

Meeting Minutes Record

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

Date: November 21, 2024

Location: Virtual Meeting

Start Time: 5:07pm

End Time: 6:29pm

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

Staff Present: Steve Underdahl- CEO, Tammy Hayes- COO, Jeff Meland-MD., CMO (virtual), Ben Flannery- MD, Eric Guth- CFO, Lisa Bauer- CNE, Betsy Spethman- Director of Community Relations, Kelly Velander (Recorder)

Others Present: Teresa Knoedler- Legal Counsel

Guests: Student

Board Members Absent: None

Staff Absent: Vern Lougheed- ITS

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 5:07 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 (October 24, 2024)
- Meeting minutes (accepted)
 - Budget and Finance Committee (October 24, 2024)
 - Governance and Planning Committee (October 18, 2024)
- Policies/Forms/Other (accepted)

- NHC Hospital Bylaws

Action: Motion was made by Jamie Reister and seconded by Katie Lane to approve the agenda and consent agenda as presented, with one minor edit to the 10/24 Board minutes to reflect that Katie Lane was in attendance. With board members participating virtually, a roll call was performed. Motion carried.

Follow-up/Resolution: Closed.

Reports

Hospital Chief of Staff Report

No updates provided.

Action: None taken.

Follow-up/Resolution: Closed.

Approval of Applications for Medical Staff Membership/Privileges

The medical staff applications were presented for approval.

Appointments:

- 3899: Affiliate, Cardiology
- 3679: Telemedicine, Teleradiology
- 4165: AH:I, Pediatrics
- 3862: AH:D, Physician Assistant
- 7454: Telemedicine, Teleradiology
- 7365: Affiliate, Sleep Medicine
- 7366: Affiliate, Cardiology
- 3737: Affiliate, Sleep Medicine
- 4159: AH:I, Anesthesia
- 7457: Telemedicine, Teleradiology
- 4161: Telemedicine, Teleradiology
- 3970: Active, Radiology
- 3331: Active, Emergency Medicine
- 7456: Active, OBGYN
- 4166: Affiliate, Cardiology
- 4158: Active, OBGYN
- 3977: AH:I, CCIC- Clinical Nurse Specialist

Reappointments:

- None

Action: A motion was made by Rick Estenson and seconded by Michael Hemesath to approve the medical staff files as presented. With board members participating virtually, a roll call was performed. Motion carried.

Follow-up/Resolution: Closed.

Presentations/Discussions/Action Items

Workplace Violence Updates

Tammy Hayes, COO shared that there is a new state statute that is requiring hospitals to report to the MN Department of Health on January 1, 2025, of the facility action plan for workplace violence. She discussed the details of the work that has been in practice since 2016, that have been further advanced to meet these requirements.

Action: Information only.

Follow-up/Resolution: Closed.

Bond Re-Financing

Eric Guth, CFO provided history on missed debt service coverage covenants in 2022 that both Huntington Bank and Community Resource Bank used as leverage to negotiate their maturity date up to December 31, 2024.

In early September, NH+C sent out “request for terms”. The best proposal was received by Wintrust Bank.

Eric brought forth the recommendation to refinance the 2016, 2022, and 2032 bonds with Wintrust Bank and request that the Northfield City Council to pass a resolution allowing this refinancing.

Action: A motion was by Fred Rogers and seconded by Rick Estenson to approve the bond refinancing and have put before the city council to approved. With board members participating virtually, a roll call was performed. Motion carried.

Follow-up/Resolution: Take this refinancing proposal to the November 26th city council meeting for approval.

Executive and Committee Reports

CEO Report

Steve Underdahl, CEO, reported on the following:

Strategic Update:

- October is in the black for the month, but less than predicted.
- Payor mix continues to be a negative driver with the segment of Medicare Advantage plans a significant contributor.
- Currently renewing contracts for Teleneurology and Infectious Disease.
- Steve will be attending a C-Suite summit hosted by Allina Health for leadership colleagues.

Operations Update:

- Q4 volumes are on pace so far.
- Experiencing a relatively light respiratory disease season thus far. This has impacted clinic and today care volumes when compared to last year.

Policy Update:

- Meeting with representatives regarding potential MN legislation regarding payment for emergency services.
- Much work being done around getting continued support for allowing telehealth services. This previous law needs to renew at the end of 2024.

Action: Information only.

Follow-up/Resolution: Closed.

Financial Report

Eric Guth, CFO, presented the October financial report.

October Key Drivers:

- Rehab visits exceeded budget by 10%.
- Imaging procedures exceeded budget by 12%.
- Cancer Care and Infusion procedures were 7% under budget, but volumes improved over the last several months.
- Surgeries were % under budget.
- Births were 1% under budget.

Financial Outcomes:

- Gross Operating Revenues were \$2.2M under budget.
- Deductions were \$908K under budget.
- Bad Debt was \$2K under budget.
- Net Revenues were \$1.3M under budget.
- Operating expenses were \$719K under budget.
Net operating income was \$21K vs. a budgeted income of \$593K. (\$573K unfavorable to budget).

Action: Information only.

Follow-up/Resolution: Closed.

Community Relations Committee (verbal report)

- Fred Rogers provided a brief update from the recent Community Relations Committee meeting.

Action: Information only.

Follow-up/Resolution: Closed.

Roundtable, Announcements and Questions

Sarah presented an option for a later date in January for the Board meeting due to the new CEO start date of January 20, 2025.

Action: The board agreed upon holding the January meeting on January 30, 2025.

Follow-up/Resolution: Closed.

Adjourn

The meeting was adjourned at 6:29pm.

Action: A motion was made by Robert Morrison and seconded by Crystal Mulvihill to adjourn the open meeting session. With board members participation virtually, a roll call was performed. Motion carried.

Follow-up/Resolution: Closed.