Joint Board of Directors and Finance Committee Meeting Minutes

July 21, 2026, Myrtle Conference Room and Teams

Call to Order
Board Chair called the meeting to order at 5:01 p.m.

Public Comment
No public comments were received from attendees in person or online.

Quarterly Compliance Report
Chief Compliance Officer Mel [last name not stated] presented the Second Quarter Compliance Report for the period ending June 30, 2026.
Key report highlights included:

- Overall compliance status remained manageable with no significant enforcement actions.
- Six reportable HIPAA breaches were identified and reported to the Office for Civil Rights, including:
    - Three misdirected communications
    - One unauthorized access incident
    - Two phishing-related privacy events
- Cybersecurity continues to be a primary organizational risk due to increasing phishing attempts and other AI-generated threats.
- Workforce compliance education has been revised to include scenario-based training and competency testing.
- Compliance audits, business associate agreement reviews, access audits, and exclusion-list monitoring are current.

The Board discussed ongoing compliance improvements and the benefits of maintaining internal compliance oversight. No action was required.

Blazing Star Employee Recognition Program
The Board received an update regarding the reinstated Blazing Star recognition program.

- Approximately 100 employee recognitions have been submitted over the past two months.
- Quarterly Silver Star recognitions and annual Gold Star recognition will be selected by the Board.
- Recognition presentations were postponed to a future meeting due to the recipient's scheduling conflicts.

Consent Agenda
A motion was made and seconded to approve the Consent Agenda.
Motion: Approve Consent Agenda
Result: Passed unanimously.

Chief Executive Officer Report
CEO Gretchen Nichols presented organizational updates and strategic priorities for Fiscal Year 2027.

Review and Report on BAH Strategic Goals
The organization is monitoring performance in five key areas:

- Quality and Patient Safety
- Patient Experience
- Employee and Physician Engagement
- Finance
- Growth

Operational Highlights

- May readmission rate was reported at 7%, below the annual target of 11%. Cath Lab volume growth remains a strategic objective with a target increase of 400 annual procedures. Specialty Pharmacy has completed a soft opening.

Funding Updates

- Bay Area Hospital received a direct Rural Health Transformation Program (RHTP) award totaling approximately $1.4 million.
- The organization did not receive a Catalyst Award through the RHTP process.
- Congressional funding requests for the second cardiac catheterization laboratory and CT scanner remain pending.

Orthopedic Service Line Update

- Bay Area Hospital is transitioning orthopedic services from the Synergy arrangement to direct hospital management.
- Dr. Wade Van Cise has joined as a contracted orthopedic physician.
- Dr. Krnacik will relocate his reconstruction practice to Coos Bay later in 2026.
- Additional physician recruitment efforts are ongoing. **Oncology Update**
- Radiation Oncology has expanded with the employment of physicians Dr. Gay and Dr. Thurman.
- An offer has been extended to a fellowship-trained hematologist-oncologist.
- Efforts continue to establish a comprehensive local oncology program.

Quality and Patient Safety Committee Board Member Patrice [last name not stated] reported that the committee had not yet met for the month.
Dr. Uno was appointed as the second Board representative to the Quality and Patient Safety Committee.

Finance Committee Meeting
Finance leadership presented year-end unaudited Fiscal Year 2026 financial results.
Highlights included:

- Operating loss improved significantly to approximately $6 million compared to prior projections.
- Volumes increased approximately 0.8% year-over-year.
- Net revenue increased approximately 5.6%.
- Days cash on hand ended the fiscal year at approximately 60 days.
- Leadership expressed confidence in achieving break-even operating performance during Fiscal Year 2027.

Epic Community Connect Project Approval
Finance leadership presented a proposal to transition the hospital's Epic electronic health record platform to Providence Community Connect.
Project benefits discussed included:

- Improved operational efficiency
- Standardized workflows
- Enhanced support structure
- Estimated annual operating savings of approximately $2.5 million

The Finance Committee voted to recommend approval to the Board.
Board Motion: Approve the Epic Community Connect project and the associated capital request.
Result: Motion carried unanimously.

Tablo Hemodialysis System Approval
Administration presented a proposal to purchase and implement the Tablo inpatient hemodialysis system.
Key benefits discussed:

- Allows inpatient dialysis services to be provided locally.
- Reduces transfers to outside facilities.
- Improves patient and family experience.
- Generates positive financial return and operational efficiencies.

The Finance Committee voted to recommend approval to the Board.
Board Motion: Approve purchase and implementation of the Tablo Hemodialysis System.
Result: Motion carried unanimously.

Medical Executive Committee Report
The Board reviewed the Medical Executive Committee (MEC) report.
Motion: Approve the MEC report.
Result: Motion carried unanimously.

Executive Session
The Board entered Executive Session pursuant to:

- ORS 192.662(2)(c)
- ORS 192.662(2)(f)

for matters pertaining to medical staff functions and confidential records are exempt from public disclosure.

Adjournment
The public portion of the meeting concluded at approximately **6:49 p.m.**

Simon Alonza, Chairperson
Date: August 18, 2026

Patrice Parrott, Secretary
Date: August 18, 2026

BAY AREA HOSPITAL DISTRICT

Resolution No. 2026-08-18

WHEREAS, the Bay Area Hospital District ("District") is a municipal corporation organized as a health district under ORS 440.305 to 440.410 that does business as Bay Area Hospital; and

WHEREAS, the District maintains one or more accounts with Morgan Stanley Smith Barney LLC ("Morgan Stanley"); and

WHEREAS, Morgan Stanley has requested a formal designation of the Authorized Persons with regard to such accounts.

NOW THEREFORE,

BE IT RESOLVED by the Bay Area Hospital District Board of Directors that Gretchen Nichols, CEO, and Patrick Banks, CFO, are the Authorized Persons who may act on behalf of the District with respect to its business with Morgan Stanley.

Approved and adopted by the Bay Area Hospital District Board of Directors, this 18th day of August, 2026.

Simon Alonzo, Chairperson

ATTEST:

Patrice Parrot, Secretary