

BAY AREA HOSPITAL DISTRICT BOARD EDUCATION SESSION MINUTES

October 13, 2025, Bay Area Hospital Myrtle Conference Room @ 4:00 pm

CALL TO ORDER

Simon Alonzo, Board Chairperson, called the Bay Area Hospital District (BAHD) Board meeting to order at 4:02 pm. A quorum was present.

BOARD ATTENDANCE

Simon Alonzo; Tom McAndrew; Patrice Parrott; Brandon Saada; Kyle Stevens; John Uno

STAFF ATTENDANCE

Kelly Morgan, interim CEO; Doug Dickson, interim CFO; Kelli Dion, CQO; Tom Fredette, HR Director; Mel Stibal, interim CNO; Denise Bowers, EA

ABSENT: None**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

PUBLIC

A member of the public was in attendance in person.

GUEST

Linda Howard, The Fox Group

Board Education Session Topic: Compliance Oversight

Linda Howard opened the session with an overview of the importance of board member education and engagement in matters of compliance.

Dr. McAndrew entered the session at 4:05 pm.

Ms. Howard provided a comprehensive training session on healthcare compliance, emphasizing key points for the board as summarized below.

- The importance of compliance in healthcare due to regulatory requirements (Medicare, Medicaid, CMS, OIG, DOJ).
- Risks associated with non-compliance include financial penalties, operational consequences, personal liability for board members, and potential loss of hospital services.
- Recent enforcement actions and examples of significant fines imposed on healthcare organizations.
- The board's legal duty for oversight, as referenced in the Caremark case and DOJ guidance.
- Elements of an effective compliance program include written policies, leadership, training, communication, enforcement, risk assessment, and corrective action plans.
- High-risk areas for Bay Area Hospital District: 340B, Stark and Anti-Kickback, revenue cycle, billing/coding, HIPAA, information blocking, and pricing transparency.
- Outsourcing compliance does not transfer board responsibility.

- Importance of documenting questions, concerns, and follow-up actions in board minutes.
- Supplemental documents referenced:
- Practical Guide for Healthcare Governing Boards on Compliance Oversight (OIG/HHS/Associations)
- General Compliance Program Guidance (HHS)

Discussion:

Board members asked questions regarding personal liability, insurance coverage, and the process for federal and state investigations. Linda Howard clarified that most investigations are federal, but Medicaid issues may involve state agencies. She emphasized the value of self-reporting and proactive audits. The board thanked Ms. Howard for the comprehensive training and excused her from the meeting.

The board then watched a 20-minute training video by NRC - The Governance Institute on the Roles and Responsibilities of Board Members in a Public Health District. At the conclusion of the video training, the board entered into an executive session.

Executive Session

The board entered into an executive session at 5:09 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.*

Return to Regular Session

The board returned to regular, open session at 5:43 pm.

ACTION TAKEN BY THE BOARD

Patrice Parrott moved and Tom McAndrew seconded to authorize the CEO to take all necessary actions to protect Bay Area Hospital District from unlawful competition, including legal action for declarative and injunctive relief. The motion passed unanimously.

A member of the public requested that the board make a comment regarding the sound at meetings and asked the board to use the microphones more consistently.

The board engaged in general discussion on the following topics:

Committee Structure and Meeting Efficiency

Discussion regarding the Finance Committee:

- Proposal to consolidate the Finance Committee with the full board to improve efficiency and reduce redundancy.
- Board members expressed support for combining committee reports (Finance, Quality, Governance) into a single extended board meeting.
- Suggestions to maintain community involvement and streamline presentations.

Staff Communication and Meeting Logistics

- Recommendations to improve microphone usage and room setup for better public engagement and transparency.

Staff Requests and Board Role

- Board discussed appropriate procedures for staff requests to meet with the board.
- Consensus to direct staff concerns to the executive team and follow established policies, maintaining the board's oversight role without direct involvement in operational matters.

8. Adjournment

The session was adjourned at 6:00 PM.



Simon Alonzo, Board Chairperson

Date: 11/18/2025



Patrice Parrott, Secretary

Date: 11/18/2025