

**BAY AREA HOSPITAL DISTRICT BOARD MEETING
May 14, 2024, MINUTES**

Bay Area Hospital Myrtle Conference Room @ 6:05 pm

BOARD EDUCATION SESSION – Strategic Options, Juniper Advisory

CALL TO ORDER

Mr. Troy Cribbins, Board Chairperson, called the Bay Area Hospital (BAH) District Board meeting to order at 6:05 pm. A quorum was present.

BOARD ATTENDANCE

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

ABSENT

Mary Lou Tate, CFO (*excused*)

STAFF ATTENDANCE

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO; Lee Saltzgaber, MD, CMO; 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

REPORT OF THE BOARD CHAIRPERSON COMMENTS – Mr. Troy Cribbins

Chairperson Cribbins cited the need for extra board work session time this month to ruminate on the proposed tax levy information presented by Tramutola Group. He thanked the board for the extra time and energy to support this work and finished by thanking management and staff for all the work providing information to the board and critical services to the community we love and working to keep Bay Area Hospital viable. Chairperson Cribbins offered time to the board members to comment, and the consensus agreed with his comments. Dr. McAndrew shared that a friend who was recently hospitalized got great care here at Bay Area Hospital. Ms. Patrice Parrott wished all a Happy 50th Birthday and Hospital Week.

CONSENT AGENDA

The consent agenda included:

Board Meeting Minutes – April 9, 2024; Board Education Session Minutes – April 9, 2024; Board Work Session Minutes – April 10, 2024; MEC (Medical Executive Committee) Approved Minutes – March 27, 2024; Quality Approved Minutes – March 27, 2024; Finance Approved Minutes – March 26, 2024; Balanced Scorecard.

Action Taken by the Board:

Ms. Carma Erickson-Hurt 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 reviewed the Quality Executive Summary as presented in the packet.

Key Points: QPSC minutes from March 27, 2024, approved. Consent agenda items included minutes, reports, compliance data, policies, and procedures from the Comprehensive Quality Committee (CQC) and various subcommittees reporting up through CQC.

Action: The March 27, 2024, QPSC minutes and consent agenda materials were approved by the Committee.

The Joint Commission (TJC) 2022 Survey

Key Point: Ms. H. Thoma explained and reviewed corrective action plans from the 2022 Joint Commission Survey. One additional finding was closed for compliance. 34 of 44 findings closed. 10 remain open for compliance tracking.

Quality and Patient Safety Report Card

Key Point: No catheter acquired urinary tract infections (CAUTI) or central line bloodstream infections (CLABSI) were found in March 2024. The National Healthcare Safety Network (NHSN) provided quarterly data for CAUTI and CLABSI with quarter one having met the national goal. One new colon surgical site infection (SSI) was reported for March. A March knee procedure and a hysterectomy are under investigation.

Ms. Parrott cited the great work done by Ms. Heather Thoma, whose last day with the Quality Division will be April 17, 2024. We wish Ms. Thoma well in her future aspirations.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO

Mr. Moore gave a truncated report as our meeting will only be 60 minutes. He referred to the 50th Anniversary party and Art Expo on May 19, 2024, open to the public from 2:00 to 5:00, with cake cutting at 4:00 pm. The board was invited to attend and participate in the festivities. Mr. Moore shared that tomorrow's work session will see the board receive the results of the survey of our district voters on the proposed tax levy; 300 responses were taken. Mr. Moore applauded the board for listening to their district constituents.

Follow up Updates to the Board from the April Board meeting

The CNO Organizational Goal – Patient Satisfaction update was tabled last month due to time and agenda compression. Mr. Moore advised the board that he had not added it to tonight's agenda as there had been no follow-up questions from the board. Hearing no objections and having offered to follow up via email or future meeting, Mr. Moore continued with his updates to the board.

Dr. Saltzgaber updated the board on the follow-up work that management has done to address the concerns shared during the public comment section of last month's board meeting regarding clear communication to patients about whether they will be inpatient or observation status. The board thanked Dr. Saltzgaber for the update and the work accomplished, stating that patients need to know how they will be impacted. Ms. Candy Johnson, Case Management leader, will follow up with TriCare – the insurance for the patient in this situation that was brought to the board last month. Mr. Moore stated that a letter to the community members will go out next week.

Practicing Excellence Update

Dr. Steve Beeson and his team are providing pathways to innovative solutions for collegiality and relationship building, to help our medical staff work together when they hit an impasse. There were 15 interviews and 4 focus groups held. We are all aligned in our investment in the quality of our patient care and service. The next steps in the process will include onsite workshops and virtual follow-up sessions.

Organizational Goals – Mortality – Ms. Kelli Dion

Ms. Dion reviewed the mortality information report as presented in the packet. Questions were asked and answered.

