



COOK COUNTY HOSPITAL DISTRICT  
BOARD MINUTES FOR MAY 22, 2025

**Call to Order** – Randy Wiitala called the meeting of the Cook County Hospital District Board of Directors to order on May 22, 2025 at 9:01 a.m. in the Board Room of North Shore Health and via virtual technology at 73 Upper Road, Grand Portage, MN.

**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 and pursuant to Minnesota Statute §13D.03(1) to consider strategy for labor negotiations and discussion and review of labor negotiation agreement with the Minnesota Nurses Association. Milan Schmidt seconded the motion and the motion carried unanimously.

**Closed Session Summary** – The Quality Improvement/Peer Review Report from April 16, 2025, the Medical Staff Report from April 16, 2025 and the May 21, 2025 Credentials Committee Report were discussed. Also discussed was the negotiations with the Minnesota Nurses Association.

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

**Roll Call**

**Members Present:** Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl (until 11:55 a.m. via interactive technology).

**Members Absent:** None

**Others Present:** Kimber Wraalstad; Nicole Siegner; Troy Batchelor; Jason Yuhas; Michele Silence; Matt Anderson; Greg Ruberg; Todd Ford; Karen Schultz; Tyler Johnson; Doug Sanders; Mary Sanders; Mike DeBevec; Josh Hinke; and June Tveekrem

**Approval of Minutes for April 17, 2025** – Mr. Usem asked why the summaries of public comments requested at the April meeting were not included in the current draft of the minutes. Ms. Wraalstad explained that, after consulting with legal counsel and governance experts, the recommendation was not to interpret or summarize verbal comments due to the potential risk of misrepresentation.

Board members discussed the intent behind the original request and shared differing recollections about whether there had been broad agreement. Mr. Usem expressed concern that the shift in approach had not been proactively communicated with the board and raised a broader issue about prior minutes, specifically from February, where requested edits (after approval of minutes) had not yet been reflected online. He noted his hesitation to approve minutes that required revision, given that previous minutes, approved with the understanding that changes would be made, had still not been updated at the time of this meeting. During the discussion, board members suggested encouraging individuals who make public comments to also submit written remarks if they wish to have them included in the official minutes. Milan Schmidt made a motion to approve the minutes from the April 17, 2025 meeting as amended and the motion was seconded by Patty Winchell-Dahl. The motion carried with a vote of 4-1. (Ayes - Steve Frykman, Milan Schmidt, Randy Wiitala and Patty Winchell-Dahl; Nays - Sam Usem).

### **Board Presentation – Human Resources, A Year in Review and Looking Ahead –**

Michele Silence, Director of Human Resources

Ms. Silence presented the Year in Review for the Human Resources Department. She shared information, addressed questions and provided clarification regarding the following:

- NSH Turnover rate
- LTC Turnover
- NSH Staff Longevity
- Reflections and Check-Ins – Reflections have been revamped to bi-annually with an informal check in the middle of the year. The changes made to the Quarterly Reflections is due to feedback from staff and leaders.
- NSH Benefit Package
- Recruiting Efforts
- Onboarding
- CNA and EMS Programs
- Educational Scholarship Program – Four employees are currently enrolled in school and are utilizing the scholarship program. In 2024, NSH had our first graduate from the Scholarship Program!
- Immigration – Green Card Applicants, H1B Visa, E3B Visa and TN Visa
- Employee Engagement Survey – NSH Leadership team continues to work with Rural Wisconsin Healthcare Cooperative on the action plans developed from the results of the 2024 Employee Engagement Survey. The 2025 Employee Engagement survey will be conducted at the end of August.
- NSH Participation in Outside Organizations

**Financial Reports:** Nicole Siegner, Interim Chief Financial Officer, presented the April 2025 financial statements. There was a Loss from Operations for the month of April of \$425K, compared to the budgeted Loss from Operations of \$529K. The Statement of Net Position, Statement of Revenues and Expenses and Changes in Net Position were reviewed. Gross Patient Service Revenue of \$1.921M for the month of April was 2.0% lower than budget. Revenues from Inpatient, Swing Bed, Home Care and Care Center were below budget for the month. Contractual Adjustments and Other Deductions were \$235K compared to the budget of \$306K. Total Operating Revenue for the month was \$1.722M, 4.0% more than budget. Total Operating Expenses of \$2.147M were 2.0% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were also reviewed. Patty Winchell-Dahl made a motion to accept the April 2025 financial statements. The motion was

seconded by Sam Usem and following a roll call vote, the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

