Bay Area Hospital District
Joint Board & Finance Committee Meeting Minutes

June 16, 2026, 5:00 pm

CALL TO ORDER
The Bay Area Hospital District Joint Board & Finance Committee meeting was called to order at 5:00 pm with a quorum present.

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

STAFF ATTENDANCE
Gretchen Nichols, CEO; Patrick Banks, CFO; 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
Jennifer Culbertson, CNO *(excused)*

LEGAL COUNSEL
Megan Kronsteiner, Esq.

PUBLIC ATTENDANCE AND INPUT
Public comment was opened at the beginning of the meeting. No in-person public comments were offered, and no online public comments were received.

PATIENT SUCCESS STORY
Simon shared a patient success story on behalf of the Bowers family, who recognized the exceptional care and follow-up a family member received during two hospital stays earlier in the year. They expressed appreciation for the care provided by Emergency Department staff, intensive care teams, physicians, nursing staff, and hospital leadership, and highlighted the communication, responsiveness, and compassion shown to her and her family throughout her care.

CONSENT AGENDA
ACTION TAKEN BY THE BOARD:
Kyle Stevens moved to approve the consent agenda, and Dr. McAndrew seconded the motion. There was no further discussion, and the motion passed unanimously on a call for the vote.

REPORT OF THE CEO, GRETCHEN NICHOLS
FY2027 ORGANIZATIONAL GOALS AND MONTHLY SCORECARD

- Ms. Nichols reviewed the FY2027 goal scorecard, which will provide the Board with a monthly visual summary of performance, including metrics, targets, trends, and detailed data by goal area.
- She highlighted significant improvement in patient experience, with the "would recommend" score rising from the 19th percentile early in the year to the 45th percentile in April and 59th percentile in May.

- Improvements were attributed to focused efforts by nursing and leadership, including leadership rounding, bedside shift reporting, and increased patient involvement in care decisions.

FUNDING OPPORTUNITIES AND STRATEGIC PROJECTS

Ms. Nichols reported that Bay Area Hospital will receive a $1.4 million Rural Health Transformation award, with payments starting in July, and has submitted a $5 million Catalyst Award application for three projects, with a decision expected in July.
She also updated that a $6 million federal request for Cath Lab and CT capital remains on track for the upcoming fiscal year. A workforce housing application was not funded, but future development opportunities on hospital-owned property may be explored.

Regarding technology initiatives, the hospital is finalizing an Epic transition agreement with Providence. The project is expected to require approximately $6.5 million in capital and generate annual savings of $1.5 to $2 million, pending final terms. State funding will help support this transition.

Ms. Nichols noted ongoing efforts to develop regional collaboration models, including a local rural network and participation in the Cascade High Value Network, creating potential opportunities in purchasing, contracting, and care transformation.
Additional updates included rural residency planning, future Cath Lab replacement, and efforts to reactivate the Bay Area Hospital Foundation to support long-term growth.
She also shared that the specialty pharmacy recently received its DEA license and is expected to open in July, initially focusing on discharge and specialty medications, with plans to expand to retail services. The pharmacy is expected to improve patient access and contribute positively to financial performance.

PHYSICIAN RECRUITMENT AND SERVICE LINE DEVELOPMENT

- Dr. Reese (anesthesia) has been recruited and will relocate to the community.
- An orthopedic surgeon is expected to join in the fall, strengthening the orthopedic service line.
- Ongoing recruitment includes a sports medicine orthopedic fellow and a pulmonary/critical care physician, both of whom are expected to visit soon.
- Leadership emphasized the importance of securing local pulmonology coverage to support the growth of critical care and cancer services.
- An offer has been extended to a medical oncologist, with a decision anticipated soon.
- Continued progress reported in recruiting and retaining interventional radiologists, pediatric hospitalists, and cardiology providers.

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

QPSC EXECUTIVE SUMMARY - MS. KELLI DION, CQO

Ms. Kelli Dion reported that the Quality and Patient Safety Committee reviewed the hospital's newly posted Leapfrog Safety Score and related public reporting metrics. She noted that Bay Area Hospital remains at a two-star rating for the current reporting period, but performance has improved substantially and is trending closer to a three-star rating.

Ms. Dion further explained that the current reporting cycle had not yet captured the organization's recent culture-of-safety work, including results from the safety culture survey, due to the timing of the reporting snapshot. She stated that leadership expects those improvements to be reflected in the next public reporting cycle.

APPROVAL OF 2026 QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT (QAPI) PLAN

Ms. Dion also presented revisions to the 2026 Quality Assessment and Performance Improvement (QAPI) Plan to more clearly define Board oversight, accountability, and related actions in response to recent CMS survey feedback.

ACTION TAKEN BY THE BOARD:

Kyle Stevens moved to approve the updated 2026 Quality Assessment and Performance Improvement Plan, and Brandon Saada seconded the motion. Following the correction of a date reference in the agenda from 2027 to 2026, the motion passed unanimously on a call for the vote.

