Bay Area Hospital District
Joint Board and Finance Committee Meeting Agenda
July 21, 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 Employee Recognition - Blazing and Silver Stars — **Simon Alonzo, Chairperson**

5:15 Quarterly Compliance Report — **Melinda Stibal, Compliance & Privacy Officer**

5:20 Consent Agenda **ACTION ITEM** — **Simon Alonzo, Chairperson**

- Minutes of BOD/Finance meeting
- Minutes of BOD Education Session
- Approved Minutes of MEC meeting
- Approved Minutes of QPSC meeting

5:22 Report of the Chief Executive Officer — **Gretchen Nichols, CEO**

5:42 Quality and Patient Safety Committee Report (QPSC) — **Patrice Parrott, Secretary**

- Appoint a Board member to QPSC **ACTION ITEM**
- Executive Summary *(deferred - Next QPSC meeting is on Thursday, July 23)*

6:00 Finance Committee Business — **Kyle Stevens, Treasurer**

- Financial Update — **Patrick Banks, CFO**
- Capital Request – EPIC Community Connect - recommend to BOD
- Capital Request – Tablo Hemodialysis system by Outset Medical - recommend to BOD

6:42 Board Vote: Finance Committee Recommendation — **Simon Alonzo, Board Chairperson**

- Board Approval – EPIC Community Connect **ACTION ITEM**
- Board Approval – Tablo System **ACTION ITEM**

6:47 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

6:52 Medical Executive Committee (MEC) Report **ACTION ITEM** **Derrick Oaxaca, MD, CMO**

6:58 Medical Staff Report **Hammad Qadir, MD, Chief of Staff**

7:10 Board Member Comments **Simon Alonzo, Chairperson**

- Report of the Chairperson
- Board Member Comments

7:30 Adjourn – next regular meeting - Tuesday, August 18, 2026

Board Executive Summary
Q2 2026 Compliance & HIPAA Report

Executive Overview

The Compliance and Privacy Program remained effective during Q2 2026, with active oversight, regulatory monitoring, workforce education, and incident management. No systemic compliance deficiencies were identified, and leadership continued to strengthen a mature compliance infrastructure.

Key Accomplishments

- Completed 7 compliance audits covering high-risk operational areas.
- Reviewed or updated 18 policies and procedures.
- Delivered targeted workforce education on Conflict of Interest, Healthcare Without Fear, and Section 1557 requirements.
- Maintained routine Compliance Committee meetings and regulatory monitoring activities.

HIPAA Privacy Oversight

- Continued workforce access monitoring and audit-log reviews.
- Investigated privacy incidents using standardized breach-risk assessments.
- Addressed patient privacy complaints through education and process improvements.
- Focused corrective actions on communication verification, access reviews, and workforce coaching.

Incident & Risk Trends

- Total HIPAA events/actions decreased from 18 in Q1 to 10 in Q2.
- Misdirected communications decreased from 6 to 2 incidents.
- Unauthorized access incidents decreased from 5 to 4.
- Proactive audits increased from 1 to 6, strengthening oversight.
- Board attention is recommended regarding reported breach metrics, which increased from 5 to 6 and should continue to be monitored.

Compliance Program Scorecard

- Written Policies & Procedures improved from B to A.
- Education, communication, enforcement, and response functions remained strong and stable at A-level performance.

- Risk Assessment & Auditing remained stable at B, with additional audits under consideration.

Board-Level Priorities for Q3 2026

- Cybersecurity resilience and privacy monitoring.
- Vendor and third-party risk management.
- Completion of workforce training requirements.
- Expansion of data-driven compliance and privacy oversight.
- Continued transparent reporting and cross-functional collaboration.

Overall Assessment

The organization demonstrates a strong compliance culture, effective incident response capabilities, and continued progress against strategic compliance objectives. Ongoing investment in privacy, cybersecurity, auditing, and workforce education will help sustain regulatory compliance and reduce organizational risk.

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:_____

Patrice Parrott, Board Secretary

_____

Date:_____

Bay Area Hospital District
Education Session Minutes

June 15, 2026, 5:00 pm

CALL TO ORDER
The Bay Area Hospital District Joint Board & Finance Committee meeting was called to order at 4:02 pm with a quorum present.

BOARD ATTENDANCE
Simon Alonzo; Tom McAndrew; Patrice Parrott; John Uno; Brandon Saada; Kyle Stevens.

STAFF ATTENDANCE
Gretchen Nichols, CEO; Patrick Banks, CFO; Jen Culbertson, CNO; Kelli Dion, CQO; Mel Stibal, Compliance and Privacy Officer; Denise Bowers, EA

LEGAL COUNSEL
Not Present

RCA TRAINING - REVIEW OF GOVERNING BOARD AND QUALITY - KELLI DION, CQO
Ms. Dion made a presentation to better familiarize board members on RCA's (Root Cause Analysis Process). A composite of recent cases was discussed with questions asked and answered.

SENTINEL EVENT TRACKING AND NEW POLICY - KELLI DION, CQO
As part of the RCA process, a Sentinel Event Tracking and new policy will be put into place by June 30, 2026. Each week, the executive team will discuss the items, if any, and a quarterly report will be provided by Mel Stibal, Compliance Officer. Questions regarding sentinel events were asked and answered.

BYLAWS REVISIONS
A redline of the bylaws was reviewed by the board. Minor changes will implemented. Megan Kronsteiner still has a piece to provide the board on indemnification language, so this will not come back to the board for an approval vote until the July session.

Ms. Nichols advised the board that the following three items will come to the board for approval tomorrow evening:

Sentinel Events Policy
Quality Assurance and Process Improvement Plan (QAPI)
Transfer Policy

ADJOURNMENT
With no further business, the meeting was adjourned at 5:10 pm.

