

BAY AREA HOSPITAL DISTRICT BOARD MEETING
February 13, 2024, MINUTES
Bay Area Hospital Myrtle Conference Room @ 6:05 pm

BOARD EDUCATION SESSION – Strategic Options – Rex Burgdorfer, Juniper Advisory

CALL TO ORDER

Mr. Troy Cribbins, Board Chairperson, called the Bay Area Hospital (BAH) District Board meeting to order at 6:10 pm. A quorum was present.

BOARD ATTENDANCE

Troy Cribbins, Tom McAndrew, MD; Barb Taylor; Patrice Parrott; Carma Erickson-Hurt (*via Teams*)

ABSENT

Lee Saltzgaber, MD, CMO (*excused*)

STAFF ATTENDANCE

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO; Mary Lou Tate, CFO; Calvin Thomas, interim COO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, COS (Chief of Staff); Denise Bowers, EA

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT

None

CHANGE IN AGENDA ORDER

The scheduled Cybersecurity Annual Report presentation by Mr. Bryce Grotzke will be made in the Executive Session.

REPORT OF THE BOARD CHAIRPERSON COMMENTS – Mr. Troy Cribbins

Chairperson Cribbins ceded his agenda time to Mr. Brian Moore after announcing that at the recent Special Districts of Oregon (SDAO) conference, Mr. Moore received his Special District Manager of the Year award, as had been previously announced to the board. Congratulations were given to Mr. Moore and appreciation for the work that led to this award being granted.

CONSENT AGENDA

The consent agenda included:

Board Meeting Minutes – January 9, 2024; Board Work Session Minutes – January 10, 2024; MEC (Medical Executive Committee) Approved Minutes – December 27, 2023; Quality Approved Minutes – November 29, 2023; Finance Approved Minutes – November 28, 2023; Balanced Scorecard – December 2023

Action Taken by the Board:

Dr. Tom McAndrew moved to approve the Consent Agenda as presented in the board packet. Ms. Barbara Taylor seconded, and the motion carried on a call of vote.

QUALITY AND PATIENT SAFETY COMMITTEE (QPSC) REPORT – Ms. Patrice Parrott

Ms. Parrott reported that the QPSC met and discussed the new benchmarks set out by CMS for Central Line Associated Blood Stream Infection, Catheter- associated Urinary Tract Infection, Clostridium

Difficile Infection, surgical site infections and Mortality. The committee voted to adopt the CMS benchmarks for our internal QAPI plan.

There were multiple findings from the Joint Commission survey that were closed due to 12 months of documented compliance. There are no areas of concern on the quality board report card.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO

Financial Recovery

Mr. Moore reported that BAH volumes are strong with staffed in-patient beds, citing the patient acuity and availability of discharge support from the community help with our continued work on financial recovery for the organization, advising that a few one-time hits will be occur in the coming months, eroding our financial safety margin related to bank covenants. Improvement in denials management continues and updates on that will be brought to the board and finance committee regularly. Mr. Moore offered that timing is good now for the board to look toward the future and do some planning to lock in reserved time to have those strategic forward-facing conversations. Questions were asked and answered.

Medical Staff

Mr. Moore reported that BAH has invited Advanced Health, North Bend Medical Center, and Bay Clinic to collectively commission and fund a quantified look at physician staffing levels in the community, looking specifically at how many physicians are in each specialty. The plan will be to pull together a coalition to discuss lessons learned from recent recruitment experience and identify opportunities for improvement in the model. The list of specialties that we stand to lose to our community is growing.

Quality Report on Clinical Quality, Ms. Kelli Dion, CQO

Ms. Dion reviewed the report as was included in the packet. Questions were asked and answered on length of stay. Mr. Moore responded to a request from the board to follow up on connecting with the community hospices, South Coast Hospice and Pacific Home Health & Hospice. These earlier referrals could help patients not have additional in-patient days, affecting length of stay. Mr. Moore will follow up with Dr. Saltzgeber to get those connections made.

FINANCIAL OFFICER REPORT – Ms. Barbara Taylor, Treasurer

Ms. Taylor reviewed the financials as presented in the packet.

