

Brookings Health System
Board of Trustees
Minutes of Meeting
April 29, 2024

The Brookings Health System Board of Trustees held a meeting on April 29, 2024, at the Brookings Hospital in the Board Room with the following members present: Sheila Anderson, Lynn Darnall, David Meyer, Dick Peterson, Andrew Ellsworth, Tracy Greene, Don Greiner, Mary Anne Krogh, Jim Morgan (ph.); Ex-officio: Brianna Doran (ph.)

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

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

INVITED GUEST

Geoff Knobloch, CPA/Partner with Eide Bailly was welcomed and introduced. Knobloch presented an overview of the FY23 clean, unmodified financial audit results/opinion issued by Eide Bailly. The audit has been approved by the State Department of Legislative Audit and issued in final format. Knobloch indicated, overall, the audit went very well and financial statements are in good order. 2023's year-end net position was \$105 million and total revenue was \$76.4 million with \$67.3 million in operating expenses. Governmental Accounting Standards Board (GASB) and other items having an impact to financial statements were reviewed. Ratio and benchmark comparisons were favorable in relation to other South Dakota hospitals, Moody's and the Optum database data. 2023's year-end Operating Margin was 11.9%. Knobloch commented Brookings Health is doing very well from an operating and balance sheet perspective.

Knobloch was thanked for his presentation and exited the meeting at 5:22 p.m.

AGENDA

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

CONSENT AGENDA

A motion was made by Ellsworth, seconded by Darnall to approve the following consent agenda items: February 26, 2024, Board of Trustees Meeting Minutes, February and March 2024 financials, adjustments, and payables; total payables for February were \$2,309,979.42 and March were \$3,106,739.47. All present voted in favor; motion carried.

INFORMATIONAL ITEMS

Articles of interest included: "Improving Patient Care and Safety with AI, *Healthcare Executive*; Shaping the Future of Rural Healthcare at Avera, *Midwest Medical Edition*; AHA's Rural Health Services Committee Meeting Highlights, *American Hospital Association*; Top Issues Confronting Hospitals: 2023, *Healthcare Executive*; and, Historic Advancements in Long-Term Care, *White House Briefing Room*.

Merkley commented on the AI article; AI is beginning to demonstrate it can help improve patient care and workforce challenges by helping clinicians efficiently document and analyze imaging and pathology reports. AI is still in the early stages in many clinical areas, but future developments have potential to be beneficial. Merkley shared his thoughts on the CMS minimum staffing mandate for long-term care/skilled nursing facilities and the potential impacts across the country. He appreciates efforts being taken to address understaffing and inadequate nursing home care but fears the mandate will push an already unstable industry even further into the hole.

REPORTS

Executive Reports

CEO Report

Merkley noted, March 4th – 8th marked Brookings Health System's employee appreciation week. Several new, fun activities were included and well received by all staff. Merkley also noted there has been impressive increases in volume in many service areas over the past five years and shared some data with the members.

CFO Report

Wagner provided an update on the Change Healthcare/UnitedHealth Group cyber-attack that took place in February which crippled operations for many hospitals, insurers, pharmacies, and medical groups nationwide. Impact to Brookings Health was mostly an annoyance rather than a full shut down due to our claims processor quickly creating workaround solutions. The attack brought an awareness to the entire industry by demonstrating the multiple layers of patient data flowing that are not always obvious to the provider or consumer. New investigations show there was some level of protected health information (PHI) in the breach and UnitedHealth Group has committed to taking on the administrative burden of informing those affected. Wagner also shared a Medicare Advantage plan appeal took place in February and notice was received that the denial was overturned.

CNO Report

Hillestad shared some updates on the amount of work, training, and preparation that is being done in advance of the May 18th go-live for Meditech Expanse 2.2 implementation. If needed, patient care downtime processes are in place if the update fails to work.

Board Committee Reports

Administrative Committee Meeting

Committee member Meyer provided a report; the Administrative Committee met on April 23rd. Topics of discussion included Eide Bailly Audit, Yorkshire Medical Building Project, EVS Director and Maintenance Projects, FIT – Wellness/Acceleration, Meditech Expanse, Brookings Health System Turnover Data, Board Education and Board Recruitment.

Finance Committee

Committee Chair Greiner provided a report; the Finance Committee met prior to the Board meeting. The committee reviewed and approved payables, adjustments, and financials for February and March. Total salaries and wages were \$2,787,273 for February and \$3,110,751 for March. Geoff Knobloch, CPA/Partner with Eide Bailly provided a detailed review of the FY23 financial audit report. April's Finance Committee meeting minutes will be included with the consent agenda in June's board packet for approval.

Quality Committee

Committee Chair Krogh provided a report; the Quality Committee met on April 23, 2024. Jaclyn Rauhen, Inpatient Care and Case Management Director, presented information on the DAISY Award, a national recognition program that honors and celebrates nurses. Brookings Health will kick off the award program during nurse's week in May. Rauhen also presented an update on the Clinical Enrichment Program (CEP), a 10-week paid internship for nursing students nearing graduation. Other topics of discussion included updates on Sepsis Bundle, Peer Review, and FY25 CMS Proposed Rule.

NEW BUSINESS

Medical Staff Credentialing

A motion was made by Ellsworth, seconded by Peterson to approve all April 2024 credentialing as recommended by the Medical Executive Committee. All present voted in favor; motion carried.

INVITED GUEST

Alyssa Olson, BHS Community Health Worker, presented an update on her impactful work as a CHW within our service area. Olson has been in her role for two (2) years at Brookings Health and is also very involved with the CHW education and programming across the state. Patient referral sources have grown to include wound care, obstetrics, and Avera Medical Group Brookings. Olson acts as a liaison between the patient and hospital/clinic to provide support to patients, decrease readmissions and improve patient outcomes through personalized home visits. She also acts as a valuable resource for connecting patients to services available in the community and addressing social determinants of health. Olson outlined three (3) patient profiles that resulted in very positive outcomes. Members thanked Olson for her presentation and passion she has as a Community Health Worker.

Upon motion by Greene, second by Darnall, the meeting adjourned at 6:18 p.m. Motion carried unanimously.

Respectfully submitted,

David Meyer