

Bay Area Hospital District Board Meeting Agenda

October 14, 2025 @ Bay Area Hospital, Myrtle Conference Room

TIME

6:05 Call to Order		Simon Alonzo, Chairperson
<ul style="list-style-type: none"> Public Input—3 minutes per speaker 		
6:15 Patient Success Story		Simon Alonzo, Chairperson
6:21 Consent Agenda	ACTION ITEM	Simon Alonzo, Chairperson
<ul style="list-style-type: none"> Board Meeting Minutes of September 9, 2025 Finance Approved Minutes of August 26, 2025 MEC Approved Minutes of August 24, 2025 QPSC Approved Minutes of August 26, 2025 		
6:25 Report of the Chief Executive Officer		Kelly Morgan, interim CEO
<ul style="list-style-type: none"> Operational Update Legislative Advocacy Update Strategic Direction 		
6:50 Quality and Patient Safety Committee Report (QPSC)		Patrice Parrott, Secretary
<ul style="list-style-type: none"> Executive Summary Falls Presentation 	Zach Larson, PSU Clinical Nurse Manager	
7:05 Finance		Doug Dickson, interim CFO
<ul style="list-style-type: none"> Resolution 2025.10.14 – Adding Staff to Schwab Accounts Budget Adjustment Finance Executive Summary Finance Committee Narrative and Financials 	ACTION ITEM ACTION ITEM	
7:20 Appointment of Permanent CEO and Board Directive for Board Chair to Execute CEO Employment Agreement	ACTION ITEM	
7:25 Board Member Comments		Simon Alonzo, Chairperson
<ul style="list-style-type: none"> Report of the Chairperson Board Member Comments 		
7:40 Medical Staff Report		Paavani Atluri MD, Chief of Staff
7:50 Executive Session		
ORS 192.660(2)		
<i>(c.) to consider matters pertaining to the function of the medical staff at a public hospital</i>		
<i>(f.) to consider information or records that are exempt by law from public inspection</i>		
<i>(h.) to consult with legal counsel concerning the legal rights and duties of the district regarding current litigation or litigation likely to be filed</i>		

8:10 Credentialing Report**ACTION ITEM**

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

8:15 Adjourn – next regular meeting - Tuesday, November 11, 2025

BAY AREA HOSPITAL DISTRICT BOARD MEETING MINUTES

July 8, 2025, Bay Area Hospital Myrtle Conference Room @ 6:05 pm

CALL TO ORDER

Simon Alonzo, Board Chairperson, called the Bay Area Hospital District (BAHD) Board meeting to order at 6:05 pm. A quorum was present.

BOARD ATTENDANCE

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

STAFF ATTENDANCE

Kelly Morgan, interim CEO; Kelli Dion, CQO; Tom Fredette, HR Director; Gretchen Nichols, COO; Karen Miller, Controller; Mel Stibal, interim CNO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, MD, COS (Chief of Staff); Aaron Orchard, IT Support Tech IV ; Troy Shumaker, IT Support Tech 1; Denise Bowers, EA

ABSENT: None

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT

Chairperson Alonzo opened the Public Input Session at 6:05 pm, just after the call to order, with 25 in-person public attendees, and 14 persons attending virtually.

Jennifer Briggs (Silverton, OR resident) expressed appreciation for the transparency of board materials and the inclusion of complete business reports in the minutes. She clarified misinformation regarding campaign contributions and encouraged public access to meeting packets online.

As no additional public comments were received in person or online, Chairperson Alonzo closed the Public Input Session at 6:08 pm.

CONSENT AGENDA

The consent agenda included:

- 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

Action Taken by the Board:

Kyle Stevens moved to approve the Consent Agenda 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.

CHIEF EXECUTIVE OFFICER REPORT – Mr. Kelly Morgan, interim CEO

Kelly Morgan presented a comprehensive update covering:

Financial Overview

- FY23 loss: \$32M; FY24 loss: \$24M.
- Cash reserves dropped from \$41.9M to \$39.6M.
- \$35.3M balloon payment due to Bank of Montreal in December 2030.

- Epic system migration cost estimated at \$22.3M.

Turnaround Plan

- \$30M turnaround goal.
- Proposed reduction of 83.8 FTEs (~\$10.2M savings).
- Hiring freeze and 50% reduction in traveler staff.
- Contract renegotiations and supply savings totaling ~\$19.9M.
- Revenue cycle improvements projected to generate \$6M annually.

Advocacy Efforts

- Upcoming meetings with Oregon Health Authority and state officials.
- Requesting \$10M cash infusion, refinancing of BMO loan, and legislative support for lottery bonds and Medicaid reimbursement reform.

Market Share & Recruitment

- Commercial payer mix and service line performance reviewed.
- Recruitment strategy includes partnerships being explored with North Bend Medical Center and Bay Clinic.
- 39 physician positions identified as potential recruitment targets.

Contingency Planning (Plan B)

- Potential conversion to Type B hospital (50 licensed beds) to improve Medicaid reimbursement.
- No immediate service line closures planned except for Employee Wellness Center.
- APU to remain open with reduced costs, Signet APU Management contract being terminated.

Tax Levy Education Session – Megan Kronsteiner (BAHD Attorney)

- Investigating feasibility of a public option levy.
- Coos County Assessor lacks historical data; efforts ongoing to gather district-specific figures.
- No formal action being pursued at this time, only exploration.

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

The board received a report summarizing the Quality Committee's activities and presentations from the June meeting from Patrice Parrott, QPSC Chairperson.

The activities at the QPSC meeting of August 28, 2025 are as follows:

- Mr. Gary Salcedo gave a presentation on The Joint Replacement Destination Center, which included data, outcomes, and achievements
- Two Quality, Safety, Oversight (QSO) memos were revised with no actions needed by Bay Area Hospital.
- 2025 CMS Star Rating - Ms. Dion reviewed the score of the 2025 CMS Star rating, which reflects 2 stars for a second year in a row. Action: Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) and Readmissions remain priority opportunities.
- Federal Fiscal Year 2026 CMS Final Rule
 - (1) Medicare Advantage beneficiaries added to multiple programs.
 - (2) Performance period reduced from 3 to 2 years in multiple programs.
 - (3) COVID-19 removed as an exclusion from denominators.
 - (4) New benchmarks through Federal Fiscal Year (FY) 2031 released.
 - (5) New market basket rates released through FY28.
- Quarterly Board Report Card - Ms. Dion reviewed the Quality Board Report Card.

FINANCE REPORT – Mr. Doug Dickson, interim CFO**RESOLUTION RELEASING SIGNORS ON INVESTMENT ACCOUNTS:**

Doug Dickson requested the board approve the resolution handed out to release the former Chief Executive Officer (CEO) Brian Moore and former Chief Financial Officer (CFO), Mary Lou Tate as signors on the Deschutes Investment/Charles Schwab accounts and provided the following information: Deschutes Investments reached out to our Benefits Coordinator and Controller advising that Schwab is not accepting the letter of authorization to

remove Brian Moore and Mary Lou Tate as signers, that was signed by Simon Alonzo and Kyle Stevens, Board Members. They now need either a copy of an organizational document (e.g., Corporate Resolution, Board Resolution, or Board Meeting Minutes) stating as such.

Action taken by the Board: Tom McAndrew moved to approve the resolution to release the former Chief Executive Officer (CEO) Brian Moore and former Chief Financial Officer (CFO), Mary Lou Tate as signors on the Deschutes Investment/Charles Schwab accounts. Brandon Saada seconded, and the motion was carried out on call of vote by all board members.

