North Shore HEALTH
COOK COUNTY | MINNESOTA

COOK COUNTY HOSPITAL DISTRICT

BOARD MINUTES FOR APRIL 23, 2026

Call to Order – Randy Wiitala called the meeting of the Cook County Hospital District Board of Directors to order on April 23, 2026 at 9:05 a.m. in the Board Room at North Shore Health.

Recess to Closed Session – Steve Frykman made a motion to recess into closed session permitted pursuant to Minn. Stat. §145.64 subd. 1(d) to discuss decisions, recommendations, deliberations or documentation of a Review Organization and pursuant to Minn. Stat. § 13D.05, subd. 2 to discuss not public medical data. Sam Usem seconded the motion and the motion carried unanimously.

Closed Session Summary – The Quality Improvement/Peer Review Report from March 18, 2026; the Medical Staff Report from March 18, 2026 and the April 15, 2026 Credentials Committee Report were discussed.

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

Roll Call
Members Present: Steve Frykman, Milan Schmidt (virtual), Sam Usem, Randy Wiitala and Patty Winchell-Dahl

Members Absent:

Others Present: Kimber Wraalstad; Nicole Siegner; Megan Thurston; Jason Yuhas; Michele Silence; Todd Severnak, MD; Kysa Corbett; Greg Ruberg; Karen Schultz; Danielle Hefferan; Josh Hinke; Doug Sanders; Mary Sanders; Karla Pankow; Kelly Swearingen; Alexander Beebe-Guidice; Kay Olson

Mission and Value: Randy Wiitala read the North Shore Health Mission and Value Statements to begin the meeting.

Public Comments: No comments were offered.

Approval of Minutes for March 19, 2026: Discussion included general confirmation that the minutes accurately reflected the key decisions and strategic discussions, particularly those related to financial reporting, strategic priorities ("Big Rocks"), and ongoing operational initiatives. Mr. Usem questioned lack of specificity regarding Ms. Winchell-Dahl's suggestion that Board members submit specific questions or topics of interest to Ms. Wraalstad and Ms. Siegner. Ms. Winchell-Dahl stated that she believes the minutes reflects her intent to use questions and suggested topics to guide future Board education sessions and ensure that information presented aligns with Board needs and priorities. Questions were raised regarding opportunities to further develop understanding of financial reports, investment structures, and funding mechanisms. Patty Winchell-Dahl made a motion to approve the minutes from the March 19, 2026 meeting as distributed and Milan Schmidt seconded the motion. The motion carried with a vote of 4-1. (Ayes - Steve Frykman, Milan Schmidt, Randy Wiitala and Patty Winchell-Dahl; Nays - Sam Usem). Dr. Schmidt made a motion to include on the agenda for the next meeting specifically to discuss financial education including the content, timing and how Board Members receive education about financial statements and what does the Board need to understand. The agenda item would be financial education. The motion was seconded by Randy Wiitala and carried unanimously.

Board Presentation – Investment Program – Kysa Corbett, Financial Advisor – Edward Jones

Kysa Corbett, Financial Advisor with Edward Jones representing North Shore Health, reviewed the three guiding principles outlined in North Shore Health's investment policy of safety, liquidity, and yield. She explained that the principle of safety emphasizes the security of invested funds and the importance of maintaining resilience through market fluctuations. In light of recent market activity, Ms. Corbett noted the importance of structuring investments to withstand market volatility as has been recently seen. Ms. Corbett further explained that liquidity refers to maintaining timely and efficient access to funds, while yield emphasizes balancing investment returns with associated risk. She discussed how these three guiding principles work together to support the organization's overall investment strategy. In addition, Ms. Corbett provided an overview of the management of both the operating and capital investment funds, including a review of the rates of return for each fund. Ms. Siegner also highlighted where this information is reflected within the financial statements.

Ambulance Tour/EMS Update – Karla Pankow, NRP, CCP-C, Director of EMS

Karla Pankow, EMS Director, provided a brief overview of new programs and equipment implemented to expand prehospital patient care capabilities. The Butterfly iQ portable handheld ultrasound is now utilized in the ambulance to assist with difficult IV starts and the identification of internal bleeding. The GlideScope Go2 portable video laryngoscope has been added to support intubation procedures and the recently acquired Hamilton T1 Transport Ventilator further enhances the level of ventilator support available during patient transport. In addition, the ambulance is equipped with supplies necessary to perform a Surgical/ QuickTrach cricothyroidotomy if required. Ms. Pankow also shared information regarding the Handtevy Clinical Workflow Platform that is now available to support EMS providers by providing easy access to clinical protocols during emergency responses. Following the presentation, Board members were given a tour of the new custom-built ambulance that was received at the end of 2025. The Board thanked Ms. Pankow and her team for their continued efforts to enhance and expand EMS services for the community.

