

**Bay Area Hospital District
Joint Board and Finance Committee Meeting Agenda**

June 16, 2026 @ Bay Area Hospital, Myrtle Conference Room

TIME

5:00 Call to Order **Simon Alonzo, Chairperson**

- Public Input—3 minutes per speaker

5:02 Patient Success Story **Simon Alonzo, Chairperson**

5:05 Consent Agenda **Simon Alonzo, Chairperson** **ACTION ITEM**

- Minutes of BOD/Finance meeting of 2026.05.12
- Approved Minutes of MEC meeting of 2026.
- Approved Minutes of QPSC meeting of 2026.
- Sentinel Event Policy Revision

5:07 Report of the Chief Executive Officer **Gretchen Nichols, CEO**

5:27 Quality and Patient Safety Committee Report (QPSC) **Patrice Parrott, Secretary**

- 2027 QAPI **ACTION ITEM** **Kelli Dion, Chief Quality Officer**

5:42 Finance Committee Business **Kyle Stevens, Treasurer**

- Financial Update
- Policy Review – Spending Authority **ACTION ITEM** **Patrick Banks, CFO**

6:10 Executive Session 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

6:20 Medical Executive Committee (MEC) Report **Derrick Oaxaca, MD, CMO** **ACTION ITEM**

6:30 Medical Staff Report **Hammad Qadir, MD, Chief of Staff**

6:40 Board Member Comments **Simon Alonzo, Chairperson**

- Report of the Chairperson
- Board Member Comments

6:50 Adjourn – next regular meeting - Tuesday, July 14, 2026

Bay Area Hospital District
Joint Board & Finance Committee Meeting Minutes
May 19, 2026, 5:00 pm, Myrtle Conference Room

CALL TO ORDER

Simon Alonzo, Board Chair, called the meeting to order at 5:02 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; Mel Stibal, Compliance and Privacy Officer; Kim Winker, Marketing & Communications Director; Dr. Hammad Qadir, MD, COS (Chief of Staff); Mark Hadley, Controller; Denise Bowers, EA

ABSENT:**LEGAL COUNSEL**

Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT

Chairperson Alonzo opened the Public Input Session at 5:01 pm and closed it as there were no requests from the public to comment.

CONSENT AGENDA**ACTION TAKEN BY THE BOARD:**

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

PATIENT EXPERIENCE REPORT – JEN CULBERTSON, CNO

A presentation was provided on patient experience, including:

- Definition and importance of patient experience and HCAHPS measures
- Current performance levels, including low percentile rankings and variability due to sample size
- FY27 goal to improve the “Would Recommend” score to 50%

Key initiatives discussed:

- Implementation of leadership and charge nurse rounding
- Bedside shift reporting improvements
- Expansion of leadership visibility through rounding (including nights and weekends)
- Planned RN/MD collaborative rounding (“trio rounding”)
- Focus on real-time patient feedback and service recovery

Additional operational updates:

- Launch of the Atlas Medication Assistance Program (serving 47 patients to date)
- Progress toward opening a specialty pharmacy
- Participation in workforce wellness and rural health transformation initiatives
- Improvements in patient placement through the “Right Patient, Right Bed” initiative

No formal action was required.

REPORT OF THE CEO, GRETCHEN NICHOLS

ORGANIZATIONAL GOALS

Ms. Nichols presented proposed FY2026–2027 organizational goals across five priority areas:

- Quality & Patient Safety
 - Reduce Hospital Acquired Conditions
 - Current Score 0.3782 Goal .3752
 - Reduce all cause readmissions rate
 - Current .15 Goal .11
- Patient Experience
 - Improve HCAPS would recommend
 - Current 17th% Goal 50th%
- Employee Engagement
 - Current Employee Score 3.82
 - FY2027 goal 3.93
- Finance
 - Annual Operating Margin Goal 1.2M
 - Monthly goal 100,000
- Growth
 - Cath Lab Procedure Growth – 400 cases
 - Elective Orthopedic Growth-grow provider base
 - General Surgery Volume – 120 Cases in FY2027
 - Specialty Pharmacy – 600,000 net income

Key measures include:

- Reduction of hospital-acquired conditions (HAC score)
- Reduction in readmissions (particularly heart failure)
- Improvement in patient experience percentile rankings

ACTION TAKEN BY THE BOARD:

Kyle Stevens moved to approve the FY 2027 Organizational Goals as presented, and Patrice Parrott seconded. There was no discussion, and the motion passed on a call of vote by all board members except Board Chair Simon Alonzo who stepped out for a moment.

FUNDING SUPPORT

Ms. Nichols reported on the funding support below that has either been applied for or granted:

- Direct Award- Rural Health Transformation 1.4M
- Catalyst Award- Rural Health Transformation (Apply for 5M)
- Congressional Capital – 6M
- Workforce Housing- 15M application

2027 STRATEGIC PROJECTS

Ms. Nichols shared updates on key strategic priorities, including:

Leadership provided Planned Epic EHR transition (Community Connect model under consideration)

- Cath lab expansion and procedural growth planning
- Development of regional partnerships and clinically integrated network
- Pursuit of grant funding and Rural Health Transformation Program dollars
- Potential development of a rural residency program
- Capital investments in imaging, infrastructure, and growth services

No formal action was required.

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 and was called to order at 6:51 pm.

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, Compliance and Privacy Officer, Kim Winker, Marketing & Communications Director; Dr. Hammad Qadir, MD, COS (Chief of Staff); Mark Hadley, Controller; Denise Bowers, EA.

LEGAL COUNSEL

Megan Kronsteiner, Esq.

FINANCIAL REPORT — PATRICK BANKS – MARCH FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

Mr. Banks provided the Finance Committee with a financial update, which summarized the performance of the organization as reflected in the comprehensive financials included in the board packet.

- The organization reported a slight operating surplus for the month and a modest net loss.
- While this ended a prior streak of positive net income, the positive operating margin trend continues, which leadership identified as the primary focus.

Volume and Staffing Observations

- Patient volumes in April were lower than expected, with May trending softer as well.
- Despite lower volumes, the organization demonstrated improved operational responsiveness:
 - Total staffing reported at 735 FTEs.
 - Leadership noted improved management of staffing levels compared to similar low-volume periods in the past.
- Nursing leadership continues to actively monitor productivity and staffing alignment. Revenue Cycle and Collections
- April performance included a high collection month exceeding \$22 million, representing a recent historical high.
- This performance contributed to:
 - Improved cost-to-collect ratio, dropping below 7%.
- Mr. Banks anticipates that cost-to-collect may increase slightly in future periods but expects process improvements to occur over time. Operational Indicators / Dashboard Updates
- The cath lab performance indicator was adjusted to “yellow” status due to softer procedure volumes.
- Leadership reported that cath lab volumes are stabilizing in early May.

Financial Outlook and Monitoring

- Mr. Banks emphasized that April performance, while impacted by lower volumes, reflects continued operational improvement and adaptability.
- Ongoing focus areas include:
 - Monitoring volume trends
 - Maintaining staffing efficiency

- Sustaining positive operating margin performance

FY2026–2027 Budget Approval

A quorum of the Board and the Finance Committee was established at the start of the meeting. The master budget and two resolutions were presented to the Finance Committee for Recommendation to the Board of Directors to approve the FY 26-27 Budget through the following actions:

Adopting the FY26-27 Budget and Making Appropriations Authorization of Operating Expense Payments

ACTION TAKEN BY THE FINANCE COMMITTEE:

Tom McAndrew moved the Finance Committee recommend the Board approve the FY26-27 Budget as presented. Brandon Saada seconded, and the motion carried on a call of vote with all Finance Committee members casting a vote of approval on the recommendation.

The Finance Committee recommended to the Board that it approve the FY26-27 Budget.

Procedural Clarification – Separate Budget Resolutions Required

- During board action, it was clarified that approval of the budget requires two separate resolutions rather than a single vote.
- After an initial motion to approve the budget, it was by legal counsel that “the board must vote on each resolution separately.”
- As a result, the Board proceeded with distinct motions as follows for:
 - Adoption of the FY2026–2027 Budget and Appropriations
 - Approval of Operating Expense Authority

Adopting the FY26-27 Budget and Making Appropriations

ACTION TAKEN BY THE BOARD:

John Uno moved to approve the Adoption of the FY26-27 Budget and Appropriations as recommended by the Finance Committee in the amount of **\$233,540,790**. Tom McAndrew seconded, and the motion carried unanimously.