FINANCIAL REPORT TO THE BOARD OF JULY 2025

The board received a report of the activities of the Finance Committee at their meeting of August 26, 2025, from Doug Dickson as follows:

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

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. *Comprehensive financials were included in the board packet.*

REPORT OF THE BOARD CHAIRPERSON and BOARD COMMENTS

- Simon Alonzo expressed appreciation expressed for recent employee forums and staff engagement; they were well attended, and he heard reports that more people were reached in 4 sessions than historically reached in 7 sessions, with robust question and answer sessions at the end of each forum. He attended all 4 sessions and shared that staff thanked the board for the direct conversations. Simon further thanked the executive team and other staff for all the work done on the financial sustainability and assured the public that no stone has been left unturned in the dive for data driven decisions regarding the financial health of the organization. He gave recognition of executive team's transparency and effort in budget restructuring.

- John Uno stated a request that the board be provided with a sandwich, a candy bar and a bottle of water at the board meetings.
- Patrice Parrott shared that she is digesting data, and feels hopeful for the upcoming visit that Kelly and team will be making to the legislators next Tuesday, with hope that our plight is heard.
- Brandon Saada asked if the public could write letters to the legislators and Kelly Morgan responded that calls and contact with Senator Dick Anderson and Representative Boomer Wright would be helpful. Kyle Stevens asked if those legislative addresses could be posted on the BAH website.

Simon ended by sharing with the community that they can help BAH by rallying behind us and partnering with the hospital in our efforts to save Bay Area Hospital and giving encouragement for the community to provide support and positive advocacy to all.

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

- Volumes increased in August.
- Two candidates interviewed for CMO position.
- Fall picnic announced for September 28th.
- Plans to expand outpatient oncology services and restart inpatient chemotherapy.
- Request for public feedback to improve patient experience and perception.

CEO Hiring Policy Review and Public Input Session

Existing policies and procedures were displayed in the meeting and provided to the public in the online board packet.

Public input session on CEO Hiring Policy Review was opened at 7:06 pm for the public to ask questions or make comments as a result of their review of the CEO Hiring Policies and Procedures and Hiring Practices of Bay Area Hospital. No questions were asked, and one comment was noted regarding CEO licensing legislation in Washington, which does not apply to Oregon. The

EXECUTIVE SESSION

The Board went into Executive Session at 7:07 pm as authorized by:

ORS 192.660(2)

- (a) To consider the employment of a public officer, employee, staff member or individual agent.*
- (c) To consider matters pertaining to the function of the medical staff at a public hospital.*
- (f) To consider information or records that are exempt by law from public inspection.*
- (h) To 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.*

RETURN TO REGULAR SESSION

Chairperson Alonzo reopened the meeting into public session at 8:08 pm.

MEDICAL STAFF REPORT

Dr. Paavani Atluri, Chief of Staff, gave report from the Medical Staff as summarized bullets below:

- **Patient Volumes:** Notable increase in patient volumes observed in August and continuing into September, with expectations for positive financial impact.
- **CMA Recruitment:** Two candidates interviewed for the part-time Chief Medical Administrator (CMA) position. A decision is expected shortly. The role will support Medical Staff Office operations and accreditation compliance.
- **Provider Engagement:** Efforts underway to strengthen collaboration among physicians, advanced practice providers, and outpatient clinics including NBMC, Waterfall, Coquille Valley Hospital, and Southern Coast Swamps.
- **Community Event:** The Oregon Medical Society's Fall Picnic is scheduled for September 28th at Ferry Rd. Park. All medical professionals are invited to attend.
- **Oncology Services:** Two full-time oncology providers have joined. Expansion of outpatient oncology services via telehealth is in progress, with plans to resume inpatient chemotherapy once stable.
- **Inpatient Limitations:** Inpatient services remain financially constrained due to lack of reimbursement for certain treatments.
- **Patient Experience & Survey Results:** Recent LEAK survey results were disappointing, largely due to patient experience and public perception. Feedback from the community is welcomed to help improve performance and support advocacy efforts with the Oregon Health Authority.

APPROVAL OF CREDENTIALING REPORT

Action taken by the Board: Kyle Stevens moved to approve the Credentialing Report as discussed in the Executive Session and presented in the packet. Brandon Saada 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 8:09 pm.

Simon Alonzo, Board Chairperson

Patrice Parrott, Secretary

Date: _____

Date: _____

FINANCE COMMITTEE MEETING MINUTES
August 26, 2025, Myrtle Conference Room / Microsoft Teams

CALL TO ORDER

Finance Chair Kyle Stevens called the meeting to order at 5:15 p.m. There was a quorum in attendance.

FINANCE COMMITTEE MEMBER ATTENDANCE

Chairperson Kyle Stevens, Tom McAndrew, Judy Moody, John Briggs, Brandon Saada

ABSENT (*excused*)

Barbara Taylor

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrot, Simon Alonzo, Brandon Saada

STAFF ATTENDANCE

Doug Dickson, interim CFO; Mark Hadley, Senior Finance Analyst; Karen Miller, CFO; Mel Stibal, Interim CNO; Gretchen Nichols, COO; Tom Fredette, Dir. HR, Kelli Dion, CQO, Kelly Morgan, Interim CEO, Jeanie Ortiz, Accountant IV, Claudia Wells, Clinical Analyst and Support Specialist; Denise Bowers, Executive Assistant

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE

The public was in Attendance

APPROVAL OF FINANCE COMMITTEE MINUTES – Mr. Kyle Stevens, Chairperson

ACTION TAKEN BY THE FINANCE COMMITTEE:

The Finance Committee reviewed and approved the hearing minutes from the previous meeting, including changes suggested by Barb Taylor. **Tom McAndrew moved** to approve minutes as presented, including the changes requested by Barb Taylor, and **Brandon Saada seconded**. There was no additional discussion, and the motion carried on call of vote.

CHIEF EXECUTIVE OFFICER UPDATES - Kelly Morgan, Interim CEO

Financial Turnaround and Sustainability Plan Update

- The organization is addressing a \$30 million financial gap.
- Expense reduction strategies are being prioritized, focusing on salaries and wages, purchased services, professional fees, and other operational expenses.
- The revenue cycle is under review, with ongoing renegotiation of contracts and collaboration with Advanced Health for potential opportunities.
- Recruitment of additional physicians is part of the long-term strategy for growth.
- Town hall meetings with staff are scheduled for tomorrow and Thursday to provide updates like those shared at the last board meeting.
- The full financial plan is expected to be finalized in the coming weeks and will be presented to the board for implementation.

CHIEF FINANCIAL OFFICER UPDATES – Doug Dickson, Interim CFO**Financials**

- Discharges were 9% below target; average length of stay was 3.75 days, 14% below target, indicating some operational efficiencies.
- Emergency room visits and operating room cases were reported, with surgery volumes showing improvement.
- Outpatient visits were slightly above budget, contributing to a 2.9% increase in income.
- Net revenue for the month was \$946,000 below budget; staffing costs were up by \$1.4 million, supplies were under budget by \$321,000, and other expenses were over by \$231,000.
- Total operating expenses exceeded budget by \$1.3 million, resulting in net operating income below budget.
- Commercial payer mix improved, with each 1% increase in commercial payers estimated to add \$4 million in cash collections.
- Provider tax was discussed; the hospital pays 6% of revenue to the state, which is matched by CMS and reimbursed through enhanced Medicaid rates.
- Accounts receivable days remain stable; cash collections for the month were \$19.2 million.
- Cost to collect has increased from 5.5% to 7%, with efforts underway to reduce this expense.
- The revenue cycle process was reviewed, highlighting areas for improvement in charge master maintenance, coding, and denial management.

