



**Board of Directors Regular Meeting
& Executive Session
May 28, 2026 - 6:00 p.m.**

AGENDA

- I. Call to Order 6:00 p.m.**
1. Agenda Corrections or Additions.....(action)
- II. Consent Agenda**
1. Open Session Meeting Minutes
 a. Regular Meeting-04/23/26..... 1
 b. Special Meeting- 04/30/26..... 8
Motion to Approve Consent Agenda.....(action)
- III. New Business**
1. Consideration of Employee Health Insurance Plan Recommendations.....(action) 11
2. Consideration of FY26 CLA Independent Audit Scope of Work.....(action) 12
4. Consideration of Travel Expense for CEO to attend Becker’s Rural Healthcare Leadership Summit in June 2026.....(action) 26
- IV. Old Business**
None.
- V. Staff Reports-Discussion**
1. CEO Report..... 27
2. CMO Report 29
3. CNO Report 31
4. Multi-Specialty Clinic Report..... 36
5. Quality Key Performance Indicators Dashboard..... 43
6. HR Report.....(under separate cover)
7. CFO Report (see VI. Financial Review)
8. CIO Report 45
9. SCHED Foundation Report 48
10. Strategic Plan Update.....(under separate cover)
- VI. Financial Review**
1. Month-End CFO Report & Financial Statements for Period Ending April 30, 2026 49
2. April Revenue Cycle Report..... 60
- VII. Executive Session**
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; under 192.660 (2)(e) to conduct deliberations with persons you have designated to negotiate real property transactions, and 162.660(2)(j) to carry on negotiations under ORS chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments. No decision will be made in Executive Session.

1. Review of Executive Session Minutes for Consideration in Open Session
 - a. Regular Meeting Executive Session 04/23/26
2. Review of Monthly Reports for Consideration in Open Session:
 - a. Quality, Risk & Compliance Report
 - b. Medical Staff Committee Report
3. Discuss Health District Real Estate Holdings

VIII. Return to Open Session

1. Consideration of Executive Session Minutes from 04/23/26.....(action)
2. Consideration of Reports from Executive Session
 - a. Quality, Risk & Compliance Report.....(action)
 - b. Medical Staff Report(action)
3. Consideration of Real Estate Proposal.....(action)

IX. Open Discussion

X. Adjournment

**Southern Coos Health District
Board of Directors Meeting
Open Session Minutes
April 23, 2026**

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, Director/Quality Committee Liaison, and Robert Pickel, Director. **Administration:** Raymond Hino, CEO; Cam Marlowe, Interim CFO; Cori Valet, CNO; Amanda Bemetz, Director Quality Risk & Compliance; Alden Forrester, MD, CMO; Scott McEachern, CIO; David Serle, Clinic Director; Colene Hickman, Revenue Cycle Director; P.J. Keizer, Medical Staff Chief of Staff. **Via Remote Link:** Stacy Nelson, HR Director; Alix McGinley, SCHF Executive Director; **Guests:** Cibolo Clinically Integrated Network: Brittany Sachdeva, Riya Pulicharam, MD, and Kim Bartels. **Others in attendance:** Robert S. Miller, Counsel; Kim Russell, Executive Assistant. **Press:** None.

1. **Agenda - Corrections or Additions.** Old Business topic regarding Clinically Integrated Network moved forward in agenda as courtesy to guest speakers.

Mary Schamehorn **moved** to advance Old Business item #1 forward in the agenda. Bob Pickel **seconded** the motion. **All in favor. Motion passed.**

2. **Public Input – None.**

II. Consent Agenda

1. **Regular Meeting Open Session Minutes – 03/26/26**
2. **Invoice for Legal Services – Robert S. Miller Invoice – None.**

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

III. Old Business

1. **Cibolo Clinically Integrated Network (CIN) presentation.**

Raymond Hino opened with an introduction of the Board of Directors and a recap of his March presentation of information regarding a group of rural Oregon independent (not owned or affiliated by a Healthcare system) hospitals who have been meeting for approximately ten (10) months to discuss the possibility of creating an Oregon Clinically Integrated Network (CIN), whose membership would be restricted to rural and independent hospitals. This CIN would require a board of directors with 1 seat per hospital member. Several models are supported by the Federal government, with a 1-2 month decision timeframe. Board members had requested additional information to be presented tonight. Members of the administration team from Cibolo High-Value Networks attended tonight via remote link to introduce their organization

and answer questions about CIN networks. Cibolo CIN networks are built on the principle that independent rural hospitals can come together to meet the challenges of providing high-quality, affordable care in rural settings while remaining independent. Members of Cibolo provided introductions and a company overview with focus on rural health support based on economy of scale and negotiated payers. The CIN is setup as an Oregon non-profit with an elected board with members sharing risk, infrastructure and value based care. The network provides the scale to qualify for value-based care incentives. Estimated timeline includes 1-2 years to startup. The CIN could provide the scale to support efforts with pharmacy payers who currently refuse 340B pricing. **Discussion:** Concerns were voiced about the potential additional burden on Southern Coos Administration and cost. Initial cost is a \$4,000.00 fee to support a required Health Care Market Oversight (HCMO) review. The Oregon Health Authority (OHA) reviews proposed health care business deals to make sure they support Oregon's goals of health equity, lower costs, increased access, and better care. The program applies to mergers, acquisitions, and other business deals that involve health care entities. Staff time required, as we are currently aware, includes a monthly 1-hour meeting. Founding members benefit with 2 permanent seats on the board of directors. Additional benefits include access to resources and training. Bylaws are in process of being developed. Other hospitals who have expressed interest are Curry General, Bay Area Hospital, Lower Umpqua Hospital, and Coquille Valley Hospital. Mr. Bedell acknowledged that there are some unknowns going forward. Staff outreach to others in a CIN has resulted in a positive review of benefits outweighing any perceived drawback of effort required, utilization of existing reporting, and sharing information within the group, providing platforms for training, cost savings in a number of areas.

Pam Hansen **moved** to pursue joining the Cibola Clinically Integrated Network with exit option. Mary Schamehorn **seconded** the motion. **All in favor. Unanimous decision.**

IV. New Business

1. Legal Counsel Participation in Public Meetings – Discussion

Mr. Bedell thanked Mr. Miller for his representation of the Health District Board of Director's in Health District public meetings and confirmed with him that we may proceed with his attendance on as as-needed basis. Mr. Bedell and Mr. Miller will confer monthly to determine if legal counsel is recommended or required per the agenda.

V. Staff Reports

1. CEO Report

Mr. Hino offered to answer questions regarding his report. The report included a status on the new Senior Life Solutions service line, designation of DNV Accreditation/ ISO 9001 Certification, Master Facility Plan with special meeting scheduled to be April 30, and an update on the Rural Health Transformation Program with details available in the written report, an update on a potential physician residency training program on

the south coast and Mr. Hino's attendance at the Becker's Healthcare Annual Meeting as a panel member to discuss, "CEO Strategy to Drive Growth Amid Disruption." There were no questions.

2. CMO Report

Dr. Forrester provided highlights from his report, including recent use of telemedicine in care of a pediatric patient, offers made to 2 surgeons who have interest in a monthly rotation at Southern Coos, and reporting regarding a third-year family medicine resident from Klamath Falls who recently completed a two-week training rotation at Southern Coos, Bailey Simon, MD. Positive reports were received both from patients and the resident. We hope this will be the first of many to come.

3. Retail Pharmacy Report

Dr. Forrester reported that Retail Pharmacy volume has increased to 3,000 per month, up 22% from prior month, however the net change in position reflects issues with manufacturers refusing to honor 340b pricing on qualifying medications and manufacturer rebate agreements. We are working with manufacturers to address these and exploring legal options. Initiatives to reduce cost and increase revenue are in process.

4. CNO Report

Cori Valet, CNO, reported that progress is being made to fill RN vacancies. Ms. Hardin requested a training update regarding ultrasonography and Mr. Bedell noted appreciation for the effort to reduce use of contract staff. Ms. Valet responded that we are hoping to utilize granted training funds to provide staff training to support both general sonography and cardiac sonography, and will keep the Board of Directors up to date. Ms. Valet closed with an update on nursing school students in their final three-month program, on site and currently active, one in the emergency department and two on the inpatient unit. Regarding a question if the school nurses collaborate with hospital ER staff, the answer is yes. There were no further questions.

5. CFO Report – See Financial Review Section VI.

See Financial Review.

6. CIO Report

Mr. McEachern reminded all of the importance of continued cybersecurity awareness. Mr. Bedell inquired about the number of Epic interfaces that are shown in the printed report. Mr. McEachern noted that the decision to delay some interfaces was made to support staff and training requirements, stating that an Epic implementation is not generally fully mature for approximately 10 years. There were no further questions.

7. Multi-Specialty Clinic Report

Mr. Serle presented highlights for clinic operations in the month of March. Discussion included an update on the success and positive reception of the recent medical resident. The Board was reminded that the clinic financial report does not include the Pain Clinic stats or the allocation of property tax funds. Mr. Bedell described how the Pain Clinic revenue allocation is shared with Surgical Services.

8. HR Report

Mr. Nelson reviewed highlights from his report, noting that the spikes in new employee turnover have reduced. A presentation prepared for Southwest Oregon Community College & local high school teachers and administrators regarding job opportunities for a April 17 site visit to Southern Coos was shared with the Board and included in the meeting packet. Also included were hiring statistics as well as a list of planned internal Leadership trainings and employee of the month awards.

9. SCHD Foundation Report

Ms. McGinley was pleased to report that in the first week of outreach for the 2026 Golf for Health Classic sponsorships, we have already received commitments of \$22,650. As a part of the Volunteer Expansion initiative, a special Call to Volunteers event is scheduled for Saturday, May 16 a 2:00 p.m. at the hospital. There were no questions.

10. Strategic Plan Update

Mr. Hino referenced the Strategic Plan handout noting that 21 initiatives have been achieved/closed and 2 goals have been closed, for Data Governance and Retail Pharmacy Optimization. It is time to consider development of a new Strategic Plan, following our current focus on the Community Health Needs Assessment and Rural Health Transformation Fund application due next month. Mr. Bedell commented on the great effort by Mr. McEachern on the Community Health Needs Assessment and reminded everyone to please complete the survey.

VI. Financial Review

1. Month-End Report & Statements for Period Ending March 31, 2026

Cam Marlowe, Interim Chief Financial Officer, opened with news that the month of March recorded a record for the hospital with \$6.15M in total gross revenue, more than double the revenue of March 2022. All four categories of revenue, inpatient, outpatient, swingbed and retail pharmacy were all significantly higher than the FY26 monthly averages. The year-to-date change in net position is now at breakeven. FY27 Capital and Operational Budgets are in process as we approach the June 1 Budget Committee Meeting. Discussion included a review of how the budgeting process attempts to anticipate contractual deduction percentages. Mr. Bedell helped to describe how cashflow impacts contractual deductions, and other factors also contribute. Mr. Marlowe reviewed the Income Statement Trends, Balance Sheets,

and Key Performance Indicators. March closed with 55.1 days Cash on Hand.

2. March Revenue Cycle Report

Colene Hickman, Revenue Cycle Director, reviewed key highlights from the printed report, including Accounts Receivable (AR) Days improvement to 53.3, continuing a downward trend from January peak, Aged AR over 120 days declined overall, driven by significant reduction in Self-Pay balances, the majority of AR remains in under 90-days, indicating strong revenue cycle performance, and billing reached one of its highest levels since the Epic go-live date at \$6.6M, supporting increased collections in upcoming months. Ms. Hickman credited all departments for their efforts to achieve these results.

3. Monthly Review of Mitigation Plan

Mr. Bedell noted that the Board would like to retire this report, requesting a focus on operating losses, rolling new strategic initiatives into the standard financial report, thanking Jenny Percy in Financial Accounting and Scott McEachern, CIO, for their efforts. **Discussion:** It was noted that Senior Life Solutions (SLS) is 100% cost-based reimbursed from Medicare, to become a receivable in the Cost Report. Surgery business is 70% traditional Medicare and also a receivable in the Cost Report. Retail Pharmacy is not trending favorably as we work on resolving contractual 340B pricing and reimbursement issues. Mr. Bedell requested that the 3 initiatives still be broken out in the report. It was also noted that there is a lag in SLS revenue reimbursement postings.

4. Hospital Loan Payoff Discussion

Mr. Marlowe provided a review of the 4 major loans currently held: 1) 40-year USDA revenue bonds from 1999 construction; 2) Epic loan promissory note with Banner Bank; and two smaller loans for the Specialty and Primary Care Clinics, all totaling \$5,619,681 as of March 31, and reviewed current cash and investment funds with current cash at \$10M. Two large loans paid off now would put our days of cash on hand at 55.3 days. If only the Banner Bank loan is paid, days of cash on hand will be at 78. The Finance Committee, who met earlier today, recommended conservatively to pay off the Banner Bank loan only at this time and the USDA loan in the next year or two. **Discussion:** The Master Facility Plan (MFP) is to be reviewed at the Special Meeting on April 30. Board members requested to hold a decision until close of the Special Meeting.

VII. Open Discussion

None.

VIII. Executive Session

At 8:18 p.m. the Board moved to 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 decision was 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, MD, 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 8:37 p.m. the meeting returned to Open Session.

1. Consideration of Executive Session Minutes 3-26-26

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

X. Adjournment

The meeting adjourned at 8:38 p.m. The next regular meeting will be held on May 28 at 6:00 p.m. at Southern Coos Hospital & Health Center.

Thomas Bedell, Chairman 5-28-2026

Mary Schamehorn, Secretary 5-28-2026

**Southern Coos Health District
Board of Directors
Special Meeting Minutes
April 30, 2026**

- I. Roll Call – Quorum established;** 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; Cam Marlowe, Interim CFO; Cori Valet, CNO; Amanda Bemetz, Director Quality Risk & Compliance; Alden Forreser, MD, CMO; Scott McEachern, CIO; Colene Hickman, Revenue Cycle Director; P.J. Keizer, MD, Medical Staff Chief of Staff. **Guest Presenters:** Joe Kunkel, The Healthcare Collaborative; JD Dreyer, Davis Partnership, John Dao and Megan Hartman, Wipfli Advisory, LLC. **Others in attendance:** Alix McGinley, SCHF Executive Director; Joseph Bain, SCHF President; Robert S. Miller, Counsel; Kim Russell, Executive Assistant. **Press:** None. **Public:** Brett Perkins, Perk Development; Marie Simonds, Bandon Dunes Charitable Foundation.

1. Agenda Corrections or Additions

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

2. Public Input

None. See also Public Comment following presentations.

II. Consent Agenda

None.

III. New Business

None.

