



## Bay Area Hospital District Board Meeting Agenda

September 9, 2025 @ Bay Area Hospital, Myrtle Conference Room

### TIME

#### 6:05 Call to Order

Simon Alonzo, Chairperson

- Public Input—3 minutes per speaker

#### 6:20 Consent Agenda

**ACTION ITEM**

Simon Alonzo, Chairperson

- Board Meeting Minutes of August 12, 2025
- Board Education Session Minutes of August 12, 2025
- Finance Approved Minutes of July 22, 2025
- MEC Approved Minutes of July 30, 2025
- QPSC Approved Minutes of July 26, 2025

#### 6:25 Report of the Chief Executive Officer

Kelly Morgan, interim CEO

- Operational Update
- Legislative Advocacy Update
- Strategic Direction

#### 6:40 Tax Levy Education

Megan Kronsteiner, Esq.

#### 6:55 Quality and Patient Safety Committee Report (QPSC)

Patrice Parrott, Secretary

- Executive Summary

#### 7:10 Finance

Doug Dickson, interim CFO

- Finance Executive Summary
- Finance Committee Narrative and Financials

#### 7:20 Board Member Comments

Simon Alonzo, Chairperson

- Report of the Chairperson
- Board Member Comments

#### 7:30 Medical Staff Report

Paavani Atluri MD, Chief of Staff

#### 7:35 Review of Policy and Procedures – Hiring of A CEO – required by ORS 192.660(7)(a) – (d)

#### 7:40 Public Input Session – 3 minutes per speaker

#### 7:55 Executive Session

##### ORS 192.660(2)

- (a.), to consider the employment of a public officer, employee, staff member or individual agent.
- (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 regarding current litigation or litigation likely to be filed*

**ORS 192.660(7) (d)** requires that the public body:

*(a.) Advertise the vacancy; (b) Adopt regular hiring procedures; (c) in the case of an officer, offer the public an opportunity to comment on the employment of the officer; and (d) In the case of a chief executive officer, the governing body must have adopted hiring standards, criteria and policy directives in meetings open to the public in which the public has had the opportunity to comment on the standards, criteria and policy directives.*

**8:25 Credentialing Report**

**ACTION ITEM**

*“Does every clinician on this list for reappointment to staff faithfully follow all of our patient safety protocols and requirements?”*

**8:30 Adjourn – next regular meeting - Tuesday, October 14, 2025**

**BAY AREA HOSPITAL DISTRICT BOARD MEETING MINUTES**

*August 12, 2025, Bay Area Hospital Myrtle Conference Room @ 6:05 pm*

**BOARD EDUCATION SESSION at 5:30 pm****CALL TO ORDER**

The Bay Area Hospital District Board Meeting was called to order by Simon Alonzo, Chairperson at 6:05 pm.

**BOARD ATTENDANCE**

Simon Alonzo; Tom McAndrew; Patrice Parrott; Kyle Stevens; John Uno; Brandon Saada (*via Teams*)

**STAFF ATTENDANCE**

Kelly Morgan, interim CEO; Doug Dickson, interim CFO; Kelli Dion, CQO; Tom Fredette, HR Director; Gretchen Nichols, COO; Mel Stibal, interim CNO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, COS; Denise Bowers, EA

**ABSENT**

None

**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

**PUBLIC ATTENDANCE AND INPUT**

The public input session commenced immediately after the call to order, with approximately 85 attendees in-person and virtually combined.

Tracey Sweeley, Coos Bay requested that the Here For Good page on the hospital's website be updated.

Public input session closed at 6:06 pm as there were no additional comments offered.

**COMPLIANCE COMMITTEE 2<sup>ND</sup> QUARTER REPORT by Linda Howard, The Fox Group**

Ms. Linda Howard welcomed new board members and provided an overview of the Q2 compliance report as provided in the board packet. During Ms. Howard's report it came to the board's attention that some members of the public and staff were having connectivity issues to the meeting. In order to allow time for the public to get connected, he moved into an item that wasn't on the agenda.

**BOARD CHAIR RECOGNITION**

Chairperson Simon Alonzo took a moment to reflect on the past month of transition and acknowledged the support the board has received from staff during this time. Among those who stepped up, Denise Bowers was recognized for her consistent and helpful contributions. But there's been one staff member that's been extremely extraordinary for us. He addressed Denise Bowers, Executive Assistant:

"Denise, you have been the steady hand for all of us. You've been the constant source of support for all of us. You've gone above and beyond to make sure we have what we need and make sure we have what we need before we even know we need it. I'm really thankful for that. You show up every day with deep love for the hospital and the people it serves, and it really does shine through everything you do. Denise, in just a few weeks that we've worked together, you've talked to me about how you wanted to retire from the hospital and well, I hope that is not anytime soon because I'm not sure what we would do without you. I just wanted to say thank you on behalf of the board. Denise is the lifeline for us to the board and to the executive team."

On behalf of the board, he presented Denise with a gift of appreciation and thanked her for being a key connection between the board and the executive team. The board expressed their appreciation for Denise's continued support and dedication.

**The floor was returned to Ms. Howard**, and her reporting re-commenced. Highlights of this report are below:

- Training Completion: 24% delinquency, 10% late completions.
- Privacy Incidents: 19 investigations; several involved third-party billing company Savista. Corrective action plans requested.
- Enforcement Activity: Record-breaking federal healthcare enforcement actions; over 1,500 providers excluded; \$16.61 billion recovered.
- Compliance Challenges: No policies updated or compliance meetings held in Q2 due to leadership transitions. Meetings have now resumed.
- Recommendations: Board compliance training proposed; updated work plan forthcoming.

Ms. Howard has offered to come out in person to the September meeting to personally conduct the training for the board. The board thanked her for her report and expressed looking forward to the continuing education.

**Action Taken by the Board:**

Kyle Stevens moved to approve the Compliance Committee 2<sup>nd</sup> Quarter Report as cited above and as included in the board packet. Tom McAndrew seconded, and the motion carried on call of vote with all board members present casting a vote of approval.

**CONSENT AGENDA**

The consent agenda included:

- Board Meeting Minutes of July 8, 2025
- Board Education Session Minutes of July 8, 2025
- Board Work Session Minutes of July 9, 2025
- Board Work Session Minutes of July 16, 2025
- Board Meeting of July 21, 2025
- Board Meeting of July 22, 2025
- Finance Approved Minutes of June 24, 2025
- MEC Approved Minutes of June 25, 2025
- QPSC Approved Minutes of June 26, 2025

**Action Taken by the Board:**

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

**CHIEF EXECUTIVE OFFICER REPORT – Kelly Morgan, interim CEO**

Kelly Morgan introduced himself as the Interim CEO. He shared a few facts about himself:

- Born in Myrtle Point, raised in Coquille.
- Former President & CEO of Mercy Medical Center in Roseburg for 16 years.
- Recently retired, but returned at the request of Kyle to assist Bay Area Hospital.

He then introduced interim leadership team members:

- Mel Stibal, Interim CNO, with experience in Portland-area hospitals.
- Doug Dicksonon, Interim CFO, experienced in hospital turnarounds.

Below are the highlights of the updates he provided to the board of directors:

**Hospital Census and Volume Trends**

- Licensed for 172 beds, staffed for 129, but functions as a 75-bed hospital.
- **Trends:**
  - Patient discharges: Down 1% from FY23.

- ED visits: Up 12% from FY24 and 20% from FY23.
- Outpatient visits: Down 3% from FY24 and FY20.
- Surgeries: Down 6.3% from FY23 and 8.5% from FY24.

### Financial Overview

- **Net Revenue:**
  - FY23: \$207M
  - FY24: \$244M (down \$4M from prior year)
- **Expenses (Selected):**
  - Salaries & Wages: \$97M (up \$10M from FY23)
  - Benefits: \$27M
  - Contract Labor: \$20M (down \$7M from prior years but still high)
  - Professional Fees: \$19M
  - Purchase Services (e.g., Savista): \$27M (up \$8M)
  - Supplies: \$44M
  - Other: \$18M
- **Operating Losses:**
  - FY23: \$32M
  - FY24: \$24M
  - Monthly losses: ~\$2M consistently over 13 months

### Cash Flow and Debt

- **Cash Reserves:**
  - June 2022: \$104M
  - June 2024: \$59M
  - June 2025: \$42M
  - Burned \$62M in two years; ~4 months of cash remaining
- **Debt:**
  - \$45M owed to Bank of Montreal
  - Not meeting debt covenants; interest rate increased due to default
  - Biweekly calls with the bank; pressure mounting

### Turnaround Plan

- Goal: \$30M improvement through revenue and expense adjustments
- **Revenue Strategies:**
  - Improve revenue cycle
  - Renegotiate third-party payer contracts
- **Expense Strategies:**
  - Hiring freeze implemented
  - Review of all new hires by senior management
  - Anticipated reduction in force to right-size operations

### Advocacy and External Support

- New lobbying team: PAC West (replacing United Strategies)
- Working with UFCW and state Treasury Department
- Exploring refinancing options and emergency state support
- Senate Bill 1214 introduced to improve Medicaid reimbursement
- Encouraging discussions with Oregon Solutions from Gov. Kotek's office and state representatives

### Affiliation and Partnership Updates

- Terminated LOI with Quorum Health

- Frees hospital to explore other partnerships
- Quorum required operational improvements before proceeding
- Their transition to not-for-profit status remains uncertain
- Terminated contract with Juniper (advisor for strategic affiliation partnership search)

**Strategic Goals**

1. Save the hospital
2. Stay local if possible
3. Achieve financial stability

**Recruitment and Development**

- No current CMO; recruitment underway for CEO, CFO, and CMO roles
- Tom, HR Director, leading recruitment efforts
- Need for a physician recruitment and development plan
  - Focus areas: General surgery, orthopedics, OB/GYN, oncology

**Local Partnership Exploration**

- Considering a regional system with:
  - Critical Access Hospitals
  - North Bend Medical Clinic
  - IPA
  - Advanced Health
  - Bay Clinic
- Conceptually promising, but requires:
  - Governance and shared services analysis
  - Financial feasibility study
- CEO meeting scheduled next week to begin discussions

**Board Discussion Highlights**

- Board expressed interest in the local option but requested financial analysis.
- Questions raised about bank forbearance and restructuring flexibility.
- Kelly Morgan confirmed the bank is open to collaboration but needs to see progress toward profitability.

**LAND FEASIBILITY STUDY – Ms. Gretchen Nichols, COO**

Ms. Nichols reviewed the Land Feasibility Study for 16 acres behind the hospital, as presented in the packet. The board was provided a Summary Sheet of the feasibility study attached to these minutes.

**Key highlights are as follows:**

A number of years ago, the hospital conducted a master facility planning process, during which approximately 16 acres of woodland behind the hospital were identified as non-essential for campus development. In collaboration with the City of Coos Bay, the hospital explored the potential for using this land to support housing development in the region. The hospital and city jointly secured a Transportation and Growth Management Grant through the Department of Land Conservation and Development (DLCD), which funded a feasibility study conducted by Cascadia Partners.

**Study Scope and Process**

The study ran from January to July and included:

- Site and visibility assessments
- Community engagement sessions
- Development of multiple land-use scenarios

**Key Findings**

- The land presents significant development challenges:
- Steep slopes
- Presence of a watershed and creek with protected wildlife
- Infrastructure limitations requiring major investment (e.g., sewage lift station, bridge access)

**The study concluded that:**

- Land development would not significantly improve the hospital's financial position
- The hospital should prioritize core operations and financial stability
- A champion or broker may be needed to assess future development or sale opportunities
- Collaboration with the tribe and city could support long-term planning

**Recommendations**

The study recommends:

- Monitoring legislative opportunities for infrastructure support
- Outreach to developers for future collaboration
- Considering the land for non-medical use, such as housing, if external funding becomes available

**Next Steps**

- The City of Coos Bay formally adopted the feasibility study by resolution two weeks prior
- Gretchen Nichols requested the board to adopt the study and its recommendations by formal resolution, noting that this does not commit the hospital to any development actions

**Board Discussion**

- Board members acknowledged the creative and collaborative nature of the study process.
- It was noted that the land is currently held as collateral by the bank, limiting the hospital's ability to act independently on its use .
- The board recognized the potential for future housing solutions, especially for hospital staff, but agreed that significant grants would be needed to make development feasible

**Action Taken by the Board:**

Kyle Stevens moved to accept the land feasibility study as presented in the packet by formal adoption through resolution (attached to these minutes) of the board of directors. There was a brief discussion, with questions asked and answered. Patrice Parrott seconded, and the motion carried on 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 reported on the activities of the QPSC committee as their last meeting of July 24, 2025.

- Mr. Doug Gauntz gave a presentation on the services provided by the Medical Imaging Department and their associated quality measures.
- Mr. Mike Conner gave a presentation a presentation on services provided by Respiratory Therapy and the Sleep Lab with their associated quality measures.

**Comprehensive Quality Committee (CQC) Executive Summary**

Ms. Michelle Merrick reported on the latest CQC meeting, which reviewed Heart Failure data and Tracers completed in the first quarter.

**Quarterly Board Report Card**

**Key Point:** Ms. Kelli Dion reviewed the Quality Board Report Card. Catheter Acquired Urinary Tract Infection, Central Line Associated Bloodstream Infection, PSI-90, Heart Failure Readmission, and Readmissions met, at the least, their



minimum benchmark. Mortality and SEP-1 did not meet their minimum benchmark.

### **Annual Scope of Services – Ms. Kelli Dion, CQO**

The Scope of Services document and agenda item summary of the item was presented to the board for action in the board packet, which was also posted on our website.

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

Kyle Stevens moved to accept and approve the Annual Scope of Services as presented in the packet and as summarized in the Agenda Item Summary and on our website. Tom McAndrew seconded the motion which carried on call of vote with all board members present casting a vote of approval.

