

**BAY AREA HOSPITAL DISTRICT BOARD MEETING****July 9, 2024, MINUTES***Bay Area Hospital Myrtle Conference Room @ 5:30 pm*

**BOARD EDUCATION SESSION** – Cancelled this month to accommodate the extended public input session this evening during the board meeting.

**CALL TO ORDER**

Mr. Troy Cribbins, Board Chairperson, called the Bay Area Hospital (BAH) District Board meeting to order at 5:30 pm. A quorum was present.

**BOARD ATTENDANCE**

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

**ABSENT****STAFF ATTENDANCE**

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO; Lee Saltzgaber, MD, CMO; Mary Lou Tate, CFO; Kim Winker, Marketing & Communications Director (*via Teams*); Dr. Paavani Atluri, MD, COS (Chief of Staff) (*via Teams*); Shanna Sheaffer, EA; Claudia Wells, EA; Denise Bowers, EA

**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

**PUBLIC ATTENDANCE AND INPUT**

There were members of the public in attendance in person and via Teams

**GUESTS**

Rex Burgdorfer, Juniper Advisory (*via Teams*)  
Chris Benson, Juniper Advisory (*via Teams*)  
Ansley Murphy, Juniper Advisory (*via Teams*)  
Amanda Maynard, Lovell Communications (*via Teams*)  
Linda Howard, The Fox Group (*via Teams*)

**EXTENDED PUBLIC INPUT SESSION WITH THE COMMUNITY**

There were approximately 70 members of our community present at this session, and the following is a recap of the key themes and major points made by constituents:

- Do not partner with an entity in a way that removes control of the organization from the district board and the voters.
- Advance distribution of the board packet and agenda is strongly suggested to ensure transparency.
- Clarity was requested on the history of our financial difficulty and the need for our financial turnaround efforts.
- Our hospital has served Coos County well for many years. Community members are concerned that a change could reduce local services, workforce opportunities and economic development.
- The community wants more information and for information to be distributed more broadly.
- There is a desire for our Board and leadership team to consider potential partners that strongly align with our mission and values and emphasize community and patient well-being.
- Individuals wish to establish or continue avenues for local community input and decision-making, seeking to reflect in any potential partnership some aspects of the hospital district governance we have today.
- No matter what decision is made, do not sacrifice quality for profitability.

- The board was asked why the CHEC building was sold; and why management did not choose to move the employees currently stationed at the Newmark Center, at a high rent rate, to the CHEC building rather than selling it.
- The federal Public Service Loan Forgiveness program for student loans is essential to our workforce, and there is a desire that any potential partnership maintain worker eligibility.
- We also heard from many session participants about other concerns or challenges, for example our electronic health record system, cost saving measures, board governance and workforce issues, to name a few.

### **REPORT OF THE BOARD CHAIRPERSON COMMENTS – Mr. Troy Cribbins**

Chairperson Cribbins closed public comments a few moments early, after asking for additional comments and receiving none, to address the community and respond to several of the issues raised. He thanked the community for their comments and input, assuring them that the issues mentioned in tonight's meeting had been considered by the board and management. He also stated emphatically that the board will not be accepting a partner who is not committed to embracing and embodying Bay Area Hospital's values.

Mr. Cribbins declared that the BAH executive team has done a fabulous job – citing our recent \$60M turnaround work and result. He drove home the point that we need a new source of revenue to remain a viable resource to our community.

One key point made by Chairperson Cribbins to the room was this: No decisions have been made. He also emphasized that the board of directors is dedicated to keeping this facility here serving everyone and keeping the community informed and involved in every step of the way, as well as remaining dedicated to our employees and the health of the community now and well into the future.

Chairperson Cribbins thanked the community attending for their continued support and engagement and then opened the floor to the board members for their comments.

