



COOK COUNTY HOSPITAL DISTRICT  
BOARD MINUTES FOR MAY 27, 2021

**Call to Order** – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on May 27, 2021 at 9:16 a.m. on Zoom and in the Board Room.

**Adjourn to Closed Session** – Patty Winchell-Dahl made a motion to adjourn into closed session for the Quality Improvement, Medical Staff and Credentials Committee Reports. The motion was seconded by Mary Sanders and the motion carried with all ayes.

**Closed Session Summary** - The Quality Improvement/Peer Review Report from April 21, 2021, the April 21, 2021 Medical Staff Report and the May 19, 2021 Credentials Committee information were reviewed and discussed.

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

**Roll Call**

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

**Members Absent:**

**Others Present:** Kimber Wraalstad; Paul Goettl; Greg Ruberg; Milan Schmidt, MD (p); Dave Mills (p); Kelly Swearingen (p); Tyler Johnson (p); and Doug Sanders (p)

Due to the COVID-19 Pandemic the members of the Board (Kay Olson, Steve Nielsen, Mary Sanders, Randy Wiitala, and Patty Winchell-Dahl); Mr. Ruberg; Dr. Schmidt; Mr. Mills, Mr. Johnson and Mr. Sanders attended the meeting via Zoom technology with the ability to hear and see the other participants. Ms. Wraalstad, Mr. Goettl and Ms. Swearingen attended in the Board Room of North Shore Health.

**Approval of Agenda:** Randy Wiitala made a motion to accept the meeting agenda as presented; it was seconded by Mary Sanders. The motion carried unanimously.

**Public Comments:** None.

**Approval of Minutes from April 22, 2021** – Mary Sanders made a motion to approve the minutes from the April 22, 2021 meeting as presented and the motion was seconded by Patty Winchell-Dahl. The motion carried unanimously.

## Updates:

- a. **Clinic Board:** Kate Surbaugh was unable to attend the meeting but sent a written report. Ms. Wraalstad will forward the report following the meeting. Ms. Surbaugh noted that the COVID vaccination effort continues but has slowed to a steadier pace. After mid-June the vaccination clinics will likely move into Sawtooth Mountain Clinic with the appointment system still using the Cook County Hub site. Sawtooth Mountain Clinic is continuing to collaborate with other health care partners to provide vaccination outreach efforts to provide evidence-based information. Anna Krevechenko is now serving as the new Pharmacist-in-Charge. The Clinic collaboration team is conducting a community wide survey about early childhood resources.
- b. **County Board:** Commissioner Mills highlighted the continuing efforts of Cook County Public Health and Human Services to support vaccination efforts in Cook County. Information about the possible uses of the funds available from the American Rescue Plan is being received and evaluated. Several regional meetings that include County Commissioners are beginning to meet in-person. The County Board is also planning to hold in-person meetings. The Community Leadership Committee meeting held on April 29 was reviewed by Commissioner Mills. Much of the focus was on the information provided by the Housing Work Group.
- c. **Board Members:** None.
- d. **Correspondence:** None.

## Board Presentation – 2020 Financial Audit – Tyler Johnson, CliftonLarsonAllen

Mr. Johnson, Principal with CliftonLarsonAllen (CLA) presented the 2020 Audit results via Zoom. 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, 2020 and 2019, 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 2020, North Shore Health has the following significant transactions:
  - Paycheck Protection Loan
  - Provider Relief Funds
  - CMS Advanced Payments
- Audit Adjustments – No auditor proposed adjustments. Several client-proposed adjustments subsequent to CLA receiving the trial balance.
- Subsequent Events – There were no subsequent events identified.
- New Accounting Standards – Mr. Johnson said the proposed accounting standard (GASB 87) regarding leases will be effective the next fiscal year.
- Required Communications –
  - Responsibility under Generally Accepted 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.
  - Supplemental Information.
  - Management Representation Letter.
  - Other
    - No difficulties were encountered in performing the audit.

- Financial Ratios – Mr. Johnson presented several graphs showing industry benchmark data. The ratios (Operating Margin, Total Margin, Operating EBIDA, 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 CLA Small Size CAH Clients and Minnesota Critical Access Hospitals.
- Post-Pandemic Considerations – Thoughts regarding rethinking strategies in a post-COVID environment were reviewed by Mr. Johnson. The impact of COVID-19 has compounded financial challenges. Strategies to consider were highlighted.

Mr. Johnson thanked Paul Goettl, Kelly Swearingen and Kathy Bernier for their assistance during the audit. He reiterated that the audit shows that the monthly financial statements are accurately presented and are able to be relied upon when making strategic decisions for North Shore Health.

