

MEETING MINUTES RECORD

Meeting: Board of Directors

Date: June 30, 2016

Location: Conference Center

Start time: 6:30 p.m.

Adjourn time: 9:20 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: (attended all or part of the meeting): Steve Underdahl, Scott Edin, Jerry Ehn, Jeff Meland, MD, Betsy Spethmann, Julie Nikolai-Sullivan, Bobbi Jenkins (Recorder)

Others present: David Emery (LWV), Chris Rustad (Mayo), Brian Whited, MD (Mayo), Mayor Dana Graham

Issue/Problem	Discussion/Conclusions	Action	Follow-up/Resolution																								
1. Call to Order and Approval of the Agenda	The meeting was called to order by James Schlichting at 6:30 pm. There were no changes noted to the agenda and no requests to remove items from the Consent agenda.	A motion was made by Steve O'Neill and seconded by Virginia Kaczmarek to approve the agenda as presented. Motion carried.	Closed.																								
2. Reports																											
<ul style="list-style-type: none"> Hospital Chief of Staff Report 	Dr Holt, Medical Staff President reported on the following: <ul style="list-style-type: none"> The MEC is working on a credentialing issue related to call expectations, which can be challenging for small hospitals. The MEC is looking at possible options related to how we manage mental health patients. 	Information only.	Closed.																								
<ul style="list-style-type: none"> Motion to Approve Applications for Medical Staff Membership/ Privileges 	Dr. Tom Holt presented the following medical staff files for approval from the Credentials Committee. There were no concerns with any of the files. <p style="text-align: center;"><u>Appointments</u></p> <table border="1" data-bbox="386 1413 930 1860"> <thead> <tr> <th>Prac #</th> <th>Privilege</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>3861</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> <tr> <td>3869</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3858</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> <tr> <td>3870</td> <td>Mental Health</td> <td>AH:I</td> </tr> <tr> <td>3866</td> <td>Pathology</td> <td>Affiliate</td> </tr> <tr> <td>3860</td> <td>Teleradiology</td> <td>Tele-medicine</td> </tr> <tr> <td>3865</td> <td>Pathology</td> <td>Affiliate</td> </tr> </tbody> </table>	Prac #	Privilege	Category	3861	Teleradiology	Tele-medicine	3869	Mental Health	AH:I	3858	Teleradiology	Tele-medicine	3870	Mental Health	AH:I	3866	Pathology	Affiliate	3860	Teleradiology	Tele-medicine	3865	Pathology	Affiliate	A motion was made by Bob Murray and seconded by Jonathan Reppe to approve the appointments, reappointments and extension of provisional status as recommended by the Credentials Committee and the Medical Executive Committee. Motion carried.	Closed.
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<ul style="list-style-type: none"> FamilyHealth Clinic Medical Director Report 	No report.	Information only.	Closed.																																						
<ul style="list-style-type: none"> CMO Report 	<p>Dr. Jeff Meland reported on the following:</p> <ul style="list-style-type: none"> The director of anesthesia recently added a highly regarded MDA to our anesthesia staff. The practitioner is from HCMC, is efficient, collaborative, and staff really like him. Work continues on finalizing plans for the new Hospitalist Program to be up and running on September 1. We continue to be busy in almost all areas. Administration has been responsive to supporting staff when needed. 	Information only.	Closed.																																						
<ul style="list-style-type: none"> Allina Clinic Medical Director Report 	No report.	Information only.	Closed.																																						