Authorization of Operating Expense Payments

ACTION TAKEN BY THE BOARD:

Brandon Saada moved to approve the Authorization of Operating Expense Payments as recommended by the Finance Committee in the amount of **\$255,936,433** for payment of authorized expenses; and, subject to limitations established by the District Board, there is delegated to the Chief Executive Officer of the Bay Area Hospital District authority to approve claims for salaries and wages, payroll taxes and benefits, professional fees, and other operating expenses as budgeted and appropriated for the fiscal year beginning July 1, 2026, and to issue and sign checks in payment thereof. Kyle Stevens seconded the motion, and it passed unanimously.

Audit Engagement Approval (Related Financial Action by the Finance Committee)

While not part of the budget resolutions, the request was made that the Finance Committee take a related financial action regarding the audit engagement.

ACTION TAKEN BY THE FINANCE COMMITTEE:

Tom McAndrew moved to approve continued engagement of Baker Tilly as our auditors as presented by Patrick Banks, CFO. John Briggs seconded. There were no additional discussions and the motion carried unanimously.

Mr. Banks reported to the Finance Committee on the following items:

- Engagement of bond counsel Orrick to support refinancing efforts

- Ongoing work with lenders to secure favorable refinancing terms
- Continued monitoring of operating efficiency and staffing alignment

Strategic Initiatives & Capital Planning

Finally, Mr. Banks provided updates on key strategic priorities, including:

- Planned Epic EHR transition (Community Connect model under consideration)
- Cath lab expansion and procedural growth planning
- Development of regional partnerships and a clinically integrated network
- Pursuit of grant funding and Rural Health Transformation Program dollars
- Potential development of a rural residency program
- Capital investments in imaging, infrastructure, and growth services

No formal action was required by the Finance Committee.

The Finance Committee Meeting portion of the Board Meeting for May 19, 2026, concluded, and Finance Chair Stevens relinquished the floor to Board Chair Alonzo, who moved back into the board portion of the meeting.

QUALITY AND PATIENT SAFETY COMMITTEE (QPSC) – Patrice Parrot, QPSC Chair

Ms. Patrice Parrot reported to the Board key updates from recent Quality and Patient Safety Committee meetings as summarized below.

Regulatory & Compliance Updates

Ongoing work on Joint Commission corrective action plans continues, with progress reported across multiple areas. Most findings from the 2025 Joint Commission survey have been successfully addressed and transitioned to quarterly monitoring, except for ongoing professional peer evaluation, which continues under closer review.

Clinical Quality & Performance

Pain reassessment following administration of pain medication remains an area requiring improvement, with certain departments actively working to increase compliance.

Positive trends were reported in:

- Mortality rates
- Survival rates for key conditions
- Readmission rates for:
 - Acute myocardial infarction (AMI)
 - Heart failure
 - Pneumonia

Elevated readmission rates for COPD patients were identified in the first quarter and will continue to be monitored.

Organ and Tissue Donation Reporting

April was recognized as Donate Life Month.

First-quarter organ donation activity included:

- Eight cornea donors
- Donations distributed across multiple regions, including the United Kingdom, Washington, Virginia, Texas, South Korea, and one for research purposes

Committee Engagement

Board members and stakeholders were invited to attend QPSC meetings, which are held monthly on the fourth Thursday at 3:30 PM.

EXECUTIVE SESSION

The Board went into Executive Session at 6:51 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 7:08 pm.

ACTION TAKEN BY THE BOARD:

Dr. McAndrew moved to approve the MEC Board Report as presented during the executive session. 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.

BOARD COMMENT:

Kyle Stevens commented positively on the financial presentation, stating:

“Very good presentation and very easy to understand... all the numbers seemed to be reasonable to me, and so I felt comfortable as a finance committee member approving the budget and passing it along to the board for final approval.”

ADJOURNMENT

With no further business, the meeting was adjourned at 7:09 PM.

Simon Alonzo, Board Chair

Date: _____

Patrice Parrott, Board Secretary

Date: _____



Bay Area Health District Board
Agenda Item Summary

Meeting Date:	June 16, 2026
Agenda Item:	Sentinel Event Policy (ADM_0207)
Topic:	Approval and Adoption of Updated Sentinel Event Policy
Action requested:	Approval of Policy ADM_0207 – Sentinel Event
Who is making recommendation:	Kelli Dion, Chief Quality Officer

Action/Recommendation:

Approve Policy ADM_0207 – Sentinel Event to establish a standardized, organization-wide approach for the identification, investigation, analysis, and response to sentinel events. The policy aligns with current Joint Commission requirements and defines processes for root cause analysis, corrective action planning, and governing body oversight.

Background Summary:

The Sentinel Event policy provides a comprehensive framework for responding to serious patient safety events that result in severe harm, permanent harm, or death and are not related to the natural progression of a patient’s condition.

The updated policy reflects current regulatory expectations, including The Joint Commission and CMS requirements, and formalizes the organization’s approach to:

- Immediate identification and reporting of patient safety events
- Rapid assessment and activation of a Sentinel Event Response Team (SERT)
- Completion of a comprehensive systematic analysis (Root Cause Analysis) within 45 days
- Development and monitoring of corrective action plans to prevent recurrence

This revision also standardizes harm classification methodology, incorporates organization-wide accountability, and ensures consistent reporting to leadership and the governing body. The policy update is being presented to ensure compliance with accreditation standards and to strengthen patient safety and quality outcomes across the organization.

Strategy/Values Supported:

- **Quality & Patient Safety:** Strengthens systems for identifying and preventing serious patient safety events
- **Accountability & Transparency:** Ensures clear reporting, leadership oversight, and governing body awareness
- **Operational Excellence:** Promotes standardized processes for analysis, improvement, and sustainment

- **Regulatory Compliance:** Aligns with Joint Commission, CMS QAPI requirements, and state reporting standards

Alternatives Considered:

- Maintain the existing policy without revision (determined insufficient to meet current regulatory expectations)
- Implement partial updates without full policy revision (does not provide comprehensive alignment with updated standards)

Risks/Mitigation:

Risks:

- Failure to meet Joint Commission and CMS requirements
- Inconsistent or delayed response to serious patient safety events
- Increased risk of recurrence of high-harm events
- Reduced organizational learning and accountability

Mitigation:

- Adoption of a standardized, organization-wide response framework
- Defined timelines and accountability for investigation and corrective actions
- Multidisciplinary Sentinel Event Response Team oversight
- Ongoing monitoring, tracking, and reporting of patient safety events to leadership and the Board

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

Policy:

The organization will identify, investigate, analyze, and respond to sentinel events through comprehensive systematic analysis and corrective action planning to improve patient care, reduce risk, and prevent recurrence in accordance with The Joint Commission Sentinel Event Policy.

Objective:

To describe the mechanism for identifying, responding to, and reporting of sentinel events that occur in the organization.

Scope and Applicability:

This is an organization-wide policy, and as such, it applies to all settings providing care, treatment, and service.

Definitions:

1. Patient Safety Event – An event, incident, or condition that could have resulted in harm or did result in harm to a patient.
2. Sentinel Event – A patient safety event (not primarily related to the natural course of the patient’s illness or underlying condition) that reaches the patient and results in Severe harm or Permanent harm.
3. Sentinel Event Response Team (SERT): A multidisciplinary team responsible for coordinating the organization’s response to sentinel events, including conducting Root Cause Analysis (RCA), identifying contributing factors, developing and monitoring corrective actions, ensuring compliance with regulatory and accreditation requirements, and promoting patient safety through organizational learning and performance improvement

The Process

Comprehensive systematic analysis (see Appendix A) is required for sentinel events to determine why the event occurred and to prevent future occurrences. Analysis shall commence with a goal of completion not to exceed 45 days unless clinically justified with documentation.

The organization will track, trend, and analyze all patient safety events using a standardized harm classification methodology to support organizational learning, regulatory reporting, and performance improvement activities.

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

The Joint Commission patient safety event classification framework will be used as the primary reference and reflects a continuum of harm, including:

1. Near Miss (Close Call): An event that did not reach the patient but had the potential to cause harm.
2. No Harm Event: An event that reached the patient but did not result in harm.
3. Minimal Harm: An event resulting in minimal, temporary harm requiring little or no intervention.
4. Moderate Harm: An event resulting in temporary harm requiring intervention or increased length of stay.
5. Permanent Harm: is a physical or psychological injury that permanently alters and/or adversely affects an individual's baseline functional status or quality of life.
6. Severe Harm An event resulting in life-threatening harm, permanent loss of function, or requiring major intervention.
7. Death: An event that directly or indirectly contributes to a patient's death.

