

Bay Area Hospital District Joint Board & Finance Committee Meeting Minutes

March 17, 2026, 5:00 pm, Myrtle Conference Room

CALL TO ORDER

Simon Alonzo, Board Chair, called the meeting to order at 5:00 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; Jennifer Culbertson, CNO; Kelli Dion, CQO; Tom Fredette, CHRO; Derrick Oaxaca, MD, CMO; Jen Culbertson, CNO, Kim Winker, Marketing & Communications Director; Dr. Hammad Qadir, MD, COS (Chief of Staff); Mark Hadley, Controller (via Teams); Mel Stibal, Compliance and Privacy Officer

LEGAL COUNSEL

Megan Kronsteiner, Esq.

GUESTS:

Tony Andrade - Bakertilly

PUBLIC ATTENDANCE AND INPUT

Chairperson Alonzo opened the Public Input Session at 5:01 p.m., immediately following the call to order.

No public comments were offered, and the public comment period was closed at 5:02 pm.

PATIENT SUCCESS STORY

Patrice Parrot, Board Secretary, read a community testimonial by Leslie Davis Barnts, a parent whose son recently received care in the Short Stay unit for a day surgery procedure. The family expressed appreciation for the professionalism, compassion, and patience demonstrated by staff, and specifically recognized RN Jett and Dr. Heidi Pahls and her team for providing exceptional care. The testimonial highlighted the hospital's commitment to quality care and positive patient experiences.

CONSENT AGENDA

ACTION TAKEN BY THE BOARD:

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

CEO REPORT - GRETCHEN NICHOLS

Culture of Safety and Employee Engagement Survey

Gretchen Nichols turned the discussion over to Tom Fredette, CHRO, and Kelli Dion, CQO, to review results from the Culture of Safety and Employee Engagement Survey.

They noted overall improvement in engagement and safety culture, with staff expressing a strong connection to the organization's mission and community. Strengths included positive leadership relationships, teamwork, and increased willingness among staff to speak up regarding safety concerns.

Opportunities for improvement were identified in career development, nursing engagement relative to national benchmarks, and strengthening organizational commitment to patient safety.

Discussion also emphasized the need for continued leadership visibility, improved communication across departments, and ongoing efforts to enhance safety reporting and prevention processes.

Discussion followed regarding implementation of a new patient safety and quality initiative focused on strengthening communication, leadership visibility, and real-time issue escalation. Key components include nurse leader and charge nurse rounding, bedside shift reporting, and “trio rounding” involving providers, nurses, and patients to improve engagement and care coordination.

The initiative also includes daily tiered safety huddles and visual management boards to track quality, safety, and operational concerns, allowing issues to be escalated and addressed in real time. Leadership noted this work represents a cultural shift toward proactive problem-solving and a goal of delivering highly reliable, error-free care.

CEO Updates

Following this discussion, Gretchen Nichols continued her report and shared that the hospital achieved another positive financial month, reflecting continued stability through effective expense management.

She noted ongoing efforts to reduce reliance on locum and agency staffing through physician recruitment, as well as continued opportunities for improvement in revenue cycle performance. Increased surgical volumes and growth in key service lines, including orthopedics and the Cath Lab, were also highlighted as positive indicators for the organization.

Gretchen reported that House Bill 4075 has passed both the House and Senate and is pending the Governor’s signature. She expressed appreciation to legislative partners, hospital leadership, and community supporters, including UFCW, for their efforts in advancing the bill.

Next steps include pursuing funding opportunities and financial strategies to support the organization following enactment of the legislation. Leadership also discussed refinancing opportunities and expressed confidence in securing favorable financing following passage of House Bill 4075, while recognizing staff contributions to the organization’s progress.

Additional updates included participation in upcoming Rural Transformation funding opportunities, with Oregon receiving \$197 million. The hospital plans to apply for funding to support initiatives such as a rural residency program, EPIC transition, capital equipment, and medical staff development.

Gretchen also shared that the hospital has applied for federal community capital investment funds, requesting support for Cath Lab and CT equipment. Funding decisions are expected within the coming months.

Recruitment efforts continue across multiple service lines, including orthopedics, anesthesia, and primary care. Updates included progress toward full staffing in orthopedics, onboarding of a CRNA, and collaboration with local providers to expand specialty services within the community.

Gretchen reported a transition in compliance services, with the decision to move from an external vendor to an on-site compliance and privacy officer. Mel Stibal will assume this role, with a focus on audits, regulatory alignment, policy updates, and ongoing compliance oversight.

