

Bay Area Hospital District
Joint Board and Finance Committee Meeting Agenda
November 18, 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 			
6:10 Patient Success Story			Simon Alonzo, Chairperson
6:15 3rd Quarter Compliance Report			Linda Howard, The Fox Group
Revised Annual Compliance Workplan		ACTION ITEM FOR BOARD	
		ACTION ITEM FOR BOARD	
6:25 Consent Agenda			Simon Alonzo, Chairperson
<ul style="list-style-type: none"> Board Meeting Minutes of October 14, 2025 Board Education Session Training Minutes of October 13, 2025 MEC Approved Minutes of September 24, 2025 QPSC Approved Minutes of September 24, 2025 			
6:30 Report of the Chief Executive Officer			Gretchen Nichols, CEO
<ul style="list-style-type: none"> Introduction of Patrick Banks, CFO Introduction of Derrick Oaxaca, MD, CMO Strategic Organizational Updates 			
6:40 Quality and Patient Safety Committee Report (QPSC)			Patrice Parrott, Secretary
<ul style="list-style-type: none"> Executive Summary Website Demo - Patient Family Advisory Committee Appointment of Infection Preventionist 			
		Laurie Megrew, Manager Accreditation Nurse	
		ACTION ITEM FOR BOARD	<i>Agenda Item Summary to follow</i>
7:00 Finance Committee Business			Kyle Stevens, Treasurer
<ul style="list-style-type: none"> Approval of minutes - Finance Committee meeting -10/28/25 Finance Executive Summary, Narrative and Financials 			
8:00 Medical Staff Report			Paavani Atluri, MD, Chief of Staff
8:10 Board Member Comments			Simon Alonzo, Chairperson
<ul style="list-style-type: none"> Report of the Chairperson Board Member Comments 			
8:25 Adjourn – next regular meeting - Tuesday, December 9, 2025			

QUARTERLY COMPLIANCE BOARD REPORT

THIRD QUARTER 2025

TO: District Board Members

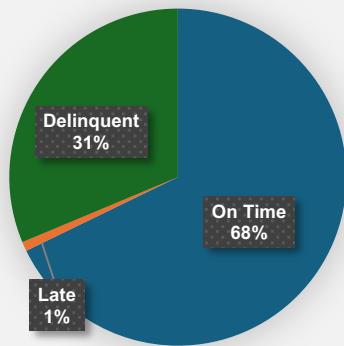
FROM: Linda Howard, Compliance Officer, The Fox Group
Kellie Jones, Privacy Officer, The Fox Group

SUBJECT: Quarterly Compliance Board Report, 3rd Quarter 2025

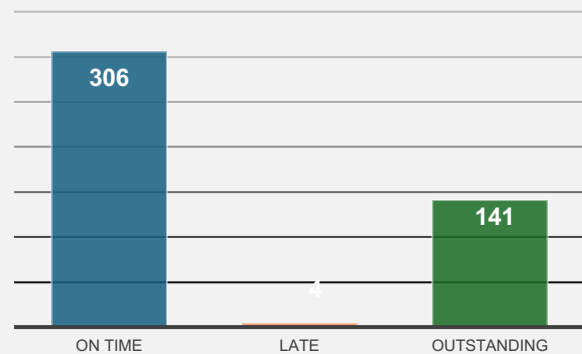
DATE: November 12, 2025

COMPLIANCE OVERVIEW DASHBOARD

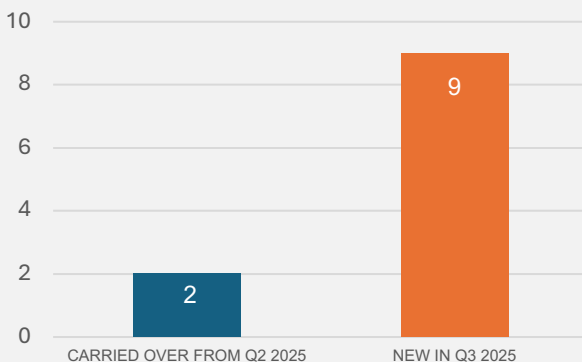
Education Completion %



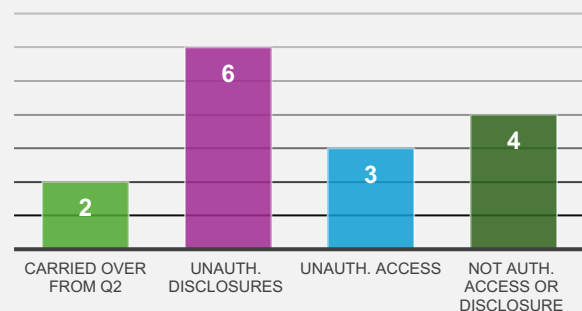
Education Completion



11 Privacy Investigations



Privacy Incident Breakdown and Outcome





Industry Compliance Watch

1. Hospital Price Transparency – Accuracy and Enforcement Escalation

- CMS issued a Request for Information (RFI) (July 21, 2025) on the *accuracy and completeness* of hospital price transparency data, marking a shift from file posting to data integrity and leadership accountability.
- Updated enforcement dataset released July 26, 2025, shows CMS intends to expand audits and public tracking.
- Risk: Greater exposure for hospitals with incomplete or inaccurate machine-readable files.

2. HIPAA Privacy Rule Vacatur – Reproductive Health Provisions

- On June 18, 2025, the U.S. District Court (N.D. Texas) vacated key sections of HHS's 2024 HIPAA Privacy Rule to Support Reproductive Health Care Privacy.
- Only certain Notice of Privacy Practices (NPP) language changes remain; HHS OCR has advised covered entities to pause implementation of the vacated provisions.
- Risk: Ongoing uncertainty and potential inconsistency in privacy operations until new OCR guidance is issued.




Program Elements Summary Update

Program Element	Activity/Document	Status
WRITTEN POLICIES AND PROCEDURES	Review and update policy	<ul style="list-style-type: none"> • The Committee approved no new compliance policies • BAH updated no existing compliance policies
COMPLIANCE LEADERSHIP AND OVERSIGHT	Conduct regular Compliance Committee Meetings	<ul style="list-style-type: none"> • The committee held three (3) meetings during Q3. The committee worked on updating the various audit timelines and assigning leads • Compliance Officer maintained direct communication with CEO and leadership team
EDUCATION & TRAINING	Assign Annual Compliance Refresher and New Hire Training and provide compliance updates	<ul style="list-style-type: none"> • Employees completed 68.7% of assigned trainings during Q3 • Compliance published one (1) article in the Pulse Newsletter
EFFECTIVE LINES OF COMMUNICATION	Maintain open channels for employees to ask questions, report potential compliance issues, and share concerns with the compliance department	<ul style="list-style-type: none"> • Compliance and Privacy received notification of nine (9) privacy incidents
ENFORCING STANDARDS: CONSEQUENCES AND INCENTIVES	Publicize consequences of failing to follow compliance guidelines and administer consistent consequences for	<ul style="list-style-type: none"> • BAH makes policies available for employees to review • BAH administered consequences for misconduct in accordance with

	misconduct	polices
RISK ASSESSMENT, AUDITING, AND MONITORING	Conduct auditing, internal monitoring, and risk assessments	<ul style="list-style-type: none"> Some Q3 audits have not been completed Completed audits include Interpreter Service and Code 44 Audit.
RESPONDING TO DETECTED OFFENSES AND DEVELOPING CORRECTIVE ACTION INITIATIVES	Conduct investigations, implement corrective actions, enforce disciplinary measures, monitor effectiveness, and document and communicate outcomes to prevent future violations	<ul style="list-style-type: none"> Compliance and Privacy responded to all incidents raised during the 3rd quarter. Corrective action initiatives were implemented accordingly

*Due to leadership transition and committee restructuring.

 Quarter-over-Quarter Comparison				
Metric	Q1 2025	Q2 2025	Q3 2025	Trends Q2 to Q3
TRAINING COMPLETION	83%	75.9%	68.7%	↓ 7.2%
PRIVACY INCIDENTS	19	13	9	↓ 30.8%
COMMITTEE MEETINGS	2*	0*	3	N/A
POLICIES UPDATED	0	0	0	N/A
CORRECTIVE ACTIONS	9	5	2	↓ 60%

DETAIL REPORT

- This report presents a comprehensive overview of the compliance activities and findings for Bay Area Hospital (BAH) during the 3rd Quarter of 2025. It highlights the essential elements of an effective compliance program, including developing and reviewing policies and procedures, program oversight, education and training initiatives, monitoring and auditing processes, and enforcement and disciplinary actions.
- Additionally, a detailed privacy report is included, summarizing investigations and corrective actions taken to address privacy-related incidents, ensuring the protection of patient information and adherence to regulatory standards.



Compliance Program Elements



1. Policies and Procedures

- New Policies: Compliance approved no new policies.
- Policy Reviews & Updates: BAH updated no existing compliance policies.



2. Compliance Leadership and Oversight

- The Compliance Officer functions are supported by an outside consultant (The Fox Group, LLC).
- During the 3rd Quarter of 2025, three (3) Compliance Committee meetings were held, and committee members worked on addressing the various audits' timelines and assigning leads.



▪ Education and Training

- HR assigned four hundred fifty-one (451) training courses (441 clinical and 10 non-clinical) on regulatory and compliance program.
- 68.7% completed training:
 - 67.8% (306) completed training on time
 - 0.9% (4) completed training late
 - 31.3% (141) were past due.
- From January to September 2025, of the five hundred twenty-eight (528) training courses assigned, three hundred seventy-eight (378) were completed. This is a completion rate of 71.6% with:
 - 68.2% (360) completed training on time
 - 3.4% (18) completed training late
 - 28.4% (150) were past due.

69% Completed
Training



3. Effective Lines of Communication

During the 3rd Quarter, Privacy and Compliance received notification of nine (9) privacy incidents through various channels, including emails, compliance voicemails, and other investigations. For more information, please refer to the Privacy Report.



4. Enforcing Standards: Consequences and Incentives

BAH's compliance policies are readily accessible to all staff. In the 3rd Quarter BAH issued sanctions and implemented corrective actions for two (2) incidents, which were in line with these policies.

5. Risk Assessment, Auditing, and Monitoring

Many of the audits scheduled for the 2nd and 3rd quarter have not been completed. Audits performed included:

- **Interpretation Services audit:** CQO presented to the committee the Q1 and Q2 results of the Interpretation Services audit to ensure Compliance with Oregon Revised Statute on Using Qualified or Certified Healthcare Interpreters. A corrective plan to address findings is outstanding.
- **Code 44 Usage (2025):** Code 44 usage has steady activity and spikes in Q3. Specific case counts range from 3-5 cases per quarter across 2024-2025. The action plan notes that Code 44 usage should be monitored for documentation and process compliance, though the documents don't specify what "proper" compliance rates should look like.
- **Code 44 Usage (2023) Audit Findings Corrective Action:** A 2023 compliance audit identified deficiencies in Code 44 documentation and process adherence. In response, the Case Management team outlined plans to: create standardized process documentation, update the Code 44 policy, standardize documentation locations in the EHR, and provide staff education.
- **Current Status (as of September 2025)** The action plan shows the Code 44 policy update is "in process." Recent audit findings from May through August 2025 show mixed results:
 - May: Physician documentation lacked adequate detail
 - June: Weekend staff applied process inaccurately
 - July: Process completed accurately
 - August: Physician used incorrect template and didn't document rationale
- **Quality & Financial Metrics**
 - Medicare and Medicaid readmission rates exceeded expected levels in several months
 - Mortality rates exceeded target in multiple months
 - Length of stay metrics remained generally below target
 - Avoidable days trended upward mid-year
- **Ongoing Oversight** Monthly compliance audits are currently underway, with plans to move to quarterly audits once consistent compliance is demonstrated.



6. Responding to Detected Offenses and Developing Corrective Action Initiatives

- Multiple privacy investigations resulted in various levels of employee discipline. See, Privacy Report outlined below.
- Case Management - Use of Code 44. Presented an action plan to address earlier findings.



Other Compliance Matters

The third quarter of 2025 required significant adaptation as BAH navigated leadership transitions while maintaining compliance program effectiveness.



Privacy Report (07/01/2025-09/30/2025)

Privacy Investigations and Outcomes

A. NUMBER OF INVESTIGATIONS

Eleven (11) investigations in Q3

- Privacy carried two (2) investigations over from Q2 2025
- Privacy identified and investigated a total of nine (9) new incidents during Q3, with eight (8) reported via emails/compliance voicemails/phone calls/audits, and one (1) detected through Quantros/Imprivata (FairWarning) monitoring.

B. FINDINGS/OUTCOMES

1) Unauthorized Access – Two (2) unauthorized access

2 Unauthorized
Access

▪ Case 1 – Background

A patient complained that a former family member may have accessed their chart. An audit showed that the staff member hovered over an alert on the ED tracking board and Epic logged it as an access.

Corrective Action/Discipline

Level 1 breach, carelessness. Privacy Officer recommended coaching.

▪ Case 2 - Background

An Emergency Department staff member was treated and admitted through the ED. Privacy Officer review identified thirty-three (33) staff members who accessed the medical record. Eleven (11) staff members were interviewed wed.

Corrective Action/Discipline

Privacy Officer recommended sanctions for nine (9) staff members based on breach severity:

- Four (4) staff members: Level 2 (deliberate breach) - 3–4-day suspension recommended

- Five (5) staff members: Level 3 (serious breach) - 5-day suspension recommended for four staff members; termination recommended for one staff member.
- **Final Resolution:** Management determined that a corrective action approach focused on systemic improvement would better serve organizational compliance goals.
 - o All recommended suspensions were modified to mandatory training days. The individual for whom termination was recommended received a 5-day suspension and will not participate in the workgroup.
 - o The eight staff members with suspension recommendations will form a workgroup tasked with

2) Other Incidents:

- Four (4) incidents were reviewed and determined not to involve unauthorized access or disclosure.
- Five (5) investigations remain open and are continuing into Q4.

Other Privacy Matters

- Privacy Officer reached out to St. Charles on 9/16/2025, to ask about the lack of FairWarning/Imprivata cases and has not yet received a response.



Industry Compliance Watch

During the third quarter of 2025, two notable regulatory developments occurred that may influence BAH's compliance priorities in the coming months. Key updates

include:

Hospital Price Transparency – Accuracy and Enforcement Escalation

During the third quarter of 2025, CMS shifted its regulatory focus from basic posting compliance to the **accuracy and completeness** of hospital price transparency data. On **July 21, 2025**, CMS issued a Request for Information (RFI) to gather feedback on how to improve compliance and enforcement processes related to machine-readable files (MRFs). The RFI emphasized data integrity, consumer accessibility, and leadership oversight rather than mere file existence.

CMS subsequently updated its **Hospital Price Transparency Enforcement Activities and Outcomes Dataset** on **July 26, 2025**, demonstrating an ongoing commitment to publicly tracking audits and penalties. Although no new Civil Monetary Penalties (CMPs) were announced during Q3, CMS confirmed that future audits will include validation of posted data for accuracy, completeness, and format requirements.

For hospitals, this development signals a heightened expectation that **executive leadership** take ownership of price transparency governance and attest to the integrity of pricing information publicly displayed. Hospitals with legacy files, inconsistent rates, or delegated compliance to non-oversight departments may face significant enforcement risk in 2026.

Citation: CMS, *Hospital Price Transparency – Accuracy and Completeness RFI* (July 21, 2025); *Hospital Price Transparency Enforcement Activities and Outcomes Dataset* (update July 26, 2025).

Prepared by

HIPAA Privacy Rule Vacatur – Reproductive Health Provisions

On **June 18, 2025**, the U.S. District Court for the Northern District of Texas vacated most provisions of the **2024 HIPAA Privacy Rule to Support Reproductive Health Care Privacy**, holding that HHS exceeded its statutory authority. Only limited Notice of Privacy Practices (NPP) revisions remain valid, leaving covered entities in a temporary state of uncertainty regarding disclosures of reproductive-health information and law-enforcement requests.

The HHS Office for Civil Rights (OCR) issued follow-up guidance in **July 2025**, advising organizations to pause implementation of vacated requirements but to continue strengthening core privacy controls, incident-response protocols, and workforce training. Given the fluid legal environment, entities must closely monitor OCR communications and Federal Register notices for replacement rulemaking.

This ruling illustrates the increasing intersection of privacy law and political litigation, requiring leadership-level attention to maintaining compliance flexibility and up-to-date patient-communication materials.

Citation: HHS OCR, *HIPAA Privacy Rule to Support Reproductive Health Care Privacy – Fact Sheet* (updated July 2025); Case No. 4:24-cv-00395-O (N.D. Tex., June 18, 2025).



Other Compliance Activities

The Compliance Department provides routine support to important BAH initiatives, such as researching questions about billing guidelines, confirming compliance with other laws and regulations.



Summary

The 3rd Quarter of 2025 focused on training, audits, updating the compliance workplan timelines, and addressing privacy concerns.

The Compliance team remains actively engaged in supporting BAH's adherence to regulatory requirements and high standards of integrity.

**BAY AREA HOSPITAL
CORPORATE COMPLIANCE PROGRAM
2025 BAH WORK PLAN**



Bay Area Hospital is committed to full compliance with all applicable laws, rules and regulations, and to conduct itself with the highest level of business and community ethics and standards.

Objectives identified for focus in the current year relate to the elements of an effective compliance program as defined in the OIG Compliance Guidance for Hospitals, Federal Sentencing Guidelines, items identified in the OIG's Work Plan, and risk areas identified by Bay Area Hospital.

			ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL	1 ST Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	
1. Policies & Procedures							
A. Identify, review and revise P&Ps related to Compliance as required 1. Confidentiality, Security and Privacy of BAH Information 2. BAH Privacy Policies 3. Compliance Program Policies 4. Code of Conduct	CCO/CPO	Policy approval	As Required				
2. High Level Oversight							
A. Corporate Compliance Officer provides quarterly and annual compliance reports to the Board of Directors.	CEO/CCO	Quarterly and Annual reports to Board	X	X	X	X	
B. Compliance Program Effectiveness Assessment	CCO/CPO	Every 2 years				X	2025
3. Open and Effective Lines of Communication							
A. Maintain Compliance Reporting Hotline, respond to reports timely.	CCO/CPO	100% of reports	Ongoing				
B. Communication to staff using the newsletter and/or Health Stream	CCO/CPO	Six articles per year	X	X	X	X	
4. Education and Training							

**BAY AREA HOSPITAL
CORPORATE COMPLIANCE PROGRAM
2025 BAH WORK PLAN**



				ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL		1 ST Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	
A. Education and Training to the Code of Conduct	CCO/CPO/Dir. Ed.	100% of Staff					X	On-going Q1-3 → Q4
B. Education and Training regarding the Compliance Program and HIPAA	CCO/CPO/Dir. Ed.	100% of Staff					X	On-going Q1-3 → Q4
C. BOD compliance training program	CCO/CPO	Annual training for Board of Directors					X	Q2 → Q4
D. Directors / Managers compliance training program	CCO/CPO	Annual training				X		Q2 → Q3 Completed in July
E. Medical staff compliance orientation and compliance training	CCO/CPO	Annual training					X	Nov
5. Monitoring and Auditing	Audit and Monitoring Source			Quarter Reported				
		Internal Audit	External Audit	1 ST Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	
A. Physician payment audit (Cardiology and Oncology, Medical Directors, ED)	CCO	X						Q4 → Q1 2026
B. Access to electronic medical records (Fairwarning)	CPO	X		Ongoing				
C. Annual HIPAA Risk Assessment - Update as necessary	CIO	X						Q4 → Q2 2026
D. Penetration Testing	CIO		X					Q4 → Q2 2026
E. EHR System contingency planning – Update as necessary	CIO	X						Pending
F. 340B program – Annual audit reporting	Dir Pharm		X	X				2026
G. Wound Care medical record documentation and billing (HBO)	Dir., Rev. Cycle						X	Q3 → Q4
H. 2 Midnight Rule medical record documentation (Re-audit)	Dir., Rev. Cycle	X					X	Q2 → Q4

**BAY AREA HOSPITAL
CORPORATE COMPLIANCE PROGRAM
2025 BAH WORK PLAN**



				ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL		1 ST Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	
I. EMTALA compliance audit	Quality	X				X		Q2 → Q3
J. Physician Evaluation and Management Coding (annual audit)	Dir., Rev. Cycle	X						Q3 → Q1 2026
K. IP Billing accuracy audit (MR documentation of services billed, duplicate charges, unbundling)	Dir., Rev. Cycle	X						Q4 → Q1 2026
L. Financial Assistance Policy administration (awarding discounts in accordance with the FAP)	CCO	X					X	
M. Billing accuracy for new services (dialysis, lung cancer screening, etc.) (ad hoc as needed)	Dir., Rev Cycle	X					X	Q3 → Q4
N. No Surprises Billing/Good Faith Estimates	Dir., Rev Cycle	X					X	Q2 → Q4
O. Use of Code 44	Dir., Case Mgmt.					X		Completed in Sept
P. Ad hoc audits (CMS, TPE, etc.)	Dir., Rev. Cycle/ Savista	X				X	X	As Necessary Dec presented in 2/25 Q1-2 → Q4
Q. HIPAA 2024 annual report of unauthorized disclosures to HHS	CPO	X		X				
R. Utilization Management Report	Dir., Case Mgmt.						X	Q1-3 → Q4
S. Interpretation Services - Compliance with Oregon Revised Statute on Using Qualified or Certified Healthcare Interpreters	Quality						X	Q1&2 → Q3 Q3 → Q4
T. Hospital Price Transparency Compliance	CFO	X					X	Q3 → Q4
U. OIG Exclusion Screening (Staff & Vendors) (this needs to be approved as well)	HR/Mat. Mgt	X					X	Q1-3 → Q4
6. Response, Investigation, Corrective Action								

**BAY AREA HOSPITAL
CORPORATE COMPLIANCE PROGRAM
2025 BAH WORK PLAN**



			ACTION COMPLETION TARGET				STATUS
OBJECTIVE / ACTION	Assigned To	GOAL	1 ST Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	
A. Respond, investigate, and follow up all calls / complaints within 30 days.	CCO/CPO	100% within 30 days	Ongoing				
B. Respond, investigate, and report to State and Federal authorities for HIPAA and other Compliance issues	CCO/CPO	100% timely completion	Ongoing				
7. Enforcement of Disciplinary Standards							
A. Enforce Exclusion policy for employees, volunteers, medical staff and vendors	HR/Med Staff/MM	100%	Ongoing				
B. Enforce disciplinary policies for employee misconduct with respect to Compliance risks, the Code of Conduct and HIPAA regulations	CCO/CPO/HR/Management	100%	Ongoing				

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

Patrice Parrott, Secretary

Date: _____

Date: _____

+

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 (*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; 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 Alonzo, 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: _____

Date: _____



Bay Area Health District Board
Agenda Item Summary

Meeting Date:	November 18, 2025
Agenda Item:	Infection Preventionist
Topic:	Action Item
Action requested:	Appoint a new Infection Preventionist
Who is making recommendation:	Kelli J. Dion, Chief Quality Officer

Action/Recommendation:

I am recommending the appointment of Joan Strauch, RN, CIC, to Bay Area Hospital's Infection Prevention position.

Background Summary: The Centers for Medicare and Medicaid (CMS) requires, as a Condition of Participation (§482.42), that the Infection Preventionist be appointed by the hospital governing board.

Joan is a very experienced Infection Preventionist with almost thirty years of experience. She is a Registered Nurse and holds an advanced certification in Infection Prevention and Control. She has been with the organization since April of this year on a travel contract for Interim Infection Preventionist. In that time she has assessed and made improvements to our policies and systems surrounding infection prevention and control.

Strategy/Values supported

Excellence: We are committed to superior service and quality care.

Teamwork: We drive success by our commitment to effectively work together.

Ownership: We take personal responsibility for all aspects of organizational success. We are supporting these values by meeting the Condition of Participation.

Alternatives Considered: none

Risks/Mitigation: Noncompliance with the CMS Conditions of Participation could result in survey deficiencies.

FINANCE COMMITTEE MEETING MINUTES
October 28, 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, Barbara Taylor

ABSENT

Brandon Saada (*Excused*)

BAHD BOARD OF DIRECTORS ATTENDANCE

Patrice Parrot, Simon Alonzo

STAFF ATTENDANCE

Gretchen Nichols, CEO; Karen Miller, Controller; Mel Stibal, Interim CNO; Kelli Dion, CQO; Mark Hadley, Senior Finance Analyst; Denise Bowers, Executive Assistant

LEGAL COUNSEL

Excused

PUBLIC ATTENDANCE

The public was in attendance, comprising four in-person attendees and five attendees on Teams.

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

ACTION TAKEN BY THE FINANCE COMMITTEE:

The Finance Committee reviewed and approved the minutes from the previous meeting **Tom McAndrew moved** to approve minutes as presented, and **Judy Moody and Barb Taylor seconded**. There was no additional discussion, and the motion carried on a call of vote.

CHIEF EXECUTIVE OFFICER UPDATES - Gretchen Nichols, CEO

Financial Turnaround and Sustainability Plan Update

The hospital's \$10 million recovery plan includes a reduction-in-force (RIF) that accounts for approximately \$10 million in savings. Approximately 60% completed; 85–90 FTEs affected. Full completion expected by early November.

Payer Contracting: Negotiations with commercial payers to begin in November. New Advanced Health contract effective January 2026, improving reimbursement from 76% to 80% of Medicare rates (4% increase).

Revenue Cycle Improvements (with Savista) identified \$5.6M in potential revenue improvements, including: \$4.7M from avoidable write-offs, additional gains from discharge-not-final-billed (DNFB) process improvements, and pre-AR work. Consultant hired to oversee Savista's accountability. An on-site RevCycle employee will be added to improve billing accuracy. There was a discussion about holding Savista accountable for discretionary write-offs and performance. Leadership emphasized the need for improved oversight, citing missed Medicare filing deadlines as an example.

Current monthly cash goals: \$20M in cash in the door; October performance is expected to meet this for the first time.

Expense Reductions

Contract adjustments, supply chain improvements, and provider fee reductions are projected to yield \$3.5M in additional savings. Locum costs are declining due to direct hiring.

Legislative and Advocacy Updates

- PAC West lobbying efforts continue: Staffer from the Governor's Office provided a pathway for the hospital's \$10M Emergency Board funding request.
- State Treasury refinancing:
- Representative Boomer Wright submitted LC 0012, allowing the use of unclaimed funds to refinance hospital debt.
- Representative Val Hoyle visited and expressed strong support for maintaining full-service hospital operations in the region. Discussion on: Potential lottery bonds for long-term debt relief; \$3–5M retroactive Medicaid repayment dispute still unresolved. Advocacy focus: refinancing, emergency operations funding, and enhanced Medicaid support.

Relationship with Bank of Montreal (BMO)

- The hospital remains current on loan payments but is not in covenant compliance (EBITDA and cash-on-hand ratios).
- BMO increased interest rates from ~2.25% to 7.5% due to covenant breaches.
- Treasury refinancing and state support are expected to reassure the bank.
- Days cash on hand: 55 (target is 70, soon increasing to 75).

FINANCIAL UPDATES – Karen Miller, Controller

Financials

- Patient Discharges: 77 below budget; inpatient admissions down by 25 year over year.
- Inpatient/Surgical Volume: October seeing strong rebound; highest since January 2024.
- Outpatient Revenue: Up \$2.1M; continues to drive growth.
- Gross Revenue: \$68M (up \$1.3M vs. budget).
- Net Revenue: \$21.6M (up \$1M vs. budget, \$2.8M year over year).
- Net-to-Gross Ratio: 31.9% (above 31.3% budget).
- Operating Loss: \$840K (budgeted loss \$250K).
- Labor Costs: Over budget due to severance accruals; contract labor down 19% vs. budget.
- Supplies: Down 17%; cost control initiatives effective.
- Provider Tax: Increased to 7.73% inpatient / 10.54% outpatient. State retains 1%.
- Charity Care: Down 15%, saving \$2M annually through better screening.
- Cash Reserves: \$38.6M; 55 days cash on hand.

Capital and Infrastructure Needs

- Cath Lab equipment nearing end-of-life; potential downtime risks discussed.
- Total capital needs estimated at \$60M, including urgent infrastructure upgrades.
- Options: Bonds, state funds, or grants to support replacement and expansion.

Foundation and Fundraising

Discussion on revitalizing the hospital foundation:

- Past fundraising: \$4M (for tower project), \$250K Kaiser grant for Family Housing.
- Most funds expended except designated Cancer Center and Kids Hope Center accounts.
- Plan to relaunch as independent 501(c)(3) for grant eligibility.
- Board members (Tom McAndrew and Patrice Parrott) and Finance Committee member (Judy Moody) expressed interest in participating in future fundraising efforts.

GOOD OF THE ORDER

Scheduling and Meeting Cadence

Starting at the November 18, 2025 (moved from Veterans Day) Board Meeting, the Finance Committee will be folded into the Board as a joint Board/Finance Committee meeting. There was a discussion of adjusting the monthly closing and reporting cadence to align with that combination of meetings.

ADJOURNMENT

There being no further business, the Finance Committee was adjourned at 6:12 p.m.

Kyle Stevens, Chairperson

Date: November 18, 2025



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

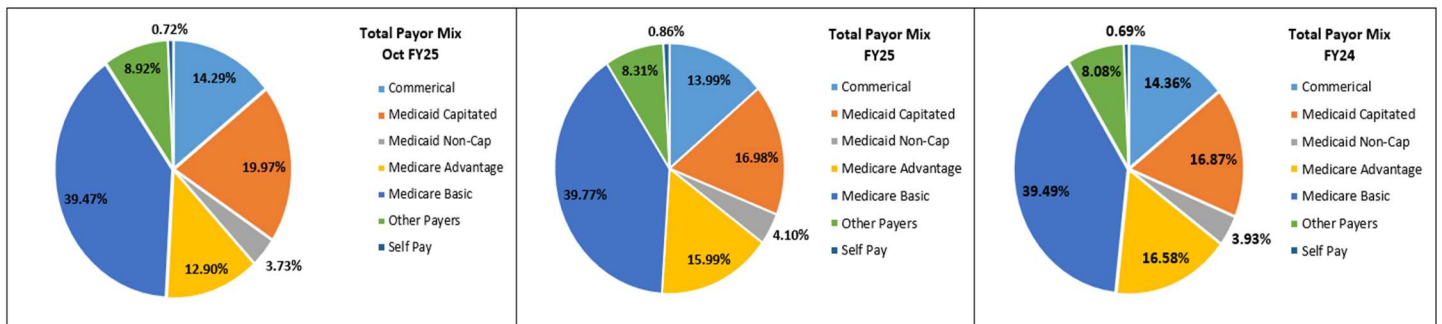
Executive Summary

October performance reflected continued improvement in operating results and a solid rebound in outpatient volumes. Net revenue totaled \$22.3M, up \$684K (3.2%) to budget and up \$1.9M (9.7%) to prior year, driven by strong outpatient volumes. Operating expenses of \$22.6M were above budget by \$928K (4.3%) and consistent with the prior year. The month closed with a net operating loss of \$297K, an improvement of \$540K from September's (\$837K) and \$2.2M better than prior year. Net Income for October was (\$431K), performing close to budget and improving by \$2.3M versus October 2024. The Operating Margin improved to -1.3% vs. -3.9% in September.

Bay Area Hospital Consolidated Income Statement - October 2025 in '000										
	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
Gross Patient Revenue	71,936	68,897	3,038	61,770	10,166	273,123	273,367	(245)	248,854	24,268
Total Deductions	51,776	48,776	(3,000)	42,696	(9,080)	195,314	193,569	(1,745)	172,819	(22,495)
Net Healthcare Revenue	20,160	20,121	39	19,073	1,086	77,809	79,799	(1,990)	76,035	1,773
Other Oper Revenue	2,111	1,466	(620)	1,222	(750)	8,035	5,862	(2,382)	5,698	(2,313)
Total Net Revenue	22,271	21,587	684	20,295	1,976	85,844	85,661	(4,372)	81,733	(540)
Salaries/ Wages & Benefits	10,212	9,770	(442)	10,651	439	42,842	38,008	(4,834)	40,616	(2,226)
Contract Labor	1,608	1,792	185	1,826	219	6,524	7,716	1,191	7,887	1,363
Depreciation	709	724	14	923	214	2,933	2,954	21	3,744	811
Other Expense	10,038	9,353	(685)	9,384	(654)	38,267	32,881	(5,386)	36,168	(2,099)
Total Operating Expenses	22,567	21,639	(928)	22,785	218	90,566	81,558	(9,008)	88,415	(2,151)
Net Operating Income	(297)	(52)	(244)	(2,490)	2,193	(4,722)	4,103	(13,380)	(6,682)	(2,691)
Non Operating Income/(Loss)	(134)	(284)	150	(260)	126	(480)	(1,137)	657	1,326	(1,806)
Net Income	(431)	(337)	(94)	(2,749)	2,319	(5,202)	2,966	(12,723)	(5,355)	(4,497)
Net To Gross	31.0%	31.3%	-0.4%	32.9%	-1.9%	31.4%	31.3%	0.1%	32.8%	-1.4%
Operating EBITDA	413	671	(259)	(1,566)	1,979	(1,789)	7,056	(8,846)	(2,938)	1,148
Operating EBITDA %	1.9%	3.1%	-1.3%	-7.7%	9.6%	-2.1%	8.2%	-10.3%	-3.6%	1.5%
EBIDTA	551	712	(161)	(1,650)	2,201	(1,166)	7,219	(8,385)	(907)	(258)
EBIDTA %	2.5%	3.3%	-0.8%	-8.1%	10.6%	-1.4%	8.4%	-9.8%	-1.1%	-0.2%

Patient Revenue

Total gross patient revenue for October was \$71.9M, exceeding budget by \$3.0M (4.4%) and prior year by \$10.2M (16.5%). Inpatient revenue: \$26.6M, unfavorable to budget by \$1.8M (6.4%). Outpatient revenue: \$45.3M, \$4.9M (12%) above budget, reflecting sustained surgical growth. Net Healthcare Revenue: \$20.2M, \$1.1M below budget, primarily due to higher deductions and bad debt adjustments. Net-to-Gross ratio: 31.0%, slightly below the budgeted 33.0%, consistent with payer mix shifts.



Operating Expenses

Total operating expenses of \$22.6M were \$207K (0.9%) favorable to budget and flat to prior year. Key drivers include Salaries: \$10.2M, \$442K (3.8%) unfavorable to budget and \$439K (2.4%) favorable to prior year, primarily due to residual severance costs from the recent reduction in force. Contract Labor: \$1.6M, \$185K (10.3%)



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

favorable to budget and \$219K (12.0%) favorable to prior year, reflecting the successful transition of contract labor to employed staff. Purchased Services: \$2.3M, 3.8% above budget and 0.8% above prior year, mainly due to a slight increase in Revenue Cycle support aligned with higher patient revenues. Supplies: \$3.9M, \$157K (3.9%) favorable to budget. Provider Tax: \$1.7M, \$650K unfavorable driven by increase in tax calculation.

Staffing & FTEs

Salary FTEs: 820 Contract FTEs: 41 (down significantly from prior year's 75). Paid FTEs per adjusted patient day: 4.78, reflecting improved productivity in alignment with current volumes. The average hourly rate declined slightly to \$62.70, reflecting stabilization after prior-month severance-related spikes.

Volumes

Volumes indicate continued outpatient growth, moderate inpatient activity, and solid procedural recovery compared to Q1 trends.

STAT	24-Oct	3MRR	25-Oct	VAR to PY	VAR to 3MRR
Total Acute Patient Days	2285	1965	2062	-223	97
Average Daily Census (Acute + Obs.)	76	68	70	-6	2
Total Admissions - Acute IP	566	523	533	-33	10
Total Admissions - Newborn	43	51	57	14	6
Total Admissions	609	574	590	-19	16
Total Discharges - Acute IP	581	519	543	-38	24
Total Discharges - Newborn	41	50	59	18	9
Total Discharges	622	569	602	-20	33
Adjusted Patient Days	5868	5104	5571	-297	467
ED Visits - IP Admits	407	400	431	24	31
ED Visits - OP Visits	2003	2167	2088	85	-79
Total ED Visits	2410	2567	2519	109	-48
Surgery Cases - IP Surgeries	103	105	111	8	6
Surgery Cases - OP Surgeries	196	214	238	42	24
Total Surgery Cases	299	319	349	50	30
Cath Lab Cases (per EPIC)	109	126	126	17	0
Endo Procedures	63	45	60	-3	15
Med/Surg CMI - Overall	1.4333	1.4690	1.4390	-0.0060	-0.0300

Balance Sheet & Cash Flow

- Total cash & cash equivalent + board designated funds (BDF) was \$38.6M a \$17.4M decrease from prior year and \$1.8M decrease to 3 month run rate. Total outstanding debt is \$47.2 million, consisting of a \$45 million bank loan and the remainder in capitalized leases and subscription liabilities.
- Current Ratio is 2.28
- Debt to Capitalization is 43.6%, up 5.09% to prior year.
- Days Cash on Hand is 55 days. Unchanged from September.

