



**Board of Directors
Regular Meeting & Executive Session
February 26, 2026 5:00 p.m.
Adapt, LLC Conference Room**

AGENDA

- I. Regular Meeting Open Session Call to Order 5:00 p.m.**
 - 1. Agenda - Corrections or Additions.....(action)
 - 2. Public Input

- II. Executive Session Under ORS 162.660(2)(i) and 192.660(8)** to review and evaluate the performance of an officer, employee or staff member if the person does not request an open meeting. This reason may not be used to do a general evaluation of an agency goal, objective or operation of any directive to personnel concerning these subjects. No decisions are made in Executive Session.

- III. Return to Open Session**
 - 1. Decisions from Executive Session
 - a. CEO Evaluation.....(action)

- IV. Consent Agenda**
 - 1. Meeting Minutes
 - a. Regular Meeting-1-22-263
 - b. Legal Counsel – Robert S. Miller - Invoice - #1207.....10
 - 2. **Motion to Approve Consent Agenda**.....(action)

- V. New Business**
 - 1. Consideration of Revision to Medical Staff Rules & Regulations.....(action)11
 - 2. Consideration of 2026 Quality Assurance & Performance Improvement Plan.....(action)14
 - 3. Consideration of Interim Cost Report – Discussion(action)

- VI. Old Business**
 - 1. None.

- VII. Staff Reports-Discussion**
 - 1. CEO Report.....22
 - 2. CMO Report.....24
 - 3. Retail Pharmacy Report.....25
 - 4. CNO Report27
 - 5. CFO Report - Discussion
 - 6. CIO Report & HIPAA Security Risk Assessment32
 - 7. Multi-Specialty Clinic Report38
 - 8. HR Report40
 - 9. SCHD Foundation Report43
 - 10. Strategic Plan Update.....(under separate cover)

VIII. Financial Review

- 1. Month-End Report & Statements for Period Ending January 31, 2026 44
- 2. Contractual Allowance Presentation/Overview.....(under separate cover)
- 3. January Revenue Cycle Report..... 61
- 4. FY26 Monthly Mitigation Plan 3-Month Period Review..... 64

IX. Open Discussion

- X. Executive Session Under 192.660(2)(c)** to consider matters pertaining to the function of the medical staff of a public hospital licensed pursuant to ORS 441.015 Licensing of facilities and health maintenance organizations. No decisions are made in Executive Session.

XI. Return to Open Session

Action from Executive Session

- 1. Motion to Approve Executive Session Minutes-1-22-26(action)
- 2. Motion to Approve Reports from Executive Session:
 - a. Quality & Patient Safety, Risk & Compliance Report.....(action)
 - c. Medical Staff Credentialing & Privileging Report.....(action)

XII. Adjournment

**Southern Coos Health District
Board of Directors Meeting
Open Session Minutes
January 22, 2026
Adapt, LLC Conference Room**

I. Open Session Call to Order at 6:00 p.m.

Roll Call – Quorum established; Thomas Bedell, Chairman; Mary Schamehorn, Secretary; Pamela Hansen, Treasurer/Foundation Liaison, Kay Hardin, Quality Liaison, and Robert Pickel, Director. **Administration:** Raymond Hino, CEO; Alden Forrester, MD, CMO; Cori Valet, CNO; Scott McEachern, CIO; David Serle, Clinic Director; Amanda Bemetz, RN, Quality, Risk & Compliance Director; Colene Hickman, Revenue Cycle Director; PJ Keizer, MD, Chief of Staff. **Absent:** Cam Marlowe, Interim CFO. **Others present:** Robert S. Miller, Counsel; Kim Russell, Executive Assistant. **Via Remote Link:** Stacy Nelson, HR Director; Alix McGinley, SCH Foundation Executive Director. **Press:** None.

1. Agenda - Corrections or Additions

The Strategic Plan was removed from monthly staff reports at request of Raymond Hino, CEO.

Mary Schamehorn **moved** to accept the agenda as amended. Bob Pickle **seconded** the motion. **All in favor. Motion passed.**

2. Public Input – None.

II. Consent Agenda

1. Regular Meeting Open Session Minutes - 12/18/25

2. Invoice for Legal Services – Robert S. Miller Invoice #1187

Mary Schamehorn **moved** to accept the Consent Agenda as presented. Bob Pickel **seconded** the motion. **All in favor. Motion passed.**

III. New Business

1. Consideration of Dr. Monica Mehrens as Clinician Champion for Antimicrobial Stewardship

Raymond Hino, CEO, had provided a written overview in the packet with requirements for appointment and ratification by the board of directors for this role. Dr. Mehrens is qualified for this position, due to her background, expertise in antibiotic stewardship and experience in similar roles in licensed hospitals as mandated to comply with CMS Conditions of Participation. SCHHC Medical Staff and Pharmacy Committees have approved the appointment. Management recommendation for compensation for this role is a monthly stipend of \$2,000. CMS Conditions of Participation §482.42 (b)(1) Standard: Antibiotic Stewardship Program Organization and Policies, requires the Critical Access Hospital Governing

Board to appoint an individual or individuals who is/are qualified through education, training, and experience in antibiotic stewardship. The appointment of this individual must be based on recommendations of medical staff leadership and pharmacy leadership.

Mary Schamehorn **moved** to accept the appointment as presented. **Discussion:** This is a public health measure required by CMS, it is not revenue generating. 60% of cost will be covered by Medicare. Bob Pickel **seconded** the motion. **All in favor. Unanimous decision.**

2. Consideration of Medical Staff Bylaws Revision

Dr. Alden Forrester, CMO, presented the proposed revisions regarding Peer Review meetings approved by the Medical Staff Committee, updating language to reflect current practices of the Peer Review Committee for continuous peer review as defined in the Medical Staff Rules and Regulations.

Mary Schamehorn **moved** to accept proposed revision to Medical Staff Bylaws as presented. Bob Pickle **seconded** the motion. **All in favor. Unanimous decision.**

IV. Old Business

1. None.

V. Staff Reports

1. CEO Report

Ray Hino, CEO, provided a summary review of his monthly report, noting that the new Senior Life Solutions program has opened and is serving patients. After helping to start the program, our new SLS program director has decided to move on and an offer has been made to a new candidate. While this is disappointing, we respect her decision. Construction continues on the remodel of the Specialty Clinic space to accommodate SLS and the Pain Clinic. Until complete, SLS will continue to meet in our main hospital conference room. The Master Facility Plan process has begun to pull data for financial analysis and debt studies with an on-site meeting scheduled in March. Mr. Hino has been appointed to be the Chairman of the Rural Health Coordinating Council (RHCC). The RHCC is a State mandated body, working in conjunction with the Oregon Office of Rural Health, representing rural providers throughout the State of Oregon (doctors, dentists, pharmacists, hospitals, clinics, mental health, etc.) All members of the RHCC are appointed by the Governor. The RHCC was included in the State of Oregon's application for Rural Health Transformation Program (RHTP) funds, as an advisor in the administration of the RHTP funds. On December 29, 2025, it was announced by CMS that the State of Oregon will receive \$197.3 million in 2026. Those funds will be disbursed to health providers and programs using a grant application process. In total, Oregon expects to receive about \$1.0 billion over 5 years. The total amount to be awarded to all states over the 5-year life of the RHTP is \$50.0 billion. 90% of designated

Patient Financial Services staff have now moved into our new office space in the Ray's Market complex, to be the Southern Coos Hospital & Health Center Business Center. Signage is in process and we plan to schedule a ribbon cutting.

2. CMO Report

Dr. Alden Forrester, Chief Medical Officer, provided a summary of his printed report where he had provided information for the Board of Directors regarding Antimicrobial Stewardship as previously reviewed, and the revision to the Medical Staff Bylaws. Other updates include: Direct Radiology, the long-standing back-up reading radiology group for Drs. Quinn and Keizer has provided notice of contract termination without cause to occur in April. A search for a replacement group is in progress. The general surgery program ramp-up is going well with 5 surgeries in January and 13 scheduled in February. The Medical Staff report to be reviewed in Executive Session includes the appointment of Dr. Natalie Speck. If approved, Dr. Speck will be our 4th provider under contract, ending our reliance on locum coverage.

3. SCHHC Retail Pharmacy Report

Dr. Forrester provided a summary of the Retail Pharmacy Report. The retail pharmacy experienced a 23% increase in filled prescriptions in December from prior month. Cost of goods sold is largest expense. Average 10% return on cost does not include 340B accounting. Net Change in Position for December was negative \$41,442. For comparison, the net change for November was negative \$36,142. Unfortunately gains made in revenue were more than offset by increased expenses including increased labor expenses for the month of December. We continue promotional efforts and evaluation of alternative revenue streams while also finalizing 340B accounting.

4. CNO Report

Cori Valet, CNO, provided highlights from the month of December and January to-date. **Clinical Staffing:** December closed with clinical staffing at 89% employed and 11% contracted staff. Two new full time RNs have been recruited and 2 CNAs hired. One contract RN utilized in December. Vacant Laboratory positions have been filled by the new manager who joined us December 15. In Surgery, the department manager is covering the circulating RN position until surgical volumes increase. In Respiratory Therapy, one per diem employee moved to full time. Ms. Valet reviewed the estimated financial impact of key clinical positions required for specialized procedures of MRI, Ultrasound and Pulmonary Function Testing. **Discussion:** An employee referral bonus policy for employees is being updated to provide an incentive bonus for a successful referral of a full time critical staff member. **Emergency Department Transfers:** There were 21 patient transfers from the Emergency Department in December, all requiring a higher level of care, primarily cardiology, but also including intensive care needs, orthopedic care, and surgery. Ms. Valet also reported on a recent grant received for clinical staff training, with more information to be provided in February.

5. CFO Report

Ray Hino, CEO, provided a review of the CFO Report on behalf of Cam Marlowe, Interim Chief Financial Officer, who was present for the Quarterly Finance Committee Meeting earlier but needed to leave early for travel out of the area. Recruitment has begun to replace the vacant Controller position with one candidate identified to-date. Mr. Hino shared that Colene Hickman, Director of Revenue Cycle, will now also be overseeing Health Information Management (HIM) which is a common reporting structure and will provide cost savings as we will no longer outsource that oversight. Additionally, the registration team, also known as Patient Access, will be trained in Release of Information (ROI) support. **Discussion:** The former Axiom financial tool was replaced by the Sage/Intaact enterprise resource platform which has changed our reporting capabilities. Southern Coos will continue to focus on high dollar contract review and savings opportunities.

6. CIO Report

Scott McEachern, Chief Information Officer, the 2025 HIPAA Security Risk Assessment was completed with full report to be provided in February. The former business office conversion to Specialty Clinic space continues with extension for completion in February. **Discussion:** Vendor issues have contributed to delays. Board members inquired about a liquidated damages provision in contract(s). The Business Center to accommodate Patient Financial Services, now located in the Bandon Shopping Center office space at 120 Suite C, Michigan Avenue, should be fully occupied by February 16. Radiology data conversion work continues for purpose of linking prior studies to the patient chart in Epic, eliminating the need for providers to check two systems for past patient information. Clinical Informatics projects include Laboratory Orders and Charge Configuration, evaluating charge routing errors within the laboratory workflow to prevent lost or incorrect charges, strengthen revenue integrity, and ensure accurate, compliant billing for lab services. Mr. McEachern gave kudos to Tonya Sotelo, our new Laboratory Manager, for her work and support in this area. Mr. Hino added that in a short time, Ms. Sotelo had not only filled several staffing vacancies but also identified savings of \$25,000 per year with removal of underutilized equipment.

7. Clinic Report

David Serle, Multi-Specialty Clinic Director, provided a summary of Clinic activities for the month of December. Provider vacations in December contributed to lower volume with overall trendline improving. An internal audit and review of our Chronic Care Management (CCM) services was completed, with thanks to Colene Hickman, Revenue Cycle, Amanda Bemetz, Quality/Compliance, Kelli Cotton, and Chandra Donnell, independent contractors, who determined that an estimated \$75,000 - \$85,000 in services should be billable that were not originally a part of our budget for 2025/2026. As reported in December, and earlier by Dr. Forrester, Dr. Natalie Speck will be joining the Primary Care Clinic in February, rounding out our providers to a total of 4 employed physicians and elimination of the locum provider contract.

8. Human Resources Report

Stacy Nelson, Director of Human Resources, attending via remote link, reviewed highlights from his written report, noting that turnover statistics have dropped. Emotional onboarding processes have been incorporated. Southern Coos turnover is low by industry standards, however, future reporting to include other Critical Access Hospital and Rural Clinic data. Employee benefit rollout went well with Healthcare Savings Account (HSA) enrollment higher than anticipated. HR participated in the recent nursing skills day with “Crucial Conversations,” sharing strategies for effective communication. The annual 2025 employee holiday dinner was well attended by staff and their significant others.

9. SCHD Foundation Report

Alix McGinley, Health Foundation Executive Director, attending via remote link, provided a review of her report for the month of December, opening with a capital campaign update, currently leveraging resources from the Association for Healthcare Philanthropy (AHP) and any other available avenues. Women’s Health Day will be held March 7 at estimated cost of \$2,500 to produce, to be covered by generous sponsorships, with no fee for attendance. In 2025 all proceeds exceeding event costs were allocated to support the Bandon School Nurse program, and we plan to continue this practice. The Bandon Dunes Charitable Foundation award of \$150,000 for Phase II of the Master Facilities Plan has been received. This funding includes \$75,000 for the Feasibility Study (SCHHC) and \$75,000 for the Capital Campaign (SCHF). Additionally, we have submitted a grant application for the Spring 2026 cycle of the Oregon Community Foundation for General Operating Support.

VI. Monthly Financial Statements Review & Discussion

1. Month End Financial Summary and Review of Statements Ending December 31, 2025

Mr. Hino again represented on behalf of Cam Marlowe, Interim CFO, reporting highlights from the month of December. Inpatient and swingbed census was much lower than budget, conversely, Retail Pharmacy volume was positive. Total labor was below budget, but contract labor high. The CNO, Clinic and HR reports earlier this evening reported on successful efforts to lower the use of contract labor. In response to questions about the confusing swingbed data, Colene Hickman, Director of Revenue Cycle shared how swingbed charges are complex to report, reviewing how charges are billed and reimbursed. Critical Access Hospitals (CAHs) are allowed to “swing” their beds between acute care and skilled nursing facility levels, primarily for post-acute rehabilitation or nursing. Ancillary costs such as therapy or lab tests are apportioned to Medicare based on billed charges and settled via the hospital cost report. January census as of this date is improved, at a daily average of 10. There were no further questions.

2. December Revenue Cycle Dashboard

Colene Hickman, Director of Revenue Cycle reviewed her report for the month of December, noting that we are no longer using the “stabilization” dashboards provided by Epic as we are fully operational with the new platform. Key performance indicators were reviewed with Accounts Receivable (A/R) increasing; legacy A/R reconciliation increased slightly with growth concentrated in current and 0-30 day balances, indicating healthy billing activity rather than accounts aging. Collections is showing improvement month over month totaling \$3.07M, an increase of \$127k over prior month. Point of service collections by staff are going well. Southern Coos will be changing to a national collections service licensed in other states to facilitate out-of-state collections due to increased tourism to our area. Ms. Hickman concluded her report with an update on the active aging balance of \$8.6M and legacy account balance summary (over 180 days) at \$5.5K.

3. December Budget Mitigation Dashboard

Mr. Hino provided a recap of the December Mitigation Dashboard as approved at the time of FY26 budget approval with this being the second quarter review. The reported operating loss without the 3 new strategic initiatives does not exceed the “trigger” level of -\$50K per month for 3 months. The three new strategic initiatives were reviewed, Senior Life Solutions (SLS), Retail Pharmacy and Surgery, noting that SLS and Surgery are still ramping up. Management recommendation at this time is to continue the hiring freeze of non-clinical staff positions; continue to focus tightly on cost-reduction and expansion of revenue-generating initiatives; and begin preparations for possibility of more aggressive actions in Q3 and Q4. However, we are pleased with work completed as reported earlier on the Chronic Care Management audit, pain clinic productivity, and reductions in contract labor with actual savings to be realized in January. **Discussion:** Regarding when the Retail Pharmacy can be moved to the regular report, Dr. Forrester proposed July due to continued work on 340B accounting and other contract work to be in place by that time. The Surgery transition plan for reporting is also proposed to be Q1 FY27. Members requested the 3-month mitigation report to be provided/reviewed each month.

VII. Open Discussion

None.

VIII. Executive Session

At 8:16 p.m. the Board moved into Executive Session Under 192.660(2)(c) to consider matters pertaining to the function of the medical staff of a public hospital licensed pursuant to ORS 441.015 Licensing of facilities and health maintenance organizations, and under ORS 162.660(2)(i) and 192.660(8) to review and evaluate the performance of an officer, employee or staff member if the person does not request an open meeting. No decision will be made in Executive Session.

Others were excused at this time. **Remaining in attendance:** Thomas Bedell, Chairman; Mary Schamehorn, Secretary; Pamela Hansen, Treasurer/Foundation Liaison, Kay Hardin, Director/Quality Committee Liaison, and Robert Pickel, Director. **Administration:** Raymond Hino, CEO; Amanda Bemetz, Director Quality Risk & Compliance; Alden Forrester, MD, CMO; P.J. Keizer, Medical Staff Chief of Staff. **Others in attendance:** Robert S. Miller, Legal Counsel; Kim Russell, Executive Assistant. **Press:** None.

IX. Return to Open Session

At 8:48 p.m. the meeting returned to Open Session.

1. Consideration of Executive Session Minutes 12-18-25

Mary Schamehorn **moved** to accept Executive Session Minutes as presented. Pam Hansen **seconded** the motion. **All in favor. Motion passed.**

2. Reports from Executive Session

- a. Quality and Patient Safety Committee Report
- b. Medical Staff Credentialing Report

Mary Schamehorn **moved** to accept the Quality & Patient Safety Report and Medical Staff Credentialing Report as presented. Pam Hansen **seconded** the motion. **All in favor. Motion passed.**

X. Adjournment

The meeting adjourned at 8:49 p.m. The next regular meeting will be held on February 26 at 6:00 p.m., location to be announced.

Thomas Bedell, Chairman 2-26-2026

Mary Schamehorn, Secretary 2-26-2026

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Invoice details

Invoice no.: 1207
Terms: Net 30
Invoice date: 01/26/2026
Due date: 02/25/2026

#	Product or service	Description	Qty	Rate	Amount
1.	Attorney (\$300/hr)	Thursday, January 22, 2026: Board Meeting, General & Executive Session.	3	\$300.00	\$900.00

Total **\$900.00**

Ways to pay



[View and pay](#)

Medical Staff Rules & Regulations Amendment

1014 PEER REVIEW

A. General Statement

Southern Coos Health District and its Medical Staff are responsible for the quality of care provided to the patient population seen throughout the District's facilities. Therefore, it is the policy of Southern Coos Health District to support the Medical Staff Peer Review process. The Peer Review process is a non-biased activity performed by the Medical Staff to measure, assess and, where necessary, improve performance on an organization-wide basis. Peer Review is confidential and not subject to discovery.

B. Peer Review Categories

Peer review activities fall into one of two categories: Continuous peer review that is part of ongoing OPPE and FPPE quality improvement processes and Incident-specific peer review.

C. Continuous Peer Review

Continuous Peer Review is a component of ongoing quality improvement initiatives including clinician OPPE and FPPE evaluation. The Credentials Committee of the Medical Staff shall also serve as the Peer Review Committee for Continuous Peer Review.