Simon Alonzo, Board Chair

_____

Date:_____

Patrice Parrott, Board Secretary

_____

Date:_____

BAY AREA HOSPITAL

Unaudited Financial Statements

for

12 months ended June 30, 2026

Prepared
Thursday, July 16, 2026

Finance Committee Chair
Kyle Stevens

Chief Financial Officer
Patrick Banks

BAY AREA HOSPITAL

MONTH END: 6/30/2026

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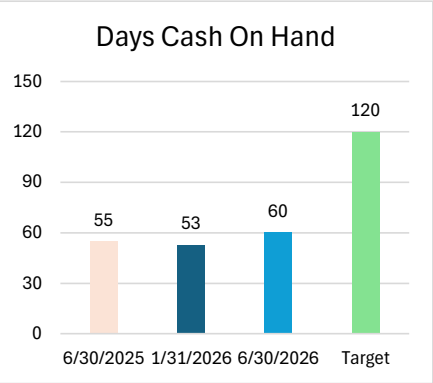
BAY AREA HOSPITAL

MONTH END:6/30/2026

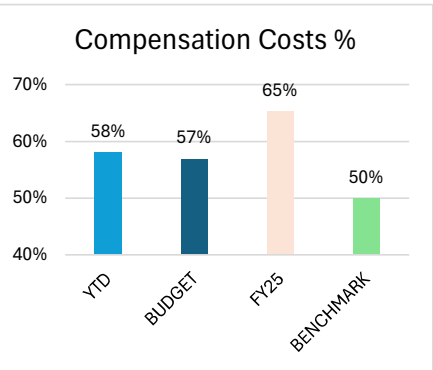
BALANCE SHEET

	YTD 6/30/2026	Prior FYE 6/30/2025
ASSETS		
Current Assets	$ 57,569,265	$ 48,475,551
Investments	28,485,325	32,402,288
Capital Assets (Net)	57,997,652	64,539,978
Other Assets	5,755,278	3,806,720
Total Unrestricted Assets	**$ 149,807,520**	**$ 149,224,537**
Defined Benefit Pension Asset	6,005,032	6,005,032
Total Assets	**$ 155,812,552**	**$ 155,229,569**
LIABILITIES & NET POSITION		
Current Liabilities	$ 38,305,038	$ 31,964,509
Long-Term Debt	45,151,157	45,481,529
Other Long-Term Liabilities	14,276,938	14,111,516
Total Liabilities	**$ 97,733,132**	**$ 91,557,554**
Net Position	58,079,420	63,672,015
Total Liabilities & Net Position	**$ 155,812,552**	**$ 155,229,569**



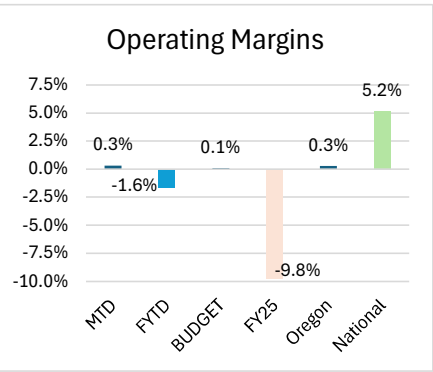
STATEMENT OF REVENUE AND EXPENSES - YTD

	MONTH OF 6/30/2026 ACTUAL	MONTH OF 6/30/2026 BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET
Gross Patient Revenues	$ 69,663,979	$ 66,704,782	$ 819,292,770	$ 811,703,994
Deductions From Revenue	(47,644,944)	(46,060,495)	(573,756,849)	(561,939,940)
Bad Debt & Charity Write-Offs	(1,052,972)	(932,274)	(9,681,549)	(11,344,331)
Net Patient Revenues	**$ 20,966,063**	**$ 19,712,014**	**$ 235,854,372**	**$ 238,419,723**
Other Operating Revenues	2,000,218	1,565,575	24,733,606	17,686,897
Total Operating Revenues	**$ 22,966,281**	**$ 21,277,589**	**$ 260,587,978**	**$ 256,106,620**
Salaries, Benefits & Contr. Lbr	$ 11,817,007	$ 11,093,087	$ 137,041,627	$ 135,795,383
Purchased Serv & Phys Fees	3,766,448	3,746,110	45,272,878	44,964,506
Supplies	4,238,817	3,879,894	46,820,279	47,315,402
Other Operating Expenses	2,355,402	1,579,812	26,705,376	19,191,831
Depreciation	718,521	663,188	8,990,393	8,669,311
Total Expenses	**$ 22,896,195**	**$ 20,962,091**	**$ 264,830,554**	**$ 255,936,433**
Net Operating Surplus (Loss)	**$ 70,086**	**$ 315,498**	**$ (4,242,576)**	**$ 170,188**
Non-Operating Income (Expense)	(82,611)	(135,282)	(1,350,018)	(2,517,385)
TOTAL NET SURPLUS (LOSS)	**$ (12,525)**	**$ 180,216**	**$ (5,592,594)**	**$ (2,347,197)**



KEY STATISTICS AND RATIOS

	6/30/2026 ACTUAL	6/30/2026 BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET
Total Discharges	501	564	6,497	6,865
Acute ALOS (Non-Psych)	4.11	3.77	3.72	3.77
Emergency Room Visits	2,445	2,503	30,291	30,455
Total Outpatient Visits	11,174	11,210	133,315	134,520
Operating Room Cases	269	302	3,640	3,624
Cath Lab Cases	114	104	1,432	1,269
Total Worked FTE's	745	757	760	765
Total Paid FTE's	841	854	858	863
EBIDA	4.3%	4.8%	2.6%	3.6%
Adjusted EBIDA	4.7%	5.1%	2.9%	3.8%
Current Ratio	n/a	n/a	1.5	n/a
Total Adult ADC	64.5	69.5	65.2	69.5



BAY AREA HOSPITAL

MONTH END: 6/30/2026

	Year to Date 6/30/2026	Prior FYE 6/30/2025
Profitability:		
Operating Margin	-1.6%	-9.8%
Total Net Surplus (Loss) Margin	-2.1%	-10.0%
EBIDA Margin	2.6%	-4.8%
Deductions from Revenue Percentage	71.2%	69.9%
Outpatient Factor	2.68	2.45
Liquidity:		
Days Cash On Hand, All Sources	60	55
Net Days in Accounts Receivable	42	44
Average Payment Period	25	31
Current Ratio	1.50	1.57
Capital Structure:		
Age of Plant (Annualized, in Years)	15.94	15.12
Debt to Assets Ratio	0.82	0.74
Debt Service Coverage Ratio	2.08	(1.53)
Productivity and Efficiency:		
Worked FTE/AOB	4.31	4.76
Paid FTE/AOB	4.87	5.37
SWB & Contr. Labor as a % of Net Patient Revenue	58%	65%
Salary Expense per Paid FTE (annualized)	$169,007	$150,088
Supply Expense Per Adj Discharge	$2,939	$2,767
Bad Debt Write-off %	0.78%	0.34%
Charity Care Write-off %	0.40%	1.01%
Other Ratios:		
Gross Days in Accounts Receivable	48.92	49.27
Net Revenue per Adjusted Discharge	$14,960	$14,997
Operating Expense per Adjusted Discharge	$15,203	$16,459