Revenue Cycle and Contracting

- The committee discussed the importance of accurate charge master maintenance and regular audits to ensure proper documentation and billing.
- Denial management was identified as a key area for collaboration with Advanced Health, with ongoing negotiations to improve contract terms and reduce denials.
- Credentialing and privileging delays for new physicians were noted, with legislative changes requiring payers to allow retroactive privileging from the application date. The local CCO's compliance with this requirement remains an issue.

Epic System Contract Update

- The hospital's contract with St. Charles for the Epic system (Community Connect) expires in February 2027.
- St. Charles has requested migration off Community Connect by the end of 2027, which would require significant financial investment and operational disruption.
- Discussions are ongoing with St. Charles and Epic corporate regarding possible extensions and support for connectivity issues.
- The committee is exploring alternative partners and solutions for the hospital's electronic health record system.

Capital Acquisitions

- Updates were provided on network switches, pneumatic tube system maintenance, and temperature management system purchases.
- Actual capital expenditures were reported at \$347,000 versus a budgeted \$504,000.

Grant Writer Update

- The hospital has recently hired a part-time grant writer for the Kids Hope Center, with potential to support additional grant opportunities for the hospital.

GOOD OF THE ORDER

The next meeting will be on September 23, 2025, at 5:15 p.m.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 6:08 p.m.

Kyle Stevens, Chairperson

Date: September 23, 2025



Bay Area Health District Board
Agenda Item Summary

Meeting Date:	October 14, 2025
Agenda Item:	Finance
Topic:	Investment Signors
Action requested:	Approve resolution adding HR Director and Benefits Coordinator
Who is making recommendation:	Doug Dickson, interim CFO

Action/Recommendation:

Approve the Resolution to add Thomas Fredette, HR Director, and Karen Pettit, Benefits Coordinator, as signers on the Deschutes Investment/Charles Schwab accounts ending in 80 (Brian Moore account), 72 (Dr. Lee Saltzgaber account), 74, and 95 (Gretchen Nichols accounts).

Background Summary:

Deschutes Investments reached out to our Benefits Coordinator and Controller, advising that Schwab is requiring the addition of Mr. Fredette and Ms. Pettit via resolution. Last month, the board approved removing the former CEO and CFO from the Schwab accounts, and is now requiring this resolution to complete the final actions on the above-named accounts. The Schwab application to perform these additions have previously been approved and signed by our Board Chair, Simon Alonzo

Strategy/Values supported:

Ownership and Financials – allowing proper access and control of investment accounts and banking accounts is crucial to the district's operations.

Alternatives Considered:

None

Risks/Mitigation:

Failure to approve the Resolution will prevent our HR department from maintaining the accounts assigned to former and current employees.

BAY AREA HOSPITAL DISTRICT

Resolution No. 2025.10.14

WHEREAS, the Bay Area Hospital District ("District") is a health district organized under ORS 440.305 to 440.410 that does business as Bay Area Hospital; and

WHEREAS, the District seeks to facilitate the management and oversight of the District's investment accounts ("Accounts") with its various financial institutions by authorizing certain persons to act on its behalf with regard to those accounts.

NOW THEREFORE,

BE IT RESOLVED by the Bay Area Hospital District Board of Directors that the HR Director, Thomas Fredette, and the Benefits Coordinator, Karen Pettit, be added and empowered to access and manage the Accounts of the District ending in 80, 72, 74, and 95 to the fullest extent permitted by law.

Approved and adopted by the Bay Area Hospital District Board of Directors this 14th day of October, 2025

Simon Alonzo, Chairperson

ATTEST:

Patrice Parrot, Secretary

Resolution No. 2019-12-01

Finance Committee Executive Summary

Finance Committee Meeting Held September 23, 2025

Discussion Items:

Ryan Morrissey, Morgan Stanley

Ryan Morrissey provided new members with an overview of Morgan Stanley's historical and current relationship with BAH, noting that the firm maintains a highly liquid investment position while BAH continues to earn interest on its available funds.

Kelly Morgan, CEO

Kelly Morgan presented the materials recently shared with the Board, highlighting that BAH is currently operating as a 70-bed hospital with 56 days cash on hand. He noted the pending balloon payment with the Bank of Montreal and ongoing discussions regarding the EPIC and St. Charles relationship, including the costs associated with transitioning away as a Connect Partner. BAH's estimated \$60 million in capital needs were discussed, given that much of the equipment is fully depreciated. Kelly reviewed the Savista contract, clarifying that there were no guarantees on the sales pitch of a \$20 million revenue opportunity. The CFO and Revenue Cycle team are actively identifying process improvements and new revenue sources. Renegotiations are underway with third-party payers—Regence being the largest, followed by Moda—with a focus on physician engagement to improve clinical documentation. He also reviewed anticipated savings from management's reduction initiatives, explored potential state assistance for the bank loan with support from UFCW and PacWest, and discussed broader socioeconomic factors, physician recruitment, and future growth opportunities for BAH.

Doug Dickson, CFO

Doug Dickson presented the August financials, noting a follow-up is pending on the DSH review. He reported that BAH is not currently meeting bank covenants, resulting in approximately \$1.3 million in additional annual interest costs. The Executive team continues biweekly meetings with the Bank of Montreal to keep them informed of the organization's financial position. Doug also discussed the recent reduction in force and the ongoing collaboration with union partners to align staffing and operations with financial sustainability goals.

August Financial Results:

Revenue

- **Inpatient**
 - Discharges were down 8% to budget (538 v 586).
 - Average Length of Stay (ALOS) was down 7% to budget (3.87 v 4.18).

- Combined to reduce IP Days (down 475 days or 19%) and, therefore, revenue by \$2.7 million or 9.6%.
- **Outpatient**
 - Outpatient services as measured by OP Visits were down by 449 visits on a budget of 11,317 visits.
 - OP revenue was up compared to budget by \$378,000 or 0.9% due to service mix - Increase in Cath Lab, Emergency and Imaging services.
- **Net Patient Revenue** came in \$437K or 2.1% below budget.

Expenses

- **Salaries, Benefits and Contract Labor**
 - Combined -over budget by \$1.3 million or 11.7%.
 - Total Paid FTEs were over budget by 56.7 or 6.6%.
- **Physician and Pro Fees**
 - Over budget by \$33,964 or 2.2%.
- **Supplies**
 - Below budget by \$533,740 or 13.3%.
- **Purchased Services**
 - Under budget by \$165,016 or 7.5%.
- **Leases/Rentals, Depreciation and Other Operating Expenses**
 - Over budget by a combined \$225,380 or 9.4% driven by an increase in the Provider tax of \$272,000.

Operating Expenses over budget by \$901,815 or 4.2%.

Capital Purchase Requests reviewed: None

The combination of lower revenues and higher expenses resulted in an operating loss of \$1,247,133 compared to a budgeted operating loss of \$46,138.

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

Cash and cash equivalents plus investments (Assets Limited as to Use) equaled \$39,586,891 and represents 56 days cash on hand.

*See attached Narrative and Financials for additional details

Next Meeting: October 28, 2025 @ 5:15pm.