### **BOARD COMMENTS**

The board members each shared their backgrounds with the community attendees. Key highlights were the learning curve as a board member and learning about the hospital's financials; discovering the high costs of ongoing facility maintenance and overhead, and the complex process of prioritizing those costs; how the world of healthcare has changed and the crucial need for us to adapt in order to remain a viable entity; the challenges of being fiscally responsible and their wish to keep the community informed and engaged regarding this strategic exploration process before any final decisions are made. The consensus of the board was one of gratitude for the community input and a desire to let people know that the board will not partner or affiliate with any entity that does not embrace the security of staff and the embodiment of our organizations mission and values.

Each board member made comments as documented below:

#### **Patrice Parrott, RN, MSN (Retired), Board Secretary:**

Ms. Parrott shared that she is a retired nurse who worked at BAH for 40 plus years; she retired 7 years ago, having worked in many roles, from Nurse's Aide to obtaining her master's and finally working in leadership. Her favorite role was that of an ICU nurse, and she saw and learned a lot during her time there. While employed here, she appreciated the family-like culture – her son is also a nurse at BAH. She stated that she has learned much as a board member, especially about the finances and the high costs of ongoing maintenance necessary to keep the hospital operational. She assured the public that the board is scrutinizing and prioritizing and wants the hospital to thrive and grow. While her beginning goals as a board member were to protect staff and nurses, her goal has become to support the community however she can in her role.

**Tom McAndrew, MD (Retired), Board Vice Chair:**

Dr. McAndrew stated that he is a recently retired Family Practice physician, who worked at BAH his entire career; he has been on the BAH District Board of Directors for 25 years. He indicated agreement with public comments that our constituents have no idea how the healthcare system runs, stating that there is a hemorrhage of cash across healthcare. He shared that BAH has 75 to 80% of our patients as Medicare [and Medicaid], which pays only 25 to 30 cents on the dollar for services we provide. He cited that we are on a fixed budget, with a recent union raise occurring. He mused whether we can systematically continue to fund healthcare as we have in the past, stating that the world is changing, and we are changing with it. He said the board is elected, with only some of its members being clinical, and they will not sign off on something not good for the community. He hopes BAH will be a beacon for physicians, a place where people want to bring their families. Dr. McAndrew expressed thanks to all of tonight's community participants.

**Carma Erickson-Hurt, RN, DNP, US Navy (Retired), Grand Canyon University Adjunct Faculty, Board Member At Large**

Ms. Erickson-Hurt is a retired Navy nurse, who is now an adjunct faculty at Grand Canyon University and a member of the Southwestern Oregon Community College Foundation Board. She shared that her husband is from this area and wanted to return here after his retirement. His mom and grandmother both worked at St. Catherine's Hospital. Ms. Erickson-Hurt reiterated the value of getting community input, stating that that is how the board learns what the community wants from them and the district. She is hoping that the board will be able to put out simple messages in laymen's terms for the public to keep them apprised of current events and developments of the strategic exploration, as well as clarifying and educating how we arrived in our current financial position in the post COVID and Epic environment. She added her thanks to the public attending for their input this evening.

**Barbara Taylor, CPA (Retired), former partner, Moss Adams, Board Treasurer**

Ms. Taylor came here in 1976 and raised her two children here in the area. She started as a CPA in Yergen Meyer, which became Moss Adams, where she retired as a partner of the firm. She said she appreciated the public input and offered that the board would continue to work toward a better way to keep communication and updates flowing to the community. She emphasized that there are 4 separate pauses in the strategic exploration timeline, where the board can withdraw and decide to remain independent. She added that this exploration could reveal a partner who would improve our economy of scale – a system affiliation could bring funding to us that would offer capital for tools and resources to help us continue to improve the quality of care as well as our financial situation. She assured the community in attendance that the board is doing its due diligence, and that she couldn't personally see herself voting for a for-profit partner. She mentioned that 4 to 5 types of partnerships are being explored and assures that the board will inform the community before choosing a partner. It is her belief that is what a board should do.

**Renee Nelson, CFO, First Community Credit Union, Board Member At Large**

Ms. Nelson is the CFO of our local First Community Credit Union, with over 28 years of experience in banking and financial matters. She has a deep connection with this community, graduate of a local high school; her spouse was born here, they raised their children here, while living in the house inherited from her husband's grandparents. She stated that she cannot envision this community without a hospital, that maintaining a local say and autonomy is critical. She recognizes the challenges of being fiscally responsible while weighing options. She is brand new to the board of directors' role for Bay Area Hospital.

