



Bay Area Hospital: Here for Good



Through our potential partnership, Bay Area Hospital will maintain existing core services and invest in growing and enhancing local care options. **Without help or a significant financial investment, that's not possible.**

Know the Facts

Financial Reality

Bay Area Hospital is currently in default on its bank loan.

\$356 million

Yearly economic impact at risk

Exploration Process

For close to two years, Bay Area Hospital explored a tax bond levy, alternate financing options, sought legislative support with local congress reps and met with community stakeholders to discuss a local system.

Care Destination – Only Facility:

- To have a baby for 200 miles
- With Level III trauma program
- With comprehensive cancer center
- To treat a heart attack or for specialized surgical procedures

Local System

No fully formed "Local Proposal" ever materialized. Bay Area Hospital received a one-page letter suggesting the idea with no clear plan, financial details, agreement terms, or a viable timeline.

1,100 jobs

Coos Bay's largest employer with over 1,100 well-paying jobs at risk



This transaction requires only the vote of the Board and Oregon Health Authority approval.



No plans to close the hospital, committed to keeping core services for at least a decade.



Potential to align more closely with 4-star rated McKenzie Willamette Medical Center.



Small system, Bay Area Hospital would be a major focus for the Coast.

Who is Quorum Health?

Quorum Health is an organization focused on growth, progress, and meaningful impact. Its mission is clear - improving health in the communities it serves.

- Yes, Quorum Health experienced challenges when the company was first formed.
- The organization used a very proactive voluntary debt restructuring to stabilize its finances so it could invest in the right hospitals that fit its vision and share a common mission.
- It emerged stronger with a vision of a national system that supports rural health care.
- Quorum Health was not the only organization interested in working with Bay Area Hospital, but their proposal proved commitment and a willingness to get to work.
- Given that commitment and extensive success in our state, Quorum Health is a good partner to help Bay Area Hospital achieve operational and financial turnaround.
- Quorum Health has specialized experience operating McKenzie-Willamette Medical Center, a four-star hospital near Eugene, for nearly a decade.
- Bay Area Hospital and McKenzie-Willamette have a working relationship and, together, could experience even more collaboration under a Quorum Health umbrella.

How Can You Help?

Share the facts.

Share this information with your friends, family members and neighbors. We know this is an emotional time for so many in our community and it's important we all know the facts. If you would like to know more or get information to share, visit www.bayareahospital.org/hereforgood

Be a voice in our community.

Join us during our monthly open Board of Directors' meetings to share your thoughts. Meeting notices, past minutes and all financial data can be found online at www.bayareahospital.org/about-us/board-of-directors/

Setting the Record Straight

What you may have heard

Fact

There's been no transparency.

Bay Area Hospital's monthly Board, Finance Committee and Patient Quality Safety Committee **meetings are open to the public**. All meeting agendas and minutes are posted on the hospital's website, along with monthly audited financials, budgets and a strategic plan. We regularly share updates on our Facebook page, including sharing meeting dates in advance, and maintain a dedicated webpage outlining our exploration process. Information has been shared via social media, community newspapers, TV media, radio interviews, board presentations and community group presentations as well.

Bay Area Hospital's leadership and board are mismanaging everything – just replace them!

Bay Area Hospital leadership **cut losses by nearly \$60 million over two years, boosted productivity, reduced expenses and set patient volume records** despite industry-wide challenges.

This is **not mismanagement**; it's the reality for many independent hospitals struggling with low reimbursement rates and rising costs.

The Board isn't fulfilling its fiduciary duty.

The Board spent nearly **two years** evaluating **all possible** solutions, including tax levies, legislative support and alternative financing. A partnership was identified as the best path forward to maintain and expand services. The formal partnership exploration included approaching over 20 organizations representing a diverse group of potential local and regional partners, including academic medical centers, faith-based systems, investor-owned operators, and secular nonprofit health systems.

A 'Local Proposal' was never considered.

Bay Area Hospital received a one-page letter suggesting a local approach. **It lacked financial details, clear terms or a viable timeline**. Our financial problems are **too urgent** to wait years to form a new system – if one could be formed at all given the different organizational structures involved, and regulatory and other approvals required. There is no guarantee a local system would provide the kind of financial return in the time frame needed.

There will be massive layoffs.

Quorum Health has committed to offering employment to substantially all active employees who meet their screening and hiring criteria. We should expect that some jobs may be lost. The goal is to preserve jobs, not eliminate them. A stronger financial position under this partnership would likely help maintain or even expand staffing, rather than force layoffs.

Bay Area Hospital can only be sold through a public vote.

Our bylaws say the Board has the authority to approve major decisions, including leases or sales. A community-wide vote is **not** required. The CFO and Board have been clear on this point from the start.

A private equity firm will buy the hospital and eliminate services or strip its assets.

Quorum Health is focused on **growing rural health care**, not eliminating it. Under the proposed agreement, Quorum would keep core services in place, invest in capital improvements and support local jobs rather than dismantling assets. The goal is to preserve and potentially expand services.

Lower-income patients won't be served.

Bay Area Hospital remains dedicated to providing care for all patients, regardless of their ability to pay, and Quorum Health has committed to continuing the hospital's charity care policy. Any partnership agreement would continue to honor this commitment, and Quorum Health has a history of serving diverse patient populations in rural settings.

Quality of care will decline under private equity.

Quorum Health's hospital in Springfield, McKenzie-Willamette Medical Center, has a 4-star CMS rating – evidence that strong outcomes can continue and improve under their model. The planned partnership also aims to bolster recruitment and retention of quality providers.

Quorum Health has a poor financial history and is unreliable.

Quorum Health's prior voluntary restructuring was a proactive measure to reduce debt and reorganize. Since emerging from restructuring, it has improved operations, acquired additional facilities, and maintained strong commitments to rural hospitals. Its focus aligns with Bay Area Hospital's need for sustainable investment.

Local control and voice will disappear.

Bay Area Hospital **will** have a local voice and remain involved in key decisions. The governing board will continue to include community members. One reason Quorum Health was appealing is that, as a smaller system, it can provide the attention and resources we need while respecting our community's identity.

We can ask the bank for more time to repay our loan.

Bay Area Hospital is in default on its bank loan and we have already asked for extensions. The bank is allowing us additional time right now because we have clear evidence of a solution to our financial difficulties – our potential partnership with Quorum Health. If we default on the loan, the bank could shut down the hospital. Coos Bay cannot afford to have Bay Area Hospital **close**, not only for the much-needed health care it provides, but also for the \$356 million yearly economic impact it has on the community and 1,100 jobs it offers.