Month End Financial and Operational Narrative
For month ending August 31, 2025

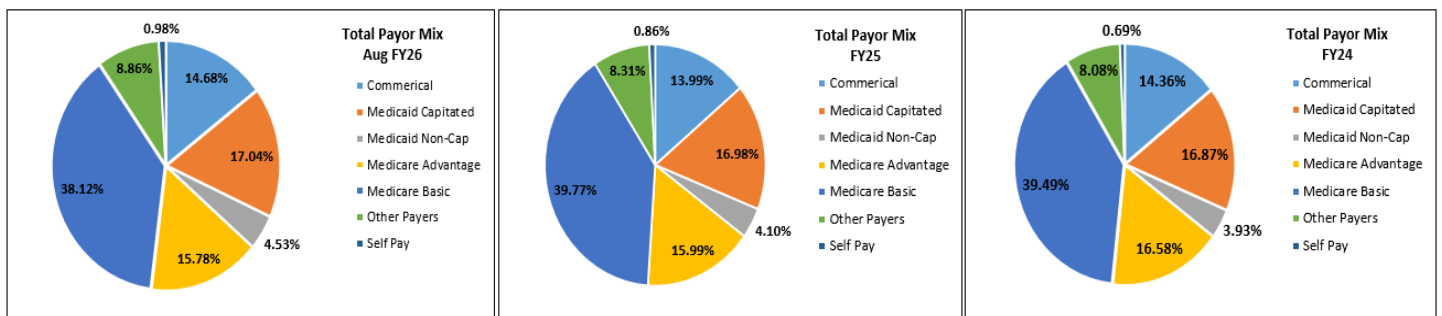
Executive Summary

August 2025 performance highlighted both favorable and unfavorable trends. Patient revenue came in below budget due to lower-than-budgeted volumes, though rate improvements helped partially offset the decline. Operating expenses tracked closely to budget, with cost containment initiatives helping to mitigate volume-driven revenue pressures. Overall, BAH realized an unfavorable variance in margin -5.9% compared to budget 0.2%, with an overall Net Income loss of \$1.3M. Compared to 3-Month Run Rate (3MRR), Net Revenue and Net Income have improved \$1.7M.

Bay Area Hospital Consolidated Income Statement - August 2025 in '000										
	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
Gross Patient Revenue	66,538	68,897	(2,359)	64,800	1,739	133,232	137,795	(4,563)	125,923	7,309
Total Deductions	45,720	47,642	1,922	42,895	(2,824)	92,123	95,283	3,160	84,252	(7,871)
Net Healthcare Revenue	20,819	21,256	(437)	21,905	(1,086)	41,109	42,512	(1,403)	41,671	(562)
Other Oper Revenue	469	331	138	219	249	819	662	157	464	355
Total Net Revenue	21,287	21,587	(299)	22,124	(836)	41,928	43,173	(1,245)	42,135	(207)
Salaries/ Wages & Benefits	11,012	9,493	(1,519)	10,387	(625)	22,293	18,896	(3,397)	20,479	(1,815)
Contract Labor	1,815	1,993	178	2,087	272	3,413	4,072	659	3,977	564
Depreciation	765	750	(14)	938	174	15,039	15,025	(14)	1,881	377
Other Expense	8,943	9,396	453	9,287	344	4,771	5,314	543	17,465	(841)
Total Operating Expenses	22,535	21,633	(902)	22,699	164	45,516	43,308	(2,208)	43,801	(1,715)
Net Operating Income	(1,247)	(46)	(1,201)	(575)	(672)	(3,588)	(134)	(3,454)	(1,667)	(1,921)
Non Operating Income/(Loss)	(64)	(284)	221	290	(353)	(253)	(569)	316	970	(1,223)
Net Income	(1,311)	(330)	(980)	(285)	(1,026)	(3,841)	(703)	(3,138)	(697)	(3,144)
Net To Gross	32.0%	31.3%	0.7%	34.1%	-2.1%	31.5%	31.3%	0.1%	33.5%	-2.0%
Operating EBITDA	(483)	704	(1,187)	363	(846)	(2,084)	1,368	(3,452)	214	(2,298)
Operating EBITDA %	-2.3%	3.3%	-5.5%	1.6%	-3.9%	-5.0%	3.2%	-8.1%	0.5%	-5.5%
EBITDA	(263)	745	(1,008)	836	(1,099)	(1,788)	1,450	(3,238)	1,545	(3,333)
EBITDA %	-1.2%	3.5%	-4.7%	3.8%	-5.0%	-4.3%	3.4%	-7.6%	3.7%	-7.9%

Patient Revenue

August gross patient revenue totaled \$66.5M coming in below budget \$68.9M, primarily due to volume decline in Pharmacy, Med/Surg Units and Radiation Therapy versus budgeted levels, reflecting an impact of \$9.7M reduced gross charges. While rate impact from payer mix provided uplift of \$7.3M, this was not sufficient to offset the volume decline resulting in a total impact of \$2.4M loss in Gross Patient Revenue. Compared to the 3MRR basis, August is showing a pickup in overall patient revenue of \$4.4M primarily driven by the July rate increase.



Operating Expenses

Operating expenses remained largely consistent with budget with an overall unfavorable variance of 4.2% and compared to prior year, delivered an improvement of \$164K. Salaries and wages are up 12% to budget primarily driven by total FTE increase of 5.7% along with a one-time severance expense. Contract labor usage was limited, reflecting a favorable



Month End Financial and Operational Narrative
For month ending August 31, 2025

variance of \$178K. Benefits expense unfavorable to budget 30% driven by unbudgeted payment for a stop-loss claim. The reimbursement accrual was recorded conservatively and may still result in a favorable pickup in a future month. Supply expense aligned with lower case volumes, while purchased services and other discretionary costs were managed tightly.

Staffing & FTEs

In August, total hours including contract labor were 161,203, which was unfavorable to budget 151,188. This translated to 913 FTEs, compared to a budget of 856. August adjusted patient days (APD) were 5,108, below the budget of 6,217, driving a \$464 unfavorable variance per APD, a total impact of \$470K. While the additional staffing ensured adequate patient coverage, the mismatch between labor utilization and APD highlights the need for stronger productivity alignment and workforce management.

Volumes

STAT	Aug-24	3MRR	Aug-25	VAR to PY	VAR to 3MRR
Total Acute Patient Days	2522	1986	1974	-548	-12
Average Daily Census (Acute + Obs.)	86	67	67	-19	0
Total Admissions - Acute IP	554	495	541	-13	46
Total Admissions - Newborn	35	44	63	28	19
Total Admissions	589	538	604	15	66
Total Discharges - Acute IP	589	503	538	-51	35
Total Discharges - Newborn	42	44	61	19	17
Total Discharges	631	548	599	-32	51
Adjusted Patient Days	5991	5254	5108	-883	-146
ED Visits - IP Admits	461	388	404	-57	16
ED Visits - OP Visits	2092	2136	2213	121	77
Total ED Visits	2553	2524	2617	64	93
Surgery Cases - IP Surgeries	110	101	93	-17	-8
Surgery Cases - OP Surgeries	197	202	205	8	3
Total Surgery Cases	307	303	298	-9	-5
Cath Lab Cases (per EPIC)	117	114	142	25	28
Endo Procedures	39	41	40	1	-1
Med/Surg CMI - Overall	1.6302	1.5686	1.5549	-0.0753	-0.0137

Balance Sheet & Cash Flow

- Cash and Cash Equivalents were \$7M at the end of August and assets limited to use were \$32.6M for an overall cash balance of \$40M. Overall cash and investments decreased \$3.8M to prior month.
- Account Receivable (net) increased \$1.5M from prior month to close at \$27M for August.
- Current liabilities decreased \$5.4M compared to prior month and \$3.7M compared to three-month run rate.
- The Current Ratio is 2.52 and Debt to Capitalization is 44.3%.

