

**Bay Area Hospital District**  
**Joint Board & Finance Committee Meeting Minutes**  
*January 20, 2026, 5:00 pm, Myrtle Conference Room*

**CALL TO ORDER**

Simon Alonzo, Board Chair, called the meeting to order at 5:07 pm with a quorum present.

**BOARD ATTENDANCE**

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

**STAFF ATTENDANCE**

Gretchen Nichols, CEO (*via Teams*); Patrick Banks, CFO; Jennifer Culbertson, CNO; Kelli Dion, CQO; Tom Fredette, CHRO; Derrick Oaxaca, MD, CMO; Mel Stibal, interim CNO, Kim Winker, Marketing & Communications Director; Dr. Hammad Qadir, MD, COS (Chief of Staff); Mark Hadley, Controller (*via Teams*); Denise Bowers, EA

**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

**GUESTS:**

MacGregor Hall, Jeffrey Lamb, Phil Sherman - Deschutes Investment Advisors

**PUBLIC ATTENDANCE AND INPUT**

Chairperson Alonzo opened the Public Input Session at 5:07 p.m., immediately following the call to order, with 16 in-person public attendees and 11 persons attending virtually.

- **Tracy Sweely**

Ms. Sweely expressed appreciation for the Board's leadership and recommended:

- Recording or livestreaming the upcoming community financial forum.
- Publishing a weekly or monthly Board update in *The World* newspaper to reach non-online residents.
- Prioritizing the recruitment of Dr. Cook, citing community trust and the historical financial success of the Cancer Center under his oversight.

- **Mr. John and Mrs. Teri Whitty**

Public remarks included:

- Support for efforts to re-engage Dr. Cook.
- Questions regarding current Cancer Center staffing and strategies to retain physicians.
- Suggestions for service expansions, including possible partnerships (e.g., Slocum).

- **Jennifer Briggs (Online)**

Ms. Briggs congratulated the Board and administration for achieving a positive financial month after a prolonged period of losses. She highlighted:

- The nationwide pressures on healthcare, especially Medicaid funding reductions.
- The strategic advantages of being an independent local hospital.
- The importance of maintaining a welcoming environment for high-quality providers.

No additional public comments were offered, and the public comment period was closed at 5:18 pm.

## **PATIENT SUCCESS STORY**

Patrice Parrot, Board Secretary, read a community testimonial by Roger W. Morgan, which praised the orthopedic surgery team for excellent emergency and inpatient care following a femur fracture.

## **CONSENT AGENDA**

### **ACTION TAKEN BY THE BOARD:**

Kyle Stevens moved to approve the consent agenda, and Patrice Parrot seconded. There was no discussion, and the motion passed on a call of vote with all board members voting yes.

## **CEO REPORT - GRETCHEN NICHOLS**

### *Operational & Financial Recovery*

- Continued progress in overall financial turnaround, with meaningful improvement and additional opportunities ahead.
- Commercial payer contracting continues, with revenue opportunities tied to chargemaster optimization.
- Temporary labor reduction ongoing, with projected further declines by March.
- Physician recruitment efforts advancing to replace locum costs, reflecting national trends favoring employed positions with benefits.

### *Clinically Integrated Network Development*

The hospital is participating with other rural Oregon hospitals and the Office of Rural Health to evaluate a clinically integrated network model for shared costs and enhanced contracting leverage.

### *Legislative Advocacy*

Four legislative strategies were reviewed:

1. State debt refinancing bill (ready for February session)
2. Cash infusion request to the E-Board (delayed due to canceled January meeting)
3. Lottery bond request for next session
4. Enhanced Medicaid reimbursement for district hospitals

A community engagement plan will be released to support advocacy efforts.

### *Federal Rural Transformation Funds*

Oregon secured \$197M for year one. BAHD intends to apply for support related to:

- Medical staff development
- Capital improvements
- Retail pharmacy buildout
- Future EHR/IT transformation

### *Foundation Revitalization*

The first planning meeting to re-establish the Bay Area Hospital Foundation was held. Legal structure options are under review. The donor-funded family housing project is nearing completion and will be celebrated publicly.

### *Recruitment Update*

Active candidates include a pediatric hospitalist, an orthopedic spine surgeon, a cardiologist, an orthopedic PA, and anesthesia providers.

### *Quality, Safety & Culture*

- AHRQ Culture of Safety Survey launched; participation at 43% after one week (goal 70%).
- Upcoming visual management displays planned for hospital-wide transparency.

- Tiered safety huddles planned to strengthen reliability and communication.
- New Chief Nursing Officer, **Jen Culbertson**, was formally introduced.

### **QUALITY AND PATIENT SAFETY COMMITTEE (QPSC)**

No meeting was held this month. Brief comments addressed ongoing culture and safety initiatives. Simon gave the floor to Kyle Stevens, Finance Committee Chairman, to conduct the Finance Committee's business at 5:43 pm.