Overall, Bay Area hospital earned \$1.7M in December vs. budgeted income of \$214K and last year's loss of \$2.0M. Gross Revenue during the month was strong, ending at \$60.2M overall, \$3.8M ahead of budget. Net Revenue, however, ended the month with a Net to Gross Revenue Margin of 32.9% or \$326K below budget. This margin decline results from the continued decline in Commercial Payer Mix, \$192K write-off of Legacy System balances and VA Insurance payment recoupment of \$111K. Also, starting in October, the budget assumed all payer contract renegotiations would be finalized and the hospital's Net to Gross Revenue would climb to 35.7%. Regence BCBS contract increase became effective on 12/15/23; Pacific Source will be effective 01/01/24; and we expect MODA to be effective in February 2024 as well. Actual operating expenses were slightly below budgeted expenses by \$36K. Gains on investments during the month totaled \$1.6M. Overall, Net Income for the month exceeded budget by \$1.5M. Comprehensive financial documents were included in the board packet.

Capital Item for approval

Ms. Tate included a capital item for approval in the packet as recommended for Board approval by the Finance Committee, stating that we are asking for approval to purchase under the capital policy. This is a 10-year agreement for subscription-based licenses, hardware, and support for a total cost of \$905,633.

Due to accounting rules this 10-year subscription-based agreement is treated as capital. Our capital policy needs to be updated to reflect the new accounting rules as subscription-based capital items are a grey area in

our current policy. We will not own the system at the end of the agreement. There was a comprehensive document outlining the request included in the board packet.

Action Taken by the Board:

Dr. Tom McAndrew moved to approve the purchase of the Varian-Aria system as recommended by the Finance Committee and as presented in the board packet. Ms. Barbara Taylor seconded, and the motion carried on a call of vote.

Change in Investment Advisor

The board's attention was called to page 56 of the board packet regarding a change in the hospital's investment advisor to reduce the cost of our investment portfolio. The request is to change Investment Advisors from Loomis to Morgan Stanley ZFIM. The Finance Committee approved this change and is recommending it to the board. The background summary included in the packet advised that Bay Area Hospital has the funded depreciation account invested per OARS 295. Our Investment Advisors are Graystone Consulting, our Investment Managers are Loomis CIS, and our Custodial Account is with US Bank. Combined we are paying 26 bps to the 3 entities on the Funded Depreciation Account (Approximately \$50M). By moving to Morgan Stanley ZFIM the fees will decrease to 17 bps.

Action Taken by the Board:

Ms. Barbara Taylor moved to approve the change in our investment advisor from Loomis to Morgan Stanley ZFIM as recommended by the Finance Committee and as presented in the board packet. Ms. Carma Erickson-Hurt seconded, and the motion carried on a call of vote.

Change in Investment Strategy

The recommendation of the Finance Committee is to change our investment strategy as advised by Graystone. Their comprehensive proposal was included in the board packet. There was some discussion with questions asked and answered.

Action Taken by the Board:

Ms. Barbara Taylor moved to approve the change in our investment strategy as recommended by the Finance Committee and as presented in the board packet. Dr. McAndrew Hurt seconded, and the motion carried on a call of vote.

MEDICAL STAFF CREDENTIALS REPORT – Dr. Lee Saltzgaber

This report was reviewed in the Executive Session.

EXECUTIVE SESSION

The Board went into Executive Session as authorized by ORS 192.660(2) at 7:16pm to:

- (c) consider matters pertaining to the function of the medical staff at a public hospital*
- (f) consider information or records that are exempt by law from public inspection*
- (h) consult with legal counsel concerning the legal rights and duties of the District with regard to current litigation or litigation likely to be filed*

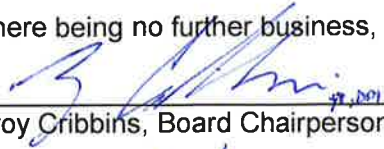
OPEN SESSION

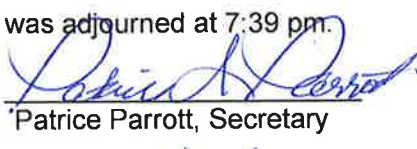
Chairperson Cribbins reopened the meeting into public session at 7:55 pm.

Action taken by the Board: Dr. Tom McAndrew moved to approve the Credentialing Report as presented in the packet. Ms. Patrice Parrott seconded the motion. There was no further discussion and the motion carried on call for vote.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:39 pm.


Troy Cribbins, Board Chairperson


Patrice Parrott, Secretary

Date: 3/12/24

Date: 03/12/2024