Patient Safety Event Identification

1. All staff must report potential and actual Patient safety events immediately.
2. Staff shall utilize chain of command to report severe harm.
3. The Sentinel Event Response Team will perform an initial determination to assess whether the event meets the definition of a sentinel event by Joint Commission criteria.
4. If an event meets criteria, the organization will initiate a comprehensive systematic analysis and corrective action plan within 72 hours of awareness of event
5. The Sentinel Event Response Team may include the Chief Quality Officer (CQO), Chief Nursing Officer (CNO), Risk Manager (RM), Chief Medical Officer (CMO), Chief Executive Officer (CEO), Accreditation Manager, or appropriate designee. Additional members may be included based on the nature of the event and may include nursing leadership, pharmacy, ancillary services, human resources, information technology, facilities, security, or other subject matter experts.

Examples of Sentinel Events:

The list below is illustrative and reflects common sentinel events recognized by The Joint Commission (not exhaustive):

Procedural Events

1. Wrong-site surgery/procedure: Surgery or invasive procedure performed on the wrong body part.

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

2. Wrong-patient surgery/procedure: Surgery or invasive procedure performed on the incorrect patient.
3. Wrong surgery/procedure: The completely wrong surgical or invasive procedure performed on a patient.
4. Unintended retention of a foreign object: Leaving a medical or surgical instrument, sponge, or object inside a patient after a procedure.
5. Periprocedural death: Death during or immediately after a procedure in an otherwise low-risk patient.
6. Severe periprocedural harm: Major, unexpected patient injury or permanent loss of function resulting directly from an invasive intervention.
7. Misaligned radiotherapy administration: Errors in delivery, dosage, or targeting of radiation treatments.

Product or Device Events

1. Contaminated drugs, devices, or biologics: Patient death or serious injury associated with contaminated or adulterated medical supplies.
2. Device misuse or malfunction: Patient death or serious injury resulting from the use or breakdown of a medical device or digital tool.
3. Intravascular air embolism: Death or serious harm caused by introducing air into a patient's vascular system during treatment.

Patient Protection Events

1. Discharge of an abandoned/safe haven infant/child: Releasing a pediatric patient to an unauthorized person or wrong family.
2. Patient elopement/disappearance: Death or serious injury of a patient who leaves the facility unauthorized.
3. Suicide or self-harm: Patient suicide, attempted suicide, severe intentional self-harm while receiving care or within a designated post-discharge window.
4. Abduction of a patient: The non-consensual removal or kidnapping of any patient from the facility.
5. Sexual abuse or assault of a patient: Non-consensual sexual contact or violations committed against a patient on healthcare property.
6. Physical abuse or assault of a patient: Physical violence or intentional harm inflicted on a patient by anyone on healthcare property.

Care Provision Events

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

1. Medication errors: Death or serious injury associated with errors in prescribing, dispensing, administering, or monitoring medications.
2. Maternal death or severe morbidity: Unanticipated maternal death or permanent injury associated with labor, delivery, or postpartum care.
3. Neonatal death or severe injury: Death or severe permanent injury to a newborn during labor or delivery in a low-risk pregnancy.
4. Wrong blood or biological product: Administering the incorrect blood type or incompatible blood products to a patient.
5. Severe hypoglycemia: Death or serious injury resulting from blood sugar levels while in healthcare custody.
6. Unmanaged hyperbilirubinemia: Severe neonatal jaundice resulting in kernicterus (brain damage).
7. Severe or unstageable pressure injuries: Facility-acquired Stage 3, Stage 4, unstageable, or deep tissue pressure injuries resulting in serious harm.
8. Patient falls: Death, fractures, or serious injury sustained from a fall while in a healthcare facility.
9. Foreign object ingestion: Severe injury or death due to a patient ingesting a dangerous foreign body during a healthcare encounter.
10. In-facility entrapment: Death or serious injury resulting from a patient becoming trapped in a bed rail, equipment, or facility furniture.
11. Environmental/toxic exposures: Death or serious injury from facility-wide system failures, such as toxic gas, contaminated water, or electrical malfunctions.
12. Care delays: Death or severe harm directly caused by delays in recognizing, triaging, or treating an acute medical condition.

Workforce Safety Events

1. Homicide of a staff member: Willful killing of any employee, practitioner, or vendor while on hospital property.
2. ~~Homicide of a staff member~~ Accident or Injury: Accidental harm to staff with significant injuries.
3. Sexual abuse/assault of a staff member: Sexual violence or non-consensual sexual acts targeted at a healthcare worker.
4. Physical assault of a staff member: Physical violence resulting in injury to an employee while on the job.

Response and Analysis Requirements

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

1. Immediate Stabilization and Risk Containment
 - a. Immediately assess and stabilize the patient, prioritizing life-saving interventions and prevention of further harm.
 - b. Contain the environment to eliminate or control any ongoing hazards (e.g., remove faulty equipment, secure medications, restrict access to unsafe areas).
 - c. Implement immediate mitigation strategies to prevent additional harm to the patient involved and any other patients, staff, or visitors.
 - d. Notify organizational leadership immediately, Administrator on Call (AOC), and Sentinel Event Response Team.
 - e. Chief Quality Officer (CQO) or designee, shall disclose the event to the patient and/or family, provide appropriate support, and ensure all required reporting and notifications are completed in accordance with applicable laws and regulations, including the governing body.
 - f. Initiate investigation to include securing and sequestering equipment, materials, documentation, etc. that was involved in the event.
 - g. Interview all staff, patients, and families directly related to the event.

Corrective Action Plan - An end-product of comprehensive systematic analysis.

The Action Plan should address at a minimum:

1. Identification of corrective actions designed to eliminate, control, or mitigate system hazards or vulnerabilities directly related to causal and contributory factors.
2. Assigned accountability for implementation of each action.
3. Defined Timelines for completion.
4. Measurable outcomes and methods for evaluating the effectiveness of the actions.
5. Strategies for sustaining improvement over time.

Accountability

Sentinel Event Response Team is responsible for:

1. Reviewing findings and approving corrective action plans.
2. Ensuring implementation, monitoring, and sustainment of improvement actions.
3. Facilitating appropriate internal communication and leadership reporting.
4. The governing body is apprised of all process improvements.

References:

The Joint Commission (2026). Leadership and governing body oversight of sentinel events and corrective actions.

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

CMS (42 CFR 482.12, 485.21: Governing body responsibility and QAPI reporting requirements.

The Joint Commission (TJC). Sentinel Event Policy and Procedures, Comprehensive Accreditation Manual for Hospitals (CAMH), Leadership (LD) and Performance Improvement (PI) Chapters.

The Joint Commission. Root Cause Analysis in Health Care: Tools and Techniques, 6th Edition.

Centers for Medicare & Medicaid Services (CMS).

- 42 CFR §482.21 – Quality Assessment and Performance Improvement (QAPI)
- 42 CFR §482.12 – Governing Body
- CMS State Operations Manual, Appendix A – Survey Protocol for Hospitals

Oregon Health Authority (OHA).

- Patient Safety Reporting Program
- Adverse Health Events Reporting Requirements (ORS 442.015–442.105)

Oregon Patient Safety Commission (OPSC).

- Root Cause Analysis Toolkit
- Safety Improvement Resources and Event Review Guidance

Agency for Healthcare Research and Quality (AHRQ).

- Patient Safety Network (PSNet)
- Common Formats for Event Reporting

Approved By:

PENDING BOD Approval 6/16/26

Title: SENTINEL EVENT	BAH ID: ADM_0207
Start Date: 2/17/1999	Approval/Reviewed Date: PENDING

Appendix A

Root Cause Analysis

Identification of causative issues, systems or processes that represent core reasons and latent conditions that allowed for occurrence of the event. Use the following tools to assist with identification of causative factors leading to the event (not all inclusive):

1. Flow Charting
2. Diagrams
3. The five (5) whys
4. [Action hierarchy \(ex. Safety Action Hierarchy\)](#)
5. Develop, educate, implement, monitor, and evaluate the plan's effectiveness to ensure the event shall not be repeated.
6. [8410.116 Sentinel Event Determination Tool](#)

RCA is primary focus is on systems and processes, not individual performance. To conduct a thorough RCA, the Sentinel Event Response Team ~~may~~ shall contain the following elements:

1. A clear definition of the issue pertaining to the sentinel event; that is, a determination of the human and other factors most directly associated with the sentinel event or other safety-related event, and the process (es) and systems related to its occurrence., shall be made. Including target dates, designate responsibilities, and measurement strategies to be utilized.
2. Brainstorming all real or potential contributing causes, which shall include analysis of the underlying systems and processes through a series of "Why?" questions to determine where to redesign might reduce risk.
3. Identification of risk points and their potential contributions to this type of event.
4. Organization and analysis of causative factors, listing these factors in identified cause/effect priority.
5. Adequacy of staffing, including nurse staffing, shall always be evaluated as a possible cause: Evaluation of staffing shall include:
 - a. Number of staff on unit
 - b. Skill set of staffing unit
 - c. Competencies of staff
6. Issues such as:
 - a. Processes related to workflow
 - b. Competency assessment
 - c. Credentialing
 - d. Supervision of staff
 - e. Orientation training and education



BAY AREA HOSPITAL

Unaudited Financial Statements

for

11 months ended May 31, 2026

Prepared

Wednesday, June 10, 2026

Finance Committee Chair

Kyle Stevens

Chief Financial Officer

Patrick Banks

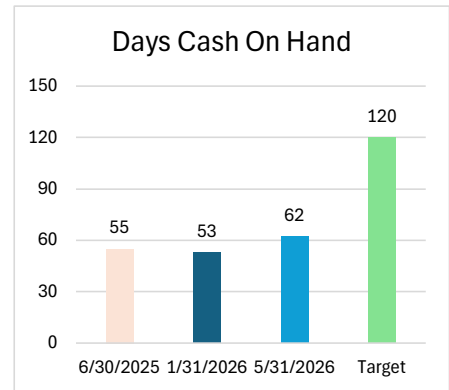
TABLE OF CONTENTS

TABLE OF CONTENTS	Page 2
EXECUTIVE SUMMARY	Page 3
KEY FINANCIAL RATIOS	Page 4
PATIENT STATISTICS DATA	Page 5
STATEMENT OF OPERATIONS - CURRENT MONTH	Page 6
STATEMENT OF OPERATIONS - YEAR-TO-DATE	Page 7
BALANCE SHEET	Page 8
STATEMENT OF CASH FLOWS	Page 9
REVENUE CYCLE REPORT	Page 10
PAYER MIX ANALYSIS	Page 11
CAPITAL PURCHASES REPORT	Page 12
DEBT COVENANTS COMPLIANCE TRACKING	Page 13
STATEMENT OF OPERATIONS - 13 MONTH TREND	Page 14 (2 sheets)

BAY AREA HOSPITAL
MONTH END:5/31/2026

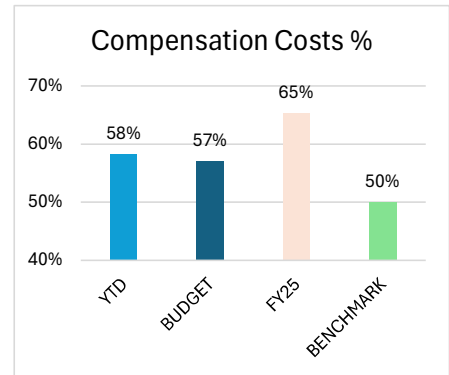
BALANCE SHEET

	YTD		Prior FYE	
	5/31/2026		6/30/2025	
ASSETS				
Current Assets	\$	55,858,589	\$	48,475,551
Investments		28,410,378		32,402,288
Capital Assets (Net)		58,386,855		64,539,978
Other Assets		5,428,860		3,806,720
Total Unrestricted Assets		\$ 148,084,683		\$ 149,224,537
Defined Benefit Pension Asset		6,005,032		6,005,032
Total Assets		\$ 154,089,715		\$ 155,229,569
LIABILITIES & NET POSITION				
Current Liabilities	\$	36,407,602	\$	31,964,509
Long-Term Debt		45,396,594		45,481,529
Other Long-Term Liabilities		14,193,570		14,111,516
Total Liabilities		\$ 95,997,767		\$ 91,557,554
Net Position		58,091,948		63,672,015
Total Liabilities & Net Position		\$ 154,089,715		\$ 155,229,569



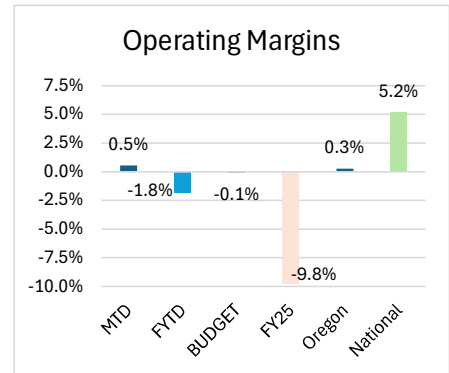
STATEMENT OF REVENUE AND EXPENSES - YTD

	MONTH OF 5/31/2026		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Gross Patient Revenues	\$ 63,848,824	\$ 68,928,275	\$ 749,628,792	\$ 744,999,212
Deductions From Revenue	(44,194,096)	(47,558,018)	(526,111,905)	(515,879,445)
Bad Debt & Charity Write-Offs	(849,403)	(963,349)	(8,628,578)	(10,412,057)
Net Patient Revenues	\$ 18,805,325	\$ 20,406,908	\$ 214,888,308	\$ 218,707,709
Other Operating Revenues	1,903,580	1,465,575	22,733,387	16,121,323
Total Operating Revenues	\$ 20,708,905	\$ 21,872,483	\$ 237,621,695	\$ 234,829,032
Salaries, Benefits & Contr. Lbr	\$ 10,889,076	\$ 11,420,363	\$ 125,224,619	\$ 124,702,297
Purchased Serv & Phys Fees	3,800,256	3,742,774	41,506,430	41,218,396
Supplies	3,012,914	4,009,410	42,581,459	43,435,508
Other Operating Expenses	2,136,483	1,599,913	24,349,975	17,612,018
Depreciation	761,446	723,664	8,271,872	8,006,123
Total Expenses	\$ 20,600,175	\$ 21,496,125	\$ 241,934,356	\$ 234,974,342
Net Operating Surplus (Loss)	\$ 108,730	\$ 376,358	\$ (4,312,660)	\$ (145,310)
Non-Operating Income (Expense)	(130,958)	(135,282)	(1,267,406)	(2,382,103)
TOTAL NET SURPLUS (LOSS)	\$ (22,228)	\$ 241,076	\$ (5,580,067)	\$ (2,527,413)



KEY STATISTICS AND RATIOS

	5/31/2026		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Total Discharges	489	583	5,996	6,301
Acute ALOS (Non-Psych)	3.90	3.77	3.70	3.77
Emergency Room Visits	2,557	2,586	27,846	27,952
Total Outpatient Visits	10,505	11,210	122,141	123,310
Operating Room Cases	250	302	3,371	3,322
Cath Lab Cases	108	108	1,318	1,165
Total Worked FTE's	741	778	756	765
Total Paid FTE's	842	868	859	863
EBIDA	4.9%	5.2%	2.4%	3.5%
Adjusted EBIDA	5.4%	5.5%	2.7%	3.7%
Current Ratio	n/a	n/a	1.5	n/a
Total Adult ADC	60.0	69.5	65.3	69.5



BAY AREA HOSPITAL

MONTH END: 5/31/2026

	Year to Date	Prior FYE
	5/31/2026	6/30/2025
Profitability:		
Operating Margin	-1.8%	-9.8%
Total Net Surplus (Loss) Margin	-2.3%	-10.0%
EBIDA Margin	2.4%	-4.8%
Deductions from Revenue Percentage	71.3%	69.9%
Outpatient Factor	2.67	2.45
Liquidity:		
Days Cash On Hand, All Sources	62	62
Net Days in Accounts Receivable	41	44
Average Payment Period	25	31
Current Ratio	1.53	1.57
Capital Structure:		
Age of Plant (Annualized, in Years)	17.26	16.43
Debt to Assets Ratio	0.82	0.74
Debt Service Coverage Ratio	2.06	(1.53)
Productivity and Efficiency:		
Worked FTE/AOB	4.63	4.72
Paid FTE/AOB	5.26	5.37
SWB & Contr. Labor as a % of Net Patient Revenue	58%	65%
Salary Expense per Paid FTE (annualized)	\$155,174	\$150,088
Supply Expense Per Adj Discharge	\$2,905	\$2,767
Bad Debt Write-off %	0.74%	0.34%
Charity Care Write-off %	0.42%	1.01%
Other Ratios:		
Gross Days in Accounts Receivable	48.92	49.27
Net Revenue per Adjusted Discharge	\$14,864	\$14,997
Operating Expense per Adjusted Discharge	\$15,134	\$16,459