Process:

- a. Each member of the medical staff shall have charts reviewed by a peer member of the medical staff during each 2-year credentialing cycle for OPPE and during FPPE.
- b. The number of charts to be reviewed is determined by the medical staff but should not be fewer than 3 charts per review period.
- c. The charts are chosen at random by the Health Information Department from a pool of charts appropriate to adequately represent the performance of the provider being reviewed.
- d. The review shall be performed by the Chief of the clinical department to which the provider belongs, or, if the review is of the department Chief, by an alternate member of the medical staff in good standing.
- e. Results of these reviews shall be communicated to the provider being reviewed in order to foster an environment of continuous improvement.
- f. All reviews are confidential and will be kept in the confidential section of the provider's medical staff file.
- g. Results of these reviews will be made available to authorized members of the medical staff's Credentials Committee for the purpose of informing decisions on whether to recommend granting or continuation of medical staff privileges.

D. Incident-Specific Peer Review

Incident-specific Peer Review occurs when a concern is identified regarding a specific episode of care.

Circumstances that warrant Incident-specific Peer Review Include, but are not limited to:

- a. the Medical Staff Policies and Procedures mandate such a review;
- b. the practitioner(s) involved with a case requests Peer Review;
- c. Medical Staff Members request a specific case be reviewed;
- d. The patient, family members, clinicians not on the Southern Coos Staff, or other entities request a specific case be reviewed;
- e. Or some other internal or external process identifies a possible significant concern regarding care rendered to a patient.

Process:

- a. A case is identified as requiring Incident-specific Peer Review using the criteria above and a member of the Incident-specific Peer Review Committee is informed of the case and the reasons why a review is requested.
- b. The Incident-specific Peer Review Committee members review the details of the case including information available in the medical record, other records if applicable, and interviews with the provider(s) involved and other individuals with pertinent knowledge.
- c. The Incident-specific Peer Review Committee members meet either in person or via secure electronic means to discuss their findings and recommendations including whether a quality-of-care concern exists and any recommended corrective actions.
- d. The Incident-specific Peer Review Committee members will then decide by simple majority vote whether to send the case for external peer review. If the Incident-specific Peer Review Committee decides a case should be sent for external review, that decision is final and binding.
- e. The findings and recommendations reached by the Incident-specific Peer Review Committee and the findings of any external review will be communicated via secure means to the provider(s) whose case was reviewed.
- f. All portions of the Incident-specific Peer Review process including results of external review shall be considered privileged and confidential in compliance with Oregon statute. Records will be kept in the confidential section of the reviewed provider(s) Medical Staff credentialing file.

The Peer Review Committee for Incident-specific Peer Review shall consist of the following individuals:

- a. The Chief or Vice-chief of the Medical Staff
- b. The Chief Medical Officer
- c. The Department Chief of the provider whose case is being reviewed

If one of the individuals named above is the provider whose case is under review, the remaining members of the committee shall choose an alternate to

serve on the committee instead of that provider. In no circumstance shall a provider whose case is under review serve as part of the committee for that review.

E. Program Components

Participants – A Peer Reviewer shall be defined as a member of the Medical Staff, in good standing, not to include external reviewers. An individual functioning as a peer reviewer will not be in partnership with the individual whose case is under review. For the purposes of this section clinicians employed or contracted by SCHHC shall not be considered “in partnership” solely by virtue of that shared employment or contract status.

An individual functioning as a peer reviewer may seek opinions and information from participants that were involved in the patient’s care.

The practitioner(s) whose case is under review has the right to present his or her information regarding case management to the individuals performing peer review.

F. Program Methodology

Peer Review shall be conducted in accordance with Peer Review policies and procedures adopted by the Medical Staff.



Quality Assurance and Performance Improvement Plan (QAPI)

In Effect Calendar Year 202~~6~~⁵

SCHHC Policy 155.001 Rev. 7.0
Approved By Medical Staff Committee 01/14/2026-0
Approved ~~By~~ Quality & Patient Safety Committee 1/~~XX24~~/202~~6~~⁵
Approved By Southern Coos Hospital District Board of Directors 1/~~XX23~~/202~~6~~⁵

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Purpose

To develop, implement, and maintain an effective, ongoing, organization-wide, data-driven Quality Assessment and Performance Improvement program.

To establish a planned, systematic, and interdisciplinary approach to improving the care, treatment and services provided.

Philosophy

The Quality Assurance and Process Improvement (QAPI) plan is established in accordance with our purpose, beliefs, and values along with the Southern Coos Hospital and Health Center mission of 'Quality healthcare with a personal touch'. The primary focus of this plan is the continual improvement of the performance of care and services, and improvement in patient outcomes. This process is accomplished by systematically measuring, assessing, and improving our performance, ensuring preventive and corrective action, and implementing best practices.

Design and Scope & Applicability

Southern Coos Hospital and Health Center (SCHHC) Health Care District is a public entity located in Bandon, Oregon. SCHHC is a 21-bed, publicly owned critical access hospital, and includes a specialty clinic and a health clinic. This is an organization-wide plan. It applies to all departments, care, treatment, service settings (including those services furnished under contract or arrangement), and applicable regulatory and accrediting bodies.

The Quality Management System (QMS) governs all services provided by SCHHC Health Care District to include contracted services. This QMS identifies patients, families, the community at large, Third-Party Payers, regulatory agencies, vendors, Providers, and staff as relevant interested parties.

Governance and Leadership Authority

The Governing Board of Southern Coos Hospital and Health Center; hereafter referred to as "the Governing Board", is responsible and accountable for the quality of care and services delivered at Southern Coos Hospital and Health Center. The Governing Board participates in management review activities via the Quality and Patient Safety Committee. The Governing Board accepts responsibility for ensuring a patient focus throughout the organization.

The Organized Medical Staff is accountable to the Governing Board for patient safety and the quality of care delivered at SCHHC. Executive~~Senior~~ Leadership is accountable to the Governing Board for ensuring processes and procedures are in place to provide patient safety, quality patient care, and continuous process improvement. The Governing Board authorizes the establishment of this performance improvement program.

The Governing Board is responsible for assuring:

- That an ongoing program for quality improvement is defined, implemented, and maintained.
- That the organization-wide quality assessment and performance improvement efforts address priorities for improved quality of care, and patient safety and that

SCHHC Policy 155.001 Rev. 7.0

Approved By Medical Staff Committee 01/14/2026-0

Approved ~~By~~ Quality & Patient Safety Committee 1/~~XX21~~/20265

Approved By Southern Coos Hospital District Board of Directors 1/~~XX23~~/20265

- all improvement actions are evaluated.
- That adequate resources are allocated for measuring, assessing, improving, and sustaining the organization's performance and patient safety.

Administration & Management

The Governing Board also delegates the development, implementation, and evaluation of this program to the organization's ~~Executive~~Administration and Management team. ~~The Administration~~Executive team and Management are responsible for improving the quality of care, safety, and service provided by organization staff. The Administration and Management team have developed structures and processes to carry out this responsibility.

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Leadership

~~Senior~~Executive Leadership accepts responsibility for ensuring that the Quality Management System (QMS) meets the requirements of Det Norske Veritas (DNV), Centers for Medicare and Medicaid (CMS), and Oregon State Laws as well as ensuring the integrity of the QMS is maintained when changes to the QMS are planned and implemented.

~~Senior~~Executive Management will review the activities of the QMS and ensure that processes are delivering intended outcomes and appropriate corrective and preventative actions are instituted and sustained. This process will be measured and monitored through participation in the Quality and Patient Safety Committee (QPSC). Responsibility for reporting on the performance of the QMS and opportunities for improvement to ~~Executive~~Senior Leadership and the Governing Board will be that of the Director of Quality, Risk, and Compliance.

Feedback, Data Systems and Monitoring
~~Collecting Data on Performance~~

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Organizational Goals

Goals for calendar year 202~~65~~ (approval/ effective date is reflective of the Quality, Risk, and Compliance department development) are in the 202~~65~~ Quality Metrics Workbook. Quality objectives are outlined in this Quality Manual but are subject to change as the needs of the organization or external environment dictate. All changes to the QMS will be approved by the Governing Board.

- DNV Focus Area(s) for P1:
 - o ISO 9001:2015: 10.2 Nonconformity and corrective actions
 - To address the number of nonconformities that have remained open over the past several years, the organization will place increased emphasis on nonconformity and the corrective action processes, including the corrective action plan management.
- Throughout the year, the organization will work on improvement activities identified through the QAPI self-assessment, which will serve to further increase the effectiveness of the Quality Management System. The QAPI self-assessment

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will be updated throughout the year.

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Frequency of Data Collection

By approval of this program, the Governing Body has defined the frequencies of data collection to be ongoing, time limited, episodic, intensive, or recurring. The duration, intensity, and frequency of data collection to measure a specific indicator shall be based on the needs of the organization, external requirements, and the result of data analysis.

Detail of Data Collection

By approval of this program, the Governing Body has determined that data shall be collected in sufficient detail to provide the user of that data with sufficient information to make timely, accurate, and data-driven decisions.

Aggregation and Analysis of Data

Data on rate-based performance measures are aggregated to determine patterns, trends, and variation (common or special cause). Data may be aggregated for a single point in time or over time, depending on the needs of the organization and the reason for monitoring performance. In general, measurement designed to establish the desired stability of a process, or a desired outcome will be measured over time until target levels of performance are met.

Once a process is considered stable, and/or a desired level of performance has been achieved, then an analysis of performance measures may be conducted in a more episodic fashion.

Data that is event based is analyzed in singular or aggregated form depending on the number of data elements in the performance measure. In general, event-based measurements are monitored on an ongoing basis. Where appropriate and able, data shall be compared against internal and/or external benchmarks to allow for comparative performance over time.

The purpose of data aggregation and analysis is to:

- Establish a baseline level of performance
- Determine the stability of process
- Determine the effectiveness of a process or desirability of an outcome as compared to internal or external targets (benchmarks)
- Identify opportunities for improvement
- Identify the need for more focused data collection
- Determine whether improvement has been achieved and/or sustained.

Compilation of Data

Data shall be compiled in a manner that is usable to those individuals and entities

SCHHC Policy 155.001 Rev. 7.0

Approved By Medical Staff Committee 01/14/2026-0

Approved ~~By~~ Quality & Patient Safety Committee 1/~~XX21~~/20265

Approved By Southern Coos Hospital District Board of Directors 1/~~XX23~~/20265

charge both with analyzing the data and taking action on the information derived from data analysis. Where appropriate, statistical tools and techniques shall be used in data display, to assist in appropriate analysis.

Analysis of Data

Data on performance measures will be analyzed to:

- Monitor the effectiveness and safety of services and quality of care
- Identify opportunities for improvement and changes that will lead to improvement

Where appropriate, statistical tools and techniques shall be used in data display, to assist in appropriate analysis.

Intensive Assessments

Data will be intensively assessed when the organization detects or suspects a significant undesirable performance or variation. Intense analysis is called for when:

- Levels of performance, patterns, or trends vary significantly and undesirably from those expected.
- Performance varies significantly and undesirably from that of other organizations or recognized standards.
- A sentinel event has occurred.

**Performance Improvement Projects (PIPs) and
Systematic Analysis and Systemic
Action Improving Performance**

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Performance Model

The system for improving outcomes of care and services is based on scientific approaches and the concepts and principles of continual improvement. This organization will utilize the Institute for Healthcare Improvement (IHI) recommended Model for Improvement as its scientific methodology. Design of the process and measurement tools will take into consideration the dimensions of performance, which are efficiency, appropriateness, availability, timeliness, effectiveness, continuity, safety, efficiency, respect, and caring.

The organization will undertake efforts to improve existing processes and outcomes and then sustain the improved performance. To accomplish this, the organization has adopted a performance improvement model: Plan, Do, Study, Act (PDSA). The performance improvement model is utilized, formally or informally, in improvement efforts throughout the organization.

~~The Plan Do Study Act (PDSA) Worksheet is a useful quality improvement tool for documenting a test of change.~~ The PDSA cycle, an essential component of the [Model for Improvement](#), is shorthand for testing a change by developing a plan to test the change (Plan), carrying out the test (Do), observing and learning from the

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consequences (Study), and determining what modifications should be made to the test (Act).

Prioritizing Performance Improvement Activities:

The organization will prioritize those performance improvement activities that target processes that:

- Align with the SCHHC Strategic Plan, addressing strategic/critical domains and initiatives
- May be organization-wide in scope, targeted to specific areas, departments, and services, or focused on selected populations.
- Address gaps in performance in any service area.
- Focus on high-risk, high-volume, or problem-prone areas.
- Consider the incidence, prevalence, and severity of nonconformities.
- Departmental process improvement projects as identified.
- Affect health outcomes, patient safety, and quality of care; and
- Address regulatory, accreditation, certification, or other requirements, including but not limited to New CMS OB Standard (s): Emergency services readiness.-

~~The number, scope, and determination of QAPI projects conducted annually shall be proportional to the scope and complexity of the hospital's services and operations.~~

Reporting of Performance Improvement Activities

Regular reports on the status and effectiveness of performance improvement activities shall be made to the QPSC, Governing Board as well as the leadership of the organization and its medical staff. Action shall also be taken when planned improvements are not achieved or sustained. Follow-up corrective action may be in the form of an internal corrective action plan reviewed and approved by QPSC. Other performance activities and QAPI resources may include:

- Failure Mode Effect Analysis (FMEA) Root Cause Analysis (RCA), cause mapping, proactive risk assessments, and/ or GAP analysis.
- Documentation will include evidence of ongoing monitoring of the project's progress periodic data collection and analysis, will be noted in internal auditing and/or QPSC meeting minutes.
- Evaluation of the effectiveness of improvement actions that the hospital has implemented.

Departmental Process Improvement Projects: Internal patient care service area(s) will have departmental level process improvements project boards, including applicable reportable CMS quality metrics, e.g. CAUTI, CLABSI, etc.

Audit Schedule**Internal Audit Program**

Review and evaluation of the effectiveness of improvement actions/ projects that the hospital has implemented will be monitored through the PDSA cycle and ~~Le~~or internal audits as applicable. The major processes in the provision of care will be audited consistently during the year to ensure conformance with standards. These processes include, but are not limited to planning, admission, provision of care, discharge, and Life Safety/ Environment of Care. Internal audits are conducted with clear intent in

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accordance with ISO standards and healthcare industry best practices to support patient safety, regulatory compliance, and continuous improvement. Audit activities are planned using a risk-based approach and adjusted throughout the year to reflect operational changes, regulatory requirements, and areas of greatest impact. For this reason, a fixed annual audit schedule is not established; however, all audits are performed systematically and consistently in alignment with ISO requirements.

Interactions of the Quality Management System (QMS)

The ~~below graphics~~graphics below depict how the QMS interacts with the flow and processes of the organization. The Quality Management System oversees the processes and outputs of the organization. This organization defines relevant interested parties (process inputs) as patients, payers, providers, regulatory bodies, accreditation agencies, and the community at large. Outputs are patient care and services. Management has a responsibility to the patients to produce safe patient care and services, a responsibility to the staff to provide a safe work environment, and to the Governing Board of Directors to provide care in a fiscally responsible and sustainable manner. Management reviews and analyzes process and outcome measures as well as customer input and feedback to ensure continual improvement in the quality of care and services delivered.

References:

CMS Conditions of Participation for Critical Access Hospitals §485.641(b) and § 485.618 Emergency Services.
DNV, Standard QM.7 and ISO 9001:2015
How to improve: Model for improvement. Institute for Healthcare Improvement. (n.d.). Retrieved from <https://www.ihl.org/resources/how-improve-model-improvement>
QAPI Description and Background, CMS.gov 2025. Retrieved from https://www.cms.gov/medicare/provider-enrollment-and-certification/qapi/qapidefinition

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Quality Management System Interactions

Southern Coos Hospital District Board & Leadership



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Chief Executive Officer Report

To: Southern Coos Health District Board of Directors
From: Raymond T. Hino, MPA, FACHE, CEO
Re: CEO Report for SCHD Board of Directors, February, 2026

Senior Life Solutions:

- Senior Life Solutions is continuing to search for their full-time employed Program Manager and Therapist. They are providing services with a remote manager and therapist. I was informed by the SLS Regional Director, Bobby Powers, earlier this week that they are now up to five (5) patients in the program.

Physical Plant Moves:

- The former IS/HIM office space renovation is 100% complete at this time. Office space has been completed for Dr. Forrester, Dr. Keizer, Amanda Bemetz, Stacy Nelson, HR, Quality, Clinical Informatics, Health Information Management (HIM) and Marketing (Amy Moss Strong).
- The new office space in the Ray's Shopping Center, which we now refer to as the SCHHC Business Services Center, is also 100% complete. Colene Hickman, Payment Desk, Revenue Cycle team and the SHEBA counselors are all now set up in their new spaces.
- The 2nd Street Building, which we are now referring to as the SCHHC 2nd Street Annex, is now occupied by Cam Marlowe, Scott McEachern, Alix McGinley, Tina Gulseth and our Finance team. The building, which was originally purchased for \$500,000 in October of 2024 is now 100% paid off.
- The former Foundation/Business Office Building, which is now being referred to as the SCHHC Specialty Clinic is very near completion. Two (2) special order doors are being installed during the week of February 23-27. The last step will be final approval from the Oregon Health Authority, on behalf of the State of Oregon. It is expected that this final approval will occur in early March. This new building will house: Senior Life Solutions, Pain Management and General Surgery.

Master Facility Planning Process

- The Davis Partnership Architecture firm is actively engaged in creating more in-depth drawings for each of the potential options for construction and expansion of SCHHC in the future. Wipfli is also actively engaged in preparing a financial analysis and debt capacity review. We are scheduling an on-site Master Facility Planning meeting with Joe Kunkel, Davis Partnership and perhaps others being here on March 19, 2026. The purpose of the on-site meetings are going to be provide a progress report to SCHHC stakeholders and constituents. There will be an opportunity for Board members to meet the MFP team and to get an update on the project. The project timeline still has a final presentation scheduled with the Hospital Board in April.

Federal/State Funding – Rural Health Transformation Program Funds

- The Oregon Rural Health Coordinating Council (RHCC), which I am the Chair of this year, met for the second time in 2026 on February 20. The Council has decided to meet monthly this year, instead of its normal quarterly schedule in prior years. In this month's meeting we learned that the first-year allocation of \$197.3 million must be spent before September 30, 2027. It will be split up into four (4) categories. They are:
 - Catalyst Awards (\$80.0 Million) to be awarded in a competitive Request for Grant Proposal (RFGP) process. Awardees must implement their grant projects within the first 2 years (deadline of September 30, 2027). RFGP instructions are to be issued by the spring of 2026. I am proposing to apply for funding for Level IV Trauma designation under this category. But our team is exploring other potential opportunities as well.
 - Immediate Impact Awards (\$40 Million) to be awarded in non-competitive direct awards. A portion of Immediate Impact Awards are approved to be used for the creation of a Clinically Integrated Network (CIN) of Oregon hospitals that are designated as rural and are independent (not affiliated with a healthcare system, such as Samaritan Health, Providence, Asante, etc.). Southern Coos Hospital does qualify for inclusion in the proposed Oregon Clinically Integrated Network. I have attended nearly all of the meetings of the group and have expressed interest (but no final commitment) to be a part of the CIN. There are CINs, like the Oregon proposal, in at least a dozen states with large numbers of rural hospitals. The benefits of CIN membership include the ability for the entire network to negotiate for health insurance payer contracting, with the outcome being higher health plan reimbursement. If we progress down this road, I will have someone from the CIN contract management company attend a SCHHC Board meeting to educate us on the benefits of membership.
 - Regional Planning and Innovation Awards (\$40 Million) to be awarded for regional convenings and technical assistance. I am interested in learning if an award in this category could be used to facilitate relationships and collaboration among the hospitals on the Southern Oregon Coast. This would include Bay Area Hospital, Lower Umpqua Hospital, Coquille Valley Hospital, Southern Coos Hospital and Curry Health Network.
 - Tribal Initiatives (\$37.3 Million) to be allocated for Tribal projects.

