <p>The initial financial review is positive, there is flexibility in the model, and it can be phased. There is a potential to partner with St. Olaf College to add housing for retired alumni.</p> <p>Administration would like to ask the Board's permission to move forward with a letter of intent at the January Board meeting. This would authorize moving forward with next steps to explore, but does not commit us to anything.</p>		
<ul style="list-style-type: none"> Foundation Options 	<p>Laura Peterson reviewed options for the possibility of a NH&C Foundation at the direction of the Board. The purpose of a foundation could be:</p> <p><u>Internal Focus</u></p> <ul style="list-style-type: none"> Support capital improvement Ensure continued health care excellence Provide meaningful giving opportunities Assure continued growth, meet challenges, etc. <p><u>External Focus</u></p> <ul style="list-style-type: none"> Support other community needs There are ten foundations in Northfield <p>There are two models:</p> <ol style="list-style-type: none"> "Do it yourself" Model "Community Foundation" Model 	<ul style="list-style-type: none"> The Board was supportive of moving forward with creating a foundation and agreed that they would like to discuss more in the future as a full Board vs. assigning this to a committee. The Board would like to see more details/structure and comparison of the two types of foundations. 	<p>Bring back for full Board discussion.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
	<p>Neither model would change the relationship to the Auxiliary. The Auxiliary continues to provide service opportunities for volunteers (e.g. Gift shop and Book Fair). The foundation would act as a repository for donors who wish to ensure NH&C Mission ensures. There are minimal expenses to start a foundation, and it would function under its own Board.</p> <p>Laura’s recommendation is to move forward with a “Do It Yourself” model foundation. The next step if the Board wants to move forward is to establish a process for making upcoming recommendations, including</p> <ul style="list-style-type: none"> • Size of Board • Composition of initial Board • Initial funding • Name • Etc. <p>Laura suggested that we could create a special committee of this Board or assign to the Community Relations Committee.</p> <p>Discussion/questions to consider:</p> <ul style="list-style-type: none"> • What role would the City play? Have we considered giving back to the community vs. using the money to support our capital improvements? • What is the fundraising strategy? • Do we want to consider having a community foundation and have someone else run it for a minimal fee? • Like to see the Auxiliary involved in some way. • Liked the idea of not doing aggressive fundraising, but rather making people aware it is an option for giving. • Would like to see more information comparing what is involved in doing it ourselves vs. a community foundation, our intent, how aggressive we want to be, etc. 		
<ul style="list-style-type: none"> • Approval of Revisions to Hospital Bylaws 	<p>James Schlichting and Laura Peterson reviewed revisions to the Bylaws (copy was included in the packet). Revisions have been fully-vetted by the Governance & Planning Committee. The committee recommends Board approval.</p>	<p>A motion was made by Virginia Kaczmarek and seconded by CC Linstroth to approve the Bylaws as presented. Motion carried.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> Virtual Desktop Licenses 	<p>Scott Edin reviewed a request to purchase 400 Virtual Desktop Infrastructure (DVI) licenses at a cost of \$339,369. The licenses were planned to be purchased in 2017. By purchasing in 2016, we can take advantage of \$115,171 in savings (copy of SBAR was included in the packet).</p>	<p>A motion was made by Charlie Kyte and seconded by Virginia Kaczmarek to approve the purchase of 400 DVI licenses and infrastructure at a cost of \$339,369.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Pre-pay Option YMCA 	<p>This was discussed and action was taken under the agenda item "Annual Donations Pool" earlier in the agenda.</p>	<p>Information only.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Approval of 2017 Operating Budget 	<p>Scott Edin presented the 2017 operating budget, which has been fully vetted by the Budget & Finance Committee. The budget achieves an increase in net operating income of \$1.8 million or 1.7% margin. He reviewed the projected volumes, revenues and expenses for 2017. A 2% increase in overall rates is budgeted for 2017. The Budget & Finance Committee. Scott commented that this is the first time NH&C exceeded \$100 million in operations.</p> <p>The same approach was taken as last year and we did not budget for PERA or the all employee bonus and management incentive plan. In 2016, we set aside a reserve for PERA when profitable and have reserved \$450,000 to date.</p>	<p>A motion was made by Steve O'Neill and seconded by CC Linstroth to approve the 2017 operating budget as presented.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> Approval of 2017 Capital Budget 	<p>Scott Edin presented the 2017 capital budget of \$8.9 million, including \$4.9 million in strategic capital expenditures and \$4.0 million capital operations (copy of budget was included in the packet). An incremental fee for the EMR was included in the budget for expenses expected in 2017. There will be additional expenses for the EMR in 2018. He reminded the Board that anything over \$100,000 comes to the Board for approval prior to purchasing.</p> <p>The Budget & Finance Committee reviewed the 2017 capital budget and recommended full Board approval as presented.</p>	<p>A motion was made by Virginia Kaczmarek and seconded by Steve O'Neill to approve the 2017 capital budget as presented.</p>	<p>Closed.</p>

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
<ul style="list-style-type: none"> Nursing Patient Care Update: Home Care/Hospice 	<p>Tammy Hayes presented an update on the Hospice and Home Care Quality Assessment and Performance Improvement Plan (QAPI) which is a required report to the Board annually. QAPI includes:</p> <ul style="list-style-type: none"> Complaints and feedback from hospice and home care patients and families Vulnerable adult reports Incident reports Medical errors Infection Surveillance Chart audits Results of Minnesota Department of Health surveys NRC Picker patient satisfaction <p>Tammy reviewed the results of the patient satisfaction for hospice and home care. We scored above the Minnesota and national averages in all areas of patient satisfaction. She also shared information related to hospice bereavement services and home care quality of care. She reviewed the 2016 improvement plan. Tammy also reviewed the Home Care OASIS and Hospice HIS requirements, our rate, and the improvement plans. Charlie Mandile inquired whether we should add this data to the quality dashboard that is reviewed quarterly by the Board's quality committee. Tammy and Charlie will discuss offline. Jerry Ehn commented that we have an outside agency reviewing the improvement plans to ensure they make sense and to assist with benchmarks.</p>	Information only.	Closed.
6. Roundtable, Announcements and Questions	<ul style="list-style-type: none"> James Schlichting reminded the Board of an invitation from Carleton College to attend an open house on December 18th for business leaders in Northfield. The Board thanked James Schlichting for his service on the Board over the past 10 ½ years. Charlie Mandile reminded the Board that he would like to meet with all Board members individually within the next month to talk about Board leadership and committee assignments. 	Information only.	Closed.

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution
7. Pending Items	A draft of the policy on Donations to Non-Profits Policy was included in the Board packet for review. The Board will be asked to vote on the policy at the January Board meeting.	Information only.	Closed.
8. Complete Board Evaluation Form	Board members were asked to complete a meeting evaluation form and return it to Bobbi Jenkins.	Information only.	Closed.
9. Adjourn	The meeting was adjourned at 10:22 p.m.	A motion was made by Charlie Kyte and seconded by Steve O'Neill to adjourn the meeting.	Closed.