Bay Area Hospital

Consolidated Income Statement - August 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	25,712,601	28,449,190	(2,736,589)	-9.6%	27,276,721	(1,564,120)	-5.7%	50,780,513	56,898,380	(6,117,867)	-10.8%	52,630,110	(1,849,597)	-3.5%
Outpatient Revenue	40,825,879	40,448,239	377,640	0.9%	37,523,031	3,302,849	8.8%	82,451,096	80,896,479	1,554,617	1.9%	73,292,455	9,158,641	12.5%
Total Gross Patient Revenue	66,538,480	68,897,429	(2,358,949)	-3.4%	64,799,752	1,738,728	2.7%	133,231,608	137,794,859	(4,563,250)	-3.3%	125,922,564	7,309,044	5.8%
Deductions	45,256,463	46,678,628	1,422,165	3.0%	42,283,339	(2,973,125)	-7.0%	91,089,715	93,357,257	2,267,542	2.4%	82,517,000	(8,572,715)	-10.4%
Bad Debt	390,753	217,845	(172,908)	-79.4%	(10,576)	(401,329)	3794.7%	545,604	435,689	(109,915)	-25.2%	852,703	307,099	36.0%
Charity	72,326	745,066	672,740	90.3%	622,331	550,005	88.4%	487,405	1,490,134	1,002,729	67.3%	881,849	394,444	44.7%
Total Deductions	45,719,543	47,641,539	1,921,997	4.0%	42,895,094	(2,824,449)	-6.6%	92,122,724	95,283,080	3,160,356	3.3%	84,251,551	(7,871,172)	-9.3%
Net Healthcare Revenue	20,818,938	21,255,890	(436,952)	-2.1%	21,904,658	(1,085,721)	-5.0%	41,108,885	42,511,779	(1,402,894)	-3.3%	41,671,013	(562,128)	-1.3%
Other Oper Revenue	468,529	330,756	137,773	41.7%	219,268	249,261	113.7%	818,953	661,512	157,442	23.8%	463,647	355,306	76.6%
Total Net Revenue	21,287,467	21,586,646	(299,179)	-1.4%	22,123,926	(836,460)	-3.8%	41,927,838	43,173,291	(1,245,453)	-2.9%	42,134,660	(206,822)	-0.5%
Net to Gross Ratio	32.0%	31.3%			34.1%			31.5%	31.3%			33.5%		
Salaries	8,244,951	7,364,124	(880,828)	-12.0%	8,228,925	(16,026)	-0.2%	17,190,903	14,641,676	(2,549,226)	-17.4%	16,226,008	(964,894)	-5.9%
Contract Labor	1,814,985	1,992,858	177,873	8.9%	2,086,578	271,593	13.0%	3,412,835	4,072,317	659,482	16.2%	3,976,799	563,965	14.2%
Benefits	2,767,300	2,129,029	(638,272)	-30.0%	2,158,386	(608,914)	-28.2%	5,102,481	4,254,631	(847,850)	-19.9%	4,252,518	(849,963)	-20.0%
Physician & Prof Fee	1,564,475	1,530,510	(33,964)	-2.2%	1,735,681	171,206	9.9%	3,142,396	3,067,121	(75,275)	-2.5%	3,392,666	250,269	7.4%
Supplies	3,479,092	4,012,832	533,740	13.3%	3,831,892	352,800	9.2%	7,213,252	8,067,984	854,732	10.6%	7,218,469	5,217	0.1%
Purchased Services	2,049,830	2,214,846	165,016	7.5%	1,913,244	(136,586)	-7.1%	4,288,374	4,461,689	173,315	3.9%	3,713,433	(574,940)	-15.5%
Leases/Rentals	21,281	17,067	(4,214)	-24.7%	14,262	(7,019)	-49.2%	37,569	33,634	(3,935)	-11.7%	30,104	(7,465)	-24.8%
Depreciation	764,537	750,541	(14,086)	-1.9%	938,047	173,510	18.5%	1,503,906	1,502,500	(1,406)	-0.1%	1,880,835	376,929	20.0%
Other Oper Expense	1,828,147	1,621,067	(207,080)	-12.8%	1,791,651	(36,496)	-2.0%	3,624,269	3,206,013	(418,255)	-13.0%	3,110,630	(513,639)	-16.5%
Total Operating Expenses	22,534,599	21,632,784	(901,815)	-4.2%	22,698,666	164,067	0.7%	45,515,984	43,307,565	(2,208,419)	-5.1%	43,801,462	(1,714,522)	-3.9%
Net Operating Income	(1,247,133)	(46,138)	(1,200,994)	2603.0%	(574,740)	(672,393)	117.0%	(3,588,146)	(134,274)	(3,453,872)	2572.3%	(1,666,802)	(1,921,344)	115.3%
Investment Income	197,536	-	197,536	0.0%	427,800	(230,264)	-53.8%	255,946	-	255,946	0.0%	1,199,790	(943,844)	-78.7%
Other Nonop Inc(Exp)	21,601	40,718	(19,117)	-47.0%	44,413	(22,812)	-51.4%	40,446	81,436	(40,990)	-50.3%	130,979	(90,533)	-69.1%
Interest Expense	(282,780)	(325,000)	42,220	-13.0%	(182,692)	(100,088)	54.8%	(549,062)	(650,000)	100,938	-15.5%	(360,848)	(188,214)	52.2%
Net Income	(1,310,776)	(330,420)	(980,356)	296.7%	(285,220)	(1,025,556)	359.6%	(3,840,816)	(702,838)	(3,137,978)	446.5%	(696,881)	(3,143,935)	451.1%
