

Meeting Minutes Record

Meeting: Board of Directors – Hybrid: In-Person/Virtual Meeting

Date: April 25, 2024

Location: Virtual Meeting

Start Time: 5:08 pm

End Time: 6:38 pm

Board Members Present: Sarah Carlsen- Board Chair, Michael Hemesath- Vice-Chair, Rick Estenson, Katie Lane, Robert Morrison, Crystal Mulvihill, Rhonda Pownell, Jami Reister, Fred Rogers

Staff Present: Steve Underdahl- CEO, Jerry Ehn- COO, Jeff Meland- CMO, Monty Seper, Ben Flannery- MD, Eric Guth- Interim CFO, Betsy Spethman- Director of Community Relations, Kelly Velandar (Recorder), Vern Lougheed- ITS

Others Present: Teresa Knoedler- Legal Counsel

Guests: Anne Larson

Staff Absent: Tammy Hayes- CNE

Others Absent: Ben Martig- City Administrator

Call to Order and Approval of the Agenda

The board meeting was called to order by Sarah Carlsen at 5:08 p.m.

Meetings will now take place in hybrid format. Board members that joined virtually were: Rick Estenson.

The locations of board members attending by electronic means were included in the public notice of the meeting.

Items on the consent agenda (available on the portal):

- Meeting minutes (approve)
 - Board Meeting (March 28, 2024)
- Meeting minutes (accepted)
 - Community Relations Committee (February 20, 2024)
 - Budget & Finance Committee (March 19, 2024)
 - Quality Committee & Dashboard (March 13, 2024)
 - Governance & Planning Committee (March 15, 2024)

Action: Motion was made by Robert Morrison and seconded by Michael Hemesath to approve the agenda and consent agenda as presented. With no board members participating virtually, a roll call was not performed. Motion carried.

Follow-up/Resolution: Closed.

Reports

Hospital Chief of Staff Report

No updates provided.

Action: No updates provided.

Follow-up/Resolution: Closed.

Approval of Applications for Medical Staff Membership/Privileges

The medical staff applications from the Credentials Committee were presented for approval by Dr. Flannery.

Appointments:

4286: Telemedicine, Teleradiology

4287: Active Radiation, Oncology

4288: AH:D Radiology

4289: AH:I Radiology

Reappointments:

2622: Telemedicine, Teleradiology

4137: AH:I, Certified Nurse Midwife

3945: Affiliate, Internal Medicine

2623: Telemedicine, Teleradiology

3943: Active, OBGYN

3844: AH:D, Radiation Oncology

4130: Telemedicine, Teleradiology

4132: AH:I, Nurse Practitioner -Wound Care

Action: A motion was made by Rick Estenson and seconded by Robert Morrison to approve the medical staff files as presented. Motion carried.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Annual Audit Report

Steve Underdahl introduced Korey Boelter, CPA, CLA Principal. Korey met with the Budget & Finance Committee prior to the Board meeting to review the 2023 audit in detail.

The presentation included a high-level executive summary of the audit to the full board.

Board members asked to have the full audit report include in the board portal for further review concluding the meeting. Kelly Velandar will include this in the materials.

Results included:

Significant Events and Transactions

- Ongoing financial pressures and missing debt service coverage ratio.
- Closing Long Term Care and Lonsdale Clinic during the year.

Audit Adjustments

- No audit adjustments posted; one passed adjustment for unrecorded revenue accrual.

Subsequent Events

- No subsequent events

Internal Controls

- No material weaknesses noted.
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Korey pointed out the lower Cash position of 131 Days in 2023 and noted that NH+C had an -6.0 % Operating margin.

Action: Information only.

The board agrees to accept the audit by recommendation of the budget and finance committee and presented by Korey Boelter of CLA.

Fred Rogers made the recommendation which was seconded by Katie Lane.

Follow-up/Resolution: The NH+C audit will be presented at the May 7, 2024 City Council meeting.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

Strategic Update:

- Very productive conversations had at the April board retreat. Further conversations will occur at upcoming retreats around NH+C 2029 future envisioning.
- Financial mitigation efforts continue.
- Experienced softer volumes in March.
- We continue to explore rural relationships that may be helpful in negotiating with payors and other cost sharing endeavors.

Operations Update:

- Home health continues to fall below mitigation targets.
- Births continue the busy trend and market expansion projections.
- The full impact of the Change Health breach is still unknown. NH+C restoration efforts continue. Cash collection is recovering.
- NH+C Northfield Urgent Care is now using a new web tool. This tool will be rolled out soon to the other locations.
- NH+C was selected as the winner of the 2024 Perinatal Improvement Award.
- Past and Present board member friends event went well this week.

Policy Update:

Steve recently visited Capitol Hill with MHA. Topics of concern were surrounding Change Health, Rural PPS Hospitals and Mental health.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Eric Guth, CFO, presented the March financial report.

March Key Drivers:

- Inpatient Admits were 8% over budget.
- Emergency Dept visits were 6% over budget.
- Surgery procedures were 10% under budget.

Financial Outcomes:

- Gross Operating Revenues were \$1.4M over budget.

- Deductions were \$993K under budget.
- Bad Debt was \$12K under budget.
- Net Revenues were \$357K under budget.
- Operating expenses were \$83K over budget.

Net operating loss was \$870K vs. a budget loss of \$430K.

Action: Information only.

Follow-up/Resolution: Closed.

Budget & Finance (verbal report)

Fred Rogers provided a brief summary of the recent budget and finance committee that focused on the annual audit.

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

Jerry shared information on the HealthFinders event on Saturday and extended the offer of attending to the board members.

Action: Information only.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 6:38 p.m

Action: A motion was made by Rick Estenson and seconded by Crystal Mulvihill to adjourn the open meeting session. Motion carried.

Follow-up/Resolution: Closed.