North Shore HEALTH
COOK COUNTY | MINNESOTA

COOK COUNTY HOSPITAL DISTRICT

BOARD MINUTES FOR SEPTEMBER 25, 2025

Call to Order – Randy Wiitala called the meeting of the Cook County Hospital District Board of Directors to order on September 25, 2025 at 9:00 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. Milan Schmidt seconded the motion and the motion carried unanimously.

Closed Session Summary – The Quality Improvement/Peer Review Report from August 20, 2025 and the Medical Staff Report from August 20, 2025 and the September 17, 2025 Credentials Committee Report were discussed.

Reconvene - The North Shore Health Board reconvened in regular session at 9:31 a.m.

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

Members Absent: None

Others Present: Kimber Wraalstad; Nicole Siegner; Megan Thurston; Jason Yuhas; Michele Silence; Greg Ruberg; Matt Anderson; Todd Ford; Kathy Bernier; Karen Schultz; Karla Pankow; Kay Olson; Josh Hinke; Gerry Gamble

Approval of Minutes for August 21, 2025 – Patty Winchell-Dahl made a motion to approve the minutes from the August 21, 2025 meeting and the motion was seconded by Steve Frykman. The motion carried unanimously.

Public Comments: No comments were offered.

Financial Reports: Nicole Siegner, Chief Financial Officer, presented the August 2025 financial statements. There was a Loss from Operations for the month of July of $68K, compared to the budgeted Income from Operations of $123K. The Statement of Net Position, Statement of Revenues and Expenses and Changes in Net Position were reviewed. Gross Patient Service Revenue of $2.911M for the month of August was 4.0% 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 $592K compared to the budget of $482K, a 23% variance. Total Operating Revenue for the month was $2.324M, 0.0% variance from budget. Total Operating Expenses of $2.391M were 9.0% more than budget. There was discussion about the Bunkhouse and future repair costs. Efforts will be made to arrange an opportunity for Board Members to tour the Bunkhouse. The days cash on hand, debt service coverage ratio, current ratio and payer mix were also reviewed. Milan Schmidt made a motion to accept the August 2025 financial statements. The motion was seconded by Steve Frykman and the motion carried unanimously.

Old Business:

a) **2024 - 2027 Strategic Plan Update:** The Scorecard for the Strategic Priorities #4 – Workforce was reviewed. The areas with actions and accomplishments were briefly reviewed. Also noted were areas without action.

b) **Strategic Planning Meeting Update:** Mr. Wiitala reported that Steve Underdahl will serve as the facilitator for the upcoming strategic planning meeting retreat. Mr. Underdahl recently retired as the CEO of Northfield Hospital and Clinics where he served in that capacity for twelve years. His prior experience includes Operations VP at Mayo Clinic Health system in Austin and Albert Lea, hospital administrator at Naeve Hospital, and Executive Director of Fountain Centers, a nationally recognized substance abuse program. He has a master's degree from Bethel University in organizational leadership and is a past chair of the Minnesota Hospital Association Board of Directors and served as chair of the Policy and Advocacy Committee for several years. He is currently providing consulting and strategic planning assistance, primarily to rural healthcare facilities. Mr. Underdahl has indicated availability for the retreat at any time in November or during the first two weeks of December. Ms. Wraalstad requested that Board Members identify any dates during that period when they would be unavailable. The retreat is anticipated to be a one-day session. Prior to the retreat, Mr. Underdahl will meet individually with each Board Member to gain insight into the priorities and opportunities facing North Shore Health. The three to five critical issues identified by Board Members will be provided to Mr. Underdahl. The goal of the retreat is to refresh the current strategic plan and identify key priorities for action. The top agreed-upon priorities will be further developed by management and brought back to the Board for review and ratification.

