



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR MARCH 21, 2024

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on March 21, 2024 at 9:00 a.m. in the Board Room.

Adjourn to Closed Session – Mary Sanders 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; pursuant to Minn. Stat. §144.581, subd. 5, which permits closure to discuss contracts related to the Hospital’s competitive position with other health care providers that offer similar services; and pursuant to Minn. Stat. § 13D.05, subd. 2 to discuss not public medical data and pursuant to Minn. Stat. sec. 13D.05, subdivision 3 (a), to evaluate the performance of the hospital district’s CEO/Administrator Kimber L. Wraalstad. Patty Winchell-Dahl seconded the motion and the motion carried unanimously.

Closed Session Summary - The Quality Improvement/Peer Review Report from February 21, 2024 and the Medical Staff Report from February 21, 2024 were discussed. Also discussed the Administrator’s Evaluation.

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

Roll Call

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

Members Absent:

Others Present: Kimber Wraalstad, Troy Batchelor, Lori Ericson, Michele Silence, Jason Yuhas, Greg Ruberg and Community Members.

**Board Presentation – Governance & Management for Health Care Boards –
Matt Anderson, Atrede Consulting**

Matt Anderson is the former Senior Vice President and Chief Strategy Officer at the Minnesota Hospital Association and Assistant Commissioner for Health Care &

State Medicaid Director at Minnesota Department of Human Services. He currently teaches at the University of Minnesota's School of Public Health in the Division of Health Policy & Management and also is a freelance consultant. It is in his role as a consultant that Mr. Anderson is at North Shore Health. Mr. Anderson provided an overview of today's discussion:

- What do we mean when we say, "a board's job is to govern?"
- What are the roles or activities of "governance" vis-à-vis those of "management" (a/k/a operations or administration)?
- How do/should health care boards and executives interact, support one another, or function together to advance the best interests of the organization?

The Foundational Origins of Board's Governance Role was reviewed. The Medicare Conditions of Participation requires that the "Hospital must have an effective governing body legally responsible for the conduct of the hospital ...". Examples of board's activities and obligations under the Conditions of Participation include credentialing medical staff members, ensuring that care is provided through licensed and qualified practitioners, and ensuring the hospital has an annual budget. The Foundational Origins of CEO's Management Role was also reviewed. The Medicare Conditions of participation required that the hospital board "must appoint a chief executive officer who is responsible for managing the hospital." The Board has a duty to oversee and govern the organization through delegation to the CEO. Board members are not responsible for day-to-day activities of the organization. Failure/refusal to delegate is counter to fulfilling duty of care (i.e., doing operational work or making operational decisions). Examples of Governance & Management Functions in the areas of Strategy, Policy, Compliance, Finance, Human Resources and Patient Care were reviewed. Mr. Anderson shared points from High-Performing Governance:

- Board and CEO value each other's roles and protect/invest in the relationship.
- Board members intentionally avoid crossing into operations.
- Respectfully asking "is this a governance issue?" or "isn't this something the board should explore?" are legitimate questions.
- Board (usually board chair) and CEO develop routine cadence of expected, common reports such as annual audit, financial performance, various quality and patient safety metrics.
- Board members ask questions for understanding, exploring alternatives, etc., not for reverse engineering staff work product.
- Practice of avoiding surprises.
- Board members refrain from using meetings to raise topics/questions out of the blue or catch CEO unprepared. CEO alerts board members to actual/potential controversies.
- Board focuses its time and attention on longer term, strategic objectives and priorities.

Mr. Anderson addressed questions and provided further clarification throughout his presentation.

Public Comments: Dr. Milan Schmidt provided public comment.

Approval of Minutes for February 22, 2024 – Patty Winchell-Dahl made a motion to approve the minutes from the February 22, 2024 meeting as presented and the motion was seconded by Steve Frykman. The motion carried unanimously.