2026 Oregon (Short) Legislative Session:

- In this year's short legislative session in Oregon there is 1 bill that we are supporting that would benefit our hospital. It is House Bill 4040, which would change Oregon's presumptive eligibility law (the Financial Assistance law from 2 years ago). The Financial Assistance requirement would not be removed, but if HB 4040 is approved, it would lessen the financial burden on hospitals by addressing unintended consequences. The bill advanced out of committee last week with unanimous support and now heads to the Joint Committee on Ways and Means.



Chief Medical Officer Report

To: Southern Coos Health District Board of Directors
From: Alden Forrester, MD, Chief Medical Officer
Re: CMO Report for SCHD Board of Directors, February 2026

Medical Staff Rules and Regulations Revisions

Thank you for approving amendments to the Medical Staff Bylaws last month regarding Peer Review. I incorrectly thought that the companion changes to the Medical Staff Rules and Regulations did not require Board approval, however it was brought to my attention several weeks ago that changes to the Rules and Regulations also need Board approval. The proposed changes provided in your meeting packet outline the new process for Peer Review and are a companion to the changes in the Bylaws.

Salem Radiology

After vetting several different candidate organizations, SCHHC has chosen Salem Radiology to replace Direct Radiology as our provider of after-hours radiology interpretation services. We are currently in the process of credentialing Salem Radiology providers to our medical staff.

General Surgery

The volume of general surgery cases continues to increase. Prior to Dr. Schulte's visit last week, we had 48 upcoming cases either scheduled or in the process of being scheduled. This means that any new cases will need to wait until late April or May to be done as our surgery schedule is full up to that point.

We are interviewing candidates to replace Dr. Schulte when his time with us is up in late summer. Two of those candidates are scheduled for on-site interviews and both have expressed significant interest in working at Southern Coos.

Clinic Provider Changes

Our new primary care clinician Dr. Speck is now on-site and completing orientation activities. This means that Kim Bagby's time with us is coming to an end. While we look forward to what Dr. Speck's arrival will provide our clinic including expanded pediatric patient access, I also want to thank Ms. Bagby for her work in our clinic during her time with us.



Retail Pharmacy Report

To: Southern Coos Health District Board of Directors
From: Alden Forrester, MD, Executive for Pharmacy Services
Re: Retail Pharmacy Report for SCHD Board of Directors, February 2026

Retail Pharmacy Volume

2408 prescriptions were filled by our retail pharmacy in the month of January, which is similar to December's total.

Financial Statement for December

The net change in position for January 2026 was \$31,876. This positive net change, unfortunately, does not reflect a profit from retail pharmacy operations in January, but rather an accounting adjustment to "catch up" on 340b savings not previously recognized. All the retail pharmacy's 340b savings since the pharmacy opened were credited to January. Going forward, only the current month's savings will be attributed to each month, and it is expected that we will see a negative net change in position again on the February profit and loss statement.

One of the most significant challenges in producing profit from our retail pharmacy operations is the adverse contractual agreements we find ourselves in with pharmacy benefit management companies (the companies that set the prices we receive for medications dispensed through various insurance plans). Many in our service area choose insurers with low copays and deductibles, however these companies typically pay us less for medications than our costs for those same medications. For example, on one popular plan we lost over \$2,300 in the month of January or just a little over \$5 per prescription filled. In essence, we subsidize the low copays these plans offer members of the community out of Southern Coos' pockets.

Initiatives to Reduce Cost

We are initiating 340b referral capture to expand the number of providers whose prescriptions filled at our pharmacy will allow us to reorder medication at lower 340b prices. This process is complex, but I am happy to explain in detail upon request.

SCHHC is considering whether to change to a different group purchasing organization. This is an initiative spearheaded by the finance team that may allow us to get better pricing on non-340b medications in the future.

Initiatives to Increase Revenue

We hope to have agreements for 340b contract pharmacy operations in place by April, which will allow us additional revenue from prescriptions our patients fill at pharmacies other than our own. Revenue from these agreements will begin showing up in July if we meet the April deadline.

We are considering offering vaccination services through our pharmacy which will augment our clinic operations in providing vaccines for our community and add additional pharmacy revenue.

On a positive note, our non-retail pharmacy operations continue to show positive monthly changes in net position that exceed budget.

Please see Retail Pharmacy Profit and Loss statement in Appendix A below for additional retail pharmacy information (Thank you again to Jenny Percy for providing this data).

Appendix A

Southern Coos Health District PHARMACY-RETAIL (OP)		Southern Coos Hospital & Health Center Profit & Loss Statement As of January 31, 2026							
		Month To Date 01/31/2026				07/01/2025 Through 01/31/2026			
	Actual	Operating Budget	Actual minus budget	Budget variance	Actual	Operating Budget	Actual minus budget	Budget variance	
Total Patient Revenue									
Outpatient Revenue									
3009 - OTHER PATIENT REVENUE	-	67,718	(67,718)	(100.0) %	-	279,902	(279,902)	(100.00) %	
Outpatient Revenue	-	67,718	(67,718)	(100.0) %	-	279,902	(279,902)	(100.00) %	
Retail Pharmacy Revenue									
3020 - RETAIL PHARMACY REVENUE	527,036	-	527,036	100.0 %	3,155,128	-	3,155,128	100.00 %	
Retail Pharmacy Revenue	527,036	-	527,036	100.0 %	3,155,128	-	3,155,128	100.00 %	
Total Patient Revenue	527,036	67,718	459,318	678.3 %	3,155,128	279,902	2,875,226	1,027.22 %	
Total Deductions	396,393	-	396,393	100.0 %	2,282,026	-	2,282,026	100.00 %	
Net Patient Revenue	130,642	67,718	62,925	92.9 %	873,102	279,902	593,200	211.93 %	
Total Operating Revenue	130,642	67,718	62,925	92.9 %	873,102	279,902	593,200	211.93 %	
Total Operating Expenses									
Total Labor Expenses									
Salaries & Wages	40,671	41,794	(1,124)	(2.7) %	240,233	282,842	(42,609)	(15.06) %	
Benefits	4,127	8,240	(4,111)	(49.9) %	34,621	57,145	(22,525)	(39.41) %	
Total Labor Expenses	44,798	50,034	(5,235)	(10.5) %	274,854	339,987	(65,134)	(19.15) %	
Purchased Services									
4500 - PURCHASED SERVICES	3,064	-	3,064	100.0 %	15,949	-	15,949	100.00 %	
Purchased Services	3,064	-	3,064	100.0 %	15,949	-	15,949	100.00 %	
Drugs & Pharmaceuticals									
4204 - DRUGS	128,786	27,618	101,167	366.3 %	791,779	193,330	598,451	309.54 %	
4206 - DRUGS - 340B SAVINGS	(85,630)	-	(85,630)	100.0 %	(85,630)	-	(85,630)	100.00 %	
Drugs & Pharmaceuticals	43,156	27,618	15,537	56.3 %	706,149	193,330	512,821	265.25 %	
Medical Supplies									
4202 - NONBILLABLE SUPPLIES - MEDICAL	1,047	-	1,047	100.0 %	5,163	-	5,162	100.00 %	
Medical Supplies	1,047	-	1,047	100.0 %	5,163	-	5,162	100.00 %	
Other Supplies									
4301 - OFFICE SUPPLIES	1,605	-	1,605	100.0 %	4,364	-	4,365	100.00 %	
4398 - MINOR EQUIPMENT	-	-	-	-	2,145	-	2,145	100.00 %	
Other Supplies	1,605	-	1,605	100.0 %	6,509	-	6,510	100.00 %	
Other Expenses									
4302 - POSTAGE & FREIGHT	57	-	56	100.0 %	1,065	-	1,065	100.00 %	
4501 - MARKETING - ALLOWABLE (MCR)	-	1,667	(1,666)	(100.0) %	-	11,666	(11,667)	(100.00) %	
4502 - MARKETING - NON ALLOWABLE	1,908	-	1,908	100.0 %	6,592	-	6,592	100.00 %	
4504 - PRINTING & COPYING	-	-	-	-	342	-	342	100.00 %	
4702 - LICENSING & GOVERNMENT FEES	455	840	(385)	(45.8) %	555	5,880	(5,325)	(90.56) %	
4703 - DUES & SUBSCRIPTIONS	313	-	313	100.0 %	7,192	-	7,191	100.00 %	
4798 - BANK & COLLECTION FEES	627	-	627	100.0 %	3,668	-	3,668	100.00 %	
Other Expenses	3,360	2,507	853	34.1 %	19,414	17,546	1,866	10.63 %	
Utilities									
4404 - ELECTRICITY	-	3,773	(3,773)	(100.0) %	-	26,411	(26,411)	(100.00) %	
Utilities	-	3,773	(3,773)	(100.0) %	-	26,411	(26,411)	(100.00) %	
Depreciation & Amortization									
6162 - DEPRECIATION - MAJOR MOVABLE EQUIPMENT	410	-	410	100.0 %	2,869	-	2,870	100.00 %	
6152 - DEPRECIATION - BUILDING - CLINIC	1,326	-	1,326	100.0 %	9,281	-	9,281	100.00 %	
Depreciation & Amortization	1,736	-	1,736	100.0 %	12,150	-	12,151	100.00 %	
Total Operating Expenses	98,766	83,932	14,834	17.7 %	1,040,188	577,274	462,914	80.18 %	
Operating Income / (Loss)	31,876	(16,214)	48,090	(296.6) %	(167,086)	(297,373)	130,287	(43.81) %	
Change In Net Position	31,876	(16,214)	48,090	(296.6) %	(167,086)	(297,373)	130,287	(43.81) %	



Chief Nursing Officer Report

To: Southern Coos Health District Board of Directors and Southern Coos Management

From: Cori Valet, RN, BSN, Chief Nursing Officer

Re: CNO Report for SCHD Board of Directors Meeting – February 26, 2026

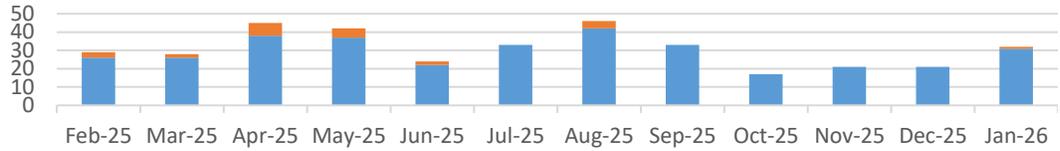
Clinical Department Staffing –

- Medical-Surgical department – Four full-time RNs and three full-time CNA positions vacant. Four contract RNs utilized.
 - FTE variance – Below expectations (-1.91) as intentionally delaying the hire of two tele-tech positions until trauma certification is imminent.
 - Positive news for February 2026 – Two full-time CNAs on-boarded and have begun orientation. Two per diem RNs have accepted part-time positions (2 days/week per nurse).
- Emergency department – Fully staffed. Two contract RNs utilized while 3 new full-time RNs complete orientation.
 - FTE variance – Over by 1.51 due to two new employees orienting on the unit.
- Laboratory department – One full-time Medical Lab Scientist, one full-time Medical Lab Technologist, and one full time Medical Lab Assistant recruited and began orientation in January. Only one Medical Lab Technologist position remains vacant. Two contract MLS/MLTs in place in January. One contract ended 2/5/2026.
 - FTE variance - Over by 2.81 due to new employee orientation and outgoing manager consultation hours.
- Surgical department – No changes from prior month. One circulating registered nurse position remains vacant.
 - FTEs variance – Below expectations (-2.79 FTE) due to limited surgical volumes.
 - Med-surg RN has accepted the full-time circulating RN position beginning in February. Will continue to be utilized on the Med-surg unit until surgical volumes reflect the need to staff this position full-time.
- Medical Imaging – No changes from prior month. One full time CT/XR technologist positions remain open. One CT/XR technologist contract utilized.
 - FTE variance – Below expectations (-2.67) due to the delay in hiring an additional US technologist, Mammography technologist, and CT/XR technologist for surgical services until volumes indicate the need.
- Respiratory therapy – One full time respiratory therapist (RT) position vacant. Two FT therapists out on leave of absence. One (1) contract RT utilized.
 - FTE variance – Below expectations (-2.95) due to leave of absences and scheduled vacation.
- Case management – No changes from prior month, fully staffed.
 - FTE variance – Below expectations (-0.5) due to short notice sick leaves.

	January 2026 FTE				
	SCH Actual	Contract Actual	Actual Total	Budget	Diff
Med Surg	26.26	3.78	30.04	31.95	-1.91
Manager	1	0	1	1	0
CH RN	3.37	0	3.37	3.85	-0.48
RN	9.47	3.78	13.25	12	1.25
LPN	1.28	0	1.28	2.45	-1.17
CNA	9.54	0	9.54	8.65	0.89
TeleTech	1.6	0	1.6	4	-2.4
Emergency Dept	15.74	0.95	16.69	15.18	1.51
Manager	1	0	1	1	0
RN	10.89	0.95	11.84	8.78	3.06
LPN	3.03	0	3.03	3.6	-0.57
CNA/US	0.82	0	0.82	1.8	-0.98
Laboratory	10.17	2.05	12.22	9.41	2.81
Manager	1	0	1	1	0
MLS	2.15	0	2.15	0.37	1.78
MLT	2.77	2.05	4.82	3.12	1.7
Lab Assist I	2.58	0	2.58	2.38	0.2
Lab Assist II	0.88	0	0.88	1.47	-0.59
Lab Assist III	0.79	0	0.79	1.07	-0.28
Surgical Dept	5.01	0	5.01	7.8	-2.79
Manager	1	0	1	1	0
Surgical RN	0.77	0	0.77	3	-2.23
Sterile processor	0.56	0	0.56	1	-0.44
Surgical Tech	1.66	0	1.66	2	-0.34
Housekeeper	1.02	0	1.02	0.8	0.22
Medical Imaging	10.7	1.02	11.72	14.39	-2.67
Manager	1	0	1	1	0
Radiology Tech	3.64	1.02	4.66	8.03	-3.37
Rad Tech I	3.01	0	3.01	0.7	2.31
Ultrasound	1.71	0	1.71	2.66	-0.95
MI Coordinator	0.81	0	0.81	1	-0.19
MI Admin Assist	0.53	0	0.53	1	-0.47
Respiratory Therapy	3.75	0.61	4.36	7.31	-2.95
Manager	1	0	1	1	0
RT	2.75	0.61	3.36	6.31	-2.95
Swing Bed	1.15	0	1.15	1.65	-0.5
Case manager	1.15	0	1.15	1.65	-0.5
Totals	72.78	8.41	81.19	87.69	-6.5
% of FTE	90%	10%			

ED Transfer Statistics –

ED Transfers



	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	25-Aug	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
■ No SCHHC Beds	3	2	7	5	2	0	4	0	0	0	0	1
■ Higher level of care required	26	26	38	37	22	33	42	33	17	21	21	31

■ Higher level of care required ■ No SCHHC Beds

- January 2026 Transfers – Total Transfers = Thirty-two (32). Thirty-one (31) transfers required higher level of care and/or specialty services not offered at SCHHC. One (1) transfer was the result of no bed availability at SCHHC.

- Cardiology – 3
- Surgical Services – 6
- Obstetrical – 0
- Intensive care – 9
- Urology – 1
- Psychiatric evaluation – 0
- Ear/Nose/Throat – 1
- Neurology - 1
- Dialysis - 0
- Pediatric – 1
- Orthopedics - 2
- Hematology/Platelets – 0
- Gastroenterology – 4
- Interventional Radiology – 1
- Ultrasound -1
- HIDA scan (Nuclear Medicine)- 1

Upon review of the specialty services listed above that are not offered at SCHHC, Ultrasound is one in which we could reduce the incidence of transfer. Plan is to utilize education funding to provide training for our current Echo technologist to obtain general ultrasound certification. By having two technologists skilled in performing general ultrasound procedures, we will have shift coverage for sick/vacation/leave periods.

- Hospital Clinical Education Support Program Directed Payment – The Oregon Health Authority (OHA) has provided SCHHC approximately \$100,000 in funding to spend on the expansion of our health professions education offerings in an effort to support workforce development. The funds are to be used for any generalized health professions education that has accredited or otherwise standardized and approved training programs associated with it. Needs have been communicated of a variety of training opportunities

that would support workforce development, provide expanded services, improve productivity and reduce current spending. Confirmation has been received from the Hospital Reporting Program Manager from the OHA that the following staff education/development programs are acceptable training programs for which the funds may be used:

- Advanced Cardiac Life Support (ACLS)/Pediatric Advanced Life Support (PALS) Trainer Certification
- Nonviolent Crisis Intervention Trainer Certification
- Medical Lab Assistant Certification
- Wound Care Certification
- Peripherally Inserted Central Catheter (PICC) Certification
- Pulmonary Function Test (PFT) Certification
- Coding Certification
- Clinical Nursing Education Conference expenses
- Ultrasound Certification
- Radiation Safety Certification
- Trauma Nursing Core Course (TNCC) Certification
- Medical Assistant Certification

Strategic planning is in process to prioritize the options listed above and determine a schedule for completion. This planning process will include course enrollment costs, travel and labor expenses, as well as benefit to the organization. Follow up data must be provided to the OHA regarding how the funds were used and the applicable training/oversight hours resulting from the training, or the funding must be returned.

Board Requests –

- Volunteer opportunities for high school students.

Collaboration has been initiated with Alix McGinley, SCH Foundation executive director, who has begun planning for the expansion of our existing volunteer program. The expanded program will include high school students. Each clinical department manager has been queried to identify volunteer opportunities within the lab, medical imaging, respiratory therapy, emergency department, inpatient department and case management/Swing bed program. Identified volunteer tasks include: personally guiding patients/visitors (way finding), visiting/comforting families, offering diet approved beverages or snacks to patients/visitors, providing patient activities such as games, crafts, puzzles, etc.

By providing volunteer opportunities within a hospital setting, we are allowing high school students to gain firsthand experience in healthcare, develop empathy and

communication skills, and strengthen college applications with professional exposure. Students benefit by exploring medical careers, building professional networks, and fostering a sense of community service, while providing valuable support to staff and patients.

- Assist in reducing barriers to nursing development by serving as a clinical training site for established nursing schools in the area.

Confirmation received from the Dean of Nursing at Southwestern Oregon Community College of their intent to utilize SCHHC as a clinical site for the 2026 Spring Practicum. We expect three 2nd year nursing students to begin their practicum at SCHHC in April.

Contact was made with the Dean and Vice Present for Nursing Affairs at Oregon Health and Sciences University regarding SCHHC interest in serving as a clinical training site for any of the OHSU extension sites within reasonable travel distance (Oregon Institute of Technology in Klamath Falls and Southern Oregon University in Ashland). Appreciation was expressed, however, our offer was declined as the established sites are currently meeting their needs.

Attempts have been made to the executive director of the nursing program at Umpqua Community College (Roseburg) to express interest in becoming a clinical practicum site. No reply has been received at this time.

- Employee referral bonus has been added to the Critical Staff Recruitment Incentives Policy for inclusion in the consent agenda for approval at this February 2026 meeting.



Chief Information Officer Report

To: Board of Directors and Southern Coos Management
From: Scott McEachern, CIO
Re: CIO Report for Board of Directors Meeting – February, 2026

CIO Report

I am proud to report that I am a co-founding member of the College of Healthcare Information Management Executives (CHIME) new rural health community. The goals of the community are to raise awareness of the importance of rural health facilities at the local, regional, and national levels. I am working with two fellow CIOs to convene a leadership council for the community.