New Business:

a) **None.**

Board Presentation – Board Coaching Initiative Wrap Up – Matthew Anderson
Mr. Anderson reviewed the objectives and outcomes of the Board Coaching Initiative, which was designed as an interactive process to enhance both individual and collective understanding of best practices in governance, board dynamics, group deliberation and decision-making. The initiative was conducted within the context of an elected district hospital

board operating under Minnesota law, including the Open Meeting Law and Government Data Practices Act. The initiative's intent was to strengthen the Board's effectiveness prior to strategic planning. Mr. Anderson emphasized that the objectives did not include eliminating disagreement, achieving perfection, conducting strategic planning, or engaging in blame. Activities included a kickoff discussion, one-on-one meetings, observation of board meetings, individualized feedback, ongoing Q&A, and a key takeaways discussion. As part of the initiative, draft materials were developed, including Board Member Job Descriptions, Shared Expectations/Standards of Conduct, and a Board Self-Assessment Survey. Mr. Anderson highlighted that while North Shore Health (NSH) remains vital, it operates within an increasingly challenging environment for rural hospitals. Over the past 15 years, more than 150 rural hospitals nationwide have closed, and nearly 450 have merged with larger systems—many serving larger populations or with fewer service lines than NSH. Ongoing industry and policy trends indicate no expectation of improved reimbursement rates, workforce relief, or reduced community health needs. NSH has survived under thin margins, which continue to tighten, underscoring the importance of a high-performing governing board.

Key Findings and Gap Analysis:

Mr. Anderson identified several areas for continued focus and development:

- The need for a shared and mutually owned understanding of professional conduct, governance boundaries, and board-level decision criteria.
- The importance of collective accountability, conducted respectfully and consistent with a just culture of continuous improvement.
- Clarifying which topics appropriately rise to the board level and establishing consistent processes for prioritizing issues requiring board attention versus administrative management.

Themes and Observations:

- Board members demonstrated diverse interpretations of organizational signals and performance, with examples including patient satisfaction rankings, audit results, survey feedback, and temporary housing versus loss/absence of public trust, employee culture/experience, Clinic/partner relations, confidentiality statement and information dissemination (e.g., timing, confidentiality, format).
- Differing perspectives exist regarding whether NSH requires rebuilding or fortifying efforts, with some emphasizing policy structure and others focusing on strategic direction.
- Ongoing challenges include trust gaps, sensitivity to tone and communication, and varying views of governance roles, including expectations of administration and individual versus collective board responsibilities.
- Variation was noted in preferred decision-making styles, ranging from informal and outcome-oriented to highly structured and process-driven.
- Differences persist in expectations around external communication, particularly regarding whether board members "speak with one voice" or individually represent their views publicly.

Recommendations and Considerations:

Mr. Anderson provided several suggestions for future consideration:

- Revisit draft governance documents in six to nine months, once the Board has developed a stronger shared ethos. Premature adoption may lead to unnecessary debate or misinterpretation.
- In the interim, rely on existing bylaws to guide board roles and responsibilities, emphasizing oversight rather than operational involvement.
- Address conduct and tone concerns directly and constructively by allowing short, non-debatable reflections from board members on how certain behaviors or comments are perceived.
- Ground all discussions in NSH's Mission, including opening meetings with a Mission statement reading to reinforce purpose and alignment.
- Standardize information flow so that all board requests for information are directed through the CEO, with responses distributed to all members to maintain transparency.
- Consider implementing alternating board meeting agendas—one month focused on operational updates and decisions, and the next dedicated to a single strategic topic—to balance efficiency and depth.
- Begin succession and continuity planning for key leadership and staff roles through cross-training, professional development, and budgeting for potential turnover impacts.

Mr. Anderson thanked the Board for the opportunity to work them as they strive to provide care to the community.