Financial Reports: Nicole Siegner, Chief Financial Officer, presented the March 2026 financial statements. North Shore Health reported a Loss from Operations of $348K for the month of March, compared to the budgeted Loss from Operations loss of $463K. The Statement of Net Position and the Statements of Revenues and Expenses and Changes in Net Position were reviewed. Gross Patient Service Revenue for March totaled $2.655M, exceeding budget by 8.0%. Swing Bed and Outpatient revenues performed above budget for the month, while Inpatient, Home Care, and Care Center revenues were below budget. Ms. Siegner noted that revenue performance in March continued to improve compared to January and February. Contractual Adjustments and Other Deductions were $535K, compared to the budgeted amount of $543K, representing a favorable variance of 1%. Total Operating Revenue for the month was $2.127M, an 11.0% positive variance from budget. Total Operating Expenses were $2.475M, exceeding budget by 4%. Key financial indicators, including days cash on hand, debt service coverage ratio, current ratio, payer mix, and days in accounts receivable, were also reviewed. Ms. Siegner provided additional information regarding the impact of UCare on days in accounts receivable. Ms. Siegner also shared information regarding the Employee Retention Tax Credit (ERC) program established during the COVID-19 pandemic. Based on the original eligibility criteria, North Shore Health did not qualify for the ERC. However, following revisions to the criteria, it appeared as though North Shore Health might qualify for funding related to the second quarter of 2022. An application was subsequently submitted to the IRS in April 2025. Ms. Siegner reported that, at the end of March 2026, North Shore Health received notice of approval for $978,000, with the funds received in early April. The funds are currently reflected as a Miscellaneous Receivable on the Balance Sheet and, in accordance with accounting standards, the revenue will be recognized in the 2025 financial statements. Revenue Less Than Expenses for March resulted in a net loss of $202K, compared to a budgeted net loss of $299K. Patty Winchell-Dahl made a motion to accept the March 2026 financial statements. The motion was seconded by Steve Frykman and the motion carried unanimously.

Big Rocks/Strategic Plan Discussion:
The Board reviewed the three priority areas of the Big Rock/Strategic Plan, with approximately ten minutes dedicated to each priority:

a. Priority 1 - Establish the most effective and useful strategic partnerships and relationships. Descriptions of the various strategic partnerships and relationships were added to the worksheet, along with several suggested partner organizations. It was recommended that the partnerships be categorized and that the worksheet include information regarding the activities associated with each collaboration, as well as the frequency of interaction. Mr. Wiitala requested additional information regarding the collaboration with Headwaters High Value Network. Ms. Winchell-Dahl suggested including the specific benefits North Shore Health receives from each partnership, while Dr. Schmidt emphasized the importance of also recognizing the value North Shore Health contributes to its collaborative relationships. Mr. Usem further suggested that the Board prioritize the partnerships and relationships following completion of the review process.
b. Priority 1A - Electronic Health Record (EHR) platform selection. Ms. Wraalstad highlighted the Rural Health Transformation Program (RHTP) grant opportunity. The Minnesota Department of Health (MDH) was awarded approximately $193 million by the Centers for Medicare & Medicaid Services (CMS) for the first budget period to "transform the rural health system in Minnesota" through the RHTP. Each eligible hospital has been allocated up to $1.4 million in this initial budget period. North Shore Health intends to utilize the some of the funding to support foundational activities

necessary for future information technology expansion, including the potential outsourcing of Information Technology services to prepare for an eventual EHR transition. She noted that the grant application is due May 15, making completion of the application a primary organizational focus over the next month. Ms. Wraalstad also reported that North Shore Health has requested a technical assistance call with the Minnesota Department of Health (MDH) to ensure the proposed project concepts align with program expectations. It was noted that grant funding cannot be used for direct replacement of the EHR system itself. The proposed initiatives must meet program requirements of transformation and expansion versus replacement activities. While Budget Period 1 runs through October 30, 2026, funds may be utilized through September 30, 2027. Challenges associated with the Rural Health Transformation Program were discussed, along with the relationship between organizational partnerships and the future selection of an EHR platform. Wilderness Health and Headwaters will assist North Shore Health with development of the grant application and related reporting requirements. Discussion also included the role of partnerships versus maintaining organizational independence and how those decisions may influence future EHR selection and implementation strategies. The Board acknowledged that additional discussion regarding independence, alignment, and long-term strategic direction will continue in future meetings. Milan Schmidt made a motion to include a separate agenda item at the May Board meeting to discuss organizational independence and alignment. Steve Frykman seconded the motion and the motion carried unanimously. Ms. Wraalstad reiterated that foundational work related to a future EHR transition continues.

c. Priority 2 - Attract and retain the best talent and develop succession plans. Ms. Silence reported that a kickoff call with UKG regarding the Human Resource Information System implementation is scheduled to occur within the next several weeks. She also shared that preliminary research has begun on the development of succession planning processes, with an initial focus on leadership positions. It was suggested that a future Board discussion be scheduled to further define the Board's expectations and objectives related to succession planning.
d. Priority 3 - Update the safety net plan for the care center. Ms. Wraalstad reported that North Shore Health has not yet received a response from the Centers for Medicare & Medicaid Services (CMS) regarding State Plan Amendment (SPA 25-30) related to the swing bed provision. She shared that a meeting was recently held with the Minnesota Department of Health (MDH) to begin planning for the transition process once the SPA is approved. Discussion also occurred regarding the Nursing Assistant program currently offered at North Shore Health.

