

BAY AREA HOSPITAL DISTRICT BOARD MEETING**April 11, 2023 MINUTES***Bay Area Hospital Myrtle Conference Room @ 6:05 pm***BOARD EDUCATION SESSION – CEO Evaluation****CALL TO ORDER**

Dr. Tom McAndrew, MD, Board Chairperson, called the Bay Area Hospital (BAH) District Board meeting to order at 6:05 pm. A quorum was present.

BOARD ATTENDANCE

Chairperson Tom McAndrew, MD; Donna Rabin, MD; Barb Taylor; Carma Erickson-Hurt; Troy Cribbins

ABSENT

Brianna Hanson (excused)

STAFF ATTENDANCE

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO; Clay England, CHRO; Mary Lou Tate, CFO (*via TEAMS*); Lee Saltzgaber, MD, CMO; Patrick Varga, CIO; Kim Winker, Director of Marketing; Dr. El Youssef, Chief of Staff; Denise Bowers, EA

LEGAL COUNSEL

Megan Kronsteiner, Esq. was present.

PUBLIC ATTENDANCE AND INPUT

Two members of the public were in attendance; 1 in-person and 1 virtually. They had no comment.

CHAIRPERSON COMMENTS – Dr. Tom McAndrew

Chairman McAndrew thanked members of the administration team for negotiating an agreement that led to ratification of the UFCW contract, commenting that the process had been lengthy and outside previous experiences. The rest of the board had a general consensus of gratitude for a successful end to the contract negotiation over the past ten months. All thanked the administration team.

RESOLUTION TO MODIFY TERM LOAN AGREEMENT AND PROVIDE ADDITIONAL SECURITY FOR 2020 SERIES B NOTE

This item was deferred until later in the agenda.

FIRST QUARTER COMPLIANCE MONITORING REPORT

Mr. Garrett Smith of The Fox Group was on hand to answer any questions that the board may have regarding the 1st Quarter Compliance Monitoring Report as it was included in the board packet.

Action Taken by the Board: Ms. Barbara Taylor moved to approve the 1st Quarter Compliance Monitoring Report as presented in the packet. Ms. Carma Erickson-Hurt seconded, and the motion carried on call of vote.

CONSENT AGENDA

The consent agenda included the March 2023 Board minutes; approved Finance Committee, Quality Committee and Medical Executive Committee minutes for February 2023.

Action Taken by the Board: Dr. Donna Rabin moved to approve the Consent Agenda as presented in the packet. Mr. Troy Cribbins seconded, and the motion carried on call of vote.

RESOLUTION TO MODIFY TERM LOAN AGREEMENT AND PROVIDE ADDITIONAL SECURITY FOR 2020 SERIES B NOTE

Mr. Moore reviewed that Bank of the West has asked the board to pass a Resolution to Modify Term Loan Agreement which would permit the 60-day public notice period to begin. During the 60 days the bank intends to provide terms for the hospital to consider that would allow the hospital to exit default status for an extended forbearance period or modify the terms for the remainder of the loan period in exchange for additional collateral which would include real estate. The desired outcome is to negotiate acceptable terms to cure the default status of the current loan with Bank of the West. The hospital's attorney is working on final resolution language after a discussion with the bank's attorney on Monday, April 10, 2023. Management recommends that the board reschedule this agenda item for the Finance Recovery Update meeting scheduled at noon on Wednesday, April 19, 2023. During the robust discussion that followed, the board had questions asked and answered as well as requesting clarity prior to the meeting of 4/19/23.

Action Taken by the Board: Mr. Troy Cribbins moved to delay the consideration of the Resolution to Modify Term Loan Agreement and Provide Additional Security For 2020 Series B Note to the board's scheduled meeting at 12:00 p.m. on April 19, 2023. Ms. Barbara Taylor seconded, and the motion carried on call of vote.

BOARD ROLES

There was a short reminder given to the board to begin consideration of board roles they are interested in for the next two years. These appointments will occur after May election.

QUALITY AND PATIENT SAFETY COMMITTEE (QPSC) REPORT – Dr. Donna Rabin

Dr. Rabin provided an update to the Joint Commission Survey Results work being done. 27/45 standard items were moved to a quarterly review cadence; 7/45 no longer require monitoring; there were no CAUTI or central line infections; and 3 Surgical Site Infections (SSI) which have specific approaches to be resolved. The Operating Team was involved in the investigation process. Other process improvements include a more formal process to notify physicians of SSI's resulting after surgeries they have performed. Communication used to be verbal, but is now a more formal process, which has prompted an accelerated response – the whole team will be involved and things will move faster to resolution. There are new scalpels for deep tissue surgeries and standardized scrub protocols, which will reduce SSI risks. The mortality rate is elevated and the report will be produced this coming Friday and will go to the next QPSC meeting.

