



COOK COUNTY HOSPITAL DISTRICT

BOARD MINUTES FOR APRIL 21, 2016

Call to Order –Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on April 21, 2016 at 9:00 a.m. in the meeting room.

Adjourn to Closed Session – The Board recessed from the regular session to a closed session for the Quality Improvement/Peer Review Report, Medical Staff Report and Labor Negotiation Update.

Closed Session Summary - The Quality Improvement/Peer Review Report, Medical Staff Report and Labor Negotiation Update from March were reviewed and discussed.

Reconvene - The Cook County Hospital Board reconvened in regular session at 9:30 a.m.

Roll Call

Members Present: Sharon Bloomquist, Howard Abrahamson, Kay Olson and Tom Spence

Members Absent: Justin Mueller

Others Present: Kimber Wraalstad, Vera Schumann, Sandra Barkley, Casey Bronikowski, Dr. Milan Schmidt (p), Barb Heideman, Garry Gamble (p), Brian Larsen (p)

Video-Conference: Darryn McGarvey - CliftonLarsonAllen

Approval of Agenda – Kay Olson would like to add ‘North Shore Health Care Foundation’ under Old Business. H. Abrahamson made a motion to approve the March 24, 2016 agenda, with Ms. Olson’s addition. S. Bloomquist 2nd. All ayes.

Public Comments: None

Approval of Minutes for March 24, 2016 – Kay Olson had 2 corrections – First Correction, delete the word ‘executive’ in the first paragraph of page 2. Second correction, on the bottom of page 6 a sentence reads “He had not further questions” – edit to “no further questions.” H. Abrahamson made a motion to approve the minutes of March 24, 2016 as amended. S. Bloomquist 2nd. All ayes.

Updates:

- **Clinic Board:** Dr. Schmidt provided an update in Rita Plourde’s absence. He stated that Sarah Dragswiek will be joining SMC on June 20, 2016 as a mental health

professional. Her expertise is working with children in the behavioral health area and she will compliment the current behavioral health specialist, Maggie Anderson who specializes with adults. The model is not necessarily for counseling and psychotherapy but more about primary care behavioral health. The goal is to identify the needs of the community patients, and then provide a seamless flow of care and resources for those who need the services to improve their overall health such as diet and exercise routines, smoking cessation classes, managing ADHD, assisting with Well Child exams, monitoring growth and development, managing chronic illnesses, etc. The Clinic now has Care Coordinators that coordinate care surrounding health issues, for example, diabetes management, and the cares that are tied with each patients needs. If a patient came in and was having difficulty managing his or her diabetes care, he or she would be referred to a behavioral health specialist to see if there are any behavioral cues that can be put into place that would help the patient better manage their condition.

- **County Board:** Commissioner Garry Gamble was present in Heidi Doo-Kirk's absence. He commented that many of our leaders and Department Managers are young in leadership. Experience will take time. Tim Nelson, with Planning & Zoning recently adopted a septic ordinance. With a payroll audit, they found that their Long Term Disability Insurance needed to be updated. They also found that some equipment was functionally obsolete and needed updating. Mr. Gamble noted that of the 87 counties in Minnesota our levy dollar amount is ranked 70th.
- **North Shore Health Care Foundation:** Barb Heideman stated there was no new news to report.
- **Board Members:** Sharon Bloomquist brought forward documentation from Sawtooth Ridges in regards to how the construction project is impacting the Sawtooth Ridges property. Ms. Bloomquist would like the Board Members to take the time observe the view for themselves. The issue needs to be addressed before the facility project is completed. Kay Olson attended an MHA Trustee Meeting and came away with a lot of good knowledge to share. One of the top issues up for discussion is Mental Health. MHA's 100th Anniversary will be in 2017.
- **Correspondence:** None

Board Presentation – 2015 Financial Audit – Darryn McGarvey, CliftonLarsonAllen
Darryn McGarvey was present via video-conference to present the 2015 Financial Audit Report. During fiscal year 2015, there was one significant change to accounting standards. As stated in the Financial Statements from CliftonLarsonAllen, Governmental Accounting Standards Board (GASB) Statement, No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*, was implemented by The Organization (North Shore Health.) The revised requirements from GASB establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state and local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability, which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position was restated to retroactively

report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Net Position</u>
Net Position December 31, 2014, as Previously Reported	\$ 13,673,857
Net Pension Liability at December 31, 2014	(4,979,342)
Deferred Outflows of Resources Related to Contributions	
Made After December 31, 2014 Measurement Date	\$ 197,908
Net Position January 1, 2015, as Restated	<u>\$ 8,892,423</u>

Mr. McGarvey reviewed the Financial Statements with the Board Members, and stated that he was very happy to report that there were no proposed audit adjustments, no difficulties encountered, no issues or disagreements with management regarding accounting, reporting or auditing matters. There were no weaknesses to report. Internal control communications and processes are being managed accordingly. Mr. McGarvey reviewed in detail the 2015 Financial Statements and Audit Results with the Board Members. There was discussion and Mr. McGarvey addressed the questions from the Board Members. H. Abrahamson made a motion to accept the 2015 Audited Financial Report. T. Spence 2nd.
All ayes.