Bay Area Hospital

Consolidated Income Statement - October 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	26,626,663	28,449,190	(1,822,527)	-6.4%	24,051,678	2,574,985	10.7%	104,135,186	112,879,044	(8,743,858)	-7.7%	102,064,691	2,070,495	2.0%
Outpatient Revenue	45,309,041	40,448,239	4,860,801	12.0%	37,718,112	7,590,928	20.1%	168,987,501	160,488,176	8,499,326	5.3%	146,789,602	22,197,899	15.1%
Total Gross Patient Revenue	71,935,704	68,897,429	3,038,275	4.4%	61,769,790	10,165,914	16.5%	273,122,688	273,367,220	(244,532)	-0.1%	248,854,293	24,268,394	9.8%
Deductions	51,088,823	47,813,447	(3,275,376)	-6.9%	41,997,725	(9,091,098)	-21.6%	193,008,664	189,748,028	(3,260,636)	-1.7%	169,266,189	(23,742,475)	-14.0%
Bad Debt	257,324	217,845	(39,479)	-18.1%	300,119	42,795	14.3%	1,011,948	864,351	(147,598)	-17.1%	1,883,859	871,911	46.3%
Charity	429,919	745,066	315,147	42.3%	398,581	(31,338)	-7.9%	1,293,445	2,956,232	1,662,787	56.2%	1,669,110	375,665	22.5%
Total Deductions	51,776,066	48,776,358	(2,999,707)	-6.1%	42,696,425	(9,079,641)	-21.3%	195,314,057	193,568,611	(1,745,447)	-0.9%	172,819,158	(22,494,899)	-13.0%
Net Healthcare Revenue	20,159,638	20,121,071	38,567	0.2%	19,073,365	1,086,273	5.7%	77,808,630	79,798,609	(1,989,979)	-2.5%	76,035,135	1,773,496	2.3%
Supplemental Payments	1,767,538	1,134,819	(632,719)	-55.8%	947,664	(819,874)	-86.5%	6,816,864	4,539,276	(2,277,588)	-50.2%	4,491,491	(2,325,373)	-51.8%
Other Oper Revenue	343,466	330,756	12,711	3.8%	273,998	69,469	25.4%	1,218,607	1,323,023	(104,416)	-7.9%	1,206,285	12,321	1.0%
Total Net Revenue	22,270,643	21,586,646	683,997	3.2%	20,295,027	1,975,615	9.7%	85,844,101	85,660,908	(4,371,983)	-5.1%	81,732,911	(539,556)	-0.7%
Net to Gross Ratio	31.0%	31.3%			32.9%			31.4%	31.3%			32.8%		
Salaries	7,915,210	7,622,009	(293,201)	-3.8%	8,110,716	195,506	2.4%	33,469,968	29,489,940	(3,980,028)	-13.5%	32,326,812	(1,143,155)	-3.5%
Contract Labor	1,607,600	1,792,319	184,719	10.3%	1,826,306	218,706	12.0%	6,524,356	7,715,534	1,191,179	15.4%	7,887,259	1,362,903	17.3%
Benefits	2,296,902	2,147,758	(149,145)	-6.9%	2,540,363	243,461	9.6%	9,372,052	8,518,000	(854,052)	-10.0%	8,288,787	(1,083,265)	-13.1%
Physician & Prof Fee	1,461,946	1,523,010	61,064	4.0%	1,577,395	115,448	7.3%	6,217,497	6,115,642	(101,855)	-1.7%	6,344,800	127,304	2.0%
Supplies	3,865,979	4,022,826	156,848	3.9%	4,263,386	397,407	9.3%	14,311,840	15,981,319	1,669,479	10.4%	15,408,030	1,096,189	7.1%
Purchased Services	2,300,742	2,217,274	(83,468)	-3.8%	2,282,321	(18,421)	-0.8%	9,004,363	8,898,400	(105,964)	-1.2%	8,246,283	(758,080)	-9.2%
Leases/Rentals	26,442	16,567	(9,875)	-59.6%	14,710	(11,732)	-79.8%	97,524	66,768	(30,755)	-46.1%	62,106	(35,418)	-57.0%
Depreciation	708,889	723,651	14,762	2.0%	923,445	214,556	23.2%	2,932,244	2,953,590	21,346	0.7%	3,744,196	811,952	21.7%
Provider Tax Expense	1,785,213	1,134,819	(650,394)	-57.3%	845,992	(939,221)	-111.0%	6,817,797	4,539,276	(2,278,521)	-50.2%	4,425,257	(2,392,539)	-54.1%
Other Oper Expense	597,781	438,710	(159,072)	-36.3%	400,150	(197,632)	-49.4%	1,818,052	(2,720,426)	(4,538,478)	166.8%	1,681,215	(136,837)	-8.1%
Total Operating Expenses	22,566,704	21,638,942	(927,762)	-4.3%	22,784,783	218,079	1.0%	90,565,692	81,558,042	(9,007,650)	-11.0%	88,414,745	(2,150,946)	-2.4%
Net Operating Income	(296,061)	(52,297)	(243,765)	466.1%	(2,489,756)	2,193,694	-88.1%	(4,721,591)	4,102,866	(8,824,458)	-215.1%	(6,681,835)	1,960,243	-29.3%
Investment Income	125,137	-	125,137	0.0%	(726,631)	851,768	-117.2%	507,126	-	507,126	0.0%	961,213	(454,087)	-47.2%
Other Nonop Inc(Exp)	13,195	40,718	(27,523)	-67.6%	643,244	(630,049)	-97.9%	116,497	162,872	(46,375)	-28.5%	1,069,077	(952,580)	-89.1%
Interest Expense	(272,313)	(325,000)	52,687	-16.2%	(176,301)	(96,012)	54.5%	(1,103,525)	(1,300,000)	196,475	-15.1%	(703,815)	(399,709)	56.8%
Net Income	(430,042)	(336,579)	(93,464)	27.8%	(2,749,444)	2,319,401	-84.4%	(5,201,493)	2,965,738	(8,167,231)	-275.4%	(5,355,360)	153,867	-2.9%
Contractual %	-72.0%	-70.8%	-1.2%		-69.1%			-71.5%	-70.8%	-0.7%		-69.4%		
Operating Margin	-1.3%	-0.2%	-1.1%	448.7%	-12.3%	10.9%		-5.5%	4.8%	-10.3%	-214.8%	-8.2%	2.68%	-32.7%
Operating EBITDA	412,827	671,354	(258,527)	-38.5%	(1,566,311)	1,979,138	-126.4%	(1,789,347)	7,056,456	(8,845,803)	-125.4%	(2,937,639)	1,148,292	-39.1%
Operating EBITDA %	1.9%	3.1%	-1.3%	40.4%	-7.7%	9.6%		-2.1%	8.2%	-10.3%	-125.3%	-3.6%	1.51%	-42.0%
EBITDA	551,159	712,072	(160,914)	-22.6%	(1,649,698)	2,200,857	-133.4%	(1,165,725)	7,219,328	(8,385,052)	-116.1%	(907,349)	(258,376)	28.5%
EBITDA %	2.5%	3.3%	-0.8%	25.0%	-8.4%	10.6%		-1.4%	8.4%	-9.8%	-116.1%	-1.1%	-0.25%	22.3%
Key Stats														
Discharges	602	586	16	2.8%	581	21	3.6%	2,203	2,324	(121)	-5.2%	2,215	(12)	-0.5%
Patient Days	2,062	2,567	(505)	-19.7%	2,291	(229)	-10.0%	7,956	10,185	(2,229)	-21.9%	9,674	(1,718)	-17.8%
LOS	3.43	4.38	(0.96)	-21.8%	3.94	(0.52)	-13.1%	3.61	4.38	(0.77)	-17.6%	4.37	(0.76)	-17.3%
Adjusted Days	5,571	6,216	(645)	-10.4%	5,884	(313)	-5.3%	20,867	24,665	(3,798)	-15.4%	23,587	(2,720)	-11.5%
Adjusted Discharges	1,626	1,419	208	14.6%	1,492	134	9.0%	5,778	5,627	151	2.7%	5,401	377	7.0%
Per Adjusted Day														
Net Revenue/APD	3,619	3,237	382	11.8%	3,242	377	11.6%	3,729	3,235	494	15.3%	3,224	505	15.7%
SWB+CL/APD	2,122	1,860	(262)	-14.1%	2,121	1	0.1%	2,366	1,854	(512)	-27.6%	2,056	309	15.0%
Salary+CL/APD	1,709	1,514	(195)	-12.9%	1,689	21	1.2%	1,917	1,508	(408)	-27.1%	1,705	212	12.4%
Supply Cost/APD	694	647	(47)	-7.2%	725	(31)	-4.2%	686	648	(38)	-5.9%	653	33	5.0%
Other Expense/APD	370	316	(54)	-17.2%	336	34	10.0%	385	138	(247)	-179.8%	340	45	13.2%
Per Adjusted Discharge														
Net Revenue/Adj DC	12,395	14,182	(1,787)	-12.6%	12,783	(387)	-3.0%	13,466	14,181	(714)	-5.0%	14,079	(613)	-4.4%
SWB+CL/Adj DC	7,267	8,149	882	10.8%	8,362	(1,095)	-13.1%	8,544	8,125	(418)	-5.2%	8,981	(437)	-4.9%
Salary+CL/Adj DC	5,855	6,636	780	11.8%	6,660	(804)	-12.1%	6,922	6,612	(310)	-4.7%	7,446	(524)	-7.0%
Supply Cost/Adj DC	2,377	2,835	458	16.2%	2,857	(480)	-16.8%	2,477	2,840	363	12.8%	2,853	(376)	-13.2%
Other Expense/Adj DC	1,266	1,383	116	8.4%	1,325	(59)	-4.4%	1,391	603	(787)	-130.5%	1,486	(95)	-6.4%
Pct of Net Revenue														
SWB+CL	58.6%	57.5%	-1.2%		65.4%	6.8%		63.4%	57.3%	-6.1%		63.8%	0.3%	
Supplies	19.2%	20.0%	0.8%		22.4%	3.2%		18.4%	20.0%	1.6%		20.3%	1.9%	
Other Expense	10.2%	9.7%	-0.5%		10.4%	0.2%		10.3%	4.3%	-6.1%		10.6%	0.2%	
Bad Debt % of GR	0.4%	0.3%	0.0%		0.5%	0.1%		0.4%	0.3%	0.1%		0.8%	0.4%	
Bad Debt & Charity	3.4%	4.8%	1.4%		3.7%	0.3%		3.0%	4.8%	1.8%		4.7%	1.7%	
Bad Debt/Charity % of GR	1.0%	1.4%	0.4%		1.1%			0.8%	1.4%	0.6%		1.4%		
FTE's														
Total Salary Hours	144,642	144,717	75	0.1%	159,485	14,842	9.3%	588,274	566,100	(22,174)	-3.9%	637,684	49,410	7.7%
Total Contract Hours	7,239	8,948	1,709	19.1%	13,253	13,253	100.0%	37,016	37,097	81	0.2%	62,765	25,748	41.0%
Total Salary FTE's	818.77	819.20	0.42	0.1%	900.32	81.54	9.1%	839.27	807.64	(31.63)	-3.9%	907.27	68.00	7.5%
Total Contract FTE's	40.98	50.65	9.67	19.1%	74.82	33.84	45.2%	52.81	52.93	0.11	0.2%	89.30	36.49	40.9%
Total Facility Paid FTEs	859.75	869.85	10.10	1.2%	975.14	115.38	11.8%	892.08	860.56	(31.52)	-3.7%	996.57	104.49	10.5%
Paid FTE per Adj Day	4.78	4.34	(0.45)	-10.3%	5.14	0.35	6.9%	5.26	4.29	(0.97)	-22.5%	5.20	(0.06)	-1.2%
Average Hourly Rate	\$ 62.70	\$ 61.27	(1.43)	-2.3%	\$ 57.53	(5.17)	-9.0%	\$ 63.96	\$ 61.68	(2.28)	-3.7%	\$ 57.41	(6.55)	-11.4%
Employed Avg Hourly Rate	\$ 54.72	\$ 52.67	(2.05)	-3.9%	\$ 50.86	(3.87)	-7.6%	\$ 56.90	\$ 52.09	(4.80)	-9.2%	\$ 50.69	(6.20)	-12.2%

Bay Area Hospital

Consolidated Income Statement Trend - October 2025

	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD
Gross Patient Revenue													
Inpatient Revenue	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	26,728,010	26,626,663
Outpatient Revenue	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	41,227,365	45,309,041
Total Gross Patient Revenue	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	67,955,375	71,935,704
Deductions	41,997,725	38,610,481	42,169,442	46,557,885	39,969,739	43,828,357	43,388,640	41,844,820	41,253,933	47,507,475	46,951,840	47,460,525	51,088,823
Bad Debt	300,119	476,057	310,298	406,037	(1,038,403)	11,883	(87,907)	(166,025)	753,585	154,851	390,753	209,021	257,324
Charity	398,581	834,586	667,530	427,527	1,082,894	999,956	1,023,039	562,617	199,108	415,079	72,326	376,122	429,919
Total Deductions	42,696,425	39,921,125	43,147,271	47,391,449	40,014,230	44,840,195	44,323,772	42,241,412	42,206,626	48,077,405	47,414,919	48,045,667	51,776,066
Net Healthcare Revenue	19,073,365	17,068,697	19,342,704	19,856,930	18,820,584	17,908,111	18,574,637	18,292,070	16,917,555	18,615,723	19,123,561	19,909,708	20,159,638
Supplemental Payments	947,664	971,049	1,057,276	1,132,520	1,068,188	1,015,076	1,050,610	1,023,998	909,741	1,674,225	1,695,376	1,679,725	1,767,538
Other Oper Revenue	273,998	305,755	521,874	651,119	405,859	120,242	576,185	494,088	358,227	350,424	468,529	56,187	343,466
Total Net Revenue	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	20,640,372	21,287,466	21,645,620	22,270,643
Expenses	32.9%	32.2%	33.5%	32.2%	34.5%	30.3%	32.1%	32.7%	30.8%	30.9%	32.0%	31.9%	31.0%
Salaries	8,110,716	8,504,800	8,703,884	8,290,688	7,531,899	8,184,820	7,944,501	8,422,402	7,717,782	8,945,952	8,244,951	8,363,855	7,915,210
Contract Labor	1,826,306	1,303,577	1,489,725	1,679,801	1,657,777	1,386,190	1,917,651	1,727,271	1,789,658	1,597,850	1,814,985	1,503,921	1,607,600
Benefits	2,540,363	1,530,651	2,116,212	3,250,180	2,326,422	2,624,358	2,406,065	2,381,375	(643,456)	2,335,181	2,767,300	1,972,668	2,296,902
Physician & Prof Fee	1,577,395	1,429,296	1,575,795	1,584,947	1,533,512	1,584,515	1,441,414	1,746,562	1,290,563	1,577,921	1,564,475	1,613,154	1,461,946
Supplies	4,263,386	3,146,847	4,033,969	3,457,835	3,742,160	3,292,867	3,634,029	4,338,049	4,365,379	3,734,160	3,479,092	3,232,610	3,865,979
Purchased Services	2,282,321	1,995,417	2,296,703	2,363,672	2,333,839	2,338,573	2,223,000	2,748,281	2,489,287	2,238,543	2,049,830	2,415,248	2,300,742
Leases/Rentals	14,710	15,475	14,455	26,319	19,892	24,782	26,427	16,944	11,758	16,288	21,281	33,513	26,442
Depreciation	923,445	923,747	918,484	773,830	766,642	764,352	766,089	798,927	743,521	739,369	764,537	719,449	708,889
Provider Tax Expense	845,992	980,759	1,067,848	1,143,845	1,078,870	1,025,227	1,061,116	1,034,238	1,657,482	1,695,376	1,679,725	1,785,213	1,785,213
Other Oper Expense	400,150	657,508	404,076	439,136	441,779	398,615	193,853	544,785	768,041	138,640	132,771	948,860	597,781
Total Operating Expenses	22,784,783	20,488,079	22,621,152	23,010,252	21,432,792	21,624,297	21,614,146	23,758,834	19,563,431	22,981,385	22,534,599	22,483,004	22,566,704
Net Operating Income	(2,489,756)	(2,142,578)	(1,699,298)	(1,369,684)	(1,138,160)	(2,580,868)	(1,412,713)	(3,948,679)	(1,377,909)	(2,341,013)	(1,247,133)	(837,384)	(296,061)
Investment Income	(726,631)	320,385	(152,390)	211,196	446,682	71,188	154,156	39,127	172,596	58,410	197,536	126,043	125,137
Other Nonop Inc(Exp)	643,244	35,468	108,818	39,529	17,321	(1,850,477)	69,440	27,254	496,779	18,846	21,601	62,855	13,195
Interest Expense	(176,301)	(176,160)	(170,428)	(20,250)	(156,710)	(376,996)	(278,947)	(176,794)	(294,464)	(266,282)	(282,780)	(282,150)	(272,313)
Net Income	(2,749,444)	(1,962,885)	(1,913,298)	(1,139,209)	(830,867)	(4,737,154)	(1,468,065)	(4,059,093)	(1,002,998)	(2,530,040)	(1,310,776)	(930,635)	(430,042)
Operating Margin %	-12.3%	-11.7%	-8.1%	-6.3%	-5.6%	-13.6%	-7.0%	-19.9%	-7.6%	-11.3%	-5.9%	-3.9%	-1.3%
Operating EBIDA	(1,566,311)	(1,218,831)	(780,814)	(595,854)	(371,518)	(1,816,516)	(646,624)	(3,149,752)	(634,387)	(1,601,644)	(482,596)	(117,935)	412,827
Operating EBIDA %	-7.7%	-6.6%	-3.7%	-2.8%	-1.8%	-9.5%	-3.2%	-15.9%	-3.5%	-7.8%	-2.3%	-0.5%	1.9%
EBITDA	(1,649,698)	(862,978)	(824,386)	(345,129)	92,485	(3,595,806)	(423,029)	(3,083,372)	34,988	(1,524,389)	(263,459)	70,964	551,159
EBITDA Margin	-8.1%	-4.7%	-3.9%	-1.6%	0.5%	-18.9%	-2.1%	-15.6%	0.2%	-7.4%	-1.2%	0.3%	2.5%
Key Stats													
Days in Month	31	30	31	31	28	31	30	31	30	31	31	30	31
Adj Factor	2.57	2.41	2.43	2.28	2.38	2.44	2.48	2.57	2.70	2.66	2.59	2.54	2.70
Discharges	581	526	587	585	553	536	552	543	440	531	538	532	602
Patient Days	2,291	2,335	2,487	2,371	2,292	2,150	2,111	2,000	1,955	1,997	1,980	1,917	2,062
LOS	3.94	4.44	4.24	4.05	4.14	4.01	3.82	3.68	4.44	3.76	3.68	3.60	3.43
Adjusted Days	5,884	5,635	6,048	5,411	5,449	5,235	5,245	5,150	5,281	5,313	5,124	4,874	5,571
Adjusted Discharges	1,492	1,269	1,428	1,335	1,315	1,305	1,372	1,398	1,188	1,413	1,392	1,353	1,626
Per Adjusted Day													
Net Revenue/APD	3,242	3,029	3,198	3,670	3,454	3,421	3,541	3,552	3,204	3,504	3,732	4,085	3,619
SWB+CL/APD	2,121	2,012	2,035	2,443	2,113	2,329	2,339	2,433	1,679	2,424	2,503	2,429	2,122
Salary+CL/APD	1,689	1,741	1,685	1,843	1,686	1,828	1,880	1,971	1,800	1,985	1,963	2,025	1,709
Supply Cost/APD	725	558	667	639	687	629	693	842	827	703	679	663	694
Other Expense/APD	336	370	327	374	362	379	312	445	390	323	331	526	370
Per Adjusted Discharge													
Net Revenue/Adj DC	12,783	13,446	13,549	14,875	14,315	13,721	13,543	13,083	14,235	13,177	13,736	14,720	12,395
SWB+CL/Adj DC	8,362	8,932	8,623	9,903	8,759	9,344	8,945	8,963	7,458	9,116	9,213	8,754	7,267
Salary+CL/Adj DC	6,660	7,727	7,140	7,469	6,990	7,333	7,191	7,260	8,000	7,463	7,226	7,295	5,855
Supply Cost/Adj DC	2,857	2,479	2,826	2,590	2,846	2,523	2,650	3,103	3,673	2,643	2,499	2,390	2,377
Other Expense/Adj DC	1,325	1,644	1,387	1,516	1,502	1,519	1,192	1,639	1,732	1,215	1,219	1,894	1,266
Pct of Net Revenue													
SWB	65.4%	66.4%	63.6%	66.6%	61.2%	68.1%	66.0%	68.5%	52.4%	69.2%	67.1%	59.5%	58.6%
Supplies	22.4%	18.4%	20.9%	17.4%	19.9%	18.4%	19.6%	23.7%	25.8%	20.1%	18.2%	16.2%	19.2%
Other Expense	10.4%	12.2%	10.2%	10.2%	10.5%	11.1%	8.8%	12.5%	12.2%	9.2%	8.9%	12.9%	10.2%
Bad Debt & Charity	3.7%	7.7%	5.1%	4.2%	0.2%	5.7%	5.0%	2.2%	5.6%	3.1%	2.4%	2.9%	3.4%
FTE's													
Total Salary FTE's	900.32	907.34	917.92	916.71	910.57	885.98	916.26	850.09	855.62	851.49	847.77	839.06	818.77
Total Contract FTE's	74.82	51.12	61.26	51.80	69.53	52.32	76.23	57.88	27.15	57.97	57.75	54.60	40.98
Total Facility Paid FTE's	975.14	958.46	979.18	968.50	980.10	938.30	992.49	907.97	882.77	909.46	905.52	893.66	859.75
Paid FTE per AOB	5.14	5.10	5.02	5.55	5.04	5.56	5.68	5.47	5.02	5.31	5.48	5.50	4.78
Average Hourly Rate	\$ 57.53	\$ 59.70	\$ 58.77	\$ 58.12	\$ 58.60	\$ 57.58	\$ 57.96	\$ 63.10	\$ 62.82	\$ 65.63	\$ 62.89	\$ 64.59	\$ 62.70
Employed Avg Hourly	\$ 50.86	\$ 54.68	\$ 53.53	\$ 51.05	\$ 51.70	\$ 52.15	\$ 50.58	\$ 55.93	\$ 52.62	\$ 59.47	\$ 55.05	\$ 58.31	\$ 54.75