IV. Old Business

1. Consideration of Master Facility Plan

Raymond Hino, CEO, welcomed attendees and provided introductions and recap of events to-date, summarizing 15-months of work with staff and data analysts. Special introduction of Marie Simonds from the Bandon Dunes Charitable Foundation and thanks to the Bandon Dunes Charitable Foundation for the grant that made this study possible. Mr. Kunkel provided an overview of Process and Deliverables from a prepared presentation shared on screen, including facility overview, market assessment, commercial evaluation, financial evaluation, operations evaluation, planning work and deliverables presented as clear preferred options, and organizing and guiding principles and guiding statements. JD Dreyer from Davis Partnership Architects reviewed market data and projections and volumes of service line over the next 5-10 years and bed capacity analysis by

modality. Mr. Dreyer provided a review of the industry standard FGI Codes/Guidelines, the most widely recognized standard for planning, designing, and constructing health and residential care facilities. The FGI Codes/Guidelines consolidate minimum program, space, risk assessment, infection prevention, architectural detail, surface, built-in furnishing, and building system. States and federal agencies use the FGI Codes/Guidelines to regulate new construction and major renovations of health and residential care facilities. Areas of consideration include ADA (Americans with Disabilities Act) requirements; mechanical, electrical, plumbing systems (MEP), and structural systems.

Four options were reviewed in detail, briefly summarized herein, 1) "Replace in Place," a 40-month estimated construction duration and estimated cost of \$86M; 2) "On the Campus" 32-month timeline with new construction at current business building location, with demolition of current clinic and hospital and estimated cost of \$95M; 3) "Across the Street" also a 32-month estimated construction timeline with new construction at adjacent medical office facility presently owned by Douglas Crane, MD, with estimated construction timeline at 34-months and estimated cost of \$118M; and 4) "On the Street," new construction at adjacent medical office facility in addition to existing campus buildings at estimated cost of \$117M. **Discussion:** Mr. Hino emphasized the need and desire to retain Critical Access Hospital (CAH) designation, the group considered parking projections for both patients and staff and reviewed current real property boundaries.

Megan Hartman, a senior manager with Wipfli Advisory, LLC, in their healthcare practice, reviewed project funding options of cash reserves, financing, capital campaigns, grant sources, and voter approved funding. The debt capacity and financial scenario modeling process was reviewed as well as historical financial ratio, overall basis for projections, and growth scenarios. Three debt capacity scenarios were reviewed, 1) projected debt capacity-no change in existing long-term debt, 2) projected debt capacity-existing Banner Bank loan payoff, and 3) projected debt capacity-Banner Bank and USDA existing debt payoff, and how these impact Days of Cash on Hand. These assumptions are based on a pay-off date at beginning of FY27 (July 1, 2026). Methodology for findings was reviewed from details provided in the printed proposal. John Dao, Partner, Wipfli Advisory, LLC added that Southern Coos Hospital Administration and the consulting team have identified options for positive paths forward for savings and growth opportunities to support debt capacity.

Next steps include to further develop a preferred concept, consider purchase of the adjacent medical facility currently owned by Douglas Crane, MD, acquisition of City of the Bandon 11th Street right of way, currently a gravel parking lot in use as overflow parking, and develop a plan for potential bond funding. Current facilities are deficient. Successful margin improvements have already been initiated and our efforts continue in this area. The recommendation of SCHHC Administration is to proceed with concept development of Option 4, "On the Street," new construction at adjacent medical office facility in addition to existing campus buildings at estimated cost of \$117M. Mr. Hino thanked Tom Bedell and Bob Pickel for taking the time to "stress test" the options. Funding for Phase 1 may include Rural Health Transformation funds. Financing could be combined with a capital campaign (charitable giving), and voter approved bond financing. Dr. Crane has

already offered to sell his building to the District. **Discussion:** Perhaps physical therapy can be a consideration for added revenue. End of life for the new construction would extend beyond 2040 with design considerations made at time of construction.

2. Questions, Answers, and Public Input

Joseph Bain, Bain Insurance Agency, President and founding member of the Southern Coos Health Health Foundation recapped history of previous growth initiatives stunted by changes in administration and the pandemic. Public perception is currently at an all time high, our community is growing, and our current facility is deficient, stating, “now is the time.”

Brett Perkins, Perk Development, real estate developer from Coos County and current Bandon resident. “The most affordable time to build is now.” Costs escalate. Delays can translate into millions of dollars overnight. Beyond cost, this is about who we are as a community and who we are becoming. Quality healthcare and schools are fundamental to a thriving community. This data driven presentation included community input and long-term projections and presents a clear path forward if you proceed strategically. Mr. Perkins respectfully encourage that the Board proceed with this next step.

Colene Hickman, Revenue Cycle Director, noted her 26 year career in healthcare including experiences with other growth initiatives. Growth that is not well planned costs hospitals so much more in corrections and rebuilds. This process has been impressive. Thoughtful planning, strategic initiatives and realistic revenue projections will save money in the long run. Where others are struggling, we are thriving. Ms. Hickman is in support of proceeding with next steps.

3. Consideration of Hospital Loan Payoff

Cam Marlowe recapped the debt payoff scenarios detailed above noting projected impact on days of cash on hand. Banner Bank loan has 3-4 more years remaining with interest savings at payoff of \$300-400K; the USDA loan has 14 years remaining with estimated interest savings of \$900K. Payoff of Banner Bank loan would release our secured funds currently in Banner Bank CDs. It’s feasible to do one or both. There are no penalties for early payoff of either loan. Payoff of USDA loan will not impact future borrowing. In year one we would save more with Banner Bank payoff. **Discussion:** Additional loan payoff may be completed at a later date if and/or when feasible.

Mary Schamehorn **moved** to pay off the Banner Bank loan and proceed with intention to pursue Option 4 as presented. Bob Pickel **seconded** the motion. **All in favor. Motion passed unanimously.** **Discussion:** Additional loan payoff may be considered at future date.

- V. **Adjournment.** The Special Meeting adjourned at 6:10 p.m. The next regular meeting will be held as scheduled on Thursday, May 28, 2026 at 6:00 p.m. at Southern Coos Hospital & Health Center.

Thomas Bedell, Chairman 05-28-26

Mary Schamehorn, Secretary 05-28-26

DRAFT



DATE: May 22, 2026
TO: Board of Directors
FROM: Raymond T. Hino, CEO *Raymond T. Hino*
SUBJECT: Employee Health Insurance Plan Recommendations

Recommended Action

That the Southern Coos Hospital & Health Center (SCHHC) Board of Directors approves a Benefit package, as presented by the SCHHC management team for full and part time employees for coverage year October 1, 2026, to September 30, 2027. The benefit plan will be a comprehensive plan to include medical, vision, life, and disability coverage.

A description of the benefit plans that are offered to SCHHC, including a price breakdown of each, will be provided at the Board meeting on Thursday night.

Background

On January 1, 2025, Southern Coos Hospital & Health Center switched its employee medical insurance plan from Moda Health to Regence Blue Cross/Blue Shield on a 2-year contract. The rate increases for year 2 (starting January 1, 2026) was initially quoted as a 20% increase and eventually negotiated down to a 14% increase. This has been the trend for the last several years under health insurance coverage through both Moda Health and Regence Blue Cross/Blue Shield.

Management has been continuing to explore options for health insurance and full benefits for our employees at a reduced cost. On Thursday night, we will present to the Board of Directors our recommendations for medical insurance coverage that will include a complete package of insurance benefits, to include medical, dental, vision, life, disability and other coverage at a more sustainable price than what we have contracted for in the past.



DATE: May 22, 2026
TO: Board of Directors
FROM: Raymond T. Hino, CEO *Raymond T. Hino*
SUBJECT: Approval of Scope of Work Agreement for FY 2026 Independent Audit

Recommended Action

That your Board approves the Hospital CEO to sign the attached FY 2026 Audit Scope of Work agreement with the accounting firm of CliftonLarsonAllen, LLP (CLA) for our 2026 Independent Audit Report, at a cost of \$40,250 plus \$2,025 in expenses.

Background

Last year the Board of Directors appointed an Audit Committee, chaired by Pam Hansen, to conduct a Request for Proposals (RFP) process to select a qualified firm to conduct our Fiscal Year 2025 Report of Independent Auditor. This was a departure from prior years when the firm of Moss Adams had been retained to conduct the annual audit without a competitive process. At the conclusion of the RFP process, the SCHHC Audit Committee recommended retaining the firm of CliftonLarsonAllen, LLP (CLA) for a 3-year term to conduct annual audits of the Southern Coos Health District. We are now entering into the 2nd year of the 3-year agreement.

Conclusions

We have received an Audit Services Summary and a FY 2026 Audit Scope of Work with a request to execute the Audit Scope of Work document. Both documents are attached to this memo.

We, the management team, feel that the CLA team did a good job on the FY 2025 audit and we are recommending that we engage CLA for our FY 2026 audit.



Audit Services Summary

CLA Information

CLA Client Location: 032 - Pacific Northwest

Client Information

Client Name: Southern Coos Hospital and Health Center

CLA Client ID: A136155

Multiple Entities: No

Agreement Information

MSA Date: March 19, 2026
SOW Date: March 19, 2026
Period or Year: year
Period/Year End Date: June 30, 2026
Does this replace a previously signed SOW? No

Type of Entity: State & Local Government

Performance Standard: U.S. GAAS & YB only

Who will be responsible for the performance of the services? Client relationship leader and engagement leader

Engagement Leader: David Imus

Client Relationship Leader: Kristin Baquero

Wisconsin engagement: No

For GAAP S&L Govt, Homeowners Associations or Insurance, select one of the reporting options for RSI: Includes RSI

State and Local Government Financial Statement Description: net position; revenues, expenses, and changes in net position, and cash flows

Does supplementary information accompany the FS? Yes

Supplementary Information Options: We are engaged to report on ALL supplementary information

Is this a S&L Govt K-12 school? No

Will there be nonaudit services provided? Yes

Choose nonaudit services

- Preparation of your financial statements and the related notes: Yes

- Preparation of the required supplementary information (RSI): Yes

- Preparation of the supplementary information: Yes

- Preparation of depreciation schedules: No

- Converting cash basis accounting records to accrual basis: No

Add additional non audit services? No

Will there be component auditors? No

Is this an initial year audit? No

Is this a MN S&L Govt audit or MN Government Building Fund audit? No

Is this a Florida state & local governmental entity? No

Will CLA be engaged to include in our report a section that discusses key audit matters? No

Will CLA's auditor's report be included in the client's annual report? No

Will CLA be engaged to provide a report on compliance with aspects of contractual or regulatory requirements of a bond/loan agreement? No

Number of significant risks: 2

Describe the significant risk(s) identified: Management override of controls

Describe the significant risk(s) identified: Revenue recognition

Does CLA plan to use entity's internal audit function to assist us? No

Does CLA plan to use personnel from entity's internal audit function to assist us? No

Does CLA plan to use an auditor's specialist? No

Will SOW indicate date we expect to begin our audit? No

Will SOW indicate the date we will observe inventory? No

Is this a healthcare entity choice? Yes

Fee Information

Fee Structure: Fixed Fee

Fixed Fee Amount: \$40,250.00

List services: No

Include Billing Option: No

Include Predecessor auditor communications? No

Will a retainer be required? No



March 19, 2026

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated March 19, 2026, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Southern Coos Hospital and Health Center ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2026.

Kristin Baquero is responsible for the services provided to you. They will be assisted by David Imus, who is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the statements of net position; revenues, expenses, and changes in net position, and cash flows, which comprise the basic financial statements of Southern Coos Hospital and Health Center, and the related notes to the financial statements as of and for the year ended June 30, 2026.

We will audit the financial statements of the Southern Coos Health District, in accordance with auditing standards generally accepted in the United States of America and the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-000 through 162-010-320 of the Minimum Standards for Audits of Oregon Municipal Corporations,, prescribed by the Secretary of State and issue an independent auditors' report required by Oregon State Regulations for the year ended June 30, 2026.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.

- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by

Government Auditing Standards. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the entity is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the entity and its environment, including the system of internal control, relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

- Revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration

or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of CLA and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory bodies pursuant to authority given to it by law or regulation. If requested, access to such audit

documentation will be provided under the supervision of CLA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to those regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a regulator. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In accordance with Section 1861(v)(1) of the Social Security Act, the Secretary and Comptroller General have access, upon request, to the contract and to the books, documents, and records of CLA that are necessary to verify the nature and extent of the costs of services furnished under this contract. This will remain applicable until the expiration of four years after the services furnished under this contract.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fee is \$40,250.00. We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new

or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Southern Coos Hospital and Health Center.

CLA
David Imus

David Imus, CPA

David Imus, CPA, Principal

SIGNED 5/13/2026, 10:45:03 AM PDT

Client
Southern Coos Hospital and Health Center

SIGN:

Raymond T. Hino

DATE:



DATE: May 22, 2026
TO: Board of Directors
FROM: Raymond T. Hino, CEO *Raymond T. Hino*
SUBJECT: Request Approval for CEO Travel Expense to Attend Becker's Conference

Recommended Action

That the Southern Coos Hospital & Health Center (SCHHC) Board of Directors approve travel expenses in the amount of \$2,330.00, to include airfare, hotel stays and taxi fare.

Background

For many years I have been invited to be a speaker on panel presentations at the Becker's Healthcare conferences in Chicago, Illinois. I usually benefit from attending these conferences by learning from other speakers and presenters, as well as by meeting with vendors that have helped our hospital to save money or expand services. In recognition of my service as a speaker at the conferences, the Becker's organization has been willing to cover the registration fees for attendance at the conference, but not travel costs.

Earlier this year, I attended the Becker's Annual Meeting in April and intended for that to be my only attendance at a Becker's conference this year, although I am frequently invited to attend their other conferences. I covered my own costs to attend that conference, including all travel expenses and took vacation time to attend.

I am asking for approval of travel expenses to attend this 2nd Becker's Conference this year, because this is a unique opportunity. For the first time, ever, Becker's Healthcare is presenting a Rural Healthcare Conference, entitled the Becker's Healthcare Rural Healthcare Leadership Summit. The dates for the conference are June 11-12. This time, because of my experience with the Rural Health Transformation Program (RHTP) in the State of Oregon, and my history of experience in rural healthcare, the Becker's organization has invited me to come back and serve on a Keynote Panel, with the topic "The Rural Healthcare Transformation Fund – What's Funded, What's Next and What It Means to You." I will be joined on the panel by Nationwide Rural Healthcare Expert, Lynn Barr and Banner Health Senior Director of Planning and Strategy, Nathan Kinney. I feel like this is a tremendous opportunity to highlight the great things that we are doing at Southern Coos Hospital & Health Center, as well as within the State of Oregon. I am very pleased with the State of Oregon's response to the RHTP with the direct awards to rural hospitals and the oversight by our Rural Health Coordinating Council. I would love to represent SCHHC and the State of Oregon in this very favorable light.



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, May 28, 2026

Senior Life Solutions:

- As reported last month, the Senior Life Solutions team now is fully staffed with a Program Director, Morgan Strohl, Therapist, Kimberly Reilly and Patient Care Coordinator, Misty Williamson. The SLS program now has 6 patients and has referrals to continue to add. They are continuing to provide services in our hospital conference room until their new clinic space is completed. I am very hopeful that their new space will be ready in June.

