



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR NOVEMBER 20, 2025

Call to Order – Randy Wiitala called the meeting of the Cook County Hospital District Board of Directors to order on November 20, 2025 at 9:04 a.m. at the Ferry Terminal Building in Grand Portage, MN.

Recess to Closed Session – Sam Usem 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. Patty Winchell-Dahl seconded the motion and the motion carried unanimously.

Closed Session Summary – The Quality Improvement/Peer Review Report from October 15, 2025 and the Medical Staff Report from October 15, 2025 and the November 19, 2025 Credentials Committee Report were discussed.

Reconvene - The North Shore Health Board reconvened in regular session at 9:35 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; Karen Schultz; Kathy Bernier; Robert Deschampe; Anna Deschampe; Doug Sanders; Mary Sanders; Josh Hinke; Gerry Gamble

Welcome: Robert (Bobby) Deschampe, Chairman of the Lake Superior Band of Chippewa, was welcomed to the meeting.

Mission and Vision: Patty Winchell-Dahl read the North Shore Health Mission and Vision Statements to begin the meeting.

Approval of Minutes for Minutes of October 23, 2025: Ms. Winchell-Dahl provided the following corrections: Ms. Winchell-Dahl was not present and Mr. Gamble's first name is spelled incorrectly, it should be "Gerry". Dr. Schmidt highlighted the conversation regarding the transfer of information between Sawtooth Mountain Clinic and North Shore Health

discussed during the Strategic Plan update. Both organizations are working collaboratively to transfer needed information. Patty Winchell-Dahl made a motion to approve the minutes from the October 23, 2025 meeting as amended and the motion was seconded by Sam Usem.
The motion carried unanimously.

Public Comments: No comments were offered.

Board Presentation – Culture Transformation Project Update – Bill Auxier, Ph.D.

Dr. Bill Auxier, Director for the Center of Rural Health Leadership, provided an update regarding the Culture Transformation Project. There are three types of Organizational Culture: Control, Indifference and Connection. The summary of the responses from the initial survey completed in 2024 were reviewed. Dr. Auxier noted that the formula used for cultural transformation is *Mutual Trust + Respect for each other + Dedication to a Common Goal = Anything is Possible*. The participants in the project developed the following Team goal: *“Timely and Transparent Communication”*. In addition, each participant also identified an individual goal. As part of the program, the participants have completed two surveys addressing if the Team has become more or less effective at “timely and transparent communication.” The two mini surveys show that the Team has become more effective at their communication goal. The program will be completed in January 2026 and Ms. Wraalstad commented that future plans for ongoing education are still being considered.

Financial Reports: Nicole Siegner, Chief Financial Officer, presented the October 2025 financial statements. There was a Loss from Operations for the month of October of \$268K, compared to the budgeted Loss from Operations of \$47K. The Statement of Net Position, Statement of Revenues and Expenses and Changes in Net Position were reviewed. Gross Patient Service Revenue of \$2.566M for the month of October was 1.0% higher than budget. Revenues from Inpatient and Outpatient were above budget for the month with Swing Bed, Home Care and Care Center being below budget. Contractual Adjustments and Other Deductions were \$546K compared to the budget of \$408K, a 34% variance. Total Operating Revenue for the month was \$2.043M, 5.0% variance from budget. Total Operating Expenses of \$2.311M were 6% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were also reviewed. The Revenue Less Than Expenses is a negative \$134K for the month of October 2025. The Year-to-Date Revenue Less Than Expenses is a negative \$416K compared to the budgeted amount of a negative \$503K. Steve Frykman made a motion to accept the October 2025 financial statements. The motion was seconded by Milan Schmidt and the motion carried unanimously.

Budget Update Presentation: Ms. Siegner provided an update on the 2026 Budget. Milestones for the Capital Budget were reviewed: capital purchases and needs were evaluated quarterly; five-year capital requests were submitted in August; and a prioritization meeting with Department Leaders was held in October. Final prioritization of the 2026 Capital Budget will occur in December. Initial capital requests for FY 2026 totaled over \$1.8 million with a target prioritization of \$1.2 million. Key items noted include Boiler Replacement (\$330,000), Olympus Scope System (\$160,000), C-ARM and RF Generator (\$136,000), and Cardiac Monitors (\$55,000). Ms. Siegner also reviewed the Operating Budget approach which utilizes departmental volumes to project revenues and corresponding expenses. This method requires detailed analysis of departmental statistics, staffing levels, and expenditure trends. Operating Budget milestones included quarterly review of Department Budget Variances; 1:1 Department Meetings in September and October; and submission of employee hours, wages, revenue, and expense projections which will be finalized in December. Budget assumptions for 2026 include the following revenue considerations: stable volumes and payer mix, a 4% average price increase, anticipated pain management

program launch, and exclusion of the Care Center conversion to swing bed due to timeline uncertainty. Expense assumptions include wage increases of MNA 4%, SEIU 2.75%, and Non-Contract 4%; 126 budgeted FTEs; a 14.1% health insurance renewal rate; increases in physician services and contract labor; inflationary factors of 3% for medical supplies and 5% for pharmaceuticals; continuation of the 340B pharmacy program; and inclusion of the pain management program, outsourced IT, server migration, and the bi-directional interface. The draft budget will be distributed to Board Members during the week of December 8 and will include specific details related to Board expenses.