Management Report:
The Management Report for September 2025 included in the Board materials was reviewed. The Minnesota Department of Human Services (DHS) confirmed that a State Plan Amendment (SPA) related to North Shore Health's swing bed legislation is being drafted with public comment anticipated the week of September 8, 2025. The Minnesota Department of Health (MDH) issued a Public Input Request for the Rural Health Transformation Program, seeking feedback from healthcare organizations, community partners, and the public on program priorities and implementation strategies. Megan Thurston was introduced as the new Hospital Director of Nursing. Ms. Thurston joined North Shore Health in 2024 as a travel nurse and transitioned to a permanent position in April 2025. She has demonstrated strong leadership, notably coordinating the Hospital and Emergency Department supply project and contributing to policy development. Ms. Thurston also serves as a Nursing Clinical Supervisor with Allina Health and an Emergency Department Nurse at North Memorial Medical Center. She holds multiple national certifications, including Emergency Medical Technician, Trauma Nurse Core Course Instructor, and Emergency Nursing Pediatric Instructor. During the week of July 28, 2025, the Care Center underwent unannounced Federal Standard, Biennial State, Complaint, and Life Safety Code Surveys by MDH. The Statement of Deficiencies was received on August 28, and the Plan of Correction was submitted on September 4. The surveys cited federal deficiencies, state deficiencies, and Life Safety Code deficiencies, all of which were promptly corrected. The Fire Marshal's Post-Certification Revisit on September 15 confirmed full compliance and commended Mr. Corey Hudler and the team for their outstanding work. This was reported as an excellent survey outcome, and appreciation was extended to all employees for their efforts. North Shore Health also underwent an unannounced Critical Access Hospital Complaint Investigation Survey from September 9–11, 2025. The review, focused on Nursing Services and Swing Bed Conditions of Participation, addressed two previously reported incidents. Both complaints were determined to be

unsubstantiated. From August 25–27, 2025, MDH conducted an on-site Case Mix Classification Audit of the Care Center. The audit confirmed the accuracy of MDS assessments with only minor adjustments. No rate changes were made, and the surveyor commended Ms. Cathy Crosby and the Interdisciplinary Team for their excellent work, remarking that he "would happily place a family member in the facility." The 2025 Minnesota Legislature approved transitioning the nursing home case mix system from Resource Utilization Groups (RUGs) to the Patient Driven Payment Model (PDPM). Effective October 1, 2025, rates will be based on a blend of 75% RUG and 25% PDPM data from 2023. For North Shore Health, this transition results in a negative financial impact of $17.60 per resident day. The Headwaters High Value Network continues to show positive momentum, including a request to initiate fee-for-service negotiations with Blue Cross Blue Shield of Minnesota (BCBSMN) and shared service initiatives such as a partnership with AVOMD for ambient scribe services. North Shore Health remains actively engaged in Network quality improvement initiatives, with Dr. Severnak serving on the Clinical Integration Committee and Ms. Deidre LaRock-Muggley serving on the Formulary Committee. Progress continues toward implementation of the Holistic Pain Management Program, scheduled to launch in late 2025. Credentialing requirements for the Certified Registered Nurse Anesthetists (CRNAs) have been finalized, applications for Medical Staff membership and privileges submitted, and onboarding meetings initiated. Equipment acquisition decisions remain in process. The second Employee Engagement Survey through the Workforce Research Group (WRG) was completed on September 2, 2025. Of 140 employees invited, 81 participated, representing a 58% response rate. Ms. Michele Silence and Ms. Lorrie Svadlenka will meet with WRG in October to review the results. The Minnesota Hospital Association (MHA) 2025 State Legislative Report was included in the materials. The report summarizes the recent legislative session, including MHA priorities, reviews of the Human Services Finance and Policy Omnibus Bills, and a summary of legislative proposals that did not pass.

Adjourn:
A motion to adjourn the meeting was made by Patty Winchell-Dahl and seconded by Milan Schmidt. The motion carried unanimously.

The next regular meeting will be held on October 23, 2025 in the Board Room at North Shore Health in Grand Marais, MN. Due to a conflict with Chair Deschampe's schedule, it was decided that rather than meeting in Grand Portage in October, the November 2025 meeting will be held at the Ferry Terminal Building in Grand Portage.

The regular meeting adjourned at 11:55 a.m.

Chair **Clerk**