DNV Accreditation/ ISO 9001 Certification:

- Our Quality team continues to do an excellent job of helping our entire staff to comply with DNV and CMS regulations and requirements. An excellent way to ensure compliance is the internal audit/tracer program that is currently underway using hospital staff to conduct “mock” surveys of departments in the hospital. This has not been done, prior to this year, and is going extremely well. Special thanks and appreciation to our staff that have agreed to conduct the tracer surveys in other departments.

Master Facility Planning Process

- The Master Facility Planning Process results were presented to our Hospital Board and to the community at a public meeting on April 30. The meeting was well attended and was recorded for anyone to view. Our architecture team at Davis Partnership did a great job of going over five (5) options for future building construction. The recommendation of the staff was that we focus on Option 4, which would include a new wing to be added to our current hospital, and including a remodel of the existing hospital. The next steps are to acquire additional adjacent land to the north of our current hospital campus. We will also be exploring financing options, to include USDA financing, charitable giving and the potential for a local election to support future growth.

Federal/State Funding – Rural Health Transformation Program Funds

- As previously reported, the Federal government has allocated \$50 Billion to be distributed to States over 5 years in a program called the Rural Health Transformation Program (RHTP). For the first year of the 5-year program, the State of Oregon received \$197 million. Oregon previously informed rural providers that funding will be distributed in year 1 (October 2025 – September 2026) through 4 separate programs:
 - Immediate Impact Awards (\$40 million)
 - Catalyst Awards (\$80 million)
 - Regional Planning and Innovation Awards (\$40 million)
 - Tribal Initiatives (\$37 million)

- Southern Coos Hospital has been deemed eligible for funding through both the Immediate Impact Awards and the Catalyst Awards. During the month of April, we were informed that Southern Coos Hospital & Health Center will receive \$963,000 in Immediate Impact Awards, upon submission of an approved Business plan for use of the funds. SCHHC applied for funding for the following programs:
 - Emergency Department improvements
 - Surgery Service expansion
 - School Nurse program expansion

We have not yet been informed if our plan for use of the funds has been approved yet. If approved, we expect that 50% (\$481,500) will be received this summer, with the 2nd 50% being received later this year. There will be a requirement for quarterly reporting of how we are using the funds.

- The second opportunity for SCHHC to receive RHTP funding is through the competitive Catalyst Award program. This funding opportunity is expected to be extremely competitive with \$80 million available and hundreds (and hundreds) of eligible organizations able to apply for the funds. The deadline date for the application for the Catalyst Awards is May 26. We will be providing information to the Board under a separate section on our application for Catalyst awards.

Recruitment for CFO/COO:

- We are advertising on National websites and on the American College of Healthcare Executives (ACHE) website for our Chief Financial Officer/Chief Operating Officer position. So far, as of today's date, we have received 11 applications. I have selected the top 2 for preliminary interviews. If they continue to be active candidates after the first round of preliminary interviews, then we will organize additional interviews with our Executive team and other members of the staff.



Chief Medical Officer Report

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

National Health Service Corps

Our clinic National Health Service Corps site application was submitted May 19, 2026. We only had three weeks to submit this application after receiving notification that the application window had opened. My thanks to the many individuals involved in this crash effort including Ray Hino, as well as Cam Marlow, David Serle, Colene Hickman, and Dr. Jennifer Webster.

The application is currently under review. If granted, it will give us additional clinician recruitment and retention tools including federal loan repayment funds. An open question is whether the application will be considered complete as we were not able to submit a companion application for the hospital in the time allotted due to technical issues. We have been notified that the hospital application can be submitted this fall.

Chart Deficiencies

To submit a bill for services, the medical record, or “chart,” must be complete with all required documentation and signatures. When I arrived at Southern Coos, the total dollar value of incomplete charts hovered around \$1 million. That means that roughly \$1 million of services we had rendered could not be billed until the charts were completed, which significantly impacted cash flow.

Due to the efforts of many people including Colene Hickman, Scott McEachern, Lori Colby, Alicia Coffey and the members of our medical staff, we set an organizational best during the week of May 18 with only **ONE** deficient chart with a value of around \$7,000. I have never heard of any organization achieving an improvement in chart deficiency of that magnitude and I want to make sure those involved are recognized for their achievements. We will, of course, continue to be vigilant so that these improvements are maintained.

General Surgery

We remain in negotiations with two general surgeons to work at Southern Coos as independent contractors. The plan is to continue the one week a month of general surgery coverage that was provided by Dr. Schulte after he leaves.

Both surgeons have expressed interest in growing the surgery program by making themselves available to our emergency department for consultations. The vision is to continue to build on our endoscopy services while also attracting a more diverse range of general surgery cases.

Medical Staff Application Fee Update

The Medical Staff Executive Committee recommends instituting a fee for medical staff applications with some exceptions. A proposed Medical Staff Bylaws change has been drafted and is out to the members of the medical staff for review and comment. If adopted by the medical staff, it will come here for Board Approval.

Antimicrobial Stewardship Update

As you recall, the Board approved the appointment of Dr. Monika Mehrens as our clinician champion for Antimicrobial Stewardship. Since that appointment, Dr. Mehrens has been working with our infection preventionist Amy Walter as well as our antimicrobial stewardship data provider Pipeline RX and others to stand up this required program.

I am pleased to announce that the first scheduled meeting of our Antimicrobial Stewardship committee will take place on June 19th.



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 – May 28, 2026

Clinical Department Staffing –

- Medical-Surgical department – Three full-time RNs recruited in April. This leaves only one full-time nurse position vacant. CNA positions are fully staffed. Three contract RNs utilized in April.
 - FTE variance – Under budget expectation at -4.45 FTE variance.
 - The intentional delay of hiring of two tele-tech positions until trauma certification is imminent accounts for 2 FTE.
 - Staff flexing to account for low census days.
 - Manager standing in as charge nurse when replacement coverage for vacancies not established.
- Emergency department – One full-time RN position vacant. Two contract RNs utilized while 3 orienting nurse complete orientation. Once contract concluded mid-April.
 - FTE variance – Over by 1.45 FTE due to resource nurses orienting to their positions.
- Laboratory department – Fully staffed.
 - FTE variance - Over by 1.16 due to new per diem employees orienting to the department in April.
- Surgical department – Fully staffed.
 - FTEs variance – Below budgeted expectations at -1.95 FTE.
 - Staff being flexed to other departments and/or called off for low census.
 - Freeze on additional RN and surgical tech recruitment efforts until volumes indicate need.
- Medical Imaging – One full time CT/XR technologist positions remain open. One full time CT/XR out on medical leave. One full time cardiac sonographer out on maternity leave . Three contract technologists utilized in April to cover the vacancies.
 - FTE variance – Below budgeted expectations at -2.15 due to the delay in hiring additional technologists:
 - US technologist (May not be needed if cardiac sonographer enrolls in general ultrasound program)
 - Mammography technologist (Current ultra sonographer IV and manager covering)
 - CT/XR technologist for surgical services (Wait until volumes indicate need)
- Respiratory therapy – One part time respiratory therapist (RT) position vacant.
 - FTE variance – Below budgeted expectations at -2.03 due to leave of absences. Manager covering vacancies.
- Case management – No changes from prior month, fully staffed.

	April 2026 FTE				
	SCH Actual	Contract Actual	Actual Total	Budget	Diff
Med Surg	24.74	2.76	27.5	31.95	-4.45
Manager	1	0	1	1	0
CH RN	3.05	0	3.05	3.85	-0.8
RN	9.08	2.76	11.84	12	-0.16
LPN	1.4	0	1.4	2.45	-1.05
CNA	8.89	0	8.89	8.65	0.24
TeleTech	1.32	0	1.32	4	-2.68
Emergency Dept	15.69	0.94	16.63	15.18	1.45
Manager	1	0	1	1	0
RN	10.59	0.94	11.53	8.78	2.75
LPN	3.02	0	3.02	3.6	-0.58
CNA/US	1.08	0	1.08	1.8	-0.72
Laboratory	10.57	0	10.57	9.41	1.16
Manager	1	0	1	1	0
MLS	2.24	0	2.24	0.37	1.87
MLT	2.78	0	2.78	3.12	-0.34
Lab Assist I	1.62	0	1.62	2.38	-0.76
Lab Assist II	1.86	0	1.86	1.47	0.39
Lab Assist III	1.07	0	1.07	1.07	0
Surgical Dept	5.85	0	5.85	7.8	-1.95
Manager	1	0	1	1	0
Surgical RN	2.27	0	2.27	3	-0.73
Sterile processor	0.71	0	0.71	1	-0.29
Surgical Tech	1.07	0	1.07	2	-0.93
Housekeeper	0.8	0	0.8	0.8	0
Medical Imaging	9.94	2.3	12.24	14.39	-2.15
Manager	1	0	1	1	0
Radiology Tech	4.16	1.64	5.8	8.03	-2.23
Rad Tech I	1.95	0	1.95	0.7	1.25
Ultrasound	1.04	0.66	1.7	2.66	-0.96
MI Coordinator	0.93	0	0.93	1	-0.07
MI Admin Assist	0.86	0	0.86	1	-0.14
Respiratory Therapy	5.28	0	5.28	7.31	-2.03
Manager	1	0	1	1	0
RT	4.28	0	4.28	6.31	-2.03
Swing Bed	1.5	0	1.5	1.65	-0.15
Case manager	1.5	0	1.5	1.65	-0.15
Totals	73.57	6	79.57	87.69	-8.12
% of FTE	92%	8%			

Emergency Department Transfer Statistics –

- April 2026 Transfers – Total Transfers = Forty-one (41). Forty (40) transfers required higher level of care and/or specialty services not offered at SCHHC. One (1) transfer could have been admitted and treated at SCHHC, however the patient requested transfer to facility with higher level of care services available if they were to be needed.

	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
No SCHHC Beds	5	2	0	4	0	0	0	0	1	1	0	0
Higher level of care required	37	22	33	42	33	17	21	21	31	28	39	40
Patient request	0	0	0	0	0	0	0	0	0	0	0	1

- Cardiology – 5
- Surgical Services – 11
- Obstetrical – 0
- Gynecology - 0
- Intensive care – 8
- Urology – 4
- Psychiatric evaluation – 0
- Ear/Nose/Throat – 1
- Neurology – 4
- IMCU – 0
- Oncology - 1
- Dialysis - 0
- Pediatric – 1
- Orthopedics - 1
- Hematology/Platelets – 0
- Gastroenterology – 1
- Interventional Radiology – 1
- Ultrasound - 2
- HIDA scan (Nuclear Medicine)- 0
- Magnetic Resonance Cholangiopancreatography (MRCP) - 0

SAINTS Study Participation –

Southern Coos Hospital & Health Center is actively taking part in the Safety Integration Stewards (SAINTS) study with Oregon Health & Sciences University. The SAINTS program aims to minimize patient fall risk and reduce patient-assist injuries among hospital staff. We will be participating as an active participant in the study. We will receive trainings and will implement the program’s recommended quality improvement initiatives over a period of two years. Participation in this study will support our goals for reduced patient falls and reduced employee injury related to falls.

Workforce Development and Training –

- Just Culture Training – Colene Hickman, Revenue Cycle Manager, and I, Cori Valet, Chief Nursing Officer, have completed Just Culture Training and are set to begin facilitating reoccurring trainings for all leaders/managers across the organization. The goal of transitioning to a “Just Culture” is to shift from a punitive, blame-oriented approach to error, or poor decision making, to an approach focused on safety and learning. Our desire is to create an open environment where staff feel safe reporting errors and near-misses,

ultimately allowing us to identify, analyze, and fix systemic flaws rather than punish an individual. A Just Culture approach balances accountability by distinguishing between human error (system failure), at-risk behavior (shortcuts), and reckless behavior, holding individuals accountable for their choices rather than the outcome of an error. It moves the system from “who did this,” to “what in our system allowed this to happen,” allowing for better system-wide safety improvements. All of which enhances staff retention and morale when our staff see a fair, transparent, non-punitive environment.

Trainings Supported by the Directed Funds from the Oregon Hospital Clinical Education Support Program (OHA) -

- Two safety champions have been selected to become certified trainers for CPI De-escalation Strategies, Non-violent Crisis Intervention and Advanced Physical Disengagement Techniques for situations that involve dangerous behaviors. It is essential that our staff have the skills, and feel confident, in handling a variety of behaviors and situations. This subject is one that we commonly hear is a need from our direct care staff and providers. The CPI Nonviolent Crisis Intervention Training focuses on verbal de-escalation and early intervention, giving staff an effective framework for decision-making and problem-solving. By teaching safe disengagements and restrictive interventions that can be implemented with the least use of force, we can provide the safest environment for all parties involved. Jason Cook, Plant Operations Manager and Safety Officer, and Leah Hyman, Medical Imaging Manager and Radiation Safety Officer, will attend a four day training and certification course June 9-12, 2026 in Portland, Oregon. Once certified as a CPI Nonviolent Crisis Intervention instructor, Jason and Leah will conduct ongoing trainings to other staff in patient facing roles, using courses and materials provided by the Crisis Prevention Institute (CPI). CPI Professional Services will remain a partner, who can assist with the development of training rollout plan, training calendar and logistics for on-going education, coaching and support of instructors, and more.
- Medical Lab Assistant Certification and Phlebotomy certification through Weber University (On-line program). Classes begin in the Fall of 2026. This training is to further develop staff with structured training and national certification of the hospital’s phlebotomy staff. This training will strengthen our laboratory workforce competency and help to ensure regulatory compliance, improve patient safety and support employee retention through professional development.
- Pulmonary Function Test (PFT) Certification for our Respiratory Therapy Manager. By having two respiratory therapists certified in Pulmonary Function Testing we can ensure that we have redundancy in our capacity to perform specialized testing and training of staff members. This certification also provides professional credibility to the service that we provide, signaling that our services meet the threshold for clinical excellence in respiratory care. This training is scheduled to begin in September, 2026.
- Radiation Safety Certification (On-line course) for the Radiation Safety Officer to begin in June 2026. This certification helps to ensure regulatory compliance with federal and state agencies, minimizes occupational and patient exposure risk and fosters a strong safety

culture. It also assist in optimizing dose protocols, reduce liability and effectively education staff on safety standards.

- General Ultrasound Certification for our current cardiac sonographer has been approved, however the plan for course initiation and completion has not been established as the staff member is not scheduled to return from maternity leave until late June 2026. This certification will allow for expense savings as one sonographer will be able to perform both Echocardiograms and General ultrasound services during scheduled shifts. Reducing the need to have two sonographers with individual specialties available each shift. Start dates not yet established.
- Advanced Cardiac Life Support (ACLS) Trainer Certification, Pediatric Advanced Life Support (PALS) Trainer Certification, and Basic Life Support (BLS) Trainer Certification for two employees. This is a planned transition from utilizing an external training program for required certifications, to the establishment of our own trainers within SCHHC. Savings for ACLS trainings per year \$6,200, on average. Savings for PALS trainings per year \$1,900, on average. Start dates not yet established.



