



Office of the Minnesota Secretary of State

Minnesota Public Benefit Corporation / Annual Benefit Report

Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
 Must be filed by March 31
 Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
 Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

- File Number
- Corporate Name: (Required)
- The public benefit corporation's board of directors has reviewed and approved this report.

4. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

HB Healthcare Safety was incorporated on July 30, 2015 as a Social Benefit Corporation under Minnesota's Public Benefit Corporation Act. Pursuant to Section 304A.101 of the Act, public benefit purpose as stated in its Articles of Incorporation to reduce suffering caused by healthcare delivery. With regard to the period covered by our 2023 Annual Benefit Report, January 1, 2023 to December 31, 2023, HBHS pursued the specific benefit purpose attached.

5. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Signature of Public Benefit Corporation's Chief Executive Officer

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

| | |
|---|---|
| <input type="text" value="Andrea Kilen"/> | <input type="text" value="507-250-0690"/> |
| Contact Name | Phone Number |

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
 Yes No



2023 Annual Benefit Report

For HB Healthcare Safety, SBC

A Minnesota Social Benefit Corporation

Prepared in March 2024

DOCUMENT PREPARED BY HB HEALTHCARE SAFETY, SBC
HB HEALTHCARE SAFETY, SBC



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Our purpose remains steady through providing resources and consulting services to our Collaborative members. The various educational, research, and support services that fall within our CO₂L™ methodology are in their continual improvement cycles as we absorb and disseminate all of the lessons from our Collaborative members. Our training and consulting services assist in identifying opportunities for improvement, training case reviewers, guidance in change management and leadership strategies, facilitating culture change, effective use of technology services, implementing systems improvement projects, and studying outcomes. HBHS continually improves its teaching and training rubric and its technology offering to serve the Collaborative and individual Collaborators best as needed through our research efforts.

Our SLS Collaborative has come a long way since its founding in 2016. It continues to grow as we seek to reach beyond traditional healthcare and encourage renewed social benefit commitments from existing members. We are specifically proud to report the addition of a Veteran's Affairs hospital in 2022 to our SLS Collaborative. Serving our veterans in this way is the beginning step toward improving their overall health, decreasing morbidity and mortality, and working toward preventing suicide.

As a part of our commitment to social benefit, 10% of our net revenue is used to expand our faith-based culture. We do this in two ways:

- o Critical Access Hospitals are invited to participate in the Collaborative and use the Safeware® at no financial cost.
- o County hospitals are provided a substantial discount and participate in the Collaborative at our cost.
- o Donations to faith-based organizations with missions to further the education and leadership development across all races and ethnicities. One of our target organizations provides mentoring specifically to college-aged students of color to advance their academic careers and leadership potential.

The following two pages contain the content about our SLS Collaborative published in a brochure. This is one of the artifacts provided to new members of the Collaborative to assist with socialization across their organizational enterprise.



WHAT CAN I GET AS A MEMBER?

Personalized online learning channels

Virtual training for Collaborative members is conducted through the learning management system Thinkific. Members have the option to receive a personalized channel on Thinkific for their site.

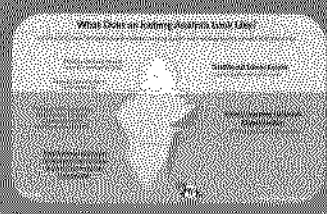
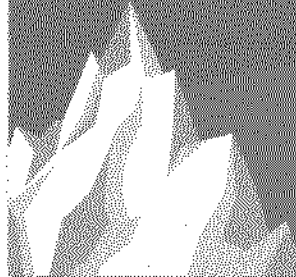


Members also have access to recorded monthly Collaborative Conversation webinars every month through Thinkific!

Personalized benchmarking

Members will receive an annual benchmarking report outlining current collaborative data, learning & improvements. Occasionally, HBHS will provide a random benchmarking report on a special topic of benefit for members.

Members will also learn how to conduct annual iceberg reports. These reports allow you to highlight the hidden causes of harm that our Safety Learning System identifies to inspire & influence your leadership.



