

Brookings Health System Board of Trustees

Minutes of Meeting
Monday, March 31, 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, Mary Anne Krogh (ph.), David Meyer, Sheila Anderson (ph.), Jenn Barlund, Shelby Eischens, Tracy Greene, Don Greiner, and David Jones. Ex-officio: Brianna Doran (ph.)

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.

INVITED GUESTS - Eide Bailly FY24 Audit Presentation

Geoff Knobloch, CPA/Partner (ph.) and Dylan Shaw, Audit Manager with Eide Bailly were welcomed and introduced. Knobloch presented an overview of the FY24 clean, unmodified financial audit results/opinion issued by Eide Bailly. The draft audit has been submitted to the State Department of Legislative Audit for final approval.

Knobloch indicated, overall, the audit went very well and financial statements are in good order. 2024's year-end net position was \$172 million, total revenue was \$81 million with \$67.7 million in operating expenses, and 2024's year-end operating margin was 16.4%. Governmental Accounting Standards Board (GASB) and other items having an impact to financial statements were reviewed. Ratio and benchmark comparisons were very positive in relation to other South Dakota hospitals, Moody's and the Optum database. Knobloch was very complimentary and stated Brookings Health is doing quite well from an operating and balance sheet perspective.

Knobloch and Shaw were thanked for their presentation and exited the meeting at 5:22 p.m.

AGENDA

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

CONSENT AGENDA

A motion was made by Meyer, seconded by Jones to approve the following consent agenda items: February 24, 2025, Board of Trustees meeting minutes and February YTD Financials. Total payables were \$2,762,473.86 for January and \$3,159,240.86 for February. All present voted in favor; motion carried.

INFORMATIONAL ITEMS

Articles of interest included: "The Growing Impact of Medicare Advantage on Rural Hospitals Across America", *American Hospital Association*; "Taking it to the Streets", *Midwest Medical Edition*; and "Tax-Exempt Status Reviewed at Nonprofits", *Healthcare Executive*.

Discussion was held on the report from the American Hospital Association regarding impacts to rural hospitals across the country relating to Medicare Advantage plans versus traditional Medicare. Merkley commented, with the continued growth in MA enrollment, it takes constant vigilance to stay current on plan differences and associated challenges. Unsustainable reimbursement rates/denials, access to quality

care, and administrative burdens due to Medicare Advantage continue to strain rural hospitals in their ability to provide critical care in underserved areas.

REPORTS

Executive Reports

CEO Report

Merkley noted Joshua Warne was recently elected and is a nice addition to the Brookings Health System Foundation Board. Sunday, March 30th was National Doctor's Day, an annual observance to thank our physicians for all they do. A gift of appreciation was given to our local physicians and outreach providers. Merkley also provided a legislative brief from the South Dakota Association of Healthcare Organizations on impacts to health care providers from the 2025 session.

CFO Report

Wagner provided an update on Medicare Advantage enrollment for Brookings County participants. Wagner also highlighted there is more work to be done regarding Covid-19 related federal dollars with Health Resources and Services Administration (HRSA) continuing their audit.

CNO Report

Hillestad shared information regarding the Doula program utilized at Brookings Health to offer emotional, physical, and informational support to families during pregnancy, labor, birth, and the postpartum period. Brookings Health recently provided two scholarships to bi-lingual individuals who speak both Spanish and English to become doulas. Scholarship recipients will be enrolled as a doula with Brookings Health System to serve Spanish-speaking patients.

Board Committee Reports

Administrative Committee Meeting

President Darnall provided a report; the Administrative Committee met on March 25th. Topics of discussion included Yorkshire Medical Building, Workday/Epic, Legislative Update, Brookings Childcare Collaborative, SD Department of Health Survey, Eide Bailly Audit, Swiftel/Mediacom Cable, and the J1 Visa Program. Merkley noted, in April, the Board will tour the new Yorkshire Medical Building after the meeting.

Quality Committee

Committee member Meyer provided a report; the Quality Committee met on March 25th. Christy Virchow, Director of Nursing at The Neighborhoods at Brookview, provided information on CASPER (Certification and Survey Provider Enhanced Reporting) which is used as a standardized assessment tool in long-term care facilities related to fifteen (15) quality measures. Other topics of discussion included Q3 and Q4 2024 Patient Experience Report, SD Department of Health Survey, and Top 20 Chartis Performance Index information. Merkley commented the DOH survey went well, staff did a tremendous job and there are only few minor deficiencies to address. Upon completion of their visit, surveyors were very complimentary of our team and facility.

Finance Committee

Merkley noted the Finance Committee met prior to the Board meeting and approved financials for January and February 2025. March's Finance Committee meeting minutes will be included with the consent agenda in April's board packet for approval. Total YTD February salaries and wages were \$4,236,274.

Upon motion by Barlund, second by Eischens, the meeting adjourned at 6:10 p.m. Motion carried unanimously.

Respectfully submitted,

Mary Anne Krogh, Secretary