

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: January 28, 2016 Location: Conference Center Start time: 6:30 p.m. Adjourn time: 9:03 p.m.

Members present: Virginia Kaczmarek, Charles Kyte, CC Linstroth, Charlie Mandile, Michelle Muench, MD, Bob Murray, Steve O'Neill, Jonathan Reppe, James Schlichting

Members excused:

Members absent:

Staff Present: Steve Underdahl, Jeff Meland, MD, Jerry Ehn, Ben Flannery, MD. Scott Edin, Betsy Spethmann, Vicki Stevens, Sandy Mulford, Julie Nikolai Sullivan, Laura Peterson, Bobbi Jenkins (recorder)

Others present: David Emery (LWV), Tom Holt, MD (NH&C Medical Staff President), Keith Olson, MD (Allina), Robert Miller, MD (Mayo), David DeLong (City)

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 Kyte at 6:03 p.m. A report from the Quality Assurance Committee was added to the agenda under "Reports".	A motion was made by James Schlichting, seconded by Steve O'Neill and unanimously passed to approve the amended agenda.	Closed.
2. Introduction of New Board Member- Bob Murray	Charlie Kyte introduced Bob Murray, NH&C new Board member appointed by the City to replace Charlie Austin. Bob shared his background, which includes approximately over ten years of healthcare experience. He is looking forward to serving on the Board and commented that it is both an honor and privilege.	Information only.	Closed.
3. Good Things Happening	<p>Steve Underdahl shared the following:</p> <ul style="list-style-type: none"> • Two members of our EMS staff responded to a call from the State Patrol. After a full assessment, it was determined that the person driving a car was tired after a long day. The person did not have any money and was going to sleep in his car. The staff escorted this person to a local hotel and paid for his room. • Northfield Hospital received a Women's Choice Award as being one of the best places in Minnesota to have a baby. They rate healthcare organizations based on patient satisfaction and clinical excellence. The award is given to hospitals that rank above the national average for patient recommendations. • Charlie Kyte and Michelle Muench, MD completed Minnesota Hospital Association's (MHA) Board 	Information only.	Closed.

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	<p>Certification Program and were awarded a certificate at the recent MHA Trustee earlier this month.</p>		
<p>4. Spotlight Report- Do The Next Right Thing</p>	<p>Vicki Stevens and Sandy Mulford gave an update on progress made toward implementing "Do the Next Right Thing" (DTNRT) initiative throughout the organization. The Board viewed a short education video that all staff viewed during training.</p> <p>DTNRT Guiding Principles:</p> <ul style="list-style-type: none"> • We are guests in the lives of our patients, not the other way around; • We will provide compassion, understanding and help ALWAYS; • Each of us is empowered and responsible to do what we can; and • We will provide the best experience possible for each of our patients and visitors irrespective of why they are here. <p>This initiative is intended to be used in the way staff treat patients, as well as each other. Staff education will continue in 2016. A banquet is planned to recognize 2015 service excellence.</p> <p>The Board commended Vicki and Sandy for their leadership in the program and for their enthusiasm.</p>	<p>Information only.</p>	<p>Closed.</p>
<p>5. Reports</p>	<p>Charlie Kyte reported that in an effort to free up more time at the Board meetings for discussion, beginning this month the following reports will be given every other month vs. every month:</p> <ul style="list-style-type: none"> • FamilyHealth Medical Clinic • Allina • Mayo • City 	<p>Information only.</p>	<p>Closed.</p>
<ul style="list-style-type: none"> • Hospital Chief of Staff Report 	<p>Dr. Tom Holt, Medical Staff President, reported on the following:</p>	<p>Information only.</p>	<p>Closed.</p>

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	<ul style="list-style-type: none"> The Hospitalist Program continues to mature and is becoming more vigorous and robust. This is a big part of his work in addition to being the Medical Staff President. The Medical Executive Committee (MEC) approved a privilege form for Mental Health Telemedicine which the committee forwarded to the Board for final approval. The MEC is developing a Physician Scholarship Program. The purpose is to advance a physician's skills and training, or pursuit of a medical area of interest, which also improves patient care at NH&C. 		
<ul style="list-style-type: none"> FamilyHealth Clinic Medical Director Report 	<p>Dr. Flannery, FamilyHealth Medical Clinic Medical Director, reported on the following:</p> <ul style="list-style-type: none"> The CliftonLarsonAllen Clinic Assessment that was reported to the Board in December was shared with the FamilyHealth Medical Clinic providers. Work has begun on opportunities for improvement. Dr. Flannery is leading a Strategic Planning Retreat for clinic providers to discuss the report and how to move forward to be more efficient. He anticipates holding retreats with the providers in the future once or twice a year. Dr. Jack Felland, Family Medicine physician, will be joining the FamilyHealth Medical Clinic in Northfield. 	Information only.	Closed.
<ul style="list-style-type: none"> CMO Report 	No report	N/A	N/A
<ul style="list-style-type: none"> Allina Clinic Medical Director Report 	<p>Dr. Keith Olson, Allina Southeast Region Medical Director, reported on the following:</p>	Information only.	Closed.