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<ul style="list-style-type: none"> Mayo Report- Introduction of Dr. Brian Whited 	<p>Steve Underdahl introduced Dr. Brian Whited who replaced Dr. Robert Miller as the Mayo Clinic Health System representative for NH&C. Dr. Miller has changed assignments. Steve thanked Dr. Miller for his years of service to NH&C. Dr. Whited covers southern Minnesota and western Wisconsin. Chris Rustad will continue to attend NH&C monthly Board meetings and Dr. Whited will attend on an occasional basis as necessary. Dr. Whited reported on the following:</p> <ul style="list-style-type: none"> Looks forward to periodically attending NH&C Board meetings. Currently serves on the Joint Advisory Board (JAC) and knows NH&C leadership well. Continues to work on areas to enhance and improve. Urology and dermatology were gaps that have been filled in the last year or two. Providing regular Grand Rounds at NH&C for the medical staff and are selecting those areas of key interest identified by the medical staff. 	Information only.	Closed.
<ul style="list-style-type: none"> City Business Update 	No report.	Information only.	Closed.
<ul style="list-style-type: none"> CFO Report 			
<ul style="list-style-type: none"> ✓ May Financials 	<p>May gross patient revenues were \$1,991,000 over-budget, while deductions from revenue were \$1,245,000 over-budget. Operating expenses were \$436,000 over-budget. Operating income was \$281,000 vs. a budget of \$44,000 (year-to-date: 4.1% operating margin vs. (0.2%) budgeted).</p> <p>Key positive and negative volumes for May were reviewed, as well as day's cash on hand, payer mix and salary and benefits as % of net revenues. We are over budget in almost all areas, and have 35 FTEs more than last year.</p> <p>Scott Edin reported that \$50,000 was reserved in May for the PERA reserve fund for expenses that we may incur at the end of the year. Year-to-date, \$300,000 has been reserved for PERA. The goal is to reserve \$500,000 by the end of the year.</p>	Information only.	Closed.

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<p>✓ Annual Report on MN Attorney General's Agreement on Hospitals & Debt Collections</p>	<p>Scott Edin presented the Annual Report on Attorney General's Agreement with Hospitals on Debt Collection (copy of slides were included in the Board packet). This information was reviewed in detail with the Budget & Finance Committee prior to the Board meeting this evening. Information included:</p> <ul style="list-style-type: none"> ✓ Debt litigation against hospital patients ✓ Debt collection activity of outside agencies ✓ Debt collection activities of internal collections: ✓ Hospital compliance with AG Agreement <ul style="list-style-type: none"> ➤ Zero tolerance of abusive, harassing conduct ➤ Debt collection litigation policy ➤ Third party collection procedures ➤ Hospital collection procedures ➤ Application of Charity Care policy ✓ Results of the CEO & CFO reviews of collection activity and agencies ✓ Results of hospital audits of agencies ✓ Hospital Charity Care practices. 	<p>Information only.</p>	<p>Closed.</p>
<p>✓ Approval of Bond Refinancing</p>	<p>Scott Edin reviewed a request to enter into a new debt placement with TCF Bank for \$25 million financed at an estimated interest rate of 2.72% for 15 years. The final interest rate cannot be locked until 5 days prior to closing, which is currently scheduled for August 5th. We currently have \$24,865,000 outstanding bonds issued in 2006 with an interest rate of 5.375% (copy of SBAR was included in the Board packet). This was reviewed in detail at the Budget & Finance Committee meeting earlier this evening and it was their recommendation to move forward.</p> <p>An RFP was sent to 50+ financial institutions, including local Northfield banks. First National Bank agreed to match the terms of TCF and take on a small part of the portfolio (\$2.5 million). The next step is to review the financing with the City Council on July 19 & obtain approval for issuance on August 2nd.</p>	<p>The Board supported moving forward with this information to the City Council at their meeting on July 19th.</p>	<p>Bond Counsel is drafting a resolution to bring to City Council on August 2nd for final approval. James encouraged Board members to attend the City Council meetings.</p>

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<ul style="list-style-type: none"> CEO Report 	<p>Steve Underdahl reported on the following:</p> <p><u>Strategic</u></p> <ul style="list-style-type: none"> A Pricing Council has been established. The first set of recommendations have been made and have vetted. A detailed review is expected to be reviewed with the Board in July. Work continues on the Quality Process Improvement Handbook. It is a little behind schedule. This book will serve as a process improvement toolbox for the entire organization. A rural and south metro marketing/communications plan is in place. TV commercials are being developed, ads are running in south metro theaters, and city-specific plans are in place for rural markets. Discussions are taking place with St. Olaf regarding assisted living. Tele-behavioral health is in place in the emergency Department. Outpatient clinic options are being explored. Xerox has been engaged and the assessment is underway on an Electronic Medical Record (EMR) recommendation. An architect has been selected for the OB program. Physicians were involved in the interview and selection process St. Olaf College student services is on track for year two. There has been significant growth over the last year and a half in occupational medicine / employer services. The program was not profitable for the last three years. Updates on Northfield Urgent Care and Surgery Center will be discussed in Closed Session later this evening. <p><u>Operations</u></p> <ul style="list-style-type: none"> Dr. Greg Randall was recently featured in the Minneapolis St. Paul magazine as one of the top doctors in Minnesota. A reception was held at the Lonsdale Clinic to recognize Dr. Randall, as well as Dr. Mary Ann Scheid and Dr. Jack Felland. 	<p>Information only.</p>	<p>Closed.</p>