### **FINANCE REPORT – Mr. Doug Dickson, interim CFO**

#### **FINANCIAL PERFORMANCE REVIEW**

Mr. Dixon shared that June was a challenging month financially, with the hospital posting a \$2.6 million operating loss. Inpatient volumes were down about 20% from budget, and outpatient visits fell short by 9%, leading to a \$3.3 million drop in gross revenue. Additionally, the net-to-gross ratio came in lower than expected at 30.8%, which translated to roughly \$1 million less in net revenue for the month.

Looking at the full fiscal year, the hospital ended FY24 with a \$24 million operating loss, largely due to sustained volume declines and revenue shortfalls. While most expense categories were under budget, contracted labor and miscellaneous costs remained high.

He noted that the hospital is not currently meeting key financial benchmarks, including debt service coverage ratios, days cash, and liquidity requirements. These areas are being prioritized in the financial recovery plan.

A major focus moving forward is improving the revenue cycle. The current shortfall in net-to-gross performance could result in a \$12 million annual impact if not addressed. He emphasized that this is a top priority for the finance team. Regarding the audit, the hospital remains out of forbearance, which could affect its “going concern” status. Plans to improve financial performance are underway and will be shared with auditors.

He also shared some initial observations: operating expenses appear high relative to revenue, and while some contracts may be difficult to exit immediately, there may be opportunities to renegotiate over time.

He acknowledged concerns about inconsistent Medicaid payments and confirmed that the finance team is actively investigating and working to clarify the situation.

Finally, he addressed the hospital’s contract with St. Charles, which runs through February 2027. St. Charles leadership has committed to continued support and flexibility, and any transition to a new system would require approximately 20 months of planning. No additional questions were raised by the board at the conclusion of the report.

#### **Comprehensive financials were included in the board packet and posted on our website; highlights are as below:**

**Overall**, Bay Area Hospital reported a loss of \$2.6M in June, against budgeted gain of \$25K. June Gross Revenue was \$59.1M and Net Revenue ended the month at \$18.2M, with a Net to Gross Revenue Margin of 30.8%.

#### **Gross Revenues**

June Gross Revenue totaled \$59.1M, \$3.3M decrease to budget and \$1.5M higher than prior year.

Gross Revenue Variance of \$3.3M vs budget is driven by unfavorable volume decrease of \$6.0M and favorable rate increase of \$2.7M.

#### **Net Revenues**

Total Net Revenue June is below budget \$4M and down to prior year by \$3.0M (\$18M vs. \$22M vs. \$21M). YTD is below budget by \$26M and down from prior year by \$3.8M (\$240M vs. \$266M vs. \$244M).

#### **Depreciation**

Depreciation costs are favorable \$206K to budget and \$460K favorable to prior year (\$744K vs \$950K vs \$1.2M) due to lower subscription amortization since the Workday contract was only renewed for one year. Year to date, Depreciation costs are \$1M below budget and prior year (\$10.2M vs \$11.4M vs \$11.7M).

#### **Other Operating expense**

June Other Operating Expenses are unfavorable \$21K to budget and \$8K over prior year (\$1.6M vs \$1.6M vs \$1.6M). Year to date, Other Operating Expenses are \$1M below budget and up \$82K to prior year (\$18M vs



\$19M vs \$18M).

**Non-Operating Income and Expense**

June Other Non-Operating Income and Expenses are unfavorable \$30K to budget and \$1.4M to prior year (-\$120K vs -\$89K vs \$1.3M). Year to date, Other Non-Operating Income and Expenses are \$494M favorable to budget and \$2.4M unfavorable to prior year primarily driven by the accelerated disposal/write off the Workday subscription lease asset of \$1.9M in current year (-\$612K vs -\$1.1M vs \$1.8M).

**Balance Sheet**

Cash and Cash Equivalents are \$9.5M at the end of June and Assets limited to use are \$32.4M for an overall cash balance of \$41.9M. Overall cash and investments decreased about \$1.9M to prior month.

**Days Cash on Hand is 62 days.** Account Receivable (net) decreased \$4.2M from prior month to close at \$22.6M for June. Current liabilities decreased \$4.1M compared to prior month. The Current Ratio is 2.62 and Debt to Capitalization is 42.6%.

**REPORT OF THE BOARD CHAIRPERSON and BOARD COMMENTS**

Board Chair Simon Alonzo shared reflections on his first month in the role, describing it as fast paced, challenging, and rewarding. He acknowledged the significant transitions the hospital has been navigating, including leadership changes, and emphasized that while many executive team members currently hold interim titles, they bring deep experience and a strong commitment to the hospital and community.

Chairperson Alonzo expressed appreciation for the staff's dedication, noting that he has met with many departments and community stakeholders, all of whom share a common goal: saving Bay Area Hospital. He highlighted the community's unity and support as a powerful force during this period of change.

He addressed the recent termination of the LOI with Quorum Health, explaining that while the deal has ended, the relationship remains open for future consideration. In the meantime, the hospital is actively exploring other options, including local partnerships and state-level resources—some of which have never been tapped before.

Chairperson Alonzo also provided an update on transparency efforts:

- Board member contact information is now posted online.
- Microphone upgrades are in progress.
- Printed board packets were made available for the public at the meeting.
- Agenda packets and meeting minutes are now posted on the hospital website.
- Plans are underway to begin recording meetings for public access, with Gretchen Nichols leading that effort.

He emphasized that these small changes reflect a larger commitment to transparency and responsiveness. The board is listening and acting, and the goal is to keep the community more informed than ever.

In closing, Chairperson Alonzo expressed pride in the board, the executive team, and the staff, and thanked the community for its trust and support during this critical time.

**Other Board Member Comments:**

Board Member Tom McAndrew expressed his continued commitment to working with fellow board members to support the hospital's success. He acknowledged the challenges ahead and emphasized the importance of collaboration between the board, staff, and leadership. Tom shared his appreciation for the professionalism of the hospital's staff and leadership team, particularly noting how quickly interim roles were filled. He stressed that the hospital cannot afford to fail and that it will take hard work and shared effort to move forward. He closed by affirming the board's dedication to making the best decisions possible for both the community and hospital employees.

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

Dr. Atluri introduced herself as the hospitalist and current Chief of Staff and thanked the board and Interim CEO Kelly Morgan for taking time to meet with the Medical Executive Committee (MEC) and department chairs on July 30. She emphasized the importance of understanding the structure and needs of the medical staff.

She reported an unusually low patient census during July, noting it was one of the most significant lulls she has seen in her six years at the hospital. She expressed concern about the potential impact on the upcoming financial report. Dr. Atluri highlighted the hospital's reliance on locum providers and stressed the importance of both retaining current staff and recruiting new physicians. She shared plans to collaborate with leadership from North Bend Medical Clinic, Advanced Health, and Bay Clinic to develop a unified recruitment strategy, moving away from siloed efforts. She also announced the formation of a nominating committee to select the next Chief of Staff. The process includes electing a secretary who will advance to Vice Chief of Staff and eventually Chief of Staff, with the outgoing Chief transitioning to the Credentials Chair role.

No questions were raised following the report, and board members expressed appreciation for the update and ongoing engagement with the medical staff.

#### **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 7:23 pm.

#### **RETURN TO REGULAR SESSION**

Chairperson Alonzo reopened the meeting into public session at 7:45 pm.

#### **MEDICAL STAFF CREDENTIALS REPORT**

This report was reviewed in the Executive Session.

#### **APPROVAL OF CREDENTIALING REPORT**

**Action taken by the Board:** Tom McAndrew moved to approve the Credentialing Report as discussed in the Executive Session and presented in the packet. Kyle Stevens seconded, and the motion was carried out on call of vote by all board members.

#### **ADJOURNMENT**

There being no further business, the District Board meeting was adjourned at 7:45 pm.

\_\_\_\_\_  
Simon Alonzo, Board Chairperson

\_\_\_\_\_  
Patrice Parrott, Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**BAH AREA HOSPITAL DISTRICT BOARD EDUCATION SESSION MINUTES**

August 12, 2025

*SPRUCE FIR CONFERENCE ROOM/TEAMS HYBRID @ 5:30 PM*

**CALL TO ORDER**

The Board Education Session was called to order by Simon Alonzo, Chairperson at 5:27 pm.

**BOARD ATTENDANCE**

Simon Alonzo; Tom McAndrew; Patrice Parrott; Kyle Stevens; John Uno; Brandon Saada (*via Teams*)

**ABSENT**

None

**STAFF ATTENDANCE**

Kelly Morgan, interim CEO; Doug Dickson, interim CFO; Kelli Dion, CQO; Tom Fredette, HR Director; Gretchen Nichols, COO; Mel Stibal, interim CNO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, COS; Denise Bowers, EA

**LEGAL COUNSEL**

Megan Kronsteiner, Esq. not present.

**PUBLIC ATTENDANCE**

Members of the public were in attendance in person.

**KEY DISCUSSION POINTS****1. Education Session Format**

- Simon Alonzo proposed eliminating routine education sessions unless a specific topic requires attention.
- Board members agreed that sessions should be more focused and strategic, especially given the ongoing fiscal crisis.
- Future education sessions will be scheduled only when necessary, with topics submitted via email to Denise Bowers, Executive Assistant.

**2. Work Session Timing**

- Proposal to move work sessions to occur the Monday before board meetings instead of after.
- This change aims to allow strategic discussions and public input to inform board decisions more effectively.
- General agreement that pre-meeting work sessions would be more productive and aligned with governance best practices.

**3. Governance Institute Training**

- Denise Bowers is coordinating Governance Institute training for board members.
- Training is expected to be available in September or October.
- The board pays \$40,000 annually for access to Governance Institute resources, which are currently underutilized.

#### **4. Transparency Committee Proposal**

- Brandon Saada proposed forming a Transparency Task Force to address community concerns.
- Goals include improving access to board materials, simplifying website navigation, and increasing public engagement.
- Actions already taken:
  - Board contact information posted online.
  - Additional microphones ordered.
  - Printed board packets made available at meetings.
  - Agendas including board packet posted online in advance.
  - Efforts underway to record meetings.

#### **5. Outreach and Foundation Discussion**

- Discussion on reviving the hospital's dormant foundation to support fundraising and community outreach.
- Ideas included donor engagement, volunteer recruitment, and events like banquets and golf tournaments.
- Board agreed to consider reactivating the foundation committee and exploring the creation of a 501(c)(3) entity.

#### **6. Community Communication**

- Suggestions to create a "Friends of Area Hospital" group or newsletter to improve communication with the public.
- Challenges noted include lack of a central email database and the need for opt-in systems.
- Brandon Saada offered an existing website ([savebayahospital.org](http://savebayahospital.org)) with newsletter capabilities for future use.

#### **Conclusion**

- The session concluded with consensus to prioritize fiscal recovery while keeping transparency and outreach initiatives in view for future action.
- The board will reconvene in 14 minutes for the regular board meeting.

#### **ADJOURNMENT**

As the District Board Education Session meeting business was concluded, it was adjourned at 5:51 pm.

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Simon Alonzo, Board Chairperson

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Patrice Parrott, Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**BAY AREA HOSPITAL  
FINANCE COMMITTEE MEETING  
July 22, 2025, MINUTES  
Myrtle Conference Room / Microsoft Teams**

**CALL TO ORDER**

Finance Chair Kyle Stevens called the meeting to order at 5:15 p.m. and requested that the administrative assistant take roll call. The administrative assistant did so and established there was a quorum in attendance at this time.

**FINANCE COMMITTEE MEMBER ATTENDANCE**

Finance Committee Chair, Kyle Stevens, Barbara Taylor, Brandon Saada, and John Briggs

**ABSENT** (*excused*)

None

**BAHD BOARD OF DIRECTORS ATTENDANCE**

Patrice Parrot, Simon Alonzo, Brandon Saada

**STAFF ATTENDANCE**

Mark Hadley, Senior Finance Analyst; Karen Miller, CFO; Jenn Collins, CNO; Carla Ballou, Dir. Revenue Cycle; Gretchen Nichols, COO; Jeanie Ortiz, Accountant IV; Denise Bowers, Executive Assistant; and Claudia Wells, Clinical Analyst and Support Specialist

**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

**PUBLIC ATTENDANCE**

The public was in Attendance

**APPROVAL OF FINANCE COMMITTEE MINUTES – Mr. Tom McAndrew, Acting Chairperson**

Barb Taylor initiated the meeting by addressing the approval of the Finance Committee minutes, noting corrections regarding attendee names, and Brandon Saada made a motion to second. The minutes were approved with these corrections.

**Corrections:** Barb Taylor noted two corrections to the Finance Committee minutes: Barb Taylor was present but not listed among the attendees INSERT "IN THE MINUTES OF AND DATE, and Troy Cribbins was incorrectly listed as seconding a motion instead of Taylor Cribbins.

**Approval:** With the corrections noted, Barb Taylor moved to approve the minutes as corrected, and the motion was seconded and carried unanimously.

**Old Business** – There wasn't any old business to address.

**New Business** – There wasn't any new business to address.

**CFO Update**

*Overall*– It was noted as a reminder; this was the year-end, and what was being presented were preliminary results. The final results will be towards October, when the audit is complete.

**Preliminary Year-End Financial Results:**

Karen Mill, the CFO, presented the preliminary year-end financial results, highlighting lower patient volumes, a decrease in emergency room visits, and a decline in general surgery. She noted that the final results would be available in October after the audit. Karen highlighted that patient volumes were down this month compared to the budget and last year, primarily due to lower overall patient volumes. There was an increase in emergency room visits, but a slight decrease in patients left without being seen. General surgery saw a decline, particularly in ENT and OB/GYN, partially offset by an increase in urology cases.

