



**COOK COUNTY HOSPITAL DISTRICT  
BOARD MINUTES FOR DECEMBER 21, 2023**

**Call to Order** – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on December 21, 2023 at 9:02 a.m. in the Board Room.

**Adjourn to Closed Session** – Steve Frykman made a motion to adjourn into closed session pursuant to Minn. Stat. §144.581, subd. 5 which permits closure to discuss marketing activity and contracts related to the Hospital's competitive position with other health care providers that offer similar services; Closed Session pursuant to Minn. Stat. §145.64 subd. 1(d) to discuss decisions, recommendations, deliberations or documentation of a Review Organization and Closed Session pursuant to Minnesota Statute §13D.03(1) to consider strategy for labor negotiations and discussion and review of labor negotiation proposal with the Service Employees International Union. Randy Wiitala seconded the motion and the motion carried unanimously.

**Closed Session Summary** – The Quality Improvement/Peer Review Report from November 15, 2023, the Medical Staff Report from November 15, 2023 and Credentials Committee Report from December 20, 2023 were discussed. The status of the labor negotiations with SEIU was discussed.

**Reconvene** - The North Shore Health Board reconvened in regular session at 9:33 a.m.

**Roll Call**

**Members Present:** Steve Frykman, Kay Olson, Mary Sanders, Randy Wiitala and Patty Winchell-Dahl

**Members Absent:**

**Others Present:** Kimber Wraalstad, Lori Ericson, Troy Batchelor, Michelle Silence, Todd Ford, Brook Lessard, Jason Yuhas and Greg Ruberg. Many community members attended the meeting during public comment. Several individuals then stayed for the entire meeting.

**Approval of Agenda:** Mary Sanders made a motion to accept the meeting agenda as presented; the motion was seconded by Steve Frykman. The motion carried unanimously.

**Public Comments:** The following individuals spoke to the decision by Wapiti Medical Group to end their relationship with Dr. Dahlman, their concerns about the operation of North Shore Health and their thoughts about the North Shore Health Administrator: Rovena Claxton, Milan Schmidt and Kelly Swearingen. Ms. Claxton presented a list of requests on behalf of the Concerned Citizens for Cook County Healthcare.

**Approval of Minutes for November 16, 2023 and December 5, 2023 – Patty Winchell-Dahl made a motion to approve the minutes from the November 16, 2023 and December 5, 2023 meetings as presented and the motion was seconded by Randy Wiitala. The motion carried unanimously.**

**Updates:**

- a. **Clinic Board:** Kate Surbaugh provided a written report on behalf of Sawtooth Mountain Clinic as she was unable to attend the meeting. The following updates were shared: Early Childhood Hub is moving to the North Shore Health Care Foundation, Workforce Apprenticeship/Training Programs, Covid/Flu Vaccination and Federal Budget Negotiations.
- b. **County Board:** Commissioner Hawkins asked if the North Shore Health Board would like the continued attendance of a Commissioner at the Board meetings. She also inquired about Behavioral Health issues and transporting of deceased/morgue availability.
- c. **Board Members:** None.

**Board Presentation – High Value Network – Nathan White, CEO – Cibolo Health**  
Mr. White from Cibolo Health is working with a group of independent hospitals in Minnesota to explore the development of a High Value Network. Mr. White discussed national trends and potential impact to rural organizations. Trends show that national companies are building health systems without hospitals. Large Healthcare Systems are continuing to expand and value-based care is the primary driver. The Centers for Medicare and Medicaid Services (CMS) have a goal of 100% Accountable Care Organization (ACO) participation by 2030. One way to take advantage of the emerging trend is participation with a High Value Network. A High Value Network has two prongs – a Clinically Integrated Network and Shared Services. Mr. White shared a case study about the Rough Rider High Value Network in North Dakota. The phased approach and timeline for the development of a Minnesota High Value Network was reviewed. The first step is the completion of a letter of intent. The consensus of the Board was for North Shore Health to participate in Phase 1 of the development of the High Value Network.