BAY AREA HOSPITAL

MONTH END: 6/30/2026

Current Month					Year-To-Date			
Actual	Budget	Variance	Prior Year	STATISTICS	Actual	Budget	Variance	Prior Year
6/30/2026	6/30/2026		6/30/2025	Discharge	6/30/2026	6/30/2026		6/30/2025
418	493	(75)	417	Medical, Surgical, ICU, and IMCU	5,605	5,991	(386)	6,233
26	28	(2)	22	Psychiatric	337	347	(10)	276
444	521	(77)	439	Total Adult Discharges	5,942	6,338	(396)	6,509
57	43	14	45	Newborn	555	527	28	540
501	564	(63)	484	Total Discharges	6,497	6,865	(368)	7,049
				Patient Days				
1,717	1,857	(140)	1,738	Medical, Surgical, ICU, and IMCU	20,877	22,593	(1,716)	24,582
217	227	(10)	215	Psychiatric	2,911	2,760	151	2,746
1,934	2,084	(150)	1,953	Total Adult Patient Days	23,788	25,353	(1,565)	27,328
106	87	19	82	Newborn	1,061	1,054	7	1,021
2,040	2,171	(131)	2,035	Total Patient Days	24,849	26,407	(1,558)	28,349
				Average Length of Stay (ALOS)				
4.11	3.77	0.34	4.17	Medical, Surgical, ICU, and IMCU	3.72	3.77	(0.05)	3.94
8.35	8.11	0.24	9.77	Psychiatric	8.64	7.95	0.68	9.95
4.36	4.00	0.36	4.45	Total Adult ALOS	4.00	4.00	0.00	4.20
1.86	2.02	(0.16)	1.82	Newborn ALOS	1.91	2.00	(0.09)	1.89
				Average Daily Census (ADC)				
57	62	(5)	58	Medical, Surgical, ICU, and IMCU	57	62	(5)	67
7	8	(0)	7	Psychiatric	8	8	0	8
64	69	(5)	65	Total Adult ADC	65	69	(4)	75
4	3	1	3	Newborn	3	3	0	3
				Emergency Room Statistics				
349	420	(71)	379	ER Visits - Admitted	4,798	5,112	(314)	5,185
2,096	2,083	13	2,089	ER Visits - Discharged	25,493	25,343	150	25,221
2,445	2,503	(58)	2,468	Total ER Visits	30,291	30,455	(164)	30,406
14.27%	16.78%	(2.51%)	15.36%	% of ER Visits Admitted	15.84%	16.79%	(0.95%)	17.05%
78.60%	80.61%	(2.01%)	86.33%	ER Admissions as a % of Total Admissions	80.75%	80.66%	0.09%	79.66%
				Other Statistics				
11,174	11,210	(36)	11,220	Total Outpatients Visits	133,315	134,520	(1,205)	126,021
125	86	39	76	Observation Bed Days	1,365	1,032	333	1,146
2,275	2,069	206	2,036	Clinic Visits - Specialty Clinics	26,128	25,170	958	24,269
89	107	(18)	90	IP Surgical Cases	1,124	1,284	(160)	1,235
180	195	(15)	192	OP Surgical Cases	2,516	2,340	176	2,278
114	104	10	92	Cath Lab Cases	1,432	1,269	163	1,266
				Productivity Statistics				
720	723	(3)	773	FTE Worked (Excluding Providers)	735	731	4	823
813	817	(4)	874	FTE Paid (Excluding Providers)	830	826	4	930
25	34	(9)	31	FTE Worked (Providers)	25	34	(9)	33
28	37	(9)	34	FTE Paid (Providers)	28	37	(9)	36
1.5215	1.5953	(0.0738)	1.6404	Case Mix Index - Medicare	1.5646	1.5953	(0.0307)	1.5960
1.4974	1.5832	(0.0858)	1.5782	Case Mix Index - All Payers	1.5598	1.5832	(0.0234)	1.5837

BAY AREA HOSPITAL

MONTH END:6/30/2026

	Month to Date						
	6/30/2026	Budget	Variance	Var %	6/30/2025	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	$ 24,402,714	$ 27,553,125	$ (3,150,411)	-11.4%	$ 21,889,108	$ 2,513,606	11.5%
Outpatient Revenue	45,261,265	39,151,657	6,109,607	15.6%	37,235,073	8,026,191	21.6%
Total Gross Patient Revenue	**$ 69,663,979**	**$ 66,704,782**	**$ 2,959,196**	**4.4%**	**$ 59,124,181**	**$ 10,539,798**	**17.8%**
Deductions	$ 47,644,944	$ 46,060,495	$ (1,584,449)	-3.4%	$ 41,253,933	$ (6,391,010)	-15.5%
Bad Debt	891,567	210,930	(680,636)	-322.7%	753,585	(137,982)	-18.3%
Charity	161,406	721,344	559,938	77.6%	199,108	37,702	18.9%
Total Deductions	$ 48,697,916	$ 46,992,769	$ (1,705,147)	-3.6%	$ 42,206,626	$ (6,491,290)	-15.4%
Net Patient Revenue	**$ 20,966,063**	**$ 19,712,014**	**$ 1,254,049**	**6.4%**	**$ 16,917,555**	**$ 4,048,508**	**23.9%**
Supplemental Payments	1,860,396	1,134,819	(725,577)	-63.9%	909,741	(950,655)	-104.5%
Other Oper Revenue	139,822	430,756	(290,933)	-67.5%	358,227	(218,404)	-61.0%
Total Net Revenue	**$ 22,966,281**	**$ 21,277,589**	**$ 1,688,693**	**7.9%**	**$ 18,185,523**	**$ 4,780,759**	**26.3%**
Net to Gross Patitent Rev Ratio	30.1%	29.6%			28.6%		
Operating Expenses							
Salaries	$ 7,778,160	$ 7,419,253	$ (358,907)	-4.8%	$ 7,717,782	$ (60,378)	-0.8%
Contract Labor	1,300,126	1,548,325	248,199	16.0%	1,789,658	489,532	27.4%
Benefits	2,738,721	2,125,508	(613,213)	-28.9%	(643,456)	(3,382,177)	525.6%
Physician & Prof Fee	1,483,253	1,523,009	39,756	2.6%	1,290,563	(192,691)	-14.9%
Supplies	4,238,817	3,879,894	(358,923)	-9.3%	4,365,379	126,562	2.9%
Purchased Services	2,283,195	2,223,101	(60,094)	-2.7%	2,489,287	206,093	8.3%
Leases/Rentals	22,206	16,567	(5,639)	-34.0%	11,758	(10,448)	-88.9%
Depreciation	718,521	663,188	(55,333)	-8.3%	743,521	25,001	3.4%
Provider Tax Expense	1,879,000	1,134,819	(744,181)	-65.6%	1,030,896	(848,104)	-82.3%
Other Oper Expense	454,196	428,426	(25,770)	-6.0%	768,041	313,846	40.9%
Total Operating Expenses	**$ 22,896,195**	**$ 20,962,091**	**$ (1,934,105)**	**-9.2%**	**$ 19,563,431**	**$ (3,332,764)**	**-17.0%**
Net Operating Income	**$ 70,086**	**$ 315,498**	**$ (245,412)**	**-77.8%**	**$ (1,377,909)**	**$ 1,447,995**	**-105.1%**
Investment Income	92,713	-	92,713	0.0%	172,596	(79,883)	-46.3%
Other Nonop Inc(Exp)	97,607	40,718	56,889	139.7%	496,779	(399,172)	-80.4%
Interest Expense	(272,931)	(176,000)	(96,931)	55.1%	(294,464)	21,533	-7.3%
Net Surplus (Loss)	**$ (12,525)**	**$ 180,216**	**$ (192,741)**	**-107.0%**	**$ (1,002,998)**	**$ 990,472**	**-98.8%**