### **New Business:**

- a) **2024 Financial Audit:** Tyler Johnson, Principal with CliftonLarsonAllen (CLA) presented the 2024 Audit results. Mr. Johnson shared CLA's Audit Opinion: The financial statements present fairly, in all material respects, the financial position of Cook County Hospital District d/b/a North Shore Health as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. The results of CLA Professional Services were reviewed:
- Significant Transactions – During 2023, North Shore Health has the following significant transactions:
    - PERA Updates and Changes
  - Audit Adjustments – There were no auditor proposed adjustments. Several client-proposed adjustments subsequent to CLA receiving the trial balance with no material audit adjustments.
  - Subsequent Events – No subsequent events identified.
  - Internal Controls – No material weaknesses were noted.
  - Financial Ratios – Mr. Johnson presented several graphs showing industry benchmark data. The ratios (Operating Margin, Total Margin, Days Cash on Hand, Net Days in Accounts Receivable, Percentage of A/R over 90 Days Old, Bad Debt and Charity Care as a Percent of Gross Patient Service Revenue, Debt Service Coverage, Debt to Capitalization, and Average Age of Plant) were shown comparing North Shore Health (with and without GASB 68) with CLA Small Size CAH Clients, CAH Gold Standard and Minnesota Critical Access Hospitals.
  - Industry Trends – Mr. Johnson shared industry trends CLA is monitoring:
    - Potential Republican Health/Life Sciences Agenda
    - President, Congress will drive changes across health care, life sciences
    - Need for strategic growth will drive transactions
    - Need to improve financial position will drive actions
    - AI, technology will drive efficiencies
  - Required Communications –
    - Responsibility under Generally Accepted Auditing Standards and Governmental Auditing Standards
    - Planned Scope and Timing of the Audit
    - Other Information in Documents Containing the Audited Financial Statements
    - Significant Accounting Policies
    - Significant Accounting Estimates
    - Significant Financial Statement Disclosures
    - Required Supplemental Information
    - Management Representation Letter
    - Other
      - No difficulties encountered in performing the audit
      - No issues discussed prior to retention as independent auditors
      - No disagreements with management regarding accounting, reporting, or other matters
      - No consultations with other independent auditors

- No other findings or issues were discussed with, or communicated to, management
- Internal Control Matters – No material weaknesses identified

Mr. Johnson thanked Nicole Siegner and her team for their assistance during the audit. The financial audit reinforces that the monthly financial statements are accurately presented and are able to be relied upon when making strategic decisions.

**Accept 2024 Financial Audit:** Steve Frykman made a motion to accept the 2024 Audited Financial Report for North Shore Health. The motion was seconded by Milan Schmidt and following a roll call vote, the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

Mr. Wiitala thanked Ms. Siegner for her work on the audit and the monthly financial statements.

- b) Medical Staff Bylaws Revisions:** Ms. Wraalstad reviewed the changes proposed to the Medical Staff Bylaws. The change pertains to Article 3.3, Application for Initial Appointment and Clinical Privileges. Specifically, Section 3.3.1 will be amended to reduce the number of required references from three to two. As the Bylaws underwent a comprehensive review in August 2024, this is the only revision currently being recommended. This proposed change was adopted and recommended for approval by the Medical Staff at their May 21, 2025 meeting. Milan Schmidt made a motion to accept the Medical Staff Bylaw Revisions as presented and the motion was seconded by Patty Winchell-Dahl. Following a roll call vote, the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

#### **Old Business:**

- a) Board Coaching Proposal:** Matt Anderson provided a Kickoff Discussion of the Board Coaching Initiative.

##### **Our Objectives:**

- Interactive process for building individual and collective understanding of --
  - Best practices
  - Board dynamics
  - Small group deliberations and decision making
- Within context of elected district hospital board subject to MN law (e.g., Open Meeting Law, Government Data Practices Act)
- Wrap up before strategic planning

##### **Not Our Objectives:**

- Eliminate disagreement or squelch differing perspectives
- Perfection
- Strategic planning
- Shamin'-n-blamin'

##### **Activities & Document Drafting:**

- Kickoff discussion
- One-on-one meetings
- Board meeting observation

- Individualized feedback
- Ongoing Q&A
- Key takeaways discussion
- Board member job descriptions
- Shared expectations or standards of conduct
- Board self-assessment survey

#### **Tentative Schedule:**

- Ongoing one-on-one discussions, email exchanges, etc.
  - No group or multi-trustee discussions/emails outside of board meetings
- Board meetings in person when possible
  - August meeting pending schedule/availability
- Status report discussion and preliminary draft documents during July board meeting
- Key takeaways, summary for September board meeting

#### **Requests to Promote Success**

- Patience with questions
- Ask questions
- “Direct” questions to areas of concern, interest, value
- Organization/mission-centered

**b) 2024 - 2027 Strategic Plan Update:** The Scorecard for the Strategic Priorities #4 – Workforce was reviewed. The areas with no action were noted. In response to a question, Ms. Siegner provided an update regarding the price transparency project.