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 – May 28, 2026

Clinic Operations - April 2026

Provider Recruiting/Onboarding: As of 5/22/26

- In discussions with two General Surgeons in Ashland, Oregon. More to come.

Combined Clinic Volume – April 2026 (See Attached Figure 1)

Clinic Volume By Provider – April 2026 (See Attached Figure 2)

General Surgery Volume – May 2026 (See Attached Figure 3)

Medicare Annual Wellness Visits by Provider – April 2026 (See Attached Figure 4)

Clinic Achieves Tier 4 Designation with PCPCH

Our clinic is designated as a PCPCH and it stands for Patient-Centered Primary Care Home. It is a way of organizing a medical clinic, so patients receive coordinated, team-based care that focuses on improving access, communication, preventive care, and overall health.

Tier 4 PCPCH means a clinic that has reached a high level of organization and teamwork in how it cares for patients. It shows the clinic is focused on better access, stronger care coordination, preventive care, and improving patient health outcomes.

What is the frequency for receiving payments for meeting the quality standards? In most cases, the quality incentive payments are calculated annually and paid out once per year after the state reviews the previous year's performance data.

Combined Clinic Volume

(Figure 1)

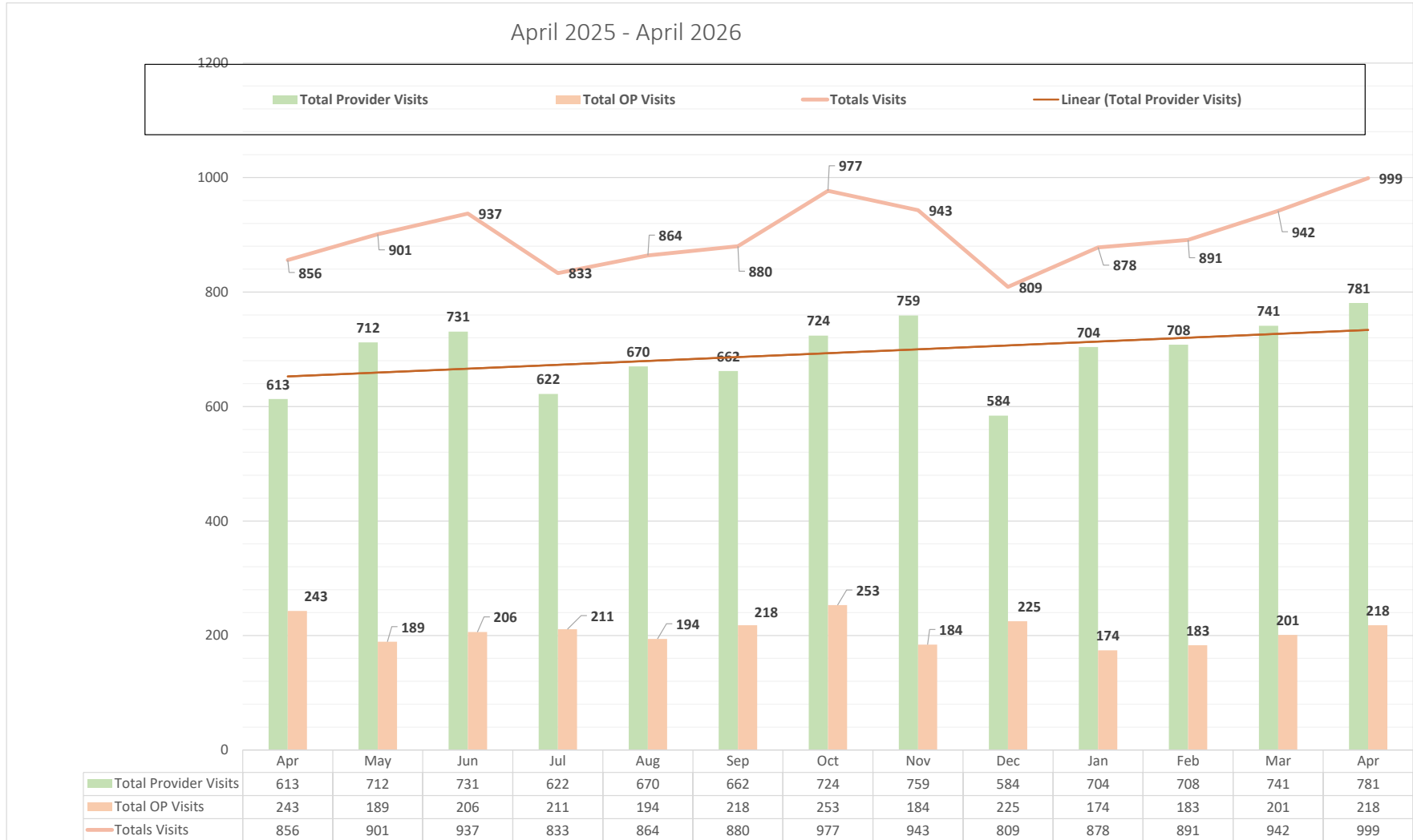


Figure 2

April - Clinic Visits By Provider

Year: 2026	Clinic	PT's	Cancel	No Show	Total Seen	AVG Seen	No Show Rate	Cancel Rate	Tele HLTH	New PT's	2025		2026			Projected	
											November	December	January	February	March	April	May
Month: April	Days	Sched	Cancel	Show	Seen	Seen	Rate	Rate	HLTH	PT's							
Jennifer Webster, MD	14.0	207	17	3	187	13.4	1%	8%	6	0	123	129	93	162	149	187	94
Paul Preslar, DO	14.0	181	13	2	166	11.9	1%	7%	0	0	135	128	153	118	154	166	101
Natalie Speck, MD	14.0	164	7	4	153	10.9	2%	4%	0	35					100	153	110
Felisha Miller, FNP	16.0	133	15	7	111	6.9	5%	11%	1	28	92	103	79	73	118	111	95
Kim Bagby, FNP											154	26	124	103			
Shane Matsui, LCSW	15.0	80	17	0	63	4.2	0%	21%	4	0	74	80	79	78	85	63	72
Henry Holmes, MD	5.0	52	3	0	49	9.8	0%	6%	0	0	61	62	48	66	53	49	45
Tami Marriott, MD	1.0	11	2	0	9	9.0	0%	18%	0	0	34	35	33	21	31	9	37
Victoria Schmelzer, CRNA	2.0	20	0	0	20	10.0	0%	0%	0	0	67	0	71	66	34	20	95
Brett Schulte, MD	3.0	26	2	1	23	7.7	4%	8%	0	10	19	21	24	21	17	23	18
Dr. Simon Family Med Resident	8	53	4	0	49	6.1	0%	8%	0	0							
Total Provider Visits	84	874	76	17	781	9.3	2%	9%	11	73	759	584	704	708	741	781	667
<i>Total Outpatient Services</i>	22	244	23	3	218	9.9	1%	9%	0	0	184	225	174	183	201	218	200
Total Visits	106	1118	99	20	999	9.4	2%	9%	11	73	943	809	878	891	942	999	867

General Surgery Statistics October 2025 to May 2026 (Figure 3)

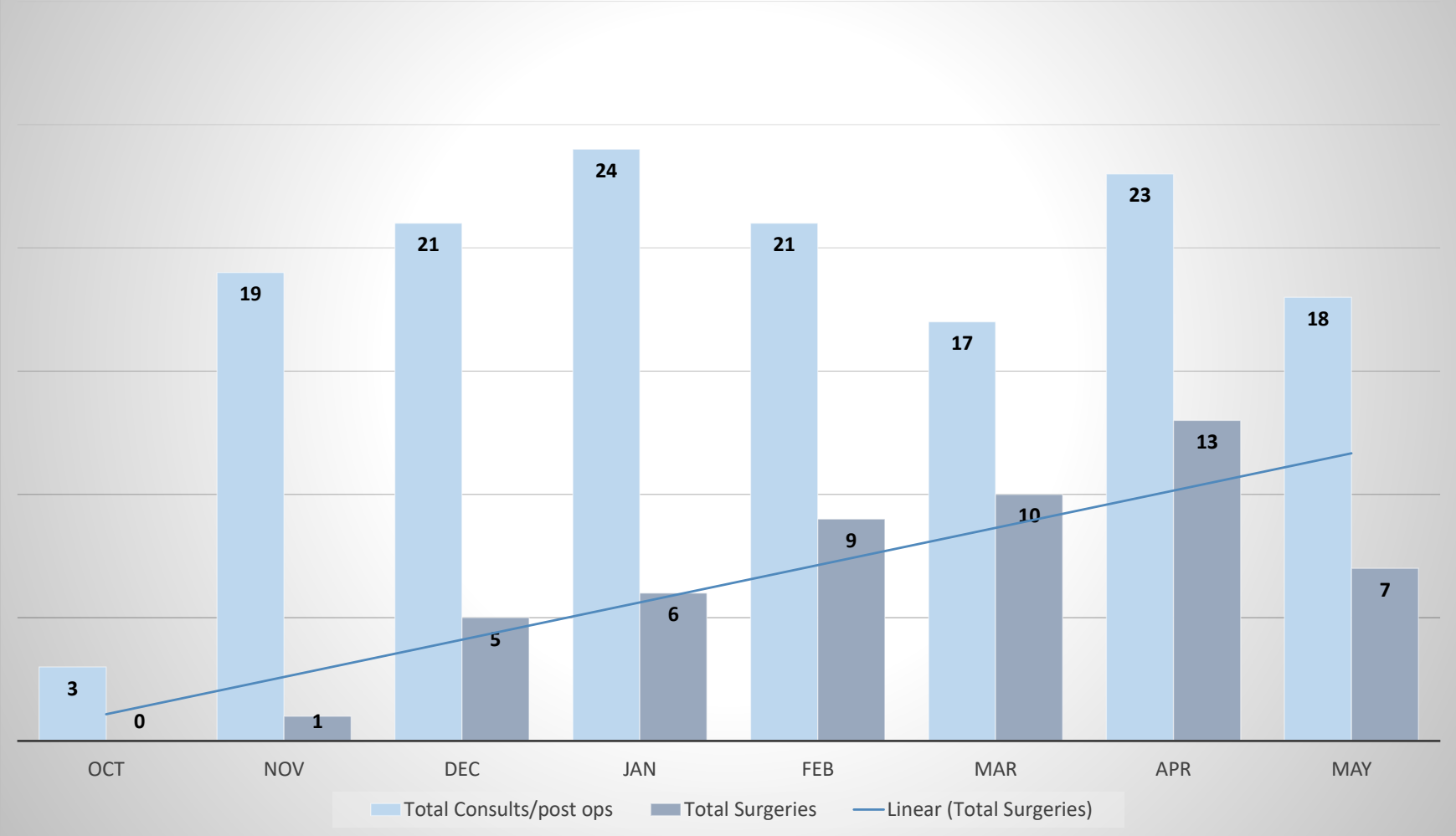


Figure 4

Medicare Annual Wellness Visits	2025												2026				
Year: 2025/2026	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	Total
Provider																	
Paul Preslar, DO	1		2				3	6	6	4	6	6	7	6	13	17	77
Jennifer Webster, MD	1	7	5	13	15	14	5	11	8	23	14	20	9	20	20	20	205
Henry Holmes										3	23	14	4	6	5	1	56
Kim Bagby, FNP							4	4	2	18	42	2	11	11			94
Felisha Miller, FNP										2	19	16	6	3	7	2	55
Total Medicare Annual Wellness	2	7	7	13	15	14	12	21	16	50	104	58	37	46	45	40	487

Southern Coos Hospital & Health Center
Income Statement
As of April 30, 2026

	Month Ending 4/30/2026			Year To Date 4/30/2026		
	Hospital Actual	Clinic Providers Actual	Actual	Hospital Actual	Clinic Providers Actual	Actual
Total Patient Revenue						
Inpatient Revenue	970,873	-	970,873	9,267,620	-	9,267,620
Outpatient Revenue	4,104,632	396,541	4,501,173	36,115,923	3,250,830	39,366,753
Swingbed Revenue	303,323	-	303,323	3,143,393	-	3,143,393
Retail Pharmacy Revenue	717,498	-	717,498	5,089,025	-	5,089,025
Total Patient Revenue	6,096,326	396,541	6,492,867	53,615,961	3,250,830	56,866,791
Total Deductions	2,691,065	265,931	2,956,996	21,806,357	1,913,103	23,719,460
Revenue Deductions %	44.1 %	67.1 %	45.5 %	40.7 %	58.8 %	41.7 %
Net Patient Revenue	3,345,471	190,400	3,535,871	31,749,814	1,397,517	33,147,331
Other Operating Revenue	163,971	59,790	223,761	386,098	59,790	445,888
Total Operating Revenue	3,569,232	190,400	3,759,632	32,195,702	1,397,517	33,593,219
Total Operating Expenses						
Total Labor Operating Expenses	2,303,192	113,451	2,416,643	23,091,011	1,120,337	24,211,348
Total Other Operating Expenses	1,232,121	66,149	1,298,270	9,982,136	623,290	10,605,426
Total Operating Expenses	3,535,313	179,600	3,714,913	33,073,146	1,743,628	34,816,774
Operating Income / (Loss)	33,919	10,800	44,719	(877,445)	(346,110)	(1,223,555)
Net Non Operating Revenue	223,763	-	223,763	1,477,198	-	1,477,198
Change In Net Position	257,682	10,800	268,482	599,753	(346,110)	253,643