Old Business:

a) None.

New Business:

a) Financial Assistance Policies: The following policies regarding financial assistance and collections were reviewed:

- Zero Tolerance Policy
- Bad Debt Collection
- Debt Collection Agency Policy

- Debt Collection Litigation/Garnishment
- Patient Financial Responsibility Policy
- Financial Assistance Program
- Uninsured Discount Policy

The multi-step internal review process, which includes evaluation by Revenue Cycle staff, Finance leadership, and final review by Administration prior to being submitted for Board consideration was reviewed.

It was noted that the policies are largely guided by regulatory requirements, including oversight by the Minnesota Attorney General's Office, and therefore changes are typically limited. Ms. Swearingen noted that the policies were updated with the 2026 Federal Poverty Guidelines, internal process were updated and various typo and grammatical errors were corrected. She also described adjustments to payment plan structures to better reflect patients' financial capacity, particularly for uninsured or underinsured individuals facing high deductibles. Annual review and approval of these policies are required by the Board and Ms. Winchell-Dahl confirmed that the policies were reviewed at the April Finance Committee meeting. Patty Winchell-Dahl made a motion to approve the policies as presented and the motion was seconded by Sam Usem. Motion carried unanimously.

b) Investment Policy: The Investment Policy was presented for routine review. The history of the legislative changes that allowed Hospital Districts to invest excess funds in instruments other than CDs was reviewed. There were no changes proposed to the policy and it remains consistent with prior versions. The policy reviews the guiding principles of safety, liquidity, and yield, and how those principles are applied across different financial relationships. It was noted that Edward Jones provides active investment management for designated funds, other financial institutions primarily manage cash and restricted accounts and certain funds that are governed by external requirements such as the sinking bond fund. No concerns regarding the policy were raised. The Finance Committee reviewed the policy and found no need for modification, thus no action was required by the Board.

Management Report:
The Management Report for April 2026, included in the Board materials, was reviewed. The Minnesota's legislative session is entering a critical phase, with major finance bills advancing but no agreed-upon overall budget targets between legislative leaders and the Governor. An update from the legislative priorities of both LeadingAge Minnesota and the Minnesota Hospital Association was reviewed. It was noted that the trillion-dollar pharmaceutical companies continue to actively lobby against the 340B legislation, including a full-page color ad in the Cook County News Herald. At a time when hospitals are struggling to keep their doors open for patients, protecting 340B is not optional, it is essential. The 2026 LeadingAge Minnesota Day at the Capitol was held on Wednesday, April 22, 2026. Ms. Wraalstad had an opportunity to speak with Maria King, Director of the Health Regulation Division at the Minnesota Department of Health, Senator Grant Hauschild and Representative Roger Skraba. North Shore Health was awarded a $123,000 Rural Hospital Capital Improvement Grant to support replacement and expansion of endoscopy equipment. The Hospital is required to provide a minimum 20% funding match. Congratulations and appreciation are extended to Megan Thurston for her assistance in preparing the grant application, which contributed to

another successful outcome. The bi-directional interface between North Shore Health and Sawtooth Mountain Clinic for laboratory and radiology orders and results is now fully operational. The radiology interface went live on April 7, 2026. Weekly meetings continue with project teams from Tegria, North Shore Health, Sawtooth Mountain Clinic, and OCHIN to resolve issues, refine workflows and identify opportunities for improvement. The Rehabilitation Department is pleased to report the expansion of services to Grand Portage and the East End of Cook County. Since early April, Speech Therapy services have been offered multiple days per week in Grand Portage at the Community Center, provided by Hayley Loney, CCC-SLP. This expansion has enhanced access to both Speech and Physical Therapy for residents of Grand Portage and the broader "East End". The audit team from CliftonLarsonAllen (CLA) is in the final stages of fieldwork for the 2025 financial audit and has completed the majority of audit workpapers. Several items remain outstanding, including completion of the 2025 Cost Report. Nicole Siegner and Karen Schultz continue to work closely with CLA to provide the remaining requested documentation. Tyler Johnson, Health Care and Life Sciences Principal, is scheduled to present the audited financial statements at the May 2026 Board meeting. The American Hospital Association (AHA) has released its 2026 Costs of Caring report, which underscores the continued financial pressures facing hospitals and health systems as we serve our patients and communities. A copy of the report was provided to the Board for their review. Mr. Usem requested an update on the activities at the Bunkhouse in the May Management report.

Adjourn:
A motion to adjourn the meeting was made by Steve Frykman and seconded by Sam Usem. The motion carried unanimously.

The next regular meeting will be held on May 21, 2026 in the Board Room at North Shore Health.

The regular meeting adjourned at 11:49 a.m.

Chair **Clerk**