### **FINANCE COMMITTEE MEETING - KYLE STEVENS, FINANCE COMMITTEE CHAIR**

**FINANCE COMMITTEE 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.

### **STAFF ATTENDANCE**

Gretchen Nichols, CEO (*via Teams*); Patrick Banks, CFO; Jennifer Culbertson, CNO; Kelli Dion, CQO; Tom Fredette, CHRO; Derrick Oaxaca, MD, CMO; Mel Stibal, interim CNO, Kim Winker, Marketing & Communications Director; Dr. Hammad Qadir, MD, COS (Chief of Staff); Mark Hadley, Controller (*via Teams*); Denise Bowers, EA

### **LEGAL COUNSEL**

Megan Kronsteiner, Esq.

### **FINANCIAL REPORT — Patrick Banks - December Financial Performance**

- Hospital achieved a positive operating month, the first after 54 months of losses.
- Hiring freeze and strict capital controls continue.
- Annual audit completed and submitted; a clean audit was received. Barbara Taylor requested that the Finance Committee be provided a copy of the audit report. John Briggs thanked key leaders for "all they have done" to turn around the performance of BAH.

### **CASH POSITION**

- Cash increased to 63 days on hand.
- January may show timing-related declines due to three payrolls and annual payments.

### **OPERATIONAL HIGHLIGHTS**

- Strong OR and Cath Lab volumes.
- Continued work required on labor cost structure, revenue optimization, and cost-to-collect efficiency.

### **REVENUE CYCLE VENDOR PERFORMANCE**

- Vendor not meeting incentive thresholds to date.
- Improvements underway, including greater internal self-pay outreach by BAHD staff.

## FINANCIAL SUSTAINABILITY ROADMAP

Priorities include:

- Labor productivity
- EHR transition planning
- Pursuit of federal Volume Decrease Adjustments
- Grant acquisition strategy (consultant retained)
- Medicaid rate advocacy

Patrick introduced MacGregor Hall of Deschutes Investment Advisors. Below is a bullet point summary of Mr. Hall's presentation to the Finance Committee.

## PENSION PLAN REPORT - DESCHUTES INVESTMENT ADVISORS PLAN REVIEW WITH UPDATE

- Defined benefit plan established in 1974; frozen to new entrants in 2002.
- 23 active participants; 351 retirees receiving benefits.
- ~\$440,000 in monthly benefit payments.

Funded Status

- Plan was 97.6% funded as of Jan 1, 2025.
- Assets approx. \$59M; latest termination estimate ~\$72M.
- Investment strategy revised to secure short-term benefit obligations while maintaining long-term equity exposure.

Mr. Hall asked the Finance Committee for their approval and subsequent recommendation for approval to the Board on the updated Investment Policy Statement (IPS) reflecting the revised strategy. Barbara Taylor asked for clarity regarding the change adjustments to initial targets - was this the only change. MacGregor responded yes.

### **ACTION TAKEN BY THE FINANCE COMMITTEE:**

Barbara Taylor moved for the Finance Committee to recommend to the BAHD Board approval of the Investment Policy Statement (IPS) reflecting the revised strategy, as reviewed by MacGregor Hall and shared in the packet. John Briggs seconded the motion, and it passed on a call of vote.

***This concluded the Finance Committee Meeting for January 20, 2026.***

### **MOVE BACK INTO THE BOARD PORTION OF THE MEETING**

Megan Kronsteiner, BAHD General Legal Counsel, advised Simon Alonzo, Board Chairperson, that a vote by the board to approve the preceding Finance Committee recommendation regarding the updated Investment Policy Statement (IPS) was appropriate at this time. Simon called for a motion to approve.

### **ACTION TAKEN BY THE BOARD:**

Patrice Parrott moved to approve the updated Investment Policy Statement (IPS) as recommended by the Finance Committee. Dr. Tom McAndrew seconded, and the motion carried on call of vote.

### **EXECUTIVE SESSION**

The Board went into Executive Session at 6:36 pm as authorized by: **ORS 192.660(2)**

- (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.

**RETURN TO REGULAR SESSION**

Chairperson Alonzo reopened the meeting into public session at 7:01 pm.

**ACTION TAKEN BY THE BOARD:**

Dr. McAndrew moved to approve the MEC Board Reports for December 2025 and January 2026 with the noted correction. Kyle Stevens seconded the motion, and it passed unanimously on a call for a vote.

**MEDICAL STAFF REPORT DR. HAMMAD QADIR, CHIEF OF STAFF**

This report was given in Executive Session.

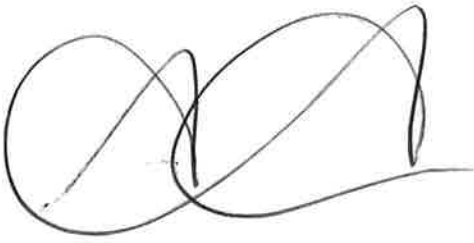
**BOARD MEMBER COMMENTS**

Board members expressed:

- Appreciation for leadership and staff dedication during an extended recovery period.
- Optimism following the first positive financial month in several years.

**ADJOURNMENT**

With no further business, the meeting was adjourned at 7:07 PM.



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Simon Alonzo, Board Chair.