BAY AREA HOSPITAL

MONTH END: 6/30/2026

	Year to Date						
	6/30/2026	Budget	Variance	Var %	6/30/2025	Variance	Var %
Gross Patient Revenue							
Inpatient Revenue	$ 305,574,646	$ 335,096,898	$ (29,522,251)	-8.8%	$ 302,071,314	$ 3,503,333	1.2%
Outpatient Revenue	513,718,124	476,607,096	37,111,028	7.8%	437,650,348	76,067,776	17.4%
Total Gross Patient Revenue	**$ 819,292,770**	**$ 811,703,994**	**$ 7,588,776**	**0.9%**	**$ 739,721,662**	**$ 79,571,109**	**10.8%**
Deductions	$ 573,756,849	$ 561,939,940	$ (12,228,562)	-2.2%	$ 506,889,487	$ (67,279,015)	-13.3%
Bad Debt	6,404,201	2,566,358	(3,676,191)	-143.2%	2,549,383	(3,693,166)	-144.9%
Charity	3,277,348	8,777,973	5,500,625	62.7%	7,466,368	4,189,020	56.1%
Total Deductions	$ 583,438,400	$ 573,284,271	$ (10,404,128)	-1.8%	$ 516,905,239	$ (66,783,160)	-12.9%
Net Patient Revenue	**$ 235,854,370**	**$ 238,419,723**	**$ (2,815,352)**	**-1.2%**	**$ 222,816,423**	**$ 12,787,948**	**5.7%**
Supplemental Payments	20,533,623	13,617,828	(6,805,775)	-50.0%	12,719,948	(7,703,655)	-60.6%
Other Oper Revenue	4,199,983	4,069,069	140,179	3.4%	4,639,633	(430,385)	-9.3%
Total Net Revenue	**$ 260,587,976**	**$ 256,106,620**	**$ (9,480,947)**	**-3.7%**	**$ 240,176,004**	**$ 4,653,909**	**1.9%**
Net to Gross Ratio	*28.8%*	*29.4%*			*30.1%*		
Operating Expenses							
Salaries	$ 96,672,177	$ 89,865,646	$ (6,806,531)	-7.6%	$ 97,627,589	$ 955,412	1.0%
Contract Labor	14,409,516	20,314,815	5,905,299	29.1%	20,838,910	6,429,394	30.9%
Benefits	25,959,934	25,614,922	(345,012)	-1.3%	24,280,594	(1,679,340)	-6.9%
Physician & Prof Fee	19,394,558	18,302,896	(1,091,662)	-6.0%	18,531,404	(863,154)	-4.7%
Supplies	46,820,279	47,315,402	505,300	1.1%	45,419,165	(1,390,937)	-3.1%
Purchased Services	25,878,320	26,661,610	783,290	2.9%	27,035,055	1,156,734	4.3%
Leases/Rentals	299,018	200,405	(98,614)	-49.2%	218,157	(80,861)	-37.1%
Depreciation	8,990,393	8,669,311	(321,083)	-3.7%	10,199,789	1,209,396	11.9%
Provider Tax Expense	20,729,601	13,617,828	(6,942,953)	-51.0%	12,848,057	(7,712,724)	-60.0%
Other Oper Expense	5,676,757	5,373,598	(370,396)	-6.9%	5,529,008	(214,985)	-3.9%
Total Operating Expenses	**$ 264,830,554**	**$ 255,936,433**	**$ (8,782,361)**	**-3.4%**	**$ 262,527,728**	**$ (2,191,065)**	**-0.8%**
Net Operating Income	**$ (4,242,577)**	**$ 170,188**	**$ (4,651,758)**	**-2733.3%**	**$ (22,351,724)**	**$ 17,870,154**	**-79.9%**
Investment Income	1,172,226	-	1,102,347	0.0%	2,224,152	(1,121,806)	-50.4%
Other Nonop Inc(Exp)	780,826	488,615	292,211	59.8%	13,207	767,619	5812.1%
Interest Expense	(3,303,070)	(3,006,000)	(297,070)	9.9%	(2,354,563)	(948,507)	40.3%
Net Surplus (Loss)	**$ (5,592,595)**	**$ (2,347,197)**	**$ (3,554,271)**	**151.4%**	**$ (22,468,928)**	**$ 16,567,460**	**-73.7%**

BAY AREA HOSPITAL

MONTH END:6/30/2026

Assets And Defered Outflows Of Resources	***6/30/2026***	***5/31/2026***	***6/30/2025***
Current Assets			
Cash & Cash Equivalents	$ 10,808,724	$ 11,644,037	$ 9,388,266
Accounts Receivable, net	27,874,641	26,990,504	26,128,118
Inventory	4,179,989	4,219,025	4,347,042
Other Current Assets	14,705,911	13,005,024	8,612,125
Total Current Assets	$ 57,569,265	$ 55,858,589	$ 48,475,551
Investments	$ 28,485,325	$ 28,410,378	$ 32,402,288
Capital Assets			
Depreciable Capital Assets, net	$ 56,046,266	$ 55,798,594	$ 62,170,275
Nondepreciable Capital Assets	1,951,386	2,588,261	2,369,704
Total Capital Assets, net	$ 57,997,652	$ 58,386,855	$ 64,539,978
Leases and Subscriptions, net	$ 4,757,842	$ 4,525,148	$ 2,986,273
Other Non Current Assets	997,436	903,712	820,446
Total Assets	**$ 149,807,520**	**$ 148,084,683**	**$ 149,224,537**
Deferred Outflows Of Resources	6,005,032	6,005,032	6,005,032
Total Assets And Deferred Outflows	**$ 155,812,552**	**$ 154,089,715**	**$ 155,229,569**