Bay Area Hospital
Balance Sheet (Including Foundation)
10/31/2025

Preliminary
Jun-25

Oct-25

Sep-25

Assets And Deferred Outflows Of Resources

Current Assets

Cash & Cash Equivalents	5,701,196	5,815,947	9,388,266
Accounts Receivable (Net)	31,125,223	30,492,971	26,128,118
Inventory	4,476,666	4,379,292	4,347,042
Other Current Assets	7,351,598	5,330,606	8,612,125
Total Current Assets	48,654,682	46,018,816	48,475,551

Assets Limited As to Use

Capital Assets

Depreciable Capital Assets (Net)	60,060,172	60,675,422	62,170,275
Nondepreciable Capital Assets	2,084,290	2,081,190	2,369,704
Total Capital Assets (Net)	62,144,463	62,756,613	64,539,978

Leases and Subscriptions (Net)

Other Non Current Assets	820,446	820,446	820,446
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Total Assets	147,125,172	145,071,610	149,224,537
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Deferred Outflows Of Resources

	9,491,095	9,491,095	9,491,095
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Total Assets And Deferred Outflows	156,616,267	154,562,705	158,715,632
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Liabilities, Deferred Inflows of Resources, And Net Position

Current Liabilities

Accounts Payable	(8,972,215)	(7,298,908)	(7,788,748)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(4,678,309)	(4,811,976)	(4,414,629)
Paid Time Off	(5,140,567)	(5,336,798)	(5,407,083)
Other	(8,718,736)	(7,391,120)	(6,138,963)
3rd Party Settlements Payable (net)	(5,781,639)	(5,781,639)	(5,706,639)
Long-Term Obligations - Current Portion	(2,508,447)	(2,508,447)	(2,508,447)
Deferred Revenue	0	0	0
Total Current Liabilities	(35,799,913)	(33,128,887)	(31,964,509)

Long Term Obligations (Net of Current Portion)

Other Noncurrent Liabilities	(2,942,506)	(2,942,506)	(2,942,506)
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Net Pension Liability	(630,964)	(630,964)	(630,964)
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Total Liabilities	(84,122,681)	(81,638,368)	(81,019,508)
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Deferred Inflows Of Resources

Inter Fund Payables/Receivables	4,549	4,363	4,027
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Total Liabilities & Deferred Cash Inflows	(95,486,483)	(93,002,356)	(92,383,832)
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Net Position

Net Income/Loss	5,202,016	4,771,451	22,468,928
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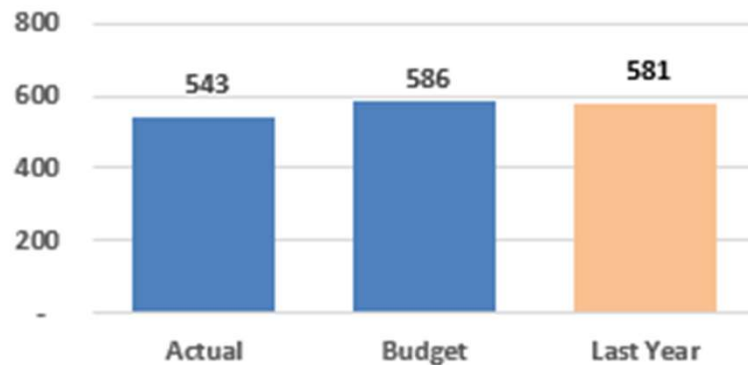
Total Liabilities, Deferred Inflows, Net Position	(156,616,267)	(154,562,705)	(158,715,632)
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Bay Area Hospital

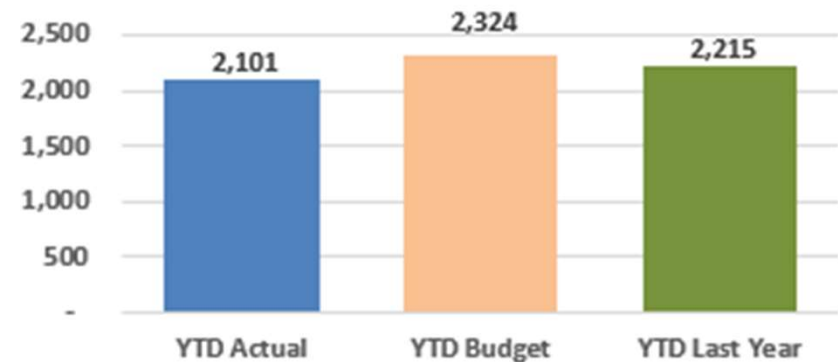
October 2025 Month End Results

Patient Discharges

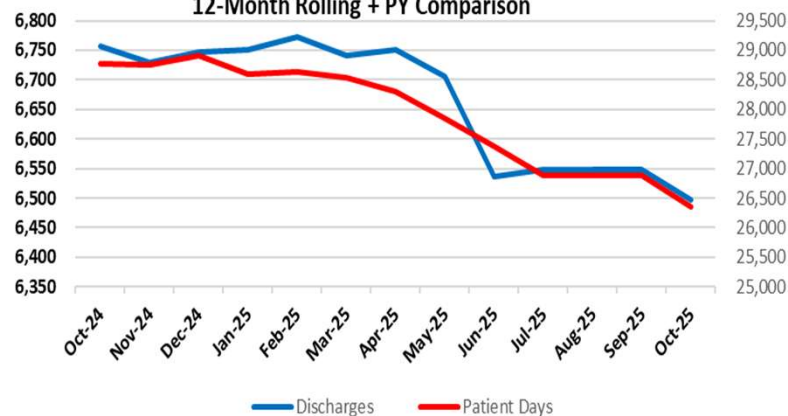
Patient Discharges (not including Newborn) - MTD



Patient Discharges (not including Newborn) - YTD

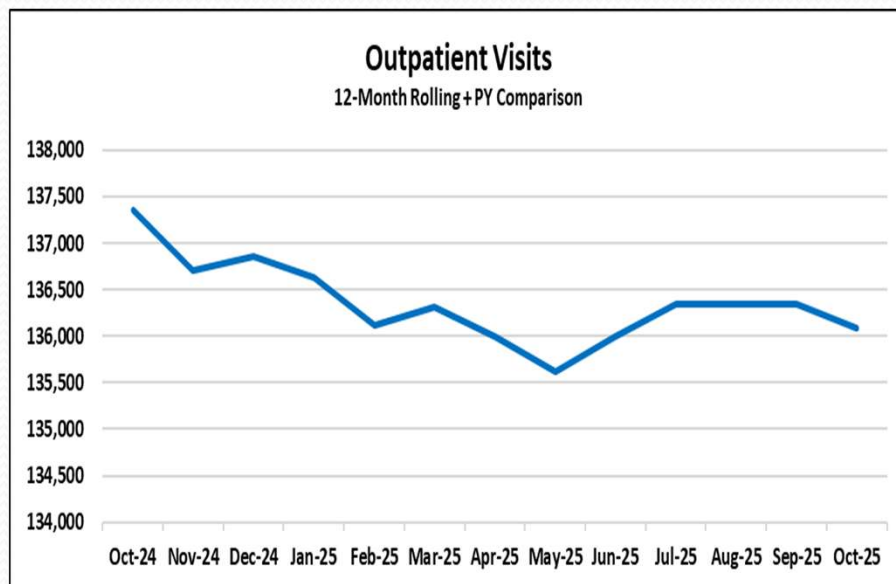
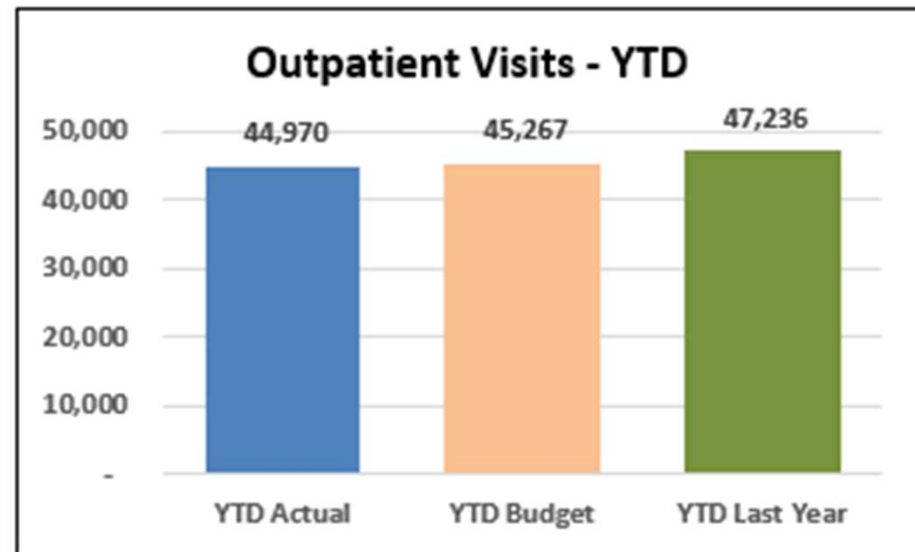
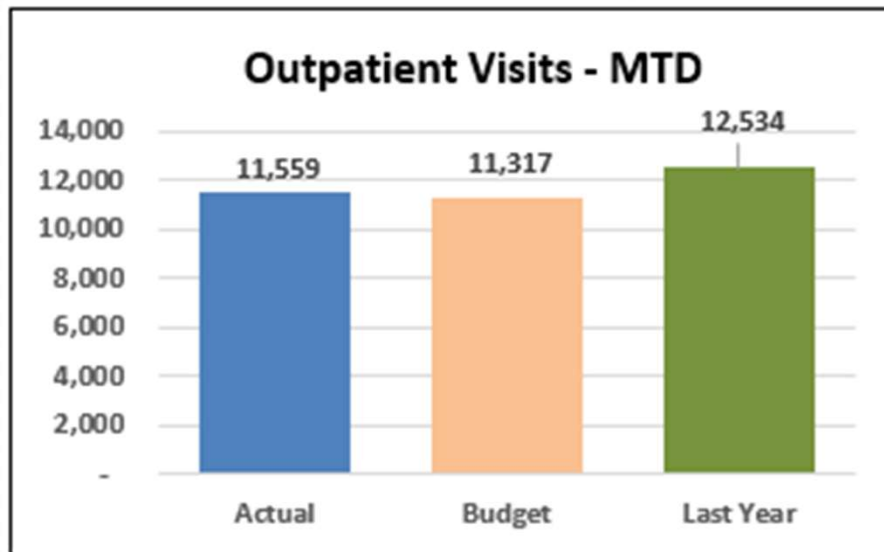


12-Month Patient Days vs Discharges
12-Month Rolling + PY Comparison



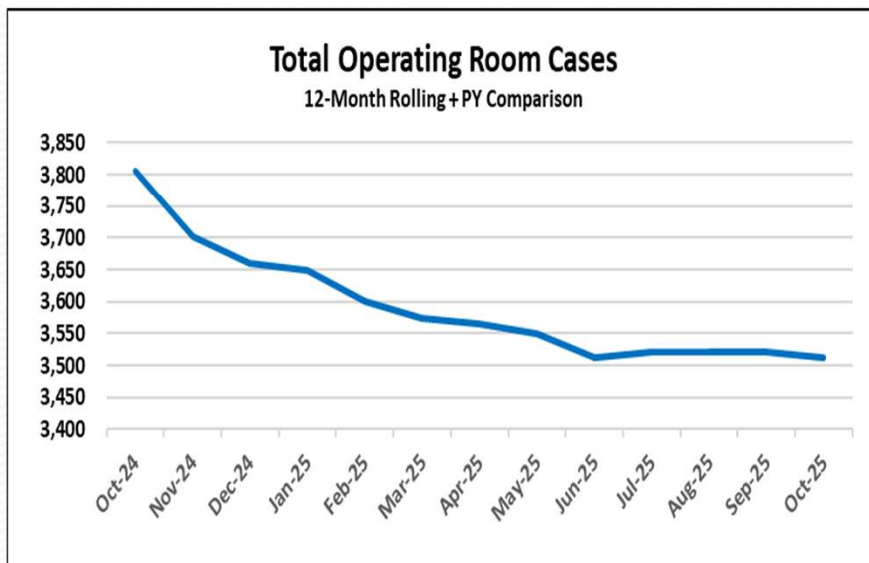
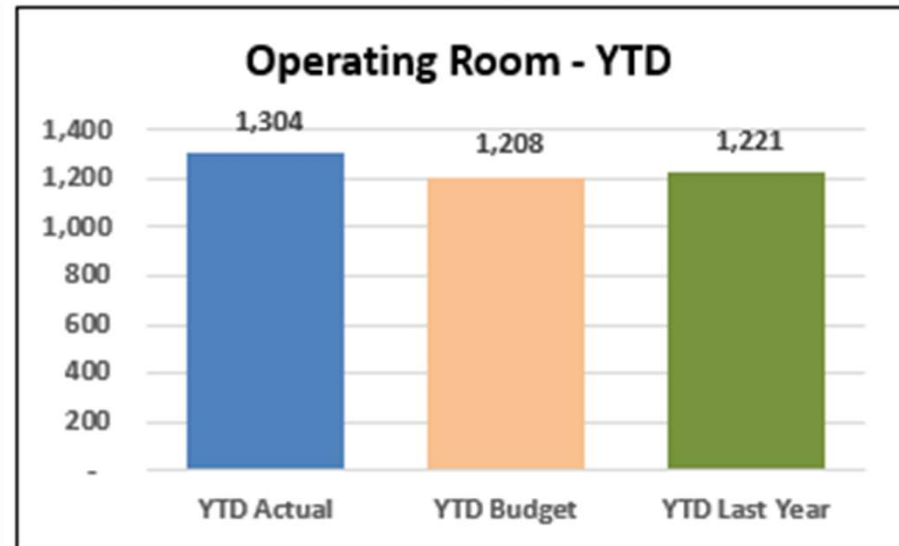
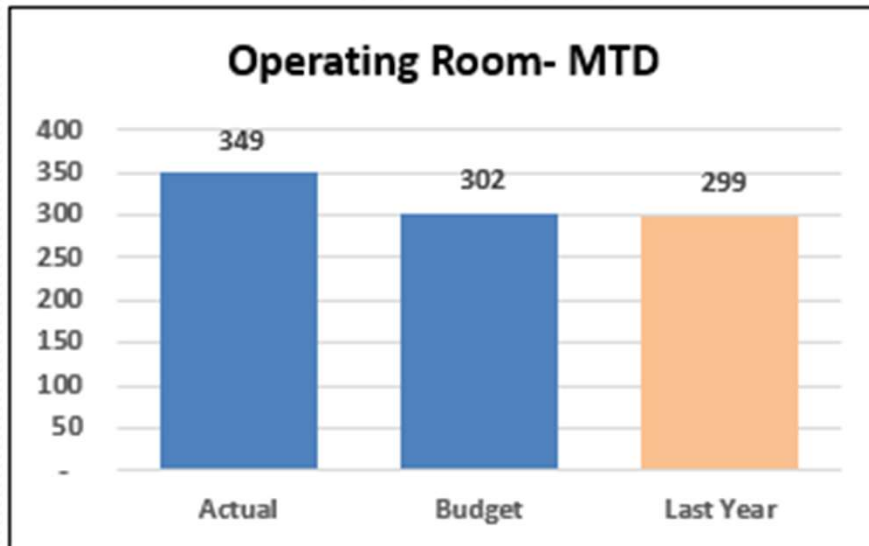
- October acute discharges were 43 below budget and 38 below prior year. This decline is due to a slight softening in inpatient admissions and shorter lengths of stay (lower acuity), despite an increase in overall adjusted patient days.

