

Brookings Health System Board of Trustees
Minutes of Meeting
Monday, December 16, 2024

The Brookings Health System Board of Trustees held a meeting 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 and Jim Morgan. Ex-officio: Andrew Rasmussen, Brianna Doran and Ryan Krogman

Absent: Mary Anne Krogh

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.

AGENDA

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

CONSENT AGENDA

A motion was made by Peterson, seconded by Ellsworth to approve the following consent agenda items: October 28, 2024, Board of Trustees meeting minutes, December 4, 2024, Medical Executive Committee meeting minutes, October 2024 financials, adjustments, and payables; total payables for October were \$2,790,872.21. All present voted in favor; motion carried.

INFORMATIONAL ITEMS

Articles of interest included: “How AI is changing healthcare”, *Managed Healthcare Executive*; “At Home in Huron, How HRMS is Cultivating a Diverse Workforce”, *Midwest Medical Edition*; and “President-elect Trump taps Dr. Oz for CMS administrator: 10 things to know”, *Becker’s Hospital Review*.

REPORTS

Executive Reports

CEO Report

Merkley noted Brookings Health System Foundation fundraising efforts for the purchase of a new advanced life support ambulance are coming along totaling approximately \$121,000 at this point. Merkley also mentioned, results from the recent employee pulse survey reflect staff are feeling positive about improvements that have been taken place over the past year on pay, recognition and benefits. Work will continue to take place into 2025 on actionable areas for improvement.

CFO Report

Wagner provided an update on payor mix trends from 2023 to 2024 as well as Medicare Advantage enrollment changes with an increased market shift to BCBS and Medica. Wagner also shared information regarding CMS’s final rule on Medicare Advantage plans and Part D for 2025.

CNO Report

Hillestad provided an update on the IV/irrigation solution shortage from the Baxter facility which is still impacting many facilities. Brookings Health is receiving some allocations but not what was expected.

Conservation efforts are still in place and inventory is adequate to cover most surgical needs. Hillestad also noted influenza and upper respiratory illness season is upon us as there have been a few patients admitted recently to the inpatient unit.

Board Committee Reports

Administrative Committee Meeting

Committee member Meyer provided a report; the Administrative Committee met on December 10th. Topics of discussion included the Yorkshire Medical Building, Meditech Expanse/Avera/Workday/Epic, FY25 Operating Budget, CEO/Board Annual Evaluations, CEO Compensation, 2025 Board Calendar, 2025 Committee Structure/Assignments, Succession Planning/Officer Election, and City Charter. Committee members also reviewed options for a potential incentive bonus for staff. A recommendation was brought forward from the committee to reward staff at the highest option that was presented.

A motion to approve the recommendation was made by Peterson, seconded by Ellsworth. 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 early next week and paid to staff the last payroll in December.

Finance Committee

Committee Chair Greiner provided a report; the Finance Committee met on December 10th. The committee reviewed and approved payables, adjustments, and financials for October. Total salaries and wages for October were \$3,048,281. Wagner also provided a detailed overview of the proposed FY25 Operating Budget. Operating margins are conservatively budgeted at 2.71% for Enterprise and 4.87% for Legacy.

A motion was brought forward from the Finance Committee recommending approval of the FY25 Operating Budget as presented. The motion was seconded by Morgan. All present voted in favor; motion carried.

OLD BUSINESS

2024 Board Calendar

Board and committee meeting dates for 2025 were reviewed and finalized.

2025 AHA Rural Health Care Leadership Conference

Merkley reminded members the American Hospital Association (AHA) Rural Health Care Leadership Conference will be held February 23-26, 2025, in San Antonio. Members were encouraged to reach out to Wiig soon if planning to attend.

NEW BUSINESS

Medical Staff Credentialing

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

2025 Board Officer Elections

Discussion took place regarding Board Officer Positions/Elections and leadership succession. Based on discussion and proposed slate of officers presented, members agreed to elect Lynn Darnall as President, David Meyer as Vice President, and Mary Anne Krogh as Secretary. A motion was made by Green, seconded by Morgan to approve the 2025 nomination of Board Officers as proposed. All present voted in favor; motion carried.

2025 Board Committee Assignments

President Anderson proposed committee assignments for 2025:

- Administrative Committee – Lynn Darnall, David Meyer, Mary Anne Krogh, Sheila Anderson
- Finance Committee – Don Greiner, Chair, Tracy Greene, David Jones (new member)
- Quality Committee – Mary Anne Krogh, Chair; David Meyer, Shelby Eischen and Jenn Barlund (new members)

Members agreed with committee assignments. A motion was made by Darnall, seconded by Greiner. 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 as an area to focus on. Overall, responses were very positive, and the comments provided good feedback. Members were thanked for participating. Darnall expressed the importance of attending the AHA Rural Health Leadership conference within the first term of serving on the Board.

Farewell and thank you to Board Trustees Dick Peterson, Jim Morgan, and Dr. Andrew Ellsworth

Merkley and fellow board members thanked Peterson, Ellsworth, and Morgan for their expertise and leadership for nine (9) + years of service each in governing Brookings Health System. All three (3) exiting members expressed parting words and appreciation for the opportunity to serve as a Board Trustee.

EXECUTIVE SESSION

A motion was made by Peterson, second by Morgan to enter Executive Session at 5:55 p.m. pursuant to SDCL 1-25-2.1. Members present were Anderson, Darnall, Meyer, Peterson, Ellsworth, Greene, Greiner, and Morgan; motion carried. A motion was made by Ellsworth, second by Greene, to exit Executive Session at 6:20 p.m. and continue in regular session; motion carried.

A motion was made by Peterson, second by Morgan that the 2025 base pay for CEO, Jason Merkley, be increased by 4% and the incentive structure remains in place with the same metrics; motion carried unanimously.

Upon motion by Meyer, second by Greene, the meeting adjourned at 6:25 p.m. Motion carried unanimously.

Respectfully submitted,

David Meyer