Updates:

- a. **Clinic Board:** Kate Surbaugh shared a written summary of activities at Sawtooth Mountain Clinic (SMC) as she was unable to attend the meeting. Anna Ross will be joining Sawtooth Mountain Clinic as a Behavioral Health Consultant. Sawtooth Mountain Clinic is providing COVID-19 vaccinations for adults who are 65 years and older.
- b. **County Board:** Stacey Johnson (Hawkins) shared she was recently married and congratulations were offered. Commissioner Johnson then spoke about the Age Friendly Initiatives for Cook County. The Cook County Health Improvement Plan identified three top priorities: Housing, Transportation and Access to Healthcare. Cook County Public Health and Human Services are in the process of interviewing for a Mental Health Crisis Service Worker.
- c. **Board Members:** Mary Sanders shared an email she received regarding the Serenity Garden: *I am emailing because I wanted to share with you how much a patient is enjoying looking out at the Serenity Garden while in the hospital. The room is right next to the garden. The patient thinks it's so beautiful and very calming! It really is bringing a lot of serenity. And it's the end of winter! No green and no flowers, of course. So the layout and design is a huge success! Please pass this on to the others on the Serenity Garden committee. And give them all our thanks! It's working just like you hoped!* Ms. Olson shared that she and Mary Sanders just graduated from the inaugural National Rural Health Association's (NRHA) Rural Hospital Board Certification Program. Alan Morgan, NRHA CEO and Brock Slabach, NRHA COO, attended the virtual graduation and provided their congratulations. Mr. Morgan and Mr. Slabach thanked the participating trustees from across the United States for their interest, support and commitment to rural health care and continuing to further their knowledge of about the responsibilities of health care trustees and issues impacting rural organizations.

Financial Reports: Ms. Ericson presented the February 2024 financial statements. There was a Loss from Operations for the month of \$196K, compared to the budgeted Loss from Operations of \$422K. The Statements of Net Position, Statements of Revenue and Expenses and Change in Net Position were reviewed. Gross Patient Service Revenue of \$2.19M for the month of February was 18.0% more than budget. Outpatient revenues were above budget with Inpatient, Swing Bed, Care Center and Home Care being under budget. Contractual Adjustments are \$304K compared to the budget of \$290K. Total Operating Revenue for the month was \$1.885M, 20.21% more than budget. Total Operating Expenses of \$2.080M are 4.54% more than budget. The days cash on hand, debt service coverage ratio, current ratio and payer mix were reviewed by Ms. Ericson. Steve Frykman made a motion to accept the February 2024 financial statements. The motion was seconded by Mary Sanders and the motion carried unanimously.

Old Business:

- a) **Organization Review Update:** The culture survey from Dr. Bill Auxier and the AUXIER Group has closed. Dr. Auxier is beginning the analysis of the responses. Representatives from Stroudwater will be onsite to begin to update the Strategic, Financial and Operational Assessment on May 1 and 2. Workforce Research Group is planning to conduct the Employee Engagement survey in August 2024.
- b) **Other:** None.

New Business:

- a) **Getting to Know North Shore Health:** Ms. Olson stated that she would like to propose a series of monthly articles distributed to local media that would assist in educating the community about North Shore Health. She has had individuals ask about why there are only five Board Members, how was North Shore Health established, and questions such as those. Board Members and Administration will identify topics and provide input on content and messaging. Todd Ford, Public Information Coordinator, will assemble the article and edit into a logical narrative. The Board Members agreed this would be a good opportunity to provide information and education. It was suggested that the first article could discuss advocacy.

Management Report:

The Management Report for March 2024 included in the Board materials was reviewed. The Minnesota Hospital Association's primer, Hospitals 101, was shared. This document explains how Minnesota's hospitals and health systems are financed, educates about the many contributions of these organizations and explores current challenges that are impacting patients and potential solutions that are being explored. The audit team from Clifton Larson Allen (CLA) has been working on the audit fieldwork since March 4. The presentation of the 2023 financial audit to the Board is still scheduled for the May Board meeting. North Shore Health has purchased microphones and a speaker, together with several additional personal amplification devices, for use in the Board Room. North Shore Health continues our foreign recruitment efforts for employees. Applications will soon be submitted for permanent resident visas to the United States Citizenship and Immigration Services. The waiting time can be several years depending upon the visas available from the applicants' Country and the existing backlog. North Shore Health will be hosting an Artists' Reception on Monday, April 22, 2024 from 4:00 p.m. to 6:00 p.m. The Artists confirmed to participate include Carol Morgen, Jon Gunderson, Ladona Tornabene and Marie Zhuikov. The reception will give community members, Care Center residents and employees the opportunity to view the work, meet and speak with the Artists who are displaying their work. North Shore Health is grateful to the Artists for displaying their works that enhance the healing environment. Todd Ford was recognized his work in coordinating this endeavor.