Liabilities, Deferred Inflows of Resources, And Net Position	***6/30/2026***	***5/31/2026***	***6/30/2025***
Current Liabilities			
Accounts Payable	$ 7,159,401	$ 7,111,640	$ 7,788,748
Accrued Payroll and Payroll Taxes	4,806,731	4,268,958	4,414,629
Accrued Paid Time Off	5,225,436	5,295,163	5,407,083
Other Accrued Liabilities	13,289,696	11,678,649	6,138,963
3rd Party Settlments Payable, net	5,278,050	5,507,466	5,706,639
Current Portion of Long Term Obligations	2,545,725	2,545,725	2,508,447
Total Current Liabilities	$ 38,305,038	$ 36,407,602	$ 31,964,509
Long Term Obligations, net of current portion	$ 45,151,157	$ 45,396,594	$ 45,481,529
Other Noncurrent Liabilities	3,119,496	3,025,772	2,942,506
Net Pension Liability	630,964	630,964	630,964
Total Liabilities	**$ 87,206,655**	**$ 85,460,932**	**$ 81,019,508**
Deferred Inflows Of Resources	$ 10,542,073	$ 10,542,073	$ 10,542,073
Inter Fund Receivables (Payables)	(15,596)	(5,238)	(4,027)
Total Liabilities & Deferred Cash Inlows	**$ 97,733,132**	**$ 95,997,767**	**$ 91,557,554**
Net Position	$ 58,079,420	$ 58,091,948	$ 63,672,014
Total Liabilities, Deferred Inflows, Net Position	**$ 155,812,552**	**$ 154,089,715**	**$ 155,229,568**

BAY AREA HOSPITAL

MONTH END:6/30/2026

	Month	*Year to Date*
Cash Flows from Operating Activities:		
Net Income / (loss)	$ (12,525)	$ (5,592,595)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Change in Value of Investments	$ (74,947)	$ (1,083,037)
Depreciation & Amortization	718,521	8,990,393
Decreases (Increases) In:		
Receivables	(884,137)	(1,746,523)
Inventories of Supplies	39,036	167,053
Other Current Assets	(1,700,887)	(6,093,786)
Net Pension Asset and Liability	-	-
Other Noncurrent Assets	(93,725)	(176,990)
Increases (Decreases) In:		
Accounts Payable	47,761	(629,347)
Accrued Payroll and Payroll Taxes	537,773	392,102
Accrued Paid Time Off	(69,728)	(181,647)
Other Current Liabilities	1,611,046	7,150,732
Estimated 3rd Party Settlements	(229,416)	(428,589)
Other Noncurrent Liabilities	93,725	176,990
Net cash provided by operating activities	$ (17,504)	$ 944,756
Cash flows from investing activities:		
Purchase of PP&E & Subscriptions	$ (246,979)	$ (891,019)
Leases and Other Subscription Arrangements in Capital	(315,035)	(3,328,616)
Transfers of Investments to Cash	-	5,000,000
Net cash provided by investing activities	$ (562,014)	$ 780,365
Cash flows from financing activities:		
Changes in Interfund Payables/Receivables	$ (10,357)	$ (11,568)
Principle Payments on Debt and Leases	(245,438)	(293,094)
Net cash provided by financing activities	$ (255,795)	$ (304,662)
Net increase (decrease) in cash	**$ (835,313)**	**$ 1,420,459**
Beginning Cash Balance	$ 11,644,037	$ 9,388,266
Ending Cash Balance	**$ 10,808,724**	**$ 10,808,724**