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	<ul style="list-style-type: none"> Allina is working with a recruiting firm for an internal medicine provider to join Dr. McDonald. Allina will be starting a remodeling project at the Northfield clinic to accommodate the new care team model. Some Allina physicians have expressed disappointment with NH&C new website related to Allina providers not present on the site. This will be addressed later in the agenda during the presentation on the new website. 		
<ul style="list-style-type: none"> Mayo Report 	<p>Dr. Robert Miller reported on the following recent developments in Northfield:</p> <ul style="list-style-type: none"> A Mayo Clinic dermatologist sees patients three days a week at the FHMC in Lakeville. Neurology services have been expanded at NH&C. Mayo Clinic and NH&C are collaborating on inpatient and ED transfers which is allowing for more patients to receive their care in Northfield and closer to home. Mayo Clinic and NH&C are establishing a tumor board, which is multidisciplinary case discussions in which health care providers discuss suitable diagnostic tests and treatment options for current cancer cases. 	Information only.	Closed.
<ul style="list-style-type: none"> City Business Update 	<p>David DeLong reported in Mayor Dana Graham's absence. On February 4th, the City will be interviewing for the new City Administrator. They anticipate a decision by the end of the next week.</p>	Information only.	Closed.
<ul style="list-style-type: none"> CFO Report 			
<ul style="list-style-type: none"> December Financials 	<p>December gross patient revenues were \$3,838,000 over-budget, while deductions</p>	Information only.	Closed.

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	<p>from revenue were \$1,483,000 over-budget. Operating expenses were \$988,000 over-budget. Operating income was \$1,628,000 vs. a budget of \$311,000 (year-to-date: 3.3% operating margin vs. 0.7% budgeted).</p> <p>Key positive and negative volumes for December were reviewed, as well as day's cash on hand. Scott Edin noted that days cash on hand increased due to the recent Bond financing.</p> <p>Scott reviewed stats for the very busy month of December. Discussion included:</p> <ul style="list-style-type: none"> • Work smoothing is challenging when there is so much fluctuation in volume, especially during the last couple of months of the year. • There has been a significant increase in FTEs over the previous year (8% increase). The Board noted a need to monitor growth in the future. Included in the additional FTEs in 2015 is the FamilyHealth physicians, provider support staff (i.e. new services: dermatology and allergy); additional coders due to ICD10 requirements; utilization review staff and patient advocate. • Scott indicated that he would like to see a minimum of 3% operating margin in the future as an indicator for bonuses to be recommended to the Board. The All Employee Bonus and Management Incentive Plan was not budgeted in 2015. A recommendation will come from administration to the Board in February. 		
<ul style="list-style-type: none"> • Capital Purchase Summary 	<p>Scott Edin summarized the capital purchase summary for the fourth quarter. Through the end of the third quarter, \$7,832,359 was spent on capital</p>	<p>Information only.</p>	<p>Closed.</p>

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	<p>expenditures. The total for the year was \$9,667,759. The higher expense items purchased included the surgery center addition, data center project, ambulance, ultrasound for the hospital, carpeting replacement in the hospital, and ophthalmology equipment. Capital purchases were higher this year due to the surgery center project which was \$6.2 million.</p> <p>Scott noted that in the past the Board has looked at more detailed information and questioned whether this is enough information for the Board go forward. The Board requested the information Scott presented today be included in the Board packet in the future.</p>		
<ul style="list-style-type: none"> CEO Report 			
<ul style="list-style-type: none"> ✓ 2015 Review 	<p>Steve Underdahl gave a high level review of the year 2015, including:</p> <ul style="list-style-type: none"> A successful year with some significant challenges, Quality and service accomplishments, Clinic improvement process is underway, CFO was hired, St. Olaf student health services, ASC feasibility study, Organizational modernization efforts, Surgery expansion project, Closing of the Elko New Market Clinic, Refinement of the hospitalist program, Planning for respiratory therapy expansion, Progress made in Meaningful Use, TED MED, Strategic Relationships, Physician recruitment success, Planning for EMR, Long Term Care strategy refined, Framework in place for telemedicine. 	Information only.	Closed.
<ul style="list-style-type: none"> Governance & Planning Committee Report 	<p>James Schlichting reported on the Governance & Planning Committee meeting held prior to the meeting this evening:</p>	Information only.	Closed.