BAY AREA HOSPITAL

MONTH END: 5/31/2026

Current Month				STATISTICS	Year-To-Date			
Actual	Budget	Variance	Prior Year		Actual	Budget	Variance	Prior Year
5/31/2026	5/31/2026		5/31/2025		5/31/2026	5/31/2026		5/31/2025
Discharge								
419	509	(90)	512	Medical, Surgical, ICU, and IMCU	5,187	5,498	(311)	5,816
28	29	(1)	25	Psychiatric	311	319	(8)	254
447	538	(91)	537	Total Adult Discharges	5,498	5,817	(319)	6,070
42	45	(3)	42	Newborn	498	484	14	495
489	583	(94)	579	Total Discharges	5,996	6,301	(305)	6,565
Patient Days								
1,633	1,919	(286)	1,761	Medical, Surgical, ICU, and IMCU	19,186	20,736	(1,550)	22,844
227	234	(7)	235	Psychiatric	2,694	2,533	161	2,531
1,860	2,153	(293)	1,996	Total Adult Patient Days	21,880	23,269	(1,389)	25,375
83	89	(6)	68	Newborn	952	967	(15)	939
1,943	2,242	(299)	2,064	Total Patient Days	22,832	24,236	(1,404)	26,314
Average Length of Stay (ALOS)								
3.90	3.77	0.13	3.44	Medical, Surgical, ICU, and IMCU	3.70	3.77	(0.07)	3.93
8.11	8.07	0.04	9.40	Psychiatric	8.66	7.94	0.72	9.96
4.16	4.00	0.16	3.72	Total Adult ALOS	3.98	4.00	(0.02)	4.18
1.98	1.98	(0.00)	1.62	Newborn ALOS	1.91	2.00	(0.09)	1.90
Average Daily Census (ADC)								
53	62	(9)	57	Medical, Surgical, ICU, and IMCU	57	62	(5)	68
7	8	(0)	8	Psychiatric	8	8	0	8
60	69	(9)	64	Total Adult ADC	65	69	(4)	76
3	3	(0)	2	Newborn	3	3	(0)	3
Emergency Room Statistics								
361	434	(73)	397	ER Visits - Admitted	4,449	4,692	(243)	4,806
2,196	2,152	44	2,119	ER Visits - Discharged	23,397	23,260	137	23,132
2,557	2,586	(29)	2,516	Total ER Visits	27,846	27,952	(106)	27,938
14.12%	16.78%	(2.66%)	15.78%	% of ER Visits Admitted	15.98%	16.79%	(0.81%)	17.20%
82.23%	80.67%	1.56%	77.80%	ER Admissions as a % of Total Admissions	80.92%	80.66%	0.26%	79.18%
Other Statistics								
10,505	11,210	(705)	11,220	Total Outpatients Visits	122,141	123,310	(1,169)	126,021
131	86	45	82	Observation Bed Days	1,241	946	295	974
2,030	2,137	(107)	1,973	Clinic Visits - Specialty Clinics	23,853	23,101	752	22,643
78	107	(29)	109	IP Surgical Cases	1,035	1,177	(142)	1,145
172	195	(23)	191	OP Surgical Cases	2,336	2,145	191	2,086
108	108	0	114	Cath Lab Cases	1,318	1,165	153	1,174
Productivity Statistics								
716	744	(28)	773	FTE Worked (Excluding Providers)	731	731	0	829
814	831	(17)	874	FTE Paid (Excluding Providers)	831	826	5	937
25	34	(9)	31	FTE Worked (Providers)	25	34	(9)	33
28	37	(9)	34	FTE Paid (Providers)	28	37	(9)	36
1.4505	1.5953	(0.1448)	1.6700	Case Mix Index - Medicare	1.5600	1.5953	(0.0353)	1.5800
1.4196	1.5832	(0.1636)	1.4900	Case Mix Index - All Payers	1.4800	1.5832	(0.1032)	1.4900

BAY AREA HOSPITAL
MONTH END:5/31/2026

	Month to Date						
	5/31/2026	Budget	Variance	Var %	5/31/2026	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	\$ 22,665,808	\$ 28,471,563	\$ (5,805,755)	-20.4%	\$ 23,510,008	\$ (844,199)	-3.6%
Outpatient Revenue	41,183,016	40,456,712	726,303	1.8%	37,023,474	4,159,541	11.2%
Total Gross Patient Revenue	\$ 63,848,824	\$ 68,928,275	\$ (5,079,451)	-7.4%	\$ 60,533,482	\$ 3,315,342	5.5%
Deductions							
Deductions	\$ 44,194,096	\$ 47,558,018	\$ 3,363,922	7.1%	\$ 41,844,820	\$ (2,349,276)	-5.6%
Bad Debt	548,926	217,961	(330,965)	-151.8%	(166,025)	(714,952)	-430.6%
Charity	300,477	745,387	444,911	59.7%	562,617	262,141	46.6%
Total Deductions	\$ 45,043,499	\$ 48,521,367	\$ 3,477,868	7.2%	\$ 42,241,412	\$ (2,802,087)	-6.6%
Net Patient Revenue	\$ 18,805,325	\$ 20,406,908	\$ (1,601,583)	-7.8%	\$ 18,292,070	\$ 513,255	2.8%
Supplemental Payments	1,654,526	1,134,819	(519,707)	-45.8%	1,023,998	(630,528)	-61.6%
Other Oper Revenue	249,054	330,756	(81,702)	-24.7%	494,088	(245,034)	-49.6%
Total Net Revenue	\$ 20,708,905	\$ 21,872,483	\$ (1,163,578)	-5.3%	\$ 19,810,155	\$ 898,749	4.5%
<i>Net to Gross Patient Rev Ratio</i>	29.5%	29.6%			30.2%		
Operating Expenses							
Salaries	\$ 8,241,018	\$ 7,682,951	\$ (558,067)	-7.3%	\$ 8,422,402	\$ 181,384	2.2%
Contract Labor	1,014,745	1,589,413	574,667	36.2%	1,727,271	712,526	41.3%
Benefits	1,633,313	2,147,999	514,687	24.0%	2,381,375	748,063	31.4%
Physician & Prof Fee	1,584,349	1,523,009	(61,339)	-4.0%	1,746,562	162,213	9.3%
Supplies	3,012,914	4,009,410	996,497	24.9%	4,338,049	1,325,136	30.5%
Purchased Services	2,215,907	2,219,765	3,857	0.2%	2,748,281	532,374	19.4%
Leases/Rentals	22,370	16,867	(5,502)	-32.6%	16,944	(5,425)	-32.0%
Depreciation	761,446	723,664	(37,782)	-5.2%	798,927	37,481	4.7%
Provider Tax Expense	1,671,071	1,134,819	(536,252)	-47.3%	1,034,238	(636,833)	-61.6%
Other Oper Expense	443,042	448,227	5,185	1.2%	544,785	101,743	18.7%
Total Operating Expenses	\$ 20,600,175	\$ 21,496,125	\$ 895,950	4.2%	\$ 23,758,834	\$ 3,158,660	13.3%
Net Operating Income	\$ 108,730	\$ 376,358	\$ (267,628)	-71.1%	\$ (3,948,679)	\$ 4,057,409	-102.8%
Investment Income	78,765	-	78,765	0.0%	39,127	39,639	101.3%
Other Nonop Inc(Exp)	62,103	40,718	21,385	52.5%	27,254	34,849	127.9%
Interest Expense	(271,827)	(176,000)	(95,827)	54.4%	(176,794)	(95,033)	53.8%
Net Surplus (Loss)	\$ (22,228)	\$ 241,076	\$ (263,305)	-109.2%	\$ (4,059,093)	\$ 4,036,864	-99.5%

