Brookings Health System Board of Trustees

Minutes of Meeting
Monday, December 15, 2025

The Brookings Health System Board of Trustees held a meeting at the Brookings Hospital in the Board Room with the following members present: Lynn Darnall, David Meyer, Sheila Anderson (ph.), Jenn Barlund, Shelby Eischens, Tracy Greene, Don Greiner, and David Jones.
Ex-officio: Lisa Hager and Dave Miller
Absent: Mary Anne Krogh

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

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

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

CONSENT AGENDA
A motion was made by Eischens, seconded by Jones to approve the following consent agenda items. The motion carried unanimously.
A. October 27, 2025, Board of Trustees meeting minutes
B. October 2025 financials (total payables in October were $3,184,794.82)

INFORMATIONAL ITEM
Article of interest included: "Healthcare's Embrace of AI", *Managed Healthcare Executive*.

REPORTS
Executive Reports
CEO Report
Merkley reported that Emily's Hope naloxone life-saving initiative has been well received with approximately 30 boxes distributed to date. Brookings Health System's Foundation fundraising efforts during South Dakota's Day of Giving were successful. This year's cause continued its focus on raising funds for a new life support ambulance. Total generated to date is approximately $245,000. Merkley also noted that Governor Rhoden's proposed budget includes no increase for education, health care, or state employees, and confirmed Medicaid expansion figures aligned with projections.

CFO Report
Wagner reported that the State's proposed Medicaid reimbursement methodology for all facilities has been postponed indefinitely following feedback from hospitals and health systems. Waystar, a medical claims clearinghouse went live at Brookings Health on November 10th in an effort to streamline workflows as part of the transition to Epic.

CNO Report
Hillestad reported increased volumes across multiple areas. October marked the highest surgical activity with 384 procedures, surpassing 362 in October 2024. Obstetric services are also projected to have a record number of births this year.

Board Committee Reports

Administrative Committee Meeting

President Darnall provided a report; the Administrative Committee met on December 9th. Topics of discussion included Workday/Epic, Sanford/Prairie Lakes/Rapid City, OBBB/SD Rural Health Transformation Plan, FY26 Operating Budget, 2026 Board Calendar, 2026 Board Officer Election, 2026 Committee Structure, CEO/Board Annual Evaluations, CEO Compensation, Northern Plains Health Network and End of Year – Employee Bonus. A recommendation was brought forward by the committee to reward staff with an end of the year bonus based on hours worked.

A motion to approve the recommendation was made by Barlund, seconded by Meyer. The motion carried unanimously. Merkley noted that Brookings Health had another successful year and we are very fortunate and pleased to provide staff with a significant bonus. The bonus structure will mirror the past few years and will be announced next week, with payment issued in the final December payroll.

Finance Committee

Committee Chair Greiner provided a report; the Finance Committee met on December 9th. The committee reviewed and approved the October 2025 payables, financials, and adjustments. Total salaries and wages in October were $2,478,462. Wagner also provided a detailed overview of the proposed FY26 Operating Budget. Operating margins are conservatively budgeted at 2.58% for Enterprise and 4.62% for Legacy.

A motion was brought forward by the Finance Committee recommending approval of the FY26 Operating Budget as presented. The motion was seconded by Eischens. All present voted in favor; motion carried.

Quality Committee

Committee member Barlund provided a report; the Quality Committee met on December 9th. Invited guest, Jeremy Klinkhammer, Administrator for The Neighborhoods at Brookview presented information on The Neighborhoods star rating and results from two health related State Department of Health surveys. Other topics of discussion included the Patient Safety Survey, 2026 TeamShare Proposal and CMS' Inpatient Prospective Payment Final Rule.

OLD BUSINESS

2026 Board Calendar

Board and committee meeting dates for 2026 were reviewed and finalized.

2026 AHA Rural Health Care Leadership Conference

Merkley reminded members the American Hospital Association (AHA) Rural Health Care Leadership Conference will be held February 8-11, 2026, in San Antonio. Members were encouraged to reach out to Wiig soon if planning to attend.

NEW BUSINESS

Medical Staff Credentialing

Dr. Eischens presented medical staff credentialing for October 2025. A motion was made by Eischens, seconded by Greiner to approve all credentialing as recommended by the Medical Executive Committee. All present voted in favor; motion carried.

2026 Board Officer Election

Discussion was held regarding Board Officer Positions/Elections. Based on discussion and proposed slate of officers presented, members agreed to elect David Meyer as President, Mary Anne Krogh as Vice President, and Tracy Greene as Secretary.

A motion was made by Barlund, seconded by Jones to approve the 2026 nomination of Board Officers as proposed. All present voted in favor; motion carried.

2026 Boad Committee Assignments

President Darnall proposed committee assignments for 2026:

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

All members agreed to the proposed committee assignments.

Annual Board Self Evaluation

Discussion was held on the Annual Board Self-Evaluation results. Questions aligned with Board Bylaws and core values, and responses were consistent with prior feedback. Members identified self-development and education as key areas for improvement. Overall feedback was positive and constructive. To enhance board education on hospital services, future meetings will include facility tours and participation from additional department leaders. Darnall thanked members for participating.

Farewell and thank you to Board Trustee Sheila Anderson

Merkley and the Board expressed appreciation to Anderson for over nine years of dedicated service and leadership on the Brookings Health System Board. Her financial background and contributions, particularly in developing executive reports, were instrumental. Anderson shared her gratitude for the opportunity to serve.

EXECUTIVE SESSION

A motion was made by Meyer, second by Jones to enter Executive Session at 6:15 p.m. pursuant to SDCL 1-25-2(1) for the purpose of discussing a personnel matter. Members present were Darnall, Anderson, Meyer, Barlund, Eischens, Jones, Greene, and Greiner; motion carried.

A motion was made by Anderson, second by Greiner, to exit Executive Session at 6:40 p.m. and continue in regular session; motion carried.

A motion was made by Anderson, second by Barlund that the 2026 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 Greene, second by Jones, the meeting adjourned at 6:45 p.m. Motion carried unanimously.

Respectfully submitted,

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David Meyer