Clinic Provider Income Summary

All Providers

For The Budget Year 2026

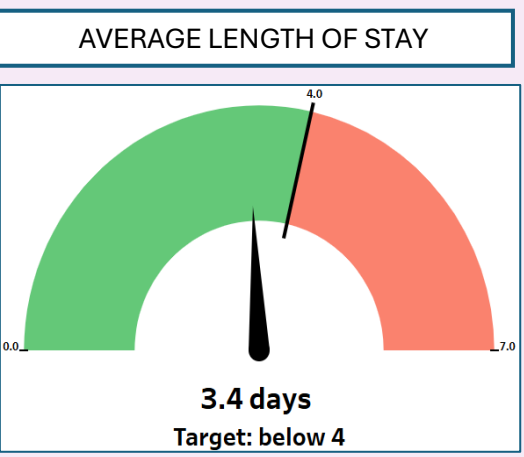
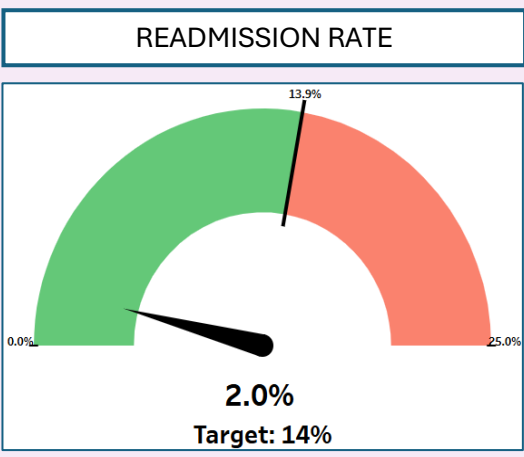
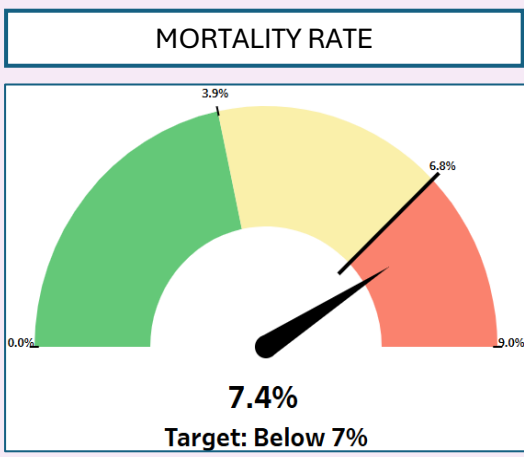
																				Current Budget YTD			
	ACT JUL	BUD JUL	ACT AUG	BUD AUG	ACT SEP	BUD SEP	ACT OCT	BUD OCT	ACT NOV	BUD NOV	ACT DEC	BUD DEC	ACT JAN	BUD JAN	ACT FEB	BUD FEB	ACT MAR	BUD MAR	ACT APR	BUD APR	ACT FYTD	FYTD26 Budget	Variance
Provider Productivity Metrics																							
Clinic Days	64	56	72	56	77	56	92	83	84	83	76	83	83	83	82	83	84	71	82	71	794	665	129
Total Visits	505	520	617	520	599	520	688	668	692	708	584	747	633	787	642	827	707	711	761	734	6,428	6,225	203
Visits/Day	8.0	9.3	8.6	9.3	7.8	9.3	7.5	8.1	8.3	8.6	7.7	9.1	7.6	9.5	7.9	10.0	8.4	10.0	9.3	10.3	8.1	9.4	(1.3)
Total RVU	1271	1078	1522	1078	1532	1078	1714	1386	1607	1467	1352	1548	1323	1629	1506	1710	1639	1355	1650	1388	15,118	12,264	2,854
RVU/Visit	2.52	2.07	2.47	2.07	2.56	2.07	2.49	2.08	2.32	2.07	2.31	2.07	2.09	2.07	2.35	2.07	2.32	1.91	2.17	1.89	2.35	1.97	0.38
RVU/Clinic Day	20.02	19.25	21.15	19.25	20.03	19.25	18.63	16.80	19.18	17.78	17.79	18.77	15.94	19.75	18.45	20.73	19.54	19.09	20.13	19.55	19.03	18.44	0.59
Gross Revenue/Visit	514	473	486	473	518	473	521	483	515	484	529	485	482	485	474	486	497	420	600	415	515	440	75
Gross Revenue/RVU	204	228	197	228	202	228	209	233	222	233	229	234	230	235	202	235	214	220	276	220	219	223	(4)
Net Rev/RVU	86	97	83	97	86	97	89	98	93	98	97	99	98	99	86	99	91	93	115	93	92	95	(2)
Expense/RVU	109	125	99	125	120	125	104	128	115	122	120	120	145	110	131	105	108	108	109	106	115.33	117	(1.77)
Diff	(22)	(27)	(15)	(27)	(34)	(27)	(16)	(30)	(22)	(24)	(23)	(22)	(48)	(11)	(45)	(6)	(18)	(15)	7	(13)	(23)	(22)	(1)
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	1,556	1,947	1,579	2,046	1,771	1,780	2,322	1,816	1,759	1,750	10
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	2,317	2,164	2,409	2,180	2,117	2,057	2,190	2,073	2,195	2,160	36
Diff	(449)	(526)	(321)	(526)	(689)	(526)	(294)	(503)	(415)	(422)	(402)	(405)	(761)	(216)	(831)	(134)	(346)	(277)	132	(257)	(436)	(410)	(26)
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	304,205	401,998	351,593	298,487	456,331	304,686	3,310,620	2,740,020	(570,600)
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	175,388	233,166	203,033	172,095	265,931	175,752	1,913,103	1,576,484	(336,619)
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	128,817	168,832	148,560	126,392	190,400	128,934	1,397,517	1,163,536	233,981
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	128,817	168,832	148,560	126,392	190,400	128,934	1,397,517	1,163,536	233,981
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	121,433	102,460	126,714	102,460	104,464	82,988	104,166	82,988	1,070,095	792,637	277,458
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	7,005	5,834	9,851	3,487	9,285	3,487	50,242	30,158	20,084
Purchased Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Supplies	-	-	91	-	13	-	299	-	55	-	943	-	1,188	-	-	-	-	-	-	-	2,589	-	2,589
Other Supplies	-	-	9	-	-	-	-	-	-	-	-	-	295	-	-	-	1,019	-	-	-	1,323	-	1,323
Maintenance and Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,339	-	1,659	-	8,104	-	3,657	378	6,151	378	4,250	378	3,353	378	2,544	378	2,178	-	10,500	-	47,879	-	47,879
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	60,351	71,188	60,065	59,578	55,649	60,724	571,499	613,383	(41,883)
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	192,312	178,504	196,614	179,860	177,577	146,053	179,600	147,199	1,743,628	1,436,178	307,450
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)	(63,180)	(17,836)	(67,797)	(11,028)	(29,017)	(19,661)	10,800	(18,265)	(346,110)	(272,642)	(73,469)
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)	(63,180)	(17,836)	(67,797)	(11,028)	(29,017)	(19,661)	10,800	(18,265)	(346,110)	(272,642)	(73,469)

HOSPITAL

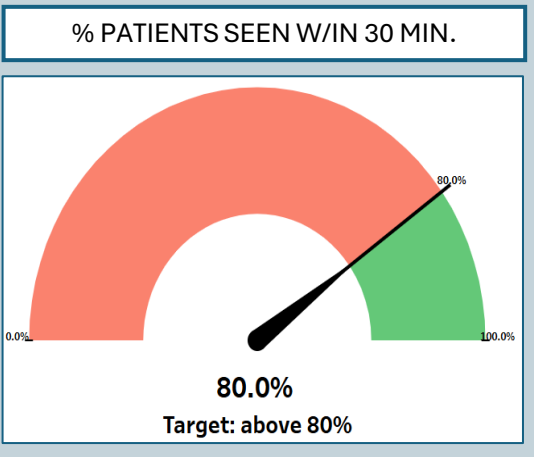
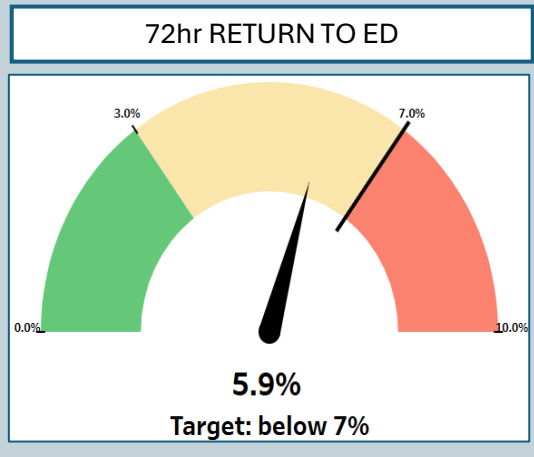
Better than Target

In Acceptable Range

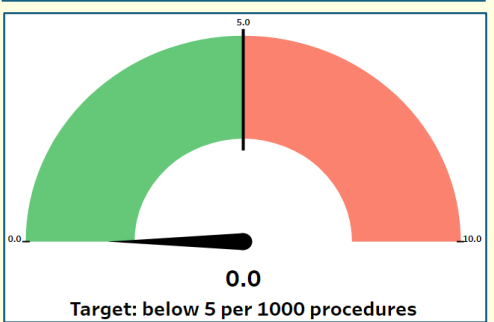
Over Target



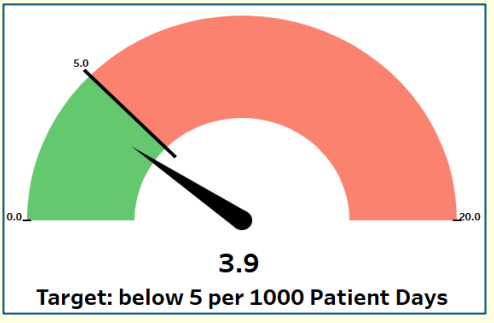
EMERGENCY DEPARTMENT



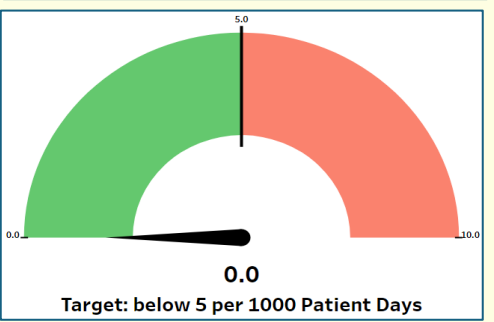
SURGICAL COMPLICATION RATE



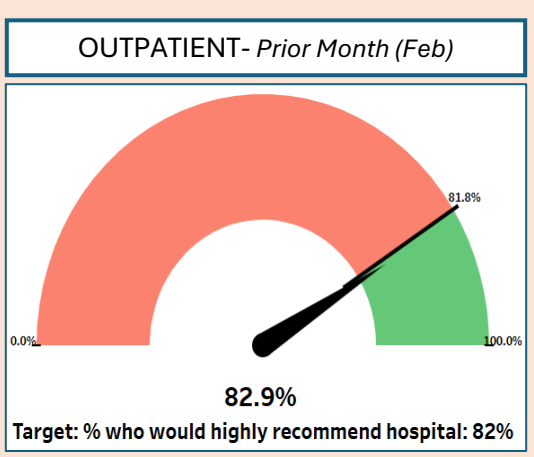
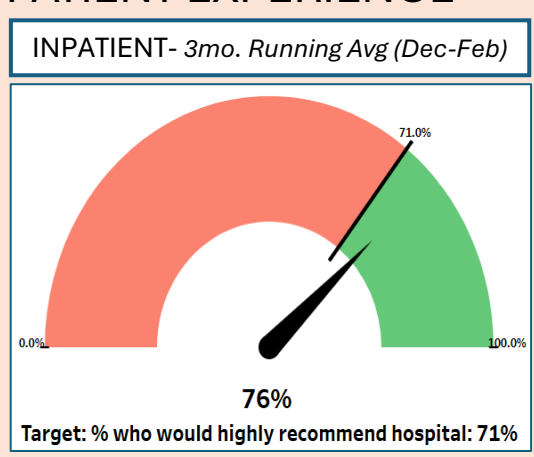
MEDICATION ERROR RATE



HOSP. ACQUIRED INFECTIONS



PATIENT EXPERIENCE

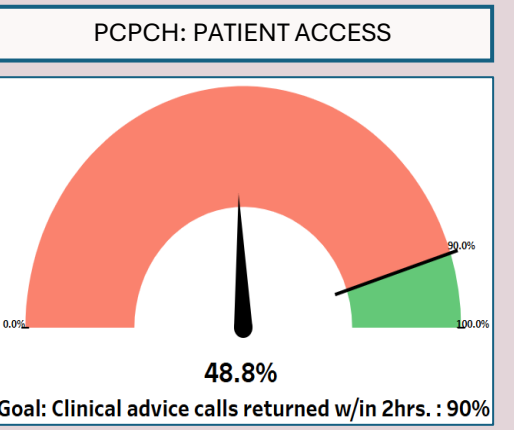
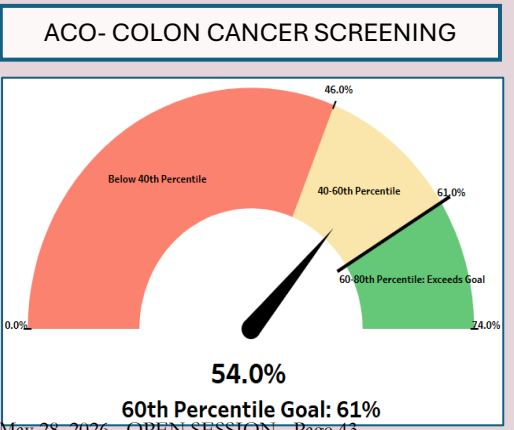
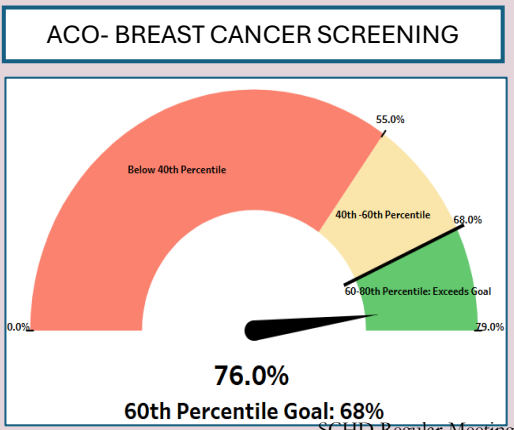
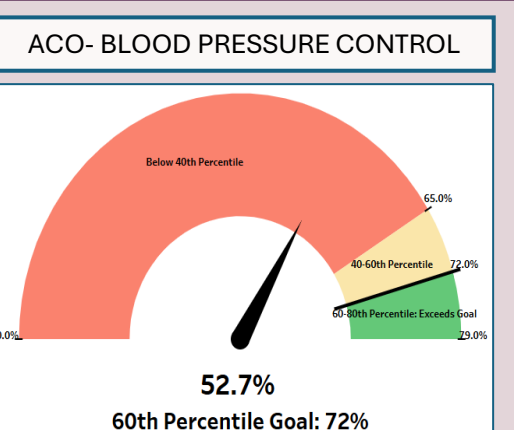
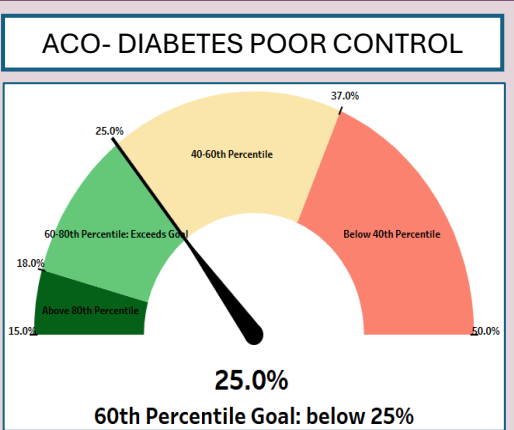
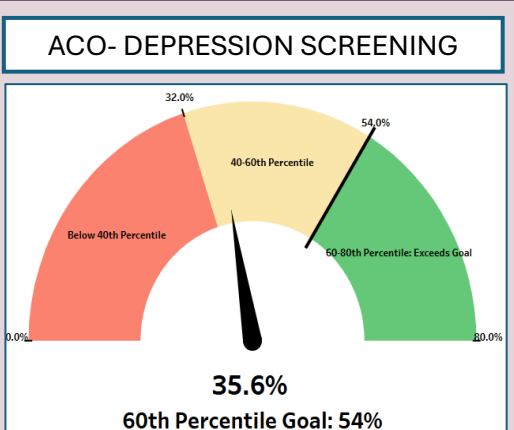