Contractual %	-68.7%	-69.1%	0.4%		-66.2%			-69.1%	-69.1%	0.0%		-66.9%		
Operating Margin	-5.9%	-0.2%	-5.6%	2641.0%	-2.6%	-3.3%		-8.6%	-0.3%	-8.2%	2651.6%	-4.0%	-4.60%	116.3%
Operating EBITDA	(482,596)	704,313	(1,186,908)	-168.5%	363,307	(845,903)	-232.8%	(2,084,240)	1,368,226	(3,452,466)	-252.3%	214,033	(2,298,274)	-1073.8%
Operating EBITDA %	-2.3%	3.3%	-5.5%	-169.5%	1.6%	-3.9%		-5.0%	3.2%	-8.1%	-256.9%	0.5%	-5.48%	-1078.6%
EBITDA	(263,459)	745,031	(1,008,490)	-135.4%	835,520	(1,098,979)	-131.5%	(1,787,848)	1,449,661	(3,237,509)	-223.3%	1,544,803	(3,332,650)	-215.7%
EBITDA %	-1.2%	3.5%	-4.7%	-135.9%	3.8%	-5.0%		-4.3%	3.4%	-7.6%	-227.0%	3.7%	-7.93%	-216.3%
Key Stats														
Discharges	538	586	(48)	-8.2%	589	(51)	-8.7%	1,069	1,172	(103)	-8.8%	1,109	(40)	-3.6%
Patient Days	1,974	2,567	(593)	-23.1%	2,522	(548)	-21.7%	3,975	5,134	(1,159)	-22.6%	5,004	(1,029)	-20.6%
LOS	3.67	4.38	(0.71)	-16.3%	4.28	(0.61)	-14.3%	3.72	4.38	(0.66)	-15.1%	4.51	(0.79)	-17.6%
Adjusted Days	5,108	6,217	(1,109)	-17.8%	5,991	(883)	-14.7%	10,429	12,434	(2,005)	-16.1%	11,973	(1,543)	-12.9%
Adjusted Discharges	1,392	1,419	(27)	-1.9%	1,399	(7)	-0.5%	2,805	2,838	(33)	-1.2%	2,653	151	5.7%
Per Adjusted Day														
Net Revenue/APD	4,076	3,419	656	19.2%	3,656	420	11.5%	3,942	3,419	523	15.3%	3,481	461	13.3%
SWB+CL/APD	2,511	1,848	(664)	-35.9%	2,082	429	20.6%	2,465	1,847	(618)	-33.4%	2,043	422	20.7%
Salary+CL/APD	1,969	1,505	(464)	-30.8%	1,722	248	14.4%	1,976	1,505	(470)	-31.3%	1,687	288	17.1%
Supply Cost/APD	681	645	(36)	-5.5%	640	42	6.5%	692	649	(43)	-6.6%	603	89	14.7%
Other Expense/APD	664	507	(157)	-31.0%	589	75	12.8%	649	505	(144)	-28.6%	543	106	19.4%
Per Adjusted Discharge														
Net Revenue/Adj DC	14,954	14,980	(27)	-0.2%	15,655	(701)	-4.5%	14,657	14,980	(323)	-2.2%	15,705	(1,048)	-6.7%
SWB+CL/Adj DC	9,213	8,095	(1,119)	-13.8%	8,915	299	3.4%	9,165	8,094	(1,072)	-13.2%	9,217	(51)	-0.6%
Salary+CL/Adj DC	7,226	6,594	(631)	-9.6%	7,372	(146)	-2.0%	7,346	6,594	(752)	-11.4%	7,614	(268)	-3.5%
Supply Cost/Adj DC	2,499	2,828	329	11.6%	2,739	(240)	-8.7%	2,572	2,843	271	9.5%	2,720	(149)	-5.5%
Other Expense/Adj DC	2,437	2,221	(216)	-9.7%	2,521	(84)	-3.3%	2,413	2,211	(202)	-9.1%	2,451	(38)	-1.6%
Pct of Net Revenue														
SWB+CL	61.6%	54.0%	-7.6%		56.9%	-4.7%		62.5%	54.0%	-8.5%		58.7%	-3.8%	
Supplies	16.7%	18.9%	2.2%		17.5%	0.8%		17.5%	19.0%	1.4%		17.3%	-0.2%	
Other Expense	16.3%	14.8%	-1.5%		16.1%	-0.2%		16.5%	14.8%	-1.7%		15.6%	-0.9%	
Bad Debt % of GR	0.6%	0.3%	0.3%		0.0%	-0.6%		0.4%	0.3%	0.1%		0.7%	0.3%	
Bad Debt & Charity	2.2%	4.5%	2.3%		2.8%	0.6%		2.5%	4.5%	2.0%		4.2%	1.6%	
Bad Debt/Charity % of GR	0.7%	1.4%	0.7%		0.9%			0.8%	1.4%	0.6%		1.4%		
FTE's														
Total Salary Hours	149,765	141,701	(8,064)	-5.7%	159,625	9,861	6.2%	300,187	283,096	(17,091)	-6.0%	322,932	22,745	7.0%
Total Contract Hours	11,438	9,487	(1,951)	-20.6%	19,198	19,198	100.0%	21,480	18,971	(2,509)	-13.2%	36,210	14,730	40.7%
Total Salary FTE's	847.77	802.12	(45.64)	-5.7%	901.11	53.34	5.9%	849.63	801.26	(48.37)	-6.0%	911.50	61.87	6.8%
Total Contract FTE's	64.75	53.70	(11.05)	-20.6%	108.38	43.63	40.3%	60.79	53.69	(7.10)	-13.2%	102.20	41.41	40.5%
Total Facility Paid FTEs	912.52	855.83	(56.69)	-6.2%	1,009.49	96.97	9.6%	910.42	854.95	(55.47)	-6.5%	1,013.71	103.28	10.2%
Paid FTE per Adj Day	5.54	4.27	(1.27)	-29.8%	5.22	(0.31)	-6.0%	5.41	4.26	(1.15)	-27.0%	5.25	(0.16)	-3.1%
Average Hourly Rate	\$ 62.41	\$ 61.89	0.52	-0.8%	\$ 57.69	(4.72)	-8.2%	\$ 64.05	\$ 61.95	(2.10)	-3.4%	\$ 56.25	(7.80)	-13.9%
Employed Avg Hourly Rate	\$ 55.05	\$ 51.97	(3.08)	-5.9%	\$ 51.55	(3.50)	-6.8%	\$ 57.27	\$ 51.72	(5.55)	-10.7%	\$ 50.25	(7.02)	-14.0%