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	<ul style="list-style-type: none"> • Home Health has moved to their new location in the EMS building on the south side of Northfield. • Dr. Ben Flannery and CC Linstroth are champions for RX for Reading Program which was featured in our most recent magazine. They will be presenting at Northfield Rotary next week. • We continue to be busy across almost all sectors, and are making adjustments to staffing and support as needed. • An Employee Services Award Program was held yesterday and honored staff from 5 to 35 years of employment. • Four employees are attending Disaster Leadership Training in Alabama this week (Laura Peterson, Louise Murray, Deb Maestri and Andy Yurek). • Thanks to the hospital Auxiliary, NH&C now has a walking path on the Northfield campus. • Dr. Jennifer Fischer, Medical Director of the ED, and Deb Maestri, Director of the ED, have implemented best practice in supporting veterans. A magnet will be placed on the doorframes for all veterans as a token of respect. The magnet will follow them throughout their stay in the hospital. • Board member feedback received through the evaluation forms completed after every meeting have been reviewed. Steve Underdahl and James Schlichting have done some follow-up with individual Board members on feedback received in an effort to make changes in real time, make continuous improvement and to help ensure a good Board experience. Steve noted that some information received is contradictory from Board member to Board member. 		

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<ul style="list-style-type: none"> Budget & Finance Committee 	<p>Charlie Kyte, Budget & Finance Committee Chair, reported on discussions at the committee's meeting earlier this evening:</p> <ul style="list-style-type: none"> Approved minutes from the previous regular and special committee meetings, Reviewed May financials, Reviewed and recommended moving forward with Bond refinancing as Scott reported earlier in the Board agenda, Received a detailed report on the Attorney General Agreement with Hospital Debt Collection, and Reviewed the committee's job description. <p>Charlie commended members of the committee for their excellent finance skills and commitment to the committee, asking challenging questions, etc.</p>	Information only.	Closed.
<ul style="list-style-type: none"> Quality Assurance Committee 	<p>Charlie Mandile, Quality Assurance Committee Chair, reported on discussions at the committee's meeting earlier this evening:</p> <ul style="list-style-type: none"> Approved meeting minutes from the previous committee meeting, Review a case review summary, Reviewed the quality dashboard, Review MN community measures quality reports, including optimal asthma care, colorectal cancer screening, caesarian section rate, optimal diabetes care and optimal vascular care, Received update on quality structure, and Discussed committee report to the Board. <p>Mayor Dana Graham noted that he received a call from a community member regarding the hospital survey received in the mail and encouraged the hospital to allow feedback online vs. paper.</p>	Information only.	Closed.

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3. Consent Agenda	<p>Supporting documentation was included in the packets for the following items on the Consent Agenda:</p> <ul style="list-style-type: none"> • Meeting Minutes: <ul style="list-style-type: none"> • 06/19/16 Special Governance & Planning Committee meeting • 05/26/16 Community Relations Committee Meeting • 05/28/16 Board Meeting • Revisions to the Medical Staff Bylaws • Annual Review of Liability Insurance Coverage • Annual Review of Patient Care Minimums • Government Data Practices Act Policy 	A motion was made by Virginia Kaczmarek and seconded by Steve O’Neill to accept the meeting minutes and approve other items on the Consent agenda as presented. Motion carried.	Closed.
4. Presentations/ Discussion/ Action Items			
<ul style="list-style-type: none"> • Branding Update & Logo Design Concepts 	<p>Julie Nikolai-Sullivan, Senior Marketing Strategist, presented a branding refresh update to the Board.</p> <p><u>Goals for New Brand:</u></p> <ul style="list-style-type: none"> • Focus on NH&C as core brand, • Strong visual branding that is recognized, • Professional, up-to-date look, • Works with umbrella brand and sub-brands when they need to be combined, • Includes a unifying element or visual “bug”. <p><u>Work Done to Date:</u></p> <ul style="list-style-type: none"> • Statement of work created and revised, • Chose graphic designers, • Went through 0+ rounds of design work, • Reviewed 50+ designs, • Narrowed to short list <p><u>Next Steps</u></p> <ul style="list-style-type: none"> • Choose typography and layout – 1 to 2 weeks, • Choose colors – 1 to 2 weeks, • Legal Review – 1 week, • Create style guide – 1 to 2 weeks, • Create templates – 2 to 3 weeks, • Bring final recommendation to the Board in July <p><u>Rollout</u></p> <ul style="list-style-type: none"> • Soft rollout • Inventory management • Signage costs – dollars are budgeted 	Questions should be directed to Julie.	Julie will bring final recommendation to the Board in July.

