



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR JANUARY 18, 2024

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on January 18, 2024 at 9:00 a.m. in the Board Room.

Adjourn to Closed Session – Steve Frykman made a motion to adjourn into closed session as permitted by the attorney-client privilege, Minn. Stat. § 13D.05, subdivision 3 (b), to discuss legal strategy for responding to threatened litigation against the members of the board, and proceeding with a lawsuit for damages related to defamatory statements made against the hospital; pursuant to Minn. Stat. §145.64 subd. 1(d) to discuss decisions, recommendations, deliberations or documentation of a Review Organization; pursuant to Minn. Stat. §144.581, subd. 5, which permits closure to discuss contracts related to the Hospital's competitive position with other health care providers that offer similar services; and pursuant to Stat. § 13D.05, subd. 2 to discuss not public medical data. Randy Wiitala seconded the motion and the motion carried unanimously.

Closed Session Summary - The Quality Improvement/Peer Review Report from December 20, 2023; the Medical Staff Report from December 20, 2023 and the January 17, 2024 Credentials Committee Report were discussed. Attorneys Timothy Feeley and James Hogan of Hall Render Killian Heath & Lyman, P.C., attended the meeting virtually and provided legal advice to the Board relating to false statements made against the Hospital, and legal advice relating to options and strategies with respect to such statements. The Board was also provided legal advice relating to statements of misfeasance and malfeasance on the part of the hospital and Board. Legal counsel provided legal advice relating to the draft report of the investigation of the Board and the report was reviewed by the Board.

Reconvene - The North Shore Health Board reconvened in regular session at 9:30 a.m.

Roll Call

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

Members Absent:

Others Present: Kimber Wraalstad, Troy Batchelor, Lori Ericson, Greg Ruberg, Stacey Hawkins, Matt Anderson and Community Members.

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

Board Presentation – District Hospital Boards: Fiduciary Duties & Open Meeting Law – Matt Anderson, Atrede Consulting

Mr. Anderson is the former Senior Vice President and Chief Strategy Officer at the Minnesota Hospital Association and the Assistant Commissioner for Health Care & State Medicaid Director at Minnesota Department of Human Services. He currently teaches at the University of Minnesota's School of Public Health in the Division of Health Policy & Management and also is a freelance consultant. It is in his role as a consultant that Mr. Anderson is at North Shore Health. Mr. Anderson shared that every board of every organization has legal obligations. Those obligations vary based on the type of organization, applicable law (federal, state, etc.) and the organization's governing documents (bylaws, articles of incorporation, policies, etc.). The Medicare Conditions of Participation require that a "[H]ospital must have an effective governing body legally responsible for the conduct of the hospital..." Minnesota law states that "Each hospital district shall be governed by a hospital board ..." and "Each hospital district ... has the powers necessary and convenient to acquire, improve, and run the hospital, nursing home facilities, and [senior housing, adult day care, respite care] facilities as the board finds expedient...". Good governance means acting in good faith and using common sense. Board members should be prepared for board meetings, ask relevant questions, act reasonably and in good faith, act as a unit; support board decisions and obtain ongoing board education. Board members are obligated to fulfill fiduciary duties to the organization – Duty of Care, Duty of Loyalty and Duty of Obedience. Examples of each duty was discussed by Mr. Anderson and he also shared examples of governance and administrative functions. Fulfilling fiduciary duties can require board members to make decisions that run counter to their personal political/financial/cultural ideology or preferences, take unpopular actions that spur criticism or result in losing re-election to the board, place organization's mission and long-term interests over current community members' short-term interests or preferences, ask uncomfortable questions; discuss sensitive topics and change their mind. The Open Meeting Law was reviewed. Public meetings must be closed in various circumstances including discussion of certain nonpublic data under the Data Practices Act and discussion of medical record data. Public meetings may be closed in various circumstances including as permitted by attorney-client privilege. Mr. Anderson addressed questions and provided further clarification throughout his presentation.

Public Comments: The following individuals provided public comments: Rovena Claxton on behalf of the Concerned Citizens for Cook County Healthcare and Gregg Westgard.

Approval of Minutes for December 21, 2023 – Mary Sanders made a motion to approve the minutes from the December 21, 2023 meeting as presented and the motion was seconded by Patty Winchell-Dahl. The motion carried unanimously.

