



**COOK COUNTY HOSPITAL DISTRICT  
BOARD MINUTES FOR SEPTEMBER 17, 2020**

**Call to Order** – Kay Olson called the meeting of the Cook County Hospital District Board of Directors to order on September 17, 2020 at 9:16 a.m. on Zoom and in the Board Room.

**Adjourn to Closed Session** – Justin Mueller made a motion to adjourn into closed session for the Quality Improvement/Peer Review, Medical Staff and Credentials Committee Reports. The motion was seconded by Randy Wiitala and the motion carried with all eyes.

**Closed Session Summary** - The August 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 9:32 a.m.

**Roll Call:**

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

**Members Absent:**

**Others Present:** Kimber Wraalstad; Paul Goetti; Greg Ruberg; Mary Sanders; Milan Schmidt, MD (p); Kate Surbaugh (p); David Mills (p); Bruce Meade (p); Eric Shell (p); Dan Givens (p)

The members of the Board, Dr. Schmidt, Ms. Surbaugh, Mr. Ruberg, Commissioner Mills, Mr. Meade, Mr. Shell and Mr. Givens attended the meeting via Zoom technology. Ms. Wraalstad, Mr. Goetti and Ms. Sanders attended in the Board Room of North Shore Health.

**Approval of Agenda:** Justin Mueller 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 August 20, 2020** – Steve Nielsen made a motion to approve the minutes from the August 20, 2020 meeting as presented and the motion was seconded by Justin Mueller. Motion carried unanimously.

## Updates:

- a. **Clinic Board:** Kate Surbaugh joined the meeting and provided an update from Sawtooth Mountain Clinic (SMC). SMC has signed an agreement with Essentia Health Pharmacy to provide interim pharmacy services until the SMC Pharmacy is opened. The projected opening remains in January 2021. Essentia Health Silver Bay Pharmacy will provide a courier with medications to SMC Monday through Friday. SMC will have a person available in the Clinic Atrium from 10:00 a.m. to 5:00 p.m. The first flu shot clinic of the season was held as a drive-up clinic at the Fire Hall. It went extremely well with great response from the community. SMC has been working very closely with the schools as they reopen. The Respiratory Clinic will be expanded to Monday through Friday now that cold and flu season is arriving.
- b. **County Board:** Commissioner Mills shared the County has hired a County Administrator. James Joerke is expected to begin his service to Cook County on October 12, 2020.
- c. **North Shore Health Care Foundation:** No update at this time.
- d. **Board Members:** The thank you cards for the employees are available for signature by the Board Members. Ms. Wraalstad will coordinate getting the cards to each Board Member for signature with the goal to have them distributed in the next two weeks.
- e. **Correspondence:** None.

## Board Presentation – Investment Program – Bruce Meade

Bruce Meade, Financial Advisor with EdwardJones joined the meeting and provided a brief overview of the current investment portfolio for North Shore Health. Public hospitals may be invested in any security that has been recommended by an investment adviser within the limitations under Minnesota Chapter 118A regarding investments.

**Financial Reports:** Mr. Goettl presented the August 2020 financial statements. Patient days in the Acute Hospital were 9 days or 30% less than budget with inpatient revenue \$24K less than budget. Swing Bed days were 7 greater than budget with revenue \$20K greater than budget. Care Center days were 2 less than budget. Outpatient revenue of \$1,544K is 22% greater than budget. Net Operating Revenue for the month of \$2,280K is 45% better than budget. Total Operating Expenses of \$1,741K are 5% above budget. Employee benefits were above budget due to a timing issue. August's Net Income of \$574K is \$623K better than budget. The year-to-date Income from Operations is \$22K, which is \$1,223K better than budget. Gross Patient Revenue, year-to-date, is down \$921K from budget, mainly caused by less outpatient revenue due to COVID volume reductions. Expenses directly related to COVID from March thru August total \$151K. Deductions from Revenue are \$501K better than budget due to lower patient revenue. The year-to-date Net Income is \$430K, \$1,330K better than budget. Other operating revenue includes \$1.5M of COVID-19 grant funding. These funds cover the reduction in outpatient revenue, versus budget, and the additional expenses associated with COVID-19. Year-to-date FTEs are 107.6, 6.4 less than budget. Days' cash on hand remains strong at 250 days. The 2020 forecast was reviewed in detail by Mr. Goettl. The forecast includes eight months of actual and four months of budget numbers with adjustments to known areas. The six month cashflow analysis continues to be updated and was also reviewed.