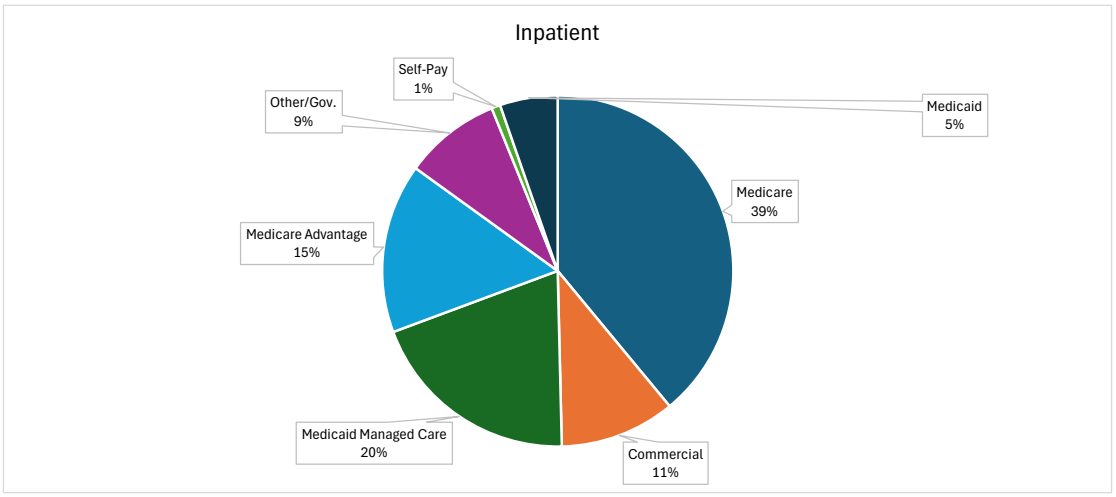
BAY AREA HOSPITAL

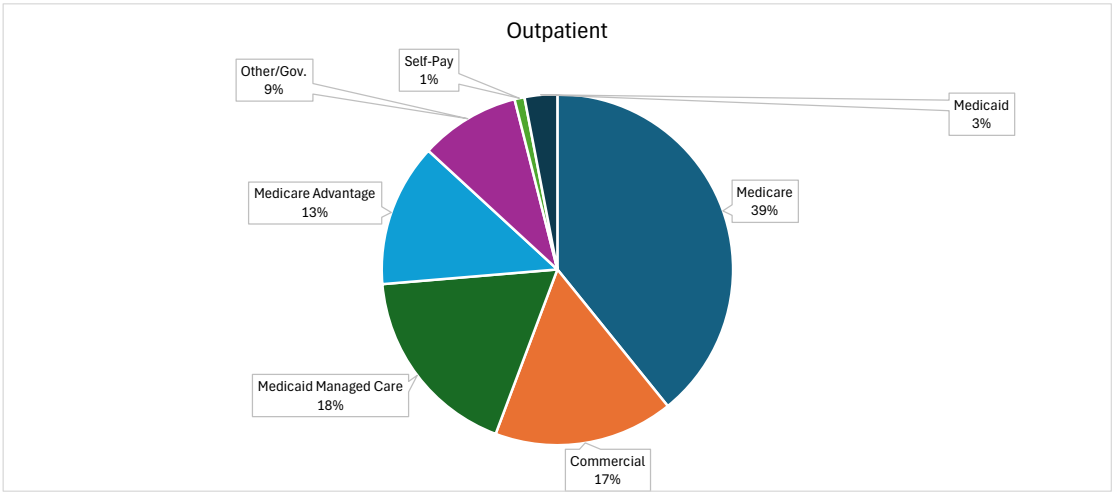
MONTH END: 6/30/2026

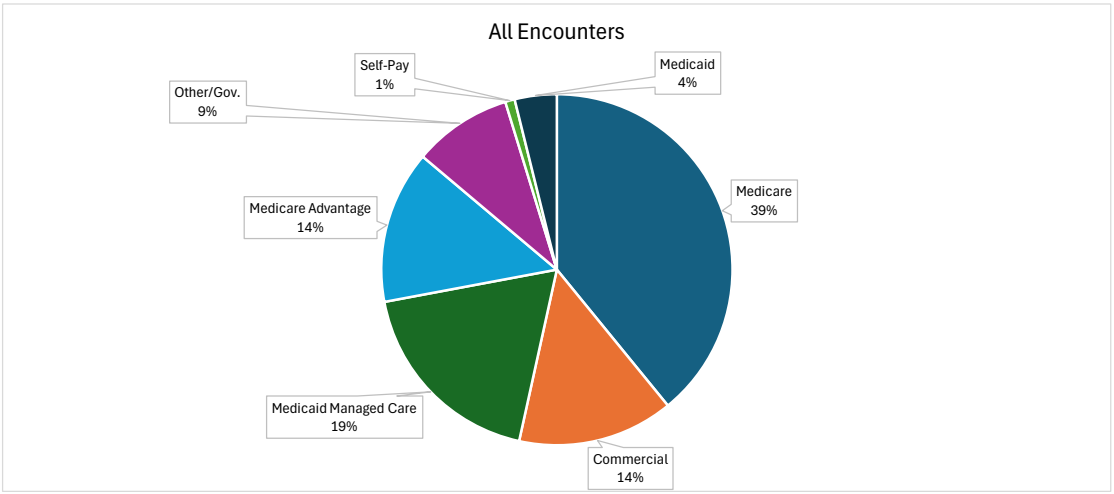
		Actual	Target
Net Days in Accounts Receivable		41.79	< 50
Gross Days in Unbilled Revenue - Discharges Not Final Billed		5.60	< 3.5
Gross Days in Credit Balances		0.58	< 1.0
Charity Care as a % of Gross Patient Revenue	Current Month	0.23%	~ 0%
	Year- To-Date	0.40%	~ 0%
Bad Debts as a % of Gross Patient Revenue	Current Month	1.28%	~ 1%
	Year- To-Date	0.78%	~ 1%
Collections as a Percentage of Net Patient Revenue	Current Month	97.08%	>= 100%
	Year- To-Date	99.07%	>= 100%
Percentage of Accounts Receivable > 90 Days	Medicare	6%	< 6%
	Commercial	15%	< 15%
	Medicare Advantage	2%	< 15%
	Advanced Health	14%	< 15%
	State Medicaid	19%	< 20%
	Other Payors	18%	< 25%
% of Claims Initially Denied - Partial or Zero Pay	Current Month	14.30%	< 3%
	Year- To-Date	11.83%	< 3%
% Denials Resolved	Current Month	66.64%	100%
% of Patient Responsibility Collected at Point of Service	Current Month	14.90%	20% or >
	Year- To-Date	13.34%	20% or >
Cost to Collect as a % of Cash Collections	Current Month	6.13%	< 5%
	Year- To-Date	6.79%	< 5%
Late Charges as a % of Total Charges	Current Month	3.83%	0%
	Year- To-Date	5.04%	0%
% of Insurance Registrations Verified	Current Month	97.90%	100%
	Year- To-Date	98.23%	100%
% of Accounts Pre-Authorized for Service	Current Month	99.00%	100%
	Year- To-Date	99.18%	100%

BAY AREA HOSPITAL

MONTH END: 6/30/2026







BAY AREA HOSPITAL

MONTH END: 6/30/2026

Current Month Purchases		**Cost**	**Budgeted**
26-002 Green Light Laser	$	10,330	√
26-004 Ultrasound Probe	$	5,659	√
26-014 Retail Pharmacy	$	53,479	√
26-017 TeleDoc Capital Lease Renewal	$	23,148	√
26-018 Teledoc Capital Lease	$	29,196	√
Pharmacy Remodel	$	180	√
Specialty Pharmacy	$	124,987	√
Capital Expenditure, Current Month	$	246,979	
Previously Purchased in Current Fiscal Year:			
Retail Pharmacy	$	29,197	√
Prizm Cart System	$	48,700	√
Trios Table	$	115,089	√
TeleDoc	$	26,148	√
Retail Pharmacy	$	33,183	√
OR Equipment	$	9,685	√
WIC Heat Pump	$	28,349	√
Family Housing Projects	$	250,677	√
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	$	644,040	
Total Capital Expenditure, Fiscal YTD	$	891,019	

BAY AREA HOSPITAL

MONTH END: 6/30/2026

Covenant	Status
1) TTM Income Available for Debt Service > $5,000,000	$ 6,511,403
2) Days Cash On Hand > 75	60.1
3) Unrestricted Liquid Funds > $50,000,000	$ 39,294,049