BAY AREA HOSPITAL

MONTH END: 5/31/2026

	Year to Date						
	5/31/2026	Budget	Variance	Var %	5/31/2025	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	\$ 281,171,932	\$ 307,543,772	\$ (26,371,840)	-8.6%	\$ 280,182,206	\$ 989,726	0.4%
Outpatient Revenue	468,456,859	437,455,439	31,001,420	7.1%	400,415,275	68,041,585	17.0%
Total Gross Patient Revenue	\$ 749,628,792	\$ 744,999,212	\$ 4,629,580	0.6%	\$ 680,597,481	\$ 69,031,311	10.1%
Deductions							
Deductions	\$ 526,111,905	\$ 515,879,445	\$ (10,232,460)	-2.0%	\$ 465,635,554	\$ (60,476,351)	-13.0%
Bad Debt	5,512,635	2,355,428	(3,157,207)	-134.0%	1,795,798	(3,716,837)	-207.0%
Charity	3,115,943	8,056,630	4,940,687	61.3%	7,267,260	4,151,318	57.1%
Total Deductions	\$ 534,740,483	\$ 526,291,503	\$ (8,448,981)	-1.6%	\$ 474,698,613	\$ (60,041,871)	-12.6%
Net Patient Revenue	\$ 214,888,308	\$ 218,707,709	\$ (3,819,401)	-1.7%	\$ 205,898,868	\$ 8,989,441	4.4%
Supplemental Payments	18,663,961	12,483,009	(6,180,952)	-49.5%	11,810,208	(6,853,753)	-58.0%
Other Oper Revenue	4,069,426	3,638,314	431,113	11.8%	4,281,406	(211,980)	-5.0%
Total Net Revenue	\$ 237,621,695	\$ 234,829,032	\$ (9,569,240)	-4.1%	\$ 221,990,482	\$ 1,923,707	0.9%
<i>Net to Gross Ratio</i>	28.7%	29.4%			30.3%		
Operating Expenses							
Salaries	\$ 88,894,017	\$ 82,446,393	\$ (6,447,624)	-7.8%	\$ 89,909,807	\$ 1,015,790	1.1%
Contract Labor	13,109,390	18,766,490	5,657,100	30.1%	19,049,251	5,939,861	31.2%
Benefits	23,221,213	23,489,414	268,201	1.1%	24,924,050	1,702,837	6.8%
Physician & Prof Fee	17,911,304	16,779,886	(1,131,418)	-6.7%	17,240,842	(670,463)	-3.9%
Supplies	42,581,459	43,435,508	854,049	2.0%	41,053,786	(1,527,674)	-3.7%
Purchased Services	23,595,126	24,438,509	843,383	3.5%	24,545,768	950,642	3.9%
Leases/Rentals	276,812	183,838	(92,975)	-50.6%	206,399	(70,414)	-34.1%
Depreciation	8,271,872	8,006,123	(265,749)	-3.3%	9,456,268	1,184,395	12.5%
Provider Tax Expense	18,783,364	12,483,009	(6,300,355)	-50.5%	11,817,161	(6,966,204)	-58.9%
Other Oper Expense	5,289,798	4,945,172	(344,626)	-7.0%	4,760,967	(528,831)	-11.1%
Total Operating Expenses	\$ 241,934,356	\$ 234,974,342	\$ (6,960,014)	-3.0%	\$ 242,964,297	\$ 1,029,941	0.4%
Net Operating Income	\$ (4,312,660)	\$ (145,310)	\$ (4,167,350)	2867.9%	\$ (20,973,816)	\$ 16,661,155	-79.4%
Investment Income	1,079,513	-	1,079,513	0.0%	2,051,556	(972,043)	-47.4%
Other Nonop Inc(Exp)	683,220	447,897	235,322	52.5%	(483,572)	1,166,791	-241.3%
Interest Expense	(3,030,139)	(2,830,000)	(200,139)	7.1%	(2,060,100)	(970,040)	47.1%
Net Surplus (Loss)	\$ (5,580,067)	\$ (2,527,413)	\$ (3,052,654)	120.8%	\$ (21,465,931)	\$ 15,885,864	-74.0%

BAY AREA HOSPITAL

MONTH END:5/31/2026

Assets And Deferred Outflows Of Resources	5/31/2026	4/30/2026	6/30/2025
Current Assets			
Cash & Cash Equivalents	\$ 11,644,037	\$ 12,606,618	\$ 9,388,266
Accounts Receivable, net	26,990,504	26,884,693	26,128,118
Inventory	4,219,025	4,287,052	4,347,042
Other Current Assets	13,005,024	11,659,769	8,612,125
Total Current Assets	<u>\$ 55,858,589</u>	<u>\$ 55,438,132</u>	<u>\$ 48,475,551</u>
Investments	\$ 28,410,378	\$ 28,340,498	\$ 32,402,288
Capital Assets			
Depreciable Capital Assets, net	\$ 55,798,594	\$ 56,401,294	\$ 62,170,275
Nondepreciable Capital Assets	2,588,261	2,594,476	2,369,704
Total Capital Assets, net	<u>\$ 58,386,855</u>	<u>\$ 58,995,770</u>	<u>\$ 64,539,978</u>
Leases and Subscriptions, net	\$ 4,525,148	\$ 4,608,990	\$ 2,986,273
Other Non Current Assets	903,712	903,712	820,446
Total Assets	<u>\$ 148,084,683</u>	<u>\$ 148,287,102</u>	<u>\$ 149,224,537</u>
Deferred Outflows Of Resources	6,005,032	6,005,032	6,005,032
Total Assets And Deferred Outflows	<u>\$ 154,089,715</u>	<u>\$ 154,292,134</u>	<u>\$ 155,229,569</u>
Liabilities, Deferred Inflows of Resources, And Net Position	5/31/2026	4/30/2026	6/30/2025
Current Liabilities			
Accounts Payable	\$ 7,111,640	\$ 8,332,561	\$ 7,788,748
Accrued Payroll and Payroll Taxes	4,268,958	4,015,575	4,414,629
Accrued Paid Time Off	5,295,163	5,672,813	5,407,083
Other Accrued Liabilities	11,678,649	10,388,394	6,138,963
3rd Party Settlements Payable, net	5,507,466	5,507,466	5,706,639
Current Portion of Long Term Obligations	2,545,725	2,545,725	2,508,447
Total Current Liabilities	<u>\$ 36,407,602</u>	<u>\$ 36,462,534</u>	<u>\$ 31,964,509</u>
Long Term Obligations, net of current portion	\$ 45,396,594	\$ 45,521,638	\$ 45,481,529
Other Noncurrent Liabilities	3,025,772	3,025,772	2,942,506
Net Pension Liability	630,964	630,964	630,964
Total Liabilities	<u>\$ 85,460,932</u>	<u>\$ 85,640,907</u>	<u>\$ 81,019,508</u>
Deferred Inflows Of Resources	\$ 10,542,073	\$ 10,542,073	\$ 10,542,073
Inter Fund Receivables (Payables)	(5,238)	(5,023)	(4,027)
Total Liabilities & Deferred Cash Inflows	<u>\$ 95,997,767</u>	<u>\$ 96,177,957</u>	<u>\$ 91,557,554</u>
Net Position	\$ 58,091,948	\$ 58,114,177	\$ 63,672,014
Total Liabilities, Deferred Inflows, Net Position	<u>\$ 154,089,715</u>	<u>\$ 154,292,134</u>	<u>\$ 155,229,568</u>

BAY AREA HOSPITAL

MONTH END:5/31/2026

	<i>Month</i>	<i>Year to Date</i>
Cash Flows from Operating Activities:		
Net Income / (loss)	\$ (22,228)	\$ (5,580,067)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Change in Value of Investments	\$ (69,880)	\$ (1,008,090)
Depreciation & Amortization	761,446	8,271,872
Decreases (Increases) In:		
Receivables	(105,811)	(862,386)
Inventories of Supplies	68,027	128,018
Other Current Assets	(1,345,255)	(4,392,898)
Net Pension Asset and Liability	-	-
Other Noncurrent Assets	-	(83,265)
Increases (Decreases) In:		
Accounts Payable	(1,220,920)	(677,108)
Accrued Payroll and Payroll Taxes	253,384	(145,671)
Accrued Paid Time Off	(377,650)	(111,920)
Other Current Liabilities	1,290,255	5,539,686
Estimated 3rd Party Settlements	-	(199,173)
Other Noncurrent Liabilities	-	83,265
Net cash provided by operating activities	\$ (768,632)	\$ 962,263
Cash flows from investing activities:		
Purchase of PP&E & Subscriptions	\$ (68,690)	\$ (650,255)
Leases and Other Subscription Arrangements in Capital	-	(3,007,369)
Transfers of Investments to Cash	-	5,000,000
Net cash provided by investing activities	\$ (68,690)	\$ 1,342,376
Cash flows from financing activities:		
Changes in Interfund Payables/Receivables	\$ (216)	\$ (1,212)
Principle Payments on Debt and Leases	(125,043)	(47,656)
Net cash provided by financing activities	\$ (125,259)	\$ (48,868)
Net increase (decrease) in cash	\$ (962,581)	\$ 2,255,771
Beginning Cash Balance	\$ 12,606,618	\$ 9,388,266
Ending Cash Balance	\$ 11,644,037	\$ 11,644,037