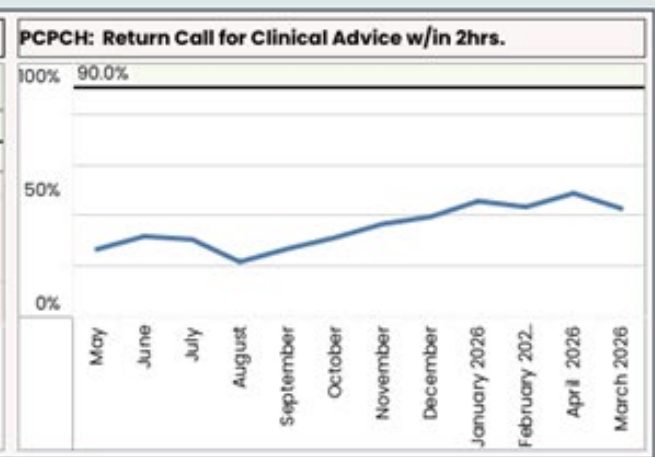
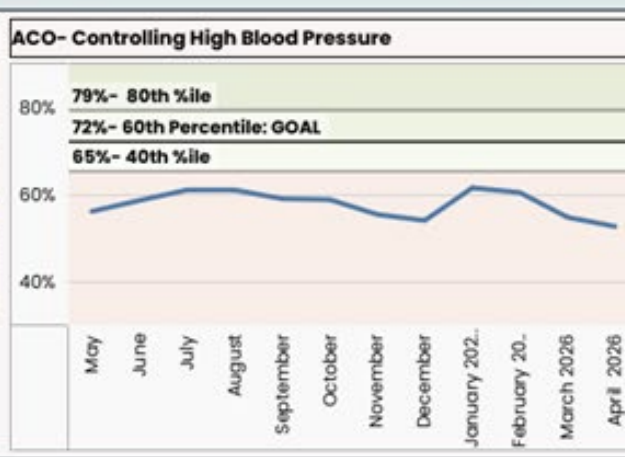
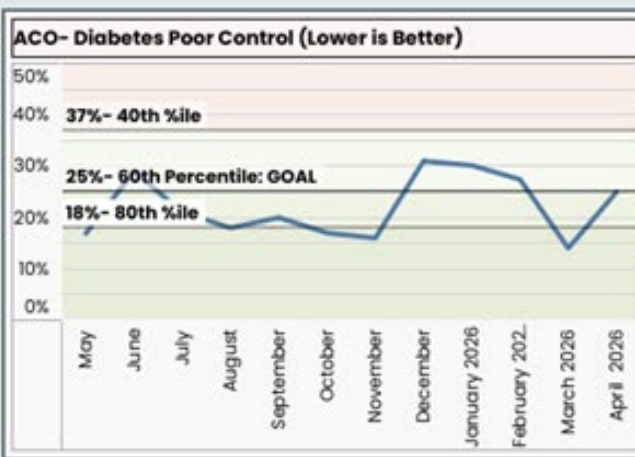
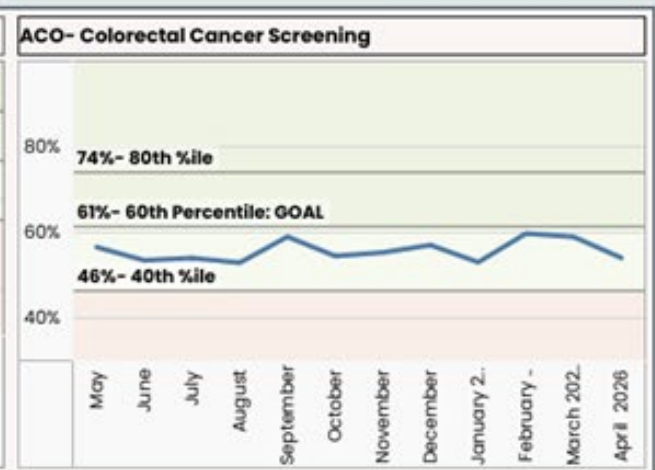
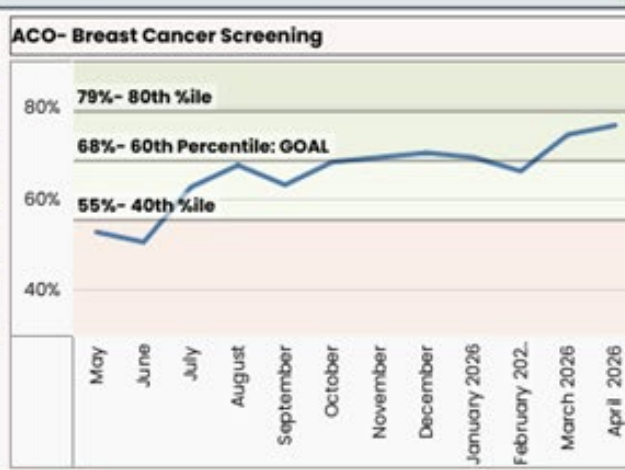
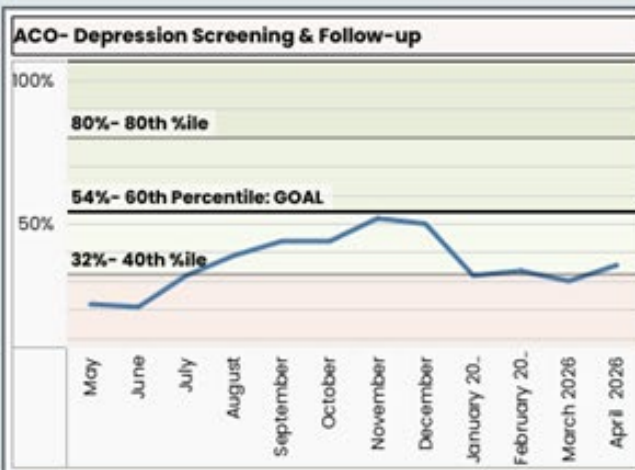
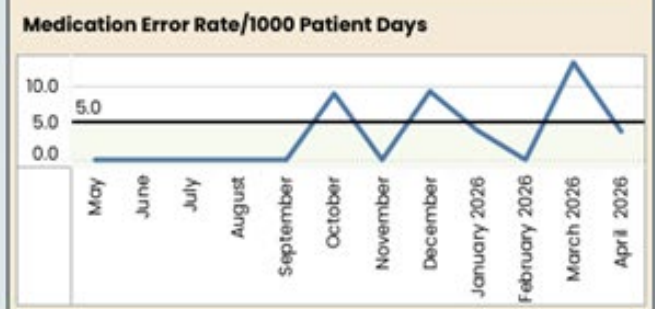
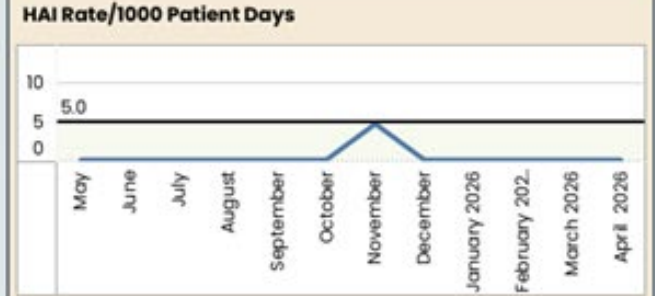
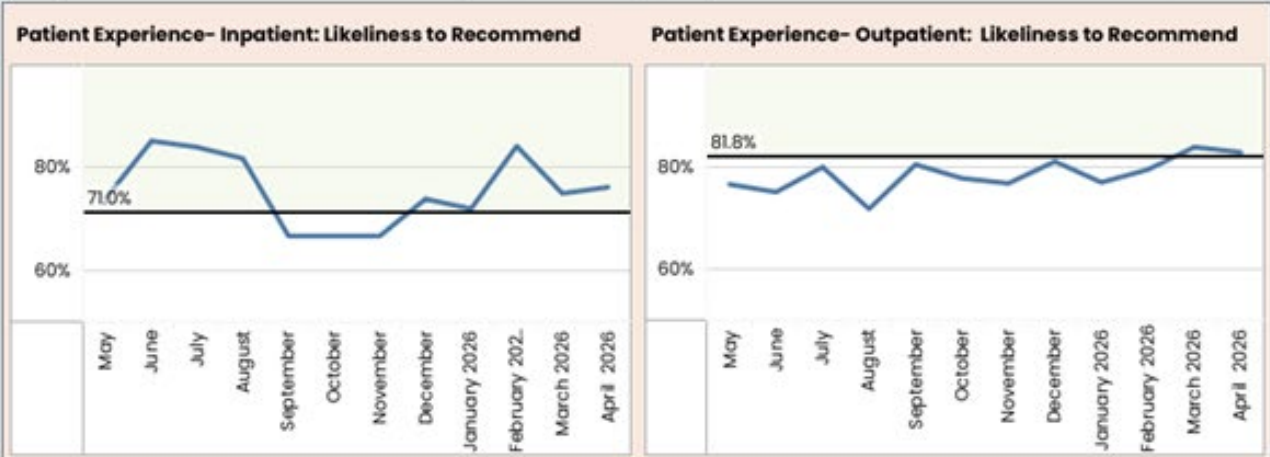
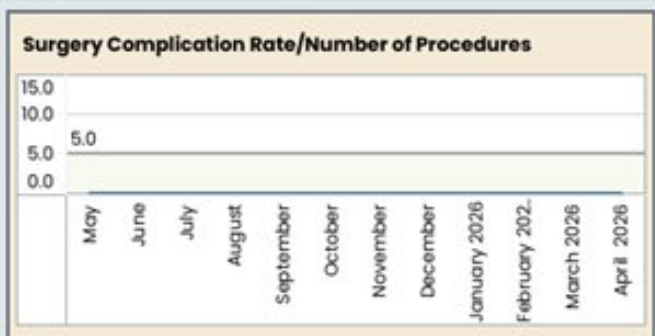
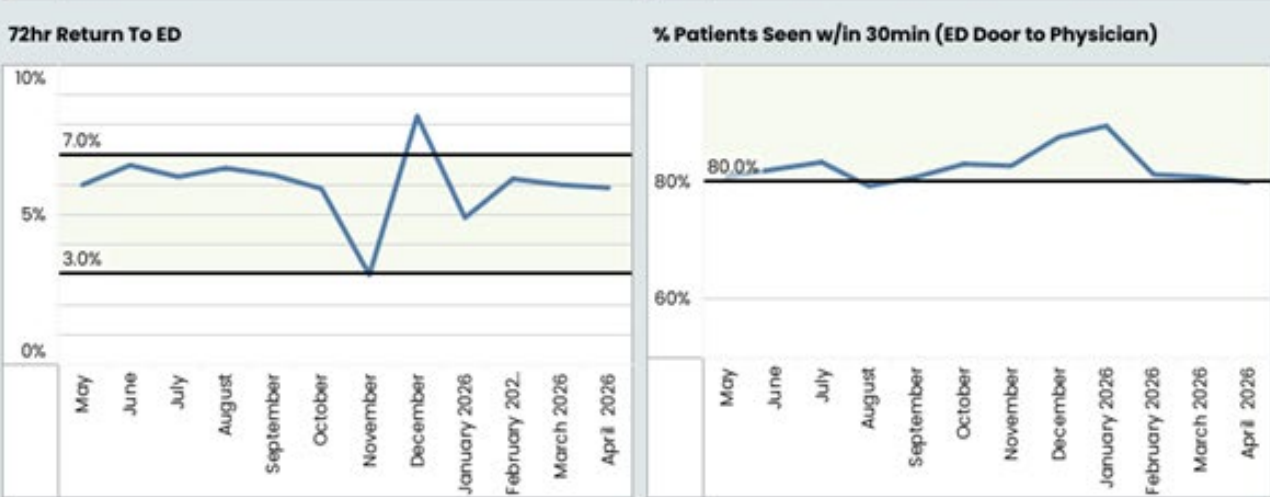
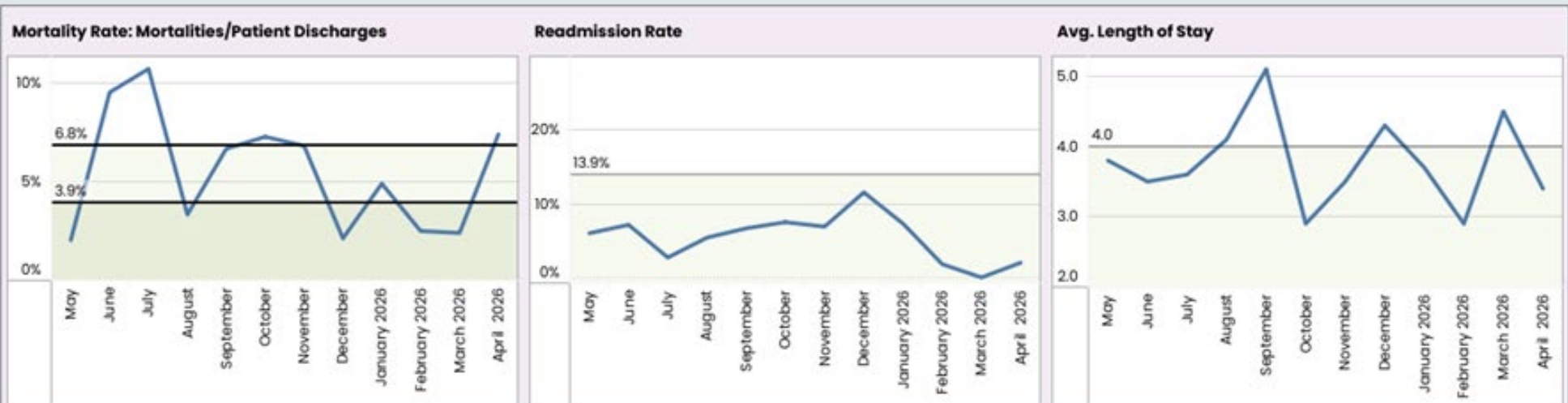
CLINIC

ACO TARGET: 60th Percentile

40- 60th Percentile

Below 40th Percentile







Chief Information Officer Report

To: Board of Directors and Southern Coos Management
From: Scott McEachern, CIO
Re: CIO Report for Board of Directors Meeting – May 28, 2026

My focus over the past few weeks has been supporting Ray Hino, CEO, and the SCHHC executive team in building the proposals for the Rural Health Transformation Program (RHTP) Direct Transformation and Catalyst Awards. I appreciate the opportunity to be involved in this process.

Cybersecurity Report

April 2026 saw a cluster of healthcare cyber incidents, continuing a pattern that analysts now describe as accelerating into a crisis.