BAY AREA HOSPITAL

MONTH END: 6/30/2026

Month to Date

	6/30/2026	5/31/2026	4/30/2026	3/31/2026	2/28/2026	1/31/2026	12/31/2025
Gross Patient Revenue							
Inpatient Revenue	$ 24,402,714	$ 22,665,808	$ 24,253,268	$ 27,718,013	$ 24,785,270	$ 25,285,811	$ 27,533,675
Outpatient Revenue	45,261,265	41,183,016	45,882,317	48,055,032	40,043,628	42,203,815	42,929,314
Total Gross Patient Revenue	**$ 69,663,979**	**$ 63,848,824**	**$ 70,135,585**	**$ 75,773,045**	**$ 64,828,898**	**$ 67,489,626**	**$ 70,462,989**
Deductions	$ 47,644,944	$ 44,194,096	$ 49,201,875	$ 53,160,373	$ 45,076,087	$ 47,381,190	$ 48,583,922
Bad Debt	891,567	548,926	(518,513)	969,179	498,518	705,872	1,565,159
Charity	161,406	300,477	531,244	203,881	273,183	261,151	61,263
Total Deductions	$ 48,697,916	$ 45,043,499	$ 49,214,606	$ 54,333,433	$ 45,847,788	$ 48,348,214	$ 50,210,344
Net Patient Revenue	**$ 20,966,063**	**$ 18,805,325**	**$ 20,920,979**	**$ 21,439,613**	**$ 18,981,110**	**$ 19,141,412**	**$ 20,252,644**
Supplemental Payments	1,860,396	1,654,526	1,578,204	1,914,746	1,686,583	1,676,398	1,802,141
Other Oper Revenue	139,822	249,054	99,065	349,576	513,838	899,461	(63,067)
Total Net Revenue	**$ 22,966,281**	**$ 20,708,905**	**$ 22,598,248**	**$ 23,703,934**	**$ 21,181,531**	**$ 21,717,271**	**$ 21,991,719**
Net to Gross Patitent Rev Ratio	*30.1%*	*29.5%*	*29.8%*	*28.3%*	*29.3%*	*28.4%*	*28.7%*
Operating Expenses							
Salaries	$ 7,778,160	$ 8,241,018	$ 7,734,115	$ 8,107,901	$ 7,350,047	$ 7,933,015	$ 7,896,929
Contract Labor	1,300,126	1,014,745	892,120	865,999	1,057,989	1,126,720	901,445
Benefits	2,738,721	1,633,313	3,063,878	2,125,341	1,758,927	1,512,921	1,917,631
Physician & Prof Fee	1,483,253	1,584,349	1,723,043	1,977,458	1,531,129	2,008,633	1,521,919
Supplies	4,238,817	3,002,740	4,774,497	4,488,361	4,635,729	3,924,063	3,994,123
Purchased Services	2,283,195	2,215,907	1,587,683	2,811,916	1,784,481	2,375,422	2,003,334
Leases/Rentals	22,206	22,370	22,944	35,056	15,262	38,036	28,830
Depreciation	718,521	761,446	759,992	769,694	770,547	863,605	705,876
Provider Tax Expense	1,879,000	1,671,071	1,593,986	1,933,893	1,703,449	1,693,162	1,820,163
Other Oper Expense	454,196	443,042	369,252	401,240	465,466	167,886	1,037,336
Total Operating Expenses	**$ 22,896,195**	**$ 20,590,001**	**$ 22,521,510**	**$ 23,516,862**	**$ 21,073,027**	**$ 21,643,463**	**$ 21,827,587**
Net Operating Income	**$ 70,086**	**$ 118,904**	**$ 76,738**	**$ 187,073**	**$ 108,504**	**$ 73,808**	**$ 164,132**
Investment Income	92,713	78,765	69,847	9,619	137,692	64,439	75,553
Other Nonop Inc(Exp)	97,607	62,103	25,633	155,989	179,432	30,652	24,726
Interest Expense	(272,931)	(271,827)	(272,484)	(256,406)	(283,115)	(292,764)	(252,906)
Net Surplus (Loss)	**$ (12,525)**	**$ (12,054)**	**$ (100,266)**	**$ 96,275**	**$ 142,513**	**$ (123,865)**	**$ 11,505**

BAY AREA HOSPITAL

MONTH END: 6/30/2026

	Month to Date					
	11/30/2025	*10/31/2025*	*9/30/2025*	*8/31/2025*	*7/31/2025*	*6/30/2025*
Gross Patient Revenue						
Inpatient Revenue	$ 24,794,900	$ 26,626,663	$ 26,728,010	$ 25,712,601	$ 25,067,912	$ 21,889,108
Outpatient Revenue	39,172,236	45,309,041	41,227,365	40,825,879	41,625,217	37,235,073
Total Gross Patient Revenue	**$ 63,967,137**	**$ 71,935,704**	**$ 67,955,375**	**$ 66,538,480**	**$ 66,693,128**	**$ 59,124,181**
Deductions	$ 45,505,698	$ 51,088,823	$ 47,460,525	$ 46,951,840	$ 47,507,475	$ 41,253,933
Bad Debt	731,546	257,324	209,021	390,753	154,851	753,585
Charity	191,298	429,919	376,122	72,326	415,079	199,108
Total Deductions	$ 46,428,542	$ 51,776,066	$ 48,045,667	$ 47,414,919	$ 48,077,405	$ 42,206,626
Net Patient Revenue	**$ 17,538,595**	**$ 20,159,638**	**$ 19,909,708**	**$ 19,123,561**	**$ 18,615,723**	**$ 16,917,555**
Supplemental Payments	1,534,499	1,767,538	1,679,725	1,695,376	1,674,225	909,741
Other Oper Revenue	802,893	343,466	56,187	468,529	350,424	358,227
Total Net Revenue	**$ 19,875,987**	**$ 22,270,643**	**$ 21,645,620**	**$ 21,287,466**	**$ 20,640,372**	**$ 18,185,523**
Net to Gross Patitent Rev Ratio	*27.4%*	*28.0%*	*29.3%*	*28.7%*	*27.9%*	*28.6%*
Operating Expenses						
Salaries	$ 8,161,024	$ 7,915,210	$ 8,363,855	$ 8,244,951	$ 8,945,952	$ 7,717,782
Contract Labor	726,015	1,607,600	1,503,921	1,814,985	1,597,850	1,789,658
Benefits	1,837,150	2,296,902	1,972,668	2,767,300	2,335,181	(643,456)
Physician & Prof Fee	1,347,277	1,461,946	1,613,154	1,564,475	1,577,921	1,290,563
Supplies	3,450,109	3,865,979	3,232,610	3,479,092	3,734,160	4,365,379
Purchased Services	1,812,019	2,300,742	2,415,248	2,049,830	2,238,543	2,489,287
Leases/Rentals	16,790	26,442	33,513	21,281	16,288	11,758
Depreciation	708,467	708,889	719,449	764,537	739,369	743,521
Provider Tax Expense	1,549,844	1,785,213	1,679,725	1,695,376	1,657,482	1,030,896
Other Oper Expense	587,523	597,781	948,860	132,771	138,640	768,041
Total Operating Expenses	**$ 20,196,218**	**$ 22,566,704**	**$ 22,483,004**	**$ 22,534,599**	**$ 22,981,385**	**$ 19,563,431**
Net Operating Income	**$ (320,231)**	**$ (296,061)**	**$ (837,384)**	**$ (1,247,133)**	**$ (2,341,013)**	**$ (1,377,909)**
Investment Income	136,471	125,137	126,043	197,536	58,410	172,596
Other Nonop Inc(Exp)	88,187	13,195	62,855	21,601	18,846	496,779
Interest Expense	(297,114)	(272,313)	(282,150)	(282,780)	(266,282)	(294,464)
Net Surplus (Loss)	**$ (392,686)**	**$ (430,042)**	**$ (930,635)**	**$ (1,310,776)**	**$ (2,530,040)**	**$ (1,002,998)**

Bay Area Hospital

Bay Area Hospital

Capital Expenditure Requisition

Date	07/10/2026
Cost Center	Information Systems
Requested By	Administration

Description of Asset
Epic is our existing electronic health record. Providence is a leading Community Connect host with approximately 100 partners and hundreds
of hospitals served. The project will take approximately 1 year, going live June 5, 2027. Upon completion we will have improved and enhanced
functionality and we will reduce our annual cost burden by over $2.5M.

