



COOK COUNTY HOSPITAL DISTRICT

BOARD MINUTES FOR APRIL 23, 2020

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on April 23, 2020 at 9:20 a.m. on Zoom and in the Board Room.

Adjourn to Closed Session – Steve Nielsen made a motion to adjourn into closed session for the Quality Improvement/Peer Review Report and Medical Staff Report Evaluation. The motion was seconded by Justin Mueller and the motion carried with all eyes.

Closed Session Summary - The Quality Improvement/Peer Review Report from February 19, 2020 and the February 19, 2020 Medical Staff Report with Credentials Committee information were reviewed and discussed.

Reconvene – Kay Olson reconvened the North Shore Health Board in regular session at 9:30 a.m.

Roll Call:

Members Present: Sharon Bloomquist, Justin Mueller, Steve Nielsen, Kay Olson, and Randy Wiitala

Members Absent:

Others Present: Kimber Wraalstad; Vera Schumann; Greg Ruberg; Jennifer Dowden (p); Paul Goettl (p); David Mills (p)

The members of the Board attended the meeting via Zoom technology. Ms. Wraalstad and Ms. Schumann attended in the Board Room of North Shore Health. Minnesota law permits interactive meetings provided that all members can hear and see each other; members of the public present at the regular meeting location can see and hear all discussion and testimony and all votes of the members.

Approval of Agenda: Sharon Bloomquist made a motion to accept the meeting agenda as presented; it was seconded by Randy Wiitala. Motion carried with all eyes.

Public Comments: None

Approval of Minutes for February 20, 2020 – Justin Mueller made a motion to approve the minutes from the February 20, 2020 meeting as presented and the motion was seconded by

Sharon Bloomquist. Motion carried with all ayes. The March 2020 Board meeting was cancelled so staff members could focus their attention on COVID-19 activities.

Updates:

- a. **Clinic Board:** Kate Surbaugh, Sawtooth Mountain Clinic CEO, provided a written update with the Board focusing on COVID-19 preparedness.
- b. **County Board:** Commissioner David Mills shared that the County Commissioners are discussing property tax and penalty abatement due to tax payer financial issues as a result of COVID-19 closure and employment impact. The Cook County Commissioners renewed the County COVID-19 Emergency Declaration. Cook County activated their Emergency Operations Center with Grace Grinager and Mike Keyport serving as Co-Incident Commanders. The Commissioners have been receiving regular updates regarding COVID-19 and the County's response from Grace Grinager, Public Health Supervisor. Ms. Wraalstad stated she wanted to acknowledge Ms. Grinager's collaborative work with North Shore Health as we prepare for the COVID-19 Pandemic and the response needed for Cook County. She has been actively participating with the North Shore Health Emergency Operation Center daily briefings and we appreciate the excellent work she is doing. Commissioner Mills also reported Krysten Foster, County Highway Engineer, has resigned to accept a position with the Minnesota Department of Transportation.
- c. **North Shore Health Care Foundation:** Steve Nielsen reported the North Shore Health Care Foundation will be holding the distribution of block grants given to the partners due to operational changes because of COVID-19. In addition, Mr. Nielsen announced that the Foundation has agreed to accept monetary donations directed to support the local front-line response to COVID-19 and the Foundation will match up to \$20,000 in donations. These funds will be used to support Cook County's local health systems and emergency services organizations.
- d. **Board Members:** Kay Olson made a motion to suspend the Board Member stipend for this meeting as all members are participating via Zoom and due to the potential impact of COVID-19 to North Shore Health's financial status. The motion was seconded by Steve Nielsen and the motion carried with all ayes. Ms. Olson commented she participated on the Minnesota Hospital Association (MHA) Trustee Council Zoom meeting. Due to the COVID-19 Pandemic, it was decided to cancel the 2020 Summer Trustee Conference scheduled for July. Ms. Olson noted a side benefit of the Zoom Trustee Council meeting was the involvement by many of the MHA staff members. During this meeting, it was reported that during this COVID-19 crisis, Minnesota Hospital and Health Systems are losing \$31M a day.
- e. **Correspondence:** None.

Financial Reports: Ms. Schumann presented the first quarter financial statements for 2020. Patient days in the Acute Hospital were 7% less than budget and Swing Bed days were 70% over budget for the quarter. Care Center days were 1% over budget with 99.6% occupancy compared to 98.5% budgeted occupancy. Utilization in Observation, Emergency Department, CT/MRI, Colonoscopy, Home Health and Ambulance were under budget for the quarter with utilization in PT/OT and Lab being above budget. Operating expenses for the quarter were 4,930K, \$20K or 0% over budget. Gross patient revenue of \$4,866K was \$541K under budget. Total deductions from revenue are \$213K, \$426K/67% under budget. Ms. Schumann commented the financial forecast completed this month is based on first quarter 2020 actual performance with the remaining nine months' budget. The remaining 2020 budget amount has been adjusted for contract staff, reduction of salaries and benefits, added expenses for procuring COVID-19 related items and reduced bond interest expense.