Outpatient Visits



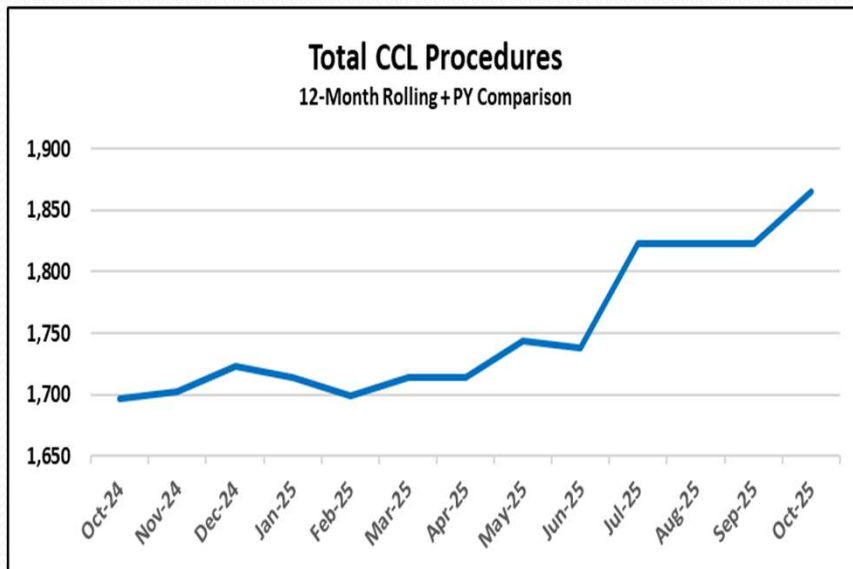
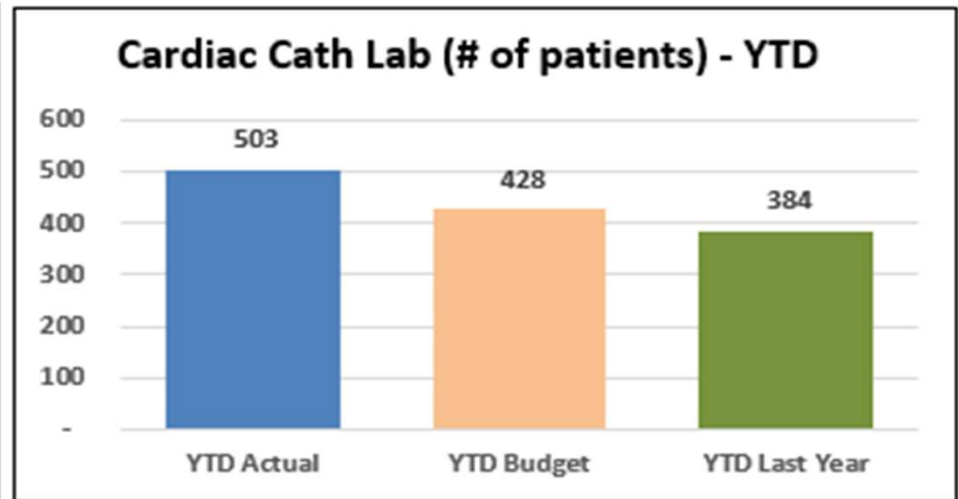
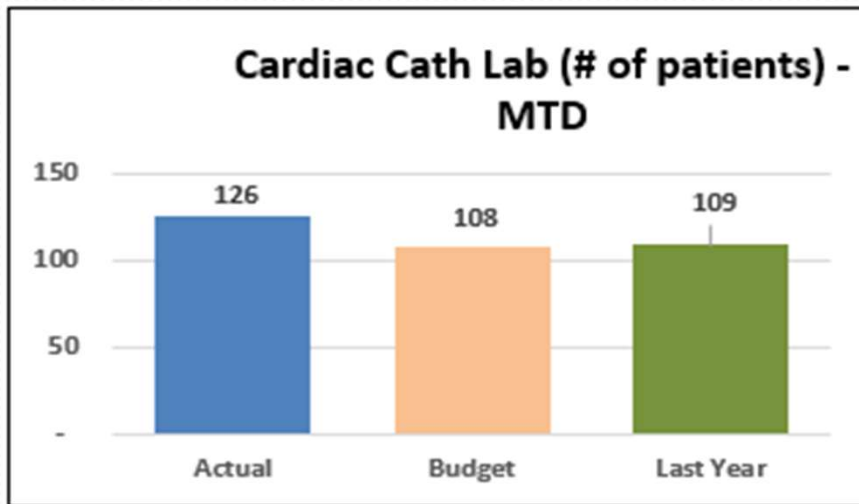
- October visits were up 242 compared to budget and down 975 compared to the prior year. The decline from the prior year was primarily driven by decreases of 394 visits in Cardiology and 264 visits in Oncology along with a decrease of 196 visits in lab.
- Outpatient visits are up 422 visits compared to the three-month run rate, primarily driven by increase of 185 visits in Rad Onc, 136 visits in Mammo and 61 visits in CT.

Operating Room



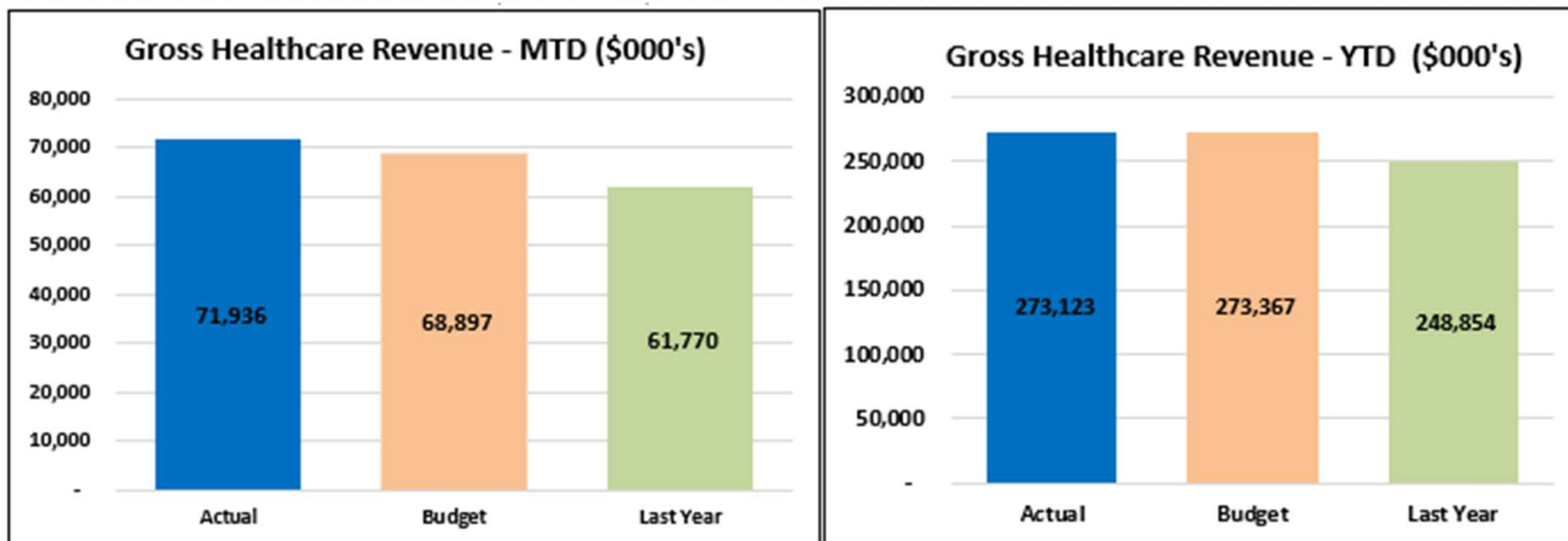
- Case volume increased 15.6% compared to budget and 16.7% compared to the prior year. The growth was primarily driven by increases of 14 cases in Gynecology, 13 cases in Urology, and P cases in Podiatry and 8 cases in both General and Obstetrics.
- When compared to the three-month run rate, total volume rose by 30 cases, driven mainly by 16 cases Gynecology, General Surgery with an increase of 12 cases, followed by an 11-case increase in ENT.

Cardiac Cath Lab



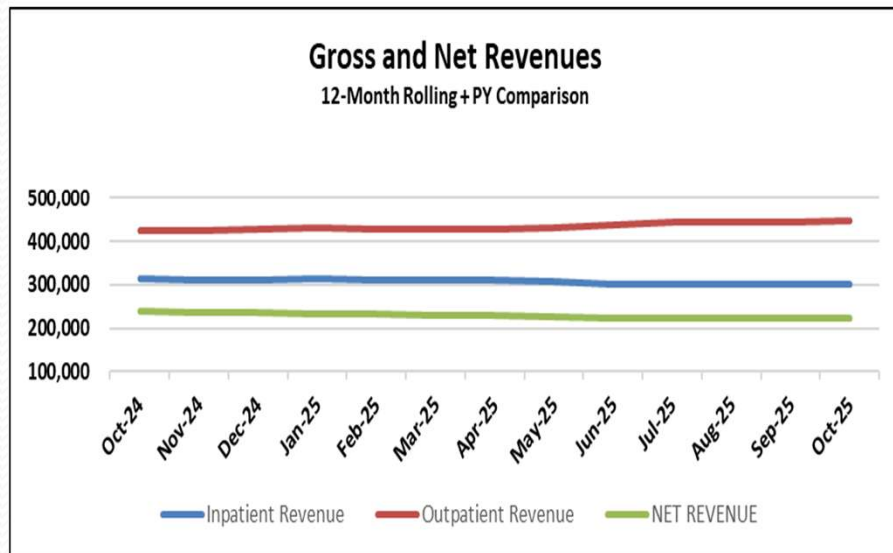
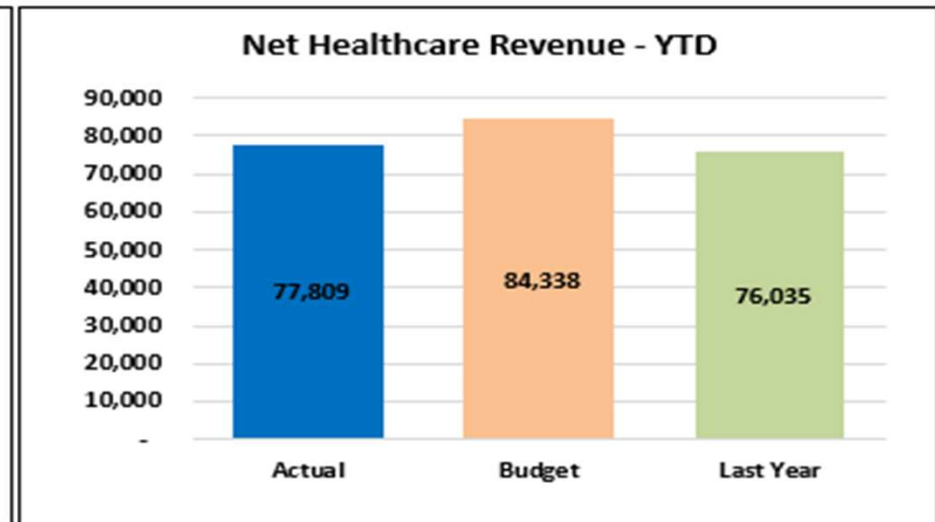
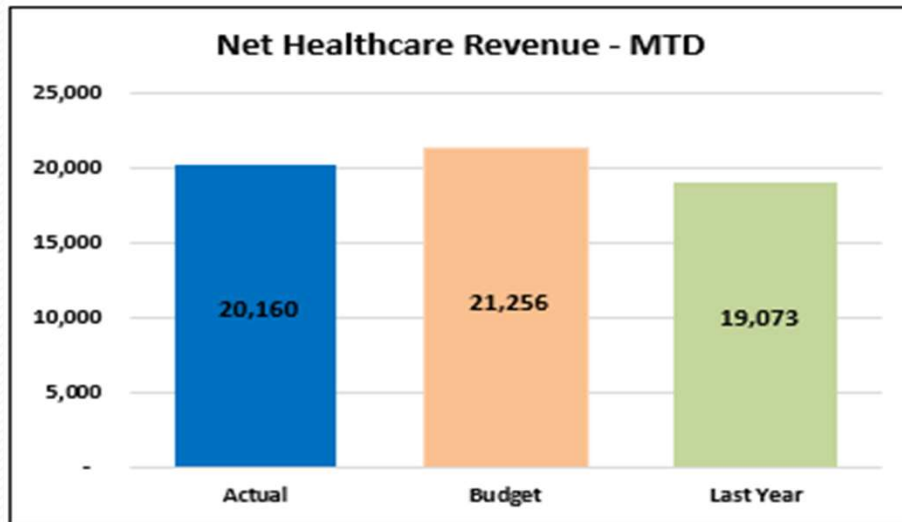
- Compared to budget Cath cases increased by 18 cases and increased by 50 cases to prior year.
- On a rolling basis cases are up 169 compared to October 2024.

Gross Healthcare Revenue



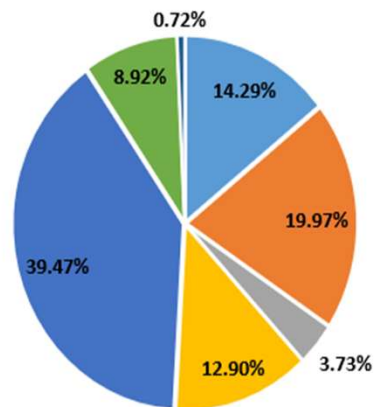
- Total gross patient revenue for October was \$71.9M, exceeding budget by \$3.0M (4.4%) and prior year by \$10.2M (16.5%).
- Inpatient revenue: \$26.6M, unfavorable to budget by \$1.8M (6.4%).
- Outpatient revenue: \$45.3M, \$4.9M (12%) above budget, reflecting sustained surgical growth.
- Net Healthcare Revenue: \$20.2M, \$1.1M below budget, primarily due to higher deductions and bad debt adjustments.
- Net-to-Gross ratio: 31.0%, slightly below the budgeted 31.3%.

Net Healthcare Revenue



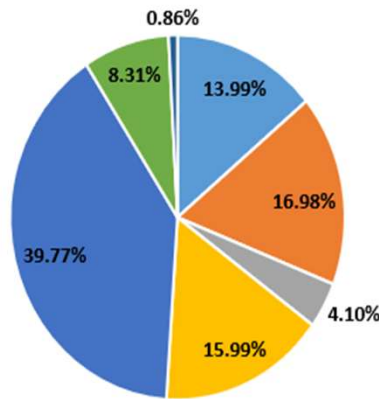
- Overall, Net Healthcare Revenue was \$20.2M, down \$1.1M to budget and up \$1.1M to prior year.

Payor Mix



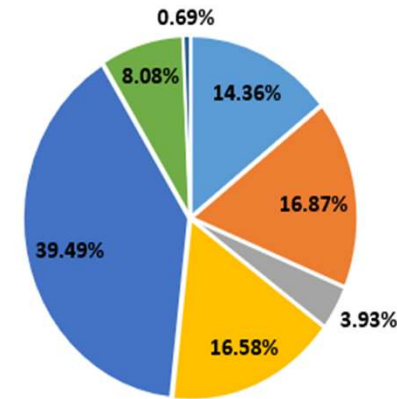
**Total Payor Mix
Oct FY25**

- Commercial
- Medicaid Capitated
- Medicaid Non-Cap
- Medicare Advantage
- Medicare Basic
- Other Payers
- Self Pay



**Total Payor Mix
FY25**

- Commercial
- Medicaid Capitated
- Medicaid Non-Cap
- Medicare Advantage
- Medicare Basic
- Other Payers
- Self Pay



**Total Payor Mix
FY24**

- Commercial
- Medicaid Capitated
- Medicaid Non-Cap
- Medicare Advantage
- Medicare Basic
- Other Payers
- Self Pay

- Overall, gross charges increased by \$4.9M compared to the prior three-month run rate. Commercial charges dropped 0.49%, but still generated a \$367K increase. Total Medicaid increased 2.7%, resulting in a \$3M increase in gross charges while total Medicare decreased 1.6% but still generated a \$1.5M increase in gross charges versus the three-month run rate.
- Commercial payor mix sits at 14.29% in October.
 - FY22: 16.40%
 - FY23: 15.91%
 - FY24: 14.36%
 - FY25: 13.99%.