**Financial Reports:** Mr. Goettl presented the April 2021 financial statements. Patient days in the Acute Hospital were 11 days or 275.0% more than budget with inpatient revenue for the month being \$72K more than budget. Swing Bed days were 22 more than budget with revenue \$34K more than budget. Care Center days were 6 less than budget and revenue \$15K less than budget. Outpatient revenue of \$1,242K is \$657K or 112% less than budget. Net Operating Revenue of \$1,636K is 78% more than budget. Deductions from Revenue are \$32K more than budget. Total Operating Expenses of \$1,658K are 5% more than budget. The Net Income for the month of April 2021 of \$29K is \$638K more than budget. The year-to-date Loss from Operations is \$224K, which is \$494K better than budget. Gross Patient Revenue is \$668K higher than budget year-to-date. The year-to-date Net Loss is \$224K, \$494K less than budget. Year-to-date FTEs are 105.6, 7.9 less than budget. Days' cash on hand remains strong at 310 days. Mr. Goettl reviewed the 2021 forecast. The forecast is using four months of actual numbers and eight months of budgeted numbers. With inpatient and outpatient revenue being strong during the first four months of 2021, the forecast has been adjusted showing a 4% increase in net revenue. Mr. Goettl reiterated that no COVID-19 adjustments have been made to the forecast. Mary Sanders made a motion to accept the April 2021 financial statements. The motion was seconded by Steve Nielsen and the motion carried unanimously.

**Old Business:**

- a) **Other:** None.

**New Business:**

- a) **Accept 2020 Financial Audit:** Steve Nielsen made a motion to accept the 2020 Audited Financial Report for North Shore Health. The motion was seconded by Mary Sanders and the motion carried unanimously.
- b) **Other:** None.

**Management Report:**

The Management Report for May 2021 included in the Board materials was reviewed. It has been an eventful month with COVID-19 activity. On April 27, the Center for Disease Control (CDC) and Centers for Medicare and Medicaid Services (CMS) issued updated guidance for Nursing Facilities that relaxed some of the guidance regarding visitation, mask use and testing. On May 12, an employee who worked in the Care Center tested positive for COVID-19. The CMS definition of an Outbreak is one resident or one employee diagnosed with COVID-19. As a result, North Shore Health pivoted back to the previous stricter guidelines. It was also required that residents who were in contact with the employee be placed in quarantine so all visits by Essential Caregivers had to be paused. In addition, Outbreak testing commenced and this testing requires that all residents, employees, physicians, volunteers and essential caregivers be

tested every three to seven days until 14 days has passed since a positive COVID-19 case. During discussions with the Minnesota Department of Health (MDH) they congratulated North Shore Health; we were the last Nursing Home in Minnesota to have an outbreak. Efforts regarding vaccination clinics also continue. Cook County Public Health and Grand Portage Health Services have been presenting information about vaccines, with a focus on the COVID-19 vaccines, to the local middle and high school science classes. Vaccination events using the Pfizer vaccine will be held at North Shore Health in June. These events are for those 12 and over. The links for these events have also been posted on the Cook County HUB site.

The work on the Serenity Garden is beginning again. The site needs to be cleared of the bulk of the existing soil/gravel and be replaced with clean soil. There also is quite a bit of contouring and berming that will be done as the soil depth to bedrock is minimal. The Serenity Garden was the recipient of a 2021 Great Place Project grant. The funds will be used to purchase a bench for the Serenity Garden made by Dave Seaton, a local artisan. The Pharmacy at North Shore Health has been utilizing the 340B drug program for the last month. The initial estimates are that we are experiencing savings from drug acquisition costs of greater than \$10,000 per month. North Shore Living received a complaint inspection of the Nursing Home. Nursing Homes routinely submit Facility Reported Incidents; these can include any number of issues from falls and skin issues to serious allegations of abuse. The Surveyors investigated six complaints from incidents that occurred from 2019, 2020 and 2021. Five incidents were unsubstantiated and one incident was substantiated but no deficiencies were cited due to actions taken by North Shore Health prior to the survey. The Lab had the biennial inspection from the College of American Pathologists (CAP). Due to COVID-19, the survey was one year late because CAP was not conducting on-site inspections again until 2021. Several citations/deficiencies were identified, however, overall the survey went well. A meeting with the Collaboration Committee for Sawtooth Mountain Clinic and the North Shore Health Board has been scheduled for Tuesday, July 6, 2021, at noon using Zoom. Karen Halbersleben has agreed to serve as our facilitator. The Joint Elected Boards (also known as the Community Leadership Committee) meeting is scheduled for June 10, 2021 from 5:30 p.m. to 7:00 p.m. The Community Leadership Committee meeting will be routinely held on the second Thursday of every other month. An update of the meetings held regarding Stroudwater Associates recommendation to convert Nursing Home Beds to Critical Access Bed status was reviewed. Advocacy on various legislative issues were encouraged.

#### **Board Planning Update:**

The North Shore Health Board of Directors continued the discussions to assist in the development of the strategic plan. The Regulatory Review and Financial Impact of the Care Center were reviewed.

#### **Adjourn:**

A motion to adjourn the meeting was made by Steve Nielsen and seconded by Mary Sanders. The motion carried unanimously. The next regular meeting will be held on June 17, 2021.

The regular meeting adjourned at 11:50 a.m.

  
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Chair

  
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Clerk