



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR JUNE 20, 2024

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on June 20, 2024 at 9:02 a.m. at the Grand Portage Lodge and Casino.

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; pursuant to Minn. Stat. § 13D.05, subd. 2 to discuss not public medical data. Randy Wiitala seconded the motion and the motion carried unanimously.

Closed Session Summary - The Quality Improvement/Peer Review Report from May 15, 2024, the Medical Staff Report from May 15, 2024 and the June 19, 2024 Credentials Committee Report were discussed.

Reconvene - The North Shore Health Board reconvened in regular session at 9:33 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, Jason Yuhas, Michele Silence, Bill Auxier and Milan Schmidt.

Public Comments: None.

Approval of Minutes for May 23, 2024 – Mary Sanders made a motion to approve the minutes from the May 23, 2024 meeting as presented and the motion was seconded by Patty Winchell-Dahl. The motion carried unanimously.

Updates:

- a. **Clinic Board:** Kate Surbaugh shared a written summary of activities at Sawtooth Mountain Clinic (SMC). SMC Oral Health Taskforce has secured additional funding and SMC is also participating in the Citizen Scientist Tick Census Project.
- b. **County Board:** None.
- c. **Board Members:** None.

Financial Reports: Ms. Ericson presented the May 2024 financial statements. There was a Loss from Operations for the month of \$150K, compared to the budgeted Loss from Operations of \$437K. The Statements of Net Position, Statements of Revenue and Expenses and Change in Net Position were reviewed. Gross Patient Service Revenue of \$2.215M for the month of April was 16.01% more than budget. Outpatient Revenues were above budget with Inpatient, Swing Bed, Care Center and Home Care being under budget. Contractual Adjustments were \$429K compared to the budget of \$270K. Total Operating Revenue for the month was \$1.810M, 9.80% more than budget. Total Operating Expenses of \$1.959M were 6.05% less 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 May 2024 financial statements. The motion was seconded by Randy Wiitala and the motion carried unanimously.

Old Business:

- a) **Organization Review Update:** Dr. Bill Auxier from the AUXIER Group presented information regarding the culture and gaps survey completed earlier this year. Four Groups were surveyed: Board, Executive Leadership, Managers/Supervisors and Employees/Staff. There are three types of Organizational Culture: Control, Indifference and Connection. Dr. Auxier noted the following:

- All 4 groups acknowledge the existence of a Connection Culture
- Executives & Board agree that there is a Connection Culture
- Supervisors perceive a Culture of Indifference
- Employees do not perceive a dominant culture
- No one perceives a Culture of Control as a dominant culture
- Employees do not believe that leadership has a focus on workforce development, staff development and staff satisfaction
- Employees and Supervisors are afraid to speak up
- Employees and Supervisors are afraid of making mistakes

Dr. Auxier noted the opportunity to shift the perceived culture of North Shore Health to a Culture of Connection. He recommended that North Shore Health hire an outside firm that specializes in the cultural transformation of a rural critical access hospital. Ms. Wraalstad has asked Dr. Auxier to provide a proposal to work with North Shore Health in culture transformation.

b) **Other:** None.

New Business:

a) **Hospital Needs Assessment:** During the previous 10 years, North Shore Health has experienced several significant transitions and events. North Shore Health has been working with Stroudwater Associates to complete a Strategic Financial Operational Assessment (SFOA) including an evaluation of physician services. Following the completion of the SFOA, Ms. Wraalstad is recommending that a Hospital Needs Assessment be conducted with the assistance of Rural Health Innovations, a subsidiary of the National Rural Health Resource Center. Rural Health Innovations will utilize the information from the SFOA to develop questions and guide key stakeholder and focus group interviews. Incorporated in the interviews will be detailed information about North Shore Health. Information from the interviews will assist in developing the Hospital Needs Assessment. Rural Health Innovations will support North Shore Health in the development of an implementation plan based upon the findings from the SFOA and the key stakeholder and focus group interviews. Ongoing technical assistance will support the development of the Hospital Needs Assessment implementation plan and incorporate it into the Strategic Plan. Rural Health Innovations is proposing to charge \$23,500 for their services. A motion to conduct a Hospital Needs Assessment with the assistance of Rural Health Innovations at the cost \$23,500 was made by Randy Wiitala and seconded by Patty Winchell-Dahl. The motion carried unanimously.

b) **Other:** None.

