



North Dakota Hospital Association (NDHA) Board of Directors Meeting Minutes March 8, 2019

Directors Present: Keith Heuser, Dan Kelly, Pat Branco, Andrew Lankowicz, Tim Sayler, Darrold Bertsch, Reed Reyman, Jeff Herman, Alan O'Neil and Tim Blasl.

Also Present: Jen Porter, John Flink*, Melissa Hauer, Kelly Cermak, Kim Granfor, Kristen Foss, and Lori Schmutz.

*Present via telephone

A regular meeting of the Board of Directors of the North Dakota Hospital Association was called to order at 10:00 a.m., Central Time, on March 8, 2019, by Keith Heuser, Chair of the Board, at the NDHA office located at 1622 E. Interstate Avenue, Bismarck, ND. A quorum of directors was present.

A copy of the NDHA Anti-Trust Statement was included in the material sent to directors.

Mr. Heuser asked if there were any perceived or known conflicts of interest as per the items listed in the agenda for this meeting. There were none.

Agenda Approval: The agenda was reviewed and no changes or additions were made.

Action Items:

Board Minutes: Mr. Heuser presented to the Board for approval the minutes of the June 11 and December 14, 2018 meetings. Upon a motion duly made, seconded, and adopted, the minutes were approved as written.

Audit Report: Kristen Foss, Brady Martz Audit Manager, presented the audited consolidated financial statements for the years ended September 30, 2018 and 2017. The audit opinion stated that the consolidated financial statements present fairly the financial position of NDHA and subsidiaries for the years reviewed. A significant deficiency was noted for internal control segregation of duties due to the limited number of personnel performing accounting functions. Ms. Foss stated that this is a common finding in smaller organizations of our size and there were no signs of fraud. All those present, with the exception of directors, were excused to allow directors to speak with Ms. Foss privately. The meeting was reconvened with all present as noted. Upon a motion duly made, seconded, and adopted, the audit report was approved.

Financials: Kelly Cermak, Finance Manager, presented the January 31, 2019, financial statements. Upon a motion duly made, seconded and adopted, the January 31, 2019, financial

statements were approved. Mr. Cermak mentioned he will invite the investment company engaged by NDHA to present at the next meeting.

Associate Membership Applications: Applications from Marco Technologies and Professor Erik Van Kuijk, University of Minnesota, were considered. Upon a motion duly made, seconded and adopted, both Associate Membership applications were approved.

Informational Reports:

AHA Advocacy: Jen Porter, American Hospital Association (AHA) Region Six Executive, gave an update on AHA federal advocacy and regulatory issues and the 2019 Rural Advocacy Agenda. Two new task forces dealing with rural health care and workforce have been formed.

Washington Update: John Flink, NDHA Federal Affairs Consultant, gave an update on what is happening in Washington, D.C. Four issues remain at the top of the health care agenda: drug pricing, surprise billing, Medicare-for-all, and the federal budget deficit.

NDHA Legislative Session: Reed Reyman, Tim Blasl, President, and Melissa Hauer, General Counsel/VP, gave an update on key bills NDHA is tracking in the North Dakota legislative assembly.

Subsidiary Reports:

- Hospital Services, Inc. (HSI): Kim Granfor, Vice President of Hospital Services, Inc., (HSI) gave an update on the Business Links services provided by HSI including collections, physician peer review, and vendor business partner program.
- HSI GPO: Mr. Blasl gave an update on the new group purchasing organization (GPO) contract with Intalere. John Schreier has been hired as the Director of Supply Chain and HSI is accepting applications for an account executive.
- North Dakota Hospital Foundation: Mr. Blasl gave an update on the Foundation including the recent audit which went very well and that the Foundation has a contract with NDSU to study the economic effects of Medicaid Expansion in North Dakota.

Staff Reports:

President: Mr. Blasl presented the President's update including a summary of key state legislative activity. NDHA has had meetings with leadership from both the Senate and House about the Department of Human Services appropriation as it relates to Medicaid inflationary increases, reauthorization of the Medical Expansion Program, and keeping Medicaid Expansion administration with a third party to prevent a reduction in rates to traditional Medicaid rates.

Legal Activities:

- Ms. Hauer brought forth for discussion a recent invitation to NDHA from an out of state law firm to join in litigation against opioid manufacturers. Upon a motion duly made, seconded, and adopted, a recommendation for NDHA to avoid joining in this type of litigation was approved.
- Ms. Hauer gave an update on a lawsuit brought in North Dakota federal district court challenging a state law that impacts fees paid by health insurers to air ambulance providers. The law was struck down by the court and the North Dakota Insurance Commissioner and Attorney General are appealing the decision to the Eighth Circuit Court of Appeals.

- Ms. Hauer provided an update on the status of a North Dakota decision striking the cap on noneconomic damages in medical malpractice cases which was appealed to the North Dakota Supreme Court. NDHA joined the North Dakota Medical Association, the American Medical Association, and the American Hospital Association as *amici curiae* in the appeal. Another update will be provided when the Supreme Court issues its opinion.

Other Business:

Conflict of Interest Policy & Statement: Ms. Hauer asked that each director sign and return the Conflict of Interest Statement which affirms he received a copy of the NDHA Conflict of Interest policy, read it, and agrees to comply with it.

Board of Directors Opening: Mr. Heuser brought forth for discussion the replacement of the at-large director position left vacant by Craig Lambrecht, MD.

Adjournment: There being no further business, the board meeting was adjourned at 1:35 p.m. (CT)

Lori Schmautz

Recording Secretary