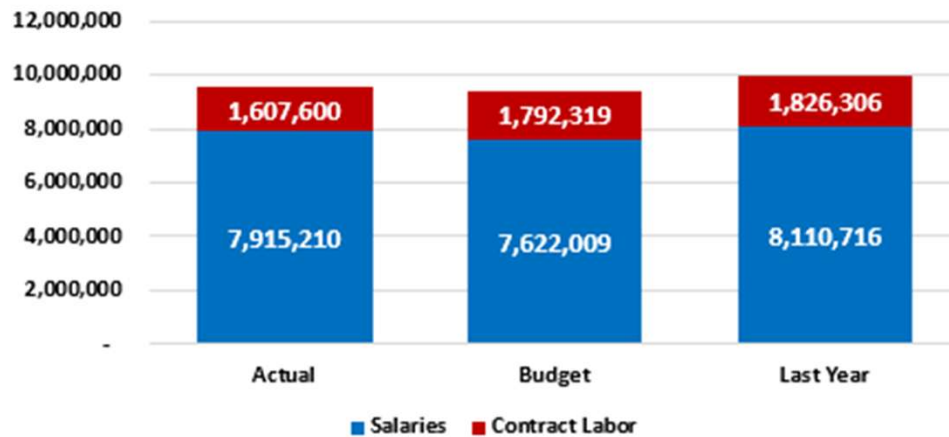
Operating Income

Bay Area Hospital										
Consolidated Income Statement - October 2025										
in '000	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
Gross Patient Revenue	71,936	68,897	3,038	61,770	10,166	273,123	273,367	(245)	248,854	24,268
Total Deductions	51,776	48,776	(3,000)	42,696	(9,080)	195,314	193,569	(1,745)	172,819	(22,495)
Net Healthcare Revenue	20,160	20,121	39	19,073	1,086	77,809	79,799	(1,990)	76,035	1,773
Other Oper Revenue	2,111	1,466	(620)	1,222	(750)	8,035	5,862	(2,382)	5,698	(2,313)
Total Net Revenue	22,271	21,587	684	20,295	1,976	85,844	85,661	(4,372)	81,733	(540)
Salaries/ Wages & Benefits	10,212	9,770	(442)	10,651	439	42,842	38,008	(4,834)	40,616	(2,226)
Contract Labor	1,608	1,792	185	1,826	219	6,524	7,716	1,191	7,887	1,363
Depreciation	709	724	14	923	214	2,933	2,954	21	3,744	811
Other Expense	10,038	9,353	(685)	9,384	(654)	38,267	32,881	(5,386)	36,168	(2,099)
Total Operating Expenses	22,567	21,639	(928)	22,785	218	90,566	81,558	(9,008)	88,415	(2,151)
Net Operating Income	(297)	(52)	(244)	(2,490)	2,193	(4,722)	4,103	(13,380)	(6,682)	(2,691)
Non Operating Income/(Loss)	(134)	(284)	150	(260)	126	(480)	(1,137)	657	1,326	(1,806)
Net Income	(431)	(337)	(94)	(2,749)	2,319	(5,202)	2,966	(12,723)	(5,355)	(4,497)
Net To Gross	31.0%	31.3%	-0.4%	32.9%	-1.9%	31.4%	31.3%	0.1%	32.8%	-1.4%
Operating EBITDA	413	671	(259)	(1,566)	1,979	(1,789)	7,056	(8,846)	(2,938)	1,148
Operating EBITDA %	1.9%	3.1%	-1.3%	-7.7%	9.6%	-2.1%	8.2%	-10.3%	-3.6%	1.5%
EBITDA	551	712	(161)	(1,650)	2,201	(1,166)	7,219	(8,385)	(907)	(258)
EBITDA %	2.5%	3.3%	-0.8%	-8.1%	10.6%	-1.4%	8.4%	-9.8%	-1.1%	-0.2%

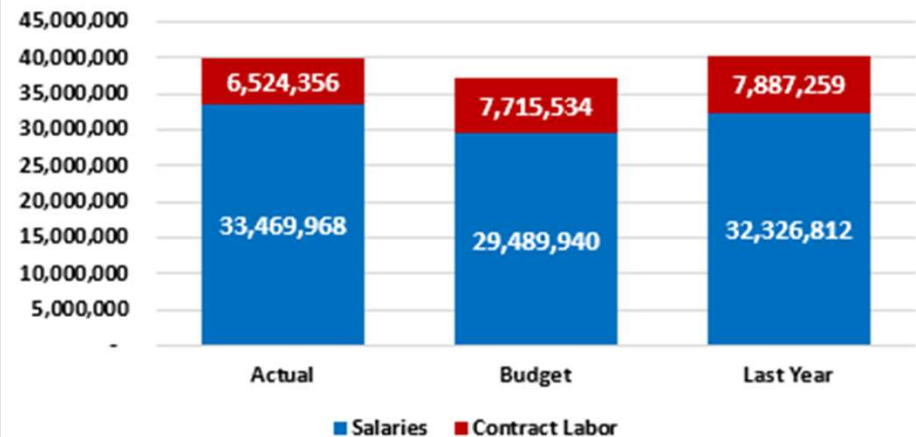
- Net Operating Income: (\$297K) vs (\$52K) budget
- Operating Margin: -1.3% vs -0.2% budget
- Net Income: (\$431K) vs (\$337K) budget
- Total Operating Expenses: \$22.55M, unfavorable \$928K to budget
- Labor Costs: \$442K unfavorable (Salaries + Benefits)
- Contract Labor: \$185K favorable
- Paid FTEs: 860 vs 870 budget (-1.2%)
- Discharges: 602 vs 586 budget (+2.8%)
- ALOS: 3.43 vs 4.38 budget

Salary/Contract Labor

Salaries and Contract Labor - MTD

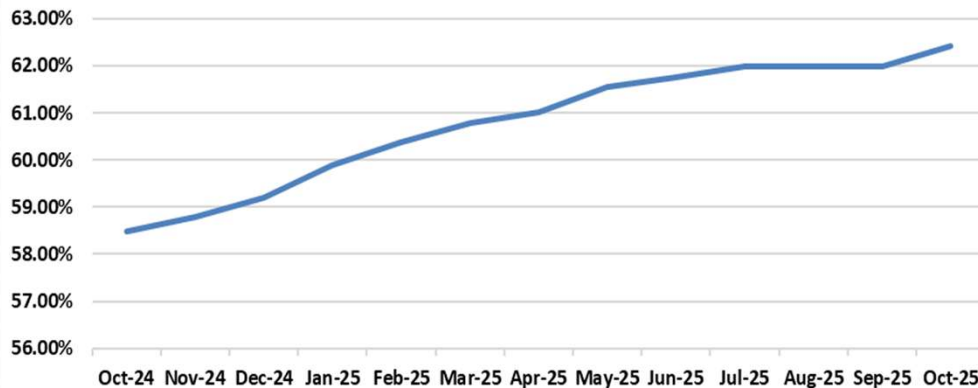


Salaries and Contract Labor - YTD



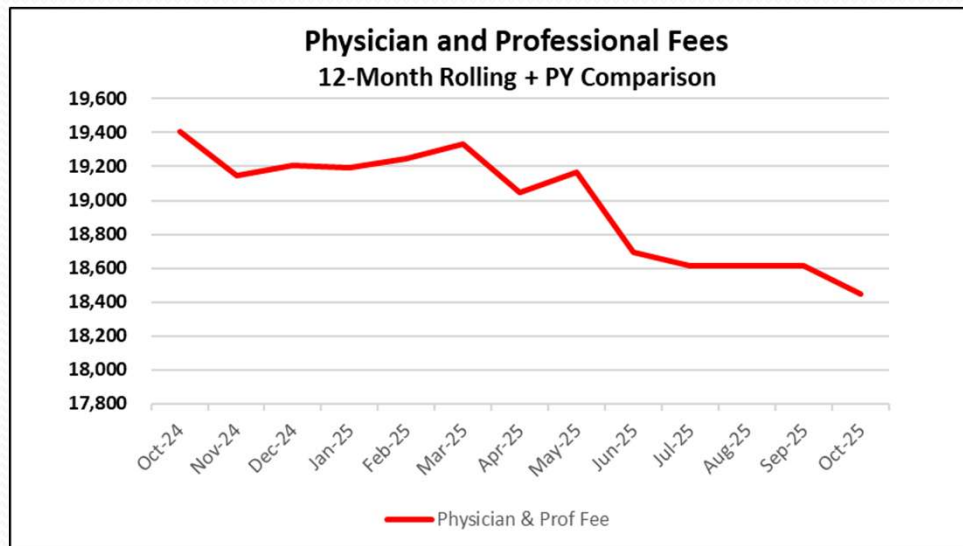
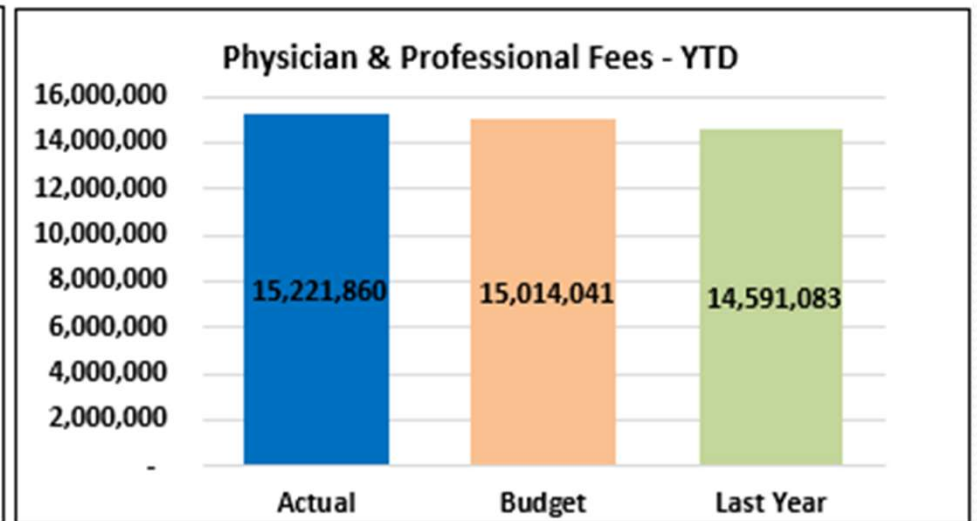
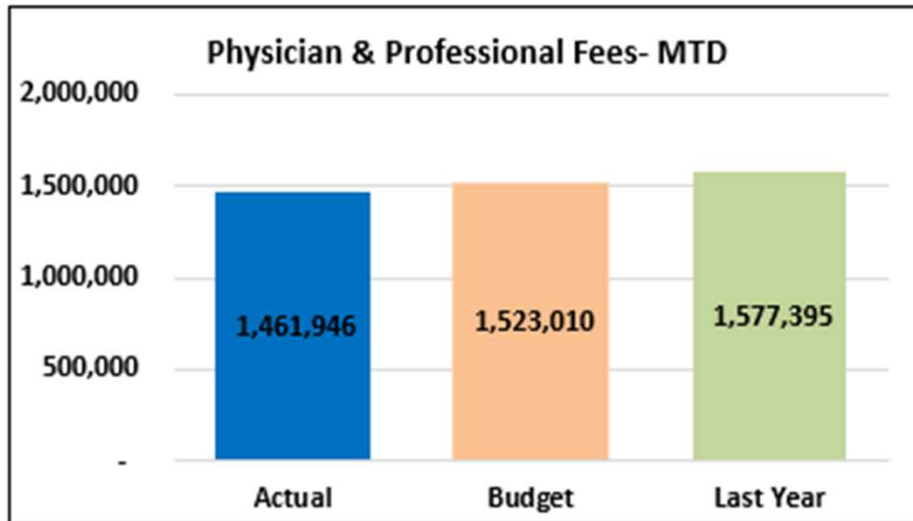
Salaries, Wages, Benefits + Contract Labor as % of Net Revenue

12-Month Rolling + PY Comparison



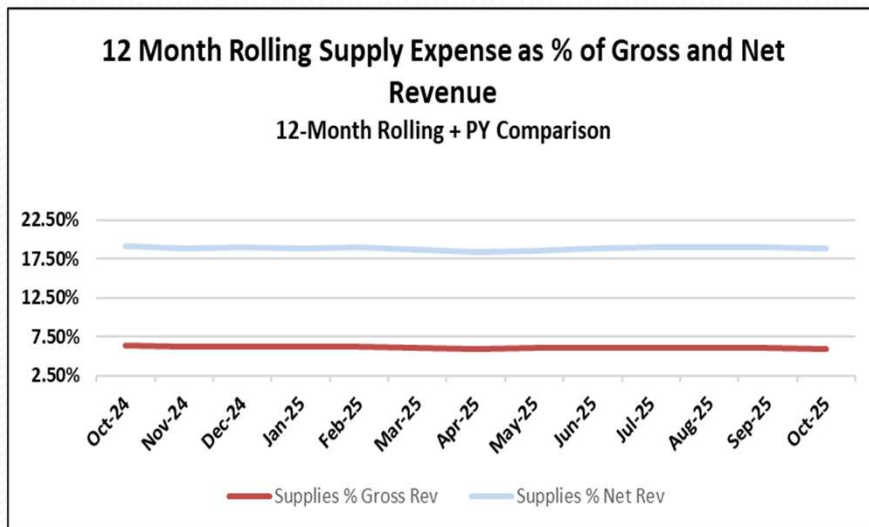
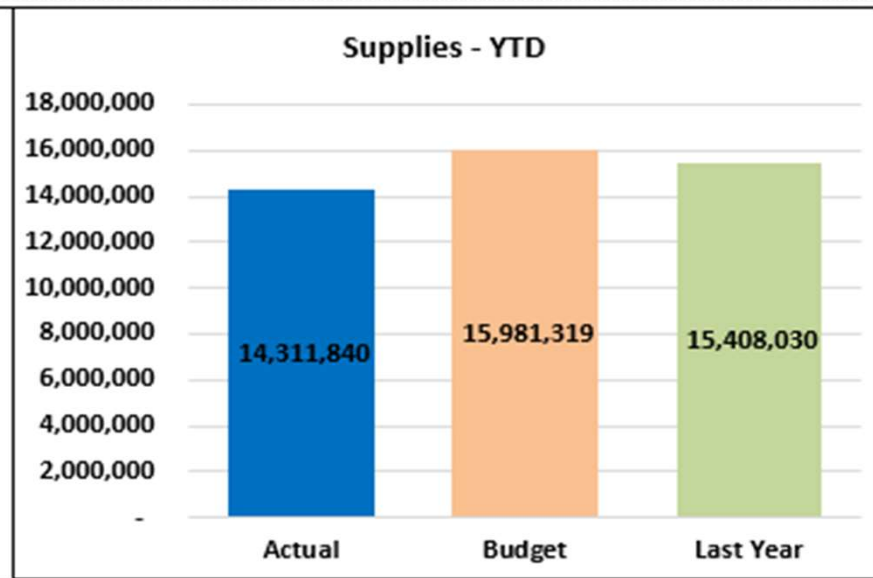
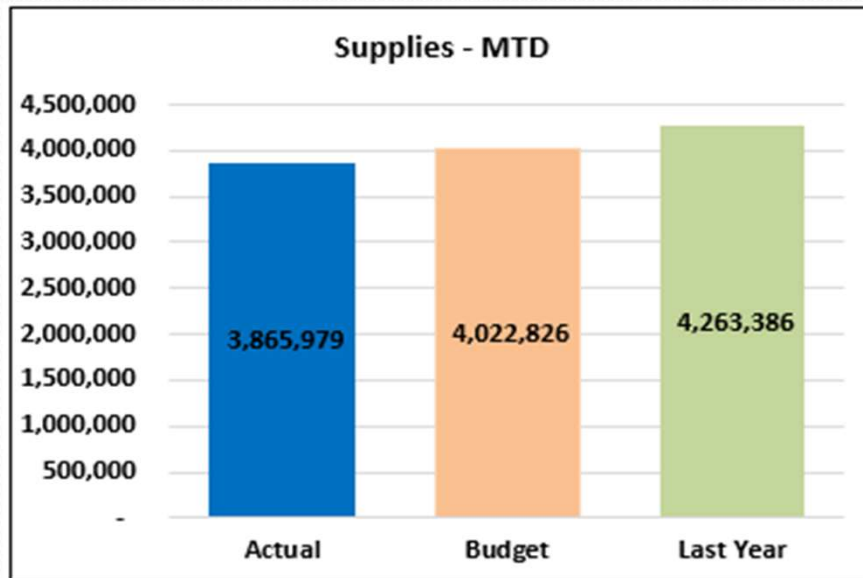
- Month-to-date salaries were 3.8% unfavorable to budget but 2.4% favorable to the prior year, primarily due to residual severance expenses from the recent reduction in force. Contract labor was 10.3% favorable to budget and 12% favorable to prior year, reflecting the successful transition of contract labor to employed staff. The rolling 12-month Salaries, Wages & Benefits plus Contract Labor (SWB+C) trend continues an upward trajectory, driven by market rate adjustments, annual pay increases, and severance-related costs.

Physician & Professional Fees



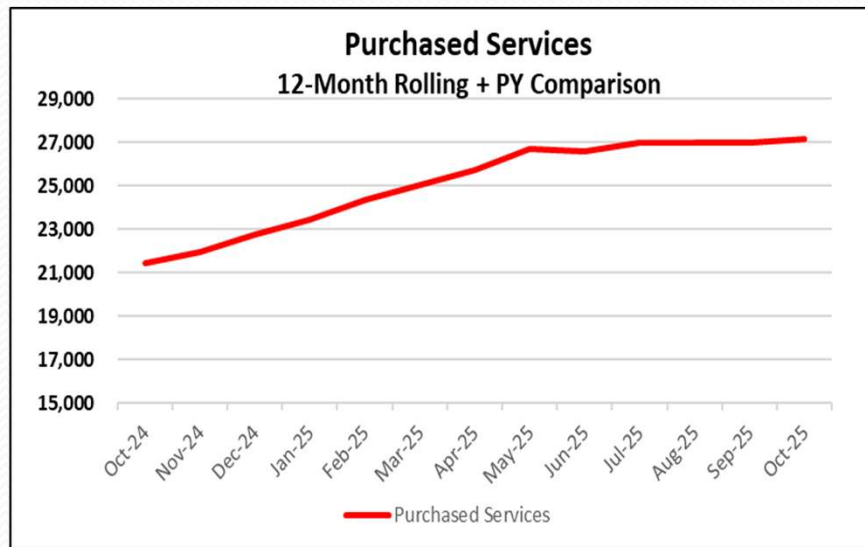
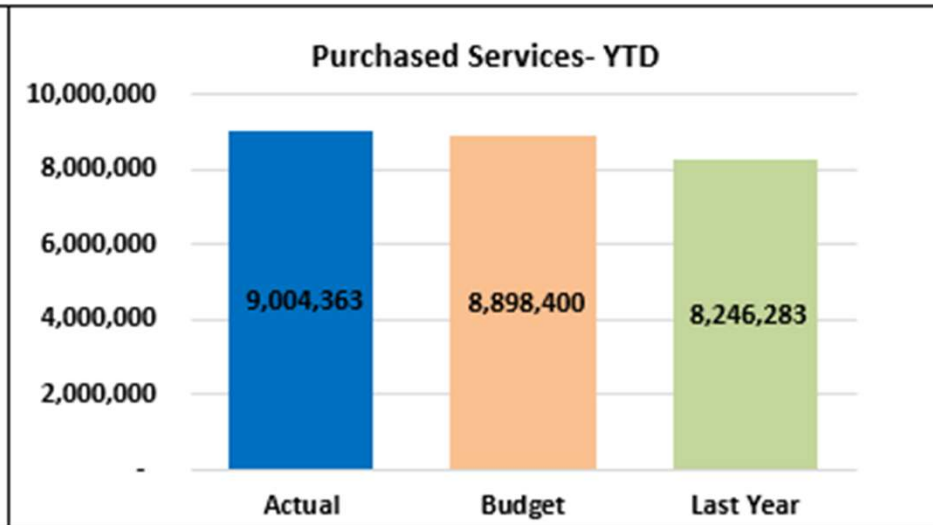
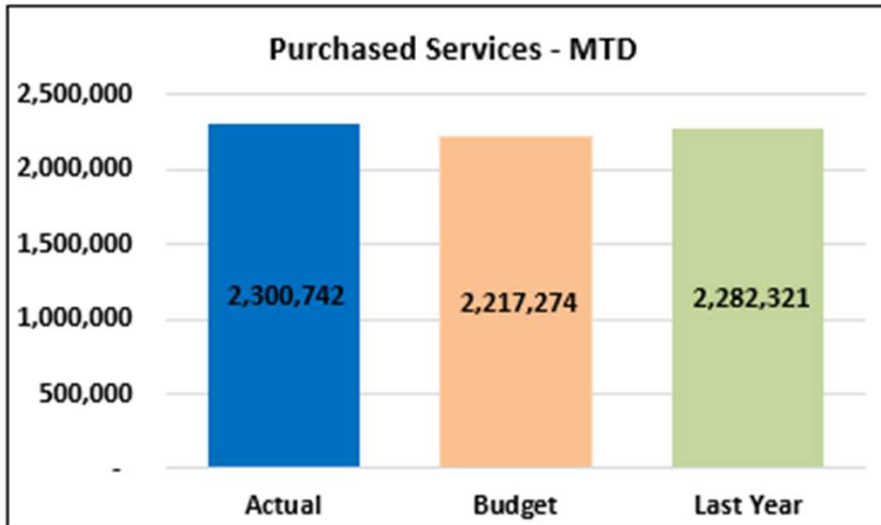
- MTD Phys & Profees are down 4% to budget and 7.3% to prior year.
- The decline reflects continued progress with the Financial Sustainability Project, aimed at cutting costs and improving efficiency across departments.