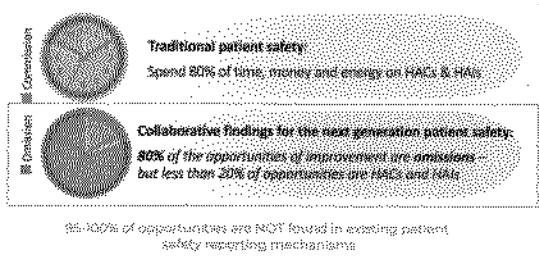
WHAT IS THE SAFETY LEARNING SYSTEM®?

Our Safety Learning System® is a holistic methodology designed to identify the vulnerabilities in the systems and processes of care delivery creating daily challenges for care providers.

Using a continuous loop of organizational innovation and learning, these system vulnerabilities and provider challenges are translated into Opportunities for Improvement (OFIs).

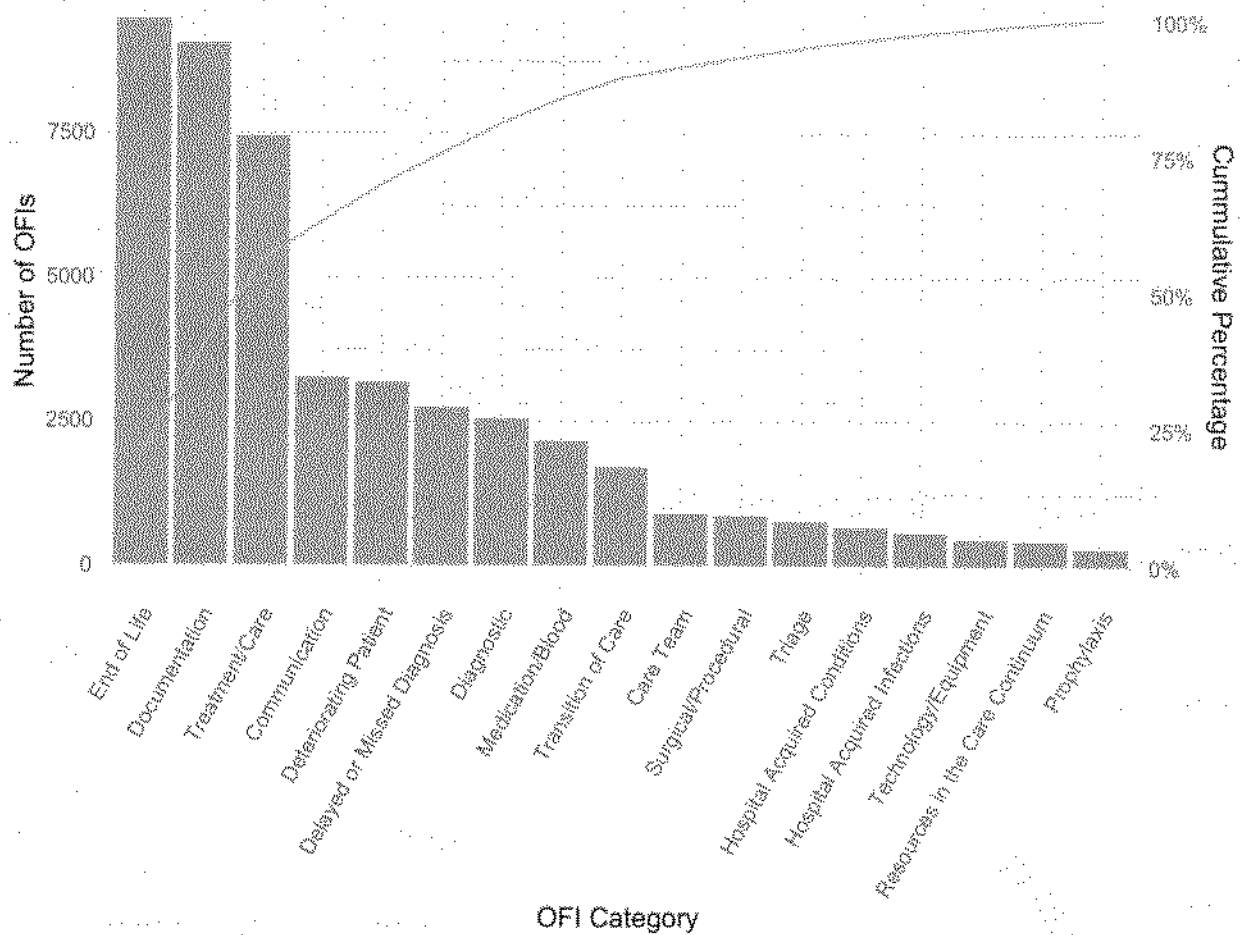
This system creates meaningful (understandable, measurable and improvable) knowledge, which is then used to inspire and influence leadership for lasting change. *HBHS provides further training on how to inspire and influence leadership exclusively for Collaborative members.*

SLS Collaborative Aggregate Learning:



Members of our research and learning Collaborative have found that more than 80% of the failures they identify are omissions in care or latent errors - the things we don't do to cause harm. Less than 20% of the harm caused can be attributed to HACs and HAIs.

