



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR JULY 24, 2025

Call to Order – Patty Winchell-Dahl called the meeting of the Cook County Hospital District Board of Directors to order on July 24, 2025 at 9:02 a.m. at the Lutsen Town Hall.

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.05, subd. 3(c) to consider offers for the purchase or sale of real or personal property. Milan Schmidt seconded the motion and the motion carried unanimously.

Closed Session Summary – The Quality Improvement/Peer Review Report from June 18, 2025 and the Medical Staff Report from June 18, 2025 were discussed. Also discussed was the purchase of property at 120 W. 2nd Street, Grand Marais, MN.

Reconvene - The North Shore Health Board reconvened in regular session at 9:36 a.m.

Roll Call

Members Present: Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala (via interactive technology due to an injury) and Patty Winchell-Dahl

Members Absent: None

Others Present: Kimber Wraalstad; Nicole Siegner; Troy Batchelor; Jason Yuhas; Michele Silence; Matt Anderson; Todd Ford; Karen Schultz; Kelly Swearingen; Doug Sanders; Mary Sanders; Nancy Rice; Ron McClellan; Dick Nelson; Mary Brisance; Josh Hinke; Kirk Dornfeld; Ginny Storlie; Gerry Gamble; and Vickie Biggs-Anderson

Approval of Minutes for June 19, 2025 – Dr. Schmidt noted that the word “increase” was missing in the Management Report sentence regarding “...Umbrella coverage will **increase** 0.72%...” Milan Schmidt made a motion to approve the minutes from the June 19, 2025 meeting as corrected and the motion was seconded by Sam Usem. The motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

Board Presentation – Board Coaching Initiative Status Report – Matt Anderson, JD

Mr. Anderson reviewed the objectives of the Board coaching initiative, emphasizing its focus on best practices, board dynamics, small group deliberations, and decision-making. He noted that the objectives do not include eliminating disagreement, achieving perfection, strategic planning, or assigning blame. Emerging themes include trust; mutual respect; differing interpretations of behaviors; challenges in managing conflict; concerns about meeting time allocation; and interest in strategic planning. Next steps will address the Board–CEO relationship and preferred board structure and engagement. Activities to date include the kickoff discussion, one-on-one meetings, board observation, feedback, ongoing Q&A, and key takeaways discussions. Mr. Anderson has drafted Board member job descriptions, shared expectations/standards of conduct, and a Board self-assessment survey for review. Board members agreed to continue reviewing these documents and to forward any comments to Mr. Anderson for possible inclusion into the documents. Mr. Usem inquired about the development of a CEO evaluation document. Ms. Wraalstad will obtain a copy of the existing form from Mr. Ruberg and share with Mr. Anderson. While this task was not part of Mr. Anderson's original engagement, he agreed to review the current evaluation form and provide feedback.

Financial Reports: Nicole Siegner, Interim Chief Financial Officer, presented the June 2025 financial statements. There was an Income from Operations for the month of June of \$140K, compared to the budgeted Loss from Operations of \$102K. The Statement of Net Position, Statement of Revenues and Expenses and Changes in Net Position were reviewed. Gross Patient Service Revenue of \$2.715M for the month of June was 8.0% higher than budget. Revenues from Outpatient was above budget for the month with Inpatient, Swing Bed, Home Care and Care Center being below budget. Contractual Adjustments and Other Deductions were \$268K compared to the budget of \$438K. Total Operating Revenue for the month was \$2.450M, 17.0% more than budget. Total Operating Expenses of \$2.310M were 5.0% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were also reviewed. Sam Usem made a motion to accept the May 2025 financial statements. The motion was seconded by Steve Frykman and the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

Old Business:

- a) **2024 - 2027 Strategic Plan Update:** The Scorecard for the Strategic Priorities #2 – Service Portfolio and Community Value. The areas with action and accomplishment were briefly reviewed. Specifically highlighted was the work completed on the Health Needs Assessment, participation with local, state and federal officials. Areas that have not been accomplished were also highlighted.
- b) **Property Addition Discussion:** North Shore Health made an offer of \$380,000 that has been accepted for the purchase of property at 120 W. 2nd Street, Grand Marais, MN. In addition to the purchase of the property, an additional \$30,000 has been authorized to replace the roof and address other maintenance needs.
- c) **Board Confidentiality Statement Review:** Dr. Schmidt presented the draft of the confidentiality statement he and Ms. Winchell-Dahl revised in conjunction with legal counsel, Tim Feeley. The confidentiality statement was sent to Board Members and included with the board meeting materials. Randy Wiitala made a motion to adopt the Board Confidentiality Statement. The motion was seconded by Steve Frykman and

the motion carried with a vote of 4 - 1. (Ayes - Steve Frykman, Milan Schmidt, Randy Wiitala and Patty Winchell-Dahl; Nays - Sam Usem)

- d) **Public Comments Logistics:** There was a lengthy discussion regarding logistics of public comments. Ginny Storlie and Gerry Gamble, Cook County Commissioners, shared the process used by the County Board. Mr. Wiitala will consider these comments during the development of the agenda.

