

BAY AREA HOSPITAL DISTRICT BOARD MEETING
June 16, 2023 MINUTES
Bay Area Hospital Myrtle Conference Room @ 6:05 pm

BOARD EDUCATION SESSION – BAH Home Health

CALL TO ORDER

Dr. Tom McAndrew, MD, Board Chairperson, called the Bay Area Hospital (BAH) District Board meeting to order at 6:06 pm. A quorum was present.

BOARD ATTENDANCE

Chairperson Tom McAndrew, MD; Donna Rabin, MD; Barb Taylor (via TEAMS); Carma Erickson-Hurt; Brianna Hanson, Troy Cribbins

ABSENT

Dr. El Youssef, Chief of Staff (excused)

STAFF ATTENDANCE

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO; Clay England, CHRO; Lee Saltzgaber, MD, CMO; Mary Lou Tate, CFO; Patrick Varga, CIO; Kim Winker, Director of Marketing; Denise Bowers, EA

LEGAL COUNSEL

Megan Kronsteiner, Esq. was present.

PUBLIC ATTENDANCE AND INPUT

Three members of the public were in attendance.

CHAIRPERSON COMMENTS – Dr. Tom McAndrew

Chairman McAndrew presented Mr. Mark Sheldon with a plaque of appreciation for his years of service on the Bay Area Hospital District Board and the Quality and Finance Committees in various roles from 2015 to 2022. The Board and Executive Team all recognized Mr. Sheldon for his energetic and business-minded expertise and service with gratitude. A photo was taken which will be shared in a social media post from Bay Area Hospital. CEO Brian Moore added his thanks to those of the board for his role, conducted with passion for the community, our hospital mission and a welcoming mentor and steward of hospital resources. Chairman McAndrew also thanked Ms. Brianna Hanson for her service to the board for the past 6 months as this evening will be her last board meeting. A welcome was formally extended to Ms. Patrice Parrott, incoming board member, who will be sworn in at the July board meeting.

BOARD MEMBER COMMENTS

Ms. Barb Taylor, Board Treasurer, spoke of her appreciation to the outgoing board members and stated that she looked forward to working with our newest board member.

Also mentioned was that our stained glass window set has been mounted in the hospital chapel, a project completion years in the making. We will be sharing photos and a story in a future social media post.

CONSENT AGENDA

The consent agenda included the May 2023 Board minutes; May 2023 Board Education Session Minutes; Finance Recovery Minutes of May 17, 2023, approved Finance Committee Minutes for April 2023, Quality Committee approved minutes for April 2023 and approved MEC minutes for March 2023.

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

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

There was no QPSC meeting this month. Dr. Rabin requested from the board any input they may have on ways to engage the Quality Committee members, remarking that these committee members have an insight that the board doesn't have to get a patient perspective on items relating to quality care at BAH.

Next, Ms. Jennifer Collins reviewed her patient experience slides as presented in the packet.

Ms. Kelli Dion, CQO shared that the time not spent in CQC and QPSC this past month was instead used to complete intercycle monitoring for the year, similar to an internal audit, which revealed some areas of improvement that will be addressed. Those results will be shared at next month's board meeting. Also shared was that the leadership of QPSC met this past month and strategized how the committee can best and most effectively operate the committee in the coming year.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO

Mr. Moore reported on the following items:

Financial Recovery Update

Mr. Moore reviewed the recent work done with ECG on financial recovery for the organization, specifically on the process of renegotiating our revenue bond to move out of default status.

The highlights are as follows:

- 6.7.2023—Finalized counter proposal to new terms proposed by Bank of the West. If agreement is reached hospital would move out of default.
- Additional default-triggering covenant would be trailing-twelve-month EBITDA measured quarterly. It would provide a performance corridor based on our 24-month forecasted performance. Performance below a certain level would trigger default.
- Liquidity requirements would be met by combined total of cash and investment and Real Estate would be pledged as additional collateral with opportunity for release with good financial performance.

The short term look ahead with next steps:

- Bank of the West representative working with internal stakeholders to finalize recommendation to credit committee.
- Review by credit committee for final approval.
- Bank and hospital attorneys will craft document to memorialize the agreement.
- Bay Area Hospital acts to convey additional collateral to the bank as the final agreement is executed in July and August 2023.

There was a comprehensive discussion to follow, with questions asked and answered.

Home Health Update

During the board work session tomorrow will be discussions on home health services and additional opportunities for financial turnaround and reducing expenses. If a new agreement is reached to restructure our revenue bond ongoing financial improvement will be required to avoid triggering a default in the future. Mr. Moore reported that we are stewarding the hospital's overall ability to continue to serve this community in our mission. Our commitment remains to be the backbone of support providing hospital services and continue to improve the health of our community.

Questions were asked and answered.

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

Ms. Taylor deferred this month's board report to Ms. Mary Lou Tate, CFO. Ms. Tate reviewed the financials as presented in the packet. The highlights are as follows:

Financial Results for April 2023:

April financials showed an Operating loss of \$741 thousand and overall loss at \$478 thousand. Year to date has an Operating loss of \$28.5 million and overall loss at \$29.9 million. Cash and Cash equivalents balance as of April 2023 is \$67.16 million.