Strategic Option Engagement Approval

Mr. Moore gave a comprehensive presentation on our financial performance, and the things he is considering as he looks to the future of the organization. The past two months reflect a trend which is eating into the safety margin that we negotiated with our lender as part of our overall financial recovery, threatening the hospital's ability to comply with debt covenants on June 30, 2024. The graphs in the presentation reflected our current operating EBITDA and included the \$2M increase that we will see in expenses due to the next phase of Oregon's new nurse staffing law. The forecast reveals that we will start slipping back into a decline in 2026. The hospital will have a balloon payment due in 2030 on our 10-year note. Mr. Moore recommended that the hospital rebuild its balance sheet to 200 Days Cash on Hand (DCOH) by the time debt repayment or refinancing is due in 2030. The ideal

scenario for next year would be to restore cash and investments to 100 DCOH. To achieve that longer term goal, the hospital would need to grow cash and investments by \$18M-\$24M per year between now and 2030, in addition to funding ongoing capital. Instead, cash has been inching down these last couple of months, and the hospital is struggling to keep up with replacement capital needs, let alone able to fund expansion or investment projects. Mr. Moore asked the board to keep this in mind as we consider our options.

Current initiatives to drive continued margin enhancement include improved revenue cycle; specialty pharmacy and other strategic work, but we are still in an uncomfortable financial situation right now. Mr. Moore asked for questions and feedback from the board. Chairperson Cribbins said he would leave the decision for a motion to engage Juniper Advisory as our partner in our Strategic Options work to the pleasure of the board members, stating that some on the board have questions and opinions.

Action Taken by the Board:

Ms. Barbara Taylor moved to approve the request to engage Juniper Advisory as presented by Mr. Moore above. Ms. Carma Erickson-Hurt seconded. There was discussion, with members of the board asking to table the vote. The motion was considered cancelled.

FINANCE REPORT – Ms. Barbara Taylor, Treasurer

Ms. Taylor reviewed the highlights of the last Finance Committee meeting:

- No capital items over threshold;
- March 2024 Operating Loss was \$1.73 Million vs a budget profit of \$212 Thousand
- Year to date \$2.3 Million Loss vs budget loss of \$1.15 Million
- March 2024 Overall Loss at \$1.4 Million due to market loss on investments
- Year to date \$1.8 Million Loss vs budget of \$2.5 Million Loss
- March 2024 Operating EBIDA – \$800 Thousand Loss
- Year to date \$6.3 Million Profit
- March 2024 Cash and Cash equivalents balance is \$56.1 million, down \$4.3 Million from last month and down \$9.3 Million from June 2023.

Key Takeaway: The main issue in the past couple of months is that we are losing commercial payors. As the trend continues and expenses rise, it does not forecast a positive outlook. Comprehensive documents were included in the packet for the March financials.

The board was invited to attend the Finance Committee Budget Meeting on 5/28/24, where the Finance Committee will formalize its recommendation to the board of directors on the FY25 budget.

Morgan Stanley Authorized Persons and Enabling Resolution

Mr. Moore brought information on our Morgan Stanley account, with a request to appoint Brian Moore and Mary Lou Tate as our Authorized Persons on the account and for the board to adopt that resolution language in making that appointment.

Action Taken by the Board:

Ms. Barbara Taylor moved to approve the **Morgan Stanley Authorized Persons and Enabling Resolution** with Brian Moore and Mary Lou Tate as the Authorized Persons to our Morgan Stanley account. Ms. Patrice Parrott seconded, and the motion carried on a call of vote.

Approval to Sell Community Health Education Center (CHEC) building

The next item that Mr. Moore brought to the board for action is regarding the potential sale of the CHEC building. The building is in a state of disrepair, with a sizable lease and will require up-front cash investment to restore the building to a state of functionality. While this may be of benefit to the organization in the long term, after consideration by the executive

team and agreement that our current financial state would not support the necessary cash costs, the recommendation Mr. Moore made to the board this evening, is to sell the real estate.

Action Taken by the Board:

Dr. Tom McAndrew moved to approve the **Approval to Sell Community Health Education Center (CHEC) building**, as presented by Mr. Moore above. Ms. Carma Erickson-Hurt seconded; questions were asked and answered, 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 7:31pm 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 7:33 pm.

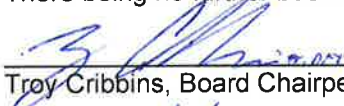
Action taken by the Board: Ms. Patrice Parrott moved to approve the Credentialing Report as presented in the packet. Ms. Carma Erickson-Hurt seconded the motion. There was no further discussion and the motion carried on call for vote with a typo correction requested.

MEDICAL STAFF REPORT – Dr. Paavani Atluri

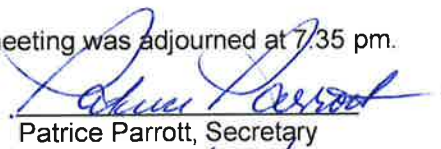
Dr. Atluri mentioned that Bay Clinic has 2 OB/Gyns and a midwife; all local medical organizations are actively recruiting for this specialty.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:35 pm.



Troy Cribbins, Board Chairperson



Patrice Parrott, Secretary

Date: 6/11/24

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