No one should ever suffer or die as a result of process or system failures.



The types of OFI's identified are depicted in the graph above. The most common OFIs found by front-line care team members across the Collaborative are categorized as End-of-Life OFIs. These, along with Documentation, Treatment/Care, Communication, Deteriorating Patient Recognition, and Delayed or Missed Diagnosis, comprise 75% of the OFIs identified. Examples of each of these categories are noted in the table below.

| OFI Category | OFI Category Example(s) |
|-------------------|--|
| End of Life OFI | The care team did not understand the patient's wishes for end-of-life care. |
| Documentation OFI | Vital signs are missing from the electronic health record. Required forms are not completed. |
| Treatment OFI | Patient requires a surgical procedure that is not performed at their current |



provided coaching to facilities to leverage their existing communication channels and professionals.

Organizational Transformation

One of the untoward impacts of the COVID pandemic was the emergence and exponential increase in the number of nefarious cyber-attacks targeting healthcare data. Our SaaS holds protected healthcare data. We recognized the business risk facing us and began the pivot to become a highly secure company with high standards of professional policies and procedures. The end of 2023 marked the third complete year of the journey to obtain an Agency Authorization to Operate (ATO) from the Veterans Affairs Administration by completing all business and information security requirements of the Federal Risk and Authorization Management Program (FedRAMP). Obtaining and maintaining this certification paves the way for HBHS to work with healthcare sites within the Federal Government, including the Veterans Administration hospitals. The most exciting portions of our year involved the strategic growth and financial planning necessary to achieve this heavy lift of FedRAMP Certification. More than half of our gross revenue was reinvested in the information system architecture and feature development, professionalizing all business and information security policies and procedures, and the audit with penetration testing by a third party approved by FedRAMP. It was a strategic risk consistent with our social mission to improve the systems of care delivery for some of our nation's most vulnerable patients, our veterans. We are now not only a small business with a social mission, but we are now a small business with a social mission offering healthcare systems confidence in the security of their data.

Challenges

Our mission to end the suffering caused by failures in care delivery cannot be accomplished without a fundamental shift in organizational culture from adversarial and hierarchal relationships to collaborative learning and teamwork among supporting colleagues. We continue to pursue this shift through language, training, and promotion of active participation in quality improvement initiatives at all organizational levels for our Collaborators.



Finances & Market

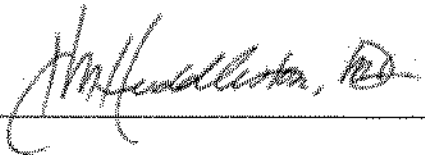
Members of our learning research Collaborative pay an annual fee according to organization or institution size and services rendered to participate in research. Despite the world largely recovering from the COVID pandemic, much of healthcare is still reeling from long-lasting impacts. The nursing staff shortages and tightening margins have led many healthcare systems to terminate positions deemed non-essential to real-time bedside patient care. As stated previously, our learning methodology requires an investment from clinically experienced staff. Unfortunately, these quality and patient safety nurses and their supporting staff are some of the first areas to be cut.

As has become a common practice for HBHS, we granted reprieves and allowed deferred membership fees or discounts. Development funds and vested patient advocates still sponsor some Collaborative members; however, those currently participating are all in the process of making this work as part of their operational budget. Conversations with Collaborators are ongoing to ensure flexibility in our service offerings to meet their needs and budget. The reality of the turmoil in healthcare markets, with hospital closures and high staff and leadership turnover, allowed us only to remain financially neutral again this year.



SUBMISSION:

I, the undersigned, certify that I am the President and Secretary of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.



Jeanne M. Huddleston, M.D.
Chief Executive Officer
President and Secretary



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Steve Simon

Steve Simon
Secretary of State