New Business:

- a) **Unbudgeted Capital Request – Bidirectional interface:** Sawtooth Mountain Clinic (SMC) announced plans to transition from their current electronic medical record (EMR) to Epic through OCHIN as their Community Connect partner. The “go-live” is planned for October 14, 2025. During the transition and current state discovery process, it was determined that OCHIN will not accept the current ORU (observation result) unidirectional only interface between SMC and North Shore Health (NSH). SMC has indicated their expectation that NSH will obtain ORM bidirectional interface capabilities. Without this capability, while SMC and its Board strongly prefer to continue using NSH laboratory, radiology, and other services, they may consider alternative vendors. NSH has evaluated the development of an ORM bidirectional interface with SMC to support shared patients. Both organizations value their longstanding partnership and commitment to serving the community. The total implementation cost is \$55,468. SMC has confirmed that, with the bidirectional interface in place, they will continue to refer the majority of their laboratory work to NSH. This project was not included in the 2025 Capital Budget and will be an unbudgeted expense. It was recommended that NSH proceed with the purchase and implementation. Milan Schmidt made a motion to purchase and implement the ORM bidirectional interface at a cost of \$55,468. The motion was seconded by Steve Frykman and the motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)
- b) **Federal Legislation Discussion:** Ms. Wraalstad shared summaries from the American Hospital Association and the National Rural Health Association regarding the One Big Beautiful Bill Act (OBBBA). The Congressional Budget Office projects the legislation will result in nearly \$1 trillion in Medicaid cuts. However, many details and implications will occur over multiple years. Specific provisions reviewed included:
- Enrollment and Renewal Requirements
 - Eligibility Verification
 - Retroactivity Medicaid Eligibility
 - Sunsetting of the FMPA Incentive
 - Provider Taxes
 - State-directed Payments
 - Medicaid Work Requirements
 - Rural Health Transformation Program

As the full impact of the legislation is not known and will be phased in over many years, Ms. Wraalstad emphasized the importance of public awareness without fear. Health care organizations will adapt and respond to the implications of the legislation but it is likely they will not provide all the services that are currently offered.

Public Comments: Mary Sanders and Rae Piepho provided public comment.

Management Report:

The Management Report for July 2025 included in the Board materials was reviewed. The Care Center successfully transitioned to the PointClickCare (PCC) electronic health record system, with improved documentation quality and quantity. Special recognition was given to Mary Tank, Assistant Director of Nursing, who led the software build and guided the successful implementation. Also recognized was Cathy Crosby, MDS Coordinator; Angie Repka, Interim Director of Nursing; Amy Janes, Wound Care Nurse; Flavia Alvarez, Dietary Manager; Jean Marie Modl, Activities Coordinator; and Kelly Swearingen, Business Office Director, for their outstanding work in making this transition successful. The Meditech Client/Server 5.67 migration has been rescheduled from November 14, 2025, to December 11, 2025, to allow installation of a Priority Pack with required regulatory updates prior to migration. Weekly coordination meetings with Tegria, Meditech, St. Luke's, and NSH continue. The 2026 tax levy request is due to the Auditor's Office on September 15, 2025. Due to meeting timing, the levy will be discussed and approved during the August Board meeting. The 2026 operating and capital budget process is underway, with preliminary presentation on November 20 and final adoption on December 18, 2025. Corey Hudler was appointed Director of Facilities effective July 16, 2025, succeeding Jason Hofker. Corey has been a valued member of the North Shore Health Team since 2021 as a Maintenance Engineer. During his tenure with North Shore Health, Corey played a key role in the planning and completion of the Secure Patio pavilion and the expansion of the two rooms in the Lodge. NSH is exploring a partnership with Holistic Pain Management to provide non-surgical, non-narcotic pain management services locally, with a projected annual volume of 400–590 clinic visits. Contract finalization is underway, with services targeted to launch in late 2025. Troy Batchelor, RN, Hospital Director of Nursing, earned his Rural Hospital CNO Certification through the National Rural Health Association.

Adjourn:

A motion to adjourn the meeting was made by Milan Schmidt and seconded by Sam Usem. The motion carried unanimously. (Ayes - Steve Frykman, Milan Schmidt, Sam Usem, Randy Wiitala and Patty Winchell-Dahl)

The next regular meeting will be held on August 21, 2025 at the Schaap Community Center at 7401 Gunflint Trail, Grand Marais, MN.

The regular meeting adjourned at 11:53 a.m.


Chair


Clerk