Management Report:


The Management Report for June 2024 included in the Board materials was reviewed. Since the announcement of the affiliation with Aspirius, St. Luke's has stated that it is their intent to migrate their electronic medical record (EMR) from Meditech to Epic. This impacts North Shore Health because Aspirius St. Luke's is the server host for our Meditech EMR. Aspirius St. Luke's has provided notice that they intend to discontinue hosting our Meditech EMR as of December 31, 2025. With this notice, North Shore Health will formalize our process to evaluate the various EMR and hosting options available to us. This transition will be a significant investment both in money and in time. A committee of stakeholders will be formed to assist with the gathering options and the subsequent evaluation. The Minnesota High Value Network (Headwaters High Value Network) has officially been formed. A webinar was held on May 23 to introduce the Board Members and employees of member organizations to Headwaters. Additional information about Headwaters will be distributed in the next several weeks. Blue Cross Blue Shield of Minnesota (BCBSMN) has been systematically transitioning all Critical Access Hospitals to the proposed payment methodology, the Polaris model. This model puts many charges on a fee schedule with the remaining charges being a percentage of charges. North Shore Health was able to negotiate with BCBSMN to adjust the timing of the previous year's rate increase. For the past five months, North Shore Health has been negotiating with UCare (Insurance Company) regarding their proposed change in the payment methodology for Home Care clients. We were successful in negotiating a fair reimbursement contract with reimbursement on a percentage of charges. A surveyor from the Minnesota Department of Health arrived on Monday morning, May 20, to investigate two self-reported complaints and exited later that afternoon. Neither of the incidents were

substantiated and North Shore Health was found to be in compliance. North Shore Health received our General/Professional Liability which is effective July 1, 2024. The General/Professional Liability and Umbrella renewal premium is \$28,568, an increase of \$2,883 or 11.2%. The Cyber insurance is with CFC Underwriters, a Lloyds of London Syndicate and the renewal rate has not yet been received. Given the significant increase in cyber attacks against the health care sector, it should be expected to receive a significant increase in the premium cost even compared with the 16% increase in 2023 and 59% increase in 2022. North Shore Health held an Employee Health Fair on Tuesday, June 3. We hope to be able to offer this on an annual basis. Thank you to Melisa Scott who coordinated the event and the following individuals who helped make the Health Fair a success: Kathy Bernier, Kelly Swearingen, Brian Hady, Jeanne Irland, Heidi Fagerman, Troy Batchelor, Shalom Richardson, Ben Belland, Karla Pankow, Andrea Brobst, Traci Allen, Todd Ford and Dr. Todd Severnak. The 2024 Minnesota Legislative Session has adjourned and legislation of importance to health care were reviewed. As our Medical Malpractice Carrier, COVERYS provides periodic risk assessments for insureds. A risk assessment was completed on June 18. The risk assessment included document and record review, policy review, review of Medical staff credentialing forms, policies, bylaws and privileging documents. The goal of these assessments is to highlight opportunity to improve processes and reduce risk. The filing period for the District 2 and District 4 Hospital Board Members begins on Tuesday, July 30 and ends at 5:00 p.m. on Tuesday, August 13, 2024.

Adjourn:

A motion to adjourn the meeting was made by Steve Frykman and seconded by Patty Winchell-Dahl. The motion carried unanimously. The next regular meeting will be held on August 22, 2024 at North Shore Health.

The regular meeting adjourned at 11:05 a.m.



Chair



Clerk