Reported at the Budget Hearing:

- Volumes Returning to historical levels
- Continued improvement of collection rates and denial reductions
- 6% Price Increase
- Improvement of Productivity
- Increased Interest Rate
- Turnaround initiatives are included in the budget projections
- Operating Income of (\$411,516), Total Net Income of (\$2,211,516), Total EBIDA of 5.2% or \$12,068,484

Comprehensive documents on the hospital's finances were included in the packet. Questions were asked and answered.

BOARD ACTION TAKEN ON BUDGET RESOLUTIONS FOR FY2023-24

A quorum of the Board was established at the start of the meeting.

ACTION TAKEN: Mr. Troy Cribbins moved to approve the board "Resolution adopting the FY2023-24 budget and making appropriations" for the Bay Area Hospital District as presented in the meeting packet and as recommended at \$232,961,849.00 by the Finance Committee. The motion was seconded by Ms. Carma Erickson-Hurt. The motion was carried on call of vote.

ACTION TAKEN: Mr. Cribbins moved to approve the board "Resolution authorizing approval and payment of operating expenses of the Bay Area Hospital District for the budget year beginning July 1, 2023" by Administration for FY2023-24 as presented in the meeting packet. The motion was seconded by Ms. Barbara Taylor. The motion was carried on call of vote.

These resolutions will be signed and retained with the finalized and executed minutes of this meeting.

Management Incentive Plan (MIP)

Mr. Moore reviewed the components of the MIP; and pointed out a couple of changes to this annual plan.

Ms. Carma Erickson-Hurt questioned the discussion of a management incentive program when the hospital is wrestling with poor financial performance and difficult service-line questions. It was clarified that the potential payout would not occur until October 2024 and would be based on continued financial recovery. The board will be updated throughout the year and the hospital performance will be reported on how organization goals were met which results in any payout.

ACTION TAKEN: Ms. Barb Taylor moved to approve the Management Incentive Plan for the Bay Area Hospital District as presented in the meeting packet and reviewed by Mr. Brian Moore. The motion was seconded by Mr. Troy Cribbins. The motion was carried on call of vote.

Success Sharing Plan (SSP)

Mr. Moore reviewed this plan, which is essentially profit sharing for employees with goals surrounding Patient Satisfaction.

ACTION TAKEN: Mr. Troy Cribbins moved to approve the Success Sharing Plan for the Bay Area Hospital District as presented in the meeting packet and reviewed by Mr. Brian Moore. The motion was seconded by Dr. Donna Rabin and Ms. Barbara Taylor. The motion was carried on call of vote.

MEDICAL STAFF CREDENTIALS REPORT – Dr. Lee Saltzgaber, CMO

Dr. Saltzgaber reviewed the Credentials Report with the board in Executive Session.

EXECUTIVE SESSION

The Board went into Executive Session as authorized by ORS 192.660(2) at 7:22 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 7:24 pm.

Action taken by the Board: Dr. Donna Rabin moved to approve the Credentialing Report as presented in the packet. Ms. Brianna Hanson seconded the motion and it carried on call of vote.

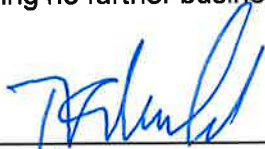
MEDICAL STAFF REPORT – Dr. Raphael El Youssef, Chief of Staff

There was no report this evening as Dr. El Youssef was out of town and excused from the meeting.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:26 pm.

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Tom McAndrew, MD, Board Chairperson

Date:

7/11/23



Donna Rabin, M.D., Secretary

Date:

7/11/23

**RESOLUTION
ADOPTING THE 2023 - 2024 BUDGET
AND MAKING APPROPRIATIONS**

BE IT RESOLVED BY THE DISTRICT BOARD OF THE BAY AREA HOSPITAL DISTRICT, COOS COUNTY, OREGON, AS FOLLOWS:

(1) The District Board finds that it duly advertised its proposed budget for the year beginning July 1, 2023, and that it held a public hearing on said budget on June 13, 2023 at Bay Area Hospital.

(2) The said budget for the District is hereby adopted.

(3) There are appropriated all of the expenditures, which are budgeted for the fiscal year beginning July 1, 2023 as follows:

Personnel Services	\$135,014,234
Materials and Services	86,144,225
Capital Outlay	4,721,502
Capital Carryforward	3,241,624
Debt Service	3,840,264

Total	\$232,961,849
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Passed and adopted by the District Board of the Bay Area Health District, Coos County, Oregon, on this 13th day of June, 2023.



Board Chair

ATTEST:



Secretary

**RESOLUTION AUTHORIZING APPROVAL AND PAYMENT
OF OPERATING EXPENSES
OF THE
BAY AREA HOSPITAL DISTRICT
FOR THE BUDGET YEAR BEGINNING JULY 1, 2023**

BE IT RESOLVED BY THE DISTRICT BOARD FOR THE BAY AREA HOSPITAL DISTRICT that there is set aside from the money available for operating the Bay Area Hospital District the sum of \$241,001,585 for payment of authorized expenses; and, subject to limitations established by the District Board, there is delegated to the Chief Executive Officer of the Bay Area Hospital District authority to approve claims for salaries and wages, payroll taxes and benefits, professional fees and other operating expenses as budgeted and appropriated for the fiscal year beginning July 1, 2023, and to issue and sign checks in payment thereof.

Passed and adopted by the District Board of the Bay Area Hospital District this 13th day of June, 2023.



Chair

ATTEST:



Secretary