

BAY AREA HOSPITAL DISTRICT BOARD MEETING**May 13, 2025, MINUTES***Bay Area Hospital Myrtle Conference Room @ 6:05 pm***BOARD WORK SESSION at 5:30 pm****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; Patrice Parrott; Renee Nelson, Barbara Taylor; Darin O'Bryan, DDS

STAFF ATTENDANCE

Brian Moore, CEO; Jennifer Collins, CNO; Kelli Dion, CQO (*via Teams*); Gretchen Nichols, COO; Mitch Watson, interim CFO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, MD, COS (Chief of Staff) (*via Teams*); Tina Warlick, EA; Claudia Wells, EA; Denise Bowers, EA

ABSENT

Tom McAndrew, MD (*excused*)

LEGAL COUNSEL

Megan Kronsteiner, Esq.

CHANGE IN AGENDA ORDER

Appointment of Arlene Roblan: The board appointed Arlene Roblan to the Bay Area Hospital District Board after stating their wish to correct a public meeting notice issue.

ACTION TAKEN BY THE BOARD: Ms. Patrice Parrott made a motion to appoint Arlene Roblan to the Bay Area Hospital District board. Ms. Renee Nelson seconded the motion, and it passed unanimously on call of vote. Ms. Nelson was administered her Oath of Office by Ms. Claudia Wells, Notary Public.

PUBLIC ATTENDANCE AND INPUT

The public input session commenced at 6:12 pm, with 25 attendees, 10 of those attending virtually.

A few of those public attending delivered pointed and passionate public comments, each raising concerns about the board's actions and the proposed partnership with Quorum Health.

One criticized the board's decision to appoint a candidate currently running for election, calling it an ethical violation that undermines democratic fairness. She referenced ACLU precedent and questioned the board's motives, suggesting the move was designed to sway the election. She also expressed skepticism about the

board's claims that Quorum would preserve the hospital's nonprofit status, arguing that such assurances appeared to be a last-minute effort to gain public trust. She warned that losing nonprofit status could jeopardize millions in charity care and financial assistance.

The next speaker shared a deeply personal and emotional account of a hospital's closure in Delaware County, Pennsylvania, after being acquired by a private equity firm. She described how Prospect Medical Holdings dismantled the system, sold off assets, and left the community without critical healthcare services. Her testimony served as a cautionary tale, warning that similar outcomes could occur if Bay Area Hospital proceeds with a for-profit partner. She urged the board and public officials to take meaningful action rather than offer empty reassurances.

The final speaker voiced ongoing concerns about the Quorum merger, particularly its impact on patient care, transparency, and the hospital's long-term viability. She called for clear answers on how the merger would affect underinsured and uninsured patients and demanded safeguards to prevent service cuts or price hikes. She also criticized the board's rushed appointment of a new member, arguing that it excluded other interested community members and further eroded public trust. She concluded by urging the board to consider alternative management options that don't require a full merger.

With no additional comments being offered, Chairperson Cribbins closed the public input session at 6:19 pm.

REPORT OF THE BOARD CHAIRPERSON

Chairperson Troy Cribbins explained that the board filled its open seats to ensure full participation during an important decision-making period. He noted that the new members understand their roles may be temporary due to the upcoming elections. He emphasized that the decision to partner with Quorum was based on expert guidance and data—not personal opinions. The goal is to join a larger system to help reduce costs and improve the hospital's payor mix. Cribbins pointed out that the healthcare landscape is shifting, and small hospitals are facing serious challenges. More than 150 small hospitals have closed in recent years, and many others in the state are operating at a loss.

While he acknowledged concerns about private equity and the desire for local control, he stated that Quorum has been cooperative and is committed to keeping the hospital a non-profit. He stressed that joining a larger system is necessary to maintain financial stability. He concluded by reaffirming that these decisions are being made based on market realities and expert advice—not personal preferences.

BOARD COMMENTS

Board members addressed the room, and the below captures the general theme and summary of their comments.

Dr. Darin O'Bryan emphasized that the current marketplace does not support a small local hospital and highlighted the benefits of joining a consolidated group like Quorum for economies of scale, better payment rates, and improved payer mix.

Arlene Roblan addressed concerns the public expressed regarding her board appointment, stating that she is solutions-based and not aligned with or against Quorum. She declared no close preexisting relationship with any member of the board. She emphasized her independence and commitment to making informed decisions. Finally, she expressed her appreciation to the public for being at the meeting and doing their civic duty to the district.

Renee Nelson shared a heartfelt story about a relative's recent hospital stay, expressing deep appreciation for the electronic health record system that gave the family timely access to care details. She used this experience to highlight the critical role that electronic health records play in modern healthcare. She also acknowledged the financial challenges hospitals are facing across the country and pointed out that the hospital has defaulted on certain loan metrics—an issue that underscores the need for operational changes. In closing, she encouraged community members to stay informed by visiting the hospital's website, where current board meeting minutes and financial reports are available. As of the time of the meeting, the financial data for April had already been posted.