**MOVE INTO GENERAL BOARD MEETING SESSION**

Chairperson Cribbins moved into the general session of the board meeting at 6:20 pm.

**JUNIPER ADVISORY UPDATE**

Mr. Rex Burgdorfer shared the history of the work done to date by Juniper Advisory and management. Mr. Chris Benson reported that work has been done to aid Bay Area Hospital staff in understanding the process. He shared that there has been solid interest to date, and there are some executed non-disclosure agreements now in place. Additional materials and information about BAH will be provided to potential partners on July 22<sup>nd</sup>. Mr. Benson gave a rough timeline of the process, as discussed in previous meetings.

## **COMPLIANCE 2<sup>ND</sup> QUARTER REPORT**

Ms. Linda Howard reviewed the compliance 2nd quarter report included in the packet. In summary, the 2nd quarter of 2024 saw significant compliance activity, with a focus on training, audits, and addressing privacy concerns. The Compliance Committee remains committed to ensuring that Bay Area Hospital adheres to regulatory requirements and maintains high standards of compliance.

### **Action Taken by the Board:**

Dr. Tom McAndrew moved to approve the Compliance 2<sup>nd</sup> Quarter Report as presented in the board packet. Ms. Carma Erickson-Hurt seconded, and the motion carried on a call of vote with all board members casting a vote of approval.

## **CONSENT AGENDA**

The consent agenda included:

Board Meeting Minutes – June 11, 2024; Board Education Session Minutes – June 11, 2024; Board Work Session Minutes – June 12, 2024; MEC Approved Minutes – May 29, 2024; Quality Approved Minutes – May 22, 2024; Finance Approved Minutes – May 28, 2024; Balanced Scorecard.

### **Action Taken by the Board:**

Ms. Barbara Taylor moved to approve the Consent Agenda as presented in the board packet. Ms. Patrice Parrott and Dr. Tom McAndrew seconded simultaneously, and the motion carried on a call of vote with all board members casting a vote of approval.

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

Ms. Parrott reviewed the Quality Executive Summary as presented in the packet. Highlights were as follows:

### **Comprehensive Quality Committee Executive Summary**

The mitigation plan discussed for Intra-Aortic Balloon Pump (IABP) recall (2) American College of Radiology random image check completed with no deficiencies.

### **Joint Replacement Destination Center (JRDC)**

The JRDC performed over 275 total hip or knee replacements in 2023 with length of stay reducing to an average of 33.92 hours. There were no surgical site infections in 2023, but a multidisciplinary team is being formed to improve hospital readmissions and blood transfusion rates.

### **Clinical Process Improvement Coordinator Annual Report**

Ms. Q. Myers reported on the four projects that she is working on: (1) restraints and seclusion documentation, (2) critical result documentation of provider notification, (3) blood transfusion documentation, and (3) sepsis workgroup. All four areas are showing improvement with some efforts hampered by EMR functionality.

### **The Joint Commission (TJC) Tracers with AMP Fiscal Year Review**

Ms. M. Merrick provided an updated on the Tracer program in the last year.

### **Quality and Patient Safety Report Card**

Key Point: No catheter acquired urinary tract (CAUTI) or central line bloodstream infections (CLABSI) were found in May 2024. Patient Safety Indicator 90 (PSI 90) met goal for April with Mays non-finalized data likely to change due to fall with hip fracture. Surgical Site Infections (SSI) did not meet the goal due to a deep incisional infection. Readmission did not meet the goal. Mortality met the goal.

