



COOK COUNTY HOSPITAL DISTRICT
BOARD MINUTES FOR MAY 21, 2020

Call to Order – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on May 21, 2020 at 9:15 a.m. on Zoom and in the Board Room.

Adjourn to Closed Session – Randy Wiitala made a motion to adjourn into closed session for the Medical Staff Report. The motion was seconded by Steve Nielsen and the motion carried with all ayes.

Closed Session Summary - The April 15, 2020 Medical Staff Report and Credentials Committee information were reviewed and discussed.

Reconvene – Kay Olson reconvened the North Shore Health Board in regular session at 9:34 a.m.

Roll Call:

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

Members Absent: Justin Mueller

Others Present: Kimber Wraalstad; Vera Schumann; Greg Ruberg; 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.

Approval of Agenda: Steve Nielsen made a motion to accept the meeting agenda as presented; it was seconded by Randy Wiitala. Motion carried unanimously.

Public Comments: None

Approval of Minutes for February 20, 2020 – Randy Wiitala made a motion to approve the minutes from the April 23, 2020 and May 4, 2020 meetings as presented and the motion was seconded by Steve Nielsen. Motion carried unanimously.

Updates:

- a. **Clinic Board:** Dr. Schmidt commented Sawtooth Mountain Clinic continues to focus on all things COVID-19. The Clinic is providing many TeleHealth visits in addition to in-person visits. The Physicians have decided to maintain the regular call schedule for

COVID admissions. The thought to designate "COVID Physicians" was determined to be an unsustainable call schedule. Dr. Schmidt is creating weekly updates for the Emergency Department Physicians.

- b. **County Board:** Commissioner David Mills discussed the efforts of the Arrowhead Health Alliance to expand on telemedicine visits. He also reported the Cook County State of Emergency was renewed. In addition, the Cook County Travel Advisory was revised and issued.
- c. **North Shore Health Care Foundation:** Steve Nielsen shared John Twiest has joined the North Shore Health Care Foundation as a new Board Member.
- d. **Board Members:** Ms. Olson shared information she received on a web conference, *Governance in the Time of Coronavirus*, sponsored by the Minnesota Hospital Association (MHA). Jamie Orlikoff, a Governance Expert, discussed issues and actions that boards should consider and offered a reminder about confidentiality during these unique times. The limited depth of the Management staff as a small organization was discussed.
- e. **Correspondence:** Ms. Wraalstad shared a letter from Cathy Everett requesting additional Home Care Services. While the Home Care Department is not able to offer the services requested by Ms. Everett, the Board Members appreciated her communication. Ms. Wraalstad and Traci Allen, Home Care Coordinator, will respond to Ms. Everett.

Board Presentation: Darryn McGarvey, Principal; Tyler Johnson, Principal; and Dan Deyle, Manager with CliftonLarsonAllen (CLA) presented the 2019 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, 2019 and 2018, 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 following information was reviewed:

- Required Communications –
 - Express an opinion on the fair presentation of the financial statements in conformity with GAAP
 - Plan and perform the audit to obtain reasonable, non absolute assurance that the financial statements are free of material misstatement
 - Evaluate internal control over financial reporting
 - Utilize a risk-based audit approach
 - Communicate significant matters to appropriate parties
- Significant Transactions – No significant transactions in the current year. Previous years included the building project.
- Audit Adjustments – No auditor proposed adjustments. Several client-proposed adjustments subsequent to CLA receiving the trial balance.
- Internal Control Communications – No material weaknesses identified.
- Subsequent Events –
 - Spread of Coronavirus Disease (COVID-19) a worldwide pandemic having significant effects in global markets, supply chain, businesses and communities.
 - Interest rate on the Series 2015A and Series 2015B bonds were adjusted to 3.70% and 5.20% respectively, beginning on April 1, 2020.
- New Accounting Standards – Mr. Johnson noted the proposed accounting standard regarding leases has been delayed.

- Financial Ratios – Mr. Deyle presented several graphs showing industry benchmark data. The ratios were showed with and without the impact of GASB 68, Accounting and Reporting for Pensions.