Updates:

- a. **Clinic Board:** Kate Surbaugh was not in attendance at the meeting but shared a written summary of activities at Sawtooth Mountain Clinic (SMC). SMC working with Breakwater Health Network (BHN) is currently reviewing several potential EHR products and trying to narrow the field to one top choice. During the pandemic, enrollment in the SMC sliding fee scale program declined sharply along with clinic

visits. SMC is working to increase public knowledge about the sliding fee program and a new outreach campaign is planned.

- b. **County Board:** Commissioner Hawkins reminded the group that the County Commissioners will be holding a discussion regarding bonding on January 30.
- c. **Board Members:** Ms. Olson shared information discussed at the recent Minnesota Hospital Association Trustee Council meeting.

Financial Reports: Ms. Ericson presented the December 2023 financial statements. There was a Loss from Operations for the month of 216K. 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 \$2.201M is 30.9% more than budget and remains above budget YTD by 8.20%. Swing Bed and Home Care revenues are less than budget for the month while Inpatient, Outpatient and Care Center revenues are above budget. Contractual Adjustments are \$317K compared to the budget of \$292K. Medicare adjustments and reimbursements are estimated using the updated settlement modeling tool. Total Operating Revenue for the month of \$1.889M is 34.6% more than budget with YTD revenue of \$20.654M, 6.97% greater than budget. Total Operating Expenses of \$2.105M are 16.9% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were reviewed by Ms. Ericson. Mary Sanders made a motion to accept the December 2023 financial statements. The motion was seconded by Steve Frykman and the motion carried unanimously.

Old Business:

- a) **Organization Review:** Information and proposals by the National Rural Health Association/Stroudwater Associates and Bill Auxier/Center for Rural Health Leadership were reviewed. The National Rural Health Association is recommending an update to the Strategic, Financial and Operational Assessment to include an evaluation of physician services and the relationship with Sawtooth Mountain Clinic. Technical assistance funding the USDA will support this Assessment. Bill Auxier is recommending a cultural transformation engagement to improve the wellbeing of the community by helping hospital executives build trust with each other to enhance communication, efficiency, and organizational culture. Information was also shared from the Rural Wisconsin Health Cooperative regarding the employee engagement process. The Rural Wisconsin Health Cooperative recommended several companies that could complete the employee engagement process and they could offer support once the surveys have been conducted. Human Resources is reaching out to the companies who conduct employee engagement surveys to obtain information and pricing. Mary Sanders made a motion to proceed with the Culture transformation engagement with Bill Auxier. The motion was seconded by Steve Frykman and the motion carried unanimously. Randy Wiitala made a motion to proceed with the update to the Strategic, Financial and Operational Assessment as recommended by the National Rural Health Association. The motion was seconded by Mary Sanders and the motion carried unanimously.

- b) **Other:** None.

New Business:

- a) **Audit Engagement Letter:** The engagement letter for the Fiscal Year Ending 2023 financial audit from CliftonLarsonAllen was discussed. The cost of the audit is \$32,500 and it is anticipated that the representatives from CLA will complete their fieldwork virtually during the first two weeks of March. Mary Sanders made a motion to engage CliftonLarsonAllen to complete the Fiscal Year Ending 2023 financial audit. The motion was seconded by Randy Wiitala and the motion carried unanimously.
- b) **Bank Designation:** The Board annually designates a financial institution to be used for routine banking actions. The current financial institution used by North Shore Health for the deposits of daily receipts is Grand Marais State Bank. The majority of receipts are received electronically. Security State Bank was helpful in assisting North Shore Health to secure the Paycheck Protection Program loan. As such, Kimber Wraalstad and Lori Ericson recommend the two banks serve as the designated banks for North Shore Health in 2024. Patty Winchell-Dahl made a motion to use Grand Marais State Bank and Security State Bank as the designated banks for North Shore Health. The motion was seconded by Randy Wiitala and the motion carried unanimously.
- c) **Minnesota Department of Health Grant Resolutions:** Mary Sanders made a motion to adopt the Board Resolution to submit a Rural Hospital Capital Improvement Grant and a Rural Hospital Planning and Transition Grant. The motion was seconded by Steve Frykman and the motion carried unanimously.
- d) **St. Luke's/Aspirus Affiliation Resolution:** St. Luke's will be entering into an affiliation agreement with Aspirus. North Shore Health's Management Services Agreement (MSA) allows North Shore Health to terminate the MSA in the event of a change of ownership or affiliation. This resolution waives the right to notice and the right to terminate the MSA. Randy Wiitala made a motion to adopt the Resolution of the Board of Directors Regarding St. Luke's Affiliation. The motion was seconded by Steve Frykman and the motion carried unanimously.

