

**BAY AREA HOSPITAL DISTRICT JOINT BOARD AND FINANCE COMMITTEE
MEETING MINUTES**

November 18, 2025, Bay Area Hospital Myrtle Conference Room @ 6:05 pm

CALL TO ORDER

Simon Alonzo, Board Chair, called the meeting to order at 6:05 pm with a quorum present.

BOARD ATTENDANCE

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

STAFF ATTENDANCE

Gretchen Nichols, CEO; Patrick Banks, CFO; Kelli Dion, CQO; Tom Fredette, CHRO; Derrick Oaxaca, MD, CMO; Kim Winker, Marketing & Communications Director; Dr. Paavani Atluri, MD, COS (Chief of Staff); Sherry Horne, Controller (via Teams); Denise Bowers, EA **ABSENT:** Mel Stibal, interim CNO (*excused*)

LEGAL COUNSEL

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT

Chairperson Alonzo opened the Public Input Session at 6:05 p.m., immediately following the call to order, with 11 in-person public attendees and 13 persons attending virtually.

As no public comments were received in person or online, Chairperson Alonzo closed the Public Input Session at 6:06 pm.

PATIENT SUCCESS STORY

Patrice Parrott shared a story about a newborn whose life was saved by the hospital team after a severe listeria infection. The family expressed deep gratitude for the care provided.

COMPLIANCE 3RD QUARTER REPORTING - LINDA HOWARD, THE FOX GROUP

Linda Howard presented the third quarter compliance report. Training completion stands at 68.7% (goal: 100%). There is a backlog in policy reviews, with a plan to catch up by January. The organization is moving toward a "Just Culture" approach for discipline and learning. Eleven privacy investigations were conducted this quarter; efforts are underway to improve reporting and monitoring. Some audits were delayed but are rescheduled for early 2026.

Action Taken by the Board:

Tom McAndrew moved to approve the 3rd Quarter Compliance Report as presented in the packet. Kyle Stevens seconded, and the motion carried on a call of vote with all board members present casting a vote of approval.

REVISED ANNUAL COMPLIANCE WORK PLAN

Linda Howard presented the updated annual compliance work plan and reviewed the updates as given in the board packet.

Action Taken by the Board:

Brandon Saada moved to approve the Revised Annual Compliance Workplan as presented in the packet. Patrice Parrott seconded, and the motion carried on a call of vote with all board members present casting a vote of approval.

CONSENT AGENDA The consent agenda included: 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.

Action Taken by the Board:

Patrice Parrott moved to approve the Consent Agenda as cited above with minor corrections, which were given to the Executive Assistant. Brandon Saada seconded, and the motion carried on a call of vote with all board members present casting a vote of approval.

CEO UPDATES

Gretchen Nichols led her first meeting as CEO. Her updates were structured into a PowerPoint presentation, and the highlights are summarized below.

Leadership & Staffing Updates

Gretchen introduced two new executive team members: **Dr. Derek Oaxaca**, Chief Medical Officer (CMO): Dr. Oaxaca shared his background, noting his prior role as Chair of the Emergency Department and nearly three years of service in Coos Bay. He emphasized his commitment to building a unified vision for the hospital, fostering collaboration, and driving innovation in patient care. **Patrick Banks**, Chief Financial Officer (CFO): Mr. Banks spoke about his enthusiasm for joining the organization, his connection to the region, and his experience in rural healthcare. He highlighted the team's resilience and dedication, expressing optimism about their contributions to the hospital's ongoing progress.

Organizational Progress

The senior team expressed optimism about the hospital's future, citing positive trends in operational and financial performance since July 2025.

Key highlights:

- Significant reduction in contract labor: traveler nurses decreased from 32 in August to 11 in November, resulting in approximately \$1 million per month in savings.
- Reduction in force (84 FTEs) completed, with many staff redeployed internally.
- Transitioned foreign lobby providers to employment, saving an additional \$1 million annually.
- Improved revenue cycle management, including increased cash collections and new contract terms with Advanced Health.
- Supplier contracts renegotiated, resulting in further cost reductions.
- Plans underway to renegotiate commercial payer contracts and insource behavioral health leadership, expected to save \$500,000 annually.
- Ongoing efforts to rebuild orthopedic volume and bring the program in-house.
- Foundation activities restarting, with a January kickoff and renewed focus on capital projects and philanthropy.
- Modernization of the family housing unit at the Cancer Center is underway, utilizing previously awarded foundation funds.

New Programs & Initiatives

- The specialty pharmacy program is launching soon, with additional services planned.
- Wound care and sleep medicine programs are being rebuilt.
- The hospital has partnered with Atlas to help patients with copays and deductibles.