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	<ul style="list-style-type: none"> Budget prep for 2017 <p>The Board supported the TV commercials and movie theater advertising, and noted the nice billboard on I35 and County Road 70.</p>		
5. Roundtable, Announcements and Questions	<ul style="list-style-type: none"> The MHA Trustee conference is July 8-10. James offered to carpool if anyone is interested. Virginia Kaczmarek reported that the Y Kids Tri was held last Saturday at the YMCA. There was representation from the Northfield Explorers. There was discussion among the Board regarding the purpose of the meeting evaluation forms, who sees them, what is done with the information, etc. Some Board members commented on the difficulty of critiquing presenters and didn't feel they should be rated on their presentation skills, but rather whether the information provided is of value. Steve questioned whether the Board thought it would be helpful to discuss as a group and get additional feedback as to what is valuable and what is not at a regular Board meeting after everyone has a chance to think about the comments made this evening. Steve reassured the Board that this information received in the evaluations is not shared with the presenters James Schlichting reported on the following: <ul style="list-style-type: none"> ✓ Administration was asked to compile a list of the useful life, and replacement of major capital items so that that Board can have a tickler file on upcoming expenditures. ✓ Administration is retaining Walt Flynn to assist in simplifying the CEO evaluation process to make it less time-consuming and less burdensome. Gina Franklin recently retired from this company. ✓ The Governance & Planning Committee will be looking at revisions to the Hospital Bylaws at their meeting in July. James is recommending some housekeeping revisions, as well as exploring what to do in the event a 	<p>Information only.</p> <p>Continue to evaluate the benefit.</p>	Closed.

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	<p>trustee can't or won't perform their duties.</p> <p>There was extensive discussion among the Board members about the recommendation for removal/dismissal from the Board, including a recommendation that it also be reviewed by the City Attorney. The Board was reminded that this will go to the Governance & Planning Committee first for discussion, and that the intent was to alert the Board to the issue. No action will take place without an action from the full Board.</p> <ul style="list-style-type: none"> ✓ Administration is preparing a handbook for Board members, including an index with a variety of documents/information for Board members to have easily available for reference. ✓ Administration is currently investigation options for a Board portal. Board members would be able to access the portal from devices other than the iPad, and also have access to multiple documents including, policies, Bylaws, Board minutes, etc. The estimated cost of \$6,000-\$7,000 per year. 		
6. Pending Items	N/A	N/A	N/A
7. Fill out the Board Evaluation Form	The Board was given a few minutes to complete the Board evaluation form.	Information only.	Closed.
8. Closed Session	<p>The Board took a short recess before going into Closed Session.</p> <p>Discussion of Marketing Activity related to the hospital's competitive position with other health care providers that offer similar goods and services pursuant to Minn.Stat 144.581, subd. 5.</p> <p>The Mayor was invited to attend the Closed session meeting. Discussion concluded that it was unclear whether it is allowed under Open meeting rules. The hospital will seek legal counsel to ensure it is appropriate prior to future invitations.</p>	<p>At 8:22 p.m. a motion was made by Steve O'Neill and seconded by John Reppe to go into Closed Session. Motion carried</p>	Closed

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9. Open Session	Following the Closed Session, at approximately 9:17 pm. The Board reconvened in Open Session. The Board received an update on Urgent Care and an Ambulatory Surgery Center.	Information only.	Closed.
10. Adjourn	The meeting was adjourned.	A motion was made by Steve O'Neill and seconded by Bob Murray to adjourn the meeting at 9:20 p.m. Motion carried.	Closed.