Patrice Parrott wondered where the public was getting their information, noting that some online and press sources seemed harmful to the hospital's support. She highlighted the board's efforts to help the hospital, staff, and community get the healthcare they need. Patrice mentioned she hadn't seen some of the public commenters at board meetings and suggested attending meetings or having one-on-one interactions. She shared her experience as a nurse for 40 years, pointing out changes in financial flexibility and commercial payers. Patrice stressed the need for external support due to rising healthcare costs and limited local financial flexibility. She explained the board's search for external support, mentioning they reached out to 20 hospitals, with only a few showing interest, and eventually narrowed it down to one. Patrice emphasized the board's commitment to saving the hospital and maintaining healthcare services.

COMPLIANCE QUARTERLY REPORT – FIRST QUARTER 2025 – Linda Howard, The Fox Group

Compliance Dashboard Highlights

Education Completion: 83% completed; 73% on time, 10% late, 17% delinquent.

Privacy Incidents: 19 new incidents reported in Q1 2025.

Quarterly Meetings: Compliance Committee met twice.

Program Elements Summary

Policies & Procedures: No new or updated policies.

Leadership & Oversight: Supported by The Fox Group; regular committee meetings held.

Education & Training:

- 41 staff assigned training (35 clinical, 6 non-clinical).
- 83% completion rate.
- 2 compliance articles published in the Pulse Newsletter.

Communication Channels: 19 privacy incidents reported via email, voicemail, and monitoring tools.

Enforcement: 9 incidents led to sanctions or corrective actions.

Auditing & Monitoring:

- HRSA mock audit (340B program)
- Financial assistance policy audit
- EHR contingency planning

- Ad hoc audits (CMS, TPE)
- Annual HIPAA breach report submitted

Audit Findings

340B Program: Mostly compliant; minor issues with documentation and oversight.

Financial Assistance: Two deficiencies found; responsible employee no longer with BAH.

EHR Contingency: Compliant; AI testing to be included in 2025.

CMS/TPE Audits: 31 RAC requests; 6 under appeal, 5 in discussion.

HIPAA Breach Report: 5 reports affecting 33 individuals submitted for 2024.

Privacy Investigations (Q1 2025)

Total Investigations: 21 (2 carried over, 19 new)

Unauthorized Disclosures: 5 cases, including:

- Employee accessing family member's record
- Vendor errors in patient information handling

Unauthorized Access: 4 cases, including:

- Credential sharing
- Accessing spouse's record
- Other Incidents: 6 not involving unauthorized access/disclosure; 6 still under investigation.

Other Compliance Activities

Quorum Health Due Diligence: Document production and interviews supported.

Collaboration with St. Charles: Monthly privacy coordination and FairWarning monitoring.

Hotline Error: Incorrect number listed on website; correction requested.

Medical Record Amendment: Determined not to be a privacy issue.

Regulatory Updates

HIPAA Security Rule Proposal: MFA, encryption, 24-hour breach notification.

OIG Work Plan: Focus on hospital reporting patient harm.

Executive Order 14191: Strengthened enforcement of price transparency.

The board thanked Ms. Howard for her report and expressed appreciation for the style and content of the report as was included in the board packet.

CONSENT AGENDA

The consent agenda included:

- Board Meeting Minutes of April 8, 2025
- Board Education Session Minutes of April 8, 2025
- Board Work Session Minutes of April 9, 2025
- QPSC Approved Minutes of March 27, 2025
- Finance Approved Minutes of March 19, 2025
- MEC Approved Minutes of March 26, 2025

Action Taken by the Board:

Dr. Darin O'Bryan moved to approve the Consent Agenda as cited above and as included in the board packet. Patrice Parrott seconded, and the motion carried on a call of vote with all board members present casting a vote of approval.

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

Ms. Parrott reviewed the activities of the QPSC at their meeting of April 24, 2025.

- Mr. J. Carter gave a service line report on the Bay Area Cancer Center, which had over 20,000 patient visits between outpatient medical oncology, radiation oncology, infusion services, and the new lab services.
- The preliminary Joint Commission Preliminary Survey Report and its findings were shared with the committee.
- Ms. K. Dion presented the Leapfrog Safety Grade for Spring 2025. She reviewed the scores in 22 individual areas as well as the overall score. She reported priority actions that will be taken for opportunities for improvement

FINANCE REPORT – Mr. Mitch Watson, interim CFO**FINANCIAL PERFORMANCE REVIEW**

Mr. Watson reviewed the financials for March 2025 with highlights as below. Comprehensive financials were included in the board packet.

