

Opinion

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Guest Columns

Opinion: Securing Bay Area Hospital's Future

By TROY CRIBBINS,
Chair of the Bay Area
Hospital District Board of
Directors
Guest Column

This is an extremely emotional time for our community. In that, I see and appreciate the deep concern our community has for Bay Area Hospital and the desire we share to create the best possible future.

I know there have been conversations and questions lately about where we stand and what changes might be coming. Some misunderstandings and inaccuracies have emerged. As chairman of the Bay Area Hospital District Board, I'd like to provide some corrections and a clearer picture of what's happening and why these decisions are necessary.

First and foremost, our Board members – myself included – and our families use Bay Area Hospital, just like you. We live here, work here and rely on the same health care services as our neighbors. Any decisions we make are guided by one goal: ensuring this hospital stays strong and open for generations to come.

Even after reducing losses by nearly \$60 million over the past two years and working more efficiently than ever with less resources, the hospital is still losing money each month. This is not a mismanagement issue. This is the new reality of the health care industry for small, independent hospitals. You cannot compare what is happening now with how things were done even 5 years ago, much less decades ago.

And we aren't alone. Hospitals in Oregon and throughout the U.S. are grappling with escalating costs, staffing challenges and lower insurance reimbursement rates, creating a financial crunch that makes it increasingly difficult to stay open and serve their communities.

Without new financial support, we risk closing our doors entirely.

Letter of Intent

In December, the Board voted to allow the hospital to sign a non-binding letter of intent with Quorum Health and engage in exclusive negotiations. A potential partnership with Quorum would allow us to continue core services, bring in specialized care and invest in our staff. Because Quorum is a relatively small system focused on growing rural health care, Bay Area Hospital would be a major focus – truly a “big fish in a small pond.” That means more direct attention and resources here at home.

When a for-profit hospital

system shows interest, some worry that patient care will suffer or only profits will be prioritized. I understand that concern. However, Quorum has emerged from its financial restructuring in a much stronger position, and it's been actively looking to partner with hospitals that can benefit from its resources. Their focus on improving clinical integration, quality initiatives, capital improvements and recruitment and retention, just to name a few, matches what we need to survive and eventually thrive.

Here Are the Facts

- The proposed agreement with Quorum Health would involve a lease transaction, not a sale, and this would ultimately be the Board's responsibility to approve the final agreement.
- No fully formed “Local Proposal” ever materialized. Bay Area Hospital received a one-page letter suggesting the idea, but it wasn't backed by a clear plan, financial details, terms or a viable timeline. Meanwhile, our financial challenges are immediate. Time is ticking on Bay Area's survival as a health care resource for Coos Bay and we're taking action right now to stop the clock.
- Quorum Health was not the only organization interested in working with Bay Area Hospital. We spoke with multiple organizations. Several signed nondisclosure agreements to learn more, but only Quorum submitted a formal proposal willing to address our needs.
- Quorum Health used a very proactive voluntary tool to restructure its debt. This helped stabilize their finances so they could invest in the right hospitals that fit their vision and share a common mission. When they were restructuring, patient care continued as normal, employee salaries and benefits were not impacted, and their relationships with vendors and suppliers also continued unchanged.
- If a definitive agreement is reached, Quorum Health has no plans to close Bay Area Hospital or strip it of its assets. In fact, our hospital would fit nicely in their portfolio of rural hospitals that includes the well-respected McKenzie-Willamette Medical Center in Springfield, which has earned a 4-star rating from the Centers for Medicare and Medicaid Services, just recently celebrated their



Troy Cribbins

500th cardiac procedure and hold a 3-star rating from the society of Thoracic Surgeons demonstrating a strong commitment to patient safety and quality.

- Our board and committee meetings are public. There are meeting agendas, meeting minutes and month-by-month financials posted on the hospital website. I invite anyone to come to one of the meetings or view any of these documents. We also have a dedicated newly updated webpage related to our ongoing process at bayareahospital.org/here-for-good/, and we share updates on the hospital's Facebook page at [facebook.com/BayAreaHospitalBAH](https://www.facebook.com/BayAreaHospitalBAH). While certain negotiations had to remain confidential during the initial stages of the partner exploration process due to nondisclosure agreements, we have provided as much information as possible throughout this process.

Looking Ahead

Change is never easy, but over the last 50 years, we've adapted when needed. Our founders merged two struggling hospitals to create Bay Area Hospital in the first place. We're at a similar crossroads now.

