



COOK COUNTY HOSPITAL DISTRICT

BOARD MINUTES FOR DECEMBER 22, 2022

Call to Order – Kay Olson, Chair, called the meeting of the Cook County Hospital District Board of Directors to order on December 22, 2022 at 9:16 a.m. on Zoom and in the Board Room.

Adjourn to Closed Session – Mary Sanders made a motion to adjourn into closed session for the Quality Improvement, Medical Staff and Credentials report. Steve Nielsen seconded the motion and the motion carried unanimously.

Closed Session Summary - The Quality Improvement/Peer Review Report from November 16, 2022; the November 16, 2022 Medical Staff Report and the December 21, 2022 Credential Committee Report were reviewed.

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

Roll Call

Members Present: Kay Olson, Steve Nielsen, Mary Sanders, Randy Wiitala and Patty Winchell-Dahl

Members Absent:

Others Present: Kimber Wraalstad; Paul Goettl (p); Doug Montgomery; Greg Ruberg; David Mills; Steve Frykman; Kalli Hawkins; Kurt Farchmin, MD (p); Troy Batchelor (p)

Due to the COVID-19 Pandemic members of the Board (Kay Olson, Steve Nielsen, Mary Sanders, Randy Wiitala, and Patty Winchell-Dahl), Steven Frykman, Paul Goettl, Doug Montgomery, Greg Ruberg, David Mills, Troy Batchelor, and Kurt Farchmin attended the meeting via Zoom technology with the ability to hear and see the other participants. Kimber Wraalstad and Kalli Hawkins attended the meeting at North Shore Health.

Approval of Agenda: Mary Sanders made a motion to accept the meeting agenda as presented and Randy Wiitala seconded the motion. The motion carried unanimously.

Public Comments: Ms. Winchell-Dahl commented that she has received several calls regarding concern with the Pharmacy at Sawtooth Mountain Clinic. It was requested that those with concerns contact Kate Surbaugh, Sawtooth Mountain Clinic CEO directly. Ms. Surbaugh is in the best position to address concerns and she would appreciate the opportunity to receive information directly.

Approval of Minutes from November 17, 2022 – Mary Sanders made a motion to approve the minutes from the November 17, 2022 meeting as presented and the motion was seconded by Steve Nielsen. The motion carried unanimously.

Board Presentation – Point of Care Ultrasound – Troy Batchelor, Hospital Director of Nursing

Troy Batchelor, Hospital Director of Nursing, joined the meeting to share information regarding the newly purchased Point of Care Ultrasound being used in the Emergency Department. This equipment was purchased through a grant from the Helmsley Charitable Trust. Mr. Batchelor demonstrated the equipment showing images of veins and arteries. Types of exams that can be performed include abdomen, gynecology, lung, nerve, musculoskeletal, and obstetrics. Dr. Farchmin commented that the equipment is a powerful tool that is built to provide real-time assessments, allow quick triage, very versatile and assist with procedures. The equipment has scan-along education tutorials and the Helmsley Charitable Trust is developing opportunities for ultrasound education for physicians and technologists. The support of the Helmsley Charitable Trust is greatly appreciated.

Financial Reports: Paul Goettl presented the November 2022 financial statements. Patient days in the Acute Hospital were 19 days or 54.3% less than budget with inpatient revenue for the month being \$44K less than budget. Swing Bed days were 65 less than budget with revenue \$24K less than budget. Care Center days were 270 less than budget and revenue \$109K less than budget. The Care Center continues to have a pause on admissions due to staffing. Outpatient revenue of \$1.3M was \$71K more than budget. The volumes in the Emergency Department and Radiology were above budget while Rehab, Lab, Colonoscopy, CT, Ambulance and Home Care volumes were less than budget. Gross Patient Revenue was \$117K less than budget. Deductions from Revenue of \$78K were 23% less than budget, with the settlement template being used to determine this calculation. Net Operating Revenue of \$1.5M was 1.0% more than budget. Total Operating Expenses of \$1.9M were \$163K or 10.0% more than budget. The Net Loss from Operations for the month of November 2022 of \$398K was \$154K more than budget. Year-to-Date Gross Patient Revenue of \$21M was \$12K greater than budget with Deductions from Revenue Year-to-Date being \$98K or 3% less than budget. Year-to-Date Operating Expenses are \$408K more than budget with the Net Loss from Operations Year-to-Date being \$1.4M, \$225K or 19% more than budget. The Year-to-Date Net Loss of \$543K was \$208K more than budgeted. FTEs were 92.9 and days' cash on hand was 292 days. The current ratio was 4.37 compared to our benchmark of 2.5. Mary Sanders made a motion to accept the November 2022 financial statements. The motion was seconded by Kay Olson and the motion carried unanimously.

New Business:

a) Budget Presentation:

While preparing the 2023 annual budget it quickly became apparent that the lingering COVID-19 pandemic will continue to put a strain on the financial position of North Shore Health. Staffing shortages, spread over several departments, has placed a strain on the operating budget. Even prior to developing the 2023 budget, it was apparent that the labor pool shortage, especially in the Care Center, will have a negative impact on the bottom line. Care Center revenue is expected to be down approximately 25% from normal operations prior to COVID-19. Staffing issues have made us look at different ways to recruit and retain staff, and then evaluate how this will affect salaries, wages, and benefits. An additional strain on the hospital budget are the ever-changing CMS Medicare Reimbursement rules. Due to COVID-19, the 2% sequestration payment reduction was suspended in 2020 and then during 2022 it was phased back in. Now in addition to the 2% sequestration, we are facing a potential 4% additional payment reduction in 2023 due to the Pay As You Go Act. Being aware of the budget challenges, the department leaders and administration worked with great effort to put together the following budget which represents the strategic goals of North Shore Health.