QUALITY AND PATIENT SAFETY COMMITTEE (QPSC)

Patrice Parrott reported ongoing review of quality metrics, including readmission rates and infection control performance, with continued focus on targeted interventions and process improvements. Employee survey results will help guide future initiatives.

Simon gave the floor to Kyle Stevens, Finance Committee Chairman, to conduct the Finance Committee's business.

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*)

LEGAL COUNSEL

Megan Kronsteiner, Esq.

FINANCIAL REPORT — Patrick Banks - December Financial Performance

- Hospital achieved another positive operating month, marking three consecutive months of positive performance and an improving financial trend.
- Continued focus on sustaining performance over the next 12 months to support long-term financial stability and growth.
- Budget planning underway with expectations of continued improvement and organizational growth.

CASH POSITION

- Days cash on hand continues to improve and is expected to increase further.
- Labor costs remain approximately 60% year-to-date, with improvement anticipated in the next fiscal year.
- Cost to collect remains elevated and is expected to improve over time with revenue cycle initiatives.

OPERATIONAL HIGHLIGHTS

- Strong performance in Cath Lab and Operating Room volumes; emergency department activity remained high.
- Discharges were consistent with budget expectations; outpatient visits were lower for the month.
- Higher drug and supply costs impacted monthly expenses; strategies under review to stabilize purchasing and cash flow.
- Benefits expenses were lower than anticipated, contributing to positive financial performance.

REVENUE CYCLE VENDOR PERFORMANCE

- Continued focus on improving revenue cycle performance through targeted initiatives to enhance reimbursement and revenue capture.
- Improvements in EBITDA margin are expected to support future refinancing opportunities on more favorable terms.

- Non-operating income, including grant funding, contributed to overall financial results for the month.

LABOR PERFORMANCE

- Labor performance was favorable compared to budget, driven by both wage and staffing efficiencies.
- Continued emphasis on labor productivity, workforce investment, and cultural improvements to support long-term performance.

Patrick introduced Tony Andrade of Bakertilly. Below is a bullet point summary of Mr. Andrade's presentation to the Finance Committee.

2025 AUDIT RESULTS – TONY ANDRADE

- Audit results were overall positive, with no audit adjustments identified, reflecting improved accuracy and reliability of financial reporting.
- Mr. Andrade noted that while staff turnover created challenges during the audit process, the information provided was ultimately solid and complete.
- Prior accounting leadership contributed to the stability and quality of financial data, supporting successful audit outcomes.

INTERNAL CONTROLS / FINANCIAL OVERSIGHT

- Discussion occurred regarding budget variance analysis at the department level. Management clarified that financial monitoring has been ongoing, with current efforts focused on increasing the depth and rigor of monthly reviews with department leaders.
- Leadership emphasized that enhanced operational and financial oversight is being implemented to support improved performance and accountability across departments.

OVERALL ASSESSMENT

- Mr. Andrade confirmed that financial reporting accurately reflects the organization's performance, with no findings requiring significant concern or changes in financial strategy.
- Leadership noted that the audit results align with internal expectations and support confidence in the organization's current financial direction.

CAPITAL APPROVAL

A proposal was presented to transition to a centralized multifunction printing system to improve efficiency, reduce the number of printers across the organization, and lower overall printing costs. The agreement includes full-service support and is expected to generate cost savings over the term of the contract.

ACTION TAKEN BY THE FINANCE COMMITTEE:

Barbara Taylor moved for the Finance Committee to recommend to the BAHD Board approval of the printing services agreement with Pacific Office Automation. Judy Moody seconded the motion, and it passed on a call of vote.

This concluded the Finance Committee Meeting for March 17, 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 Finance Committee recommendation regarding the printing services agreement was appropriate at this time. Simon called for a motion to approve.

ACTION TAKEN BY THE BOARD:

Patrice Parrott moved to approve the printing services agreement with Pacific Office Automation as recommended by the Finance Committee. Dr. Tom McAndrew seconded, and the motion carried on a call of vote.

EXECUTIVE SESSION

The Board went into Executive Session at 6:48 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 7:09 pm.

ACTION TAKEN BY THE BOARD:

Dr. McAndrew moved to approve the MEC Board Reports for February 2026. Patrice Parrott 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.

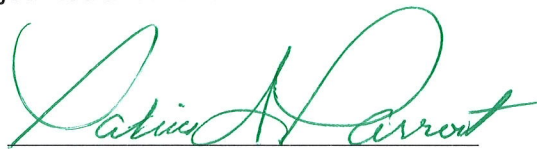
ADJOURNMENT

With no further business, the meeting was adjourned at 7:11 PM.



Simon Alonzo, Board Chairperson

Date: 4/21/26



Patrice Parrott, Secretary

Date: 4/21/2026