Every decision we've made is driven by our commitment to culture, quality and community. Partnering with Quorum Health would allow us to reinvest in our services, recruit more providers and provide long-term stability for our employees – rather than continuing down a path where we risk closing our doors.

Thank you for letting me clear up these misconceptions. I encourage community members to seek information directly from our website, attend our public board meetings or reach out to our team. We share the same goal: keeping Bay Area Hospital open, financially healthy, and ready to serve this community for another 50 years and beyond. We're here for good.

Opinion: Thoughts on North Bend URA Project

By JENNY JONES,
NORTH BEND CITY COUNCILOR
Guest Column

I was hoping the World or the Rob Taylor Report or KCBY would be willing to host a debrief with the North Bend School Board members on their recent down vote of city URA changes that needed support from the board. That down vote means the community walks away from \$4 million from the feds that would have gone to an apartment building for people who actually work here to replace the old Annex.

I was a little surprised at the down vote, even though I'm on board with the idea that government should not be in real estate. And this down vote was a hard no: 1 to 6.

I also know that Sen. Dick Anderson, Rep. Boomer Wright and even Rep. David Brock Smith (who doesn't represent us, but knows a board member or two) contacted board members to get them to say yes.

I feel like our state representatives would know when to say yes even with noses pinched on the principle of the thing. They are in the thick of making change and working with what hasn't changed yet.

I mean, yes, governments that own all real estate are places none of us want to live. For sure! That said, we've waited for decades for private developers to take an interest in multiple properties around us, not just for housing. We've not seen that interest come to fruition other than vacation homes.

I know that the tax cut that would come from the changes wasn't huge, but it did mean that the “North Bend Urban Renewal Levy” listed on property tax bills would go away with the new agreement. For my family, that's about 2.5% of our total bill.

I also get that on paper the school loses a lot. But the current Oregon Law locks in place backfilling school districts when they lose money from URA or other entities sharing their pool.

I'm also sure that many of the board members know that housing is preventing people from taking or keeping jobs in our area because they can't find an affordable place to rent.

I guess that is what really highlighted my interest in learning about this.

Yes, I definitely don't want to live in a country where the government owns me and everything I walk on. And yet, I can't tell you the number of times I've heard about people getting offers for our jobs out here, often high paying jobs, that ended up turning the offer down, quitting before day 1 because they couldn't find a place to live, or quitting after a year of commuting from Roseburg

or Bandon.

So, walking away from this \$4 million of free money from the Old Regime seems like saying no to a huge inheritance. I mean, the work to get it has been done. The URA laws are still in place. Why not use them while we still have them?

Also, \$4 million? If I'm reading the estimates correctly, that's like 20-25% of the expected cost of the apartment building that will replace the old Annex in downtown North Bend. I mean, we haven't seen our fair share of funds like that in, what, decades?

And Chris Castleman had it right on this comment: the city has been sitting on that Annex property for several years now. But it's because the city has been both attempting to serenade private developers and get some incentive money for those developers to consider the project. So far, the pattern of decades has continued: private developers are completely uninterested without appropriate incentive. I think that \$4 million off their costs is pretty inviting....

If you're curious, I did some digging about the Oregon Law that applies to this situation. It's complex, but it's there....

- ORS Chapter 457 Urban Renewal: 457.420 and .470 describe how the tax increment works, .437 describes revenue sharing allowed, .440 describes the allocations: https://www.oregonlegislature.gov/bills_laws/ors/ors457.html
- ORS Chapter 327 School Funding Formula: 327.011 and .013 outline how that backfilling of lost revenue works, as well as how municipalities are prevented from any slight of hand that feeds schools money in order to get money, keeping government she-nanigans in check: https://www.oregonlegislature.gov/bills_laws/ors/ors327.html

Now, this could already be a lost cause. That \$4 million was appropriated in the last US Congress, so at best, we have a few months left to secure it. But if you agree with me that the board should relax their ideals and do this for our community, in this moment, then let them know! They have a few board meetings left before the May elections and before the time runs out to secure this money.

It's a long and complex tale, but you can learn the North Bend part of this story here: <https://www.northbendoregon.us/ura>

If I'm wrong and you agree that we need to say no, thank you for reading this far! If not, contact the school board members and request a revote and reconsideration: https://www.nbend.k12.or.us/36288_2

Write to us and the community with a Letter to the Editor

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