Bay Area Hospital

Consolidated Income Statement Trend - August 2025

	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025
	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD
Gross Patient Revenue													
Inpatient Revenue	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	25,712,601
Outpatient Revenue	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	40,825,879
Total Gross Patient Revenue	64,799,752	61,161,939	61,769,790	56,989,822	62,489,975	67,248,378	58,834,815	62,748,306	62,898,409	60,533,482	59,124,181	66,693,128	66,538,480
Deductions	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	45,256,463
Bad Debt	(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	390,753
Charity	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	72,326
Total Deductions	42,895,094	42,327,355	41,748,761	38,950,076	42,089,995	46,258,929	38,946,042	43,825,120	43,273,162	41,217,414	41,296,885	46,403,181	45,719,543
Net Healthcare Revenue	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	20,818,938
Other Oper Revenue	219,268	468,640	273,998	305,755	521,874	651,119	405,859	120,242	576,185	494,088	358,227	350,424	468,529
Total Net Revenue	22,123,926	19,303,223	20,295,027	18,345,501	20,921,854	21,640,569	20,294,632	19,043,429	20,201,432	19,810,155	18,185,523	20,640,371	21,287,467
Expenses	34.1%	31.6%	32.9%	32.2%	33.5%	32.2%	34.5%	30.3%	32.1%	32.7%	30.8%	30.9%	32.0%
Salaries	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	8,244,951
Contract Labor	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	1,814,985
Benefits	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	2,767,300
Physician & Prof Fee	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	1,564,475
Supplies	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	3,479,092
Purchased Services	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	2,049,830
Leases/Rentals	14,262	17,292	14,710	15,475	14,455	26,319	19,892	24,782	26,427	16,944	10,788	16,288	21,281
Depreciation	938,047	939,915	923,445	923,747	918,484	773,830	766,642	764,352	766,089	798,927	743,521	739,369	764,537
Other Oper Expense	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	1,828,147
Total Operating Expenses	22,698,666	21,828,500	22,784,783	20,488,079	22,621,152	23,010,252	21,432,792	21,624,297	21,614,146	23,758,834	20,633,952	22,981,385	22,534,599
Net Operating Income	(574,740)	(2,525,277)	(2,489,756)	(2,142,578)	(1,699,298)	(1,369,684)	(1,138,160)	(2,580,868)	(1,412,713)	(3,948,679)	(2,448,430)	(2,341,013)	(1,247,133)
Investment Income	427,800	488,055	(726,631)	320,385	(152,390)	211,196	446,682	71,188	154,156	39,127	172,596	58,410	197,536
Other Nonop Inc(Exp)	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	21,601
Interest Expense	(182,692)	(166,666)	(176,301)	(176,160)	(170,428)	(20,250)	(156,710)	(376,996)	(278,947)	(176,794)	(294,464)	(266,282)	(282,780)
Net Income	(285,220)	(1,909,035)	(2,749,444)	(1,962,885)	(1,913,298)	(1,139,208)	(830,867)	(4,737,154)	(1,468,065)	(4,059,093)	(2,568,209)	(2,530,040)	(1,310,776)
Operating Margin %	-2.6%	-13.1%	-12.3%	-11.7%	-8.1%	-6.3%	-5.6%	-13.6%	-7.0%	-19.9%	-13.5%	-11.3%	-5.9%
Operating EBIDA	363,307	(1,585,362)	(1,566,311)	(1,218,831)	(780,814)	(595,854)	(371,518)	(1,816,516)	(646,624)	(3,149,752)	(1,704,908)	(1,601,644)	(482,596)
Operating EBIDA %	1.6%	-8.2%	-7.7%	-6.6%	-3.7%	-2.8%	-1.8%	-9.5%	-3.2%	-15.9%	-9.4%	-7.8%	-2.3%
EBIDTA	835,520	(802,454)	(1,649,698)	(862,978)	(824,386)	(345,129)	92,485	(3,595,806)	(423,029)	(3,083,372)	(1,530,224)	(1,524,389)	(263,459)
EBDITA Margin	3.8%	-4.2%	-8.1%	-4.7%	-3.9%	-1.6%	0.5%	-18.9%	-2.1%	-15.6%	-8.4%	-7.4%	-1.2%
Key Stats													
Days in Month	31	30	31	30	31	31	28	31	30	31	30	31	31
Adj Factor	2.38	2.41	2.57	2.41	2.43	2.28	2.38	2.44	2.48	2.57	2.70	2.66	2.59
Discharges	589	525	581	526	587	585	553	536	552	543	540	531	538
Patient Days	2,522	2,379	2,291	2,335	2,487	2,372	2,292	2,150	2,109	1,999	1,955	2,001	1,974
LOS	4.28	4.53	3.94	4.44	4.24	4.05	4.14	4.01	3.82	3.68	4.44	3.77	3.67
Adjusted Days	5,991	5,732	5,884	5,635	6,048	5,413	5,449	5,235	5,240	5,147	5,281	5,324	5,108
Adjusted Discharges	1,399	1,265	1,492	1,269	1,428	1,335	1,315	1,305	1,372	1,398	1,188	1,413	1,392
Per Adjusted Day													
Net Revenue/APD	3,656	3,286	3,403	3,201	3,373	3,878	3,650	3,615	3,745	3,753	3,376	3,811	4,076
SWB+CL/APD	2,082	2,018	2,121	2,012	2,035	2,442	2,113	2,329	2,341	2,435	2,187	2,419	2,511
Salary+CL/APD	1,722	1,757	1,689	1,741	1,685	1,842	1,686	1,828	1,882	1,972	1,806	1,981	1,969
Supply Cost/APD	640	685	725	558	667	639	687	629	693	843	618	701	681
Other Expense/APD	589	545	480	544	504	585	560	575	515	646	579	634	664
Per Adjusted Discharge													
Net Revenue/Adj DC	15,655	14,889	13,418	14,211	14,290	15,723	15,127	14,498	14,309	13,816	15,000	14,362	14,954
SWB+CL/Adj DC	8,915	9,146	8,362	8,932	8,623	9,903	8,759	9,344	8,945	8,963	9,718	9,116	9,213
Salary+CL/Adj DC	7,372	7,964	6,660	7,727	7,140	7,469	6,990	7,333	7,191	7,260	8,023	7,463	7,226
Supply Cost/Adj DC	2,739	3,104	2,857	2,479	2,826	2,590	2,846	2,523	2,650	3,103	2,744	2,643	2,499
Other Expense/Adj DC	2,521	2,470	1,892	2,416	2,135	2,373	2,323	2,305	1,966	2,379	2,574	2,388	2,437
Pct of Net Revenue													
SWB	56.9%	61.4%	62.3%	62.9%	60.3%	63.0%	57.9%	64.4%	62.5%	64.9%	64.8%	63.5%	61.6%
Supplies	17.5%	20.8%	21.3%	17.4%	19.8%	16.5%	18.8%	17.4%	18.5%	22.5%	18.3%	18.4%	16.7%
Other Expense	16.1%	16.6%	14.1%	17.0%	14.9%	15.1%	15.4%	15.9%	13.7%	17.2%	17.2%	16.6%	16.3%
Bad Debt & Charity	2.8%	5.9%	3.5%	7.3%	4.8%	4.0%	0.2%	5.3%	4.8%	2.1%	5.3%	2.8%	2.2%
FTE's													
Total Salary FTE's	901.11	905.73	900.32	907.34	917.92	916.71	910.57	885.98	916.26	852.42	857.97	851.49	847.77
Total Contract FTE's	108.38	77.59	74.82	51.12	61.26	51.80	69.53	52.32	76.23	58.04	27.23	56.84	64.75
Total Facility Paid FTE's	1,009.49	983.32	975.14	958.46	979.18	968.50	980.10	938.30	992.49	910.47	885.20	908.33	912.52
Paid FTE per AOB	5.22	5.15	5.14	5.10	5.02	5.55	5.04	5.56	5.68	5.48	5.03	5.29	5.54
Average Hourly Rate	\$ 57.69	\$ 59.76	\$ 57.53	\$ 59.70	\$ 58.77	\$ 58.12	\$ 58.60	\$ 57.58	\$ 57.96	\$ 63.10	\$ 63.01	\$ 65.71	\$ 62.41
Employed Avg Hourly R	\$ 51.55	\$ 51.46	\$ 50.86	\$ 54.68	\$ 53.53	\$ 51.05	\$ 51.70	\$ 52.15	\$ 50.58	\$ 55.93	\$ 52.62	\$ 59.47	\$ 55.05