Old Business

- a. **2015 Strategic Plan Update:** Strategic Initiative 3. Communication and Community Relations was reviewed and discussed.
- b. **Facility Update:** A full Construction Update will be provided later in the meeting. Agriculture Secretary Tom Vilsack will be giving a speech next week and highlighting our facility project. Ms. Wraalstad will try to find out more details.
Change Order Approvals – Ms. Wraalstad reviewed the Change Order Log with the Board Members and spent some time reviewing how the Change Order Log works to the Board Members. Change Orders #3 and #4 were reviewed in detail.
- c. **Other – North Shore Health Care Foundation (NSHCF):** Kay Olson received a phone call from Bob Fenwick of the NSHCF. They discussed the meeting that was held the previous month between the Sawtooth Mountain Clinic, North Shore Health Board, and the NSHCF Board. Ms. Olson expressed that she was grateful for the opportunity to have this type of collaboration. Mr. Fenwick suggested to Ms. Olson that the meeting with the full board members was premature and the three Board Chairs should meet privately to discuss each organization's history, strategize goals and come up with some sort of report for the board members. Mr. Spence commented he did not prefer this type of approach. He believes the goals are to remain transparent, create goals, share ideas and visions collaboratively and be sure that each Board is individually complimenting the other, transparently, while getting to know each other. Mr. Spence felt that going along with Mr. Fenwick's suggestion would be a step backwards. Ms. Bloomquist and Mr. Abrahamson agree with that sentiment. Ms. Olson was appreciative of this view and will share this with Mr. Fenwick. Ms. Bloomquist stated that the goal is a unified Health System for the County.

Financial Reports

Vera Schumann presented the March 2016 Executive Summary and Financial Report. There was a loss in operations of \$126,491 for the month of March performing \$60,794 behind budget. Gross hospital patient revenues of \$1,094,203 are \$42,304 or 4% greater than budget. Care Center revenues are running 2% less than budget. With the non-

operating income and tax levy monies, North Shore Health experienced a net loss of \$57,818 for the month. March acute patient days of 23 are 5 days or 18% behind budget with Swing Bed days of 74 running 21 days or 40% ahead of budget. Care Center resident days of 874 are 1% ahead of budget with occupancy of 76%. At or ahead of budget are Colonoscopy - 20%, PT/OT modalities - 4%, Laboratory - 10%, CT/MRI - 6%, and billable Ambulance Runs - 14%. Below budget are Observation - 25% and Emergency visits - 15%.

New Business

- a. Works of Art Request for Submission:** Tom Spence drafted an agreement between North Shore Health (NSH) and Johnson's Heritage Post. North Shore Health (NSH) is requesting works of art for display. The art will be original paintings, photography or sculptures. The paintings and photography will be displayed in NSH patient rooms and various exam spaces for enjoyment of patients, family members, visitors, and health providers and be classified as Room Art (RA). In addition to Room Art, a category of Public Art (PA) is being established for paintings, photography or sculptures. The category of art will be displayed in the lobby, registration area, hallways and other public areas in the Hospital and Care Center. The selected art will be placed in areas of high profile to be observed and enjoyed by visitors, patients, residents and employees of NSH. The intention of this public art is to honor and reflect upon contemporary and historical Cook County and where possible the important role that health care delivery has played in Cook County. It should encourage a feeling of reflection, peace and nature consistent with an ambience of quiet reflection in a health care delivery environment. The Request details the eligibility requirements, selection process, ownership and use requirements, continuing placement of art and how to apply. The other members of the Board thanked Mr. Spence for his work on this proposal and agreed he should proceed with the Works of Art Program.
- b. Other:** Mr. Spence requested Ms. Wraalstad prepare a board resolution thanking all departments and employees who participated in the Career Fair.

