



January 25, 2024

The full Board of Directors (“Board”) of the Cook County Hospital District (“Hospital”) met in a special closed session on January 9, 2024, under the attorney-client privilege to discuss legal strategy related to potential litigation; to consider certain Review Organization matters;¹ and to consider contracts related to the Hospital’s competitive position. Kimber Wraalstad, Hospital CEO, did not attend or otherwise participate in the closed session meeting. This meeting was convened, in part, to respond to the request of certain community members made at the Board’s December 21, 2023, meeting, correspondence to the Board, letters to the editor and various articles in newspapers.² Specifically, the Board conducted a focused review of certain allegations related to (i) Dr. Bruce Dahlman, (ii) the Hospital’s Ambulance service and (iii) the Hospital’s Laboratory. This report summarizes the findings of fact and conclusions of the Board during this review process on each of these three issues.

1. Dr. Dahlman

The Hospital has a professional services agreement (“Agreement”) with Wapiti Medical Group (“Wapiti”) to provide and manage physicians to continuously staff the Hospital’s Emergency Department (“ED”). These types of physician agreements are standard at hospitals around the country for ED services, as well as radiology, laboratory and other service lines. They are particularly common in rural communities, where access to certain specialties is limited. Since 2008, the ED was staffed by physicians contracted by Wapiti, and with physicians from Sawtooth Mountain Clinic (“Clinic”) providing care to patients in the hospital. On January 24, 2023, the Clinic informed the Hospital that “It has become clear that SMC is no longer able to recruit or retain physicians to cover both SMC and hospitalist duties. SMC can no longer cover hospitalist services as of 7/1/2023.” SMC’s less than six-month notice to the Hospital of the cessation of these services led to Medical Staff Bylaw changes which were adopted on May 18, 2023, and which are discussed below.

The Agreement provides that Wapiti is responsible to ensure the Hospital’s ED has 24/7/365 physician coverage. It further provides that **neither** Wapiti, **nor** any physicians provided to the ED by Wapiti, are employees. These physicians are independent contractors.³ In turn, Wapiti contracts with these individual physicians to provide the roster needed to staff the ED also as independent contractors. Each contracted physician must maintain Medical Staff membership and privileges at the hospitals they are assigned to cover by Wapiti. As the contracting agency of the independent contractor physicians, Wapiti also has access to the

¹ Minn. Stat. §13D.05 subds. 2 & 3(b); §145.64 subd. 1(d), §144.581 subd. 5.

² See Board reference materials at Attachment 1.

³ Agreement, §11.

Hospital Quality Improvement Clarity reports to identify instances of potential non-compliance with standards of practice, and regulatory and documentation guidelines related to patient encounters in the ED. Periodic review of these reports is part of Wapiti's contractual responsibilities to the Hospital.

The Board met with Kim Hermann, the Wapiti CEO, on November 16, 2023, and January 9, 2024, to learn more about the physician rights under these physician contracts. Ms. Hermann shared the following facts:

- Wapiti may schedule, or not schedule, any physician with whom they have a contract.
- Wapiti may also exercise the right to terminate any physician contract.
- Wapiti has terminated other physician contracts at other facilities where they have staffing agreements.
- Dr. Dahlman had a contract ("Contract") with Wapiti to staff the Hospital's ED and other facilities' EDs.

On November 1, 2023, Wapiti notified Dr. Dahlman they were terminating his Contract to provide ED coverage at NSH as well as at other hospitals that contracted with Wapiti. Ms. Hermann shared the following reasons for their decision:

- Wapiti repeatedly asked Dr. Dahlman to cease undermining their administrative decisions related to the Agreement when interacting with Wapiti leadership and other physicians staffing the ED.
- Dr. Dahlman did not cease the behavior as requested, which Wapiti determined was disruptive to their business operations and staffing model.
- Wapiti periodically reviews Clarity reports from NSH's Quality Improvement Department and identified certain clinical behaviors.
- As a courtesy, Wapiti informed Kimber Wraalstad, Hospital CEO, of their decision before speaking with Dr. Dahlman. However, Wapiti did not require, and was not obligated to request, Ms. Wraalstad's permission nor approval.
- Wapiti had the contractual right to make the business decision to terminate Dr. Dahlman's contract.