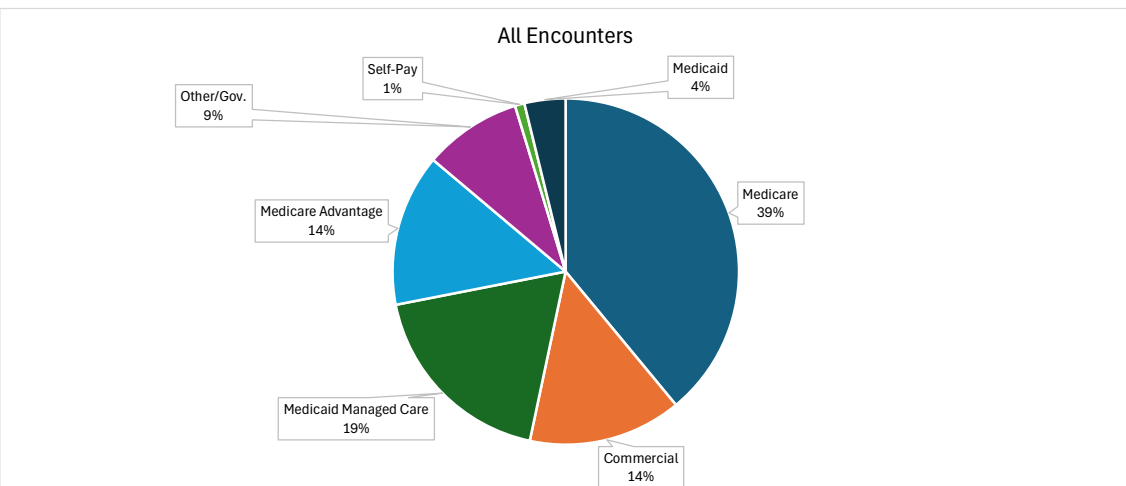
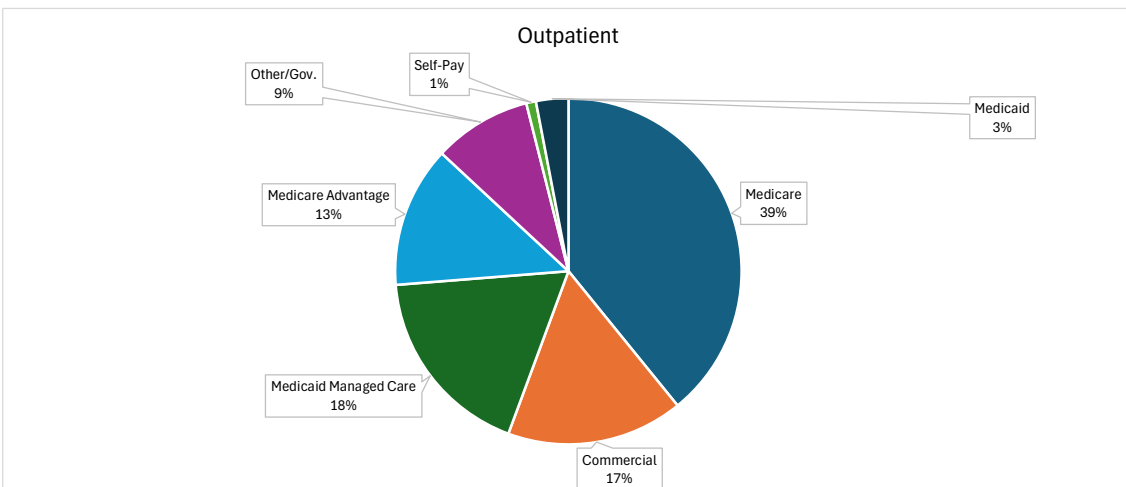
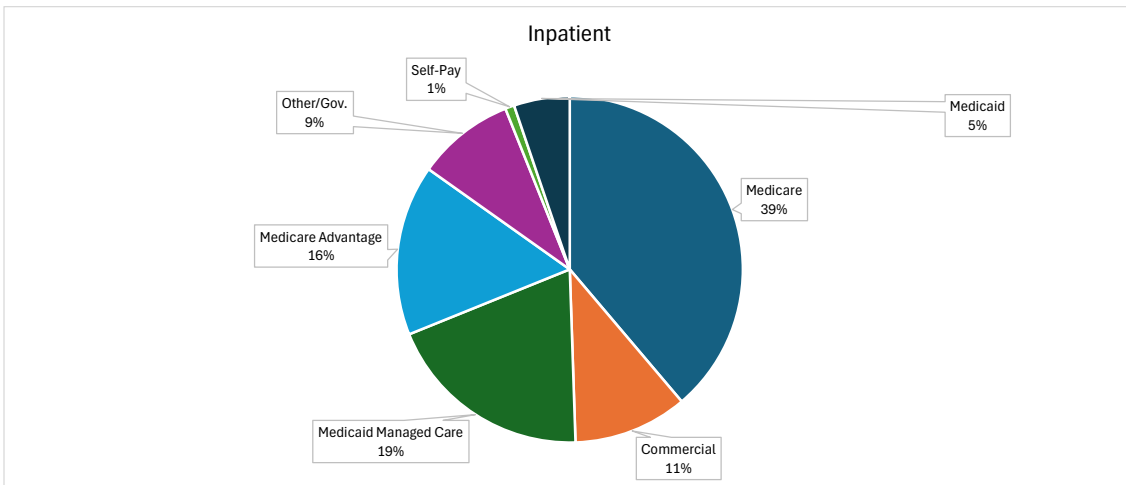
BAY AREA HOSPITAL

MONTH END: 5/31/2026

		Actual	Target
Net Days in Accounts Receivable		40.60	< 50
Gross Days in Unbilled Revenue - Discharges Not Final Billed		5.60	< 3.5
Gross Days in Credit Balances		0.50	< 1.0
Charity Care as a % of Gross Patient Revenue	Current Month	0.47%	- 0%
	Year- To-Date	0.42%	- 0%
Bad Debts as a % of Gross Patient Revenue	Current Month	0.86%	- 1%
	Year- To-Date	0.74%	- 1%
Collections as a Percentage of Net Patient Revenue	Current Month	102.38%	>= 100%
	Year- To-Date	98.75%	>= 100%
Percentage of Accounts Receivable > 90 Days	Medicare	12%	< 6%
	Commercial	28%	< 15%
	Medicare Advantage	21%	< 15%
	Advanced Health	8%	< 15%
	State Medicaid	18%	< 20%
	Other Payors	16%	< 25%
% of Claims Initially Denied - Partial or Zero Pay	Current Month	21.10%	< 3%
	Year- To-Date	11.60%	< 3%
% Denials Resolved	Current Month	66.47%	100%
	Year- To-Date	NO DATA	100%
% of Patient Responsibility Collected at Point of Service	Current Month	6.70%	20% or >
	Year- To-Date	10.80%	20% or >
Cost to Collect as a % of Cash Collections	Current Month	8.02%	< 5%
	Year- To-Date	6.85%	< 5%
Late Charges as a % of Total Charges	Current Month	3.50%	0%
	Year- To-Date	5.15%	0%
% of Insurance Registrations Verified	Current Month	97.90%	100%
	Year- To-Date	98.26%	100%
% of Accounts Pre-Authorized for Service	Current Month	96.13%	100%
	Year- To-Date	99.19%	100%

BAY AREA HOSPITAL

MONTH END: 5/31/2026



BAY AREA HOSPITAL

MONTH END: 5/31/2026

Current Month Purchases	Cost	Budgeted
Retail Pharmacy	\$ 10,021	✓
WIC Heat Pump	\$ 15,087	✓
Family Housing Projects	\$ 45,377	✓
Teledoc	\$ 3,000	✓
Capital Expenditure, Current Month	\$ 73,485	
 Previously Purchased in Current Fiscal Year:		
Retail Pharmacy	\$ 29,197	✓
Prizm Cart System	\$ 48,700	✓
Trios Table	\$ 115,089	✓
TeleDoc Capital Lease Renewal	\$ 23,148	✓
Retail Pharmacy	\$ 29,377	✓
OR Equipment	\$ 9,685	✓
WIC Heat Pump	\$ 13,262	✓
Family Housing Projects	\$ 205,300	✓
Pneumatic Tube System	\$ 62,856	✓
Two Channel Infusion Analyzer	\$ 10,863	✓
Green Light Laser	\$ 18,874	✓
Ultrasound Probe	\$ 5,659	✓
Pevco Passport & Barcode	\$ 4,760	✓
Capital Expenditure, Previously Purchased	\$ 576,770	
 Total Capital Expenditure, Fiscal YTD	\$ 650,255	