Management Report

North Shore Health was awarded a \$125,000 Rural Hospital Capital Improvement Grant to upgrade our existing computed radiography (CR) to digital radiography (DR) for the Imaging Department. The project includes the purchase and implementation of new digital radiography equipment. Thank you to Vera Schumann and Caroline Hanford and their hard work in preparing and submitting the grant application! This was a highly competitive grant process and their efforts resulted in a successful grant award. We are now officially Cook County Hospital District d/b/a North Shore Health. The new logo will be used as items are purchased and reordered. Every employee was given a new shirt with the new logo and name. We also had a celebration for our new name and logo on April 1. The process to develop an electronic performance evaluation continues. Jeff Thompson, Innovations in Quality, conducted the first two Employee Education sessions on Tuesday, April 12 and Wednesday, April 13. The remaining sessions are scheduled for; Monday, April 18; Tuesday, April 19; Thursday, May 5 and Friday, May 6. Employees have commented they appreciate the information and felt it was applicable to them. We are pleased to announce Bridget Sobieck and Kelly Swearingen have been chosen to participate in the LeadingAge Minnesota Leadership Academy. The Leadership Academy engages participants in a coordinated and multifaceted curriculum over twelve months. The Strategic Planning/CAH Annual Review Retreat is scheduled for Tuesday, May 24 and Wednesday, May 25 and will be held at Lutsen Resort. Linda Basara, St. Luke's Director of Patient Experience, will serve as our retreat facilitator. As discussed during the

March Board meeting, the topics of focus will include Telemedicine, Health Care Services for Seniors, Marketing Initiative and Quality. At this time, Gayle Kvenvold from LeadingAge Minnesota has agreed to discuss Senior Services and Lorry Massa has agreed to discuss recent legislation and state-wide activities in telemedicine. Jennifer Dowden will provide information regarding Quality. We are also inviting additional speakers. The agenda is being developed in coordination with the speakers schedules.

Break for Lunch: 11:56 a.m.

Reconvene: 12:22 p.m.

Construction Update –

Mike Ellingson and Brian Miller from Boldt Construction were present to provide a construction update. Mr. Ellingson and Mr. Miller presented the April 2016 Progress Report for the Building Project. The following areas were highlighted:

- Safety Risks and Concerns – None this month
- Lost time – None
- Project Update
 - Care Center (southeast)
 - Installed wall backing and drywall
 - Started Finishes
 - Started Drywall Taping
 - Started Fire Sprinkler rough-in
 - Started Window Installation
 - Care Center/Hospital (northwest)
 - Completed Installation of Interior Wall Framing
 - Started Drywall
 - Started Windows
 - Completed Drywall Lid
 - Started Fire Sprinkler rough-in
 - Started Mechanical In Wall rough-in
 - Started Electrical In Wall rough-in
 - Site
 - Electrical Wiring of New Generator
 - Mezzanine
 - On-going Mechanical Work
 - On-going Electrical Work
 - Boiler Room
 - Working on Electrical Panels and Transformers
- Planned work for May 2016
 - Care Center (southeast and northwest)
 - Install Tile Work
 - Painting and Acoustical Ceiling Work
 - Flooring Work
 - Install Casework and Siding
 - Electrical and Mechanical Trim out
 - Continue fire sprinkler rough-in
 - Site
 - Begin Hospital Foundation Work
 - Complete Electrical Wiring of the New Generator

- Mezzanine
 - Continue Electrical Work
 - Continue Mechanical Work

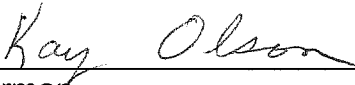
- Boiler Room
 - Continue Electrical Work

- RFIs – 70 requests for information to the Architect, 15 RFIs open at this time
- ASIs – Thirteen Architect’s Supplemental Instructions
- RFPs – Twelve requests for proposals, 1-7 have been submitted and approved, others are waiting for pricing and review
- Submittals – Log reviewed
- Risks/Opportunities – Reviewed
- Field Manpower – Jobsite total – 33
- Equipment Onsite – Reviewed
- Communication plan and blog site – Reviewed
- Financial Update
 - Pay application #8 (03-01-2016 to 03-31-2016) for \$1,095,878.02 was approved on April 7, 2016.
- Contingency Usage – The contingency log was reviewed in detail

Mr. Ellingson and Mr. Miller discussed the schedule change for the Care Center inspection. Rather than having the State Review on May 17, Boldt is requesting the review be completed the week of June 13. Areas originally planned for completion in Phase 2 and Phase 3 are being requested to be added in Phase 1. This additional time will allow that space to be completed. The connection between the two new Care Center additions was also reviewed. Boldt is also planning to maintain the area currently being used as the Nurses Station and the Medical Room until late into Phase 2 or in Phase 3.

Adjourn

The regular meeting adjourned at 1:13 p.m.



 Chairman



 Clerk