IT & EHR Update

The organization is also reviewing its Epic EHR partnership and exploring alternative hosting options to improve service and governance.

Legislative Advocacy Update

Advocacy efforts continue with state legislators and financial partners to secure emergency funding and support long-term economic stability.

Other additions to Bay Area Hospital

- Jennifer Culbertson (CNO, starting January 12, 2026). Gretchen highlighted the performance of Mel Stibal, interim CNO, with gratitude for her work here.
- Several new medical staff members joined, including cardiology nurse practitioners, an orthopedic PA, and a pediatric hospitalist.

Financial Recovery Progress

Patrick Banks, CFO, reported on financial recovery efforts:

- Contract labor was reduced from 32 to 11 travelers, saving approximately \$1 million per month.
- Revenue cycle management is improving, with positive financial trends in October.
- The team continues to focus on cost reductions and payer contract negotiations.
- Advocacy for emergency funding at the state level is ongoing.

Gretchen turned the floor over to Patrice Parrott, QPSC Chair, for the QPSC report.

QUALITY AND PATIENT SAFETY COMMITTEE (QPSC) REPORT - PATRICE PARROTT, QPSC CHAIR

Patrice reported that the Committee held its regular meeting and continues to make progress on several key initiatives related to patient safety and quality improvement.

- Plans are underway to update job descriptions to reflect evolving quality responsibilities.
- The Committee is reviewing and updating formal “just culture” policies and associated training programs.
- Efforts are being made to improve the use of demographic data to advance equity in patient care.
- The Committee is focused on enhancing the dissemination of lessons learned across the organization.
- There is consideration of shifting the meeting cadence from monthly to quarterly, to focus more on strategic priorities and reduce the reporting burden, while maintaining community involvement and adequate information flow.
- The Committee values presentations from managers and leaders regarding the changes and improvements being implemented to enhance quality outcomes. These presentations provide valuable insights into the progress being made across various groups.
- The Committee acknowledges the importance of aligning its activities with regulatory requirements and ensuring accurate data collection and reporting.
- Appreciation was expressed for the dedication and performance of the quality team, with recognition of ongoing progress and teamwork.

Items of Note reported to the board by Kelli Dion, CQO:

- The hospital saw improvements in Leapfrog safety scores and is on track for further upward trends.
- The Culture of Safety and Employee Engagement Survey will launch in January.

- Patient and Family Advisory Council (PFAC) Launch: The board was informed of the upcoming launch to prepare for potential community inquiries.
 - **Overview:** Bay Area Hospital is establishing a Patient and Family Advisory Council (PFAC) to strengthen community input and enhance patient-centered care. Recruitment will begin shortly after this meeting.
 - **Purpose and Role:** The PFAC will provide real-time feedback during the design phase of services and policies, complementing existing post-care surveys (HCAHPS). Its goal is to ensure patient and family perspectives are integrated into decision-making, improving outcomes and fostering stronger partnerships between providers and the community.
 - **Key Details:** PFAC is a first for Bay Area Hospital, but it has proven successful in other organizations.
 - **Scope of Influence:** Council input will impact areas such as waiting room design, forms, food service, and educational materials.
 - **Recruitment Process:** Community members with healthcare experience can apply electronically via the hospital website. The process ensures participants are comfortable with technology, as most council activities will be conducted online.
 - **Primary Contact:** Laurie McGrew will serve as the PFAC liaison. Referrals and inquiries can be directed to her or submitted through the website.

QPSC RECOMMENDATION FOR ACTION BY THE BOARD

Ms. Kelli Dion reviewed the agenda item summary included in the packet. Kelli requested the board appointment of Joan Strauch, RN, CIC, to Bay Area Hospital's Infection Preventionist position, as it is now required by Centers for Medicare and Medicaid (CMS), as a Condition of Participation (§482.42), that the Infection Preventionist be appointed by the hospital governing board.

Action Taken by the Board:

Kyle Stevens moved to appoint Joan Strauch, RN, CIC, to the Infection Preventionist position as recommended by Kelli Dion, CQO, in alignment with the CMS Condition of Participation (§482.42). Tom McAndrew seconded, and the motion carried on a call of vote with all board members present casting a vote of approval.

FINANCE COMMITTEE MEETING - KYLE STEVENS, FINANCE COMMITTEE CHAIR

Gretchen gave the floor to Kyle Stevens, Finance Committee Chairman, for the Finance Committee to conduct its business.