Old Business:

- a) **2024 - 2027 Strategic Plan Update:** The Scorecard for the Strategic Priorities #2 Service Portfolio and Community Value was reviewed including the identified actions and recent accomplishments. It was noted that the written inventory has not yet been completed. However, the delay of this item is not impacting progress on other strategic initiatives.
- b) **Strategic Planning Meeting Update:** Mr. Wiitala briefly reviewed the strategic planning retreat held on Monday. Mr. Underdahl will be summarizing the discussion and highlighting the priorities for 2026 for review at a future meeting.

New Business:

- a) **Inclusion on a Future Agenda of a Request for Confidential Information and Legal Response:** Mr. Wiitala reported that a request had been submitted for confidential information. Mr. Usem clarified that he submitted the request and expressed the need for a defined process outlining how Board Members may request and access organizational information. He shared his rationale for establishing such a process and recommended continued discussion by the Board. Mr. Usem made a motion to develop a formal agreement specifying what information is accessible to Board Members and how such information can be accessed. The motion did not receive a second, therefore, did not proceed.

Management Report:

The Management Report for November 2025 included in the Board materials was reviewed. The public comment period for the State Plan Amendment (SPA) related to North Shore Health's swing bed legislation closed on November 2, 2025. The Minnesota Department of Human Services (DHS) is finalizing its submission to the Centers for Medicare & Medicaid Services (CMS). Once the SPA is finalized, CMS typically responds within 15 days to schedule an initial call and then has 90 days to approve, deny, or initiate a Request for Additional Information (RAI). DHS has indicated that denials and RAIs are rare, so we remain hopeful that CMS will approve the amendment within the 90-day timeframe. The Cook County Chamber of Commerce hosted its second annual Legislative Luncheon on November 6, 2025. Senator Grant Hauschild, Representative Roger Skraba, IRRR Executive Director of Development Ryan Malich, and Chamber Lobbyist John Berns shared insights into the upcoming legislative session and discussed challenges facing both the region and the State of Minnesota. Following the luncheon, listening sessions were held where organizations presented their legislative priorities and provided feedback on proposed and existing regulations. Ms. Wraalstad shared North Shore Health's legislative priorities. North Shore Health, in partnership with Cook County, has selected Danielle Hefferan as the new Public Information Coordinator. Danielle will begin her work with both organizations on December 1, 2025, with her first day on-site at North Shore Health scheduled for December 3, 2025. In

response to the rapidly expanding role of information technology in health care, opportunities to augment North Shore Health's IT Department are being evaluated. As clinical systems, cybersecurity requirements, and data integration needs continue to expand and grow in complexity, North Shore Health requires broader expertise and more comprehensive support than our current internal structure can reasonably provide. Two external firms are being assessed for their capacity to provide the expanded depth and breadth of services we are seeking. If outsourcing is pursued, related costs will be included in the proposed 2026 budget. North Shore Health has submitted its intent to participate in the 2026 Equitable Cost-Sharing for Publicly Owned Nursing Facilities (ECPN) Program. The rate adjustment in 2025 was \$15.21 per day and the 2026 rate adjustment is \$40.24. North Shore Health closed on the property at 120 West Second Street ("the Bunkhouse") on October 31, 2025. We are pleased to share that new employee, Ron Befus, will be serving as the House Manager. House rules and an occupancy agreement are being developed and several temporary team members are expected to move in over the coming weeks. Maintenance is preparing for phased upgrades to the home, beginning with the second floor. We have begun to explore options for a permanent name; in the interim, the property is also being referred to as the "Greenhouse." There was a lengthy conversation regarding the remodeling process for the Greenhouse. At this time, the Maintenance Department will be remodeling the building over the next several years in phases. The costs will be operating expenses rather than a capital expense. Preparation for the Pain Management Program continues to move forward. Policies, EMR templates and forms are in development. Supplies and medications have been ordered and equipment has begun to arrive. North Shore Health and the HPM staff continue to have regular onboarding meetings and informational materials are also being developed. The Minnesota Hospital Association Winter Trustee Conference is scheduled for January 8–9, 2026, with both in-person and virtual options. Board Members interested in attending should contact Kimber by Thursday, December 11, 2025. The tentative meetings dates for 2026 were reviewed. Please note that Board meetings are routinely held on the second to the last Thursday of the month. The dates of the 2026 annual meetings for LeadingAge Minnesota and the Minnesota Hospital Association conflict with the Board meeting date. The December 2026 meeting would be on Christmas Eve if not changed.

Adjourn:

A motion to adjourn the meeting was made by Patty Winchell-Dahl and seconded by Steve Frykman. The motion carried unanimously.

The next regular meeting will be held on December 18, 2025 in the Board Room at North Shore Health.

The regular meeting adjourned at 12:35 p.m.

Chair



Clerk