At the time of this decision, Dr. Dahlman held Active Medical Staff membership with ED privileges consistent with all the other Wapiti ED physicians. His sole medical practice was focused on serving as an ED physician in NSH's emergency room—he did not maintain a private medical practice.

One consequence of the Sawtooth Mountain Clinic's decision, effective July 1, 2023, to cease providing Hospitalist services to inpatients was the loss of nearly all Active Medical Staff members. This is because under the Medical Staff Bylaws that existed at the time, providing

coverage for inpatients at the hospital was a required duty. In addition, the Hospital needs Active Staff to serve in leadership roles and execute various committee assignments essential to patient safety and maintenance of participation in federal programs, including Medicare. In speaking with Wapiti and Horizon Virtual (virtual hospitalist group), the CEO learned Wapiti physicians and Horizon Virtual physicians, while remote, were willing to provide the necessary leadership and committee support to the Hospital. Therefore, the Hospital's Medical Staff Bylaws were amended to allow ED and virtual physicians to serve as Active Staff members. Another requirement modified was to reduce the number of patient contacts in the Hospital for Active Staff members. Under the revised Medical Staff Bylaws effective May 18, 2023, all Active Staff members must have at least twelve (12) **patient** contacts per year at the Hospital,⁴ rather than at least twenty-four (24) Hospital **inpatient** contacts per two (2) year appointment term.⁵

When Dr. Dahlman's contract was terminated by Wapiti, he could not meet the Bylaw required minimum of twelve (12) patient contacts per year and he no longer had medical malpractice insurance. That meant he no longer qualified for Active Staff membership. This outcome was not based on Dr. Dahlman's professional competence or conduct—it was triggered by the loss of his contractual arrangement with Wapiti to staff the ED.

Dr. Dahlman and certain community physicians have claimed the loss of Active Status membership entitled Dr. Dahlman to due process hearing rights under the Medical Staff Bylaws. Given their years of Medical Staff leadership and familiarity with the Medical Staff Bylaws, these physicians must know what they are saying is untrue. The circumstances triggering fair hearing, or "due process" rights, are described in the Medical Staff Bylaws. They are limited to an action of the Hospital or the Medical Staff based on a physician's professional competence or conduct related to patient care. The basis for the loss of Active Staff membership here, however, was Wapiti's decision to terminate Dr. Dahlman's Contract. If Dr. Dahlman wishes to pursue legal recourse related to that action, it lies against Wapiti, not the Hospital. To date, Dr. Dahlman has not instituted any such claim. In fact, Dr. Dahlman admitted this at the November 16, 2023, Board meeting, when he agreed that Wapiti had the right to terminate his contract. Dr. Dahlman hired an attorney who contacted the Hospital demanding these fair hearing rights in a November 29, 2023 letter. When Hospital legal counsel responded, explaining the legal basis and Wapiti's role in this situation, we received no further communications.

Included in that correspondence with Dr. Dahlman's attorney was an open invitation for Dr. Dahlman to apply for Courtesy staff status, which has no minimum patient contact requirement. Dr. Dahlman qualifies for Courtesy appointment immediately upon presentation of evidence of current medical malpractice coverage. That invitation was also extended personally to Dr. Dahlman at the December 21, 2023, Board meeting and in correspondence sent to him by Ms. Wraalstad dated December 23, 2023. To be clear, Courtesy staff membership would not enable Dr. Dahlman to staff the ED. That coverage is contractually exclusive to Wapiti. However, he could start a private medical practice or join an existing practice in the community as a member of the Courtesy staff. To date, Dr. Dahlman has not responded to the Courtesy staff opportunity.