Providence recently created a Community Connect Leadership Council (CCLC) dedicated to offering Providence Community Connect sites better visibility into the Providence system's governance around EHR and associated patient-facing technology. I am honored to co-chair the CCLC with Dr. Aaron Grigg, the Chief Medical Information Officer at Grande Ronde Hospital. Dr. Grigg is a pediatrician and family medicine physician. He was onsite during our Epic go-live in December 2024, providing at the elbow support to our clinic providers.

Projects Report

Multi-Specialty Clinic Space (previous Business Office)

Completion of the project continues to move forward. We have completed the fire safety equipment installation, framed new doors and a wall for a new public bathroom, completed wiring. Contractors have finished drywalling. As of this writing, we are planning for staff to begin installing sinks, cabinets, mirrors, doors, and associated equipment in rooms.

Estimated date for occupancy: mid-end of March 2026 (updated from December 5, 2025)

SCHHC Business Office at the Bandon Shopping Center

The Business Office space is built out and staff have moved in. We are working on minor adjustments but we can consider this project completed.

IS Remodel to HR/Quality Space

We are considering a few minor moves that not materially affect the project. The new offices are installed. We will install electricity and data in the modular walls in March.

Completion date: mid-March 2026

Clinic Phone Agent

We are building a new phone agent for the clinic to better manage incoming calls and after-hours transfers. As part of the clinic's Patient-Centered Primary Care Home (PCPCH) designation, we are required to have after-hours support for any patient caller. In addition, as part of Advanced Health's network, we are required to offer after-hours telephony clinical support to Advanced Health patients. Advanced Health has set up a nurse triage line after-hours. We are training the new agent to assess if after-hours callers are calling for the clinic or for the Advanced Health nurse line.

Estimated Completion Date: March 1, 2026

EHR Projects

Salem Radiology

SCHHC recently signed a contract with Salem Radiology to replace Direct Radiology, which termed our contract effective April 8, 2026. SCHHC has engaged the Salem Radiology technical team and the NovaRad (our Picture Archiving Computer System, or PACS vendor) team to work on interfacing our PACS system to Salem Radiology's.

Senior Life Solutions Workflow Refinement

We continue to refine the documentation and billing workflow in the Senior Life Solutions program.

Americollect Implementation

SCHHC is switching debt collection services to AmeriCollect. Our former agency proved difficult to work with and had long lapses in communication. We have started sending over files manually to AmeriCollect staff so they may work on the bad debt accounts. The interface is near completion.

Estimated Completion Date: February 28, 2026

Echo Interface with NovaPACS

In an effort to streamline the Echo results directly into the patient chart in Epic, we are working with Providence to build an interface between the Echo modality and Epic.

Estimated completion date: May 2, 2026

Interface EKGs with Epic

SCH is working with Providence to connect EKGs with Epic through software called MUSE. This software is a GE product that is used by Providence to integrate EKGs and other biomedical devices with Epic.

Estimated completion date: July 1, 2026

Radiology Data Conversion

SCH is working with Providence to connect radiology reports from studies conducted prior to the December 7, 2024 go-live with Epic. This project will link the prior studies to the patient chart in Epic, eliminating the need for providers to check two systems for past patient information.

Estimated completion date: June 1, 2026 (updated from April 30, 2026)

Epic Video Client Roll-out

Providence is rolling out a new video client that is native to Epic. The new video system will be embedded in the Epic software program.

Estimated completion date: February 2026

Interface with Motion MD

This interface will allow SCHHC nursing staff to order durable medical equipment within the patient chart or through Epic. The current workflow is manual.

Estimated completion date: January 30, 2026

Clinical Informatics Report

CI Tickets Summary

2026	January	February	Count	2026
Closed	119	66	185	Closed
On Hold	11	6	17	On Hold
Open	2	1	3	Open

High Priority Projects

- ❖ **Anesthesia Workflow/Charging:**
 - Personalizing anesthesia workflows to optimize perioperative efficiency, accuracy, charge capture and patient safety.
- ❖ **SLS Documentation and Charge Capture**
 - Optimize the SLS workflow for scheduling, documentation, and charge capture to improve efficiency, ensure accurate billing, and streamline clinical operations.
- ❖ **Laboratory Orders and Charge Configuration:**
 - Evaluating charge routing errors within the laboratory workflow to prevent lost or incorrect charges, strengthen revenue integrity, and ensure accurate, compliant billing for lab services.



Annual HIPAA Security Risk Assessment

Conducted by: Scott McEachern, CHCIO

Finalized: December 29th, 2025

Presented to the Quality & Patient Safety Committee: February 24, 2026

Presented to the Southern Coos Health District Board of Directors: February 26, 2026

Items and Events of Note: Calendar Year 2025

The following document is a summary of the annual HIPAA Security Risk Assessment for **Southern Coos Hospital & Health Center (SCHHC)**, as required by 45 CFR § 164.308(a)(1).

The assessment takes a **high-level “program maturity” view** of SCHHC’s security posture and uses the **Health & Human Services (HHS), NIST, and SAFER** controls as an organizing frameworks. In addition, as I will talk about below, SCHHC is now utilizing the Epic electronic health record hosted by Providence Health System. SCHHC adopted many Providence security protocols as a result.

SCHHC went live with the EPIC electronic health record, hosted by Providence Health Systems, on December 7th, 2024. Much of the calendar year 2025 in clinical workflow training; many of the finance/accounting, engineering, and material management staff spent the year re-building and training on the SAGE Intacct system.

SCHHC expanded to two new locations in 2025. We housed offices in the Second Street Annex on 332 Second Street, Bandon, Oregon and began building out the Bandon Business Center in the Bandon Shopping Center. Both locations have appropriate HIPAA safeguards, including auditable entry/exit procedures, shred bins, visual barriers for exposed workstations, and segmented networking.

Overall Conclusion

SCHHC’s security program reflects general **regulatory compliance and effective operation**, with **one urgent issue** and **one critical issue** identified. This report emphasizes that security is continuously improving over time; every year, SCHHC has demonstrated commitment to a robust security posture.

Key strengths observed

- **Governance is functional** and has improved versus the prior year, including the addition of a dedicated Compliance Officer role.
- Additionally, SCHHC launched the **Data Governance Committee**, which includes a sub-committee on AI governance.

- The report notes **meaningful year-over-year progress** (2025 vs. 2024 vs. 2023) and strong collaboration across interviewed leaders and teams.
- This assessment indicates that **SCHHC’s HIPAA risk and security posture is mature**, because all elements of a successful program have been implemented by the SCH team.

Urgent and Critical Issues Identified

The single urgent issue identified is in the area of HIPAA breach reporting. Over the course of the year, as SCHHC staff became familiar with the new EPIC EHR, we began tracking mis-entry of information into the EHR. All incidents are reported through our incident tracking system, Clarity. The HIPAA Privacy Officer reviews each incident for potential HIPAA breach and notifies affected individuals if necessary. The PHI breach reporting process is now functional and compliant.

The single critical issue identified is to increase frequency of HIPAA security awareness training and social behavior training. In 2025, new employees received security awareness training; however, ongoing training was limited to the module in SCHHC’s learning management system. While SCHHC continues to utilize industry-standard phishing reporting tools, an opportunity for improvement lies in more frequent anti-phishing campaigns.

Areas for Continued Improvement (non-urgent/critical)

The most consistent improvement theme over the past three SCHHC Security Risk Assessments is to **strengthen documentation, policies, and procedures**—not because the team isn’t doing the work, but because key practices need to be more consistently captured and standardized in writing. The written policies have been updated to reflect the switch to the Providence Epic system.

Priority improvement opportunities highlighted

- **Documentation standardization (enterprise-wide):** Continue formalizing and standardizing process documentation across the hospital system.
- **Physical security coverage:** Physical threats are currently handled by EMT staff; the report recommends contracting **third-party onsite security** to reduce training/liability concerns and improve safety for staff and patients.
- **Vendor / third-party governance consistency:** Maintain strong BAAs while improving consistency (e.g., standard naming conventions) and maturing vendor risk oversight.
- **Strengthen integration of the HIPAA Security Risk Assessment** with the organization’s emergency preparedness committee and documentation (e.g. ensure HIPAA SRA disaster recovery procedures are embedded in the SCH Disaster Recovery Manual).

Roadmap (2-year planning guide)

- **Year One – CY2026**
 - Monitor ongoing compliance in breach reporting
 - Ensure monthly security awareness training continues
 - Conduct quarterly phishing campaigns

- Finalize and roll out remaining security policies and procedures across departments to drive uniform practice and close remaining documentation gaps.
 - Expand “**Third Party Security**” work by reviewing compliance obligations/vendor security requirements and implementing a **Vendor Risk Management program** with criteria to measure vendor security capabilities and risk.
- **Year Two – CY 2027**
 - Expand SCHHC’s community engagement through the design and implementation of community tabletop exercises
 - Maintain and expand staff security awareness training
 - Assess tools to assist in audit log aggregation

Conclusion

SCHHC appears in a solid place from a HIPAA security compliance and operational standpoint, with the biggest value over the next 12–24 months coming from **tightening documentation, upgrading physical security staffing, and formalizing vendor risk management** to support a more mature, resilient security program.



Multi-Specialty Clinic Report

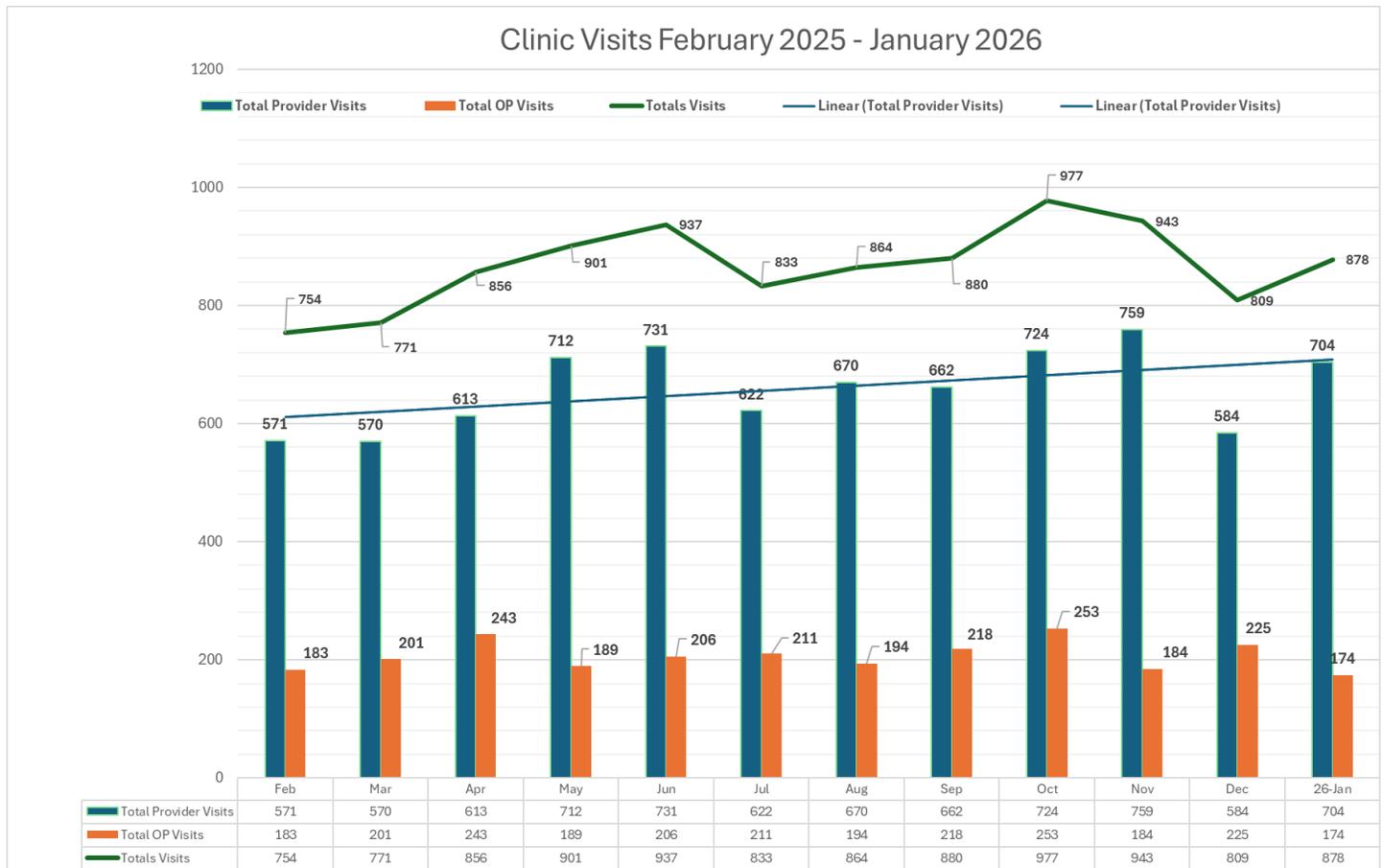
To: Southern Coos Health District Board of Directors and Southern Coos Management
 From: David M Serle – Director Medical Group Operations
 Re: Multi-Specialty Clinic Report for SCHD Board of Directors Meeting – February 2026

Clinic Operations - January 2026

Provider Recruiting/Onboarding: As of 2/20/26

- Interviewed a General Surgeon on 2/20/26 who potentially could be a replacement for Dr. Schulte later this year. His name is B. Montgomery Stewart, and he is from Ashland, Oregon. Schulte was hired to kickstart our General Surgery Program and was never intended to continue long term. Volume is growing very quickly and starting the recruiting process now should position us for a transition to another surgeon if needed later this year.
- New Hire: Natalie Speck, MD, started her first week of orientation on Tuesday the 17th of February.
 - Her schedule will be (3) 10-hour days, Wednesday – Friday.
 - Her first day for seeing patients will be March 4th.

Combined Clinic Volume February 2025 – January 2026



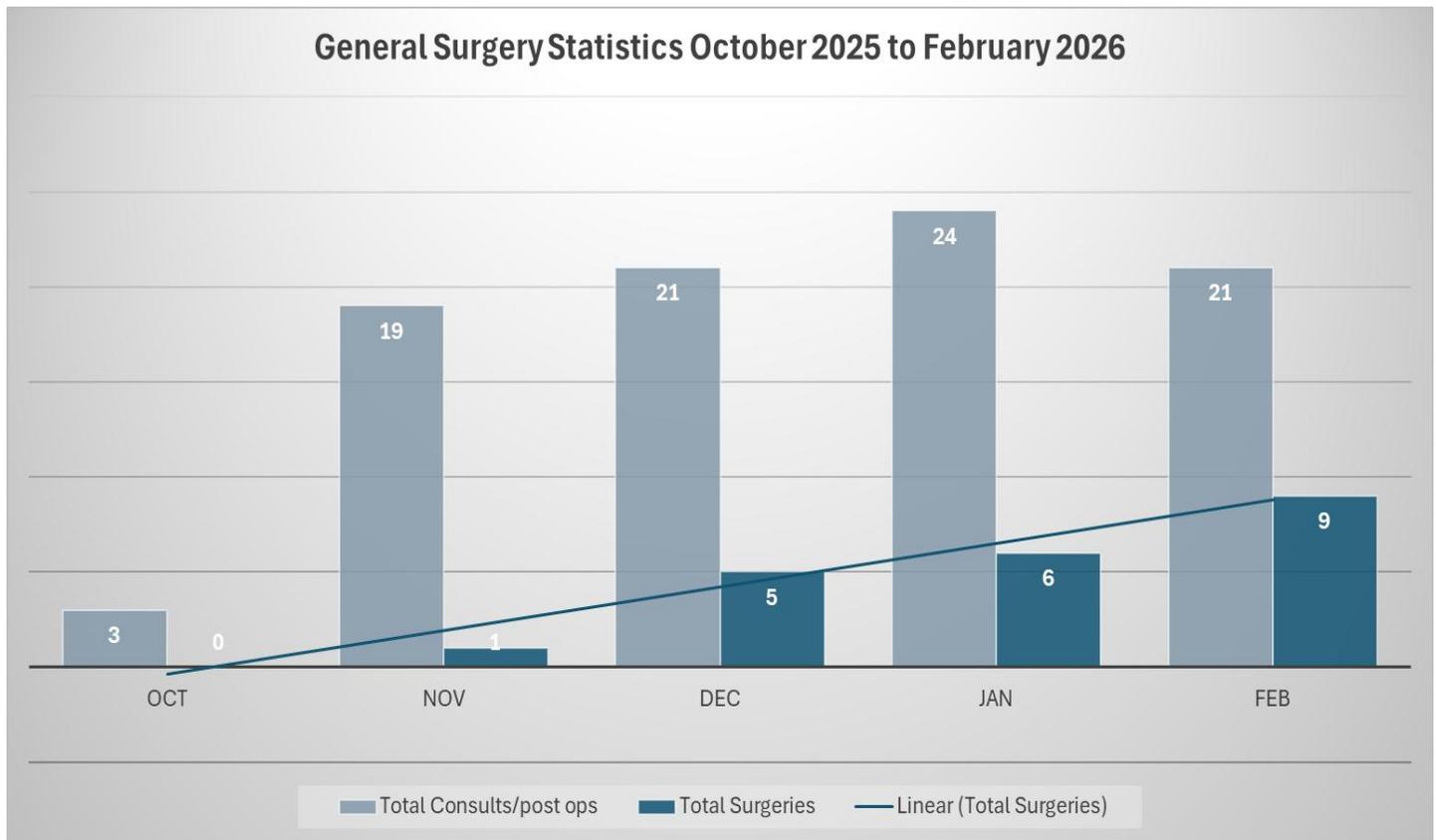
Clinic Volume By Provider February 2025 – January 2026

Year: 2026	Clinic	PT's	No	Total	AVG	No Show	Cancel	Tele	New	September	October	November	December	January	Projected	
															February	
Month: January	Days	Sched	Cancel	Show	Seen	Seen	Rate	Rate	HLTH	PT's						
Provider																
Jennifer Webster, MD	8	109	11	5	93	11.6	5%	10%	5	2	127	159	123	129	93	163
Paul Preslar, DO	12	170	12	5	153	12.8	3%	7%	0	0	133	132	135	128	153	115
Felisha Miller, FNP	13	98	13	6	79	6.0	6%	13%	0	26	69	107	92	103	79	66
Kim Bagby, FNP	17	142	13	5	124	7.3	4%	9%	1	0	86	130	154	26	124	102
Shane Matsui, LCSW	20	97	15	3	79	4.1	3%	15%	6	3	84	87	74	80	79	78
Henry Holmes	7	52	4	0	48	6.9	0%	8%	0	0	56	37	61	62	48	80
Tami Marriott, MD	3	38	4	1	33	11.0	3%	11%	0	0	44	33	34	35	33	15
Victoria Schmelzer, CRNA	9	77	6	0	71	7.9	0%	8%	1	5	63	36	67	0	71	74
Brett Schulte	3	26	1	1	24	8.0	4%	4%	0	20		3	19	21	24	21
Total Provider Visits	92	809	79	26	704	7.7	3%	10%	13	56	662	724	759	584	704	714
Total Outpatient Services	21	198	20	4	174	8.3	2%	10%	0	0	218	253	184	225	174	176
Total Visits	113	1007	99	30	878	7.8	3%	10%	13	56	880	977	943	809	878	889

Clinic Visit Highlights:

- Provider visits are up from previous month +21% (+120) from the previous month
- Total visits are up from previous month +9% (+69) from the previous month
- Provider visits are projected to go up slightly +1% (+10) for January
- Total visits are projected to go up slightly +1% (+11) for January