Purpose of Expenditure		**Complete for Equipment Replacement Only**		
☒ Safety	☐ Routine Replacement	Fixed Asset Number		
☐ Agency Requirement	☐ Emergency Replacement	Original Purchase Date		
☐ Increase Revenue	☒ Decrease Expenses	Depreciated Value of Item		
☒ Other (Specify): Enhance IT	☒ Patient Care Improvement	Expected Disposition	☐ Scrap	☐ Trade-In

Capital Allocation Category	
☐ Clinical Equipment – MD Request	☒ Information Systems (Hardware and Software)
☐ Clinical Equipment – Department Request	☐ Plant and Grounds
☐ Support Services Equipment	☐ Contingency Funds (if applicable)

USEFUL LIFE OF ASSET (Per AHA Guidelines): 7 years

WAS THIS ITEM INCLUDED IN THE CAPITAL BUDGET: Yes

If NO, is a budgeted item being substituted? Describe item and $:

WILL THIS ITEM BE PURCHASED VIA VIZIENT: No

If NO, explain why not: Epic is a non-GPO vendor

Funding Source		
☒ Cash	☐ Capital Lease	☐ Operating Lease
☒ Grant Funds	☐ Other (Specify):	

Itemized Cost		**Budget Variance Explanation**
Equipment	$64,565.68	
Installation/Renovation	$6,171,532.57	
Freight	$0.00	
Other Costs	$500,000.00	Contingency
TOTAL Actual Cost	**$6,736,098.25**	
TOTAL Per Capital Budget	$7,000,000.00	
Difference (Over)/Under	**$263,901.75**	3.77% under budget

Service Contract/Warranty:	**☒ YES (If Yes, Continue)**	**☐ NO**
Limited by Technology Services Agreement / Order Form	Annual Costs $:	$2,268,818.68
Support includes maintaining all software and licenses including vendor relationships	☐ Parts	☐ Labor
	☐ PM	☒ Other (explain)
Currently the hospital pays $4,770,738 per year for Epic annual service costs.		

Approvals	
Department Manager:	Purchasing Department:
Chief Financial Officer:	Chief Executive Officer:
Board of Directors Approval Meeting Date (Items over $200,000):	
Purchase Order Date:	Purchase Order #:

Bay Area Hospital

Bay Area Hospital

Capital Expenditure Requisition

Date	07/07/2026
Cost Center	Dialysis 12320
Requested By	Nursing

Description of Asset
Tablo is a hemodialysis system by Outset Medical used in over 1,000 hospitals. BAH will use it to replace an expensive Davita dialysis contract.
Replacing that contract with 3 Tablo machines and hiring the dialysis nurses directly will reduce costs, increase job satisfaction, reduce run
Times, and standardize workflow. It may allow BAH to accept patients currently transferred for lack of in-house dialysis options.

Purpose of Expenditure		**Complete for Equipment Replacement Only**	
☐ Safety	☐ Routine Replacement	Fixed Asset Number	
☐ Agency Requirement	☐ Emergency Replacement	Original Purchase Date	
☐ Increase Revenue	☒ Decrease Expenses	Depreciated Value of Item	
☐ Other (Specify): _____	☒ Patient Care Improvement	Expected Disposition	☐ Scrap ☐ Trade-In

Capital Allocation Category	
☐ Clinical Equipment – MD Request	☐ Information Systems (Hardware and Software)
☒ Clinical Equipment – Department Request	☐ Plant and Grounds
☐ Support Services Equipment	☐ Contingency Funds (if applicable)

USEFUL LIFE OF ASSET (Per AHA Guidelines): 5 years

WAS THIS ITEM INCLUDED IN THE CAPITAL BUDGET: No

If NO, is a budgeted item being substituted? Describe item and $: No – based on financial analysis no substitution required

WILL THIS ITEM BE PURCHASED VIA VIZIENT: No

If NO, explain why not: Outset (Tablo)

Funding Source		
☒ Cash	☐ Capital Lease	☐ Operating Lease
☐ Grant Funds	☐ Other (Specify):	

Itemized Cost		**Budget Variance Explanation**
Equipment	$202,800.00	
Installation/Renovation	$0.00	
Freight	$0.00	
Other Costs	$0.00	See Dialysis Project Summary for notes on costs
TOTAL Actual Cost	**$202,800.00**	
TOTAL Per Capital Budget	$0.00	
Difference (Over)/Under	**($202,800.00)**	

Service Contract/Warranty:	**☒ YES (If Yes, Continue)**	**☐ NO**
13-month factory warranty	Annual Costs $: 18,600	$
Classic Service Agreement (generally comprehensive, but excludes "non standard	☒ Parts	☒ Labor
support" such as off hours or other unusual requests)	☒ PM	☐ Other (explain)

Approvals	
Department Manager:	Purchasing Department:
Chief Financial Officer:	Chief Executive Officer:
Board of Directors Approval Meeting Date (Items over $200,000):	
Purchase Order Date:	Purchase Order #:

Dialysis Project Summary

We considered 3 alternatives – Tablo (by Outset), Quanta, and Davita. Quanta declined to bid and Davita came in approximately $100k/year more expensive.
Total project costs associated with implementing Tablo include the $202,800 capital expense as well as operating costs to employ nurses, disposables, and service contracts. The operating costs are more than offset by the elimination of the approximately $1M/year Davita contract. Finance expects the project to be accretive to the P&L from year 1 with significant upside if we can continue with RN-only staffing and no dialysis technicians.

Nursing plans to staff dialysis by hiring our own dialysis nurses. Techs will not be hired initially but assessed for need of 0-2 FTE. Nursing anticipates the following benefits:

- Improved job satisfaction from directly employing dialysis nurses;
- Flexible training platform, improvements in efficiency, and improved nurse engagement;
- Run times decreased by approximately 1 hour;
- Intermittent saline flushes reduce clotting if prescribed;
- Embedded sensors to detect atrial and venous pressures;
- Technology: Can connect to the EMR (we would wait till we transition our Epic platform), remote monitoring, touchscreen, TabloHub (24-hour support);
- Automated self-clean; and
- Education and standardized operating procedures.

The hospital nephrologist supports this project.