⁴ Medical Staff Bylaws, §2.1.

⁵ "Patient" means inpatient, observation, swing bed or outpatients. "Inpatient" means to be admitted to the Hospital under the classification of inpatient or swing bed patient.

Additionally, nothing in the Wapiti decision precludes Dr. Dahlman from being employed by a local medical practice or starting his own medical practice. Since some of the Clinic physicians practice without Medical Staff membership, their employment of Dr. Dahlman seems a natural fit. That solution would allow Dr. Dahlman to avoid the expense of establishing an independent private practice, incurring rent, staff and insurance costs. Employment with the Clinic also would ensure that Dr. Dahlman's medical services would remain available to the community.

2. Ambulance Service

Concerns were raised at the December 21, 2023, Board meeting regarding the Hospital's ambulance service. Specifically, it was alleged that unqualified personnel had operated these vehicles, including the Hospital CEO. It was also alleged that unqualified personnel had ridden with patients during patient ambulance transports. Finally, there were accusations about the morale of the personnel in the Department itself. The Board requested to meet with the Hospital's EMS Director and Grand Marais Fire Chief/EMT to discuss these allegations and receive firsthand information about these concerns.

Since becoming the EMS Director, the EMS Director made clear the accusation that unqualified, or unauthorized, personnel operating the ambulance during runs was untrue. Minnesota law describes the requirements for persons driving an ambulance.⁶ Specifically, they must have a valid Minnesota drivers license and have completed an Emergency Vehicle Operator Course (EVOC) approved by the Minnesota Emergency Medical Services Regulatory Board. It is not required that the person driving the ambulance be an EMT. The EMS Director confirmed all persons who drove the Hospital's ambulance had satisfied these requirements at the time they drove the vehicle. All individuals operating the ambulance meet the requirements by NSH's insurance carrier. The Board learned that several Hospital employees and leaders voluntarily pursued Emergency Medical Responder (EMR) training to support the ambulance service. These individuals should be thanked for recognizing the need and supporting the community rather than being chastised for their voluntary service.

Under the previous EMS Director's leadership, there was a single occasion when Dr. Dahlman insisted he respond on an ambulance run even though an EMT was in route. To the best of the EMS Director's and Fire Chief's knowledge, this incident was the only occasion a non-ambulance EMS person responded to a call in the ambulance.

It was noted that under prior Department leadership there may have been some morale issues. However, with the changes in leadership, the Department is now fully staffed, enthusiastic and continues to be focused on providing the best patient care possible. It was noted that some of the criticisms leveled at the ambulance service came from ex-Hospital employees no longer affiliated with that Department. We understand ex-employees will sometimes voice their frustrations with their prior employer. Those frustrations need to be taken in context and confidential personnel information cannot be shared with the public. While some former employees are unhappy with their tenure, current employees voice no similar concerns.

⁶ Minn. Stat. §144E.101, subd. 10.

3. Laboratory

Finally, concerns were raised about the Hospital's Laboratory by certain Clinic physicians as well as ex-Hospital employees who previously worked in the Lab. The Board requested to meet with the interim Lab Director. They also spoke with the Sand Creek Employee Assistance Program Psychologist who was retained to assist in improving interpersonal issues and communications among Lab personnel during 2022 and 2023.

The Psychologist was retained to help mentor the then current Lab leadership in terms of delegation and communications with staff which are considered essential leadership skills. The Psychologist met with Lab leadership and all Lab personnel, and engaged in coaching on these core competencies. During those interactions, the Psychologist agreed that an effective mentor needed to have direct technical knowledge and experience in Laboratory operations to be effective. A Lab Mentor was then hired to support the Laboratory.⁷

The Hospital went out of its way to provide additional training and support to the Lab personnel. This training was essential to ensure team members could implement the necessary changes. Some were able to take advantage of these opportunities. Others were not. In those cases, the employees left the organization voluntarily. The Hospital **did not** terminate their employment.