Supplies



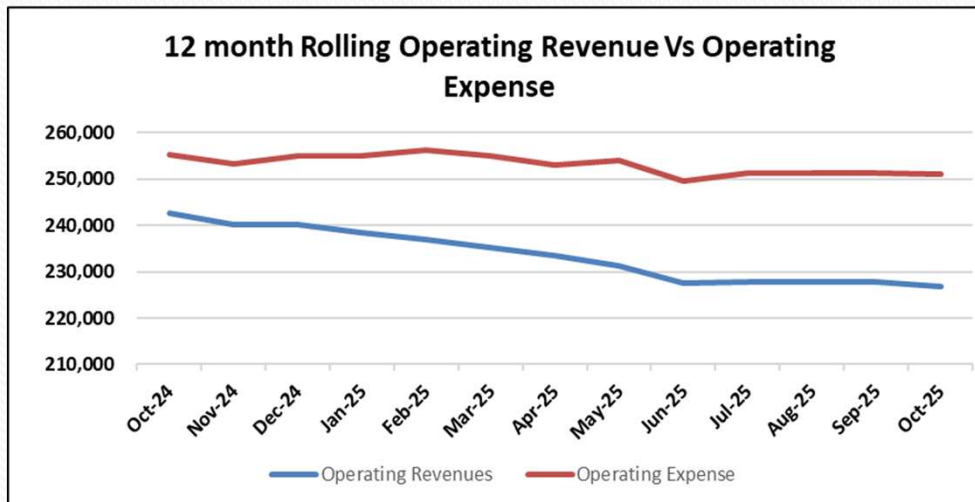
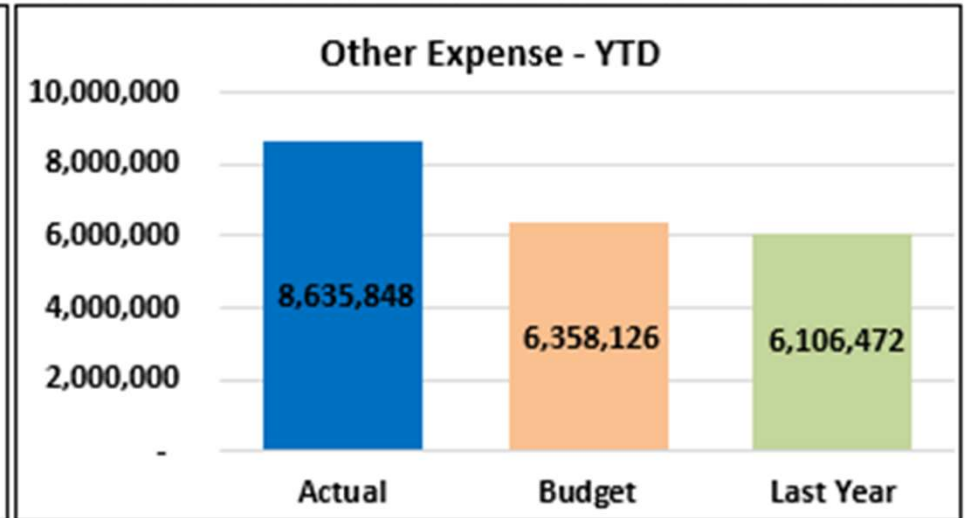
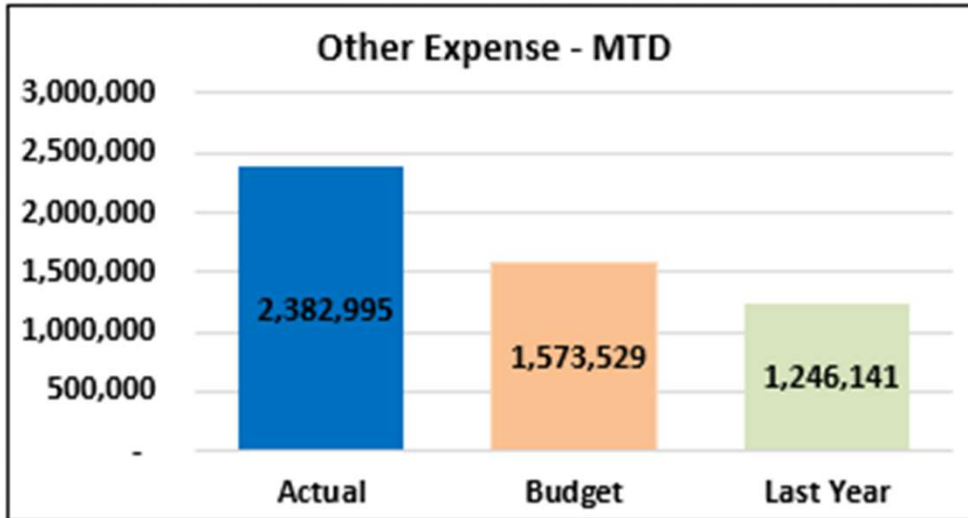
- MTD Supplies are down 3.9% to budget and down 9.3% to prior year. As a percentage of Net Revenue, supplies are down 0.4% to budget and down to prior year by 4.7%.

Purchased Services



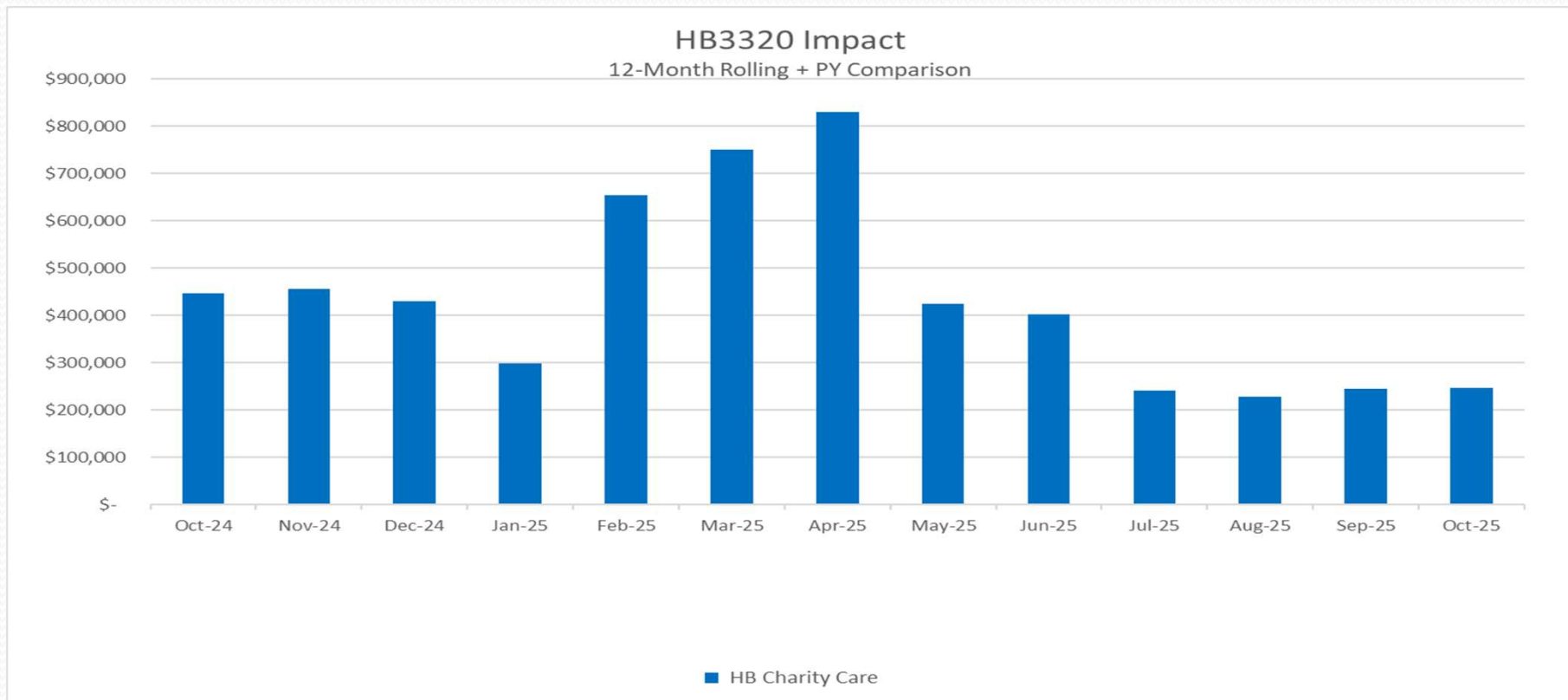
- Month-to-date (MTD) Purchased Services are 3.8% above budget and 0.8% higher than the prior year. The variance from prior year reflects a slight increase in Revenue Cycle support, consistent with the growth in patient revenues.

Other Operating Expense



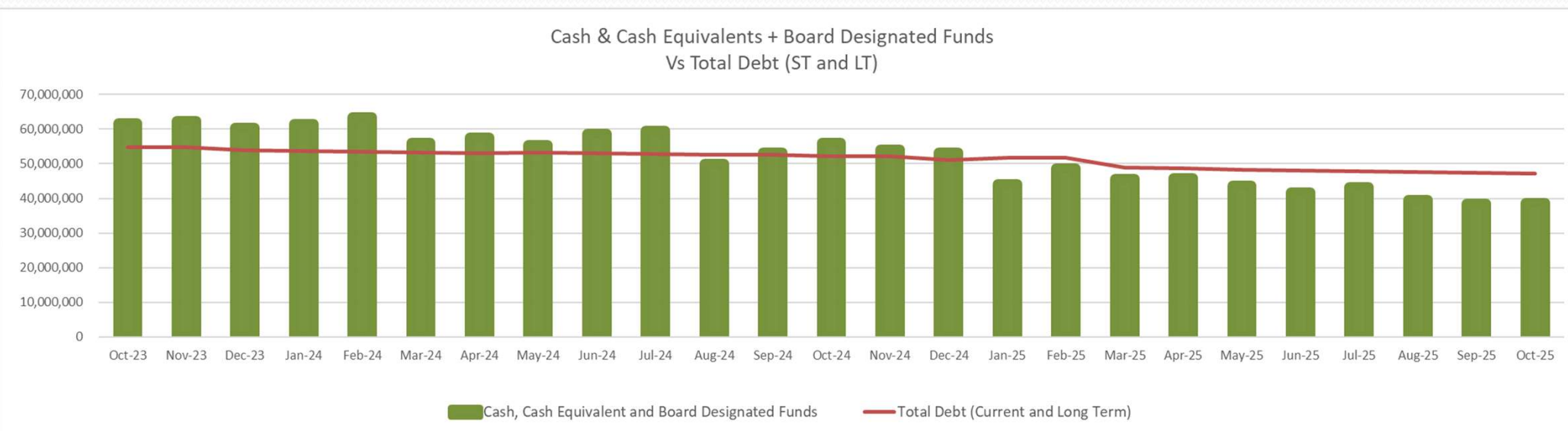
- Other Operating Expenses increased \$800K compared to budget and \$1.1M to prior year.
- Increase primarily driven by change in Provider Tax calculations. New rates of 7.73% for IP and 10.54% for OP compared to prior year flat rate of 6%.

Presumptive Charity (HB3320)



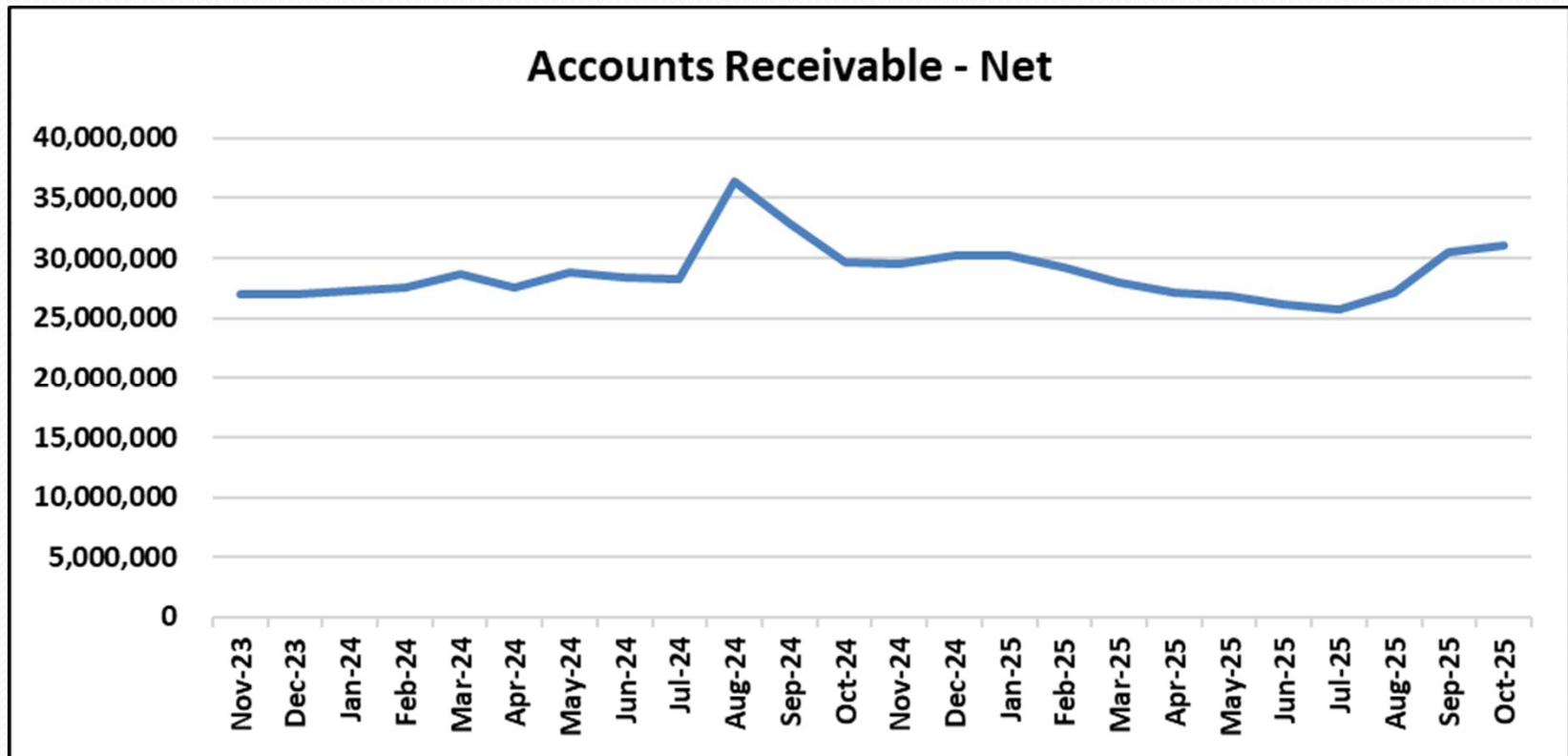
- October reflected a slight increase of 3.04% over the previous 3 month run rate.
- The estimated annual impact for FY26 is \$2.8 million, reflecting a projected decrease of \$2.1 million from the prior year due to changes in the qualification process. This adjustment includes the addition of a dedicated employee responsible for conducting eligibility screenings.