**Operating Income and Loss:**

Karen discussed the operating income, noting a net operating loss of 2.5 million month-to-date and a gross healthcare revenue decline. She also mentioned a shift in gross patient revenue from inpatient to outpatient. Karen reported a net operating loss of

2.5 million month-to-date, with a total net operating loss of 24.9 million. Gross healthcare revenue was down 17.3% for inpatient and 3.5% for outpatient compared to the budget, but outpatient revenue increased by 19.1% over the prior year. There was a shift in gross patient revenue in FY25 from the budgeted 42% inpatient to 40% inpatient and 60% outpatient. Karen highlighted the decline in commercial volumes and other payer volumes, resulting in a decrease in gross margin. She also noted an increase in Medicare basic payers. Commercial volumes declined 1% compared to the three-month run rate and 0.3% year-over-year, resulting in a gross charge shortfall of 1 million. Medicaid, Medicare Advantage, and other payer volumes declined compared to the prior three-month run rate, resulting in a 2.4 million decrease in gross margin. This decline was slightly offset by an increase in Medicare basic payers, which increased revenue by 313,000.

- Karen discussed the salary and contract labor, noting favorable month-to-date salaries and an upward trend in salary, wage, benefit, and contractor labor.
- Month-to-date salaries were favorable by 1.9% to the budget and 2.7% to the prior year.
- Contract labor was unfavorable to the budget by 33.4% but favorable to the prior year by 3.5%.
- The rolling 12-month salary, wage, benefit, and contract labor reflect an upward trend, including leisure adjustments and annual increases.
- Karen mentioned that supplies were down compared to the budget but up from the prior year. She also noted that other operating expenses were consistent with the budget and in line with last year's expenses.
- Month-to-date supplies were down 17.5% to budget but up 2.3% to the prior year. As a percentage of gross revenue, supplies were up even with the budget.
- Other operating expenses for the month were consistent with the budget and in line with last year's expenses.
- Karen provided an update on cash investments and total debt, noting a decrease in cash and cash equivalents and an increase in total debt.
- Total cash and cash equivalents plus board-designated funds decreased by 16.9 million from the prior year and by 3 million from the three-month run rate.
- Total debt owed is 48 million, with a current ratio of 2.62 and debt-to-capitalization at 40.36%, up 5.16% from the prior year.
- Gretchen and Karen discussed changes to the presumptive charity process, aiming to reduce the number of people qualifying for charity care who should not. They expect significant savings from this change. The current system qualifies people for charity care who should not be eligible, leading to unnecessary write-offs. A new hire will conduct more in-depth reviews of each candidate to ensure they truly qualify for charity care, aiming to reduce unnecessary write-offs. Significant savings are expected from this change, although no specific estimate is available yet.

#### **Bank Relationship and Audit:**

Gretchen and Karen discussed their recent meeting with the bank and the importance of obtaining a waiver to avoid a qualified audit opinion. They emphasized the need for ongoing communication with the bank. Karen, Gretchen, and Simon met with Ron Freed from the bank to discuss the financial situation and the board's commitment to improving operations. Ongoing weekly calls with the bank will be established to maintain communication and address any issues promptly.

#### **Audit Waiver:**

Obtaining a waiver from the bank is crucial to avoid a qualified audit opinion, which could impact supplier and vendor relationships.

#### **Introduction of Interim CEO and CFO:**

Kelly Morgan was introduced as the interim CEO, and Doug Dickson was identified as the interim CFO. Both have extensive experience in turnaround situations and will start on August 4<sup>th</sup>.

#### **Volume Trends and Recruitment Challenges:**

Jenn and Gretchen provided updates on volume trends, noting an increase in inpatient volumes and challenges in the cancer program due to recruitment issues.

- Inpatient volumes have increased in July, recovering from the lower volumes seen in May and June.
- Emergency department volumes have remained consistently high, with a slight decrease in the percentage of patients being admitted.
- Imaging had a record year, closing out with the most studies ever performed.
- The outpatient medical oncology and cancer program has seen a dip in volumes due to recruitment and provider issues.

**GOOD OF THE ORDER**

The next meeting will be August 26, 2025, at 5:15 p.m.

**ADJOURNMENT**

There being no further business, the Finance Committee was adjourned at 5:46 p.m.

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Kyle Stevens  
Finance Committee Chairperson

Date: July 22, 2025





## **Executive Summary**

Finance Committee Meeting held August 26, 2025

The below financials were presented at the August 26, 2025 Finance Committee meeting. See attached Narrative and Financials.

**For the month of July 2025**, Bay Area Hospital's financial operating results are summarized as follows:

### **Revenue**

- Inpatient Discharges were down 9% to budget;
- Average Length of Stay (ALOS) was down 14% to budget (3.75 v 4.77);
- Combined to reduce IP Days and, therefore, revenue by \$3.4 million or 11.9%.

### **Outpatient**

- Outpatient services as measured by OP Visits were down by 10 visits on a budget of 11,317 visits;
- OP revenue was up compared to budget by \$1.2 million or 2.9% due to service mix - Increase in Cath Lab, Emergency and Surgical services which have higher per visit revenue than clinical lab, or radiology.

**Net Patient Revenue** came in \$966K or 4.5% below budget.

### **Expenses**

- Salaries, Benefits and Contract Labor combined were over budget by \$1.4 million or 12.1%. Total Paid FTEs were over budget by 54.3 or 6.4%.
- Physician and Pro Fees were over budget by \$41,311 or 2.7%.
- Supplies were below budget by \$320,992 or 7.9%.
- Purchased Services were under budget by \$8,300 or 0.4%.
- Leases/Rentals, Depreciation and Other Operating Expenses were over budget by a combined \$198,216 or 8.4% driven by an increase in the Provider tax of \$265,000.

**Operating Expenses**, therefore, were over budget by \$1.3 million or 6%.

The combination of lower revenues and higher expenses resulted in an operating loss of \$2,341,013 compared to a budgeted operating loss of \$88,136.

For the month of July 2025, BAH did not meet Debt Service Coverage Ratio, Days Cash on Hand or Liquidity requirements for its loan with BMO.

**Next meeting:** September 23, 2025 at 5:15 pm

## **HIRING STANDARDS, CRITERIA AND POLICY DIRECTIVES**

### **Hiring standards and criteria:**

The CEO must have a combination of leadership, human, business, political, facilitative and decision making abilities, industry knowledge, community/advocacy skills and a customer service orientation. Bay Area Hospital is seeking an individual with the following qualifications:

- An advanced graduate degree is required (MBA, MHA, JD, MD, DO, or equivalent)
- A minimum of five years of experience as a CEO, COO or equivalent in a similarly-complex hospital or health system with a reputation for excellence
- Understand and lead quality as a business strategy
- Solid experience in building and managing healthcare organizations that are committed to the highest levels of quality, patient safety and customer service
- Demonstrated success in promoting professional cultures that support teamwork, continuous improvement and patient engagement through effective learning strategies and methods to test change and ensure sustainability of improvements
- Architect of a sustained effort to analyze and improve care, maintaining an unwavering focus on improving care systems and outcomes
- Prior experience as an active partner in the evaluation or the implementation of an electronic health record; able to articulate the strategic uses of data and information as a platform for guiding continuous improvement
- Demonstrated understanding of the power of linking an effective clinical informatics platform to knowledge of process and systems improvement, how to invest in building the infrastructure and human capital to achieve the goal
- Prior experience working with a Board of Directors is required
- Ability to achieve desired outcomes by inspiring trust in others, articulating a clear vision, and effectively attracting and deploying talent
- Demonstrated excellence in strategic planning and the execution of strategic plans
- Results-focused leader who drives the overall strategy of the organization while creating a culture of accountability and performance
- An open, visible and collaborative management style; able to interact in a meaningful way at all levels of the organization and community; excellent communication skills

Experience leveraging financial and operational knowledge to lead, manage and promote the financial stability and growth of the organization; knowledgeable about the competitive landscape, proactively responding to opportunities and challenges

- Success in collaborating with physicians, perceptive of their needs, and skilled in establishing relationships of mutual respect
- Firm grasp of current and future healthcare policies, practices, and trends affecting the industry in order to position BAH for success
- Exercises good judgment, demonstrates effective critical thinking skills; makes high quality decisions in a timely manner

The CEO will be expected to accomplish several key objectives within the first 12-18 months of employment. The following goals represent some of those expectations but are not listed in order of priority.

- Establish strong personal and professional credibility with the Board, physicians, leadership team, employees, and the community based on trust, collaboration and mutual support; he/she is viewed as a highly engaged, effective, and visible leader; demonstrate a collaborative leadership style through direct, open and honest communication
- Engage the various stakeholders including the Board, physicians, and the leadership team in articulating a regional strategy for facilities and services, and a long range vision for Bay Area Hospital that is well-communicated and embraced at all levels of the organization
- Shepherd quality and system improvement as a core strategy by ensuring organizational capacities and skills support continuous performance improvement
- Cultivate a high-performing leadership team by setting expectations, holding people accountable, and building a team environment that supports the size and complexity of Bay Area Hospital
- Establish a culture of excellence that places patient safety and quality as the highest priority and serves as a clear market differentiator in the region; ensure the team meets established operating metrics while continually improving the quality of care; play a key role in ensuring hospital achieves outstanding quality and patient safety performance metrics as well as strong financial results
- Engage the community and employers in identifying healthcare services needed in the future to best serve the District; maintain a highly visible presence and assert a positive influence on behalf of the organization in the community
- Partner with physicians in ways that build trust and lasting, collaborative business relationships, support growth strategies and assist in achieving strategic goals, respecting the heritage and values of the organization; enhance physician satisfaction and engagement by

being highly visible with physician leadership, communicating openly with them, addressing concerns and validating their contributions to the organization

- In collaboration with the Board and medical staff, develop models for greater alignment of incentives between the physicians and the hospital to improve quality, reduce the cost of care, and enhance the patient experience
- Serve as technology champion and advocate of the electronic medical record transition and implementation, ensuring the right people, resources, and processes are in place for a successful installation, adoption and ongoing effective use as well as ensure information is used for guiding and sustaining improvement
- Identify physician needs and develop a plan to recruit and retain high quality medical staff
- Maintain organizational independence while aligning with regional partners to protect and advance the mission and vision of the organization; create strategic affiliations to best serve the communities served, providing access to high quality care

### **Policy directives:**

The President of the District is selected and appointed by the Board of Directors (Board). The President shall be the Chief Executive Officer (CEO) of the District with all of the authority common to the office of the CEO of a business corporation; act as the duly authorized representative of the Board and the District in all matters in which the Board has not formally designated some other person to act; provide overall leadership and coordinate activities of all aspects of the District, with the objective that the entire District will function as an effective unit, providing quality patient care and support services consistent with available resources; maintain contemporary knowledge of ideas and developments in all phases of District administration.

- Model exemplary, innovative and inspiring leadership of Bay Area Hospital in a manner reflective of the organization's mission, vision and values at all times
- Work with the Board to define a compelling vision that will develop and advance BAH's strategic plans and long-range goals necessary for growth and continued success in revenue as well as establishing new programs and services
- Working closely with clinicians and staff, build, lead and advance a culture of high reliability with commitment to achieving zero patient harm, a fully functional culture of safety through the organization and the widespread deployment of highly effective process improvement methods
- Ensure sound financial and operating strategies and policies are developed and implemented to anticipate challenges and consistently deliver solid financial performance; set high standards for operational excellence while complying with State, Federal and CMS regulations

- Evaluate and build on the existing organizational structure, promoting a culture that empowers leadership and staff to be progressive, while holding them accountable for performance in areas of responsibility
- Cultivate and maintain collaborative partnerships with physicians to secure mutual cooperation in providing the best and highest quality affordable health care for the community, closely evaluating risk and value-based care to further strengthen Bay Area Hospital in the region
- Work closely with the Board to enhance its effectiveness in meeting the needs of the District; participate with the Board in planning the direction of the District in response to the needs of the community; collaborate with community partners to improve the health of the community
- Provide the Board with information regarding quality and financial results, ongoing operations, and the development of future health care services of BAH; provide for ongoing Director education to ensure the Board remains current regarding trends, issues and activities in health care in order to facilitate effective governance
- Attract, retain and motivate key personnel of the highest caliber who will contribute significantly to the organization and ensure the development of succession plans within leadership
- Develop and maintain excellent relationships with local, regional, state, civic and community leaders; be visibly involved in the community as a positive spokesperson for the organization; promote the organization in the community and build on its reputation of providing quality, compassionate care

Title: Exclusion Screening and Review	BAH ID: ADM_0197
Start Date: 3/1/2018	Approval/Reviewed Date: 8/3/2021

**POLICY:**

Bay Area Hospital will perform initial, annual and/or ongoing exclusion reviews to ensure that employees, vendors, contractors, volunteers, and physicians have not been sanctioned or excluded from participating in any federal health care program as prohibited by federal law.

- 1.0 For purpose of this policy an “ineligible individual/entity is anyone who:
  - 1.1 Is currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs, or in federal procurement or non-federal procurement programs; or
  - 1.2 Has been convicted of a criminal offense related to the provision of health care items or services but has not yet been excluded or deemed ineligible.
- 2.0 *Contract Employee, Vendor or Contractor:* An individual or entity that is funded through a contract or other agreement to provide items, goods, services, or other benefits to Bay Area Hospital.
- 3.0 If Bay Area Hospital identifies an ineligible individual/entity in the Exclusion verification process the Compliance Department will be contacted for advice and direction on proceeding with an appropriate course of action.