With leadership changes, the Lab Mentor became the Interim Laboratory Administrative Director. The Lab Mentor has thirty-four (34) years of direct hospital Lab operational experience. The Lab Mentor is well acquainted with current best practices and was retained to assist the Hospital's Lab align with these enhancements. In essence, the Lab Mentor served as a change agent for this service line. Change can be difficult but necessary, and occasionally, long time personnel can be resistant to changing their practices. Not everyone can adjust to necessary changes.

The Lab is currently appropriately staffed, and morale is reported to be good. The continued enhancement of this service is well underway which will be beneficial to patient care.

As we noted, ex-employees will sometimes voice their frustrations with their prior employer. Those frustrations need to be taken in context and confidential personnel information cannot be shared with the public. Here, while some ex-staff are unhappy with their tenure at the Lab, current employees voice no similar concerns.

Conclusions

After considering all of the above information, each Board member evaluated whether they had sufficient information to reach a conclusion about the three issues discussed. The Board agrees it does not need to hear from others given that it considered information from the only persons with direct firsthand information. On all three questions, the Board unanimously agreed the allegations are unfounded and in some cases, misrepresent the facts or are simply untrue.

⁷ The Board is aware that some community members have alleged that the Lab Mentor was a friend or acquaintance of the Hospital's CEO. The Board has investigated this allegation and has determined that it is a false statement.

As to the Dr. Dahlman matter, the Board is both saddened and frustrated. The physicians charging the Board and Ms. Wraalstad with misconduct claim to “know” the facts. The Board questions the veracity of these statements. These individuals have never referenced the language of the Wapiti Agreement. They have never spoken with Wapiti executives about the decision to terminate Dr. Dahlman’s contract or the basis for their decision. Instead, these physicians are substituting their personal opinions and disagreements for the undisputed facts. They are not required to like Wapiti’s decision. But they cannot dispute Wapiti had the right to make the decision. Dr. Dahlman agreed that was the case during the November 16, 2023, Board meeting.

Additionally, the personal attacks from these physicians and others on the members of the Board and Administration have been grossly unfair. The Board acknowledges that some community members may not have a grasp of all of the facts. This is understandable because health care is a complicated and highly regulated industry subject to a myriad of federal and state laws and regulations. Physicians with decades of professional experience, however, should know better. Candidly, they appear to be using Dr. Dahlman’s situation to pursue some unknown personal agenda at the expense of NSH. The outspoken physicians associated with the Clinic are people of influence within their organization and in the community. Yet they have not offered to employ Dr. Dahlman. The silence from the Clinic physicians on this obvious solution speaks volumes.

The allegations raised about quality and safety of services provided at NSH were determined by the Board to be unfounded. These unfounded allegations were also unnecessarily hurtful to our entire team of dedicated staff. Department Leaders and employees work hard daily to provide excellent service to our patients and residents. The accusations of a toxic work environment have made their jobs even more difficult during an already challenging time in health care. The Board committed to certain internal assessments of our entire organization as part of its strategic plan for 2024 and beyond. These assessments will occur as planned and will be shared with the NSH employees and other appropriate stakeholders.

One last point: the Board wishes to clarify its legal responsibilities. We are responsible for the operations of the Hospital. We cannot and will not delegate that responsibility to others. Board members have access to information which is not legally available to the public. We make our decisions in good faith, based on the information available and the counsel of experts when needed. We rely on a strong and comprehensive leadership/management team, employees and external partners, to assist and provide support with those decisions. Members of the public will occasionally disagree with our decisions. That is one of the challenges of public service we accepted when we agreed to serve on the Board. To be clear, the community elects us, but we are the decision makers and must at all times act in the best interests of NSH. We have made our informed decisions on the allegations, have found them to be unfounded, and consider them closed. The Board will continue to work collaboratively with the NSH Leadership Team and to support our dedicated and loyal employees to continue the Hospital’s mission to provide Community Access to Compassionate Care.