General Surgery Volume October 2025 – February 2026





Human Resources Report

To: Southern Coos Health District Board of Directors
From: Stacy Nelson II, Director, Human Resources
Re: Report for SCHD Board of Directors, February 2026

Metrics:

Employee Turnover

- FY 2024 = 12.21%
- FY 2025 = 9.31%
- FY 2026 YTD
 - 9/30/2025 = 8.21%
 - 12/31/2025 = 7.85%
- FY 2026 New Employee Turnover YTD
 - 9/30/2025 = 17.80%
 - 12/31/2025 = 14.53%

Employee Demographics

- Data/Charts Enclosed

Recruitment/Staffing:

New Hires - January 2026

- Victoria Nielsen - Certified Nurse Assistant - Med/Surg Department
- Courtney Meadows - Registered Nurse - Emergency Department

Open Positions Frozen - January 2026

- 1.0 FTE - Manager of Budgeting & Financial Analysis
- 1.0 FTE - IT Clinical Informatics Specialist
- 1.0 FTE - HIM Specialist II
- 1.0 FTE - HIM Specialist II

Current Contract Staff - January 2026

- 1.0 FTE - Daniel Gaudette - RN - Med/Surg Department
- 1.0 FTE - Diana Guy - RN - Med/Surg Department
- 1.0 FTE - Ben Koutsopoulos - RN - Med/Surg Department
- 1.0 FTE - Eileen Kane - RN - Emergency Department

- 1.0 FTE - Joshua Miller - Xray/CT - Medical Imaging Department
- 1.0 FTE - Stacy Lunder - Echo Tech - Medical Imaging Department

Activities/Events:

- Employee Handbook
- Employee Engagement Survey
- ADP Employee Onboarding Review
- HealthStream Review

People:

Quote of the Month - January 2026

“Thank you, Thank you, Thank you. For another wonderful visit. I've been coming to your fine hospital for 25 years. I know how fortunate we are, in such a small town, to have such greatly needed hospital. This last visit was for labs and xrays. The lady that checked me in, was very kind. She went out of her way to help me with extra information I needed for my tests. Her name was Kiz. Dotty has often helped me check in for tests on other occasions. Talking with her always makes me feel that I matter. Josh, in xrays was very nice and answered all my questions without making me feel that I had to rush out after the tests. The gentleman in the lab department, I didn't get his name, had a very calming presence and didn't mind me asking questions. From the MRI unit to the E.R. Southern Coos Hospital seems to hire the most caring and kind professionals. Congratulations on acquiring and providing the people of Bandon with a new and much needed pharmacy.” - A Grateful Patient

Employees of the Month - January 2026

- Clinical - Chi Jensen - Medical Assistant - Multi Specialty Clinic

“This employee truly embodies what patient-centered care should look like every single day. They bring an incredible sense of brightness, happiness, and welcoming energy into the workplace. Their presence alone creates a positive environment for both patients and staff, and it is immediately felt the moment they walk in. They have a natural ability to make patients feel comfortable, valued, and genuinely cared for. Their dedication to their patients is outstanding. Watching them work is a reminder of how patients should be cared for—with compassion, patience, empathy, and respect. They consistently go above and beyond, not because they have to, but because they truly care. The extra effort they put into their work makes a real difference in our patients' lives and in the quality of care we provide as a team. Their provider has expressed the utmost appreciation for this employee and has shared that they could not do their job without their support, dedication, and reliability. That level of trust and respect speaks volumes about their work ethic and the impact they have. Seeing them care for their patients every day brings so much joy and heartfelt appreciation for the medical field. They remind us why we do this work and why compassionate care matters. They are truly deserving of this recognition, and I cannot think of anyone more fitting for Clinical Employee of the Month.”

- Non Clinical - Nick Lalicata - Cook - Dietary Department

“I am nominating this employee because of their dedication to their job. They have been here just over 4 months, and I'm beyond impressed, thankful, & grateful for them. We have had many ups & downs throughout the year in the department, & since they stepped in, they have helped stabilize the schedule, cover where we are short (which is A LOT) and have done it smiling and without hesitation. Their skills are amazing. They are more than willing to show others how to up their game, & it's showing with specials & the many compliments they have been getting from patients. They are always looking for ways to help the team. If we get a call in, they are first to jump in with, "You need me boss?" They have been a great addition to our team. They get along with everyone, speak up where it's needed even if it's a hard conversation, & have always given an honest opinion when asked, even if it's not what I want to hear. That is a rare and great quality; they were a loss for the Dunes and a gain for the Hospital.”



Southern Coos Health Foundation Report

To: Southern Coos Health District Board of Directors and Southern Coos Health Foundation
From: Alix McGinley, Executive Director, SCHF
Re: SCH Foundation Report for SCHD/SCHF Board of Directors, February, 2025

Women’s Health Day (WHD)/Bandon School Nurse (BSN) program updates

Our 23rd Annual Women’s Health Day is set for Saturday, March 7th, at The Barn (Bandon Community Center). So far, we have secured \$3,050 in sponsorships, along with an additional \$250 from vendor fees. The Meet & Greet event held on February 10th featured presentations from Liz Deter and Lena Hawthorne, our Bandon School Nurses, which resulted in a \$105 donation for the Bandon School Nurse (BSN) program. This amount is in addition to \$153 in online donations collected during registration for Women’s Health Day.

Alix will be presenting at the 100 Strong Bandon and Bandon Rotary meetings in February, aiming to secure further funding for the BSN program. Starting last year, we have committed that all proceeds exceeding event costs for WHD will support the Bandon School Nurse program, and we intend to continue this approach for all future Women’s Health Day events. Additionally, we introduced the Bandon School District "Giving Garden" initiative to meet the needs of Bandon children and expand our SCHF Volunteer Expansion program.

Volunteer Expansion

We are excited to be working on a plan to expand our volunteer base and activities. Following WHD we will be working to create a training plan (HIPPA, Vaccination protocol, etc.) to enable volunteers to visit with patients, welcome visitors to Southern Coos Hospital and begin a TeleCare service. Call to Volunteer Event will bring in new volunteers of all ages. Long term goal may include bringing TeleHealth to community members.

Gift Shop

Our gift shop continues to grow our customer base by adding new items. Tina and volunteers will also offer a SCHF Gift Shop Pop-Up shop for this year’s WHD. This will be the third year bringing our Gift Shop out into the community.

As promised the following is the outcome of the purchases and sales for the three months error in BPoz threw off our reporting.

Gift Shop	Purchases	Deposits	Net	Revenue %
Dec	\$ 1,280.32	\$ 3,744.00	\$ 2,463.68	34%
Nov	\$ 2,308.37	\$ 4,060.00	\$ 1,751.63	57%
Oct	\$ 1,293.28	\$ 3,531.79	\$ 2,238.51	37%

Golf for Health Classic (GFHC)

Our first Golf for Health Classic meeting kicked off this year’s planning for our biggest fund raiser of the year. We welcomed new committee member Torrey Contreras (Bandon City Manager). We are working on enlisting a \$25k-\$50k major event sponsor thanks to Johnny Ohanesian. This year’s GFHC dates are September 18th for Bandon Dunes Reception and September 19th for Bandon Crossings Tournament.



Monthly Financial Statements

To: Board of Directors and Southern Coos Management
From: Cameron Marlowe, Interim CFO
RE: January 2026 Month-End Financial Overview and Operational Report

1. Income Statement – Retail Pharmacy

Retail pharmacy gross revenue was moved from “Other Operating Revenue” to “Gross Patient Revenue”. This will enhance the financials in a few ways:

- a) Appropriately places the revenue in “patient revenue” as opposed to “other revenue”.
- b) Improves the tracking/comparison of overall deductions to corresponding gross revenues.
- c) Allows for the tracking and trending of remaining “other operating revenues”.

2. Collection Agency

IT and Revenue Cycle recently went live with the interface between our collection agency and our EHR. This will result in the following in the near future:

- a) A reduction in our aged, self-pay accounts receivable.
- b) An increase in our write-offs to bad debt.
- c) An increase in patient payments (due to bad debt collections).

3. Accounts Receivable

Accounts receivable increased by \$600k from the month before. The CFO and revenue cycle director will determine the reasons for this sharp increase and will implement measures to reduce overall A/R.

4. Swing Bed

Due to a sharp decline in swingbed revenue in FYTD26 compared to FY25, we looked further into swing bed trends. Our initial findings were such:

FY2026							
July	August	September	October	November	December	January	Monthly Average
102	144	127	97	104	99	146	117
262,365	361,067	364,719	252,197	276,817	263,804	394,130	310,728
2,572	2,507	2,872	2,600	2,662	2,665	2,700	2,654

14% Reduction in revenue per day (19% reduction net)

FY2025												
July	August	September	October	November	December	January	February	March	April	May	June	Monthly Average
89	92	61	135	90	83	99	123	142	237	127	91	114
382,267	249,445	174,885	353,820	277,533	308,012	152,350	536,957	349,008	614,565	524,036	240,264	346,928
4,295	2,711	2,867	2,621	3,084	3,711	1,539	4,366	2,458	2,593	4,126	2,640	3,084

CFO and Revenue Cycle director are currently diving deeper to determine why we are averaging significantly less revenue per swingbed day.

5. Significant Updates To Income Statement Calculations - \$125k to Jan. bottom line

- a. Accounted for 340b savings which led to a \$80k reduction to drug costs in the month of January (savings occurred in several months FYTD)
- b. Updated/improved monthly reserve calculations resulting in a \$140k correction, which led to a decrease in contractual allowances and an increase in bottom line in January.
- c. Updated/improved the Medicare payable/receivable tool which resulted in an increase in accounts receivable, decrease in contractual allowances, and an increase in net revenue of \$75k.
- d. Our cost report preparers informed us that we needed to account for an additional \$170k in Medicaid payable, resulting in an increase in liabilities and an increase in contractual allowances in January.

6. Staffing Agency Efforts

With our CEO's oversight and with the involvement of the HR Director, CNO, CFO, and multiple department heads, SCHHC is currently transitioning staffing services to an exclusive vendor which may result in as much as a \$600k annual savings in contract labor if our number of travelers remains constant and we are able to implement the pay rates we are seeking. I will be prepared to give an update at March's board meeting as to how the transition is progressing.

7. Financial Highlights

- a. Net increase in average total gross revenue FYTD26 compared to FY25 is 2% (when retail pharmacy is excluded).
- b. Net decrease in swingbed revenue when comparing FY25 to FYTD26 is 15%.
- c. Average deductions % of 40.7% this year is acceptable when taking into account past year's audit, last year's price increase, and other hospital's contractual allowance ranges. Updating our Medicare receivables/payables and contractual allowance/bad debt reserves calculations, conducting an interim cost report, and getting more payment history under our belt with retail pharmacy will continue to improve our future statement of our net contractual allowances. The budgeted amount for contractual allowances for this year was 38.0%.
- d. Cash collections of \$2.55M in January were significantly lower than the 2nd lowest monthly cash receipts in FY26 of \$2.80M in July of last year.
- e. There was a loss of \$83k in the month of January which could have been significantly worse had the net improvements as outlined in item 5 above not been a factor. The main reason we took a loss was due to low gross revenue. We experienced 5.19M in gross revenue in January while the FYTD monthly average through December was \$5.55M.

Southern Coos Hospital & Health Center
Income Statement Trends

A	B	D	E	F	G	H	I	J	K	L	M
FY24 Avg	FY25 Avg	FYTD26 Compare FY25 (E-B)/B	FYTD26 Avg	Last Mth Compare FY25 (G-B)/B	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025

Total Patient Revenue

Inpatient Revenue	795,255	829,799	8%	899,807	3%	850,911	782,878	802,131	867,194	809,703	1,286,279	899,551
Outpatient Revenue	3,100,139	3,528,673	9%	3,837,342	-3%	3,420,630	3,694,473	3,378,933	4,319,262	3,850,184	3,895,084	4,302,825
Swingbed Revenue	279,447	346,928	-10%	310,728	14%	394,130	263,804	276,817	252,197	364,719	361,067	262,365
Retail Pharmacy Revenue	0	0	0%	450,733		527,035	610,819	476,226	494,630	368,618	351,114	326,686

Total Patient Revenue	4,174,840	4,705,400	17%	5,498,609	10%	5,192,706	5,351,974	4,934,107	5,933,283	5,393,224	5,893,544	5,791,427
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Total Deductions	1,555,668	1,837,199	22%	2,238,772	12%	2,056,926	2,005,495	1,873,105	2,487,643	2,320,196	2,524,233	2,403,809
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Deductions/Patient Revenue	37.3%	39.0%	4%	40.7%	1%	39.6%	37.5%	38.0%	41.9%	43.0%	42.8%	41.5%
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Net Patient Revenue	2,619,173	2,868,201	14%	3,259,837	9%	3,135,780	3,346,479	3,061,002	3,445,639	3,073,027	3,369,312	3,387,618
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Other Operating Revenue	8,498	3,065	915%	31,121	-30%	2,141	2,191	78,607	116,767	5,878	10,485	1,779
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Total Operating Revenue	2,627,671	2,871,266	15%	3,290,958	9%	3,137,921	3,348,670	3,139,609	3,562,406	3,078,905	3,379,797	3,389,396
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Total Operating Expenses

Total Labor Expenses

Salaries & Wages	1,278,682	1,481,329	10%	1,628,954	14%	1,682,236	1,721,461	1,579,262	1,681,154	1,587,425	1,594,488	1,556,650
Contract Labor	483,086	448,095	21%	540,495	18%	528,579	619,974	511,039	513,474	499,908	594,457	516,036
Benefits	215,476	247,937	6%	264,020	-11%	219,731	279,776	292,866	300,310	284,199	170,970	300,288

Total Labor Expenses	1,977,245	2,177,361	12%	2,433,469	12%	2,430,546	2,621,211	2,383,167	2,494,938	2,371,532	2,359,915	2,372,974
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Total Labor/Net Revenue	75.5%	75.9%	-2%	74.7%	2%	77.5%	78.3%	77.9%	72.4%	77.2%	70.0%	70.0%
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Purchased Services	288,828	301,341	-33%	202,176	-37%	189,751	122,829	211,000	217,928	261,989	212,411	199,325
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Drugs & Pharmaceuticals	99,770	102,370	127%	232,797	60%	163,288	321,958	240,301	253,227	210,050	220,212	220,544
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Medical Supplies	84,773	98,141	4%	101,843	2%	99,955	123,498	96,382	99,220	93,175	88,821	111,852
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Other Supplies	27,272	34,639	27%	44,154	82%	62,876	34,837	44,338	49,997	41,318	24,464	51,245
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Lease & Rental Expense	(485)	(159)	-1020%	1,466	-4950%	7,732	0	0	1,266	0	0	1,266
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Repairs & Maintenance	19,318	17,710	27%	22,444	-12%	15,601	18,126	14,541	48,332	25,696	20,246	14,569
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Other Expenses	97,440	151,879	23%	186,123	12%	169,814	195,997	168,250	189,010	192,710	194,568	192,509
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Utilities	27,156	28,743	3%	29,515	15%	32,932	29,122	31,945	19,761	38,373	22,414	32,055
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Insurance	24,336	24,203	-2%	23,756	0%	24,211	23,629	23,629	23,814	23,628	23,753	23,629
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Depreciation & Amortization	102,911	176,649	4%	183,133	2%	179,650	225,510	179,511	186,412	221,822	128,091	160,933
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Total Operating Expenses	2,748,563	3,112,879	11%	3,460,877	8%	3,376,356	3,716,717	3,393,064	3,583,905	3,480,293	3,294,895	3,380,901
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Operating Expenses/Op. Revenue	104.6%	108.4%	-3%	105.2%	-1%	107.6%	111.0%	108.1%	100.6%	113.0%	97.5%	99.7%
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Operating Income / (Loss)	(120,892)	(241,613)	-30%	(169,919)	-1%	(238,435)	(368,047)	(253,455)	(21,499)	(401,387)	84,901	8,495
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Operating Income/Loss	-4.6%	-8.4%	-39%	-5.2%	-10%	-7.6%	-11.0%	-8.1%	-0.6%	-13.0%	2.5%	0.3%
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Property Taxes	97,844	97,707	4%	101,177	4%	101,177	101,177	101,177	114,333	96,792	96,792	96,792
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Non-Operating Revenue	23,967	18,937	132%	43,850	77%	33,526	85,983	29,668	53,948	35,000	64,154	4,673
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Interest Expense	(24,354)	(38,784)	2%	(39,573)	-18%	(31,724)	(47,441)	(43,326)	(33,930)	(36,569)	(33,934)	(50,084)
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Investment Income	41,008	42,213	-8%	39,016	25%	52,664	24,716	24,826	58,581	25,596	27,072	59,660
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Gain / Loss on Asset Disposal	(4,363)	0	0%	(241)		0	0	0	0	(162)	162	(1,685)
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Net Non Operating Revenue	134,101	120,073	20%	144,231	30%	155,643	164,435	112,345	192,932	120,657	154,246	109,356
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Change In Net Position	13,210	(121,540)	-79%	(25,688)	-32%	(82,792)	(203,612)	(141,111)	171,433	(280,731)	239,148	117,851
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Gross Margin	0.5%	-4.2%	-82%	-0.8%	-38%	-2.6%	-6.1%	-4.5%	4.8%	-9.1%	7.1%	3.5%
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Southern Coos Hospital & Health Center
Statements of Revenues, Expenses, and Changes in Net Position
As of January 31, 2026

	Month Ending 01/31/2026				Month Ending 01/31/2025	Year To Date 01/31/2026				Prior Year To Date 01/31/2025
	Actual	Operating Budget	Actual minus budget	Budget variance	Actual	Actual	Operating Budget	Actual minus budget	Budget variance	Actual
Total Patient Revenue										
Inpatient Revenue	850,911	1,236,857	(385,946)	(31.2) %	1,271,252	6,298,647	6,742,617	(443,970)	(6.6) %	6,002,072
Outpatient Revenue	3,420,630	4,120,005	(699,375)	(17.0) %	3,895,110	26,861,390	26,545,063	316,328	1.2 %	24,011,504
Swingbed Revenue	394,130	556,562	(162,433)	(29.2) %	152,350	2,175,100	3,676,357	(1,501,258)	(40.8) %	1,898,312
Retail Pharmacy Revenue	527,035	-	527,036	100.0 %	-	3,155,127	-	3,155,127	100.0 %	-
Total Patient Revenue	5,192,706	5,913,424	(720,718)	(12.2) %	5,318,712	38,490,264	36,964,037	1,526,227	4.1 %	31,911,888
Total Deductions	2,056,926	2,249,877	(192,950)	(8.6) %	1,860,000	15,671,407	14,063,684	1,607,723	11.4 %	12,017,448
Revenue Deductions %	39.6 %	38.0 %	1.6 %	4.1 %	35.0 %	40.7 %	38.0 %	2.7 %	7.0 %	37.7 %
Net Patient Revenue	3,135,780	3,663,547	(527,767)	(14.4) %	3,458,713	22,818,857	22,900,353	(81,496)	(0.4) %	19,894,440
Other Operating Revenue	2,141	3,280	(1,139)	(34.7) %	1,413	217,848	22,961	194,887	848.8 %	25,638
Total Operating Revenue	3,137,921	3,666,827	(528,906)	(14.4) %	3,460,126	23,036,705	22,923,314	113,391	0.5 %	19,920,078
Total Operating Expenses										
Total Labor Operating Expenses	2,430,546	2,493,274	(62,728)	(2.5) %	2,134,649	17,034,284	16,440,140	594,144	3.6 %	15,047,575
Total Other Operating Expenses	945,810	1,043,258	(97,448)	(9.3) %	1,420,581	7,191,848	7,180,986	10,862	0.2 %	6,202,752
Total Operating Expenses	3,376,356	3,536,532	(160,176)	(4.5) %	3,555,230	24,226,132	23,621,126	605,006	2.6 %	21,250,327
Operating Income / (Loss)	(238,435)	130,295	(368,730)	(283.0) %	(95,103)	(1,189,428)	(697,812)	(491,615)	70.5 %	(1,330,249)
Net Non Operating Revenue	155,643	113,001	42,642	37.7 %	150,004	1,009,614	791,006	218,608	27.6 %	862,416
Change In Net Position	(82,792)	243,296	(326,088)	(134.0) %	54,900	(179,813)	93,194	(273,007)	(292.9) %	(467,833)



