

# Meeting Minutes Record

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

**Date:** June 27, 2024

**Location:** Virtual Meeting

**Start Time:** 5:03pm

**End Time:** 8:12pm

**Board Members Present:** Sarah Carlsen- Board Chair, Rick Estenson, Katie Lane, Robert Morrison, Jami Reister, Fred Rogers

**Staff Present:** Steve Underdahl- CEO, Jerry Ehn- COO, Ben Flannery- MD, Eric Guth- CFO, Tammy Hayes- CNE, Betsy Spethman- Director of Community Relations, Kelly Velandar (Recorder), Vern Lougheed- ITS

**Others Present:** Teresa Knoedler- Legal Counsel

**Guests:** David Amery, Jeff Mutz-Director of Human Resources, Lisa Bauer-Director of Inpatient Services, Jeff Halloin

**Board Members Absent:** Michael Hemesath- Vice-Chair, Crystal Mulvihill, Rhonda Pownell

**Staff Absent:** Jeff Meland- CMO

**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 5:03 p.m.

Meetings will now take place in hybrid format. Board members that joined virtually were: None

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- (May 23, 2024)
- Meeting minutes (accepted)
  - Governance & Planning Committee (May 14, 2024)
  - Governance & Planning Committee (May 21, 2024)
  - Community Relations Committee (May 21, 2024)

- Policies/Forms/Other (accepted)
  - CNM Privilege Form
  - Family Medicine Privilege Form
  - OB/GYN Privilege Form
  - Internal Medicine Privilege Form
  - Annual report on MN Attorney General Agreement on Hospital's on Debt Collection

**Action: Motion was made by Rick Estenson and seconded by Katie Lane 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**

**Action: No action taken.**

**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:**

4290: Affiliate Oral and Maxillofacial Surgery

4296: Telemedicine, Teleradiology

4297: Telemedicine, Teleradiology

4298: Telemedicine, Teleradiology

4299: Telemedicine, Teleradiology

#### **Reappointments:**

4149: Telemedicine, Teleradiology

3861: Telemedicine, Teleradiology

4152: Telemedicine, Teleradiology

4041: Telemedicine, Teleradiology

3953: Telemedicine, Teleradiology

3951: Telemedicine, Teleradiology

4153: Telemedicine, Teleradiology

3865: Affiliate, Pathology

4151: Telemedicine, Teleradiology

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

**Follow-up/Resolution: Closed.**

## **Presentations/Discussions/Action Items**

### **Wisconsin Hospital Experience: A Board Member's Perspective**

With a past board member viewpoint, Jeff Halloin of the HSHS St. Joseph and Sacred Heart Hospitals, shared a look into Wisconsin's HSHS Hospital closures.

In his presentation he shared the history of the healthcare system dating back to 1888, and the downfalls of the healthcare system in the most recent years.

He stated that the HSHS Hospitals had about a third of the western Wisconsin markets. With Mayo Health in Eau Claire having about a 50% share of the market, Marshfield Clinic having 13% and Oak Leaf (a profitable surgical hospital owned by independent physician and a private equity firm), which was more profitable than all of the hospitals combined.

Mr. Halloin outlined timelines of events that all contributed to the fall of the system, resulting in closures in March of 2024.

He closed by sharing lessons learned and answered board members questions.

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## **Executive and Committee Reports**

### **CEO Report**

Steve Underdahl, CEO, reported on the following:

#### **Strategic Update:**

- Steve took a moment to announce that tonight will be NH+C Chief Operating Officer, Jerry Ehn's last board meeting, as his last day for this retirement is mid-July. Steve shared his heart felt appreciation for working alongside Jerry, not only at NH+C but previously, all these years and that he finds his service, commitment and compassion for the healthcare mission very admirable. He, along with all the NH+C staff, will most definitely miss his presence. The board took a moment to share their thanks as well.

- NH+C has begun reviewing and implementing a second generation set of strategies and approaches for digital health to ensure that NH+C is easy to use and easy to choose and provides the best experiences for those we serve.
- We are participating with 18 other rural, independent hospitals in a new, high-value network called Headwaters, which allows us to focus on clinical and quality initiatives as well as exploring opportunities to shared solutions regarding population health data, analytics, care management solutions and other activities.
- A team is exploring the option of becoming a level two nursery, which will allow NH+C to offer additional resources as a result of complication or illness.
- Tareen Dermatology has partnered with NH+C in our Farmington clinic location to offer dermatology services.
- We are expected to add a new partnered service for Podiatry with a targeted start date of September 1<sup>st</sup>.

#### **Operations Update:**

- May finances were not as good as April, but still on plan year-to-date.
- Some volumes were up, clinic was slower, and births were busier.

#### **Policy Update:**

We have submitted a proposal to the AHA to be a presenter at next year's national rural meeting.

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## **Financial Report**

Eric Guth, CFO, presented the May financial report.

#### **May Key Drivers:**

- Births were 27% over budget.
- Emergency Dept visits were 2% over budget.
- Surgery procedures were 8% under budget.

#### **Financial Outcomes:**

- Gross Operating Revenues were \$1.7M under budget.
- Deductions were \$0.2M favorable to budget.
- Bad Debt was \$0.1M unfavorable to budget.
- Net Revenues were \$1.5M under budget.
- Operating expenses were \$357K under budget.
- Net operating loss was \$900K vs. a budgeted income of \$263K. (\$1.2M unfavorable vs budget).

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## Quality Committee verbal report

Sarah Carlsen provided a brief update on the things that the quality department is currently working on.

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## Governance & Planning Committee verbal report

Sarah Carlsen provided a brief summary of the recent Governance & Planning committee meeting that focused on the CEO Performance Evaluation for 2023. The recommendation will be discussed in closed session following the open meeting session tonight.

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## Roundtable, Announcements and Questions

No announcements shared.

**Action: Information only.**

**Follow-up/Resolution: Closed.**

## Closed Session

A brief break was taken prior to the start of Closed session, everyone was excused from the meeting except board members.

- At 7:10 pm the board went into Closed Session of the NH+C Board pursuant to Minn. Stat. 144.581, subd.5
- Marketing: To discuss marketing activity related to the hospitals competitive position with other health care providers that offer similar services *and* Minn. Stat. 13D.05, subd. 3(a)- To evaluate the performance of an individual who is subject to its authority of the board.

**Action: A motion was made by Katie Lane and Robert Morrison to move into Closed Session. Motion carried.**

**Follow-up/Resolution: Closed.**

## Adjourn

The meeting was adjourned at 8:12p.m.

**Action: A motion was made by Katie Lane and seconded by Robert Morrison to adjourn the open meeting session. Motion carried.**

**Follow-up/Resolution: Closed.**