BAY AREA HOSPITAL

MONTH END: 5/31/2026

Covenant

Status

1) TTM Income Available for Debt Service > \$5,000,000

\$ 5,766,933

2) Days Cash On Hand > 75

62.0

3) Unrestricted Liquid Funds > \$50,000,000

\$ 40,054,415

BAY AREA HOSPITAL

MONTH END: 5/31/2026

Month to Date

	5/31/2026	4/30/2026	3/31/2026	2/28/2026	1/31/2026	12/31/2025	11/30/2025
Gross Patient Revenue							
Inpatient Revenue	\$ 22,665,808	\$ 24,253,268	\$ 27,718,013	\$ 24,785,270	\$ 25,285,811	\$ 27,533,675	\$ 24,794,900
Outpatient Revenue	41,183,016	45,882,317	48,055,032	40,043,628	42,203,815	42,929,314	39,172,236
Total Gross Patient Revenue	\$ 63,848,824	\$ 70,135,585	\$ 75,773,045	\$ 64,828,898	\$ 67,489,626	\$ 70,462,989	\$ 63,967,137
Deductions							
Bad Debt	\$ 44,194,096	\$ 49,201,875	\$ 53,160,373	\$ 45,076,087	\$ 47,381,190	\$ 48,583,922	\$ 45,505,698
Charity	548,926	(518,513)	969,179	498,518	705,872	1,565,159	731,546
Total Deductions	\$ 45,043,499	\$ 49,214,606	\$ 54,333,433	\$ 45,847,788	\$ 48,348,214	\$ 50,210,344	\$ 46,428,542
Net Patient Revenue	\$ 18,805,325	\$ 20,920,979	\$ 21,439,613	\$ 18,981,110	\$ 19,141,412	\$ 20,252,644	\$ 17,538,595
Supplemental Payments	1,654,526	1,578,204	1,914,746	1,686,583	1,676,398	1,802,141	1,534,499
Other Oper Revenue	249,054	99,065	349,576	513,838	899,461	(63,067)	802,893
Total Net Revenue	\$ 20,708,905	\$ 22,598,248	\$ 23,703,934	\$ 21,181,531	\$ 21,717,271	\$ 21,991,719	\$ 19,875,987
<i>Net to Gross Patient Rev Ratio</i>	29.5%	29.8%	28.3%	29.3%	28.4%	28.7%	27.4%
Operating Expenses							
Salaries	\$ 8,241,018	\$ 7,734,115	\$ 8,107,901	\$ 7,350,047	\$ 7,933,015	\$ 7,896,929	\$ 8,161,024
Contract Labor	1,014,745	892,120	865,999	1,057,989	1,126,720	901,445	726,015
Benefits	1,633,313	3,063,878	2,125,341	1,758,927	1,512,921	1,917,631	1,837,150
Physician & Prof Fee	1,584,349	1,723,043	1,977,458	1,531,129	2,008,633	1,521,919	1,347,277
Supplies	3,012,914	4,832,683	4,421,917	4,635,135	3,923,268	3,993,593	3,450,109
Purchased Services	2,215,907	1,587,683	2,811,916	1,784,481	2,375,422	2,003,334	1,812,019
Leases/Rentals	22,370	22,944	35,056	15,262	38,036	28,830	16,790
Depreciation	761,446	759,992	769,694	770,547	863,605	705,876	708,467
Provider Tax Expense	1,671,071	1,593,986	1,933,893	1,703,449	1,693,162	1,820,163	1,549,844
Other Oper Expense	443,042	369,252	401,240	465,466	167,886	1,037,336	587,523
Total Operating Expenses	\$ 20,600,175	\$ 22,579,696	\$ 23,450,417	\$ 21,072,433	\$ 21,642,669	\$ 21,827,057	\$ 20,196,218
Net Operating Income	\$ 108,730	\$ 18,552	\$ 253,517	\$ 109,098	\$ 74,602	\$ 164,662	\$ (320,231)
Investment Income	78,765	69,847	9,619	137,692	64,439	75,553	136,471
Other Nonop Inc(Exp)	62,103	25,633	155,989	179,432	30,652	24,726	88,187
Interest Expense	(271,827)	(272,484)	(256,406)	(283,115)	(292,764)	(252,906)	(297,114)
Net Surplus (Loss)	\$ (22,228)	\$ (158,452)	\$ 162,720	\$ 143,107	\$ (123,070)	\$ 12,035	\$ (392,686)

BAY AREA HOSPITAL

MONTH END: 4/30/2026

Month to Date

	10/31/2025	9/30/2025	8/31/2025	7/31/2025	6/30/2025	5/31/2025
Gross Patient Revenue						
Inpatient Revenue	\$ 26,626,663	\$ 26,728,010	\$ 25,712,601	\$ 25,067,912	\$ 21,889,108	\$ 23,510,008
Outpatient Revenue	45,309,041	41,227,365	40,825,879	41,625,217	37,235,073	37,023,474
Total Gross Patient Revenue	\$ 71,935,704	\$ 67,955,375	\$ 66,538,480	\$ 66,693,128	\$ 59,124,181	\$ 60,533,482
Deductions						
Bad Debt	\$ 51,088,823	\$ 47,460,525	\$ 46,951,840	\$ 47,507,475	\$ 41,253,933	\$ 41,844,820
Charity	257,324	209,021	390,753	154,851	753,585	(166,025)
Total Deductions	\$ 51,776,066	\$ 48,045,667	\$ 47,414,919	\$ 48,077,405	\$ 42,206,626	\$ 42,241,412
Net Patient Revenue	\$ 20,159,638	\$ 19,909,708	\$ 19,123,561	\$ 18,615,723	\$ 16,917,555	\$ 18,292,070
Supplemental Payments	1,767,538	1,679,725	1,695,376	1,674,225	909,741	1,023,998
Other Oper Revenue	343,466	56,187	468,529	350,424	358,227	494,088
Total Net Revenue	\$ 22,270,643	\$ 21,645,620	\$ 21,287,466	\$ 20,640,372	\$ 18,185,523	\$ 19,810,155
<i>Net to Gross Patient Rev Ratio</i>	28.0%	29.3%	28.7%	27.9%	28.6%	30.2%
Operating Expenses						
Salaries	\$ 7,915,210	\$ 8,363,855	\$ 8,244,951	\$ 8,945,952	\$ 7,717,782	\$ 8,422,402
Contract Labor	1,607,600	1,503,921	1,814,985	1,597,850	1,789,658	1,727,271
Benefits	2,296,902	1,972,668	2,767,300	2,335,181	(643,456)	2,381,375
Physician & Prof Fee	1,461,946	1,613,154	1,564,475	1,577,921	1,290,563	1,746,562
Supplies	3,865,979	3,232,610	3,479,092	3,734,160	4,365,379	4,338,049
Purchased Services	2,300,742	2,415,248	2,049,830	2,238,543	2,489,287	2,748,281
Leases/Rentals	26,442	33,513	21,281	16,288	11,758	16,944
Depreciation	708,889	719,449	764,537	739,369	743,521	798,927
Provider Tax Expense	1,785,213	1,679,725	1,695,376	1,657,482	1,030,896	1,034,238
Other Oper Expense	597,781	948,860	132,771	138,640	768,041	544,785
Total Operating Expenses	\$ 22,566,704	\$ 22,483,004	\$ 22,534,599	\$ 22,981,385	\$ 19,563,431	\$ 23,758,834
Net Operating Income	\$ (296,061)	\$ (837,384)	\$ (1,247,133)	\$ (2,341,013)	\$ (1,377,909)	\$ (3,948,679)
Investment Income	125,137	126,043	197,536	58,410	172,596	39,127
Other Nonop Inc(Exp)	13,195	62,855	21,601	18,846	496,779	27,254
Interest Expense	(272,313)	(282,150)	(282,780)	(266,282)	(294,464)	(176,794)
Net Surplus (Loss)	\$ (430,042)	\$ (930,635)	\$ (1,310,776)	\$ (2,530,040)	\$ (1,002,998)	\$ (4,059,093)

Title: Administrative Authority Limits

BAH ID: ADM_0137

Start Date: 6/20/2002

Approval/Reviewed Date:4/3/2024

Policy

The President / Chief Executive Officer (CEO) is delegated Board authority to operate the Hospital including entering into contracts and committing hospital funds. The CEO shall execute the delegated authority of the Board within these defined executive limitations.

The Board authorizes the CEO is authorized to make expenditures within the approved annual operating budget and to make necessary increases or decreases due to changes in circumstances, volume, or personnel to maintain financial performance.

Prior approval of the Board is required for the following:

- The annual operating budget and capital plan;
- Capital purchases (including new capital leases) in excess of \$200,000;
- The enactment, ratification, or amendment of any by-laws of the Hospital;
- Real estate purchases and sales;
- Space leases greater than \$200,000 per year;
- Sale, lease, exchange, or other disposition of all or substantially all of the assets of the Hospital.
- Closure or significant downgrade of Hospital service lines;