Cash/Investments and Total Debt

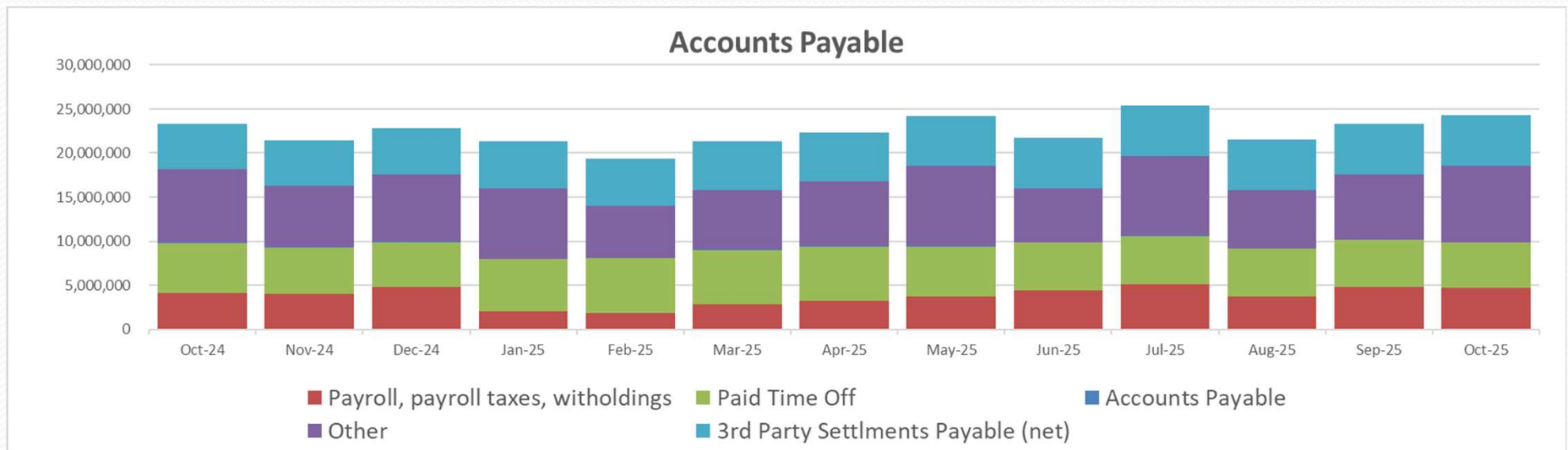


- Total cash & cash equivalent + board designated funds (BDF) was \$38.6M a \$17.4M decrease from prior year and \$1.8M decrease to 3 month run rate. Total outstanding debt is \$47.2 million, consisting of a \$45 million bank loan and the remainder in capitalized leases and subscription liabilities.
- Current Ratio is 2.28
- Debt to Capitalization is 43.6%, up 5.09% to prior year.
- Days Cash on Hand is 55 days. No change from prior month.

Accounts Receivable



Current Liabilities



- October liabilities \$33M
- Increase of \$2.6 compared to the 3-month run rate
 - +\$1.7M in Accounts Payable — due to vendor payment timing
 - +\$1.1M in Other — driven by higher accruals and true-ups
 - -\$147K in Payroll/PTO — reflecting timing of payroll and time-off payouts
 - No change in 3rd Party Settlements Payable (net) — reflecting timing of settlement adjustments

Bay Area Hospital
Statement of Cash Flows
October 2025

	<u>Current Month</u>	<u>Year to Date</u>
Cash flows from operating activities:		
Excess of revenues over expenses	(430,565)	(5,202,016)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	709,411	2,932,766
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	(632,251)	(4,997,105)
Inventory of supplies	(97,375)	(129,624)
Other current assets	(2,020,992)	1,260,527
Net Pension Asset and Liability	0	0
Other non current assets	0	0
Accounts Payable	1,673,307	1,183,467
Estimated 3rd Party Settlements	0	75,000
Other current liabilities	997,719	2,576,936
Other noncurrent liabilities	0	0
Deferred Revenue	0	0
Net cash provided by operating activities	<u>199,254</u>	<u>(2,300,047)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(3,100)	(160,606)
Change in Value of Investments	(124,007)	(493,664)
Transfer Investments to Cash		0
Net cash provided by investing activities	<u>(127,107)</u>	<u>(654,270)</u>
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources/Interfund	(186)	(522)
Debt/Subscription Principle Payments	(186,713)	(732,231)
Increase in Capital Lease Obligations		0
Business Asset Disposal Gain/Loss		0
Net cash provided by financing activities	<u>(186,899)</u>	<u>(732,752)</u>
Net increase (decrease) in cash	<u>(114,751)</u>	<u>(3,687,070)</u>
Beginning Cash Balance	<u>5,815,947</u>	<u>9,388,266</u>
Ending Cash Balance	<u><u>5,701,196</u></u>	<u><u>5,701,196</u></u>

Finance Committee

REVENUE CYCLE

NOVEMBER 2025

Financial Performance

October's cash collections closed at \$19.6 ML

- **\$1.3 ML improvement vs. prior month**
- **Largest collection month since February 2025**
- **Several cash improvement actions in progress:** workflow adjustments to reduce causes contributing to unresolved AR, write-off reviews to reduce adjustments as a percent of net revenue from 4% to 1%, continued reduction of pre-AR from seven days to two days, and revised escalation protocols to maintain surgical log stability.

Operational Highlights

Patient Financial Clearance

Insurance Verification Rate: 96% (meeting target), maintaining consistent performance, supporting accurate net revenue and patient financial experience.

Authorization Rate: Savista financially cleared departments are at 97% clearance rate (goal of 95%). Currently reviewing departments who have not transitioned this work to Savista for further centralization.

Pre-Bill Performance and Coding

Charge Lag Days: 120-day upward trend away from 3-day target (21.5 days). This spike is due to several tickets being resolved where charges could not post due to IT set-up issues. Charge lag has trended down to 8 days for November

Discharged Not Final Billed (DNFB): Stayed consistent from previous month at 5.4 days. Collaborative work with departments to resolve missing documentation and support for charge input. Coding escalation processes have been put into place to engage department directors to work with providers on delinquent documentation.

Accounts Receivable

Receivable Aging: Aged hospital insurance AR fell from 18.4 % in September to 17.1% in October. PB insurance AR saw an increase from 26% in September to 29% in October, which is primarily due to charge entry clean-up.

Denial Rates:

- *Hospital:* 9.4% overall denial rate (Epic top quartile: 9.7%)
- *Physician:* 9.0% initial denial rate (Epic top quartile: 6.7%)

Clinical Documentation Integrity

Strong physician agreement rate with queries at 92% (goal of 90%) This helps support accurate DRG assignment and revenue.

November Focus

Analyze preventable and non-preventable write-offs and execute actions to mitigate net revenue loss.

Review of PB and HB charge capture by Savista to identify areas of missed revenue opportunity.

Continued execution of PB pre-AR reduction to drive continued decreases in outstanding PB receivables

Continue adherence to escalation protocols for missing documentation and outstanding tickets to reduce Discharged Not Final Billed (DNFB) inventory to improve cashflow.

Account escalations put into place to properly and timely execute on account collection.

Review departments for Savista FCC consolidation of work.

Review Epic functionality efficiency opportunities with IT to ensure the system is optimized.

Recruit for onsite Savista representative.

Bay Area Hospital

Accounts Receivable Reserves Trend - October 2025

	2024	2024	2024	2024	2024	2024	2024	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	JUN-Audited	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	June - Prelim	JUL	AUG	SEP	OCT
Gross Accounts Receivable	72,023,528	81,246,343	86,052,486	81,084,656	71,429,050	70,875,603	64,774,618	63,241,779	57,984,659	58,666,428	55,711,176	53,896,384	56,483,284	54,093,305	55,553,849	53,977,231	57,044,874
Allowances (ALL)	(42,739,413)	(52,330,006)	(50,588,600)	(48,231,855)	(41,436,583)	(41,354,346)	(34,589,406)	(32,994,981)	(28,769,962)	(30,104,696)	(27,895,165)	(26,581,198)	(33,863,152)	(28,129,959)	(28,241,549)	(26,107,341)	(29,297,141)
Net Accounts Receivable	29,284,115	28,916,338	35,463,885	32,852,801	29,992,467	29,521,257	30,185,212	30,246,798	29,214,696	28,561,733	27,816,011	27,315,186	22,620,131	25,963,346	27,312,300	27,869,890	27,747,733
Accounts Receivable Net to Gross	40.7%	35.6%	41.2%	40.5%	42.0%	41.7%	46.6%	47.8%	50.4%	48.7%	49.9%	50.7%	40.0%	48.0%	49.2%	51.6%	48.6%

Bay Area Hospital
Revenue Cycle Scorecard

	Industry Bench- marks	Jun-24	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	Sep-25	Oct-25	FY23 Year End Actual	FY24 YTD Actual	FY25 YTD Actual	FY26 YTD Actual
Charges		55,009,948	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	59,325,478	66,972,953	64,417,695	68,642,753	70,525,638	577,661,143	702,923,452	735,502,879	270,559,039
Net Pt Revenue		19,680,032	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	21,589,433	20,159,638	205,462,867	239,746,746	235,739,474	82,857,956
Provider Tax		1,016,438	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	2,334,842	1,767,538	10,898,689	13,038,230	12,719,048	6,816,864
Net Pt Rev less Provider Tax		18,663,594	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	19,254,591	20,159,638	194,564,178	226,708,516	223,020,425	77,808,630
Cash Collected		17,042,266	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	18,324,123	19,646,451	196,654,713	215,172,426	223,206,398	74,871,835
Ave Age of Cash Collected																						
Net to Gross		35.8%	36.0%	33.2%	30.3%	31.8%	30.5%	33.0%	31.0%	33.3%	32.8%	30.4%	32.9%	30.0%	30.3%	32.3%	31.5%	28.6%	35.57%	34.1%	32.1%	30.6%
Net to Gross w/o provider tax		33.93%	34.27%	31.21%	28.24%	30.28%	28.86%	31.31%	29.29%	31.49%	31.03%	28.80%	31.11%	28.52%	28.30%	30.18%	28.05%	28.58%	33.68%	32.25%	30.32%	28.76%
Net Collections	86-100%	91.3%	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%	95.2%	97.5%	101.07%	94.9%	100.1%	96.2%
Net Collections-90day	95-98%	89.1%	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%	96.2%	98.3%	101.0%	101.07%	94.9%	100.1%	96.2%
AR Balance		64,535,044	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	50,619,389	52,932,268	58,337,069	64,535,044	50,927,142	52,932,268
Epic AR 90days+		15,191,837	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	11,043,957	12,021,461	12,226,248	15,191,837	12,750,993	12,021,461
% AR 90+Days	15-30%	23.5%	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%	21.8%	22.7%	21.0%	23.5%	25.0%	22.7%
HB DNFB Days	3.00	7.90	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	5.30	5.40	7.2	7.90	6.90	5.40
EB AR Days	30-60	33.10	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	23.40	23.90	34.9	33.10	25.40	23.90
Pre-Service Cash Collection	5-35%	12.5%	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%	8.7%	10.2%	6.3%	13.7%	7.5%	10.2%
Registration Collection		92,844	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	117,275	115,994	63,655	1,209,828	637,899	437,184
HB Clean Claims	90-95%	81.0%	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%	78.0%	77.0%	75.8%	79.3%	75.00%	77.00%
PB Clean Claim	90-95%	26.0%	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%	27.0%	22.0%	37.7%	22.7%	25.00%	22.00%
HB Overall Denial	5-10%	7.6%	9.4%	8.0%	8.3%	8.0%	9.1%	9.1%	10.3%	12.5%	12.7%	10.0%	10.1%	9.7%	9.4%	9.7%	9.8%	12.0%	12.0%	10.3%	9.70%	9.80%
PB Overall Denial	5-10%	7.4%	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%	9.9%	9.0%	11.4%	8.3%	21.80%	9.00%
Case Mix Index		1.4677	1.4683	1.5640	1.5375	1.4333	1.4369	1.5418	1.4300	1.4575	1.4937	1.5063	1.4852	1.4269	1.4820	1.4469	1.4781	1.4390				
HB Charges on time	98%	97.0%	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%	92.0%	95.0%	95.6%	96.5%	94.7%	94.0%
Cash Aging Buckets (age of account when cash was collected)-Does not include CCO capitated payments																						
<90		15,587,352	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	15,695,156	16,647,411	17,291,422	16,663,065	17,815,658	151,866,499	194,849,733	202,516,945	68,417,557
90-119		479,919	687,397	556,433	512,846	682,921	569,463	674,098	376,731	993,332	428,539	709,228	417,126	335,359	597,455	664,147	709,067	776,612	5,921,231	5,832,541	6,943,475	2,747,282
120-179		580,898	484,789	639,348	748,177	896,315	388,404	608,446	705,681	180,631	693,691	463,475	342,908	427,030	750,735	310,026	347,677	363,925	6,324,303	5,534,260	7,208,894	1,772,364
180-269		257,335	111,701	13,351	444,651	696,867	125,408	325,095	277,696	1,018,518	165,721	159,280	192,816	120,760	263,255	153,211	141,445	336,154	5,545,254	3,176,123	3,651,862	894,065
270-364		50,218	138,940	31,028	59,619	205,286	132,114	198,282	131,769	261,688	288,983	78,963	175,738	52,225	47,376	82,505	115,896	168,588	2,648,997	1,478,021	1,754,635	414,365
365+		97,034	(10,563)	104,126	120,340	93,521	57,596	155,620	93,849	215,402	(99,033)	7,315	362,384	300,234	185,742	202,962	350,224	103,989	3,487,385	1,802,563	1,400,791	842,918
% of Cash Collected by Account Age Bucket																						
<90		91.41%	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%	92.45%	90.92%	91.06%	86.39%	91.62%	90.62%	91.12%
90-119		2.81%	3.87%	4.65%	2.27%	3.00%	3.32%	3.79%	1.94%	4.76%	2.30%	3.88%	2.17%	1.98%	3.23%	3.55%	3.87%	3.97%	3.37%	2.74%	3.11%	3.66%
120-179		3.41%	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%	1.66%	1.90%	1.86%	3.60%	2.60%	3.23%	2.36%
180-269		1.51%	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%	0.82%	0.77%	1.72%	3.15%	1.49%	1.63%	1.19%
270-364		0.29%	0.78%	0.26%	0.77%	1.11%	0.68%	0.90%	0.77%	1.11%	0.68%	1.25%	1.55%	0.43%	0.91%	0.31%	0.26%	0.44%	1.51%	0.69%	0.79%	0.55%
365+		0.57%	-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%	1.09%	1.91%	0.53%	1.98%	0.85%	0.63%	1.12%

Bay Area Hospital
Compliance Certification
as of Oct 2025

A&D. Income Available for Debt Service (Quarterly)

	TTM Dec-24	TTM Mar-25	Preliminary TTM Jun-25	TTM Sep-25	TTM Oct-25
Excess Revenue over Expenses	\$ (12,852,178)	\$ (19,099,626)	\$ (22,468,928)	\$ (24,634,463)	\$ (22,315,584)
Add:					
Interest Expense	\$ 2,225,235	\$ 2,139,060	\$ 2,354,563	\$ 2,658,261	\$ 2,754,273
Depreciation	\$ 11,416,116	\$ 10,919,991	\$ 10,199,790	\$ 9,602,394	\$ 9,388,360
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on extinguishment of debt	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on discontinued operations	\$ -	\$ -	\$ -	\$ -	\$ -
Adj. to value of assets or liabilities (accounting adjustments)	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized (Gains) or Loss on marketable securities	\$ (2,260,096)	\$ (3,192,340)	\$ (3,175,478)	\$ (1,690,095)	\$ (2,592,624)
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,916,405	\$ -	\$ -	\$ -	\$ -
(D.1) Income Available for Debt Service	\$ 445,482	\$ (9,232,915)	\$ (13,090,053)	\$ (14,063,902)	\$ (12,765,575)
(A.2) Debt Service Requirements (MADS)	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 4,742,230	\$ 4,742,230
(A.3) Ratio of Line D.1 to Line A.2	0.11	(2.36)	(3.35)	(2.97)	(2.69)
(D.2) Line D.1 must not be less than	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
(D.3) Borrower is in Compliance (Yes/No)	No	No	No	No	No

B.1 Days Cash on Hand (Monthly)

Cash & Equivalents	\$ 10,298,563	\$ 9,093,507	\$ 9,388,266	\$ 5,815,947	\$ 5,701,196
Add: Marketable Securities/Board designated Funds	\$ 42,849,887	\$ 36,542,696	\$ 32,402,288	\$ 32,771,945	\$ 32,895,952
Less: Trustee Held funds	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on short term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Proceeds from A/R factoring	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Collateral Posting for Interest Rate Agreements	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on Put Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Cash & Equivalents	\$ 53,148,450	\$ 45,636,202	\$ 41,790,553	\$ 38,587,892	\$ 38,597,148

B.2 Cash Operating Expenses

Total Operating Expenses	\$ 261,584,751	\$ 264,882,179	\$ 262,527,728	\$ 264,896,753	\$ 264,679,196
Add: Interest Expenses	\$ 2,225,235	\$ 2,139,060	\$ 2,354,563	\$ 2,658,261	\$ 2,754,273
Less: Depreciation & Amortization	\$ 11,416,116	\$ 10,919,991	\$ 10,199,790	\$ 9,602,394	\$ 9,388,360
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Operating Expenses	\$ 252,393,870	\$ 256,101,248	\$ 254,682,501	\$ 257,952,621	\$ 258,045,109

B.3 Line B2 divided by 365

\$ 691,490	\$ 701,647	\$ 697,760	\$ 706,720	\$ 706,973
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B.4 Ratio of Line B.1 to Line B3

77	65	60	55	55
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B.5 Line B.4 must not be less than

70	70	70	70	75
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B.6 Borrower is in Compliance (Yes/No)

Yes	No	No	No	No
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C.1 Unrestricted Liquid Funds (Monthly)

Cash & Equivalents	\$ 10,298,563	\$ 9,093,507	\$ 9,388,266	\$ 5,815,947	\$ 5,701,196
Add: Marketable Securities/Board designated Funds	\$ 42,849,887	\$ 36,542,696	\$ 32,402,288	\$ 32,771,945	\$ 32,895,952
Unrestricted Liquid Funds	\$ 53,148,450	\$ 45,636,202	\$ 41,790,553	\$ 38,587,892	\$ 38,597,148

C.2 Line C.1 must not be less than

\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 50,000,000
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C.3 Borrower is in Compliance (Yes/No)

Yes	Yes	No	No	No
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Signature of Bay Area Hospital:



Name: Patrick Banks

Title: CFO

Date: 12 Nov 2025



Executive Summary

Finance Committee Meeting
Held October 28, 2025

Capital Purchase Requests reviewed:

- Threshold:
 - None
- Non-Threshold:
 - None

Discussion Items

CEO Gretchen Nichols provided an update on potential state funding.
Controller Karen Miller presented the September financial review.

Financial Results:

- See attached Narrative and financials.
September performance reflected modest volume stabilization and continued efforts to manage expenses. Net revenue totaled \$21.6M, exceeding budget by \$745K (3.6%) and prior year by \$2.3M (12.1%), driven by higher surgical volumes and a favorable rate and payer mix. However, operating expenses of \$22.5M were \$1.3M (6.3%) unfavorable to budget, primarily due to salary and other expense overages. The month closed with a net operating loss of \$837K, widening the loss compared to budget but improving versus prior year's \$2.5M loss. Net Income for September was (\$930K), an improvement of nearly \$1M versus prior year. The Operating Margin ended at -3.9% versus a budgeted -1.2%.

Executive Summary:

- None