## Old Business:

- a) **2021 Levy Request:** The 2020 forecast reviewed during the financial presentation and a 2021 pre-budget estimate was reviewed. The impact of COVID-19 in 2020 and the potential impact in 2021 were discussed. Recently the Centers of Medicare and Medicaid Services (CMS) has shared, in writing, they will not require COVID-19 grant

funds or Paycheck Protection Program loan forgiveness to be offset on the Critical Access Hospital cost report. Both of these programs have provided cash to support the continuing operations of North Shore Health. The COVID-19 Relief funds are also able to be used for COVID-19 expenses and lost revenue through June 30, 2021. The 2021 cash flow statement based on the 2021 pre-budget was reviewed. The thoughts regarding the 2021 levy were discussed at length. Steve Nielsen made a motion to set the levy at \$1,300,000, remaining the same as 2020. The motion was seconded by Randy Wiitala and the motion carried with all ayes.

b) **Other:** None.

#### **New Business:**

- a) **Stroudwater Report:** Eric Shell and Dan Givens from Stroudwater Associates joined the meeting and presented an overview of the Strategic, Financial and Operational Assessment completed in March 2020. The purpose of the Assessment was to identify performance-improvement opportunities that will result in increased financial stability, with areas to address including:
- Evaluation of historic/potential demand for clinical services
  - Identification of opportunities to appropriately address clinical service line gaps
  - Reimbursement and cash flow with emphasis on selected service lines
  - Hospital expense analysis
  - Organizational architecture and management principles
  - Strategic direction

Based upon the Assessment, members of the Leadership Team have developed an Action Plan to address various Stroudwater recommendations. A lengthy discussion was held regarding the strategic direction of North Shore Health. Areas of interest included the Care Center, clinic relationships, partner relationships and payment transformation. It was agreed the Board will continue with the planning review and discussions that were proceeding before being interrupted due to the COVID-19 response.

b) **Other:** None.

#### **Management Report:**

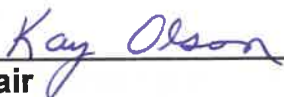
The Management Report for September 2020 included in the Board materials was reviewed. COVID preparation, planning and response activities were reviewed. Plans are being made to move outdoor visits indoors to the Multi-purpose Room location. Skype, Facetime and Zoom visits will continue. The Essential Caregiver (EC) Program at North Shore Living has been successful. There are currently fourteen Essential Caregivers. NSH completed three rounds of PPS testing and all the results were negative! In addition to every resident, employees, physicians and essential caregivers participated in the PPS testing. On August 27, CMS issued two memorandums that gave detailed guidance about the implementation of the testing requirement. Routine testing of all staff will be required at least monthly. Routine testing of staff will be decided based on the county positivity rate using the CMS published county positivity rates, so it is possible weekly or twice weekly testing could occur. Employees and Residents are allowed to refuse testing, however, CMS notes the staff member is not allowed to work. NSH employees will be placed on a two-week quarantine. Mike Flack represented NSH on WTIP on September 11. Mike spoke about the challenges in procuring needed supplies. A meeting was held with representatives of the Community Asset Foundation and Mary Somnis of the Cook County Economic Development Authority. A draft operating proforma is being developed. The evaluation of the Assisted Living opportunity continues. The 2021 capital budget information is being gathered and is in the process of

being finalized. Paul Goettl is beginning to meet with Department Managers to review proposed capital requests, volumes, revenues, expenses and FTEs. The initial draft budget will be presented during the November Board meeting. The Elected Boards of Cook County held a meeting on August 25. Representatives from ISD-166, City of Grand Marais, Cook County, EDA, Grand Portage and North Shore Health attended the meeting. The meeting discussed racial inequity within Cook County. The next meeting of the Joint Elected Boards will be held on October 27, 2020 at 5:00 p.m. to continue the discussion and review draft statements from the task force. Work on the Serenity Garden has begun. The website for the Gift Bricks has been developed and is ready to accept orders: [www.Donationbricks.com/serenitygardenatnsh](http://www.Donationbricks.com/serenitygardenatnsh). Nancy Koloski and Mary Sanders were interviewed on WTIP to discuss the Serenity Garden progress and Friends of the Serenity Garden.

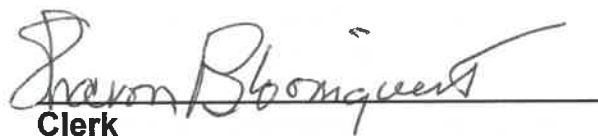
**Adjourn:**

A motion to adjourn the meeting was made by Steve Nielsen and seconded by Justin Mueller. The motion carried unanimously. The next regular meeting will be held on October 22, 2020.

The regular meeting adjourned at 12:34 p.m.

  
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Chair

  
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Clerk