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	<ul style="list-style-type: none"> • Approved minutes from the last meeting. • Discussed CEO goals and progress. • Discussed the 2015 Board self-evaluation process. • Nominated Board officers. • Reviewed a bonus recommendation. <p>Charlie Kyte noted that for the past two years there have been discussions about how to structure management bonuses based on a financial and quality trigger. At the February Board meeting, the Board will be asked to review a recommendation to begin this process.</p>		
<ul style="list-style-type: none"> ✓ Nomination of Board Officers 	<p>Charlie Kyte reported that the Governance & Planning Committee made the following nominations for 2016 board officers:</p> <ul style="list-style-type: none"> • Board Chair – James Schlichting • Board Vice Chair – Charlie Mandile <p>The Vice Chair moves into the role of the Board Chair after he/she serves two years as Vice Chair. James Schlichting will serve as Chair for only one year as his final Board term ends at the end of 2016. Therefore, Charlie Mandile will serve in the role as Vice Chair in 2016 and move into the role as Chair 2017-2018 (two years). The floor was opened for additional nominations for officers for 2016. There were none.</p> <p>The Treasurer and Secretary officer assignments will be made after the Board Committee assignments have been finalized for 2016. Steve Underdahl will serve as the Secretary/Treasurer in the interim.</p>	<p>A motion was made, seconded and unanimously passed to accept the nominations as presented by the Governance & Planning Committee.</p>	<p>The election will take place at the February Board meeting.</p>
<ul style="list-style-type: none"> • Quality Assurance Committee Report 	<p>Charlie Mandile reported on the Quality Assurance Committee meeting on 01/12/16 (a copy of the meeting minutes were included in the Board packet). The three focuses of the committee are:</p>	<p>Information only.</p>	<p>Closed.</p>

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	<ol style="list-style-type: none"> 1. What are the current quality activities and how do they relate to the strategic plan? 2. Are quality improvement activities making a difference? 3. Are additional resources needed? <p>The committee developed a dashboard report, and reviewed the tactics and results (a copy of the dashboard was distributed to the Board).</p> <p>The committee also reviewed an updated quality structure to better promote/focus/explain the quality and safety activity of the organization.</p>		
4. Consent Agenda	<p>Supporting documentation was included in the packet for the following items on the Consent Agenda:</p> <ul style="list-style-type: none"> • Meeting Minutes: <ul style="list-style-type: none"> ✓ 12/17/15 Board Meeting ✓ 12/07/15 Special Budget & Finance Committee ✓ 12/17/15 Budget & Finance Committee ✓ 01/12/16 Quality Assurance Committee • Applications for Medical Staff Membership / Privileges • New Clinical Privilege Form: Mental Health Telemedicine • Revision to Medical Staff Clinical Privilege Forms Related to Board Certification • Revision to Medical Staff Bylaws related to Board Certification • Revisions to Family Medicine Clinical Privileges Form related to Central Venous Access Privileges 	A motion was made by Virginia Kaczmarek, seconded by Jonathan Reppe and unanimously passed to approve the Consent agenda as presented.	Closed.
5. Presentations/ Discussion/ Action Items			

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<ul style="list-style-type: none"> Learnings from the MHA Trustee Retreat 	<p>Those who attended the MHA Regional Trustee meeting in early January shared learnings:</p> <ul style="list-style-type: none"> Sessions on Telehealth, State of Minnesota Health Care, Increasing the Value of Community Health Needs Assessments, and Next Generation Technology were noted as being very informative. Financial session was good, including information on payor mix and discounts. There was a discussion at the meeting regarding how insurance plans for major employers can impact business and reimbursement. Session on developing a community health network was good and focused on decreasing unnecessary admissions and ED visits. The Training Camp for rookie trustees was informative and beneficial. 	Information only.	Closed
<ul style="list-style-type: none"> Board Self-Evaluation Process 	<p>Board members will be asked to complete a Board self-evaluation form. Forms will be distributed via email next week and returned by February 12th. The results will be shared with the full Board.</p>	Information only.	Closed.
<ul style="list-style-type: none"> New Website/ Branding Recommendation 	<p>Julie Nikolai Sullivan presented NH&C Marketing Branding and Website Update. She reviewed branding work to date with next steps to include moving ahead with creative execution of brand strategy:</p> <ul style="list-style-type: none"> New logo, color palette and marketing templates Improve sub-brands by deleting, shortening or changing some names. <p>She reviewed the timeline and noted that it will come back to the Board for review and comments before implementing. The new website went live on December 4, 2015. Julie gave an overview of website. Feedback has been positive. She noted that the site is a work in progress and is continually being updated. Future enhancements include on-line form and registrations. Dr. Olson noted that the Allina physicians are disappointed over their lack of presence on the website. Discussion concluded that Steve Underdahl will follow-up with Dr. Olson outside this meeting.</p>	Information only.	Closed.

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6. Roundtable, Announcements and Questions	Laura Peterson reminded Board members who have not returned the NH&C conflict of interest form to please return it to her at their earliest convenience.	Information only.	Closed.
7. Pending Items	The Strategic & Planning Retreat for Board members is scheduled on April 1.	Information only.	Closed.
8. Adjourn	The meeting was adjourned at 9:03 p.m.	A motion was made by Steve O'Neill and seconded by Charlie Mandile to adjourn the meeting at 9:03 p.m.	Closed.