LeadingAge Minnesota and the Long Term Care Imperative continue to encourage Legislators to prioritize seniors and our caregivers during this session by supporting ongoing funding for older adults and their caregivers, and removing regulatory barriers that prevent innovation and limit the ability to recruit and retain new caregivers. The Minnesota Hospital Association (MHA) continues to highlight needed legislative action:

- Hospital finances are in critical condition.
 - The most recent finance report from MHA shows that two thirds of hospitals and health systems had negative operating margins, declining from -0.5% to -2.7% in the first half of 2023.
 - Expenses are up - both labor and supply costs.
 - Payers are not keeping pace with inflationary cost increases. This includes both federal and state government payers and private commercial insurance. The Minnesota Department of Human Services recently calculated that Medical Assistance is paying, on average, 68.5% of the actual, 2019 costs, for inpatient hospital care. Previously proposed legislation would have brought Critical Access Hospitals up to 100% of allowed costs and would have updated payments to more current costs for larger hospitals.
- Workforce initiatives need ongoing support to address systemic challenges.
 - There are 32,000 open health care positions in Minnesota. Initiatives for continued progress include:
 - Increase funding for health care professional loan forgiveness.
 - Work to change guidelines in the Dual-Training Pipeline program.
 - Expand health care career exposure initiatives such as the Summer Health Care Internship Program.
 - Push for new efficiencies at the Health Licensing Boards and expand the timeframes for temporary healthcare professional licenses.
 - Pursue scholarships for individuals enrolled in allied health professional education programs.
- Mental health services need funding to keep up with growing demand.
 - The ongoing demand for mental health care outpaces the supply of providers and services. Initiatives for continued progress include:
 - Increase mental health provider reimbursement rates, both inpatient and community based.
 - Eliminate the sunset on audio-only telehealth services in 2024 or 2025, before the sunset expires.
- Nurse staffing mandates jeopardize access to patient care in Minnesota.
- Protect the 340B outpatient drug program.

On February 21, 2024, Change Healthcare (Change), a subsidiary of Minnesota based UnitedHealth Group, was the victim of the most significant cyberattack on the United States health care system in American history. Change processes 1 in 3 healthcare claims in the United States. It has been estimated that the cash flow impact to Hospitals due to delayed claims ranges from \$1.84 billion to \$2.53 billion each week. North Shore Health has not been impacted to the same degree as experienced by many other hospitals and healthcare providers in Minnesota because Change does not provide our clearinghouse services. However, we do use Change to process our private pay statements and certain insurers, such as UCare, use a Change platform to accept insurance claims from providers. As with other providers, we are developing workarounds to address these interruptions. The American Hospital Association 2024 Rural Advocacy Agenda was reviewed. The federal rural advocacy focus includes: Commercial Insurer Accountability, Support Flexible Payment Options, Ensure Fair and Adequate Reimbursement, Bolster Workforce and Protect the 340B Program. The February 2024 Newsletter from Wilderness Health was shared. The Minnesota County Insurance Trust (MCIT) Employee Assistance Program has established a service for elected officials of member organizations. It provides no-cost, confidential professional counseling specifically designed to aid elected leaders and their families.

Adjourn:

Steve Frykman moved to reconvene to a closed session for the purpose of discussing the Administrators evaluation. Patty Winchell-Dahl seconded the motion and the meeting returned to closed session at 11:16 a.m.

The next regular meeting will be held on April 18, 2024. The location of the April meeting will be at the Schaap Community Center on the Gunflint Trail.

A motion to adjourn the closed session meeting and return to open session was made by Randy Wiitala. The motion was seconded by Mary Sanders and the motion carried unanimously.

The closed session adjourned at 12:42 p.m.

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 12:43 p.m.

Kay Olson
Chair

Mary L Sanders
Clerk