Overall, Bay Area Hospital reported a loss of (\$4.7M) in March, against budgeted gains of \$219K. March Gross Revenue was \$63M and Net Revenue ended the month at \$19M, with a Net to Gross Revenue Margin of 30.3%. March Gross Revenue totaled \$62.2M, (\$2.2M) decrease to budget and increase of \$1.8M prior year. Emergency Room showed higher than budgeted gross revenue for the month, an increase of \$770K. Departments with large deficits to budget include Operating Room, Cardiac Cath Lab, and Pharmacy-Infusion.

Gross Revenue Variance of (\$2.2M) vs budget is driven by an unfavorable volume decrease of (\$8.5M) offset by a favorable rate increase of \$6.3M.

Net Revenue for the month is below budget by (\$3.6M) and down to prior year by (\$881K) (\$19M vs. \$22.6M vs. \$19.9M). YTD is below budget by (\$17.8M) and up to prior year by \$872K (\$181.9M vs. \$199.8M vs. \$181.1M). Cash and Cash Equivalents are \$9M at the end of March and Assets limited to use are \$36.5M for an overall cash balance of \$45.6M. Overall cash and investments decreased about (\$3.1M) over the last month. Days Cash on Hand is 65 days. Account Receivable (net) decreased (\$1.3M) from the prior month to end at \$28M. Current liabilities decreased by (\$570K) compared to the prior month. The Current Ratio is 2.82 and Debt to Capitalization is 40.1%.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Brian Moore, CEO

Operational Events: Brian highlighted several significant events, including the trauma team's response to a plane incident and a tragic school bus accident involving a softball team. He emphasized the importance of Bay Area Hospital's services in these situations.

Joint Commission Survey: He mentioned the successful completion of the Joint Commission survey, noting that the findings were low risk and limited in scope.

UFCW Contract: Brian announced the ratification of a new contract with UFCW, which includes pay increases and other benefits for employees.

Leadership Changes: He discussed the departure of Dr. Lee Saltzgaber from the Chief Medical Officer position, and the interim support provided to that department by Gretchen Nichols, COO and Dr. Atluri, Chief of Staff.

Financial Performance: Brian expressed concern over the financial performance in March, which reversed five months of improved results. He stressed the need for operational adjustments regardless of the hospital's future direction.

Advocacy and Funding: He shared efforts to secure increased Medicaid funding, referencing similar legislation in Washington state. However, he noted the challenging federal backdrop for these efforts.

Affiliation with Quorum: Brian provided updates on the affiliation process with Quorum, including the commitment to maintain the hospital's non-profit status and ongoing regulatory processes.

Bank Negotiations: He discussed negotiations with the Bank of Montreal regarding forbearance and the request for a \$25 million payment to move out of default with the bank supporting the fasted way to recoup loan funds. The dialogue continues with the next step being consultation of bond and finance counsel. Questions were asked and answered, and the board commented that the bank's forbearance is contingent on the Quorum deal and pointed out that the fastest way for the bank to collect is affiliation with Quorum.

EXECUTIVE SESSION

The Board went into Executive Session as authorized by ORS 192.660(2) (c) consider matters pertaining to the function of the medical staff at a public hospital and (f) consider information or records that are exempt by law from public inspection at 7:15 pm.

RETURN TO REGULAR SESSION

Chairperson Cribbins reopened the meeting into public session at 7:22 pm.

MEDICAL STAFF CREDENTIALS REPORT

This report was reviewed in the Executive Session.

APPROVAL OF CREDENTIALING REPORT

Action taken by the Board: Patrice Parrott moved to approve the Credentialing Report as discussed in the Executive Session and presented in the packet. Dr. O'Bryan seconded, and the motion was carried out on a call of vote by all board members.

MEDICAL STAFF REPORT – Dr. Paavani Atluri, Chief of Staff

Dr. Atluri gave her report in the Executive Session.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:23 pm.


Troy Cribbins, Board Chairperson

Date: 6/10/25


Patrice Parrott, Secretary

Date: 06/10/2025

**RESOLUTION
ADOPTING THE 2025 - 2026 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, 2025, and that it held a public hearing on said budget on June 10, 2025, at Bay Area Hospital.

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

(3) There are appropriated all the expenditures, which are budgeted for the fiscal year beginning July 1, 2025, as follows:

Personnel Services	\$135,795,383
Materials and Services	92,480,312
Other Operating	18,991,427
Depreciation & Amortization	8,669,311
Operating Expense Total	<u>\$255,936,433</u>
 Capital Outlay	2,459,500
Capital Carryforward	0
Debt Service	3,006,000
Appropriation Total	<u>\$261,401,933</u>

Passed and adopted by the District Board of the Bay Area Hospital District, Coos County, Oregon, on this 10th day of June 2025.



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, 2025**

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 \$255,936,433 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, 2025, and to issue and sign checks in payment thereof.

Passed and adopted by the District Board of the Bay Area Hospital District this 10th day of June 2025.


Chair

ATTEST:


Secretary