## **CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO**

### **Recent Financial Performance**

Operating performance has yielded below budget performance for the past three months (March – May) due to increased expenses and soft net revenue on strong volumes. June will include some positive financial items, many



of which have been months in the making, including qualification for Employee Retention Tax Credit, confirmation from Oregon Health Authority of Bay Area Hospital's qualification for Disproportionate Share Funding for 2023, additional payments for providers from Advanced Health, and a substantial 340b refund. These will more than offset a planned \$2 million year-end adjustment. Revenue cycle improvements continue to be one of our largest opportunities for ongoing financial improvements. Mr. Moore shared one example of collaboration between laboratory leadership and the revenue cycle team, resulting in decreased denials, with a visual chart included in the board packet.

### **Oregon Nurses Association (ONA) Contract Renewal**

Mr. Moore reported that this past month the bargaining team reached tentative agreement on the contract renewal ahead of its expiration. We now await ONA's presentation of the contract to Bay Area Hospital nurses for a ratification vote. Mr. Moore expressed his thanks to Ms. Jennifer Collins, CNO and Ms. Mary Lou Tate, CFO for their leadership of this team supported by Dennis Westlind, Esq. as legal counsel.

### **Exploration of Strategic Partnership**

Mr. Moore shared some of the questions and concerns that we have heard from employees and physicians in the weeks following the announcement of the process, focusing on the items that would be welcome additions to the evaluation process.

- The ability for employees to maintain access to the public loan forgiveness program which requires working for a not-for-profit organization.
- Safety and security of retirement funds in pension and 457 retirement plans.
- Staff shared a desire to maintain access to union representation.
- Many expressed concern that their job may be eliminated.
- Physicians expressed concerns that partner entity may not support independent physician practices.
- Reduction in services was also mentioned by employees and physicians.

### **Service Line Coverage Disruption**

Physician coverage is disrupting or threatening to disrupt multiple service lines:

- Interventional Cardiology coverage has not been available for a week and a half in late June and early July, resulting in closure of cath lab, STEMI heart attack interventions, and interventional radiology. Future months have the risk of coverage gaps as well.
- Medical Oncology coverage transition has impacted Bay Area Cancer Center's ability to accept patients with new cancer diagnoses. Dr. Xiang started at the center July 3, supporting resumption of new-patient acceptance.
- Orthopedic coverage was in question recently, but the required Oregon medical license came through at the final moment.
- Pediatric Hospitalist coverage changes are threatening to disrupt Family Birth Center and Pediatric services. Later this month a neonatal nurse practitioner (NNP) will be providing coverage for newborn care for four days. Pediatric coverage may not be available. In August, the hospital will rely mostly on NNP coverage and may have little pediatric coverage.
- Primary Care coverage is extremely limited in the community. We have spoken with patients who have found other physicians in Eugene to avoid delays in care.

### **Behavioral Health Advocacy Update**

Mr. Moore reported that in the past two years, Bay Area Hospital has advocated change in Oregon's behavioral health system of care. Advocacy has included working with the Hospital Association of Oregon, direct engagement with state and federal elected officials, and submitting draft state legislation during the 2023 long session. In February we learned that Governor Kotek had commissioned an actuarial review of state funding levels and methodology for inpatient behavioral care. We were able to participate in the kickoff session and an individual session where we could articulate some of factors contributing to costs in Bay Area Hospital's program that seem unaccounted for in the current reimbursement methodology. Mr. Moore expressed appreciation that serious attention is being given to Oregon's current lack of support for inpatient behavioral care.

**ACTIONS TAKEN BY THE BOARD****BANK SIGNING AUTHORITY – Ms. Mary Lou Tate, CFO****Action/Recommendation:**

Ms. Tate brought this matter before the board for their approval of the Resolution to allow the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to access and manage the district's bank accounts. This action became necessary due to the exit of our former Controller this past month. This action includes approving signing authority and delegation of access to other employees of the district. Questions were asked and answered, including a request for additional clarity in layman's terms.

**Action Taken by the Board:**

Dr. Tom McAndrew moved to approve the resolution of the Bank Signing Authority as reviewed by Ms. Tate and as presented in the board packet. Ms. Carma Erickson-Hurt seconded the motion, and it carried on a call of vote with all board members casting a vote of approval.