**c) Board Confidentiality Statement Review:** A draft of the revised confidentiality statement was included with the board meeting materials and was briefly reviewed. Dr. Schmidt commented that he and Ms. Winchell-Dahl have worked with legal counsel, Tim Feeley, on a revised draft. Dr. Schmidt provided an outline of items he wanted to see included and much of those items have been incorporated. It was suggested that this item be tabled to next month to allow members to review the statement prior to signing the statement.

**d) Evaluation of Video Recording/Publishing of Board Meetings:** Information regarding the possibility of livestreaming, video recording, and posting of meetings. The committee has not met to review and discuss the evaluation. After discussing the possibility of a member of the public participate with the committee discussions, it was agreed that it would be more expeditious for the members of the Board to provide a list of possible benefits to recording and posting of meetings. The list of possible benefits by each member should be sent to Ms. Wraalstad by Wednesday, May 28. The committee of Mr. Usem and Mr. Wiitala will meet to incorporate that information with others identified pros and cons into a document to be reviewed at the June Board meeting.

**e) Community Health Care Needs Follow Up:** The Community Health Care Needs Assessment Report, prepared by Rural Health Innovations (RHI), was formally presented to the Boards of North Shore Health (NSH) and Sawtooth Mountain Clinic (SMC) on Tuesday, April 29. In addition to the board presentations, two public

engagement sessions were conducted—one in Grand Portage and another in Grand Marais. The two key priorities identified by the NSH/SMC team for immediate action were reviewed. During one of the public sessions, a question was raised regarding the potential to revise or soften the language used in the report. In response, Ms. Sally Buck, Chief Executive Officer of the National Rural Health Resource Center, provided a letter addressing this concern and noting this suggestion did not occur. Further, a comment was made regarding the sample size and methodology employed in the assessment. Ms. Precious Fritz, Program Specialist at RHI, clarified that a qualitative research approach was utilized. This methodology ensures a participant group large enough to surface new themes while remaining small enough to support in-depth analysis. Her explanatory email, along with an article on qualitative research methods, was included with the meeting materials.

**Public Comments:** There were no public comments.

### **Management Report:**

The Management Report for May 2025 included in the Board materials was reviewed. The draft legislation proposed by North Shore Health to provide swing bed flexibility—allowing a portion of the Care Center beds to be used as hospital beds—continues to advance. In the House, the proposal was included in the Health Omnibus Bill (HF2435). The companion bill in the Senate (SF1861) was incorporated into the Senate Health and Human Services (HHS) Omnibus Bill (SF2669). With both chambers having passed their respective omnibus bills, a Conference Committee has been appointed. As of now, the legislation remains on track. For the third consecutive year, North Shore Health has been ranked among the Top 20 Critical Access Hospitals in the United States for patient satisfaction. This recognition is determined by the Chartis Center for Rural Health and is based on data from the Chartis Rural Hospital Performance INDEX™, specifically within the patient satisfaction domain. In the announcement letter, Brock Slabach, NRHA Chief Operations Officer, stated, “NRHA considers your organization to be an exemplar of best practices in all of rural health care.” This honor reflects the dedication and outstanding work of the entire North Shore Health team. Kristi Silence, LPN, from the Care Center, has been selected to participate in the prestigious LeadingAge Minnesota Leadership Academy. This highly regarded, eight-month program is designed to cultivate transformational leaders in senior services. It combines leadership theory with hands-on learning and personalized coaching to support the growth of emerging leaders in the field. Since its inception in 2010, more than 550 professionals have graduated from the Leadership Academy, including our own Kathy Bernier, Kelly Swearingen, Kris Phillips, Sarah Groth, and Jason Yuhas. Jason Yuhas will return to the program this year as one of the Leadership Academy coaches. Ben Belland has received the “Outstanding Emergency Services Provider” Award at the Cook County Emergency Services Conference. This well-deserved honor is a true testament to the exceptional care and dedication he provides to both residents and visitors of Cook County. Ben has served as an Emergency Medical Technician (EMT) with North Shore Health since September 2018. He is also an active member of the Lutsen First Responders and the Lutsen Ski Patrol. The American Hospital Association (AHA) has recently released a series of informative fact sheets on Medicaid (General Fact Sheet on Medicaid, Medicaid Hospital Payment Basics and Medicaid Provider Taxes). These fact sheets were shared to provide an overview of the Medicaid program and explain how it supports hospitals in delivering care to our communities. The 2025 Summer Trustee Conference will be held on July 30 – August 1, 2025. The Conference will be held at the Breezy Point Resort in Breezy Point, MN. A copy of the brochure is attached for your review. Those interested in attending the conference should give their registration forms to Kimber Wraalstad by Thursday, June 5, 2025.

**Adjourn:**

A motion to adjourn the meeting was made by Sam Usem and seconded by Steve Frykman. Following a roll call vote, the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem and Randy Wiitala)

The next regular meeting will be held on June 19, 2025 in the Board Room at North Shore Health.

The regular meeting adjourned at 12:15 a.m.

  
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Chair

  
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Clerk

