

WinnMed Board of Trustees Minutes

Wednesday, June 7th, 2023

Conference Room B2/B3

4:00-5:30 p.m.

Minutes

| <u>Topic</u> | <u>Presenters</u> | <u>Purpose</u> |
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| Call to Order | Clark, Chairperson | |
| Clark, Chairperson, called the meeting to order at 4:02 p.m. | | |
| Moment for Mission | Dave Rooney | Information |
| Dave shared a story that was submitted by a provider from Mayo Clinic recognizing a WinnMed Sonographer. This provider praised the Sonographer for her excellent work. This recognition is a testament to our collaboration with Mayo. | | |
| Consent Agenda | Clark, Goltz, Chairperson | Approval |
| Action: Motion was made by Karen McLean seconded by Jan Heikes to approve the Board Minutes, Board Finance Committee Minutes, and Medical Executive Committee Minutes. All other voting aye. Motion carried. | | |
| Department Presentation: Clinic | Sarah Groux | Information |
| Sarah Groux, Director Clinic Operations, presented on the Clinic Strategic Dashboard. Three key principles: Constance of Purpose, Lead with Humility, and Seeking Perfection. Purpose of the dashboard is to provide more clarity on what tactics currently are being worked on and the impact they make to the organization. Brenda Dietiker, Nursing Director, and Mariah McCabe, Population Health Care Coordinator, educated the board on the purpose and role of the population health nurse. | | |
| Capital Request items | Kathy Moritz | Approval |
| Administration is requesting the purchase of four unbudgeted capital expenditures. These four items were originally budgeted for the 2024 fiscal year, however to balance the budget, they are asking for approval to purchase the capitalize item in the 2023 fiscal year due to unused dollars remaining in the FY2023 Capital Budget. | | |
| <ul style="list-style-type: none">• Dave presented the capital request to replace the current videostroboscopy unit. Action: Motion made by Karl Jacobsen, seconded by Mark Jensen, to upgrade our videostroboscopy unit up to \$95,800. All voting aye. Motion carried.• Kathy presented the capital request to replace the current OR table. Action: Motion made by Karen McLean, seconded by Jan Heikes, to replace the current OR table unit up to \$59,437. All voting aye. Motion carried.• Dave presented the capital request to replace the current urology ultrasound unit. Action: Motion made by Karen McLean, seconded by Mark Jensen, to replace the current urology ultrasound unit up to \$87,102. All voting aye. Motion carried.• Kathy presented the capital request to purchase additional OR endoscopies to reflect the volume of growth. Action: Motion made by Jan Heikes, seconded by Karl Jacobsen, to purchase the additional OR endoscopes to reflect the volume of growth up to \$113,979. All voting aye. Motion carried. | | |
| Retail Pharmacy Purchase | Steve Slessor | Approval |
| WinnMed is seeking approval to open and operate its own retail pharmacy, housed in the North Building, through purchasing Donlon Pharmacy. WinnMed did a financial sensitivity analysis which looked at different levels of net present value, all of which were positive within a short length of time. Colleen Clement, Director of Pharmacy, spoke regarding her background in retail pharmacy and the value this opportunity brings to the organization. Board members inquired about preferred pharmacy options for Medicare patients. Steve mentioned that at this | | |

time Donlon Pharmacy does not opt into these benefits; however WinnMed intends to sign into those contracts.

Board Members inquired about nursing home contracts for prescription management. Steve informed the board members that Donlon Pharmacy does not currently have contracts with any nursing homes.

Question brought forth regarding the vulnerability of the 340B benefit. Steve let the board members know that at this time the future of 340B is hard to fully know or track. Worst case scenario, if 340B would end, net present value would look different but would not make a negative impact.

Question brought forth regarding Donlon Pharmacy’s DME services. Steve informed the board that while DME is not part of this acquisition, there are ongoing discussions on local DME services that will be brought forward in the near future.

Action: Motion made by Karen Mclean, seconded by Karl Jacobsen to proceed with the purchase of Donlon Pharmacy under the key contract terms, along with approval for the renovation of the North Building. All voting aye. Motion carried.

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| Transforming Tomorrow-USDA | Ben Stevens | Approval |
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Ben provided context to the USDA loan requirements. As we continue towards a USDA-funded project, there are specific requirements needed to comply with the public information sharing laws that USDA defines.

- USDA Loan Resolution Form RD 1942-47 is a required form that is approved regarding covenants and requirements for the USDA loan of \$35,000,000. USDA will be involved in approving future leases/sale of hospital property.

Action: Motion made by Mark Jensen, seconded by Jan Heikes to adopt all provisions outlined in the USDA Loan Resolution Form RD 1942-47. All voting aye. Motion carried.

- Resolution for the Bidding Process starts the state law public bidding process, sets the public hearing on the plans, specifications, form of contract and estimates of cost, approves the notice to bidders, and sets the bid security at 5%.

Action: Motion made by Britt Rhodes, seconded by Jan Heikes, to adopt all provisions outlined in the resolution and tentatively set the public date of July 12th, 2023 at 4:00 p.m. for public opinion and distribution of bidding documents followed with requiring all bids due by August 10th 2023 at 1:00 p.m. All voting aye. Motion carried.

- Resolution for the Financing Process starts the state law process for the financing requirements and sets the public hearing on the borrowing of money.