**Objective:**

As a condition of participation in federal health and social services programs (including Medicare, Medicaid, and other governmental programs), federal law prohibits entities such as the Bay Area Hospital from entering into or maintaining certain relationships with individuals or entities that have been excluded from participation in federal health care programs. The Medicare statute excludes from coverage any item or service that has been ordered, supervised, or furnished by an individual or entity during time when the individual or entity has been excluded from the federal program. In addition to the repayment of reimbursements from federal health care programs, the United States Department of Health and Human Services, Office of Inspector General has the authority to impose civil monetary penalties against health care providers that employ or enter into contracts with excluded individuals to provide items or services to federal program beneficiaries.

The purpose of this policy is to establish a process and guidelines for performing sanction screen checks of employees, medical staff, contract employees, contractors, volunteers, and vendors within Bay Area Hospital to ensure that they are not designated

Title: Exclusion Screening and Review

BAH ID: ADM\_0197

Start Date: 3/1/2018

Approval/Reviewed Date: 8/3/2021

as “Ineligible Persons” by any federal or state law enforcement, regulatory or licensing agencies.

**Procedure:****1.0 Human Resource (HR) Screening:**

1.1 Prior to hiring of any Bay Area Hospital employee or contracted employee, or enrollment of a volunteer, (collectively, “staff members”) the Human Resources (HR) Department will screen all potential staff members by:

1.1.1 Requiring prospective staff members applicants to disclose whether they are ineligible, and

1.1.2 Submitting the names of all potential staff members utilizing the BVerified software for verification of non-excluded status.

1.1.3 Whenever HR confirms a potential staff member on a list of excluded individuals, the potential staff members will no longer be eligible for hire/enrollment.

**1.2 Monthly Screening**

1.2.1 HR will verify monthly that current staff members have not been excluded from federal programs since the last annual screening utilizing the BVerified software.

1.2.2 HR will notify the Compliance Department immediately whenever a staff member is found to have been excluded from federal programs.

1.2.3 HR will submit an annual report to the Compliance Department of any staff members identified in the screening process, and the disposition of the staff member.

**2.0 Medical Staff Office (MSO):****2.1 Initial Appointment:**

2.1.1 At the time of initial credentials screening for appointment, and any reappointment, to the Medical Staff of Bay Area Hospital, the MSO will query the LEIE and SAM utilizing MD Staff medical staff office software.



Title: Exclusion Screening and Review	BAH ID: ADM_0197
Start Date: 3/1/2018	Approval/Reviewed Date: 8/3/2021

2.1.2 MD Staff is also utilized for monthly monitoring of any credentialed provider.

2.1.3 Whenever the MSO identifies a potential medical staff member on a list of excluded individuals, the MSO will notify the Chief of the Medical Staff and the Compliance Department immediately.

### 3.0 Materials Management (MM):

3.1 Prior to completing a contract for goods or services, MM shall screen all potential new vendors/contractors. Potential contractors will be required to warrant that none of the vendor's employees have been excluded from a federal health care program.

3.1.1 MM will verify monthly that current vendors/contractors have not been excluded from federal programs since the last annual screening by means of the BVerified software.

3.1.2 MM will notify the Compliance Department immediately whenever a vendor/contractor is found to have been excluded from federal programs.

3.1.3 MM will submit an annual report to the Compliance Department of any current excluded vendors/contractors, and the disposition of the vendor/contractor.

3.2 MM shall also screen vendors/vendor representatives who physically visit any of the District's facilities prior to permitting the vendor/vendor representative access to the facilities.

### 4.0 Corporate Compliance office

4.1 Annually the Compliance Department shall request annual reports from the above departments regarding their screening activities and may audit each department's files as necessary

4.2 Annually the Compliance Department shall request evidence of exclusion screening performed by outside vendors/contractors of staff members assigned to provide services at Bay Area Hospital.

Title: Exclusion Screening and Review	BAH ID: ADM_0197
Start Date: 3/1/2018	Approval/Reviewed Date: 8/3/2021

- 5.0 If the Human Resources Department, the Medical Staff Office, Materials Management or Compliance identifies an individual/entity that is or has become ineligible to participate in Federal health care programs or in federal procurement or non-procurement programs, the staff member will immediately be relieved from his/her responsibilities, or the use of the contractor will immediately be discontinued.

*Resource:*

- 1.0 The following websites are reviewed for any potential matches:
- 1.1 OIG LEIE (<https://exclusions.oig.hhs.gov/>).
  - 1.2 Updated Special Advisory Bulletin on the Effect of Exclusion from Participation in Federal Health Care Programs (<https://oig.hhs.gov/exclusions/files/sab-05092013.pdf>)

Title: Pre-Employment (New Hire) Drug Screening	BAH ID: HR_3003
Start Date: 6/1/2021	Approval/Reviewed Date: 10/19/2023

**Policy:**

Pre-employment: All applicants must pass a drug test before beginning work after receiving an offer of employment. If an applicant refuses to submit to testing, tests positive for drugs or alcohol, or there is evidence that the applicant tampered with the test or result in any way, the applicant may not be considered for employment and/or any conditional offer of employment will be withdrawn.

**Objective:**

A safe environment for patients and employees.

**Pre-employment/Post Offer Testing:**

Standardized testing for drugs will be conducted after a conditional job offer has been extended ("post-offer") for all potential new hires and must be completed before the candidate is hired and begins to work. All job offers will be contingent upon the candidate passing the screening and must be performed within 30 days preceding the date of hire. Bay Area Hospital, and remote testing sites, reserve the right to administer screening using oral fluid, urine, and /or hair samples.

In the event that a candidate provides a urine sample for testing, the urine sample must be suitable for testing. If the lab determines that the urine sample is unsatisfactory, e.g. temperature less than 90 degrees Fahrenheit, quantity less than 30 ml, etc., the candidate will be asked to repeat the urine test immediately before leaving the collection site. If the candidate refuses or does not remain at the collection site to provide another specimen, the collection site will notify the appropriate Bay Area Hospital contact person and Bay Area Hospital will rescind the job offer.

For urine screenings reported as dilute, the applicant will be instructed to limit fluids and will be asked to report back to the collection site within one business day for re-collection. Only one retake will be allowed for dilute specimens. If the applicant has a medical condition that may contribute to or cause a dilute specimen, he/she should discuss that information with the Medical Review Officer (MRO). If the candidate does not return the call in a timely manner and/or complete the second test within one business day, the collection site will notify the appropriate Bay Area Hospital contact person and Bay Area Hospital will rescind the job offer.

Specimen validity testing is performed for each sample. For tests reported as invalid results due to abnormal physical and or chemical results Bay Area Hospital will rescind the job offer.

Title: Pre-Employment (New Hire) Drug Screening	BAH ID: HR_3003
Start Date: 6/1/2021	Approval/Reviewed Date: 10/19/2023

When necessary, The Medical Review Officer (MRO) will contact candidates to discuss drug screen levels and validate prescription medication usage which may cause false positives within a drug screening. The MRO will notify Bay Area Hospital Employee Health of test results. Negative test results based on confirmed prescription medication will be kept confidential within the Employee Health department. Any confirmed positive test results will result in a rescinded job offer. Adulterated, substituted or invalid specimens will result in a rescinded job offer.

Bay Area Hospital will rescind the job offer for screenings reported as positive, dilute a second time, invalid a second time, or refusal to test.

If a job offer is rescinded for any of these reasons the applicant is ineligible to reapply for 6 months at Bay Area Hospital.

The applicant's start date for the position is contingent on the negative results of the drug screen.

Human Resources and Employee Health will notify the applicant of results that do not meet the criteria of Bay Area Hospitals policy. There will be no opportunities for a repeat drug screen if an applicant tests positive.

**Policy:**

The hospital will perform a background check on all employees hired on or after January 1, 1998 and volunteers on or after December 15, 2008. Background and Department of Motor Vehicle (DMV) checks will be performed for hospital staff as outlined in state and/or federal regulations, or if liability necessitates, as applicable to various positions at Bay Area Hospital.

**Objective:**

To validate the criminal and/or driving record status of applicants for employment and to enable the hospital to evaluate if an applicant or staff member is suitable for the position. For the purposes of this policy the use of the word “employee” also refers to volunteers in non-paid positions.

**Procedure:****Criminal Record****Applicant:**

1. Applicant statement regarding criminal history:  
Human Resources will obtain information and a signed authorization from the applicant in order to conduct a criminal records background check. Records will be checked regarding any felony and/or misdemeanor convictions. No inquiry will be made regarding an arrest record. The information will be requested as part of the application/onboarding process.
2. Background check:  
Human Resources will develop a process for providing background checks on each applicant. A specific inquiry will be made regarding any history of Medicare fraud or any other insurance fraud, and in specific cases, a check to validate educational credentials. When possible, this information will be received and evaluated prior to an employee's first day of employment.
3. Falsification of criminal or educational history:  
Failure to report, falsification or misrepresentation of any aspect of an applicant's criminal history or educational history during the application and employment

Title: Record Verification

BAH ID: HR\_9000a

Start Date: 7/1/2003

Approval/Reviewed Date:5/10/2023

process will be considered a serious violation of hospital policy and may result in termination/denial of employment.

4. Evaluation of criminal background history

The existence of a criminal record does not automatically disqualify an applicant for employment. Hospital managers, in consultation with Human Resources, will exercise discretion in considering applicants who have been convicted of criminal offenses. Consideration will include an assessment of the relationship between those offenses and the work to be performed. A decision will then be made on the appropriateness of employment with Bay Area Hospital.

Staff:

1. Staff statement regarding criminal history:

Human Resources will verify they have a signed authorization to conduct a criminal records background check from current staff who are in positions requiring a report on a regular interval period. No inquiry will be made regarding arrest record.

2. Background check:

Human Resources will develop a process for providing background checks on current staff members who are in positions requiring a background check on a regular interval period. A specific inquiry may be made regarding any history of Medicare fraud or any other insurance fraud.

3. Notification of criminal offense(s) during employment:

Staff of Bay Area Hospital must notify Human Resources when they have been charged by a governmental body of any crime listed on the ORS 443.004 CRIMES LIST (attached).

4. Evaluation of criminal background history:

The existence of a criminal record does not automatically disqualify staff for employment. Hospital managers, in consultation with Human Resources, shall exercise discretion in considering circumstances regarding the nature of potentially disqualifying convictions and conditions. Factors such as information related to criminal activity, periods of incarcerations, status of and compliance with parole or probation, evidence of substance abuse, evidence of other

treatment related to a criminal behavior, the individual's cooperation and honesty during the criminal records check process and the relevancy of the individual's criminal activity or potentially disqualifying conditions will be considered. In addition, the environment in which the individual will work (or volunteer) will be reviewed in relation to the circumstances surrounding the record. A decision will then be made on the appropriateness of employment with Bay Area Hospital.

**Company vehicle – requirements to drive**

Driver's license checks will be performed on all applicants after a conditional offer of employment has been made (and annually thereafter) for all employees whose essential job function requires driving a company vehicle or who must use a company vehicle during the course of conducting company business. Applicants and employees will be subject to the status classification system listed below.

**Satisfactory** – Eligible to drive if the record reflects less than or equal to:

- One (1) moving violation in 12 months (to include seat belt/cell phone violations as well as uninsured motorist violations)\*

**Probationary** – Eligible to drive with the stipulation that the individual's motor vehicle record will be checked periodically over the period of probation and their driving record reflects greater than the criteria for satisfactory status or equal to:

- Two (2) moving violations in the past 24 months (to include seat belt/cell phone violations as well as uninsured motorist violations)\*

**Unacceptable** - Ineligible for hire if the driving record reflects:

- Suspended or revoked license
- Three (3) or more moving violations in the past 36 months (to include seat belt/cell phone violations as well as uninsured motorist violations)\*
- One (1) or more DUIs/DWIs within the past 24 months
- At fault in a fatal accident within the past 5 years
- Leaving the scene of an accident within the past 36 months
- Reckless driving within the past 12 months

**APPLICANTS**



Title: Record Verification	BAH ID: HR_9000a
Start Date: 7/1/2003	Approval/Reviewed Date:5/10/2023

Bay Area Hospital will check the motor vehicle record of any job applicant considered for hire where driving a company vehicle is an essential job function. The applicant's job offer is contingent upon this driving record check. The driving record check will include review of any appropriate state records based on the employee's application and resume. If the applicant does not have a valid driver's license, the applicant will not be hired. If an applicant has a driving record that meets or exceeds the criteria listed under the "unacceptable" status, the applicant will not be hired. If the applicant meets the "probationary" status criteria he/she will be placed into that status.

### **EXISTING EMPLOYEES**

Bay Area Hospital will check motor vehicle records on an annual basis for all current employees who drive company vehicles or where driving is considered an essential job function. Any employee without a valid driver's license will not be allowed to operate a company vehicle or drive on Bay Area Hospital business. If driving is an essential job function, and the employee cannot be reasonably accommodated, the employee will be terminated. However, if an existing employee has a valid driver's license, and if the employee's driving record meets or exceeds probationary status criteria, the employee will be placed on probationary status and will be subject to the requirements of that status until the end of the probationary period. If during a subsequent periodic motor vehicle record check, the employee's record indicates further violations, Bay Area Hospital will review the specific circumstances surrounding the individual's driving record and determine appropriate action.

Staff who drive company vehicles or where driving is considered an essential job function should notify Human Resources if they are involved in a motor vehicle accident, receive a moving violation (to include seat belt/cell phone violations as well as uninsured motorist violations), DUI/DWI, have their driver's license suspended or revoked, receive a citation, or any condition that may affect their driving status as outlined above. Each violation is counted individually, even if occurring on the same day. A citation will count as a moving violation unless a conviction is reached at a later date.

Human Resources and the department manager will review the requirements of the position held by the staff member to determine appropriate action.