- **2023 Capital Budget:** Mr. Goettl presented the proposed 2023 capital budget of \$667,000. Mr. Goettl provided an overview of the process for the development of the capital budget. Department leaders review their fixed assets; including the years of useful life left, which assets were disposed of during the previous year, and which assets would benefit our patients, residents and the organization if replaced. New asset needs are discussed, including what is driving the need, what its useful life is, and how it would affect depreciation expense. Steve Nielsen moved the adoption of the 2022 Capital Budget as presented. The motion was seconded by Patty Winchell-Dahl and the motion carried unanimously.
- **2023 Operating Budget:** The 2023 operating budget was reviewed. The 2023 volume and statics budget, preliminary FTE budget, patient revenue by department, consolidated operating budget and cash requirements were reviewed in detail. Steve Nielsen moved the adoption of the 2023 Operating Budget as presented. The motion was seconded by Patty Winchell-Dahl and the motion carried unanimously.

The members of the Board expressed their appreciation to Mr. Goettl and all the Department Leaders for their work on the 2023 budget.

b) Other: None.

Old Business:

a) Other: None.

Updates:

- Clinic Board:** Kate Surbaugh provided a written report to the Board Members as she was unable to attend the meeting. Ms. Surbaugh provided updates regarding the Tripledemic+ winter, Covid/flu vaccinations and the Certified Medical Assistant program. Sawtooth Mountain Clinic has hired Dr. Mary Cady to assist in filling gaps as they continue to recruit for a full-time provider. A full-time Behavioral Health consultant is also being recruited.
- County Board:** Commissioner Mills shared that Matthew Baxley has been hired as the daytime crisis responder for Cook County Public Health and Human Services. Mr. Baxley will be working with North Shore Health and other County organizations to support our behavioral health response. The final levy was set at a 5.5% increase. Commissioner Mills also discussed the comp study and the plans to address salaries of Cook County employees compared to other Counties. The adjustment to the Commissioner's salaries was also reviewed.
- Board Members:** None.
- Correspondence:** None.

Management Report: The Management Report for December included in the Board materials was reviewed.

As of December 15, 2022, there have been one thousand five hundred fifty three (1,553) confirmed cases of COVID-19 affiliated with Cook County; including self-reported positive antigen tests and Lab PCR reported tests. The current transmission rate for Cook County is in the High category, the Red Classification.

Just in time for the Holidays, new guidance has been implemented regarding resident dining. Residents may now eat a meal/snack with family and friends who are visiting. The variety of guidelines that must be followed were reviewed. Masks are still required at North Shore Health. The only exception is for a visitor in a resident's/patient's room. Visitors must still wear a mask at all times when outside of a resident's/patient's room. Ms. Wraalstad shared that because of the quick action from everyone, including the Board's approval last month, North Shore Health has already received our Cepheid GeneXpert modules and the modules are now in use.


Troy Batchelor continues to encourage employees to be vaccinated for influenza, particularly now that we have seen both Influenza A and B at the Hospital and Clinic. As of December 14, 2022, 73% of employees are vaccinated for influenza. Karla Pankow, Nationally Registered Paramedic (NRP), Critical Care Paramedic – Certified (CCP-C), has accepted the position as the Ambulance Director for North Shore Health. Karla officially assumed responsibility as the Ambulance Director on Wednesday, December 7, 2022. Doug Montgomery will be working with North Shore Health as an interim Chief Financial Officer (CFO) until we hire a permanent CFO. Paul Goettl has agreed to work with us on a casual basis to provide support and assistance during this transition. North Shore Health offered a Letter of Agreement to the SEIU to modify the salary for 2023 in the current labor agreement. The previous agreement provided for a 2.5% wage scale adjust and North Shore Health proposed to increase that to 4.5% in 2023. In addition, four additional steps were added to the top of the scale, increasing the maximum reimbursement for each position. Effective January 1, 2023, North Shore Health will no longer include pre-employment drug testing in our new hire process. While the pre-employment drug testing will be discontinued, North Shore Health will continue with "for cause" employee drug testing. North Shore Health has received our property, inland marine, boiler & machinery, and auto insurance renewal for January 1, 2023, with Travelers Insurance Company. The renewal rate is \$57,463 compared with the expiring premium of \$53,343, a 7% increase. The last meeting of the Community Leadership Committee was held on Thursday, December 8, 2022. It was an excellent meeting with updates from the Housing and the Racial Equity Workgroup. In addition to those topics, issues regarding day care, workforce, substance abuse and behavioral health concerns were discussed. The 2023 Minnesota Hospital Association Winter Trustee Conference is scheduled for January 12–13, 2023. Patty Winchell-Dahl and Steve Frykman will be attending from North Shore Health. The agreed upon dates for the regular Board meetings in 2023 were reviewed. After a three-year break, the Portage Band has resumed their monthly dances at the Care Center. The residents anticipate the dances and there are many happy people welcoming the Band back to the Care Center. Ms. Olson requested a thank you letter be send to the members of the Band on behalf of the Board.

Adjourn:

A motion to adjourn the meeting was made by Mary Sanders and seconded by Patty Winchell-Dahl. The motion carried unanimously. The regular meeting adjourned at 11:22 a.m.

The next regular meeting will be held on January 19, 2023.


Chair


Clerk