**Financial Reports:** Ms. Ericson presented the November 2023 financial statements. There was a Loss from Operations for the month of 709K. The Statements of Net Position, Statements of Revenue and Expenses and Change in Net Position were reviewed. Gross Patient Service Revenue for the month of \$1.858M is 11.44% more than budget and remains above budget YTD by 6.373%. Inpatient and Home Care revenues are less than budget with Swing Bed, Outpatient and Care Center revenues above budget. Contractual Adjustments are \$632K compared to the budget of \$292K. Ms. Ericson noted that Contractual Adjustments,

including Medicare settlement estimates, are 125% more than budget; and reduced the gross patient revenue by 33%. This was largely due to the Medicare interim rate change, which lowered the outpatient reimbursements from 72% of costs down to 66%. Using an updated settlement modeling tool, Medicare adjustments and reimbursements are estimated. The rate change retroactively increased the Contractual Adjustments. Total Operating Revenue for the month of \$1.260M is 9.06% less than budget with YTD revenue of \$18.765M, 4.80% greater than budget. Total Operating Expenses of \$1.969M are 13.0% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were reviewed by Ms. Ericson. The Financial Forecast for the remainder of 2023 was also reviewed. Patty Winchell-Dahl made a motion to accept the November 2023 financial statements. The motion was seconded by Randy Wiitala and the motion carried unanimously.

#### **Old Business:**

- a) **Other:** None

#### **New Business:**

- a) **Housing Project:** Ms. Wraalstad reported that she and Ms. Ericson met with Jason Hale, Executive Director of the Cook County HRA, regarding a housing project located on Hwy 61 just west of WTIP. A project fact sheet was included with the Board materials. Mr. Hale is working with a Minnesota developer to apply for a Minnesota Housing Workforce Housing Development Grant. One key requirement of the grant is to secure local match funding. The agency awards points for contributions from local businesses and participation by North Shore Health would increase the odds of receiving funding. There are ongoing discussions about how North Shore Health could be a partner in this project and what exactly could North Shore Health receive for the investment. We will continue conversations with Mr. Hale and the developer to obtain more substance around North Shore Health's financial involvement.

#### **b) Budget Presentation**

- 1) **2024 Capital Budget:** Ms. Ericson presented the proposed 2024 capital budget of \$907,103. Ms. Ericson provided an overview of the process for the development of the capital budget. She also noted that there are several items that will not be pursued unless grant funding is received. Mary Sanders moved the adoption of the 2024 Capital Budget as presented. The motion was seconded by Steve Frykman and the motion carried unanimously.
- 2) **2024 Operating Budget:** The 2024 volume and statics budget, preliminary FTE budget, patient revenue by department, consolidated operating budget and cash requirements were reviewed in detail by Ms. Ericson. Mary Sanders moved the adoption of the 2024 Operating Budget as presented. The motion was seconded by Steve Frykman and the motion carried unanimously.

- c) **Other:** None

#### **Management Report:**

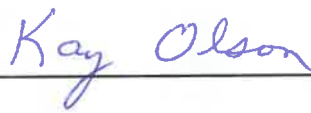
The Management Report for December 2023 included in the Board materials was reviewed. North Shore Health made it through the entire pandemic and beyond without a Care Center resident contracting COVID-19. However, there have now been two residents who have tested positive for COVID-19. Due to the increase of COVID-19 cases at North Shore Health, facility

wide masking has been instituted and will likely be continued through the end of the year. Wilderness Health is continuing to support member organizations with network leadership development opportunities. The Human Resources Roundtable, Education Roundtable and the Wilderness Health Team are working together to provide educational opportunities for the employees of Wilderness Health Members. North Shore Health will be hosting the Preceptor Bootcamp. North Shore Health is switching phone service providers from EPlus/Consolidated to CTC. The switchover is anticipated to occur in early February 2024. North Shore Health was highlighted in the November edition of the Minnesota Physician magazine. Their focuses were on the challenges of providing care over a large sparsely populated area, an aging population, reimbursement concerns and innovative ways of addressing the challenges. The article provided North Shore Health an opportunity to highlight our success and challenges. The first issue of Cook County VOICE was published on December 8, 2023, and included four participants, with North Shore Health highlighting TeleHealth Services. Dr. Dahlman is no longer eligible for Active Medical Staff membership at North Shore Health because such membership requires a physician to attend, admit or be actively involved in the care of at least twelve (12) patients per year. However, he is eligible for appointment to the Courtesy Staff. An entirely new application would not be required, only updates to the existing application. The medical malpractice insurance coverage currently on file for Dr. Dahlman is no longer in force so he will need to provide evidence of appropriate medical malpractice coverage. This opportunity has been communicated to Dr. Dahlman's attorney, but North Shore Health has not yet received a response. In response to a question, the Medical Staff categories were reviewed. It was also noted that Jason Yuhus, Quality Improvement Coordinator for North Shore Health, has agreed to work with Dr. Dahlman on a quality project needed for his recertification with the American Board of Family Medicine.

**Adjourn:**

A motion to adjourn the meeting was made by Randy Wiitala and seconded by Mary Sanders. The motion carried unanimously. The next regular meeting will be held on January 18, 2023.

The regular meeting adjourned at 11:50 a.m.

  
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Chair

  
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Clerk