Fiscal Year 2026	July	August	September	October	November	December	January	Average	YTD
Income Statement									
Average Daily Revenues	176,282	178,788	167,487	175,440	148,596	152,940	150,506	164,291	164,349
Average Daily Actual Contractuals	55,093	60,284	73,038	60,661	48,402	64,897	52,858	59,319	59,306
% of Actual Contractuals of Total Payment	37.35%	36.62%	36.74%	34.53%	30.65%	38.68%	38.14%	36.10%	36.10%
Revenues	5,464,741 ▲	5,542,430 ▲	5,024,606 ▲	5,438,653 ▲	4,457,881 ▲	4,741,155	4,665,671	5,047,877	35,335,137
Actual Contractual Adjustments	1,707,877	1,868,812	2,191,142	1,880,492	1,452,046	2,011,806	1,638,600	1,821,539	12,750,775
Actual Discount Adjustments	41,014	113,606	102,102	157,121	343,966	116,293	108,034	140,305	982,136
Estimated Contractuals Patient AR	454,703	6,912	(180,352)	91,519	(40,447)	(62,844)	141,991	58,783	411,480
Estimated Contractuals Retail Pharmacy	245,325	254,834	267,635	342,494	345,527	429,817	396,393	326,004	2,282,026
Medicare Tool Adjustment	(45,110)	280,069	(60,331)	16,017	(227,986)	(489,577)	(228,092)	(107,859)	(755,010)
Total Deductions	2,403,809	2,524,233	2,320,196	2,487,643	1,873,105	2,005,495	2,056,926	2,238,772	15,671,407
Actual Contractuals % of Revenues	31.25%	33.72%	43.61%	34.58%	32.57%	42.43%	35.12%	36.18%	36.09%
Discount Adjustments % of Revenues	0.75%	2.05%	2.03%	2.89%	7.72%	2.45%	2.32%	2.89%	2.78%
Estimated Contractuals Patient AR % of Revenues	8.32%	0.12%	-3.59%	1.68%	-0.91%	-1.33%	3.04% ▲	1.05%	1.16%
Estimated Contractuals Retail Pharm % of Revenues	4.49%	4.60%	5.33%	6.30%	7.75%	9.07%	8.50% ▲	6.57%	6.46%
Medicare Tool Adjustment % of Revenues	-0.83%	5.05%	-1.20%	0.29%	-5.11%	-10.33%	-4.89%	-2.43%	-2.14%
Total Deductions % of Revenues	43.99%	45.54%	46.18%	45.74%	42.02%	42.30%	44.09%	44.26%	44.35%
Balance Sheet									
CPSI Patient Cash Posted	19,363	25,091	13,726	4,445	10,381	6,057	10,101	12,738	89,164
EPIC Patient Cash Posted	2,804,008	3,095,411	3,656,281	3,403,456	2,931,618	3,066,816	2,539,380	3,070,996	21,496,970
Total Cash Posted	2,823,371	3,120,502	3,670,007	3,407,901	2,941,999	3,072,873	2,549,481	3,083,733	21,586,134
Average Daily Cash	91,076	100,661	122,334	109,932	98,067	99,125	82,241		
Total Patient AR Over 120 Days	2,083,375	1,925,399	2,133,515	2,093,660	2,207,083	2,369,541	2,669,066	2,211,663	2,669,066
Total Patient AR	9,425,337	9,315,988	8,636,662	8,487,865	8,532,097	8,333,957	8,934,107	8,809,430	8,934,107
AR Allowance for Uncollectables	5,036,189	4,954,420	4,775,504	4,867,573	4,829,241	4,748,831	4,855,659	4,866,774	4,855,659
Net Patient AR	4,389,148	4,361,568	3,861,158	3,620,292	3,702,856	3,585,126	4,078,448	3,942,657	4,078,448
% Allowance for Outstanding AR	53.43%	53.18%	55.29%	57.35%	56.60%	56.98%	54.35%	55.31%	54.35%
% Change in Allowance from Prior Month	9.96%	-1.62%	-3.61%	1.93%	-0.79%	-1.67%	2.25%	0.92%	
Increase of AR Over 120 from Prior Month	160,853	(157,976)	208,116	(39,856)	113,423	162,458	299,525	106,649	
Increase (Decrease) of Total AR from Prior Month	850,701	(109,349)	(679,326)	(148,797)	44,232	(198,140)	600,150	51,353	



Southern Coos Hospital & Health Center
Statements of Revenues, Expenses & Changes in Net Position
 As of January 31, 2026

	Month Ending 01/31/2026				Month Ending 01/31/2025				Year To Date 01/31/2026				Prior Year To Date 01/31/2025
	Actual	Operating Budget	Actual minus budget	Budget variance	Actual	Actual	Operating Budget	Actual minus budget	Budget variance	Actual			
Total Patient Revenue													
Inpatient Revenue	850,911	1,236,857	(385,946)	(31.2) %	1,271,252	6,298,647	6,742,617	(443,970)	(6.6) %	6,002,072			
Outpatient Revenue	3,420,630	4,120,005	(699,375)	(17.0) %	3,895,110	26,861,390	26,545,063	316,328	1.2 %	24,011,504			
Swingbed Revenue	394,130	556,562	(162,433)	(29.2) %	152,350	2,175,100	3,676,357	(1,501,258)	(40.8) %	1,898,312			
Retail Pharmacy Revenue	527,035	-	527,036	100.0 %	-	3,155,127	-	3,155,127	100.0 %	-			
Total Patient Revenue	5,192,706	5,913,424	(720,718)	(12.2) %	5,318,712	38,490,264	36,964,037	1,526,227	4.1 %	31,911,888			
Total Deductions	2,056,926	2,249,877	(192,950)	(8.6) %	1,860,000	15,671,407	14,063,684	1,607,723	11.4 %	12,017,448			
Net Patient Revenue	3,135,780	3,663,547	(527,767)	(14.4) %	3,458,713	22,818,857	22,900,353	(81,496)	(0.4) %	19,894,440			
Other Operating Revenue	2,141	3,280	(1,139)	(34.7) %	1,413	217,848	22,961	194,887	848.8 %	25,638			
Total Operating Revenue	3,137,921	3,666,827	(528,906)	(14.4) %	3,460,126	23,036,705	22,923,314	113,391	0.5 %	19,920,078			
Total Operating Expenses													
Total Labor Expenses													
Salaries & Wages	1,682,236	1,852,267	(170,031)	(9.2) %	1,477,616	11,402,675	12,319,093	(916,418)	(7.4) %	10,225,916			
Contract Labor	528,579	449,295	79,284	17.6 %	477,226	3,783,469	2,794,789	988,680	35.4 %	3,210,484			
Benefits	219,731	191,712	28,019	14.6 %	179,807	1,848,140	1,326,258	521,882	39.3 %	1,611,175			
Total Labor Expenses	2,430,546	2,493,274	(62,728)	(2.5) %	2,134,649	17,034,284	16,440,140	594,144	3.6 %	15,047,575			
Purchased Services	189,751	343,046	(153,294)	(44.7) %	463,864	1,415,232	2,401,316	(986,084)	(41.1) %	2,389,294			
Drugs & Pharmaceuticals	163,288	119,266	44,020	36.9 %	106,511	1,629,579	828,952	800,626	96.6 %	652,982			
Medical Supplies	99,955	127,213	(27,257)	(21.4) %	170,562	712,903	810,024	(97,119)	(12.0) %	710,273			
Other Supplies	62,876	53,179	9,697	18.2 %	60,113	309,076	372,252	(63,178)	(17.0) %	156,709			
Lease & Rental Expense	7,732	2,387	5,344	223.9 %	2,934	10,264	16,708	(6,444)	(38.6) %	(4,445)			
Repairs & Maintenance	15,601	31,187	(15,585)	(50.0) %	28,637	157,112	218,306	(61,193)	(28.0) %	119,099			
Other Expenses	169,814	139,978	29,836	21.3 %	289,345	1,302,856	944,414	358,442	38.0 %	899,076			
Utilities	32,932	31,747	1,186	3.7 %	39,676	206,604	222,224	(15,620)	(7.0) %	203,717			
Insurance	24,211	20,954	3,256	15.5 %	22,996	166,292	146,678	19,614	13.4 %	152,746			
Depreciation & Amortization	179,650	174,301	5,349	3.1 %	235,943	1,281,930	1,220,112	61,818	5.1 %	923,301			
Total Operating Expenses	3,376,356	3,536,532	(160,176)	(4.5) %	3,555,230	24,226,132	23,621,126	605,006	2.6 %	21,250,327			
Operating Income / (Loss)	(238,435)	130,295	(368,730)	(283.0) %	(95,103)	(1,189,428)	(697,812)	(491,615)	70.5 %	(1,330,249)			
Net Non Operating Revenue													
Property Taxes	101,177	98,219	2,958	3.0 %	96,792	708,239	687,532	20,707	3.0 %	663,206			
Non-Operating Revenue	33,526	9,422	24,104	255.8 %	23,356	306,952	65,954	240,999	365.4 %	95,930			
Interest Expense	(31,724)	(33,436)	1,712	(5.1) %	(40,693)	(277,007)	(234,049)	(42,959)	18.4 %	(224,132)			
Investment Income	52,664	38,796	13,868	35.7 %	70,549	273,115	271,569	1,546	0.6 %	327,412			
Gain / Loss on Asset Disposal	-	-	-	-	-	(1,685)	-	(1,685)	100.0 %	-			
Net Non Operating Revenue	155,643	113,001	42,642	37.7 %	150,004	1,009,614	791,006	218,608	27.6 %	862,416			
Change In Net Position	(82,792)	243,296	(326,088)	(134.0) %	54,900	(179,813)	93,194	(273,007)	(292.9) %	(467,833)			



Southern Coos Hospital & Health Center Balance Sheet Summary

	Year To Date 01/31/2026	Year Ending 06/30/2025		Year Ending 06/30/2024
	Current Year Balance	Prior Year	Current vs. Prior	Actual
Total Assets				
Total Current Assets				
Cash and Cash Equivalents	9,310,046	11,717,082	(2,407,036)	11,721,015
Net Patient Accounts Receivable	4,169,365	3,536,706	632,659	3,907,633
Other Assets	636,044	990,065	(354,020)	798,202
Total Current Assets	14,115,455	16,243,853	(2,128,397)	16,426,850
Net PP&E	7,748,861	8,243,887	(495,028)	6,423,952
Total Assets	21,864,316	24,487,740	(2,623,425)	22,850,802
Total Liabilities & Net Assets				
Total Liabilities				
Current Liabilities	5,885,818	7,892,410	(2,006,592)	4,490,006
Total Long Term Debt, Net	3,791,112	4,228,131	(437,019)	4,535,131
Total Liabilities	9,676,930	12,120,541	(2,443,611)	9,025,137
Total Net Assets	12,187,386	12,367,199	(179,814)	13,825,665
Total Liabilities & Net Assets	21,864,316	24,487,740	(2,623,425)	22,850,802

Cash to Debt Ratio	0.96	0.97	(0.01)	1.30
Debt Ratio	0.44	0.49	(0.05)	0.39
Current Ratio	2.40	2.06	0.34	3.66
Debt to Capitalization Ratio	0.23	0.23	0.00	0.25

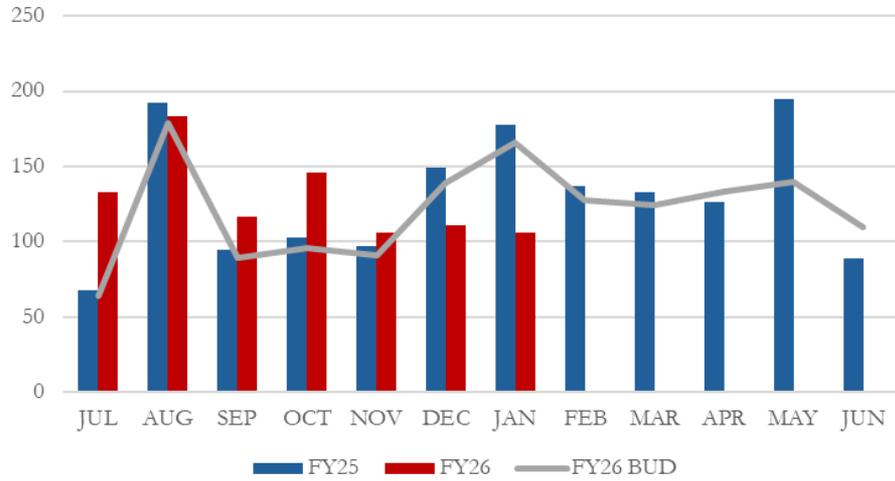


**Southern Coos Hospital & Health Center
Balance Sheet**

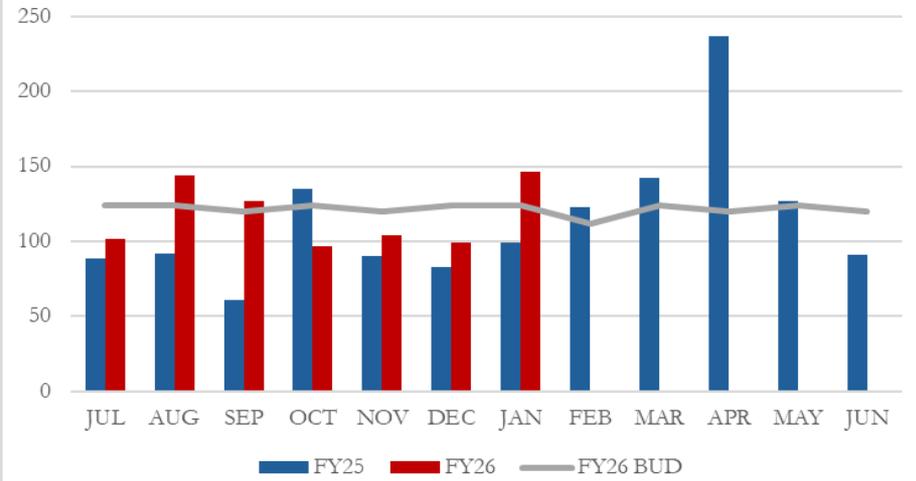
	Year To Date 01/31/2026	Year Ending 06/30/2025	Change	Year Ending 06/30/2024 Actual
	Current Year Balance	Prior Year		
Total Assets				
Total Current Assets				
Cash and Cash Equivalents				
Cash Operating	615,196	1,812,826	(1,197,630)	1,400,507
Investments - Unrestricted	3,411,971	3,984,313	(572,342)	4,076,428
Investments - Reserved Certificate of Deposit	2,549,174	3,186,239	(637,064)	3,510,375
Investment - USDA Restricted	233,705	233,704	-	233,705
Investment - Board Designated	2,500,000	2,500,000	-	2,500,000
Cash and Cash Equivalents	9,310,046	11,717,082	(2,407,036)	11,721,015
Net Patient Accounts Receivable				
Patient Accounts Receivable				
1101 - A/R PATIENT - EPIC	8,619,453	7,850,956	768,496	-
1102 - A/R PATIENT - CPSI / EVIDENT	486,019	723,680	(237,660)	7,228,690
1103 - A/R - PHARMACY RETAIL OP	90,917	-	90,917	-
1109 - A/R - SUSPENSE ACCOUNT - UNAPPLIED CASH (cash-in-transit)	(171,486)	-	(171,486)	-
1110 - A/R - SUSPENSE ACCOUNT - UNRECEIVED CASH (remittance-in-transit)	-	(457,716)	457,717	-
2003 - REFUNDS - PATIENT / INSURANCE	121	-	120	(192)
Patient Accounts Receivable	9,025,024	8,116,920	908,104	7,228,499
Allowance for Uncollectibles				
1121 - ALLOW FOR UNCOLL - EPIC	(5,192,247)	(4,598,461)	(593,786)	-
1122 - ALLOW FOR UNCOLL - CPSI	(486,019)	(723,679)	237,660	(3,840,559)
1130 - WRITE OFF RECOVERY	(783,362)	(723,288)	(60,074)	(554,030)
1132 - BAD DEBT W/O - NON-MEDICARE	1,605,969	1,465,214	140,755	1,073,723
Allowance for Uncollectibles	(4,855,659)	(4,580,214)	(275,445)	(3,320,866)
Net Patient Accounts Receivable	4,169,365	3,536,706	632,659	3,907,633
Other Assets				
Other Receivables	565	29,598	(29,033)	21,045
Inventory	418,764	346,070	72,694	230,930
Prepaid Expense	559,232	530,442	28,790	465,262
Property Tax Receivable	(342,517)	83,955	(426,471)	80,965
Other Assets	636,044	990,065	(354,020)	798,202
Total Current Assets	14,115,455	16,243,853	(2,128,397)	16,426,850
Net PP&E				
Land	461,528	461,527	-	461,527
Property and Equipment	23,763,434	23,375,034	388,400	20,435,404
Accumulated Depreciation	(16,806,217)	(15,682,145)	(1,124,072)	(15,194,163)
Construction In Progress	330,116	89,471	240,644	721,184
Net PP&E	7,748,861	8,243,887	(495,028)	6,423,952
Total Assets	21,864,316	24,487,740	(2,623,425)	22,850,802
Total Liabilities & Net Assets				
Total Liabilities				
Current Liabilities				
Accounts Payable	1,328,946	1,551,870	(222,924)	1,344,652
Accrued Payroll and Benefits	1,284,800	1,741,066	(456,265)	1,411,152
Line of Credit Payable	2,511,501	3,139,376	(627,876)	-
Interest and Other Payable	196,194	268,479	(72,284)	100,992
Estimated Third Party Payor Settlements	72,963	534,781	(461,819)	997,650
Current Portion of Long Term Debt	491,414	656,838	(165,424)	635,560
Current Liabilities	5,885,818	7,892,410	(2,006,592)	4,490,006
Total Long Term Debt, Net				
Long Term Debt	3,791,112	4,228,131	(437,019)	4,535,131
Total Long Term Debt, Net	3,791,112	4,228,131	(437,019)	4,535,131
Total Liabilities	9,676,930	12,120,541	(2,443,611)	9,025,137
Total Net Assets	12,187,386	12,367,199	(179,814)	13,825,665
Total Liabilities & Net Assets	21,864,316	24,487,740	(2,623,425)	22,850,802



