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 after receiving no public comments.

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 the all-cause readmission 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 the meeting 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 summarizing the organization's performance, 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:
  - o Adoption of the FY2026–2027 Budget and Appropriations o 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 related financial action regarding the audit engagement.

ACTION TAKEN BY THE FINANCE COMMITTEE:

Tom McAndrew moved to approve the 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: 6/16/2026

Patrice Parrott, Board Secretary

Date: 7/21/2026.