Title: Record Verification	BAH ID: HR_9000a
Start Date: 7/1/2003	Approval/Reviewed Date:5/10/2023

\* See [HR.9052a "Vehicle \(Personal\) Use: Proof of Driver's License and Automobile Insurance"](#) regarding requirements related to personal vehicle use for BAH business purposes.

**Attachments:**

[HR\\_9000a\\_Background investigation authorization.pdf](#)

[HR\\_9000a\\_ORIS 443.004 CRIMES LIST.pdf](#)



Month End Financial Narrative  
For month ending July 31, 2025

Overall, Bay Area Hospital reported a loss of \$2.5M in July, against budgeted loss of \$372K. July Gross Revenue was \$66.7M and Net Revenue ended the month at \$20.6M, with a Net to Gross Revenue Margin of 30.9%.

Bay Area Hospital  
Consolidated Income Statement - July 2025  
in '000

	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
<b>Gross Patient Revenue</b>	<b>66,693</b>	<b>68,897</b>	<b>(2,204)</b>	<b>61,123</b>	<b>5,570</b>	<b>66,693</b>	<b>68,897</b>	<b>(2,204)</b>	<b>61,123</b>	<b>5,570</b>
Total Deductions	46,403	47,642	1,238	41,356	(5,047)	46,403	47,642	1,238	41,356	(5,047)
<b>Net Healthcare Revenue</b>	<b>20,290</b>	<b>21,256</b>	<b>(966)</b>	<b>19,766</b>	<b>524</b>	<b>20,290</b>	<b>21,256</b>	<b>(966)</b>	<b>19,766</b>	<b>524</b>
Other Oper Revenue	350	331	20	244	106	350	331	20	244	106
<b>Total Net Revenue</b>	<b>20,640</b>	<b>21,587</b>	<b>(946)</b>	<b>20,011</b>	<b>630</b>	<b>20,640</b>	<b>21,587</b>	<b>(946)</b>	<b>20,011</b>	<b>630</b>
Salaries/ Wages & Benefits	11,281	9,403	(1,878)	10,091	(1,190)	11,281	9,403	(1,878)	10,091	(1,190)
Contract Labor	1,598	2,079	482	1,890	292	1,598	2,079	482	1,890	292
Depreciation	739	752	13	943	203	7,394	7,520	127	943	203
Other Expense	9,363	9,440	77	8,179	(1,184)	2,709	2,672	(37)	8,179	(1,184)
<b>Total Operating Expenses</b>	<b>22,981</b>	<b>21,675</b>	<b>(1,307)</b>	<b>21,103</b>	<b>(1,879)</b>	<b>22,981</b>	<b>21,675</b>	<b>(1,307)</b>	<b>21,103</b>	<b>(1,879)</b>
<b>Net Operating Income</b>	<b>(2,341)</b>	<b>(88)</b>	<b>(2,253)</b>	<b>(1,092)</b>	<b>(1,249)</b>	<b>(2,341)</b>	<b>(88)</b>	<b>(2,253)</b>	<b>(1,092)</b>	<b>(1,249)</b>
Non Operating Income/(Loss)	(189)	(284)	95	680	(869)	(189)	(284)	95	680	(869)
<b>Net Income</b>	<b>(2,530)</b>	<b>(372)</b>	<b>(2,158)</b>	<b>(412)</b>	<b>(2,118)</b>	<b>(2,530)</b>	<b>(372)</b>	<b>(2,158)</b>	<b>(412)</b>	<b>(2,118)</b>
Net To Gross	30.9%	31.3%	-0.4%	32.7%	-1.8%	30.9%	31.3%	-0.4%	32.7%	-1.8%
Operating EBIDTA	(1,602)	664	(2,266)	(149)	(1,452)	(1,602)	664	(2,266)	(149)	(1,452)
Operating EBIDTA %	-7.8%	3.1%	-10.8%	-0.7%	-7.0%	-7.8%	3.1%	-10.8%	-0.7%	-7.0%
EBIDTA	(1,524)	705	(2,229)	709	(2,234)	(1,524)	705	(2,229)	709	(2,234)
EBIDTA %	-7.4%	3.3%	-10.6%	3.5%	-10.9%	-7.4%	3.3%	-10.6%	3.5%	-10.9%

\*As the first month of the year, Year to date (YTD) data is the same as the Month to date (MTD)

## VOLUMES

### Inpatient Discharges & Days

- July inpatient discharges decreased 53 to budget and increased 13 to prior year. (533 vs 586 vs 520). Patient days are down 569 to budget and 484 to prior year (1,998 vs 2,567 vs 2,482). The average length of stay (ALOS) improved at 3.75 which is below budget of 4.38 and last year's 4.77.

### ED Visits

- ED visits were up 12 to budget and down 18 to prior year (2,587 vs 2,575 vs 2,605). 15% of all ED Visits were admitted in July, compared to 15.1% in prior year.
- Patients leaving without being seen (LWBS) was .43% in July (0.53% in June, 0.68% in May, 0.56 % in April, 0.42% in March).

### Operating Room Cases

- OR increased 25 cases over budget and 9 over prior year (327 vs 302 vs 318). The increase from the prior year was primarily driven by 17 additional General Surgery visits and 14 Gynecology visits, partially offset by decrease of 17 visits in Orthopedics and 5 visits in Plastics.
- Compared to the three-month run rate, visits increased by 29 cases - 15 in General Surgery, 8 in Gynecology, and 6 in Urology.



Month End Financial Narrative  
For month ending July 31, 2025

### Cardiac Cath Cases

- In July there were 137 Cath Lab cases vs. budget of 108 vs. prior year of 83.
- Compared to three-month run rate, cath cases were up 29 cases.

### Outpatient Visits

- OP Visits were down 10 visits from budget and up 196 to prior year. (11,307 vs 11,317 vs 11,111. Increase to prior year primarily driven by ED 214 visits, Ortho 131 visits, Wound Care 99 visits, partially offset by decrease in Oncology 141 visits, Wellness Clinic 94 visits.

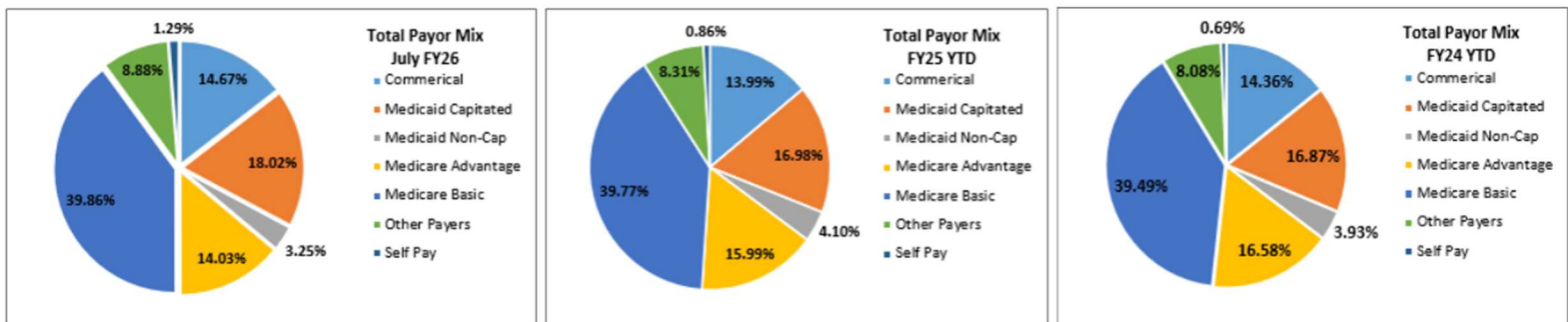
## REVENUES

### Gross Revenues

- July Gross Revenue totaled \$66.7M, \$2.2M decrease to budget and increase of \$5.6M over prior year.
- In Gross Revenue, when compared to budget, cumulatively, a 10.56% decrease in overall volume resulted in a loss of \$7.3M, offset by a \$5.1M gain from rate increase, a net loss of \$2.2M.

### Deductions from Revenue

- As a %, Deductions from Revenue, increase to budget 69.6% vs. 69.1% (30.9% vs 31.3% revenue realization rates).
- Commercial payor mix saw a slight trend upward in July at 14.67% compared to prior year 12.15% and three-month run rate of 14.23%. YOY; FY22: 16.40%, FY23: 15.91%, FY24: 14.36%, FY25: 13.66%.



### Other Revenues

- Current month actuals are \$350K vs \$331K budget vs \$244K in prior year.

### Net Revenues

- Total Net Revenue July is below budget \$946K and up to prior year by \$630K (\$21M vs. \$22M vs. \$20M).



Month End Financial Narrative  
For month ending July 31, 2025

## **EXPENSES**

### **Salaries**

- Salaries are \$1.7M above budget and \$949K over prior year (\$8.9M vs. \$7.3M vs. \$7.9M). The overall average hourly rate of \$59.47 is over the budgeted rate of \$51.47 and is an increase of \$10.50 above last years \$48.97. Increase over prior year includes union increases and severance payment.

### **Contract labor**

- July is under budget \$482K and favorable to prior year \$292K. (\$1.6M vs \$2.1M vs \$1.9M).

### **Benefits**

- Overall Benefits expense for the month of July are over budget by \$209K, and over prior year by \$241K (\$2.3M actual vs \$2.1M budget vs \$2M last year). As a % of wages benefits were 26.10% this month vs 29.21% budget and 26.19% last year.

### **Physician and Pro-fees**

- July physician and professional fees were up to budget \$41K and down to prior year \$79K.

### **Supplies**

- July supply costs are favorable to budget by \$321K, and unfavorable \$348K to prior year (\$3.7M vs \$4.1M vs \$3.4M).
- Supply Expense as a % of Net Revenues are 18.4% actual, 19.1% budget and 17.1% prior year.

### **Purchased Services**

- July purchased service costs are \$8K below budget and unfavorable \$438K to prior year (\$2M vs \$2M vs \$1.8M). Prior year increase driven by Revenue Cycle service expense not in July 2024.

### **Lease/Rentals**

- July Leases/Rentals costs are 1.7% favorable to budget and unfavorable 2.8% to prior year (\$16K vs \$17K vs \$16K).

### **Depreciation**

- Depreciation costs are favorable \$13K to budget and \$203K favorable to prior year (\$739K vs \$752K vs \$943M) due to lower subscription amortization since the Workday contract was only renewed for one year.

### **Other Operating expense**

- July Other Operating Expenses are unfavorable \$211K to budget and \$477K over prior year (\$1.8M vs \$1.6M vs \$1.3M). Increase to budget and prior year primarily driven by Provider Tax increase of 1.48% a \$265K impact.

### **Non-Operating Income and Expense**

- July Other Non-Operating Income and Expenses are unfavorable \$22K to budget and \$68K to prior year (\$19K vs \$40K vs \$87K).



Month End Financial Narrative  
For month ending July 31, 2025

**Balance Sheet**

- Cash and Cash Equivalents are \$10.7M at the end of July and Assets limited to use are \$32.4M for an overall cash balance of \$43M. Overall cash and investments increased \$1.3M to prior month.
- Days Cash on Hand is 61 days.
- Net Position is \$61.3M vs prior month \$63.8M
- Account Receivable (net) decreased \$420K from prior month to close at \$26M for July.
- Current liabilities increased \$3.8M compared to prior month and \$3M compared to three-month run rate.
- The Current Ratio is 2.32 and Debt to Capitalization is 43.8%.