Attendance: In addition to the three board members on the Finance Committee (*Kyle Stevens, Tom McAndrew, and Brandon Saada*), community members appointed to the Finance Committee were all in attendance (*Judy Moody, John Briggs, and Barbara Taylor*). The business of the Finance Committee proceeded with a full quorum.

Approval of Finance Committee Minutes

Action Taken by the Board:

Barbara Taylor moved to approve the Finance Committee minutes of the October 28, 2025, meeting, as presented in the packet. John Briggs seconded, and the motion carried on a call of vote with all Finance Committee members present casting a vote of approval.

Kyle turned the floor over to Patrick Banks, CFO, for his financial update to the committee. The bulleted summary of key highlights of Patrick's report is below.

Finance Committee At-a-Glance Report (October FY25) - Patrick Banks, CFO

Key Financial Metrics

- Net Operating Income (NOI): -\$0.3M, reflecting an improving trend compared to prior months.
- EBITDA Margin: +2.5%, positive for the month.
- Cash Collections (October): \$19.6M, the highest in approximately 12 months.
- Contract Labor – Travelers (Nursing): Reduced from 32 in August to 11 in November, resulting in an estimated \$1.0M per month in expense reduction.
- Supplier Savings: Ongoing contract resets and utilization controls.
- Payer Updates: Advanced Health contract terms have been signed; commercial re-pricing is in progress.

Operational Drivers

- Labor Optimization: Continued conversion of travelers and locums to employed roles, with staffing aligned to patient volume.
- Revenue Cycle Discipline: Focus on authorizations, documentation quality, timely filing, and active vendor accountability.
- Cost Controls: Comprehensive expense review, targeted supplier renegotiations, and utilization management.

Priority Actions (Next 30–60 Days)

1. Complete Commercial Re-pricing (Round 1): Finalize priority CPT/DRG price adjustments while maintaining contracted percentage-of-charges; coordinate communications with clinics.
2. Implement Denial-Prevention Playbook: Roll out service-line checklists (authorization, documentation, charge capture) and establish weekly exception dashboards.
3. Finish Traveler Exit Plan: Complete remaining conversions or exits in nursing and anesthesia; monitor savings and coverage by unit.

MEDICAL STAFF REPORT, DR. PAAVANI ATLURI, CHIEF OF STAFF

Credentialing Report

The credentialing report was reviewed and voted on during a special board meeting to ensure timely approval. Much of the medical staff report content has already been included in the board materials by Gretchen.

Elections

A candidate, Dr. Pederson, is running for the Secretary position on the Medical Executive Committee (MEC). The election board remains open for self-nominations, with voting concluding on December 3rd and results to be announced on December 4th. Two candidates are running for Vice Chief of Staff: Dr. Rohit Nanda (current MEC member at large and peer reviewer for the Emergency Department) and Dr. Paul Michaels (Chair of Pathology for four years). Voting is currently in progress. Dr. Qadir will assume the role of Chief of Staff effective January 1st.

Annual Medical Staff Meeting

Scheduled for December 4th, to be held on-site at the hospital in support of the hospital's financial recovery efforts. No external expenditures will be made for this event. Election results will be announced during this meeting. Dr. Atluri expressed appreciation for the board's support and looks forward to continued collaboration.

BOARD COMMENTS

The floor was opened for board member comments. No specific remarks were offered, aside from expressions of gratitude to all participants. A board member inquired about the status of a lawsuit discussed during a recent executive session. It was agreed that any further discussion regarding this matter would take place during an executive session. The board also addressed employee input received after the last meeting. It was clarified that some individuals had expressed interest in speaking with the board; however, the board members present were there to listen only. No further updates from staff are anticipated currently. Management requests brought forward by employees have been addressed by leadership.

EXECUTIVE SESSION: No executive session was held, as the Credentialing report was reviewed and approved during a special board meeting.

GOOD OF THE ORDER

A board member requested that their nameplate reflect the board name on both the front and back, so they can easily identify their designated seating area. A temporary measure will be implemented until new nameplates can be ordered.

ADJOURNMENT

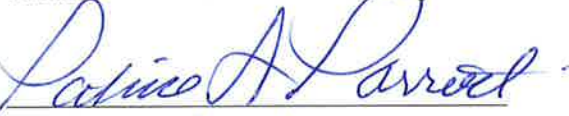
The meeting adjourned at 8:10 PM.

Simon Alonzo, Board Chair

A blue ink signature of Simon Alonzo, written in a cursive style, over a horizontal line.

Date: 12/9/2025

Patrice Parrott, Board Secretary

A blue ink signature of Patrice Parrott, written in a cursive style, over a horizontal line.

Date: 12/09/2025