Financial Reports: Ms. Schumann presented the April 2020 financial statements. Patient days in the Acute Hospital were 2 days or 18% above budget and Swing Bed days are 31 days or 71% over budget for the month. Care Center days were at budget with 98.8% occupancy compared to 98.5% budgeted occupancy. There were no outpatient volumes at or ahead of budget in April. Outpatient volumes are down due to COVID-19 with volumes being behind budget as follows - Observation 33%, Emergency 56%, Colonoscopy 100%, PT/OT 45%, Laboratory 31%, CT/MRI 9%, Home Health 33%, and Ambulance 24%. With the decreased volume, revenue was \$444K less than budget for the month. Operating expenses for the month were 1,596K, \$39K or 2% under budget. Total deductions from revenue are \$116K, \$79K/41% under budget. North Shore Health began experiencing decreased volumes and COVID-19 related expenses toward the end of March 2020. Outpatient revenue is down \$716K from budget for March and April. Through April 2020, there has been \$63K in COVID-19 planning and preparation expenses. Funds received from the CARES Act in April will be used to offset the lost revenue and COVID-19 expenses. Ms. Schumann reviewed the financial forecast. The remaining 2020 budget amount has been adjusted for decreased revenue, contract staff, reduction of salaries and benefits, added expenses for procuring COVID-19 related items and reduced bond interest expense. COVID-19 funding will be recognized in the month when lost revenue and expenses occur. FTEs are 105.1, 8.8 less than budget. Days' cash on hand increased 1.5 days, remaining strong at 144.1. The anticipated financial changes due to COVID-19 are substantial. Ms. Schumann and Mr. Goettl continue to update the cashflow analysis weekly with our actual experience. Any COVID-19 funding continues to be explored and evaluated. In the month of May, North Shore Health has received the loan from the Payroll Protection Program and CARES Act funding. As Ms. Schumann has resigned to accept a position on Kahuka, Hawaii, this will be her last Board meeting. The Board Members thanked her for her services and offered her best wishes on her new adventure.

Old Business:

- 501 (c)(3) Clarification Resolution:** North Shore Health applied for and received funds from the Paycheck Protection Program (PPP), which was established under the Coronavirus Aid, Relief, and Economic Security Act. As legal counsel, Hall Render prepared a resolution to establish the written record and basis of North Shore Health's eligibility for the PPP. Steve Nielsen made a motion to adopt the 501 (c)(3) Clarification Resolution. The motion was seconded by Sharon Bloomquist and the motion carried unanimously.
- Other:** None.

New Business:

- Accept 2019 Financial Audit:** Steve Nielsen made a motion to accept the 2019 Audited Financial Report for North Shore Health. The motion was seconded by Randy Wiitala and the motion carried unanimously.
- Other:** None.

Management Report:

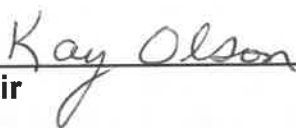
The Management Reports for May 2020 included in the Board materials were reviewed. Activities regarding North Shore Health's preparation and response for COVID-19 were reviewed and discussed in detail. The Incident Command Team continues to meet each

weekday. The application to the Minnesota Department of Health (MDH) to expand bed capacity, if needed, was approved. North Shore Living had a Focused Infection Control Survey on April, 29, 2020. The Employees and Residents at the Care Center were great! The use of PPE and hand hygiene by employees was excellent and they adhered to all the appropriate infection control practices. Everyone practiced appropriate social distancing. North Shore Health received one deficiency regarding the active screening of employees. The issue of active employee screening has created intense dialog throughout the State of Minnesota. The Plan of Correction will be completed to comply with the current definition of active screening but the current interpretation will continue to be appealed. Tom Fleming, Ambulance Director, began work at North Shore Health on Monday, May 11, 2020.

Adjourn:

A motion to adjourn the meeting was made by Steve Nielsen and seconded by Sharon Bloomquist. The motion carried unanimously. The next regular meeting will be held on June 18, 2020.

The regular meeting adjourned at 10:58 a.m.



Chair



Clerk