Bay Area Hospital  
Consolidated Income Statement - July 2025

	Month to Date							Year to Date						
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %
Gross Patient Revenue														
Inpatient Revenue	25,067,912	28,449,190	(3,381,278)	-11.9%	25,353,388	(285,477)	-1.1%	25,067,912	28,449,190	(3,381,278)	-11.9%	25,353,388	(285,477)	-1.1%
Outpatient Revenue	41,625,217	40,448,239	1,176,977	2.9%	35,769,424	5,855,793	16.4%	41,625,217	40,448,239	1,176,977	2.9%	35,769,424	5,855,793	16.4%
Total Gross Patient Revenue	66,693,128	68,897,429	(2,204,301)	-3.2%	61,122,812	5,570,316	9.1%	66,693,128	68,897,429	(2,204,301)	-3.2%	61,122,812	5,570,316	9.1%
Deductions	45,833,251	46,678,628	845,377	1.8%	40,233,661	(5,599,590)	-13.9%	45,833,251	46,678,628	845,377	1.8%	40,233,661	(5,599,590)	-13.9%
Bad Debt	154,851	217,844	62,993	28.9%	863,279	708,428	82.1%	154,851	217,844	62,993	28.9%	863,279	708,428	82.1%
Charity	415,079	745,068	329,989	44.3%	259,518	(155,561)	-59.9%	415,079	745,068	329,989	44.3%	259,518	(155,561)	-59.9%
Total Deductions	46,403,181	47,641,540	1,238,359	2.6%	41,356,458	(5,046,723)	-12.2%	46,403,181	47,641,540	1,238,359	2.6%	41,356,458	(5,046,723)	-12.2%
Net Healthcare Revenue	20,289,947	21,255,889	(965,942)	-4.5%	19,766,355	523,593	2.6%	20,289,947	21,255,889	(965,942)	-4.5%	19,766,355	523,593	2.6%
Other Oper Revenue	350,424	330,756	19,669	5.9%	244,379	106,045	43.4%	350,424	330,756	19,669	5.9%	244,379	106,045	43.4%
Total Net Revenue	20,640,371	21,586,645	(946,273)	-4.4%	20,010,734	629,638	3.1%	20,640,371	21,586,645	(946,273)	-4.4%	20,010,734	629,638	3.1%
Net to Gross Ratio	30.9%	31.3%			32.7%			30.9%	31.3%			32.7%		
Salaries	8,945,952	7,277,553	(1,668,399)	-22.9%	7,997,083	(948,868)	-11.9%	8,945,952	7,277,553	(1,668,399)	-22.9%	7,997,083	(948,868)	-11.9%
Contract Labor	1,597,850	2,079,459	481,609	23.2%	1,890,222	292,372	15.5%	1,597,850	2,079,459	481,609	23.2%	1,890,222	292,372	15.5%
Benefits	2,335,181	2,125,602	(209,579)	-9.9%	2,094,132	(241,049)	-11.5%	2,335,181	2,125,602	(209,579)	-9.9%	2,094,132	(241,049)	-11.5%
Physician & Prof Fee	1,577,921	1,536,610	(41,311)	-2.7%	1,656,984	79,063	4.8%	1,577,921	1,536,610	(41,311)	-2.7%	1,656,984	79,063	4.8%
Supplies	3,734,160	4,055,151	320,992	7.9%	3,386,576	(347,583)	-10.3%	3,734,160	4,055,151	320,992	7.9%	3,386,576	(347,583)	-10.3%
Purchased Services	2,238,543	2,246,843	8,300	0.4%	1,800,189	(438,354)	-24.4%	2,238,543	2,246,843	8,300	0.4%	1,800,189	(438,354)	-24.4%
Leases/Rentals	16,288	16,567	280	1.7%	15,842	(446)	-2.8%	16,288	16,567	280	1.7%	15,842	(446)	-2.8%
Depreciation	739,369	752,049	12,680	1.7%	942,788	203,419	21.6%	739,369	752,049	12,680	1.7%	942,788	203,419	21.6%
Other Oper Expense	1,796,122	1,584,946	(211,176)	-13.3%	1,318,979	(477,143)	-36.2%	1,796,122	1,584,946	(211,176)	-13.3%	1,318,979	(477,143)	-36.2%
Total Operating Expenses	22,981,385	21,674,781	(1,306,604)	-6.0%	21,102,796	(1,878,589)	-8.9%	22,981,385	21,674,781	(1,306,604)	-6.0%	21,102,796	(1,878,589)	-8.9%
Net Operating Income	(2,341,013)	(88,136)	(2,252,878)	2556.1%	(1,092,062)	(1,248,952)	114.4%	(2,341,013)	(88,136)	(2,252,878)	2556.1%	(1,092,062)	(1,248,952)	114.4%
Investment Income	58,410	-	58,410	0.0%	771,990	(713,580)	-92.4%	58,410	-	58,410	0.0%	771,990	(713,580)	-92.4%
Other Nonop Inc(Exp)	18,846	40,718	(21,872)	-53.7%	86,566	(67,721)	-78.2%	18,846	40,718	(21,872)	-53.7%	86,566	(67,721)	-78.2%
Interest Expense	(266,282)	(325,000)	58,718	-18.1%	(178,156)	(88,127)	49.5%	(266,282)	(325,000)	58,718	-18.1%	(178,156)	(88,127)	49.5%
Net Income	(2,530,040)	(372,418)	(2,157,622)	579.4%	(411,661)	(2,118,379)	514.6%	(2,530,040)	(372,418)	(2,157,622)	579.4%	(411,661)	(2,118,379)	514.6%
Contractual %	-69.6%	-69.1%	-0.4%		-67.7%			-69.6%	-69.1%	-0.4%		-67.7%		
Operating Margin	-11.3%	-0.4%	-10.9%	2677.9%	-5.5%	-5.9%		-11.3%	-0.4%	-10.9%	2677.9%	-5.5%	-5.88%	107.8%
Operating EBITDA	(1,601,644)	663,913	(2,265,557)	-341.2%	(149,274)	(1,452,371)	973.0%	(1,601,644)	663,913	(2,265,557)	-341.2%	(149,274)	(1,452,371)	973.0%
Operating EBITDA %	-7.8%	3.1%	-10.8%	-352.3%	-0.7%	-7.0%		-7.8%	3.1%	-10.8%	-352.3%	-0.7%	-7.01%	940.2%
EBITDA	(1,524,389)	704,631	(2,229,020)	-316.3%	709,283	(2,233,671)	-314.9%	(1,524,389)	704,631	(2,229,020)	-316.3%	709,283	(2,233,671)	-314.9%
EBITDA %	-7.4%	3.3%	-10.6%	-326.3%	3.5%	-10.9%		-7.4%	3.3%	-10.6%	-326.3%	3.5%	-10.93%	-308.4%
Key Stats														
Discharges	533	586	(53)	-9.0%	520	13	2.5%	533	586	(53)	-9.0%	520	13	2.5%
Patient Days	1,998	2,567	(569)	-22.2%	2,482	(484)	-19.5%	1,998	2,567	(569)	-22.2%	2,482	(484)	-19.5%
LOS	3.75	4.38	(0.63)	-14.4%	4.77	(1.02)	-21.5%	3.75	4.38	(0.63)	-14.4%	4.77	(1.02)	-21.5%
Adjusted Days	5,316	6,217	(901)	-14.5%	5,984	(668)	-11.2%	5,316	6,217	(901)	-14.5%	5,984	(668)	-11.2%
Adjusted Discharges	1,418	1,419	(1)	-0.1%	1,254	164	13.1%	1,418	1,419	(1)	-0.1%	1,254	164	13.1%
Per Adjusted Day														
Net Revenue/APD	3,817	3,419	398	11.6%	3,303	514	15.5%	3,817	3,419	398	11.6%	3,303	514	15.5%
SWB+CL/APD	2,423	1,847	(576)	-31.2%	2,002	420	21.0%	2,423	1,847	(576)	-31.2%	2,002	420	21.0%
Salary+CL/APD	1,984	1,505	(478)	-31.8%	1,652	331	20.0%	1,984	1,505	(478)	-31.8%	1,652	331	20.0%
Supply Cost/APD	702	652	(50)	-7.7%	566	137	24.1%	702	652	(50)	-7.7%	566	137	24.1%
Other Expense/APD	635	502	(133)	-26.4%	497	137	27.6%	635	502	(133)	-26.4%	497	137	27.6%
Per Adjusted Discharge														
Net Revenue/Adj DC	14,308	14,980	(672)	-4.5%	15,767	(1,459)	-9.3%	14,308	14,980	(672)	-4.5%	15,767	(1,459)	-9.3%
SWB+CL/Adj DC	9,082	8,093	(990)	-12.2%	9,557	(475)	-5.0%	9,082	8,093	(990)	-12.2%	9,557	(475)	-5.0%
Salary+CL/Adj DC	7,435	6,594	(841)	-12.8%	7,887	(451)	-5.7%	7,435	6,594	(841)	-12.8%	7,887	(451)	-5.7%
Supply Cost/Adj DC	2,633	2,858	225	7.9%	2,701	(68)	-2.5%	2,633	2,858	225	7.9%	2,701	(68)	-2.5%
Other Expense/Adj DC	2,379	2,200	(179)	-8.2%	2,374	5	0.2%	2,379	2,200	(179)	-8.2%	2,374	5	0.2%
Pct of Net Revenue														
SWB+CL	63.5%	54.0%	-9.5%		60.6%	-2.9%		63.5%	54.0%	-9.5%		60.6%	-2.9%	
Supplies	18.4%	19.1%	0.7%		17.1%	-1.3%		18.4%	19.1%	0.7%		17.1%	-1.3%	
Other Expense	16.6%	14.7%	-1.9%		15.1%	-1.6%		16.6%	14.7%	-1.9%		15.1%	-1.6%	
Bad Debt & Charity	2.8%	4.5%	-1.7%		5.7%	2.9%		2.8%	4.5%	-1.7%		5.7%	2.9%	
FTE's														
Total Salary Hours	150,422	141,395	(9,027)	-6.4%	163,307	12,884	7.9%	150,422	141,395	(9,027)	-6.4%	163,307	12,884	7.9%
Total Contract Hours	10,041	9,484	(557)	-5.9%	17,011	17,011	100.0%	10,041	9,484	(557)	-5.9%	17,011	6,970	41.0%
Total Salary FTE's	851.49	800.39	(51.10)	-6.4%	921.89	70.40	7.6%	851.49	800.39	(51.10)	-6.4%	921.89	70.40	7.6%
Total Contract FTE's	56.84	53.69	(3.15)	-5.9%	96.03	39.19	40.8%	56.84	53.69	(3.15)	-5.9%	96.03	39.19	40.8%
Total Facility Paid FTEs	908.33	854.08	(54.26)	-6.4%	1,017.92	109.59	10.8%	908.33	854.08	(54.26)	-6.4%	1,017.92	109.59	10.8%
Paid FTE per Adj Day	5.30	4.26	(1.04)	-24.4%	5.27	(0.02)	-0.4%	5.30	4.26	(1.04)	-24.4%	5.27	(0.02)	-0.4%
Average Hourly Rate	\$ 65.71	\$ 62.02	(3.69)	-6.0%	\$ 54.83	(10.88)	-19.8%	\$ 65.71	\$ 62.02	(3.69)	-6.0%	\$ 54.83	(10.88)	-19.8%
Employed Avg Hourly Rate	\$ 59.47	\$ 51.47	(8.00)	-15.5%	\$ 48.97	(10.50)	-21.4%	\$ 59.47	\$ 51.47	(8.00)	-15.5%	\$ 48.97	(10.50)	-21.4%