Action: Motion made by Mark Jensen, seconded by Karl Jacobsen, to adopt all provisions outlined in the resolution and tentatively set the public hearing date of July 12, 2023 at 4:00 at which time we will take action to issue hospital revenue bonds required to finance the Transforming Tomorrow project. All voting aye. Motion carried.

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| Capital Request Mako Robot | Dave Rooney | Approval |
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Dave and Dr. Adam Tagliero made a request to purchase a Stryker Mako Ortho Robot. This addition will allow WinnMed to expand the current service area resulting in significant growth opportunities throughout the organization. A financial analysis was completed and showed favorable results over the next 7 years.

Dr. Tagliero provided background on orthopedic robotics, specifically on the evolution of planning and execution and how this has shifted significantly over the years. The use of the robot allows the surgeon to be precise and efficient allowing for better outcomes for the patient.

Question was raised regarding additional surgeons using the Mako Robot. Dave informed the board that Dr. Conner is not currently certified but she has expressed interest in obtaining her certification and training with Mako.

The Board inquired about updates to the robot/software. Dave noted that the software updates do continue but the physical robot itself has remained the same.

Action: Motion made by Karl Jacobsen, seconded by Karen McLean, to approve the purchase of the Stryker Mako Orthopedic Robot as a capital expenditure in the FY2024 Capital Budget. All voting aye. Motion

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| carried. | | |
| April Finance Report | Ben Stevens, CFO | Information |
| April was a positive month. April net operating income was a profit \$9,245. Inpatient revenue for the month was above budget by \$41,651 and Outpatient revenues for the month were \$1,024,997 above budget. Total gross revenue \$705,107 above budget for the month. Other Operating revenues were above budget by \$220,279 due to 340B and rebates being above budget. | | |
| Foundation Updates | Karl Jacobsen, Trustee | Information |
| The foundation hosted an open house at the wound center and a home health and hospice meet and greet during hospital week. The 2022 Annual Fund Thank You video has rolled out to all donors. The video captures a nice overview of the wound services. The Heartbeat Publication will transition into an annual report in 2024. The Foundations 2023/2024 campaign will support the Transforming Tomorrow building project, specifically the 2023 campaign will support the OB remodel. | | |
| Administrative Reports | Leadership Team | Information |
| <p>Chief Administrative Officer Steve Slessor reported:</p> <ul style="list-style-type: none"> Hallie Vonk, MHA Student was introduced to the Board of Trustees <p>Chief Medical Officer Dr. Tom Marquardt:</p> <ul style="list-style-type: none"> No updates <p>Chief Financial Officer Ben Stevens:</p> <ul style="list-style-type: none"> No updates <p>Chief Nursing Officer Kathy Moritz reported:</p> <ul style="list-style-type: none"> No updates <p>Administrator of Operations Dave Rooney reported:</p> <ul style="list-style-type: none"> No update <p>Director of Human Resources Laurie Bulman reported:</p> <ul style="list-style-type: none"> No new updates. Will get clarification on nursing turnover rate within the organization. | | |
| Executive Session | Clark Goltz, Chairperson | Approval |
| At 5:51 p.m., Board members went into Closed Session pursuant to Iowa code 21.5 (1) (l) to discuss patient care quality and process improvement initiatives in a meeting of a public hospital. | | |
| Motion: Made by Britt Rhodes, seconded by Jan Heikes to enter a Closed Session. Roll Call Vote: McLean, Aye; Jacobsen, aye; Rhodes, aye; Jensen, aye; Heikes, aye. Goltz, aye. Motion carried. | | |
| Return to Regular Session | Clark Goltz, Chairperson | Approval |
| At 6:12 p.m. Board members returned to regular session. | | |
| The Medical Staff Report was included in the packet. | | |
| Action: Motion made by Karen McLean, seconded by Britt Rhodes to appoint, grant membership and privileges as listed on the Medical Staff Report. All voting aye. Motion carried. | | |

Adjournment

The meeting adjourned at 6:13 p.m.

Action: Motion made by Britt Rhodes, seconded by Jan Heikes to adjourn the meeting. All voting aye. Motion carried.

Members || O = Absent, X = Present

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| Clark Goltz, Chairman | X | Jan Heikes, Board member | X | Dave Rooney, Administrator of Operations | X | Eric Crockett, Regional Chair of Admin-MCHS SEMN (Virtual) | O |
| Karen McLean, Vice-Chair | X | Mark Jensen, Board member | X | Kathy Moritz, Chief Nursing Officer | X | Dr. Albright, MCHS SEMN Regional Vice President (Virtual) | O |
| Justin Gullekson, Secretary-Treasurer | O | Steve Slessor, Chief Administrative Officer | X | Ben Stevens, Chief Financial Officer | X | Kristin Johnson, MCHS SEMN Vice-Chair Administration (Virtual) | O |
| Britt Rhodes, Board member | X | Thomas Marquardt, DPM, Chief Medical Officer | X | Catherine Nelson, DO President, Medical Staff | | BreAnna Sovereign, Executive Assistant | X |
| Karl Jacobsen, Board member | X | Laurie Bulman, Director of Human Resources | O | | | | |

Guests: Sarah Groux, Tasha Croell, Brenda Dietiker, Mariah McCabe, Dr. Adam Tagliero (Virtual), Colleen Clement, Hallie Vonk, Amy Schlachtenhaufen, and Becky Langreck, Paul Scott

 Justin Gullekson, Secretary

Recording: BreAnna Sovereign, Executive Assistant