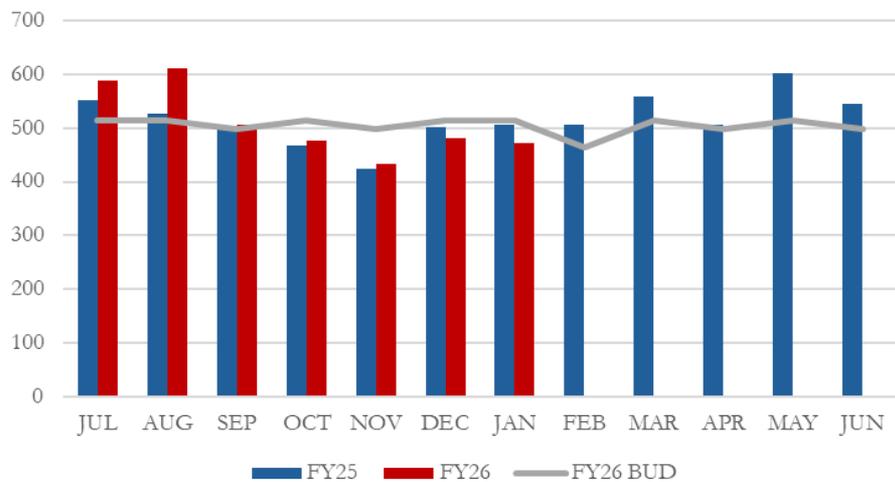
IP Days



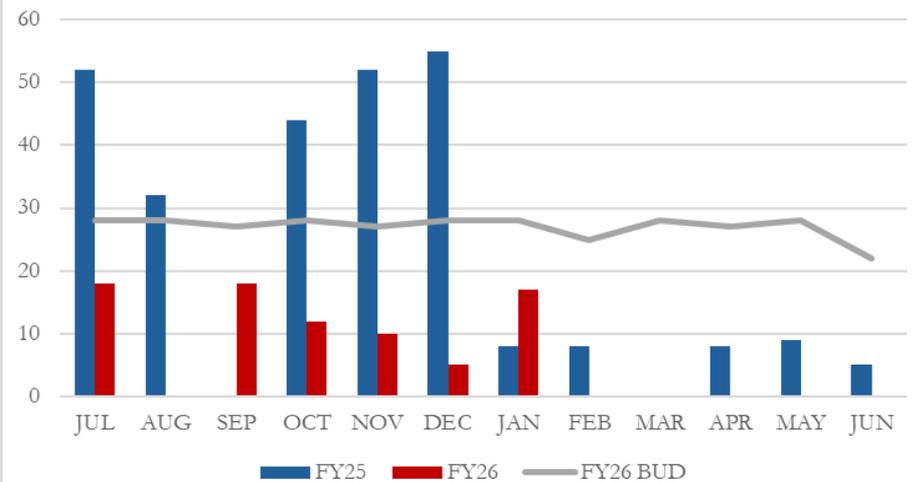
Swing Bed Days



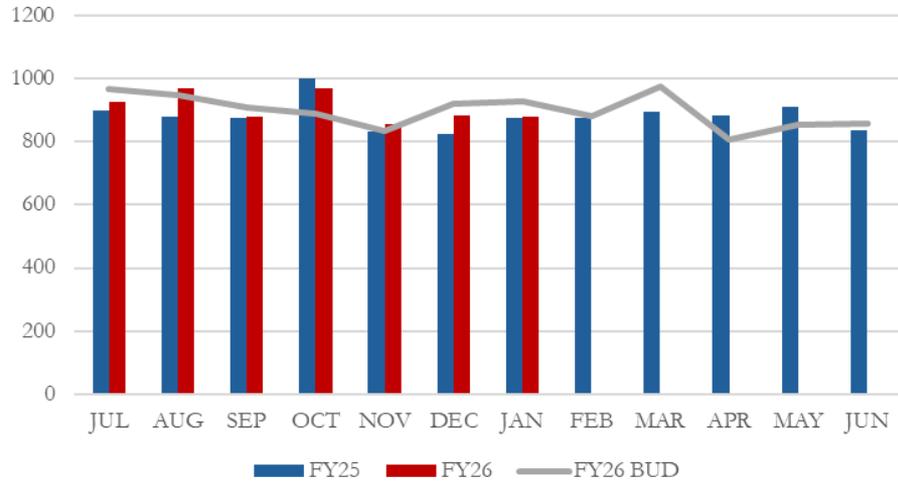
ER Visits



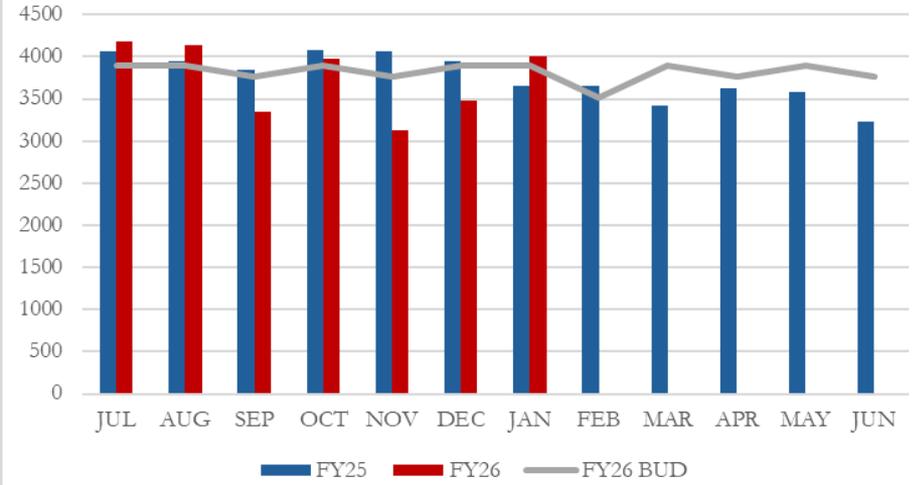
Surgery Patients



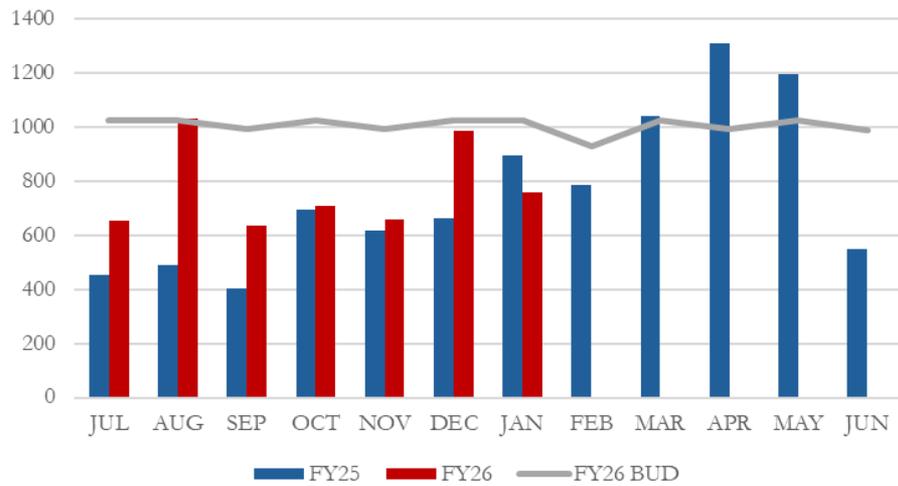
Imaging Visits



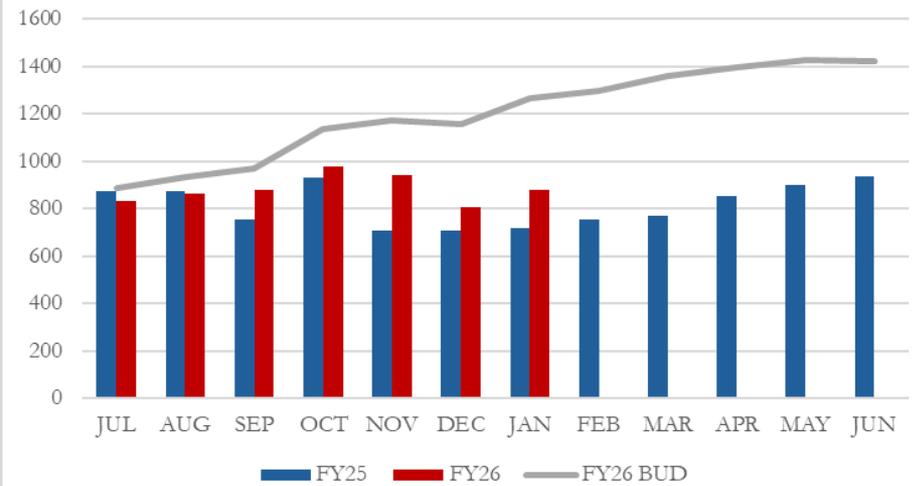
Lab Tests



RT Procedures



Clinic Visits



Southern Coos Hospital & Health Center

Volume and Key Performance Ratios
For The Period Ending January 2026

		Month					Year to Date				
		Actual	Budget	Prior Year	Variance to		Actual	Budget	Prior Year	Variance to	
					Bud	Prior Year				Bud	Prior Year
Volume Summary	IP Days	106	166	178	-36.3%	-40.4%	902	824	882	9.4%	2.3%
	Swing Bed Days	146	186	99	-21.5%	47.5%	819	1,290	649	-36.5%	26.2%
	Total Inpatient Days	252	352	277	-28.5%	-9.0%	1,721	2,114	1,531	-18.6%	12.4%
	Avg Daily Census	8.1	11.4	8.9	-28.5%	-9.0%	8.0	9.8	7.1	-18.6%	12.4%
	Avg Length of Stay - IP	3.9	3.0	2.9	30.9%	34.5%	3.6	3.0	4.2	20.3%	-14.1%
	Avg Length of Stay - SWB	13.3	8.9	14.1	49.9%	-6.2%	10.8	8.9	12.2	21.1%	-12.0%
	ED Registrations	471	514	505	-8.4%	-6.7%	3,567	3,564	3,479	0.1%	2.5%
	Clinic Registrations	878	332	768	164.5%	14.3%	6,184	2,302	4,083	168.6%	51.5%
	Ancillary Registrations	1,555	615	1,480	152.8%	5.1%	8,141	4,265	8,141	90.9%	0.0%
Total OP Registrations	2,904	1,461	2,753	98.8%	5.5%	17,892	10,131	15,703	76.6%	13.9%	

Key Income Statement Ratios	Month					Year to Date				
	Actual	Budget	Prior Year	Bud	Prior Year	Actual	Budget	Prior Year	Bud	Prior Year
Gross IP Rev/IP Day	8,027	7,434	7,142	8.0%	12.4%	6,983	6,983	6,805	0.0%	2.6%
Gross SWB Rev/SWB Day	2,700	2,992	1,539	-9.8%	75.4%	2,656	2,850	2,925	-6.8%	-9.2%
Gross OP Rev/Total OP Registrations	1,178	3,358	1,415	-64.9%	-16.7%	1,276	3,120	1,529	-59.1%	-16.5%
Collection Rate	55.9%	62.0%	65.0%	-9.7%	-14.0%	55.6%	62.0%	62.3%	-10.2%	-10.7%
Compensation Ratio	77.5%	68.0%	61.7%	13.9%	25.6%	73.9%	71.7%	75.5%	3.1%	-2.1%
OP EBIDA Margin \$	(58,785)	304,597	140,840	-119.3%	-141.7%	92,501	522,299	(406,948)	-82.3%	-122.7%
OP EBIDA Margin %	-1.9%	8.3%	4.1%	-122.6%	-146.0%	0.4%	2.3%	-2.0%	-82.3%	-119.7%
Total Margin	-2.6%	6.6%	1.6%	-139.8%	-266.3%	-0.8%	0.4%	-2.3%	-292.0%	-66.8%

Key Liquidity Ratios	Month					Year to Date				
	Actual	Budget	Prior Year	Bud	Prior Year	Actual	Budget	Prior Year	Bud	Prior Year
Days Cash on Hand	60.4	80.0	64.2	-24.5%	-6.0%					
AR Days Outstanding	59.3	50.0	60.9	18.6%	-2.7%					

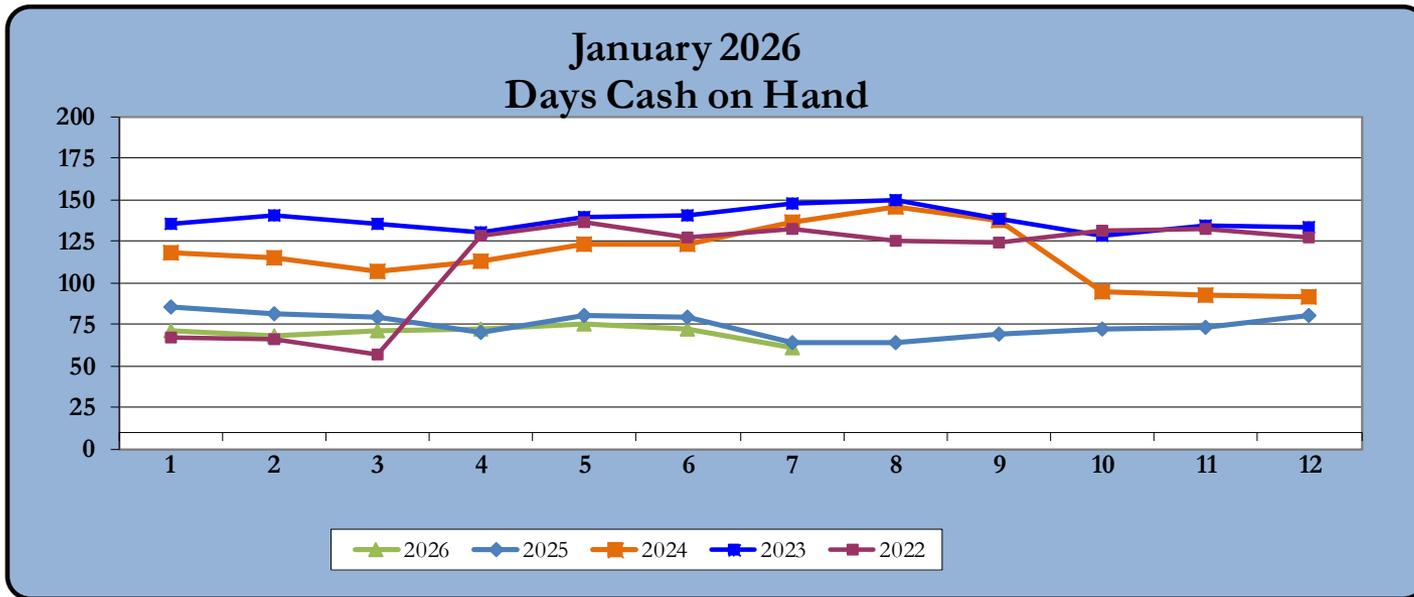


Southern Coos Hospital & Health Center

Data Dictionary

Volume Summary	<p>IP Days</p> <p>Swing Bed Days</p> <p>Total Bed Days</p> <p>Avg Daily Census</p> <p>Avg Length of Stay - IP</p> <p>Avg Length of Stay - SWB</p> <p>ED Registrations</p> <p>Clinic Registrations</p> <p>Ancillary Registrations</p> <p>Total OP Registrations</p>	<p>Total Inpatient Days Per Midnight Census</p> <p>Total Swing Bed Days per Midnight Census</p> <p>Total Days per Midnight Census</p> <p>Total Bed Days / # of Days in period (Mo or YTD)</p> <p>Total Inpatient Days / # of IP Discharges</p> <p>Total Swing Bed Days / # of SWB Discharges</p> <p>Number of ED patient visits</p> <p>Number of Clinic patient visits</p> <p>Total number of all other OP patient visits</p> <p>Total number of OP patient visits</p>
Key Income Statement Ratios	<p>Gross IP Rev/IP Day</p> <p>Gross SWB Rev/SWB Day</p> <p>Gross OP Rev/Total OP Registrations</p> <p>Collection Rate</p> <p>Compensation Ratio</p> <p>OP EBIDA Margin \$</p> <p>OP EBIDA Margin %</p> <p>Total Margin (%)</p>	<p>Avg. gross patient charges per IP patient day</p> <p>Avg. gross patient charges per SWB patient day</p> <p>Avg. gross patient charges per OP visit</p> <p>Net patient revenue / total patient charges</p> <p>Total Labor Expenses / Total Operating Revenues</p> <p>Operating Margin + Depreciation + Amortization</p> <p>Operating EBIDA / Total Operating Revenues</p> <p>Total Margin / Total Operating Revenues</p>
Key Liquidity Ratios	<p>Days Cash on Hand</p> <p>AR Days Outstanding</p>	<p>Total unrestricted cash / Daily OP Cash requirements</p> <p>Gross AR / Avg. Daily Revenues</p>





Calculation:

Total Unrestricted Cash on Hand

Daily Operating Cash Needs

Definition:

This ratio quantifies the amount of cash on hand in terms of how many "days" an organization can survive with existing cash reserves.

Desired Position:

Upward trend, above the median

Year	Average
2026	70.0
2025	74.8
2024	116.3
2023	137.8
2022	113.0

Benchmark

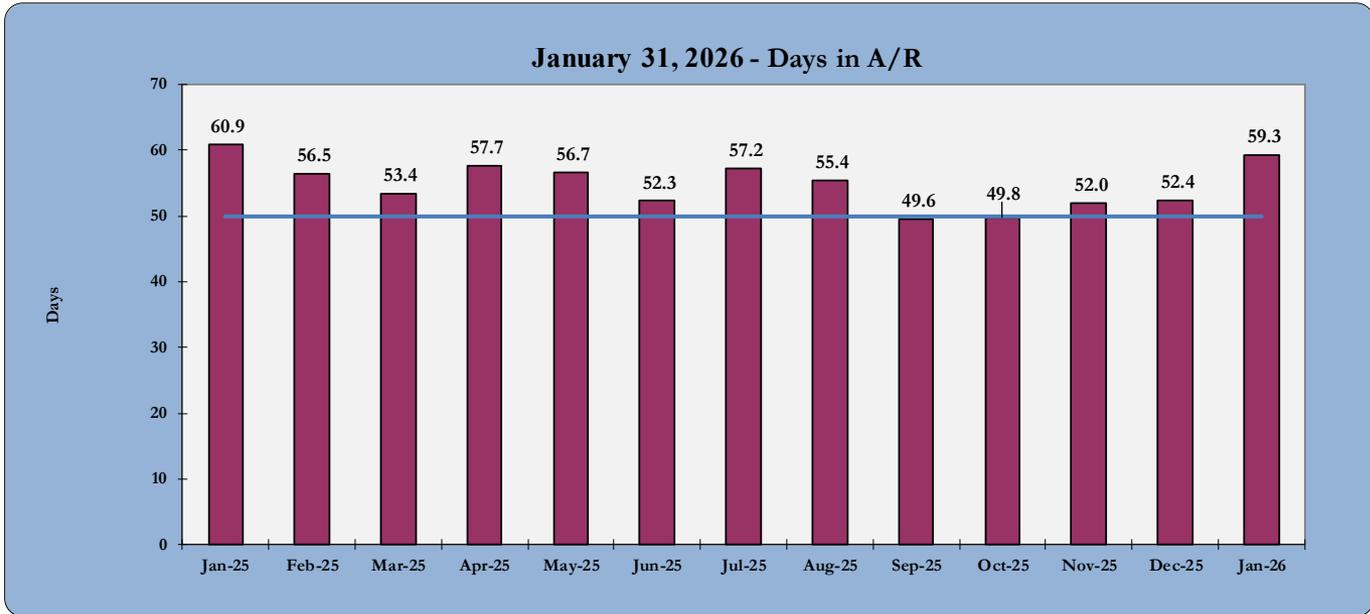
80 Days

How ratio is used:

This ratio is frequently used by bankers, bondholders and analysts to gauge an organization's liquidity--and ability to meet short term obligations as they mature.

Fiscal	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2026	71.6	67.6	70.7	72.5	75.1	72.4	60.4					
2025	85.4	81.4	79.0	70.5	79.9	79.7	64.2	63.7	68.6	71.9	72.8	80.1
2024	117.7	114.5	106.8	113.1	123.1	123.3	136.1	145.3	137.0	94.5	92.8	91.4
2023	135.9	140.8	135.2	130.5	139.4	140.7	147.8	149.7	138.9	127.8	134.2	133.3
2022	67.2	66.2	56.6	128.6	136.1	127.4	132.1	125.1	124.6	131.5	132.8	127.5





Calculation: $\frac{\text{Gross Accounts Receivable}}{\text{Average Daily Revenue}}$

Definition: Considered a key "liquidity ratio" that calculates how quickly accounts are being paid.