# Bay Area Hospital

Consolidated Income Statement Trend - July 2025

	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025
	JulMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD
<b>Gross Patient Revenue</b>													
Inpatient Revenue	25,353,388	27,276,721	25,382,904	24,051,678	23,614,135	25,694,463	29,469,328	24,746,364	25,768,844	25,314,375	23,510,008	21,889,108	25,067,912
Outpatient Revenue	35,769,424	37,523,031	35,779,035	37,718,112	33,375,687	36,795,512	37,779,051	34,088,451	36,979,463	37,584,034	37,023,474	37,235,073	41,625,217
<b>Total Gross Patient Revenue</b>	<b>61,122,812</b>	<b>64,799,752</b>	<b>61,161,939</b>	<b>61,769,790</b>	<b>56,989,822</b>	<b>62,489,975</b>	<b>67,248,378</b>	<b>58,834,815</b>	<b>62,748,306</b>	<b>62,898,409</b>	<b>60,533,482</b>	<b>59,124,181</b>	<b>66,693,128</b>
Deductions	40,233,661	42,283,339	41,207,637	41,050,061	37,639,433	41,112,167	45,425,365	38,901,551	42,813,281	42,338,031	40,820,822	40,344,193	45,833,251
Bad Debt	863,279	(10,576)	731,038	300,119	476,057	310,298	406,037	(1,038,403)	11,883	(87,907)	(166,025)	753,585	154,851
Charity	259,518	622,331	388,681	398,581	834,586	667,530	427,527	1,082,894	999,956	1,023,039	562,617	199,108	415,079
<b>Total Deductions</b>	<b>41,356,458</b>	<b>42,895,094</b>	<b>42,327,355</b>	<b>41,748,761</b>	<b>38,950,076</b>	<b>42,089,995</b>	<b>46,258,929</b>	<b>38,946,042</b>	<b>43,825,120</b>	<b>43,273,162</b>	<b>41,217,414</b>	<b>41,296,885</b>	<b>46,403,181</b>
Net Healthcare Revenue	19,766,355	21,904,658	18,834,583	20,021,029	18,039,746	20,399,980	20,989,450	19,888,773	18,923,187	19,625,247	19,316,068	17,827,296	20,289,947
Other Oper Revenue	244,379	219,268	468,640	273,998	305,755	521,874	651,119	405,859	120,242	576,185	494,088	358,227	350,424
<b>Total Net Revenue</b>	<b>20,010,734</b>	<b>22,123,926</b>	<b>19,303,223</b>	<b>20,295,027</b>	<b>18,345,501</b>	<b>20,921,854</b>	<b>21,640,569</b>	<b>20,294,632</b>	<b>19,043,429</b>	<b>20,201,432</b>	<b>19,810,155</b>	<b>18,185,523</b>	<b>20,640,371</b>
<b>Expenses</b>													
Salaries	7,997,083	8,228,925	7,990,088	8,110,716	8,504,800	8,703,884	8,290,688	7,531,899	8,184,820	7,944,501	8,422,402	7,718,741	8,945,952
Contract Labor	1,890,222	2,086,578	2,084,154	1,826,306	1,303,577	1,489,725	1,679,801	1,657,777	1,386,190	1,917,651	1,727,271	1,816,954	1,597,850
Benefits	2,094,132	2,158,386	1,495,905	2,540,363	1,530,651	2,116,212	3,250,180	2,326,422	2,624,358	2,406,065	2,381,375	2,013,796	2,335,181
Physician & Prof Fee	1,656,984	1,735,681	1,374,740	1,577,395	1,429,296	1,575,795	1,584,947	1,533,512	1,584,515	1,441,414	1,746,562	1,454,501	1,577,921
Supplies	3,386,576	3,831,892	3,926,175	4,263,386	3,146,847	4,033,969	3,457,835	3,742,160	3,292,867	3,634,029	4,338,049	3,261,502	3,734,160
Purchased Services	1,800,189	1,913,244	2,250,529	2,282,321	1,995,417	2,296,703	2,363,672	2,333,839	2,338,573	2,223,000	2,748,281	2,010,074	2,238,543
Leases/Rentals	15,842	14,262	17,292	14,710	15,475	14,455	26,319	19,892	24,782	26,427	16,944	10,788	16,288
Depreciation	942,788	938,047	939,915	923,445	923,747	918,484	773,830	766,642	764,352	766,089	798,927	743,521	739,369
Other Oper Expense	1,318,979	1,791,651	1,749,701	1,246,141	1,638,267	1,471,925	1,582,981	1,520,649	1,423,841	1,254,969	1,579,023	1,604,075	1,796,122
<b>Total Operating Expenses</b>	<b>21,102,796</b>	<b>22,698,666</b>	<b>21,828,500</b>	<b>22,784,783</b>	<b>20,488,079</b>	<b>22,621,152</b>	<b>23,010,252</b>	<b>21,432,792</b>	<b>21,624,297</b>	<b>21,614,146</b>	<b>23,758,834</b>	<b>20,633,952</b>	<b>22,981,385</b>
<b>Net Operating Income</b>	<b>(1,092,062)</b>	<b>(574,740)</b>	<b>(2,525,277)</b>	<b>(2,489,756)</b>	<b>(2,142,578)</b>	<b>(1,699,298)</b>	<b>(1,369,684)</b>	<b>(1,138,160)</b>	<b>(2,580,868)</b>	<b>(1,412,713)</b>	<b>(3,948,679)</b>	<b>(2,448,430)</b>	<b>(2,341,013)</b>
Investment Income	771,990	427,800	488,055	(726,631)	320,385	(152,390)	211,196	446,682	71,188	154,156	39,127	172,596	58,410
Other Nonop Inc(Exp)	86,566	44,413	294,853	643,244	35,468	108,818	39,529	17,321	(1,850,477)	69,440	27,254	2,089	18,846
Interest Expense	(178,156)	(182,692)	(166,666)	(176,301)	(176,160)	(170,428)	(20,250)	(156,710)	(376,996)	(278,947)	(176,794)	(294,464)	(266,282)
<b>Net Income</b>	<b>(411,661)</b>	<b>(285,220)</b>	<b>(1,909,035)</b>	<b>(2,749,444)</b>	<b>(1,962,885)</b>	<b>(1,913,298)</b>	<b>(1,139,208)</b>	<b>(830,867)</b>	<b>(4,737,154)</b>	<b>(1,468,065)</b>	<b>(4,059,093)</b>	<b>(2,568,209)</b>	<b>(2,530,040)</b>
<b>Operating Margin %</b>	<b>-5.5%</b>	<b>-2.6%</b>	<b>-13.1%</b>	<b>-12.3%</b>	<b>-11.7%</b>	<b>-8.1%</b>	<b>-6.3%</b>	<b>-5.6%</b>	<b>-13.6%</b>	<b>-7.0%</b>	<b>-19.9%</b>	<b>-13.5%</b>	<b>-11.3%</b>
<b>Operating EBIDA</b>	<b>(149,274)</b>	<b>363,307</b>	<b>(1,585,362)</b>	<b>(1,566,311)</b>	<b>(1,218,831)</b>	<b>(780,814)</b>	<b>(595,854)</b>	<b>(371,518)</b>	<b>(1,816,516)</b>	<b>(646,624)</b>	<b>(3,149,752)</b>	<b>(1,704,908)</b>	<b>(1,601,644)</b>
<b>Operating EBIDA %</b>	<b>-0.7%</b>	<b>1.6%</b>	<b>-8.2%</b>	<b>-7.7%</b>	<b>-6.6%</b>	<b>-3.7%</b>	<b>-2.8%</b>	<b>-1.8%</b>	<b>-9.5%</b>	<b>-3.2%</b>	<b>-15.9%</b>	<b>-9.4%</b>	<b>-7.8%</b>
<b>EBIDTA</b>	<b>709,283</b>	<b>835,520</b>	<b>(802,454)</b>	<b>(1,649,698)</b>	<b>(862,978)</b>	<b>(824,386)</b>	<b>(345,129)</b>	<b>92,485</b>	<b>(3,595,806)</b>	<b>(423,029)</b>	<b>(3,083,372)</b>	<b>(1,530,224)</b>	<b>(1,524,389)</b>
<b>EBDITA Margin</b>	<b>3.5%</b>	<b>3.8%</b>	<b>-4.2%</b>	<b>-8.1%</b>	<b>-4.7%</b>	<b>-3.9%</b>	<b>-1.6%</b>	<b>0.5%</b>	<b>-18.9%</b>	<b>-2.1%</b>	<b>-15.6%</b>	<b>-8.4%</b>	<b>-7.4%</b>
<b>Key Stats</b>													
Days in Month	31	31	30	31	30	31	31	28	31	30	31	30	31
Adj Factor	2.41	2.38	2.41	2.57	2.41	2.43	2.28	2.38	2.44	2.48	2.57	2.70	2.66
Discharges	520	589	525	581	526	587	585	553	536	552	543	443	533
Patient Days	2,482	2,522	2,379	2,291	2,335	2,487	2,372	2,292	2,150	2,109	2,001	1,958	1,998
LOS	4.77	4.28	4.53	3.94	4.44	4.24	4.05	4.14	4.01	3.82	3.69	4.42	3.75
Adjusted Days	5,984	5,991	5,732	5,884	5,635	6,048	5,413	5,449	5,235	5,240	5,152	5,289	5,316
Adjusted Discharges	1,254	1,399	1,265	1,492	1,269	1,428	1,335	1,315	1,305	1,372	1,398	1,197	1,418
<b>Per Adjusted Day</b>													
Net Revenue/APD	3,303	3,656	3,286	3,403	3,201	3,373	3,878	3,650	3,615	3,745	3,749	3,371	3,817
SWB+CL/APD	2,002	2,082	2,018	2,121	2,012	2,035	2,442	2,113	2,329	2,341	2,432	2,184	2,423
Salary+CL/APD	1,652	1,722	1,757	1,689	1,741	1,685	1,842	1,686	1,828	1,882	1,970	1,803	1,984
Supply Cost/APD	566	640	685	725	558	667	639	687	629	693	842	617	702
Other Expense/APD	497	589	545	480	544	504	585	560	575	515	645	578	635
<b>Per Adjusted Discharge</b>													
Net Revenue/Adj DC	15,767	15,655	14,889	13,418	14,211	14,290	15,723	15,127	14,498	14,309	13,816	14,899	14,308
SWB+CL/Adj DC	9,557	8,915	9,146	8,362	8,932	8,623	9,903	8,759	9,344	8,945	8,963	9,652	9,082
Salary+CL/Adj DC	7,887	7,372	7,964	6,660	7,727	7,140	7,469	6,990	7,333	7,191	7,260	7,969	7,435
Supply Cost/Adj DC	2,701	2,739	3,104	2,857	2,479	2,826	2,590	2,846	2,523	2,650	3,103	2,726	2,633
Other Expense/Adj DC	2,374	2,521	2,470	1,892	2,416	2,135	2,373	2,323	2,305	1,966	2,379	2,556	2,379
<b>Pct of Net Revenue</b>													
SWB	60.6%	56.9%	61.4%	62.3%	62.9%	60.3%	63.0%	57.9%	64.4%	62.5%	64.9%	64.8%	63.5%
Supplies	17.1%	17.5%	20.8%	21.3%	17.4%	19.8%	16.5%	18.8%	17.4%	18.5%	22.5%	18.3%	18.4%
Other Expense	15.1%	16.1%	16.6%	14.1%	17.0%	14.9%	15.1%	15.4%	15.9%	13.7%	17.2%	17.2%	16.6%
Bad Debt & Charity	5.7%	2.8%	5.9%	3.5%	7.3%	4.8%	4.0%	0.2%	5.3%	4.8%	2.1%	5.3%	2.8%
<b>FTE's</b>													
Total Salary FTE's	921.89	901.11	905.73	900.32	907.34	917.92	916.71	910.57	885.98	918.78	852.42	857.97	851.49
Total Contract FTE's	96.03	108.38	77.59	74.82	51.12	61.26	51.80	69.53	52.32	76.44	58.04	27.23	56.84
Total Facility Paid FTE's	1,017.92	1,009.49	983.32	975.14	958.46	979.18	968.50	980.10	938.30	995.21	910.47	885.20	908.33
Paid FTE per AOB	5.27	5.22	5.15	5.14	5.10	5.02	5.55	5.04	5.56	5.70	5.48	5.02	5.30
Average Hourly Rate	\$ 54.83	\$ 57.69	\$ 59.76	\$ 57.53	\$ 59.70	\$ 58.77	\$ 58.12	\$ 58.60	\$ 57.58	\$ 57.96	\$ 63.10	\$ 63.01	\$ 65.71
Employed Avg Hourly R	\$ 48.97	\$ 51.55	\$ 51.46	\$ 50.86	\$ 54.68	\$ 53.53	\$ 51.05	\$ 51.70	\$ 52.15	\$ 50.58	\$ 55.93	\$ 52.62	\$ 59.47

**Bay Area Hospital**  
**Balance Sheet (Including Foundation)**  
**7/31/2025**

	<u>Jul-25</u>	<u>Preliminary Jun-25</u>	<u>Audited Jun-24</u>
<b>Assets And Deferred Outflows Of Resources</b>			
Current Assets			
Cash & Cash Equivalents	10,709,504	9,388,266	10,815,033
Accounts Receivable (Net)	25,666,273	26,086,475	28,459,041
Inventory	5,315,041	5,330,425	5,131,308
Other Current Assets	9,120,392	8,174,998	7,400,592
Total Current Assets	50,811,210	48,980,164	51,805,974
Assets Limited As to Use	32,449,639	32,402,288	47,940,908
Capital Assets			
Depreciable Capital Assets (Net)	61,525,067	62,170,275	69,238,682
Nondepreciable Capital Assets	2,426,683	2,369,704	1,410,340
Total Capital Assets (Net)	63,951,750	64,539,978	70,649,022
Leases and Subscriptions (Net)	2,892,112	2,986,273	9,455,681
Other Non Current Assets	820,446	820,446	684,051
<b>Total Assets</b>	<b>150,925,158</b>	<b>149,729,150</b>	<b>180,535,634</b>
Deferred Outflows Of Resources	9,489,130	9,489,130	9,489,130
<b>Total Assets And Deferred Outflows</b>	<b>160,414,288</b>	<b>159,218,280</b>	<b>190,024,764</b>
<b>Liabilities, Deferred Inflows of Resources, And Net Position</b>			
Current Liabilities			
Accounts Payable	(7,829,011)	(7,641,440)	(9,869,356)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(5,120,886)	(4,414,629)	(4,234,648)
Paid Time Off	(5,468,094)	(5,407,083)	(5,770,522)
Other	(9,252,181)	(6,397,822)	(6,483,501)
3rd Party Settlements Payable (net)	(5,781,639)	(5,706,639)	(3,750,353)
Long-Term Obligations - Current Portion	(2,508,447)	(2,508,447)	(3,551,281)
Deferred Revenue	0	0	0
Total Current Liabilities	(35,960,258)	(32,076,060)	(33,659,662)
Long Term Obligations (Net of Current Portion)	(45,295,715)	(45,481,529)	(49,503,478)
Other Noncurrent Liabilities	(3,138,612)	(3,138,612)	(3,010,944)
Net Pension Liability	(3,332,177)	(3,304,177)	(3,652,580)
<b>Total Liabilities</b>	<b>(87,726,762)</b>	<b>(84,000,378)</b>	<b>(89,826,663)</b>
Deferred Inflows Of Resources	(11,397,373)	(11,397,373)	(11,397,373)
Inter Fund Payables/Receivables	4,363	4,027	
<b>Total Liabilities &amp; Deferred Cash Inflows</b>	<b>(99,119,772)</b>	<b>(95,393,723)</b>	<b>(101,224,036)</b>
Net Position	(63,824,557)	(88,800,728)	(93,761,140)
Net Income/Loss	2,530,040	24,976,171	4,960,412
<b>Total Liabilities, Deferred Inflows, Net Position</b>	<b>(160,414,288)</b>	<b>(159,218,280)</b>	<b>(190,024,764)</b>

**Bay Area Hospital**  
**Statement of Cash Flows**  
**July 2025**

	<b><u>Current Month</u></b>	<b><u>Year to Date</u></b>
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses	(2,530,040)	(2,530,040)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	739,369	739,369
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	420,202	420,202
Inventory of supplies	15,384	15,384
Other current assets	(945,394)	(945,394)
Net Pension Asset and Liability	28,000	28,000
Other non current assets	0	0
Accounts Payable	187,571	187,571
Estimated 3rd Party Settlements	75,000	75,000
Other current liabilities	3,621,627	3,621,627
Other noncurrent liabilities	0	0
Deferred Revenue	0	0
Net cash provided by operating activities	<u>1,611,719</u>	<u>1,611,719</u>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant & equipment	(56,979)	(56,979)
Change in Value of Investments	(47,352)	(47,352)
Transfer Investments to Cash		0
Net cash provided by investing activities	<u>(104,331)</u>	<u>(104,331)</u>
<b>Cash flows from financing activities:</b>		
Deferred Inflows/Outflows of Resources/Interfund	(336)	(336)
Debt/Subscription Principle Payments	(185,814)	(185,814)
Increase in Capital Lease Obligations		0
Business Asset Disposal Gain/Loss		0
Net cash provided by financing activities	<u>(186,150)</u>	<u>(186,150)</u>
<b>Net increase (decrease) in cash</b>	<u>1,321,239</u>	<u>1,321,239</u>
<b>Beginning Cash Balance</b>	<u>9,388,266</u>	<u>9,388,266</u>
<b>Ending Cash Balance</b>	<u>10,709,504</u>	<u>10,709,504</u>