The floor was ceded to Kyle Stevens for the Finance Committee meeting.

FINANCE COMMITTEE MEETING – KYLE STEVENS, FINANCE COMMITTEE CHAIR

CALL TO ORDER

The Bay Area Hospital District Finance Committee meeting was called to order at 5:52 pm by Kyle Stevens, Finance Committee Chair with a quorum present.

FINANCE COMMITTEE ATTENDANCE

Kyle Stevens, Chair; Brandon Saada; Tom McAndrew; Judy Moody, John Briggs

ABSENT

Barbara Taylor *(excused)*

BOARD ATTENDANCE

Simon Alonzo; Patrice Parrott *(via Teams)*; John Uno

STAFF ATTENDANCE

Gretchen Nichols, CEO; Patrick Banks, CFO; 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 PERFORMANCE REPORT - PATRICK BANKS, CFO

Mr. Banks reported an operating surplus of approximately $108,000 for the month. Net surplus was slightly negative, primarily because interest expense was not offset by grant revenue or investment income. He stated that leadership remains focused on sustained operating performance and noted that the organization continues to show year-over-year improvement.

Mr. Banks reported that, for the first time in the current reporting period, the hospital is in compliance with one of its debt covenant ratios. He explained that over the trailing twelve months, the organization generated more than $5 million in EBITDA, driven in part by replacing a negative operating month from May 2025 with a positive EBITDA month in May 2026. Liquidity remains below the long-term target but continues to improve.

Mr. Banks reported that the hospital has approximately $40 million in cash, equivalent to **62** days cash on hand, compared with **53** days cash on hand earlier in the year. He noted that despite lower summer volumes and ongoing capital needs, the balance sheet is stronger than it has been in some time.

Mr. Banks also noted that net patient revenue included approximately $1.3 million in favorable Medicare cost report adjustments related to prior years. He stated that while such one-time items are beneficial, the organization's long-term objective remains consistent, operating strength supported by financial sustainability initiatives.

REFINANCING UPDATE

Mr. Banks reported that management continues to work with legal counsel, the Oregon State Treasurer's Office, the Department of Justice, and financing partners on the hospital's refinancing strategy. Terms are expected to be developed over the next month, with the goal of completing a refinancing transaction by the end of September. He stated that the principal objective remains moving the existing balloon payment into a longer amortization structure to support long-term organizational stability.

REVENUE CYCLE / COST TO COLLECT

Mr. Banks reviewed the ongoing analysis of the hospital's revenue cycle structure and cost to collect. He reported that leadership has explored options with the current vendor, evaluated alternative vendors, and developed an internal insourcing plan. Based on that work, leadership believes there may be an opportunity to reduce current revenue cycle costs substantially, potentially by approximately $4 million annually, through a revised operating model. He emphasized that management would continue evaluating the best path forward and bring recommendations to the Board as appropriate.

BOARD POLICY ACTIONS

ADMINISTRATIVE AUTHORITY POLICY

The Board then considered an amendment to the **Administrative Authority policy**. Leadership explained that the amendment aligns the policy with routine operational needs, including physician recruitment and labor-related negotiations, while maintaining the existing $200,000 capital spending limit.

ACTION TAKEN BY THE BOARD:

Patrice Parrott moved to approve the amended Administrative Authority policy, and Kyle Stevens seconded the motion. There was no further discussion, and the motion passed unanimously on a call for the vote.

TRANSFER POLICY

The Board next considered the "**Transfer of Patient out of Bay Area Hospital Ambulance or Secure Transport Policy and Procedure**," which had been omitted from the consent agenda packet but had been reviewed previously by Board members.

ACTION TAKEN BY THE BOARD:

Brandon Saada moved to approve the Transfer of Patient out of Bay Area Hospital Ambulance or Secure Transport Policy and Procedure, and the motion was seconded by Tom McAndrew. Following the discussion, noting that the policy had been reviewed previously, the motion passed unanimously on a call for the vote.

EXECUTIVE SESSION
The Board entered Executive Session pursuant to ORS 192.660(2)(c) and (f) at 6:21pm to consider matters pertaining to the functions of the medical staff and information or records exempt from public inspection.

RETURN TO REGULAR SESSION
Medical Staff Report to Board
ACTION TAKEN BY THE BOARD:
Upon return to regular session at 6:50 pm, Kyle Stevens moved and Tom McAndrew seconded to approve the Medical Staff credentials and related reports as presented in Executive Session. The motion carried on a unanimous vote.

MEDICAL STAFF REPORT — CHIEF OF STAFF
This report was given in the Executive Session.

ADJOURNMENT
With no further business, the meeting was adjourned at 6:51 pm.

Simon Alonzo, Board Chair

Date: 7/21/2024

Patrice Parrott, Board Secretary

Date: 7/21/2024