Income Statement 2026 - 2025-08 - August

9/11/2025 10:05

Bay Area Hospital
Balance Sheet (Including Foundation)
8/31/2025

	<u>Aug-25</u>	<u>Jul-25</u>	<u>Preliminary Jun-25</u>	<u>Audited Jun-24</u>
Assets And Deferred Outflows Of Resources				
Current Assets				
Cash & Cash Equivalents	6,949,933	10,709,504	9,388,266	10,815,033
Accounts Receivable (Net)	27,116,936	25,666,273	26,145,606	28,459,041
Inventory	5,383,135	5,315,041	4,347,042	5,131,308
Other Current Assets	4,913,891	9,120,392	8,174,998	7,400,592
Total Current Assets	44,363,895	50,811,210	48,055,912	51,805,974
Assets Limited As to Use	32,636,958	32,449,639	32,402,288	47,940,908
Capital Assets				
Depreciable Capital Assets (Net)	60,856,966	61,525,067	62,170,275	69,238,682
Nondepreciable Capital Assets	2,518,873	2,426,683	2,369,704	1,410,340
Total Capital Assets (Net)	63,375,839	63,951,750	64,539,978	70,649,022
Leases and Subscriptions (Net)	2,797,951	2,892,112	2,986,273	9,455,681
Other Non Current Assets	820,446	820,446	820,446	684,051
Total Assets	143,995,090	150,925,158	148,804,898	180,535,634
Deferred Outflows Of Resources	9,489,130	9,489,130	9,491,095	9,489,130
Total Assets And Deferred Outflows	153,484,220	160,414,288	158,295,993	190,024,764
Liabilities, Deferred Inflows of Resources, And Net Position				
Current Liabilities				
Accounts Payable	(6,257,991)	(7,829,011)	(7,565,297)	(9,869,356)
Accrued Liabilities				
Payroll, payroll taxes, withholdings	(3,725,656)	(5,120,886)	(4,414,629)	(4,234,648)
Paid Time Off	(5,433,355)	(5,468,094)	(5,407,083)	(5,770,522)
Other	(6,844,105)	(9,252,181)	(6,138,963)	(6,483,501)
3rd Party Settlements Payable (net)	(5,781,639)	(5,781,639)	(5,706,639)	(3,750,353)
Long-Term Obligations - Current Portion	(2,508,447)	(2,508,447)	(2,508,447)	(3,551,281)
Deferred Revenue	0	0	0	0
Total Current Liabilities	(30,551,193)	(35,960,258)	(31,741,059)	(33,659,662)
Long Term Obligations (Net of Current Portion)	(45,113,488)	(45,295,715)	(45,481,529)	(49,503,478)
Other Noncurrent Liabilities	(3,138,612)	(3,138,612)	(2,942,506)	(3,010,944)
Net Pension Liability	(3,304,177)	(3,332,177)	(630,964)	(3,652,580)
Total Liabilities	(82,107,470)	(87,726,762)	(80,796,058)	(89,826,663)
Deferred Inflows Of Resources	(11,397,373)	(11,397,373)	(11,368,351)	(11,397,373)
Inter Fund Payables/Receivables	4,363	4,363	4,027	
Total Liabilities & Deferred Cash Inflows	(93,500,479)	(99,119,772)	(92,160,381)	(101,224,036)
Net Position	(63,824,557)	(63,824,557)	(88,800,728)	(93,761,140)
Net Income/Loss	3,840,816	2,530,040	22,665,116	4,960,412
Total Liabilities, Deferred Inflows, Net Position	(153,484,220)	(160,414,288)	(158,295,993)	(190,024,764)

Bay Area Hospital
Statement of Cash Flows
August 2025

	<u>Current Month</u>	<u>Year to Date</u>
Cash flows from operating activities:		
Excess of revenues over expenses	(1,310,776)	(3,840,816)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	764,537	1,503,906
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(1,450,664)	(1,030,461)
Inventory of supplies	(68,094)	(52,710)
Other current assets	4,206,501	3,261,107
Net Pension Asset and Liability	(28,000)	0
Other non current assets	0	0
Accounts Payable	(1,571,020)	(1,383,449)
Estimated 3rd Party Settlements	0	75,000
Other current liabilities	(3,838,045)	(216,418)
Other noncurrent liabilities	0	0
Deferred Revenue	0	0
Net cash provided by operating activities	<u>(3,295,561)</u>	<u>(1,683,841)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(94,465)	(151,444)
Change in Value of Investments	(187,319)	(234,670)
Transfer Investments to Cash		0
Net cash provided by investing activities	<u>(281,783)</u>	<u>(386,114)</u>
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources/Interfund	0	(336)
Debt/Subscription Principle Payments	(182,227)	(368,041)
Increase in Capital Lease Obligations		0
Business Asset Disposal Gain/Loss		0
Net cash provided by financing activities	<u>(182,227)</u>	<u>(368,377)</u>
Net increase (decrease) in cash	<u>(3,759,571)</u>	<u>(2,438,333)</u>
Beginning Cash Balance	<u>10,709,504</u>	<u>9,388,266</u>
Ending Cash Balance	<u>6,949,933</u>	<u>6,949,933</u>

Bay Area Hospital KPI Review	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	Aug-25	FY23 YTD Actual	FY24 YTD Actual	FY25 YTD Actual	FY26 YTD Actual
Charges		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	66,538,480	577,661,143	702,923,452	735,301,582	133,231,608
Net Pt Revenue		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	20,818,938	205,462,867	239,746,746	235,739,474	41,108,885
Provider Tax		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	1,374,703	10,898,689	13,038,230	12,719,048	2,714,484
Net Pt Rev less Provider Tax		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	19,444,234	194,564,178	226,708,516	223,020,425	38,394,401
Cash Collected		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	17,702,576	196,654,713	215,172,426	223,206,398	36,901,261
Net to Gross		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%	31.3%	35.57%	34.1%	32.1%	30.9%
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%	29.22%	33.68%	32.25%	30.33%	28.82%
Net Collections	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%	91.0%	101.07%	94.9%	100.1%	96.1%
Net Collections-90day	95-98%	101.3%	61.6%	114.6%	116.1%	92.2%	99.4%	103.5%	431.8%	206.1%	138.9%	100.0%	91.5%	105.6%	96.2%	101.07%	94.9%	100.1%	96.1%
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	50,529,029	58,337,069	64,535,044	50,927,142	50,529,029
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	12,092,356	12,226,248	15,191,837	12,750,993	12,092,356
% AR 90+Days	15-30%	25.1%	23.6%	24.9%	27.8%	28.8%	28.5%	28.2%	26.7%	28.6%	28.6%	28.0%	25.0%	24.8%	23.9%	21.0%	23.5%	25.0%	23.9%
HB DNFB Days	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	7.30	7.2	7.90	6.90	7.30
EB AR Days	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	24.20	34.9	33.10	25.40	24.20
Pre-Service Cash Collection	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%	12.8%	6.3%	13.7%	7.5%	12.8%
Registration Collection		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	100,923	63,655	1,209,828	637,899	203,915
HB Clean Claims	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%	77.0%	75.8%	79.3%	75.00%	77.00%
PB Clean Claim	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%	26.0%	37.7%	22.7%	25.00%	26.00%
HB Overall Denial	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%	9.4%	12.0%	10.3%	9.70%	9.40%
PB Overall Denial	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%	8.3%	11.4%	8.3%	21.80%	8.30%
HB Charges on time	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%	94.0%	95.6%	96.5%	94.7%	94.5%
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	17,772,025	15,696,373	16,650,446	16,593,112	151,866,499	194,849,733	202,518,162	33,243,558
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	630,621	5,921,231	5,832,541	6,944,405	1,229,374
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	275,878	6,324,303	5,534,260	7,208,894	1,026,637
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	120,766	263,476	131,488	5,545,254	3,176,123	3,651,867	394,964
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	68,774	2,648,997	1,478,021	1,754,635	115,784
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	187,719	3,487,385	1,802,563	1,400,791	373,254
% 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%	90.02%	92.76%	86.39%	91.62%	90.62%	91.37%
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%	3.53%	3.37%	2.74%	3.11%	3.38%
120-179		2.73%	5.35%	3.31%	3.94%	2.26%	3.42%	3.63%	3.88%	3.73%	2.53%	1.78%	2.52%	4.06%	1.54%	3.60%	2.60%	3.23%	2.82%
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%	0.74%	3.15%	1.49%	1.63%	1.09%
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%	0.38%	1.51%	0.69%	0.79%	0.32%
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%	1.05%	1.98%	0.85%	0.63%	1.03%