Bay Area Hospital  
Revenue Cycle Scorecard

	FY23 Goal	FY24 Goal	Industry Bench-marks	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	FY22 Year End Actual	FY23 Year End Actual	FY24 YTD Actual	FY25 YTD Actual	FY26 YTD Actual
Charges	50,305,257	54,685,046		54,836,698	66,044,235	61,917,714	63,895,481	59,133,918	61,786,391	67,788,622	59,771,605	57,721,008	64,488,206	58,793,523	59,124,181	66,693,128	562,897,702	577,661,143	702,923,452	735,301,582	66,693,128
Net Pt Revenue	17,229,551	19,258,860		19,766,355	21,904,658	18,763,688	20,295,027	18,039,746	20,399,980	20,989,450	19,888,773	18,923,187	19,625,247	19,316,068	17,827,296	20,289,947	181,949,190	205,462,867	239,746,746	235,739,474	20,289,947
Provider Tax		940,832		973,155	1,290,758	1,279,014	947,664	971,049	1,057,276	1,132,520	1,068,188	1,015,076	1,050,610	1,023,998	909,741	1,339,781	10,267,119	10,898,689	13,038,230	12,719,048	1,339,781
Net Pt Rev less Provider Tax		18,318,028		18,793,199	20,613,901	17,484,674	19,347,363	17,068,697	19,342,704	19,856,930	18,820,584	17,908,111	18,574,637	18,292,070	16,917,555	18,950,166	171,682,072	194,564,178	226,708,516	223,020,425	18,950,166
Cash Collected	16,712,664	17,768,487		19,045,868	12,133,965	21,725,026	22,136,352	17,173,989	18,196,526	19,558,139	20,317,077	18,923,889	19,207,028	18,391,833	16,396,706	19,198,685	170,845,981	196,654,713	215,172,426	223,206,398	19,198,685
Ave Age of Cash Collected																					
Net to Gross	34.25%	35.22%		36.0%	33.2%	30.3%	31.8%	30.5%	33.0%	31.0%	33.3%	32.8%	30.4%	32.9%	30.2%	30.4%	32.32%	35.57%	34.1%	32.1%	30.4%
Net to Gross w/o provider tax				34.27%	31.21%	28.24%	30.28%	28.86%	31.31%	29.29%	31.49%	31.03%	28.80%	31.11%	28.61%	28.41%	30.50%	33.68%	32.25%	30.33%	28.41%
Net Collections	97.00%	97.00%	86-100%	101.3%	58.9%	124.3%	114.4%	100.6%	94.1%	98.5%	108.0%	105.7%	103.4%	100.5%	96.9%	101.3%	99.51%	101.07%	94.9%	100.1%	101.3%
Net Collections-90day	97.00%		95-98%	99.7%	62.5%	115.0%	116.1%	92.2%	99.4%	103.5%	431.8%	206.1%	138.9%	100.0%	91.5%	105.6%	99.51%	101.07%	94.9%	100.1%	101.3%
AR Balance				67,916,303	76,537,629	71,204,669	63,798,702	65,758,125	56,722,188	58,825,934	54,988,057	51,143,332	50,562,733	47,517,632	50,927,142	49,970,120	66,564,775	58,337,069	64,535,044	50,927,142	49,970,120
Epic AR 90days+				17,031,533	18,083,460	17,734,192	17,726,614	18,911,134	16,139,457	16,609,827	14,693,461	14,643,773	14,448,870	13,289,320	12,750,993	12,383,774	20,891,011	12,226,248	15,191,837	12,750,993	12,383,774
% AR 90+Days	28.0%	21.0%	15-30%	25.1%	23.6%	24.9%	28.8%	28.2%	28.5%	28.2%	26.7%	28.6%	28.6%	28.0%	25.0%	24.8%	31.4%	21.0%	23.5%	25.0%	24.8%
HB DNFB Days	8.0	6.0	3.00	17.30	12.10	9.50	7.90	8.60	9.30	7.70	7.20	5.80	4.90	6.00	6.90	6.30	9.3	7.2	7.90	6.90	6.30
EB AR Days	43.0	34.0	30-60	36.60	39.80	36.00	30.60	32.40	28.30	28.60	26.30	24.80	24.40	24.00	25.40	24.90	43.6	34.9	33.10	25.40	24.90
Pre-Service Cash Collection	15%	15%	5-35%	5.7%	3.0%	3.0%	4.2%	4.8%	4.1%	12.0%	8.2%	9.8%	6.4%	6.9%	7.5%	10.8%	3.5%	6.3%	13.7%	7.5%	10.8%
Registration Collection		100,000		50,746	24,464	35,794	28,792	50,452	31,910	73,361	63,015	84,168	54,119	47,184	93,894	102,992		63,655	1,209,828	637,899	102,992
HB Clean Claims	85.0%	85.0%	90-95%	83.0%	82.0%	79.0%	78.0%	79.0%	78.0%	78.0%	77.0%	76.0%	76.0%	74.0%	75.0%	74.0%	70.0%	75.8%	79.3%	75.00%	74.00%
PB Clean Claim	85.0%	85.0%	90-95%	30.0%	34.0%	25.0%	19.0%	22.0%	16.0%	21.0%	23.0%	22.0%	22.0%	23.0%	25.0%	23.0%	42.0%	37.7%	22.7%	25.00%	23.00%
HB Overall Denial	10.0%	10.0%	5-10%	9.4%	8.0%	8.3%	8.0%	9.1%	9.1%	10.3%	12.5%	12.7%	10.0%	10.1%	9.7%	9.7%	12.0%	12.0%	10.3%	9.70%	9.70%
PB Overall Denial	10.0%	10.0%	5-10%	5.5%	9.4%	8.1%	7.2%	10.1%	9.4%	8.3%	12.3%	11.2%	11.9%	11.2%	21.8%	58.6%	13.8%	11.4%	8.3%	21.80%	58.60%
Case Mix Index				1.4683	1.5640	1.5375	1.4333	1.4369	1.5418	1.4300	1.4575	1.4937	1.5063	1.4852	1.4222	1.4619					
HB Charges on time	96%	96%	98%	97.0%	93.0%	92.0%	96.0%	95.0%	94.0%	93.0%	95.0%	95.0%	95.0%	96.0%	95.0%	95.0%	95.0%	95.6%	96.5%	94.7%	95.0%
Discharges				567	631	555	622	579	636	623	599	595	602	585	488	579	5,350	5,348	7,051	7,082	579
Patient Days				2,589	2,591	2,436	2,375	2,435	2,487	2,372	2,292	2,150	2,109	2,001	1,958	1,998	25,566	22,217	28,651	27,795	1,998
Emergency Room Visits				2,605	2,553	2,513	2,410	2,412	2,594	2,661	2,552	2,636	2,486	2,516	2,468	2,587	27,180	25,241	27,111	30,406	2,587
Operating Room Cases				318	307	297	299	248	276	295	274	305	312	300	282	327	4,074	3,753	3,834	3,513	327
Outpatient Registrations				11,105	11,304	11,161	12,358	10,963	11,118	11,769	10,855	11,206	11,195	10,862	10,479	11,307	108,184	139,275	138,018	134,375	11,307
Adj. Factor				2.41	2.37	2.42	2.57	2.41	2.43	2.28	2.38	2.40	2.48	2.57	2.70	2.66	2.38	2.36	2.34	2.45	2.66
Adj. Patient Days				6,239.49	6,140.67	5,895.12	6,103.75	5,868.35	6,048.38	5,413.00	5,449.00	5,235.00	5,240.00	5,152.00	5,289.00	5,316.00	60,908.33	52,402.98	67,057.70	68,148.71	5,316.00
Gross Rev/Adj Pt Day				8,788.65	10,755.22	10,503.22	10,468.23	10,076.75	10,215.36	12,523.30	10,969.28	11,025.98	12,306.91	11,411.79	11,178.71	12,545.74	9,241.72	11,023.44	10,482.37	10,789.66	12,545.74
Net Rev/Adj Pt Day				3,168	3,567	3,183	3,325	3,074	3,373	3,878	3,650	3,615	3,745	3,749	3,371	3,817	2,987	3,921	3,575	3,459	3,817
Adj Patient Discharge				1,366	1,495	1,343	1,599	1,395	1,547	1,420	1,426	1,428	1,493	1,503	1,318	1,540	12,746	12,614	16,503	17,364	1,540
Gross Rev/Adj Pt Discharge				40,130	44,163	46,101	39,971	42,378	39,946	47,724	41,927	40,421	43,195	39,106	44,873	43,303	44,163	45,794	42,594	42,347	43,303
Net Rev/Adj Pt Discharge				14,465	14,647	13,970	12,696	12,928	13,189	14,777	13,951	13,252	13,145	12,848	13,530	13,174	14,275	16,288	14,528	13,576	13,174
Cash Aging Buckets (age of account when cash was collected)-Does not include CCO capitated payments																					
<90				16,328,660	10,615,900	20,739,977	20,196,650	15,901,525	15,822,607	17,838,505	17,586,251	17,136,418	16,883,270	17,772,859	15,697,317	16,651,830	132,998,929	151,866,499	194,849,733	202,519,940	16,651,830
90-119				687,397	556,433	512,846	682,921	569,463	674,098	376,731	993,332	428,539	709,228	417,126	336,289	598,753	10,594,094	5,921,231	5,832,541	6,944,405	598,753
120-179				484,789	639,348	748,177	896,315	388,404	608,446	705,681	810,631	693,691	463,475	342,908	427,030	750,759	11,007,673	6,324,303	5,534,260	7,208,894	750,759
180-269				111,701	13,351	444,651	696,867	125,408	325,095	277,696	1,018,518	165,721	159,280	192,816	119,679	262,948	11,669,505	5,545,254	3,176,123	3,650,780	262,948
270-364				138,940	31,028	59,619	205,286	132,114	198,282	131,769	261,688	288,983	78,963	175,738	52,225	47,010	2,511,570	2,648,997	1,478,021	1,754,635	47,010
365+				(10,563)	104,126	120,340	93,521	57,596	155,620	93,849	215,402	(99,033)	7,315	362,384	300,234	185,534	1,419,771	3,487,385	1,802,563	1,400,791	185,534
% of Cash Collected by Account Age Bucket																					
<90				92.04%	88.76%	91.67%	88.69%	92.59%	88.97%	91.84%	84.20%	92.06%	92.25%	92.26%	92.70%	90.03%	78.14%	86.39%	91.62%	90.62%	90.03%
90-119				3.87%	4.65%	2.27%	3.00%	3.32%	3.79%	1.94%	4.76%	2.30%	3.88%	2.17%	1.99%	3.24%	6.22%	3.37%	2.74%	3.11%	3.24%
120-179				2.73%	5.35%	3.31%	3.94%	2.26%	3.42%	3.63%	3.88%	2.53%	1.78%	2.52%	2.60%	4.06%	6.47%	3.60%	2.60%	3.23%	4.06%
180-269				0.63%	0.11%	1.97%	3.06%	0.73%	1.83%	1.43%	4.88%	0.89%	0.87%	1.00%	0.71%	1.42%	6.86%	3.15%	1.49%	1.63%	1.42%
270-364				0.78%	0.26%	0.26%	0.90%	0.77%	1.11%	0.68%	1.25%	1.55%	0.43%	0.91%	0.31%	0.25%	1.48%	1.51%	0.69%	0.79%	0.25%
365+				-0.06%	0.87%	0.53%	0.41%	0.34%	0.88%	0.48%	1.03%	-0.53%	0.04%	1.88%	1.77%	1.00%	0.83%	1.98%	0.85%	0.63%	1.00%
Days in Month				31	31	30	31	30	31	31	28	31	30	31	30	31	365	365	366	365	31
Ave Daily Charges				1,768,926	2,130,459	2,063,924	2,061,145	1,971,131													

# Finance Committee

## REVENUE CYCLE

AUGUST 2025

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### Financial Performance

July's insurance cash collections reached 103.2% of target (\$18.9M vs. \$18.3M), supported by:

- **Higher claim volume:** up 14% from June and 5% above historical average (\$90.4M vs. \$85.7M YTD average)
- **Strong Candidate for Billing (CFB) performance:** 3.9 days vs. 4-day goal
- **Low AR days:** 24.9

### Operational Highlights

#### Patient Financial Clearance

**Insurance Verification Rate:** 96% (above 95% target) with steady YTD improvement, supporting accurate net revenue and patient financial experience.

**Authorization Rate:** Stable at 91% (YTD range 91–92%), with improvements in Sleep Center (82%), Internal Med (84%), and Rad Onc (92%); Oncology remains low at 45.8%.

**Low Primary Denial Rate for Authorization:** 0.53% in July (Epic top quartile: 0.54%; median: 0.68%), protecting cash flow.

#### Pre-Bill Performance and Coding

**Charge Lag Days:** Trending toward 3-day target (11.6 days). This is the average length of time between the service and charge posting. Low lag days help reduce AR days and increase cash flow.

**Discharged Not Final Billed (DNFB):** 6.4 days vs. 5-day target, supported by low Coding Days (1.5).

Collaborative work with ED and Cardiology on missing documentation is sustaining throughput and enabling timely billing.

#### Accounts Receivable

**Receivable Aging:** Reduced 6% (\$620K) for HB and 12% (\$59K) for PB vs. June. Medicare, Blue Cross, and United account for most high-dollar aged inventory.

### Denial Rates:

- *Hospital*: 9.7% (target: 6.2%; Epic top quartile: 9.4%), \$8M in denials (↑22% vs. June; flat vs. 6-month average). Increases driven by Medical Necessity and Non-Covered Charges; Healthnet MA, Blue Cross, Medicare, and Advanced Health represent 60% of denials.
- *Physician*: Spike to \$997K due to one Washington Medicaid payor-driven repeating error; normalized amount \$385K (↓8% vs. June; ↓22% vs. 6-month average).

### Clinical Documentation Integrity

Strong physician query response and physician agreement rates (both 94%) support accurate DRG assignment and revenue.

### August Focus

Accelerate Clinical & Technical Appeals to address HB denial rate.

Execute Epic payor contract builds to recover underpayments.

Improve Oncology authorization rate through SOP adoption.

Continue AR reduction initiatives.

Further reduce charge lag.