Desired Position: Downward trend below the median, and below average.

Benchmark 50

How ratio is used: Used to determine timing required to collect accounts. Usually, organizations below the average Days in AR are likely to have higher levels of Days Cash on Hand.

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
A/R (Gross)	9,505,725	9,372,293	8,762,600	9,509,727	9,356,665	8,574,636	9,425,337	9,315,989	8,636,661	8,656,663	8,532,097	8,333,957	8,934,107
Days in AR	60.9	56.5	53.4	57.7	56.7	52.3	57.2	55.4	49.6	49.8	52.0	52.4	59.3
'''	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
A/R (Gross)	9,505,725	9,372,293	8,762,600	9,509,727	9,356,665	8,574,636	9,425,337	9,315,989	8,636,661	8,656,663	8,532,097	8,333,957	8,934,107
Days in Month	31	28	31	30	31	30	31	31	30	31	30	31	31
Monthly Revenue	5,318,712	4,720,191	4,720,191	5,229,933	5,239,205	4,451,443	5,464,741	5,542,430	5,024,606	5,438,653	4,457,881	4,741,155	4,665,671
3 Mo Avg Daily Revenue	155,993	165,896	163,990	164,835	165,101	163,962	164,732	168,028	174,258	173,975	163,969	159,105	150,703
Days in AR	60.9	56.5	53.4	57.7	56.7	52.3	57.2	55.4	49.6	49.8	52.0	52.4	59.3



**SOUTHERN COOS HOSPITAL & HEALTH CENTER
CAPITAL PURCHASES SUMMARY FY2026**

FY26 Capital Budget - Projects under \$15,000

Total Budget	\$	186,000
Projects Completed / Capitalized	\$	9,245
Projects In Progress	\$	11,687
Remaining Budget	\$	165,068

FY26 Capital Budget - Projects over \$15,000

Total Budget	\$	3,114,000
Projects Completed / Capitalized	\$	453,625
Projects In Progress	\$	154,510
Remaining Budget	\$	2,505,865

FY26 Capital Budget - Grant Funded

Total Grant	\$	246,000
Projects Completed / Capitalized	\$	-
Projects In Progress	\$	130,666
Remaining Budget	\$	115,334



Clinic Provider Income Summary

All Providers

For The Budget Year 2026

	ACT		BUD		ACT		BUD		ACT		BUD		ACT		BUD		Current Budget YTD		
	JUL	JUL	AUG	AUG	SEP	SEP	OCT	OCT	NOV	NOV	DEC	DEC	JAN	JAN	ACT	FYTD26	Budget	Variance	
Provider Productivity Metrics																			
Clinic Days	64	56	72	56	77	56	92	83	84	83	76	83	104	83	568	498	70		
Total Visits	505	520	686	520	599	520	688	668	692	708	584	747	633	787	4387	4471	(84)		
Visits/Day	8.0	9.3	9.5	9.3	7.8	9.3	7.5	8.1	8.3	8.6	7.7	9.1	6.1	9.5	7.7	9.0	(1.3)		
Total RVU	1264	1078	912	1078	1111	1078	1263	1386	1079	1467	1097	1548	942	1629	7667	9265	(1,597)		
RVU/Visit	2.50	2.07	1.33	2.07	1.85	2.07	1.84	2.08	1.56	2.07	1.88	2.07	1.49	2.07	1.75	2.07	(0.32)		
RVU/Clinic Day	19.90	19.25	12.67	19.25	14.52	19.25	13.73	16.80	12.87	17.78	14.43	18.77	9.06	19.75	13.50	18.60	(5.10)		
Gross Revenue/Visit	514	473	438	473	518	473	521	483	515	484	529	485	482	485	501	480	21		
Gross Revenue/RVU	205	228	329	228	279	228	284	233	330	233	282	234	324	235	287	232	55		
Net Rev/RVU	87	97	139	97	118	97	120	98	139	98	119	99	137	99	121	98	23		
Expense/RVU	109	125	164	125	166	125	142	128	171	122	147	120	204	110	155.11	121	33.79		
Diff	(23)	(27)	(25)	(27)	(47)	(27)	(21)	(30)	(32)	(24)	(28)	(22)	(67)	(11)	(34)	(23)	(11)		
Net Rev/Day	1,724	1,871	1,764	1,871	1,719	1,871	1,649	1,651	1,789	1,750	1,724	1,849	1,242	1,947	1,638	1,823	(186)		
Expense/Day	2,173	2,397	2,084	2,397	2,408	2,397	1,943	2,153	2,205	2,171	2,126	2,254	1,845	2,164	2,095	2,257	(162)		
Diff	(449)	(526)	(321)	(526)	(689)	(526)	(294)	(503)	(415)	(422)	(402)	(405)	(603)	(216)	(457)	(434)	(24)		
Patient Revenue																			
Outpatient																			
Total Patient Revenue	259,705	245,798	300,156	245,798	309,987	245,798	358,390	322,348	356,170	342,261	309,142	362,173	304,942	382,086	2,198,491	2,146,261	(52,230)		
Deductions From Revenue																			
Total Deductions From Revenue (Note A)	150,232	141,008	173,167	141,008	178,490	141,008	206,680	186,173	206,255	197,921	178,117	209,669	175,810	221,418	1,268,751	1,238,204	(30,546)		
Net Patient Revenue	109,473	104,790	126,989	104,790	131,496	104,790	151,710	136,176	149,915	144,340	131,025	152,504	129,132	160,668	929,740	908,057	21,683		
Total Operating Revenue	109,473	104,790	126,989	104,790	131,496	104,790	151,710	136,176	149,915	144,340	131,025	152,504	129,132	160,668	929,740	908,057	21,683		
Operating Expenses																			
Salaries & Wages	83,598	70,656	98,070	70,656	120,403	70,656	107,783	102,211	118,844	102,460	84,620	102,460	121,016	102,460	734,334	621,559	112,776		
Benefits	1,805	1,916	1,412	1,916	4,668	1,916	4,172	5,834	4,034	5,834	4,243	5,834	3,767	5,834	24,101	29,086	(4,985)		
Purchased Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Medical Supplies	-	-	91	-	13	-	299	-	55	-	943	-	1,188	-	2,589	-	2,589		
Other Supplies	-	-	9	-	-	-	-	-	-	-	-	-	295	-	304	-	304		
Maintenance and Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Expenses	5,339	-	1,659	-	8,104	-	3,657	378	6,151	378	4,250	378	3,353	378	32,513	1,512	31,000		
Allocation Expense	47,224	61,676	48,828	61,676	51,053	61,676	62,881	69,228	55,615	70,448	67,558	77,254	62,276	69,832	395,434	471,789	(76,355)		
Total Operating Expenses	137,966	134,248	150,069	134,248	184,241	134,248	178,792	177,651	184,700	179,120	161,613	185,926	191,895	178,504	1,189,276	1,123,946	65,329		
Excess of Operating Rev Over Exp	(28,493)	(29,458)	(23,080)	(29,458)	(52,745)	(29,458)	(27,082)	(41,476)	(34,785)	(34,780)	(30,588)	(33,422)	(62,763)	(17,836)	(259,536)	(215,890)	(43,646)		
Non-Operating Income																			
Non Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Non-Operating Income	-	-	-	-															
Excess of Revenue Over Expenses	(28,493)	(29,458)	(23,080)	(29,458)	(52,745)	(29,458)	(27,082)	(41,476)	(34,785)	(34,780)	(30,588)	(33,422)	(62,763)	(17,836)	(259,536)	(215,890)	(43,646)		

Southern Coos Hospital & Health Center
 Statements of Revenues, Expenses, and Changes in Net Position
 As of January 31, 2026

	Month Ending 1/31/2026			Year To Date 1/31/2026		
	Hospital Actual	Clinic Providers Actual	Actual	Hospital Actual	Clinic Providers Actual	Actual
Total Patient Revenue						
Inpatient Revenue	850,911	-	850,911	6,298,647	-	6,298,647
Outpatient Revenue	3,030,535	390,095	3,420,630	23,890,654	2,970,736	26,861,390
Swingbed Revenue	394,130	-	394,130	2,175,100	-	2,175,100
Retail Pharmacy Revenue	527,035	-	527,035	3,155,127	-	3,155,127
Total Patient Revenue	4,802,611	390,095	5,192,706	35,519,528	2,970,736	38,490,264
Total Deductions	1,830,876	226,050	2,056,926	13,947,031	1,724,376	15,671,407
Revenue Deductions %	38.1 %	57.9 %	39.6 %	39.3 %	58.0 %	40.7 %
Net Patient Revenue	2,971,735	164,045	3,135,780	21,572,496	1,246,361	22,818,857
Other Operating Revenue	2,141	-	2,141	217,848	-	217,848
Total Operating Revenue	2,973,876	164,045	3,137,921	21,790,344	1,246,361	23,036,705
Total Operating Expenses						
Total Labor Operating Expenses	2,296,996	133,550	2,430,546	16,225,416	808,868	17,034,284
Total Other Operating Expenses	874,027	71,783	945,810	6,732,179	459,669	7,191,848
Total Operating Expenses	3,171,023	205,333	3,376,356	22,957,596	1,268,536	24,226,132
Operating Income / (Loss)	(197,146)	(41,288)	(238,434)	(1,167,250)	(22,176)	(1,189,426)
Net Non Operating Revenue	155,643	-	155,643	1,009,614	-	1,009,614
Change In Net Position	(41,503)	(41,288)	(82,791)	(157,636)	(22,176)	(179,812)



January 2026 Revenue Cycle Board Finance Report

Accounts Receivable Summary

Total Accounts Receivable increased from \$8,251,162 in October to \$8,922,157 in January (+8.1%). Growth accelerated in December and January, driven primarily by Medicare balances, managed Medicaid balances, and temporary accumulation of Self-Pay balances over 120 days.

AR Days increased from 47.6 days in October to 58.8 days in January. This increase is influenced by both moderate AR growth and declining average daily revenue.

Aged AR Over 120 Days

Financial Class	October	November	December	January
Medicare	\$148,201	\$127,546 ▼ \$20,655	\$106,571 ▼ \$20,975	\$59,824 ▼ \$46,747
Commercial	\$433,980	\$425,551 ▼ \$8,429	\$437,265 ▲ \$11,714	\$462,521 ▲ \$25,256
Self-Pay	\$757,442	\$811,588 ▲ \$54,146	\$888,531 ▲ \$76,943	\$924,788 ▲ \$36,257
Medicare HMO	\$86,181	\$124,931 ▲ \$38,750	\$144,837 ▲ \$19,906	\$213,041 ▲ \$68,204
Medicaid HMO	\$69,806	\$85,578 ▲ \$15,772	\$153,758 ▲ \$68,180	\$172,040 ▲ \$18,282
Other Government	\$15,541	\$23,189 ▲ \$7,648	\$146,571 ▲ \$123,382	\$326,590 ▲ \$180,019
Medicaid	\$28,050	\$44,123 ▲ \$16,073	\$30,258 ▼ \$13,865	\$28,441 ▼ \$1,817
Worker's Comp	\$5,207	\$3,613 ▼ \$1,594	\$-1,616 ▼ \$5,229	\$-2,157 ▼ \$541
Other	\$4,864	\$5,389 ▲ \$525	\$5,128 ▼ \$261	\$3,515 ▼ \$1,613
Undistributed	\$-10,719	\$5,230 ▲ \$15,949	\$-8,792 ▼ \$14,022	\$22,687 ▲ \$31,479

Self-Pay balances over 120 days increased from \$757,442 in October to \$924,788 in January, an increase of \$167,346. This represents 6.09 days of AR. This increase has been noted in previous months as we work through the implementation of Americollect – which will go live in the month of February, and we will see an improvement in this area.

Other Government (VA, TriWest) saw a dramatic increase in the month of January for aged accounts over 120, this is due to two specific high dollar accounts that will show has paid in the month of February. Currently, VA

accounts are slow to pay. All Emergency room or inpatient services require authorizations. Obtaining the initial authorization is taking on average 30 days from the date of admission obtain, and then claims processing is typically much slower with this payor.

Average Daily Revenue (Impact on AR Days)

October: \$173,536 per day

November: \$163,353 per day ▼ \$10,183

December: \$158,632 per day ▼ \$4,721

January: \$151,847 per day ▼ \$6,785

Average daily revenue declined from \$173,536 in October to \$151,847 in January, a reduction of \$21,689 per day (12.5%). Because AR Days is calculated as Total AR divided by Average Daily Revenue, a lower revenue denominator mechanically increases AR Days even if collections performance remains stable. Approximately half of the increase in AR Days during this period is attributable to denominator compression rather than deterioration in revenue cycle effectiveness.

Billing Activity

Total billed amounts (Initial + Secondary/Rebills):

Month	Initial Billing	Secondary/Rebills	Total Billed
October	\$4,907,605	\$1,194,746	\$6,102,351
November	\$4,659,172	\$921,584	\$5,580,756 ▼ \$521,595
December	\$4,258,870	\$858,927	\$5,117,797 ▼ \$462,959
January	\$4,826,382	\$919,497	\$5,745,879 ▲ \$628,082

Average billed per day declined from \$196,850 in October to \$165,090 in December, before rebounding to \$185,351 in January. This would lead to lower collections for the month of January.

Collections Performance (Business-Day Adjusted)

Month	Payments	Avg Daily Collections
October	\$3,403,456	\$154,703
November	\$2,628,555	\$146,031
December	\$2,823,235	\$128,329
January	\$2,259,582	\$112,979

Average daily collections declined from \$154,703 per business day in October to \$112,979 per business day in January (through 1/30). Collections were slower for the month of January due to Medicare system updates. This is

not abnormal for the month of January when payor systems are updated with yearly updates. This reduction in daily cash flow, combined with lower average daily revenue, contributed to the increase in AR Days.

Revenue Cycle Summary

January's increase in AR and AR Days reflects timing and operational factors rather than a decline in team performance. Results were influenced by production variability, holiday-adjusted working days, government payer reimbursement timing, and a temporary buildup of Self-Pay balances during the Americollect transition.

January billing rebounded, collections placements will begin in February, and several large aged accounts, including older VA balances, have since paid. Because a small number of high-dollar accounts can significantly impact AR metrics, resolution of these outliers is expected to improve performance indicators.

While certain months do not align perfectly, leadership remains focused on strengthening workflows, particularly within the commercial payor class following prior staffing gaps. We expect continued stabilization of AR metrics in the coming months.

HIM Update

Effective January 8, 2026, Health Information Management (HIM) transitioned to reporting under Revenue Cycle. The organization ended its contract with Coding Concepts and has successfully moved to a fully staffed, internally supported HIM model. This transition is expected to generate meaningful cost savings while improving operational efficiency and accountability.

Additionally, scanning and indexing of paper records has transitioned to a 24/7 support model. Patient Access staff have been trained to assist with scanning and indexing during periods between Emergency Room registrations. This workflow redesign allows HIM staff to focus on higher-value activities, including release of information and monitoring provider documentation deficiencies, further strengthening compliance and revenue cycle performance.

Respectfully Submitted,

Colene Hickman
Revenue Cycle Director

SCHHC Monthly Review Dashboard

Metric	Status (based on		As of November 30,	As of December 31,	As of January 31,	Baseline
	3-Month Avg)	3-Month Average	2025	2025	2025	
Contingency Plan Tracking Metric						
Operating Gain/Loss - Excluding New Initiatives	✖	\$ (131,077)	\$ (113,591)	\$ (119,020)	\$ (160,619)	3 month average, excluding FY26 new initiatives expense
Operating Gain/Loss - New Initiatives (SLS, Surgery, Retail RX)	✖	\$ (155,569)	\$ (139,864)	\$ (249,027)	\$ (77,816)	3 month average, FY26 new initiatives only
Organizational Rev/Expense Metrics						
Total Patient Revenue	●	\$ 4,621,569	\$ 4,457,881	\$ 4,741,155	\$ 4,665,671	Budgeted patient revenue
Total Retail Pharmacy Revenue	●	\$ 538,027	\$ 476,226	\$ 610,819	\$ 527,035	
% Total Deductions from Revenue	✖	42.80%	42.02%	42.30%	44.09%	Goal: 35% average
Total Operating Revenue	●	\$ 3,208,733	\$ 3,139,609	\$ 3,348,670	\$ 3,137,921	3 month average calculated on 10% variance over 3-month average budget
Revenue Actual v Budget Variance	●	\$ (176,749)	\$ 55,531	\$ (56,873)	\$ (528,906)	Positive variance
Total Operating Expenses	✖	\$ 3,495,379	\$ 3,393,064	\$ 3,716,717	\$ 3,376,356	Budgeted Operating Expenses
Expenses Actual v Budget Variance	✖	\$ (17,619)	\$ 2,092	\$ (215,126)	\$ 160,176	
Operating Gain/Loss	✖	\$ (286,646)	\$ (253,455)	\$ (368,047)	\$ (238,435)	Includes all expense, including FY26 new initiatives
Change in Net Position	●	\$ (142,505)	\$ (141,111)	\$ (203,612)	\$ (82,792)	Budgeted Change in Net Position
% Margin	✖	(4.40%)	(4.50%)	(6.10%)	(2.60%)	Positive >1.0
Financial Health Metrics						
A/R Days Outstanding	●	54.6	52.0	52.4	59.3	40-55 days
Days Cash on Hand	●	69.3	75.1	72.4	60.4	60-180 days
Cash to Debt Ratio	●	1.0	1.0	1.0	1.0	.20 - 1.00+
Debt Ratio	●	0.5	0.5	0.5	0.4	.30 - .60
Status Light Key						
●	(10%) above or below baseline					
●	between 10.1% and 20% below baseline					
●	between 20.1% to 30% below baseline					
✖	anything 30% or more below baseline					

Operating Loss by Dept	2026			2026			2026			Rolling 3 month Ave	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Q1 2026 Average	Q2 2026 Average		Q3 2026 Average
SLS	\$ -	\$ (9,500)	\$ (9,500)	\$ (9,500)	\$ (8,235)	\$ (30,916)	\$ (37,419)	\$ (6,333)	\$ (16,217)	\$ (37,419)	\$ (25,523)
Surgery	\$ (76,237)	\$ (70,922)	\$ (77,832)	\$ (114,173)	\$ (95,487)	\$ (176,669)	\$ (72,273)	\$ (74,997)	\$ (128,776)	\$ (72,273)	\$ (114,810)
Retail Pharm	\$ (29,619)	\$ (17,896)	\$ (23,617)	\$ (50,246)	\$ (36,142)	\$ (41,442)	\$ 31,876	\$ (23,711)	\$ (42,610)	\$ 31,876	\$ (15,236)
Total	\$ (105,856)	\$ (98,318)	\$ (110,949)	\$ (173,919)	\$ (139,864)	\$ (249,027)	\$ (77,816)	\$ (105,041)	\$ (187,603)	\$ (77,816)	\$ (155,569)
Overall Operating Gain/(Loss)	\$ 8,495	\$ 84,901	\$ (401,387)	\$ (21,499)	\$ (253,455)	\$ (368,047)	\$ (238,435)	\$ (102,664)	\$ (214,334)	\$ (238,435)	\$ (286,646)
Gain (Loss) Excluding Initiatives	\$ 114,351	\$ 183,219	\$ (290,438)	\$ 152,419	\$ (113,591)	\$ (119,020)	\$ (160,619)	\$ 2,377	\$ (26,731)	\$ (160,619)	\$ (131,077)