

BAY AREA HOSPITAL DISTRICT BOARD MEETING MINUTES

October 14, 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; 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; John Stoeckl, Communications Coordinator; Denise Bowers, EA

ABSENT: None

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT

Chairperson Alonzo opened the Public Input Session at 6:10 p.m., with 56 in-person public attendees and 49 persons attending virtually.

Two public comments were presented:

Case Management Team: Expressed concerns regarding the recent elimination of the Case Management Department Manager position (Candy Johnson), citing operational, financial, and emotional impacts. The team requested reconsideration of the decision.

Dr. Haack: Spoke in support of the case management role and Candy Johnson, emphasizing the importance of the position for patient care, staff, and hospital operations.

The board directed the presenters to submit their concerns to the leadership team for further review.

As no additional public comments were received in person or online, Chairperson Alonzo closed the Public Input Session at 6:10 pm.

PATIENT SUCCESS STORY - SIMON ALONZO, BOARD CHAIRPERSON

The meeting began with a patient success story, highlighting the collaborative efforts of staff and community in saving a cardiac patient's life. The story was shared to remind attendees of the hospital's mission and impact.

CONSENT AGENDA

The consent agenda included:

- 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

Action Taken by the Board:

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

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

Mr. Morgan provided an update on financial stability efforts in the key points listed below. Questions were asked and answered.

- Expense reduction and revenue enhancement initiatives.
- Advocacy with state legislators and agencies for debt refinancing, cash infusion, and improved Medicaid rates.
- Ongoing negotiations with St. Charles for Epic system support.
- Market share analysis and physician recruitment strategies.
- Hiring of a permanent CFO (Patrick Banks) and part-time CMO (Dr. Derek Oaxaca).
- Plans to bring the compliance officer role in-house.

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

The board received an executive summary report summarizing the Quality Committee's activities and presentations from the September meeting. Ms. Parrott presented no additional information, and there were no further comments from our Chief Quality Officer, Ms. Kelli Dion.

Ms. Zach Larson, Post Surgical Unit (PSU) Manager, gave a presentation on falls prevention.

FY25 Inpatient Falls Report (July 2024 – June 2025)

- The Fall Prevention Committee, chaired by Zach Larson, reviewed inpatient falls data for Bay Area Hospital (BAH) for FY25.
- A total of 69 falls were recorded across inpatient departments, with 20 resulting in injury. The overall performance rate for all falls was below the BAH target rate (4.13 per 1,000 patient days) and the benchmark rate (3.0 per 1,000 patient days) in most months, except November.
- Falls with injury accounted for 29% of total falls. Most injuries were minor, with a small number classified as moderate or severe.
- Most falls occurred during the day shift (62%), and 51% were attributed to mentation and weakness.
- Departmental breakdown showed the highest number of falls in the Medical Care Unit (MCU) and Intermediate Care Unit (IMCU).
- The committee continues to implement and evaluate fall prevention interventions, including risk assessments, identification bands, alarms, and post-fall huddles.
- A trial of the Fall TIPS (Tailoring Interventions for Patient Safety) program began in October in the MCU to further reduce falls.

Recommendation:

The committee recommends ongoing hourly rounding to anticipate patient needs, continued review of practices and trends, and expansion of targeted interventions to achieve a zero-fall goal. The board thanked Mr. Larson and the QPSC team for bringing that report to them at this evening's meeting.

FINANCE REPORT – Ms. Karen Miller, Controller

Ms. Miller provided a brief review of the comprehensive financial statements included in the board packet. Key points are bulleted below:

- September 2025 was the best month of the fiscal year, with a net operating loss of \$837K.
- Improved payer mix and increased OR and Cath lab volumes.
- 55 days cash on hand at month-end.
- Discussion on the impact of workforce reduction (approx. 90 FTEs) and operational adjustments.

RESOLUTION 2025.10.14

Action/Recommendation:

For the board to approve the Resolution 2025.10.14 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 has previously been approved and signed by our Board Chair, Simon Alonzo.

Risks/Mitigation:

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

ACTION TAKEN BY THE BOARD

Kyle Stevens moved to approve Resolution 2025.10.14, adding Tom Fredette (HR Director) and Karen Pettit (Benefits Coordinator) as signers on Schwab accounts, as per the Action/Recommendation as memorialized above. Patrice Parrott seconded, and the motion passed unanimously by a call for a vote.

APPOINTMENT OF PERMANENT CEO

Simon Alonzon, Board Chairperson, thanked Kelly Morgan, interim CEO, for his work and service to the organization. In line with the board's desire to have the executive team fully staffed, and following a CEO search and interview with the most qualified candidate, the board recommends appointing Gretchen Nichols, current CEO of BAH, as the new CEO. Board members and attendees expressed strong support for Gretchen's leadership and vision.

ACTION TAKEN BY THE BOARD

John Uno moved to approve the appointment of Gretchen Nichols as BAH CEO. Tom McAndrew seconded the motion, and it passed with each board member voting in favor.

Gretchen Nichols thanked the board for their confidence in her and stated that she was drawn to Bah because of the people here and has a great desire to partner with the board. She shared her experience starting at the entry level as a CNO and working her way up to increased positions in the industry, which she feels gives her a unique perspective. She wants to help and carry forward this hospital for the people and the community, stating that we need to save BAH and that our primary focus should be on the quality of services offered to this community. Gretchen thanked Kelly Morgan, saying that he has been a great partner and led the organization through a transitional period well. Patrice Parrott stated that this will be "something new and interesting. Gretchen has a good vision of what she envisions BAH to be. She has experience as a nurse leader and as a CEO. She is the best choice."

ACTION TAKEN BY THE BOARD

Patrice Parrott moved to authorize Simon Alonzo, Board Chairperson, to finalize the CEO employment contract with Gretchen Nichols. Brandon Saada seconded, and the motion passed with each board member voting to approve.

ELIMINATION OF THE CHIEF OPERATING OFFICER (COO) ROLE

Simon announced that with Gretchen Nichols' appointment to the CEO role, the COO position she formerly held will be eliminated. Tom McAndrew thanked Kelly Morgan and Doug Dickson for their professionalism and dedication to the organization's benefit.

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

Dr. Atluri reported on the following items:

- Dr. Oaxaca transitioned to part-time CMO; Dr. Balog to serve as ED Chair.
- Discussion on medical staff leadership progression due to role changes.
- Updates on recruitment and staffing in podiatry, general surgery, cardiology, OB, urology, and nephrology.
- Ongoing efforts to reduce reliance on locum tenens providers.

Questions were asked and answered. Tom McAndrew expressed a desire for Dr. Atluri to continue in her role as Chief of Staff - her work is greatly appreciated.

EXECUTIVE SESSION

The Board went into Executive Session at 7:10 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

Chairperson Alonzo reopened the meeting into public session at 7:38 p.m.

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. Patrice Parrott seconded the motion, and it was carried out on a call for a vote by all board members except Brandon Saada, who cited a conflict of interest and abstained from voting.

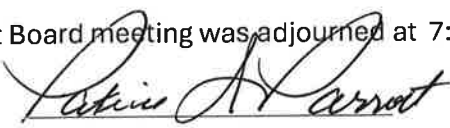
FOLLOW-UP REQUEST FROM THE BOARD TO MANAGEMENT

The board requested that management update them on the relaunch of the Orthopedic Program at the November board meeting.

ADJOURNMENT

There being no further business, the District Board meeting was adjourned at 7:52 p.m.


Simon Alonzo, Board Chairperson


Patrice Parrott, Secretary

Date: 11/18/2025

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