The month's most disruptive incident hit Signature Healthcare's Brockton Hospital (216-bed, Massachusetts). Detected April 6, the attack took electronic systems offline, forced ambulance diversion, and cancelled scheduled cancer treatments. Cancer patients arriving for chemotherapy infusions were turned away; the ER closed and staff reverted to paper records. Downtime procedures were expected to continue for roughly two weeks. The ANUBIS ransomware group was later named as responsible.

Other April healthcare incidents included one at ACN Healthcare targeted by the Lynx ransomware group (April 10). Lynx typically exfiltrates data before encrypting systems, using threatened public exposure to pressure victims.

On the policy front, the severity of hospital-targeted attacks is drawing federal attention. On April 21, a former FBI cyber chief proposed applying terrorism designations to ransomware actors who target hospitals and other life-safety infrastructure. This is a notable shift toward treating these as national security threats.

Projects Report

In response to the board's request at the February 2026 board meeting, I will continue to include the budget and actuals for the five projects that have the greatest impact on the organization.

Multi-Specialty Clinic Space (previous Business Office)

Completion of the project continues to move forward.

- Estimated date for occupancy: mid-end of May 2026 (updated from mid-to-end April 2026)
- Budget: \$150,000
- Current Spend as of April 30, 2026: \$84,952

Salem Radiology

SCHHC is working with Salem Radiology to replace Direct Radiology. SCHHC is working with the Salem Radiology technical team and the NovaRad team (our Picture Archiving Computer System, or PACS vendor) to work on interfacing our PACS system to Salem Radiology's PACS system. We were delayed in achieving the original go-live date of April 6, 2026 due to complications in data mapping. I negotiated a month-to-month contract with Direct Radiology so we do not have an interruption in service.

- Estimated Completion Date: June 1, 2026 (updated from May 1, 2026 (updated from April 7, 2026))
- Budget: \$8,500
- Spend as of February 28: \$0

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. This project is in testing and should move to production in the next two weeks.

- Estimated completion date: May 31, 2026 (updated from May 2, 2026)
- Budget: \$19,200
- Spend as of February 28: \$0

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. This project is on track.

- Estimated completion date: July 1, 2026 (updated from June 1, 2026)
- Budget: \$40,000
- Spend: \$0

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. This project is in final testing and will move into production the week of May 25.

- Estimated completion date: May 26th, 2026 (updated from May 15th, 2026 (updated from April 13, 2026))
- Budget: \$9,520
- Spend: \$0

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. This project is on track.

- Estimated completion date: July 1, 2026
- Budget: \$65,000
- Spend: \$0

Interface Telcor to Epic

SCH is implementing a middle-ware (a piece of software that sits between medical equipment and the EHR) called Telcor. The reason for this implementation is to connect point of care testing equipment such as an A1C Glucose analyzer to the EHR. This project is on track.

- Estimated completion date: August 30, 2026
- Budget: \$72,000
- Spend: \$0

Epic Video Client Roll-out

Delayed until further notice due to challenges facing Providence implementation team.

FY26 Completed Projects

Clinic Phone Agent

Date Completed: March 31, 2026

SCHHC Business Center at the Bandon Shopping Center

Date Completed: March 11, 2026

IS Remodel to HR/Quality Space,

Date Completed: March 6, 2026

Americollect Implementation

Date Completed: March 31, 2026



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, May 13, 2026

Bandon School Nurse (BSN) Program Updates

On May 20th I will present to 100 Strong Bandon on how we've used their funds. The hygiene kits and 4th grade classroom sessions proved beneficial and have opened additional opportunities for program expansion. We continue exploring sustainability options, including pursuing a School-Based Health Center (SBHC).

Additionally, we submitted a Judith Ann Mogan Foundation (JAMF) grant request last week for \$25,000 to support this program

Volunteer Expansion

This Saturday, May 16, and again at our Meet & Greet on June 9, we're hosting volunteer recruitment events for the Volunteer Expansion program. The initiative will strengthen community support through roles including:

- Greeters at the hospital entrance
- Patient visitors on the inpatient unit
- Weekly TeleCare callers for adults 65+ who lack a support system

TeleCare patients will be identified in coordination with Discharge Planners, Clinic staff, and Licensed Clinical Social Workers (LCSWs).

Please join us June 9 for the Meet & Greet to share your volunteer story and help recruit new volunteers.

Golf for Health Classic (GFHC)

Kickoff: Fundraising for this year's Golf for Health Classic (GFHC) is underway! Event dates are Friday, September 18 Bandon Dunes Reception and Saturday, September 19 Bandon Crossings Tournament. We're excited to offer a Bandon Dunes Shorty's event this year for a lucky group of 24 golfers. Chivaroli & Associates return as Event Sponsors for the 19th annual GFHC. Gravel Point community partners continue their strong support and have increased their sponsorship to a combined \$20,000. Thanks to Dr. Forrester, we may have a lead on a \$25,000 Title Sponsorship. To date we have \$22,600 in sponsorship commitments and contributions. Looking ahead: Next year marks the 20th anniversary of both the Golf for Health Classic and the Southern Coos Health Foundation we'll be planning special events to celebrate these milestones. More details to come.

Capital Campaign

Our 2026 Bandon Dunes Charitable Foundation grant request for \$150,000 supports two components of MFP Phase II. Of that, \$75,000 is designated for our Capital Campaign. We have already begun meeting with contractors who specialize in capital campaigns to advance planning and execution.



Chief Financial Officer Report & Monthly Financial Statements

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

- **Budget Preparation**

Capital Budget – Department heads have been working with their executive sponsors, supply chain, and engineering to prepare their requested capital to be reviewed by the hospital’s executive staff prior to the hospital presentation to the board.

Department Budgets – I have been and will continue to work with department heads to identify cost and revenue trends and to establish goals re: future expenses and revenue which will be accounted for in future monthly department budget/performance reports.

Consolidated Budget – I am currently working with our executive team to develop the FY2027 capital and consolidated operational budget to be presented to the board in June.

- **April Financial Performance Highlights**

- Total bottom line to the hospital was a positive \$239K!!!
- Outpatient revenue of \$4.5M (current fiscal year high)
- Retail pharmacy revenue of \$717K (current fiscal year high)
- \$220k Advanced Health (Medicaid CCO program) payment
- Labor costs compared to Net Revenue is 68% (best in current fiscal year)
- Purchased Services costs were \$368K vs \$224K FYTD average. Some major reasons for this are:
 - \$75K – Epic interfaces, fees
 - \$20K – Master Facilities Plan expenses
 - Higher drug expenses
- Pharmacy costs were higher at the hospital and at the retail pharmacy due to higher volumes.

- **Other Financial Highlights**

- The last three month’s percentage labor costs to net revenue have declined by 8.8% compared to the same three months from the prior year.

Southern Coos Hospital & Health Center
Income Statement Trends

	FYTD24	FYTD25	Budget FYTD26	FYTD26	3 Month To 3 Month Compare	FYTD26 Average	Apr 2026	Mar 2026	Feb 2026	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	
1 Total Patient Revenue																	(3,194)	(1,597)	
2 Inpatient Revenue	6,959,427	7,538,057	9,818,468	9,267,620	25.1%	926,762	970,873	1,061,136	936,964	850,911	782,878	802,131	867,194	809,703	1,286,279	899,551	571,557	1,011,490	
3 Outpatient Revenue	27,137,839	31,222,033	39,022,581	39,366,754	13.8%	3,936,675	4,501,173	4,385,955	3,618,235	3,420,630	3,694,473	3,378,933	4,319,262	3,850,184	3,895,084	4,302,825	3,639,510	3,703,644	
4 Swingbed Revenue	2,554,416	2,784,277	5,228,775	3,143,392	-35.5%	314,339	303,323	433,047	231,923	394,130	263,804	276,817	252,197	364,719	361,067	262,365	240,264	524,036	
5 Retail Pharmacy Revenue	-	-	-	5,089,026		508,903	717,498	677,573	538,827	527,035	610,819	476,226	494,630	368,618	351,114	326,686	-	-	
6 Total Patient Revenue	36,651,682	41,544,367	54,069,823	56,866,792	23.6%	5,686,679	6,492,867	6,557,711	5,325,949	5,192,706	5,351,974	4,934,107	5,933,283	5,393,224	5,893,544	5,791,427	4,451,331	5,239,170	
7 Total Deductions	13,260,228	16,174,690	20,571,912	23,719,460	28.5%	2,306,940	2,956,996	3,079,036	2,012,021	2,056,926	2,005,495	1,873,105	2,487,643	2,320,196	2,524,233	2,403,809	1,339,226	2,425,473	
8 Deductions/Patient Revenue	36.2%	38.9%	38.0%	41.7%	2.8%	40.6%	45.5%	47.0%	37.8%	39.6%	37.5%	38.0%	41.9%	43.0%	42.8%	41.5%	30.1%	46.3%	
9 Net Patient Revenue	23,391,454	25,369,677	33,497,912	33,147,332	20.1%	3,314,733	3,535,871	3,478,675	3,313,928	3,135,780	3,346,479	3,061,002	3,445,640	3,073,028	3,369,311	3,387,618	3,112,105	2,813,697	
10 Other Operating Revenue	54,843	31,477	32,800	445,889	2924.4%	44,589	223,761	2,123	2,157	2,141	2,191	78,607	116,767	5,878	10,485	1,779	1,790	1,812	
11 Total Operating Revenue	23,446,297	25,401,154	33,530,712	33,593,221	22.7%	3,359,322	3,759,632	3,480,798	3,316,085	3,137,921	3,348,670	3,139,609	3,562,407	3,078,906	3,379,796	3,389,397	3,113,895	2,815,509	
12 Total Operating Expenses																			
13 Total Labor Expenses																			
14 Salaries & Wages	11,534,310	13,113,850	17,697,992	16,142,459	5.8%	1,614,246	1,630,155	1,653,470	1,456,158	1,682,236	1,721,461	1,579,262	1,681,154	1,587,425	1,594,488	1,556,650	1,579,329	1,492,606	
15 Contract Labor	4,403,151	4,031,209	4,012,468	5,181,223	11.9%	518,122	437,512	439,739	520,505	528,579	619,974	511,039	513,474	499,908	594,457	516,036	447,875	469,886	
16 Benefits	1,839,982	2,137,596	1,879,353	2,887,666	30.6%	288,767	348,976	352,468	338,082	219,731	279,776	292,866	300,310	284,199	170,970	300,288	279,731	288,436	
17 Total Labor Expenses	17,777,443	19,282,655	23,589,812	24,211,348	10.0%	2,421,135	2,416,643	2,445,677	2,314,745	2,430,546	2,621,211	2,383,167	2,494,938	2,371,532	2,359,915	2,372,974	2,306,935	2,250,928	
18 Total Labor/Net Revenue	76.0%	76.0%	70.4%	73.0%	-8.8%	73.0%	68.3%	70.3%	69.8%	77.5%	78.3%	77.9%	72.4%	77.2%	70.0%	70.0%	74.1%	80.0%	
19 Purchased Services	2,392,548	2,952,408	3,430,452	2,241,806	7.7%	224,181	367,510	252,886	206,177	189,751	122,829	211,000	217,928	261,989	212,411	199,325	146,408	312,561	
20 Drugs & Pharmaceuticals	683,205	875,567	1,175,419	2,476,194	143.7%	247,619	327,803	268,670	250,141	163,288	321,958	240,301	253,227	210,050	220,212	220,544	111,626	116,447	
21 Medical Supplies	750,866	874,707	1,190,875	1,019,048	2.8%	101,905	102,107	121,669	82,369	99,955	123,498	96,382	99,220	93,175	88,821	111,852	101,426	68,183	
22 Other Supplies	231,287	268,128	531,790	466,425	-9.8%	46,643	61,295	41,024	55,031	62,876	34,837	44,338	49,997	41,318	24,464	51,245	48,467	35,993	
23 Lease & Rental Expense	(11,770)	(3,179)	23,869	40,497	1093.1%	4,050	17,745	(2,728)	15,216	7,732	-	-	1,266	-	-	1,266	-	-	
24 Repairs & Maintenance	166,433	166,336	311,865	199,072	-32.0%	19,907	9,979	13,761	18,221	15,601	18,126	14,541	48,332	25,696	20,246	14,569	10,544	21,155	
25 Other Expenses	856,273	1,263,295	1,369,238	1,829,450	-2.2%	182,945	237,922	167,029	121,641	169,814	195,997	168,250	189,010	192,710	194,568	192,509	173,658	211,496	
26 Utilities	236,923	262,687	317,463	292,324	-0.6%	29,232	28,889	32,645	24,188	32,932	29,122	31,945	19,761	38,373	22,414	32,055	26,661	28,305	
27 Insurance	185,419	198,255	209,540	244,843	13.6%	24,484	30,129	24,210	24,211	24,211	23,629	23,629	23,814	23,628	23,753	23,629	44,922	23,629	
28 Depreciation & Amortization	922,265	1,297,664	1,743,017	1,851,855	5.3%	185,186	170,981	181,542	217,403	179,650	225,510	179,511	186,412	221,822	128,091	160,933	478,545	176,802	
29 Total Operating Expenses	24,190,893	27,438,524	33,893,340	34,872,862	13.1%	3,487,286	3,771,003	3,546,385	3,329,343	3,376,356	3,716,717	3,393,064	3,583,905	3,480,293	3,294,895	3,380,901	3,449,192	3,245,499	
30 Op. Expenses/Op. Revenue	103.2%	108.0%	101.1%	103.8%	-8.5%	103.8%	100.3%	101.9%	100.4%	107.6%	111.0%	108.1%	100.6%	113.0%	97.5%	99.7%	110.8%	115.3%	
31 Operating Income / (Loss)	(744,596)	(2,037,370)	(362,628)	(1,279,641)	-88.8%	(127,964)	(11,371)	(65,587)	(13,258)	(238,435)	(368,047)	(253,455)	(21,498)	(401,387)	84,901	8,496	(335,297)	(429,990)	
32 Operating Income/Loss	-3.2%	-8.0%	-1.1%	-3.8%	-91.6%	-3.8%	-0.3%	-1.9%	-0.4%	-7.6%	-11.0%	-8.1%	-0.6%	-13.0%	2.5%	0.3%	-10.8%	-15.3%	
33 Property Taxes	852,073	856,792	982,190	1,011,771	4.5%	101,177	101,177	101,177	101,177	101,177	101,177	101,177	114,333	96,792	96,792	96,792	122,115	96,792	
34 Non-Operating Revenue	159,014	125,521	94,220	489,781	167.2%	48,978	120,448	25,505	36,876	33,526	85,983	29,668	53,948	35,000	64,154	4,673	52,946	9,941	
35 Interest Expense	(222,598)	(343,489)	(334,360)	(365,249)	-46.0%	(36,525)	(27,281)	(30,072)	(30,888)	(31,724)	(47,441)	(43,326)	(33,930)	(36,569)	(33,934)	(50,084)	(44,153)	(33,801)	
36 Investment Income	387,234	373,325	387,960	360,606	-22.1%	36,061	47,446	21,565	18,480	52,664	24,716	24,826	58,581	25,596	27,072	59,660	42,870	23,930	
37 Gain / Loss on Asset Disposal	(53,103)	-	-	(1,685)	0.0%	(169)	-	-	-	-	-	-	-	(162)	162	(1,685)	-	-	
38 Net Non Operating Revenue	1,122,620	1,012,149	1,130,010	1,495,224	57.8%	149,522	241,790	118,175	125,645	155,643	164,435	112,345	192,932	120,657	154,246	109,356	173,778	96,862	
39 Change In Net Position	378,024	(1,025,221)	767,382	215,583	-179.7%	21,558	230,419	52,588	112,387	(82,792)	(203,612)	(141,110)	171,434	(280,730)	239,147	117,852	(161,519)	(333,128)	
40 Gross Margin	1.6%	-4.0%	2.3%	0.6%	-155.1%	0.6%	6.1%	1.5%	3.4%	-2.6%	-6.1%	-4.5%	4.8%	-9.1%	7.1%	3.5%	-5.2%	-11.8%	

