

Brookings Health System
Board of Trustees
Minutes of Meeting
December 18, 2023

The Brookings Health System Board of Trustees held a meeting on December 18, 2023, at the Brookings Hospital in the Board Room with the following members present: Dick Peterson, Sheila Anderson, Lynn Darnall, Andrew Ellsworth, Tracy Greene, Don Greiner, Mary Anne Krogh, David Meyer, and Jim Morgan; Ex-officio: Bonny Specker and Brianna Doran

Management Present: Jason Merkley, CEO; Tammy Hillestad, CNO; Melissa Wagner, CFO and Sheri Wiig, recorder

President Peterson called the meeting to order at 5:00 p.m.

EXECUTIVE SESSION

A motion was made by Anderson, seconded by Meyer to enter Executive Session at 5:04 p.m. pursuant to SDCL 1-25-2.1. Members present were Peterson, Anderson, Darnall, Ellsworth, Greene, Greiner, Krogh, Meyer, and Morgan. Motion carried unanimously.

Upon motion by Ellsworth, second by Greene, the Executive Session concluded at 5:27 p.m. and continued in regular session.

A motion was made by Anderson, second by Morgan that the 2024 base pay for CEO, Jason Merkley, be increased by 3% and the incentive structure remains in place with the same metrics. Motion carried unanimously.

AGENDA

A motion was made by Anderson, seconded by Darnall to approve the agenda. All present voted in favor; motion carried.

CONSENT AGENDA

A motion was made by Krogh, seconded by Meyer to approve the following consent agenda items: October 30, 2023 Board of Trustees meeting minutes, October financials, adjustments and payables. Total payables for October were \$1,617,789.61. All present voted in favor; motion carried.

REPORTS

Executive Reports

CEO Report

Merkley noted, turnover averages for the hospital and The Neighborhoods at Brookview has stabilized for the most part since 2021 and 2022. Merkley also noted, according to a CDC report, South Dakota is one of the best states in the country for nursing home residents who are up to date with COVID-19 vaccines.

CFO Report

Wagner highlighted information regarding CMS's final rule on Medicare Advantage plans for 2024 which most likely was spurred by nationwide press. Of note, according to the 2022 office of inspector general report, 13% of prior authorizations and 18% of payments have been denied by MA plans that would have been approved or covered under Traditional Medicare. In the rule, CMS finalizes impactful changes to address concerns and to advance timely access to medically necessary care for enrollees. The final rule

clarifies clinical criteria guidelines to ensure people with MA receive access to the same medically necessary care they would receive in Traditional Medicare. Wagner also highlighted positive payer trends.

CNO Report

Hillestad shared, onsite regulatory reviews have taken place over the last few months to ensure compliance with standards, i.e., trauma redesignation review, board of pharmacy, sleep lab re-accreditation. Brookings Health also participated in a statewide tabletop disaster preparedness exercise. The mock scenario focused on excessive heat for 72 hours and what that could do to electrical grids and the hospital cooling system. Brookings Health would perform well in this type of scenario.

Board Committee Reports

Administrative Committee Meeting

Board Secretary, Darnall provided a report; the Administrative Committee met on December 12. Topics of discussion included Meditech Expanse/Avera/Workday, FIT – Wellness/Acceleration, Yorkshire Medical Building, FY24 Operating Budget, CEO/Board Annual Evaluations, CEO Compensation/Incentive, Officer Elections, 2024 Committee Structure, 2024 Board Calendar and Recurring Calendar Items.

Committee members also reviewed options for a potential TeamShare/Bonus for staff. A recommendation was brought forward from the committee to reward staff at the highest option that was presented (TeamShare 3rd tier plus an additional \$600 bonus for a total of \$1,500 based on hours worked.) A motion to approve the recommendation was made by Darnall, seconded by Meyer. All present voted in favor. Motion carried.

Merkley noted, Brookings Health has had another good year in many aspects, and we are very fortunate and pleased to be able to reward our staff with this significant bonus. The bonus will be announced on January 2nd and paid to staff mid-January.

Finance Committee

Committee Chair, Anderson provided a report; the Finance Committee met on December 12. The committee reviewed and approved the payables, financials and adjustments for October. Total salaries and wages for October were \$2,806,734. Other topics of discussion included TeamShare/Bonus Options and the proposed FY24 Operating Budget. Wagner provided a review of the highlights of both the 2024 Legacy and Enterprise Operating budgets. Operating margins are budgeted at 3.04% for Enterprise and 4.54% for Legacy.

A motion was brought forward from the Finance Committee recommending approval of the FY24 Operating Budget as presented. The motion was seconded by Morgan. All present voted in favor; motion carried.

Quality Committee

Committee member Ellsworth provided a report. Jeremy Klinkhammer, Administrator at The Neighborhoods at Brookview provided an overview of state survey processes and results from the SD Department of Health survey that took place in August. Other topics of discussion included Infection Related Taskforces and Performance Leadership Award.

OLD BUSINESS

2024 Board Calendar

Board and committee meeting dates for 2024 were reviewed and finalized.

NEW BUSINESS

Medical Staff Credentialing

A motion was made by Ellsworth, seconded by Krogh to approve all credentialing as recommended by the Medical Executive Committee on December 12. All present voted in favor; motion carried.

2024 Board Officer Elections

Discussion took place regarding Board Officer Positions/Elections. Based on the discussion and proposed slate of officers, members agreed to elect Sheila Anderson as President, Lynn Darnall as Vice President, and David Meyer as Secretary. A motion was made by Morgan, seconded by Greiner to approve the 2024 nomination of Board Officers as proposed. All present voted in favor; motion carried.

2024 Board Committee Assignments

President Peterson proposed committee assignments for 2024:

- Administrative Committee - Sheila Anderson, Lynn Darnall David Meyer, Dick Peterson
- Finance Committee – Don Greiner, Chair, Jim Morgan, Tracy Greene
- Quality Committee – Mary Anne Krogh, Chair; Andrew Ellsworth, David Meyer

A motion was made by Krogh, seconded by Greene to approve the 2024 Board Committee Assignments as proposed. All present voted in favor; motion carried.

Annual Board Self Evaluation

Discussion took place on the results from the Annual Board Self-Evaluation. The evaluation questions are laid out according to the Board bylaws and core values. Responses were consistent with past feedback and members recognize self-development/education is an area to focus on. The process of updating the strategic plan this year was helpful. Members were thanked for participating, overall, responses were very positive, and the comments provided good feedback.

Merkley expressed thanks to members for their support and time commitment to Brookings Health System and staff. Members also thanked Dick Peterson for his leadership as Board President over the last two (2) years.

Upon motion by Ellsworth, second by Greene the meeting adjourned at 6:11 p.m. Motion carried unanimously.

Respectfully submitted,

Lynn Darnall, Secretary