FTEs are 109.5, 4.4 less than budget. Days' cash on hand increased 3.3 days, remaining strong at 142.6. The anticipated financial changes due to COVID-19 are substantial. The forecasted net operating loss is \$4,067K, \$2,110K greater loss than budgeted. Ms. Schumann and Mr. Goettl have created a cashflow analysis for the next six months and that information was reviewed in detail. Factors affecting cash are – decrease in revenue, added expenses for COVID-19 preparedness, added staff for a surge, and a delay in receipt of 1st half levy payment. Revenue is based upon the cash received for the same week last year and adjusted for current utilization. Each week the tool is updated with our actual experience, providing information to better forecast remaining weeks. COVID-19 funding already received and grants awarded, but not yet received are incorporated into the forecast; COVID-19 funding for which we have applied, but has not yet been awarded is not included in the forecast. Based upon estimates at this time, North Shore Health will see significant use of available cash during the next six months. All options for available COVID-19 funding are being explored, evaluated and applications are made when appropriate.

Old Business:

- a) **2018 – 2019 Strategic Plan Update:** The Scorecard for the Strategic Priorities #3 – Access and #4 – Viability were reviewed. A brief summary and arrows provide the status of the Priority. The current summary is shown in red and with the former updates shown in blue. The yellow highlighted areas are complete. It was noted that activities associated with both the Strategic Plan and Board Planning update have been minimal due to the focus on COVID-19 preparedness and response. The impact and long-term changes to the future of health care systems and structure is unknown due to the COVID-19 crisis impact on operational and economic activities. It was agreed to delay the Strategic Planning meeting scheduled for May due to the need to focus on ongoing COVID-19 planning and response. The dates of the anticipated COVID-19 surge vary from June through September.
- b) **Other:** None.

New Business:

- a) **Other:** None.

Management Report:

The Management Reports for March and April 2020 were included in the Board materials were reviewed.

- Activities regarding North Shore Health's preparation and response for COVID-19 were reviewed and discussed in detail. North Shore Health activated our Emergency Operations Center on March 10 using the Incident Command Structure with Sawtooth Mountain Clinic (Dr. Farchmin and/or Dr. Terrill) and Public Health and Human Services (Grace Grinager) being active participants in the daily meetings. The following are members of the Incident Management Team:
 - Incident Commander – Vera Schumann
 - Public Information Officer/Liaison Officer – Kimber Wraalstad
 - Medical-Technical Specialist – Jennifer Dowden
 - Safety Officer/Planning Section Chief – Chris Lange
 - Operations Section Chief – Andy Andrews
 - Logistics Section Chief – Mike Flack
 - Finance/Administration Section Chief – Paul Goettl

North Shore Health is experiencing reduction in revenue while we have a corresponding increase in costs. Departments are looking for opportunities to reduce costs when possible. The North Shore Health Rehab Department has developed a

TeleRehab Program as one way for our community members to continue to receive needed services. Visitors have been restricted into both the Hospital and Care Center. Anyone entering the building is screened and this was completed in coordination with Sawtooth Mountain Clinic's screening process. Our employees are screened upon reporting to work and again at mid shift and the Care Center Residents are also being screened twice daily. Effective on April 13, Universal Masking while at North Shore Health and North Shore Living was instituted. A drive up testing location was established and protocols for care have been developed. All staff members are being retrained on N95 mask and PAPR use and donning and doffing of isolation gowns. Significant effort is being made to obtain Personal Protective Equipment (PPE) such as surgical masks, N95 masks, gowns and gloves. We are also having mini drills at the screening stations, ER and SMC Triage so the processes can be refined.

Processes have been established to care for COVID-19 patients while keeping our employees safe. We are also developing surge plans and identifying when we will be transferring and/or keeping patients.

- The Strategic Financial Operational Review by Stroudwater is complete and the report has been received. Eric Shell was planning to be in Grand Marais early April to present the report. It has been decided to wait until some of the COVID-19 focus has passed to review the assessment report to ensure the recommendations are still germane.
- With the drop in interest rates there was an opportunity to reprice the four long-term construction bonds at lower fixed rates. The new interest rates were effective April 1, 2020 with the total monthly payments being \$48,353.12; a reduction of \$79,676.16 annually in interest payments.
- The Board of the Lloyd K. Johnson Foundation approved a grant in the amount of \$60,000 to North Shore Health to support the Serenity Garden Project. Thank you to Mary Sanders and Nancy Koloski for their work on the grant application.
- Steve DuChien, NREMT, Ambulance Department Manager has announced June 15, 2020 as the date of his official retirement from North Shore Health. Interviews for the Ambulance Director have occurred and a decision should be made shortly.
- Belinda Hudler, Activities Director, has also announced her retirement from North Shore Health on April 24, 2020. Lisa Bloomquist has been chosen as the new Activity Director and began her new role on April 21.
- Malorie Brazell, from Lab and a SafeCare for Seniors Co-Champion, and Kris Phillips, Patient Access Lead Representative, have been selected to participate in the LeadingAge Minnesota Leadership Academy.
- The audit team from Clifton Larson Allen (CLA) has completed the audit fieldwork for our 2019 Financial Audit. CLA is planning to present the audited financial report during the May 2020 Board Meeting.


Adjourn:

A motion to adjourn the meeting was made by Steve Nielsen and seconded by Justin Mueller. The motion carried with all ayes. The next regular meeting will be held on May 21, 2020.

The regular meeting adjourned at 11:01 a.m.



Chair



Clerk