Reorganization Meeting

a. Election of Officers:

- **Chair** – Patty Winchell-Dahl nominated Kay Olson to remain as Board Chair and Steve Frykman seconded the nomination. Ms. Olson was elected as Board Chair with a unanimous vote.
 - **Clerk** – Patty Winchell-Dahl nominated Mary Sanders to remain as Board Clerk and Steve Frykman seconded the nomination. Ms. Sanders was elected as Board Clerk with a unanimous vote.
 - **Treasurer** – Patty Winchell-Dahl nominated Randy Wiitala to remain as Board Treasurer. Steve Frykman seconded the nomination and Mr. Wiitala was elected as Board Treasurer with a unanimous vote.
- b. **Conflict of Interest Statements:** The Conflict of Interest Statement Policy and 2024 Conflict of Interest Statements were distributed to Board Members. The Members will complete the Conflict of Interest statements and return them to Ms. Wraalstad for review and to be kept on file.

- c. **Assignments:** Currently, Mr. Frykman attends the Quality Improvement/Peer Review Committee and Medical Staff Meetings as a Board Liaison. He volunteered to remain as the liaison for 2024.
- d. **Meeting Reimbursement Amounts:** It was discussed to maintain the meeting reimbursement at the same amount as 2023. The mileage reimbursement will be increased to the IRS rate of \$0.67 per mile. It was noted that some Board Members do not request reimbursement. Patty Winchell-Dahl moved that the Meeting Reimbursement Amount for Board Members remain the same as 2023. The motion was seconded by Randy Wiitala and the motion carried unanimously.
- e. **Delegation to Administrator:** Mary Sanders moved to adopt the Cook County Hospital District dba North Shore Health CEO/Administrator Delegation Policy. Steve Frykman seconded the motion and the motion carried unanimously.

Management Report:

The Management Report for January 2024 included in the Board materials was reviewed. North Shore Health is pleased to reinstate the local artists' exhibit program. A Call to Artists has been issued requesting Submission Proposals & Qualifications for the display of works of art. On December 14, 2023, North Shore Health hosted an Artists' Reception for those who displayed works of art in the Q4 2023 exhibit. This gave residents, community members and employees the opportunity to view the work, and meet the artists displaying works that enhance the healing environment at North Shore Health. The Laboratory at North Shore Health had a Clinical Laboratory Improvement Amendment (CLIA) inspection December 21 – 22, 2023. Moderate and high complexity testing laboratories will undergo Clinical Laboratory Improvement Amendment (CLIA) inspection every two years. The inspector from the Minnesota Department of Health, CLIA division performed a fairly robust inspection during her two days at North Shore Health. The Lab passed with flying colors with the inspector commenting that she "has no concerns about the quality of testing in this Lab". During September 2023, North Shore Health participated in a Healthcare Burnout Survey. Employees from North Shore Health, together with other Wilderness Health organizations, participated in a survey of burnout among healthcare workers conducted by researchers from the University of Minnesota Duluth. The UMD researchers are now prepared to move to the next phase of the project. The researchers are planning to host listening sessions with employees to help the researchers understand the unique nature of burnout and compassion fatigue in rural healthcare. In August 2021, North Shore Health developed an Educational Scholarship/Loan Program to recruit and retain employees in health care positions. Tuition, books, fees and expenses, up to \$7,000 per year, are paid in return for an agreement by the current or prospective employee to work at North Shore Health. Currently, there are four employees who are participating in the scholarship program – two who are in a Nursing program and two who are in a Paramedic program. North Shore Health has joined the American Hospital Association's national initiative to reaffirm hospital and health system leadership and commitment to patient safety. Jason Yuhas, Quality Improvement Coordinator, will serve as North Shore Health's point of contact for this initiative. The 2024 Environmental Scan from the American Hospital Association was included with the board materials for review.

Adjourn:

Steve Frykman moved to reconvene to a closed session. Mary Sanders seconded the motion and the meeting returned to closed session at 12:30 p.m.

The closed session adjourned at 3:05 p.m.

A motion to adjourn the meeting was made by Steve Frykman and seconded by Patty Winchell-Dahl. The motion carried unanimously. The next regular meeting will be held on February 22, 2024.

The regular meeting adjourned at 3:06 p.m.

Kay Olson
Chair

Mary L Sanden
Clerk