Brookings Health System
Board of Trustees Minutes of Meeting
Monday, January 26, 2026
Board Room, Brookings Hospital

The Brookings Health System Board of Trustees held a meeting at the Brookings Hospital in the Board Room with the following members present: David Meyer, Mary Anne Krogh, Tracy Greene, Lynn Darnall, Jenn Barlund, Shelby Eischens, Don Greiner, Shawna Hanson, and David Jones.
Ex-officio: Brianna Doran and Larry Jensen

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

Call to Order: President Meyer called the meeting to order at 5:00 p.m.

Introductions
New board member, Shawna Hanson, and Brookings County appointed ex-officio, Larry Jensen, were introduced and welcomed.

Education
Emily's Hope Distribution Box/Behavioral Health – at 5pm attendees proceeded to the emergency entrance to view the newly installed community-access naloxone distribution box. The project was completed in partnership with Emily's Hope and Let's be Clear, a joint effort between the South Dakota Department of Health and the South Dakota Department of Social Services to address substance misuse and substance use disorders as part of the South Dakota Opioid Use Strategic Plan. Following the walk-through, attendees returned to the Board Room where Karen Weber, Emergency Department Director, presented an overview of behavioral health initiatives and community partnerships currently in place. Weber highlighted ongoing efforts to reduce stigma and judgement surrounding behavioral health and emphasized the importance of collaborative work across the community.

Weber was thanked for her informative presentation and departed the meeting at 5:40 p.m.

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

Consent Agenda Approval
A motion was made by Krogh, seconded by Darnall to approve the following consent agenda items. The motion carried unanimously.
A. December 15, 2025, Board of Trustees meeting minutes
B. December 16, 2025, Corporate Compliance meeting minutes
C. November and Preliminary December 2025 financials (total payables were $2,540,328.99 for November and $3,916,953.29 for December)

Strategic Plan Update
January is one of two months slated to provide the board with a periodic update on each of the pillars of success included in Brookings Health's 2023-2026 Strategic Plan. Management provided reports on current efforts that are underway within each pillar.

- People Pillar:
    - 2025 Employee Engagement Pulse Check Survey – Results showed improved response rate and positive trend compared to the pulse check survey in 2023. Organization and department level action plans will continue to address identified opportunities.
    - Talent Acquisition Specialist, Jamie Brutty, hired one year ago, has focused on strengthening Brookings Health's workforce pipeline through school partnerships, career fairs, internships, and related community engagement. Strong progress is being made to support Brookings Health's future staffing needs.
- Quality Pillar: Taskforce efforts remain focused on improving performance in three (3) CMS quality domains: Safety of Care, Mortality/Readmissions, and Timely & Effective Care, with the goal of achieving measure results below national benchmarks.
- Service Pillar: Patient Experience Service Team initiatives along with efforts across multiple service areas, remain focused on achieving patient satisfaction scores at or above NRC average, with a target of 81.5% or higher. Ongoing monitoring of NRC survey results will continue.
- Finance Pillar:
    - The history of the Rural Community Hospital Demonstration (RCHD) Program was reviewed. For Brookings Health, the program expired in October 2025 and discussions with US Senator Thune's office are underway regarding a potential extension request to Congress at the end of 2026.
    - Trendlines for historical margins and net revenue/expense growth were reviewed which indicate strong performance overall, though expense increases need further improvement.
    - Net days in AR trends have decreased but require continued improvement. The goal remains to reduce this metric by two days annually until reaching the standard of 40 days.
- Growth Pillar: Physician recruitment has strengthened, with four new physicians joining over the next few years in General Surgery, Family Medicine, and Orthopedics. With support from the shared Avera–Brookings Health physician recruiter, current priorities include Emergency Medicine, Urology, Family/Internal Medicine, and Dermatology.

Informational Items

Articles of interest included: "Selling Direct", *Managed Healthcare Executive*; "The Future is Now", *Midwest Medical Edition*; "Proof will be in the details: Hospital leaders await clarity on rural health funds", *Becker's Hospital Review*; and "After a blockbuster 2025, Sanford Health eyes future growth", *Becker's Hospital Review.*

Executive and Board Committee Reports

CEO Report

Merkley reported that the $189M SD Rural Health Transformation bill is still awaiting legislative approval. He noted challenges regarding the program's structure and funding, and emphasized that, if approved, the subsequent RFP process will require significant time and resources. He expressed hope that a clear and workable plan will be developed. Merkley also reported that Epic go-live is 120 days away with much work to be done.

CFO Report

Wagner reported on Epic readiness for the Revenue Cycle team noting that current efforts are focused on the Charge Description Master to ensure Epic pricing accuracy to prevent any impact to revenue at go-live.

CNO Report

Hillestad provided an update on The DAISY Award, a recognition program launched in April 2024 to honor exemplary Brookings Health System RNs and LPNs through nominations from patients, families, and colleagues. Two nurses are selected annually. Since the program's inception, seventy-eight nurses across the organization have been recognized.

Administrative Committee Meeting

President Meyer provided a report; the Administrative Committee met on January 20th. Topics of discussion included Workday/Epic, Avera/Sanford, OBBB/SD Rural Health Transformation Plan, 2026 TeamShare Incentive, Strategic Plan Update, Volga Clinic, AMGB Building Plans/Old North Circle, Health System Insurance Lines, SD Legislative Session, Corporate Compliance Minutes, County Commission, and SoDak Spurs Funding Request.

Finance Committee

Committee Chair Greiner provided a report; the Finance Committee met on January 20th. The committee reviewed and approved the payables, adjustments, and financials for November 2025 and preliminary financials for December 2025. Total salaries and wages were $2,710,942 for November and $2,643,032 for December. Other topics of discussion included a Cash Flow Update and Clinic Downstream Revenue. The committee also reviewed the proposed 2026 TeamShare incentive finance goal and recommended board approval.

Quality Committee

Committee Chair Barlund provided a report; the Quality Committee met on January 20th. Topics of discussion included the 2025 Organ & Tissue Donation Program, 2026 Performance Improvement projects, Overview of 2025 Quality and Service Programs, and the Opioid Taskforce. The committee also reviewed the proposed 2026 TeamShare incentive quality/service goal and recommended board approval.

New Business

FY26 TeamShare Incentive

TeamShare is Brookings Health System's overall incentive program for the organization with new goals being established annually and combines three pillars of success: quality/service and finance. The Quality and Finance committees reviewed the FY26 TeamShare incentive structure and tiers respectively and both recommend board approval.

A motion was made by Barlund to approve the proposed TeamShare Incentive Program as presented. Service/Quality incentive tiers will remain at 80%, 80.5%, 81%, and 81.5% and Finance tiers will be set at 5.07%, 5.49%, 5.96%, and 6.46%. The motion was seconded by Darnall. All present voted in favor; motion carried.

Annual Conflict of Interest Statement

Annual Conflict of Interest Statements were distributed. Members were asked to review, sign, and return them to Wiig.

Adjournment

Upon motion by Eischens, second by Jones, the meeting adjourned at 6:35 p.m. Motion carried unanimously.

Respectfully submitted,
Tracy Greene, Secretary