Each nursing department is working on a Quality Improvement project geared toward patient satisfaction; "Commit to Sit" is happening on the PSU, which is aimed to impact nurse/patient communication. It is an initiative that has been studied by Press Ganey and is proven to improve the patient experience and increase patient satisfaction scores.

The next project is Bay Bariatrics; patients who present ill in the ED within 60 days of surgery will be evaluated for surgical related complications.

A robust discussion followed, with questions asked and answered.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO

Mr. Moore reported on the following items:

Union

Mr. Moore expressed positivity regarding the recent ratification of the UFCU Union Contract and recognized Ms. Mary Lou Tate, CFO and Mr. Clay England, CHRO, and the BAH bargaining team for their diligent work over the past year on getting contracts ratified for the unions. While negotiations were strained and tense at times, the ratification came with no work stoppage or strike. Forward thinking and discussions are already taking place on how we can improve relations with the unions. Mr. Moore commented that we are celebrating, and we have work to do.

Orthopedics

We are working to engage Synergy Health Partners (SHP) to bring a hospitalist approach to the orthopedic service line. The model will bring on three orthopedic surgeons who will cover all orthopedic call and hospital needs arising out of patient visits to the emergency department. We are ready to sign a letter of intent. SHP states that they are typically able to staff programs in about 4.5 months. The surgeons will work a 10-day shift before handing off to a partner. It is expected that surgeons would participate in program development and staff education even though surgeons will likely not relocate to the Coos Bay area. The cost for this is approximately \$1.8 million and we are already paying a significant portion of this in orthopedic call pay.

Questions were asked and answered.

Finance; A Financial Turnaround update was provided in the packet.

Work continues to get a replacement lender; we have taken the current discussions with seven alternate lenders as far as we can. Out of those discussion work continues with Bank of the West and First Community Credit Union.

Cardiology

Even as we thought we would have to drop to less than 24/7 cardiac cath lab availability our cardiologist team agreed to contracted directly with Bay Area Hospital, which eliminated the cost of locums firms. Mr. Moore gave credit to Ms. Dion, Cardiology Service Line executive & CQO and Ms. Tate, CFO, with this good win.

Imaging

Work is still taking place to replace the radiology group and central scheduling is working hard to eliminate timeslots that occur with no show patients. Good progress is being made on the prior authorization process, ensuring that we are able to receive payment for the work we do.

APU/Signet Health

Signet Health's proposal/report to us will be in by the end of April; much slower than anticipated.

There was a robust question and answer session after the reporting and discussion that resulted.

CHIEF FINANCIAL OFFICER REPORT – Ms. Barbara Taylor, Finance Committee Chairperson

- February financials showed an Operating loss of \$1.8 million and overall loss at \$3.1 million. Year-to-date has an operating loss of \$25.9 million and overall loss at \$28.6 million. Cash and cash equivalents balance as of February 2023 is \$72.2 million.
- An advanced, brief peek at March is Operating loss of \$1.8 million and overall loss at 910k. Year-to-date has an operating loss of \$27.7 million and net loss of \$29.5 million.
- Month end closing is now occurring two weeks earlier than historically.
- Our main goal beyond our financial recovery goals are to manage the cash and be wise with expenditures.
- Comprehensive documents on the hospital's finances were included in the packet.

Ms. Taylor invited all board members interested in investments to attend the next Finance Committee meeting of 4/25/23 as MacGregor Hall of Deschutes Investments will be presenting.

A comprehensive question and answer session occurred subsequent to the report.

MEDICAL STAFF CREDENTIALS REPORT – Dr. Lee Saltzgeber

Dr. Lee Saltzgeber reviewed the credentialing report with the board.

EXECUTIVE SESSION

The Board went into Executive Session as authorized by ORS 192.660(2) at 7:20 pm 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*
- (g) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations*
- (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

Chair McAndrew reopened the meeting into public session at 7:27 pm.

Action taken by the Board: Ms. Taylor moved to approve the Credentialing Report as presented in the packet. Ms. Carma Erickson-Hurt seconded the motion and it carried on call of vote.

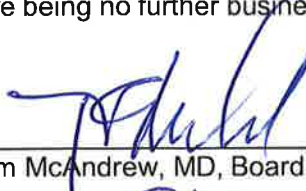
MEDICAL STAFF REPORT – Dr. Raphael El Youssef, Chief of Staff

There was nothing reported.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:28 pm.

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Tom McAndrew, MD, Board Chairperson

Date: 5/9/23



Donna Rabin, M.D., Secretary

Date: 5/9/23