**BMO SECURITY INTEREST ACCOUNT CONTROL AGREEMENT****Action/Recommendation:**

Ms. Tate brought this matter before the board for their approval of the Resolution to modify the Term Loan agreement and the Securities Account Control Agreement (SACA) due to the change in the US Bank Account when the investment advisor changed. Questions were asked and answered, including a request for additional clarity in layman's terms.

**Action Taken by the Board:**

Ms. Barbara Taylor moved to approve the resolution of the Bank Signing Authority as reviewed by Ms. Tate and as presented in the board packet. Dr. Tom McAndrew seconded the motion, and it carried on a call of vote with all board members casting a vote of approval.

**FINANCE REPORT – Ms. Barbara Taylor, Treasurer****Ms. Barbara Taylor**

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

**Action Taken by the Board:****FINANCIAL PERFORMANCE REVIEW**

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

May 2024 Operating Loss was \$847 Thousand vs a budget profit of \$212 Thousand

Year to date \$5.0 Million Loss vs budget loss of \$675 Thousand

May 2024 Overall Loss at \$904 Thousand due to interest expense

Year to date \$4.6 Million Loss vs budget of \$2.3 Million Loss

May 2024 Operating EBIDA – \$60 Thousand Profit

Year to date \$5.4 Million Profit

May 2024 Cash and Cash equivalents balance is \$55.4 million, down \$10.0 Million from June 2023.

Overall, Bay Area hospital lost \$904K in May vs. budgeted income of \$62K and last year's loss of \$3.1M. Gross Revenue for May dipped slightly from the prior month but was still strong ending at \$61.4M overall, \$4.6M ahead of budget. Net Revenue ended the month with a Net to Gross Revenue Margin of 34.0% or \$632K above budget. The Commercial Payer mix in May rebounded to 14.92%, bringing the YTD average up to 14.42% but still below last year's average of 15.91%.

Actual operating expenses were over budget by \$1.69M. Supply expenses were \$778K over budget for the month, mostly in support of additional volumes. Salaries exceeded budget by \$699K but was offset by a reduction of Contract labor which ended below budget by \$339K.

Cash and Cash Equivalents were \$7.8M at the end of May and Assets limited to use are \$47.6M. Overall cash decreased \$800K over last month. Current liabilities decreased by \$2.3 due to provider tax payment for the prior quarter that was paid in May 2024.

Cash flows for May show an increase of \$855K and YTD decrease of \$4.3M.

Capital Assets decreased \$349K due to depreciation/amortizations and Lease & Subscriptions increased \$824K due to the extension of the Insight subscription for the next three years.

### **EXECUTIVE SESSION**

The Board went into Executive Session as authorized by ORS 192.660(2) at 7:25 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*
- (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*

### **MEDICAL STAFF CREDENTIALS REPORT – Dr. Lee Saltzgaber**

This report was reviewed in the Executive Session.

### **OPEN SESSION**

Chairperson Cribbins reopened the meeting into public session at 7:47 pm.

### **APPROVAL OF CREDENTIALING REPORT**

**Action taken by the Board:** Ms. Carma Erickson-Hurt moved to approve the Credentialing Report as discussed in the Executive Session and presented in the packet. Ms. Patrice Parrott seconded the motion. There was no further discussion, and the motion carried on call for vote.

### **MEDICAL STAFF REPORT – Dr. Paavani Atluri**

Dr. Atluri thanked Administration for their participation in the recent Practicing Excellence workshop. Problems and issues were identified at that session. They will come back together at the next session to fix the issues

Work continues on the Pediatric Hospitalist coverage concerns. Dr. DeLeon will be presenting on the issues at SWOIPA's next meeting. The next time with no coverage for pediatrics hospitalist is 7/11/24 to 7/17/24.

Chairperson Cribbins thanked Dr. Atluri for her report, and for the work of the Medical Executive Committee.

### **ADJOURNMENT**

There being no further business, the District Board meeting was adjourned at 7:52 pm.

  
Troy Cribbins, Board Chairperson

  
Patrice Parrott, Secretary

Date: 8/20/24

Date: 8/20/2024