Southern Coos Hospital & Health Center
Balance Sheet Trends

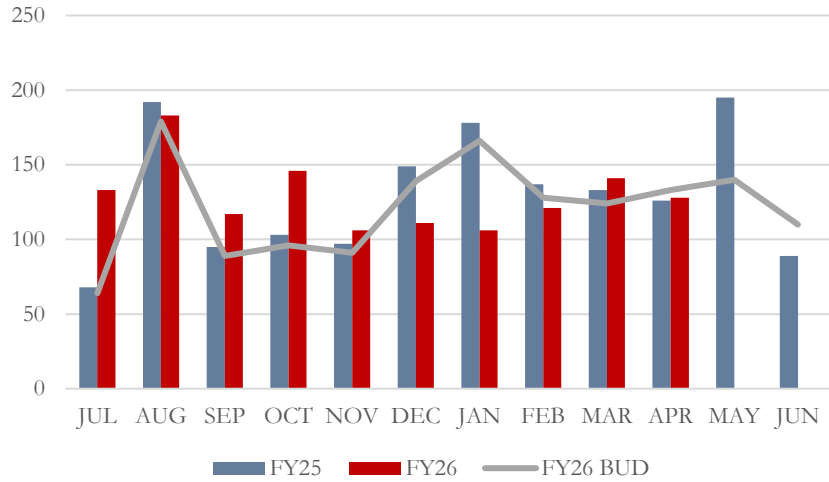
	FY24 Ending	FY25 Ending	Apr 2026	Mar 2026	Feb 2026	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sep 2025	Aug 2025	Jul 2025	Jun 2025	May 2025	Apr 2025	Mar 2025
1 Total Assets																
2 Total Current Assets																
3 Cash - Operating	1,400,507	1,812,826	2,024,699	1,734,751	922,882	615,196	1,223,709	1,502,524	1,230,611	986,759	584,310	1,143,201	1,812,826	1,192,239	1,108,456	763,083
4 Investments - Unrestricted	4,076,428	3,984,313	3,923,823	3,902,007	3,430,442	3,411,971	4,138,430	4,113,714	4,088,888	4,062,503	4,036,909	4,010,560	3,984,313	3,415,326	3,391,397	3,368,326
5 Investments - Restricted	3,744,080	3,419,943	2,782,879	2,782,879	2,782,879	2,782,879	2,782,878	3,419,943	3,419,943	3,419,943	3,419,943	3,419,943	3,419,943	3,419,943	3,419,943	3,744,080
6 Investments - Board	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
7 Cash & Cash Equivalents	11,721,015	11,717,082	11,231,401	10,919,637	9,636,203	9,310,046	10,645,017	11,536,181	11,239,442	10,969,205	10,541,162	11,073,704	11,717,082	10,527,508	10,419,796	10,375,489
8 Net Patient Accounts Rec.	3,907,633	3,536,706	4,997,789	4,675,082	4,099,430	4,169,365	3,733,449	3,798,199	3,693,145	3,921,150	4,418,059	4,429,256	3,536,706	5,145,137	5,324,870	4,857,810
9 Other Current Assets	798,202	990,065	872,461	659,943	668,527	636,044	437,674	682,871	1,407,460	1,332,374	1,234,575	1,155,670	990,065	721,582	770,895	379,660
10 Total Current Assets	16,426,850	16,243,853	17,101,651	16,254,662	14,404,160	14,115,455	14,816,140	16,017,251	16,340,047	16,222,729	16,193,796	16,658,630	16,243,853	16,394,227	16,515,561	15,612,959
11 Net Property/Plant/Equip.	6,423,952	8,243,887	7,336,315	7,550,458	7,611,661	7,748,861	7,861,243	7,966,794	8,085,587	8,112,749	8,170,108	8,150,845	8,243,887	8,882,362	8,968,493	9,001,710
12 Total Assets	22,850,802	24,487,740	24,437,966	23,805,120	22,015,821	21,864,316	22,677,383	23,984,045	24,425,634	24,335,478	24,363,904	24,809,475	24,487,740	25,276,589	25,484,054	24,614,669
13 Total Liabilities & Net Assets																
14 Total Current Liabilities																
15 Accounts Payable	1,344,652	1,551,870	1,740,769	1,576,017	1,401,677	1,328,946	1,360,904	1,432,300	1,544,686	1,575,424	1,418,887	1,664,885	1,551,870	1,430,749	1,625,409	1,133,479
16 Accrued Payroll & Benefits	1,411,152	1,741,066	1,583,485	1,453,076	1,331,300	1,284,800	1,979,388	1,712,202	1,608,783	1,363,640	1,265,920	1,915,918	1,741,066	1,605,262	1,497,624	1,334,559
17 Line of Credit Payable	0	3,139,376	2,511,501	2,511,501	2,511,501	2,511,501	2,511,501	3,139,376	3,139,376	3,139,377	3,139,377	3,139,377	3,139,376	3,139,376	3,139,377	3,139,376
18 Interest & Other Payable	100,992	268,479	161,731	182,653	181,362	196,194	98,694	114,295	120,694	260,973	266,112	280,805	268,479	272,070	274,214	94,555
19 Est. Payor Settlements	997,650	534,781	1,724,016	1,517,734	36,586	72,963	107,866	580,426	791,394	759,410	803,074	506,338	534,781	1,111,785	825,695	786,546
20 Cur. Portion Long-Term Debt	635,560	656,838	450,438	460,720	463,883	491,414	520,141	548,096	600,445	594,368	996,268	623,927	656,838	734,854	689,250	842,873
21 Total Current Liabilities	4,490,006	7,892,410	8,171,940	7,701,701	5,926,309	5,885,818	6,578,494	7,526,695	7,805,378	7,693,192	7,889,638	8,131,250	7,892,410	8,294,096	8,051,569	7,331,388
22 Total Long-Term Debt	4,535,131	4,228,131	3,645,183	3,751,058	3,789,740	3,791,112	3,828,711	3,983,560	4,005,355	4,198,818	3,750,068	4,193,175	4,228,131	4,453,775	4,570,638	4,482,837
23 Total Liabilities	9,025,137	12,120,541	11,817,123	11,452,759	9,716,049	9,676,930	10,407,205	11,510,255	11,810,733	11,892,010	11,639,706	12,324,425	12,120,541	12,747,871	12,622,207	11,814,225
24 Total Net Assets	13,825,665	12,367,199	12,620,843	12,352,361	12,299,772	12,187,386	12,270,178	12,473,790	12,614,901	12,443,468	12,724,198	12,485,050	12,367,199	12,528,718	12,861,847	12,800,444
25 Total Liabilities & Net Assets	22,850,802	24,487,740	24,437,966	23,805,120	22,015,821	21,864,316	22,677,383	23,984,045	24,425,634	24,335,478	24,363,904	24,809,475	24,487,740	25,276,589	25,484,054	24,614,669

Southern Coos Hospital & Health Center Balance Sheet Summary

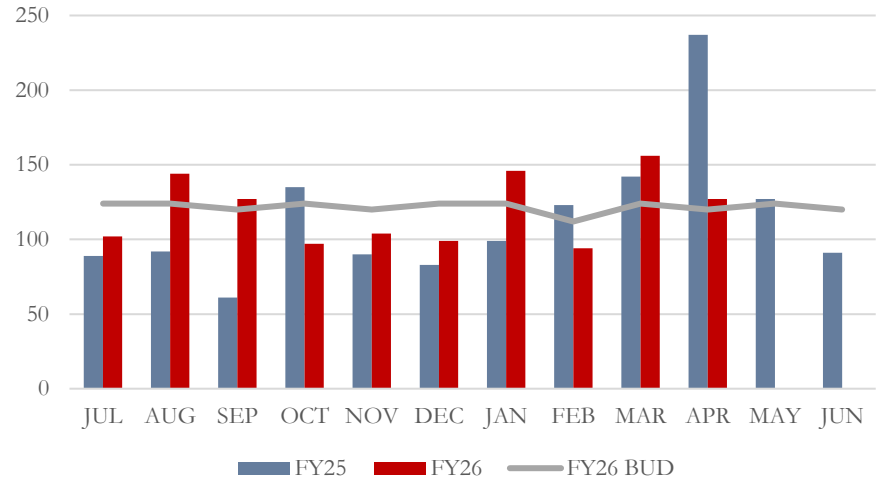
	Year To Date 04/30/2026	Year Ending 06/30/2025		Year Ending 06/30/2024
	Current Year Balance	Prior Year	Current vs. Prior	Actual
Total Assets				
Total Current Assets				
Cash and Cash Equivalents	11,231,401	11,717,082	(485,681)	11,721,015
Net Patient Accounts Receivable	4,997,789	3,536,706	1,461,083	3,907,633
Other Assets	872,461	990,065	(117,604)	798,202
Total Current Assets	17,101,651	16,243,853	857,798	16,426,850
Net PP&E	7,336,315	8,243,887	(907,573)	6,423,952
Total Assets	24,437,966	24,487,740	(49,775)	22,850,802
Total Liabilities & Net Assets				
Total Liabilities				
Current Liabilities	8,171,940	7,892,410	279,531	4,490,006
Total Long Term Debt, Net	3,645,183	4,228,131	(582,949)	4,535,131
Total Liabilities	11,817,123	12,120,541	(303,418)	9,025,137
Total Net Assets	12,620,843	12,367,199	253,643	13,825,665
Total Liabilities & Net Assets	24,437,966	24,487,740	(49,775)	22,850,802

Cash to Debt Ratio	0.95	0.97	(0.02)	1.30
Debt Ratio	0.48	0.49	(0.01)	0.39
Current Ratio	2.09	2.06	0.03	3.66
Debt to Capitalization Ratio	0.23	0.23	0.00	0.25

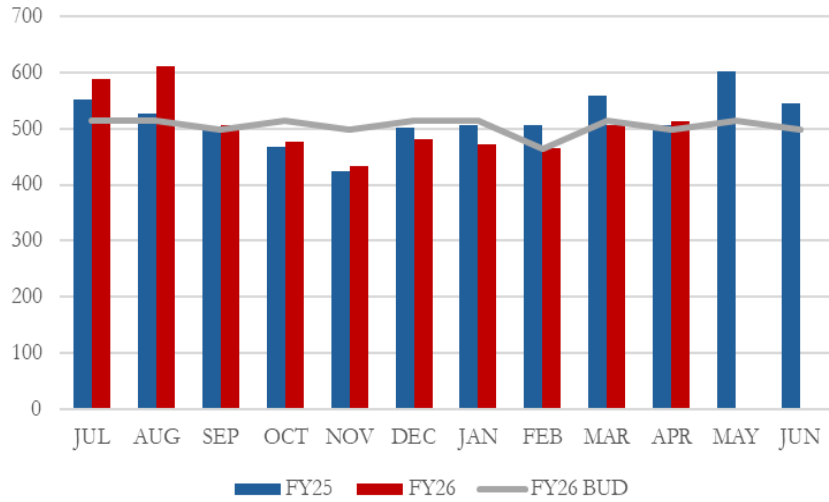
IP Days



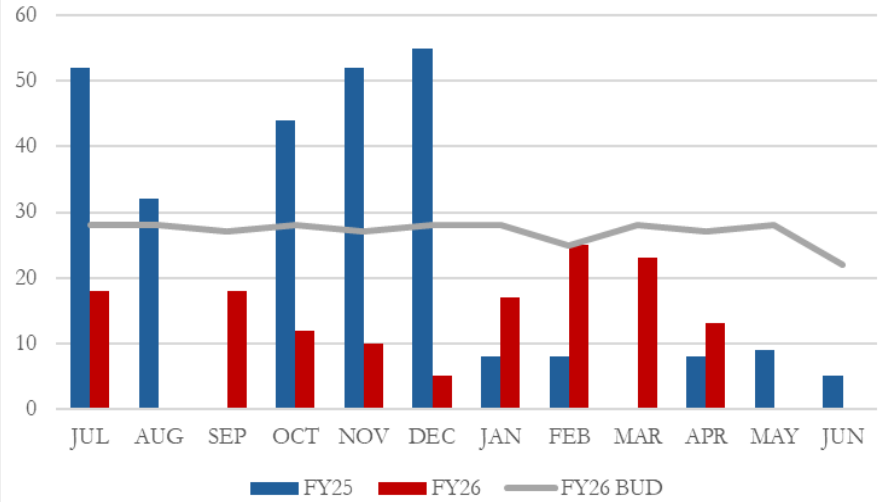
Swing Bed Days



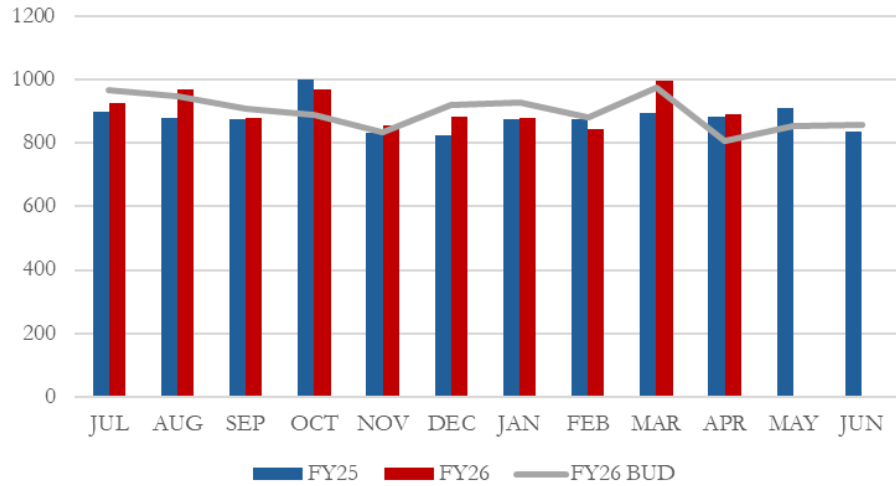
ER Visits



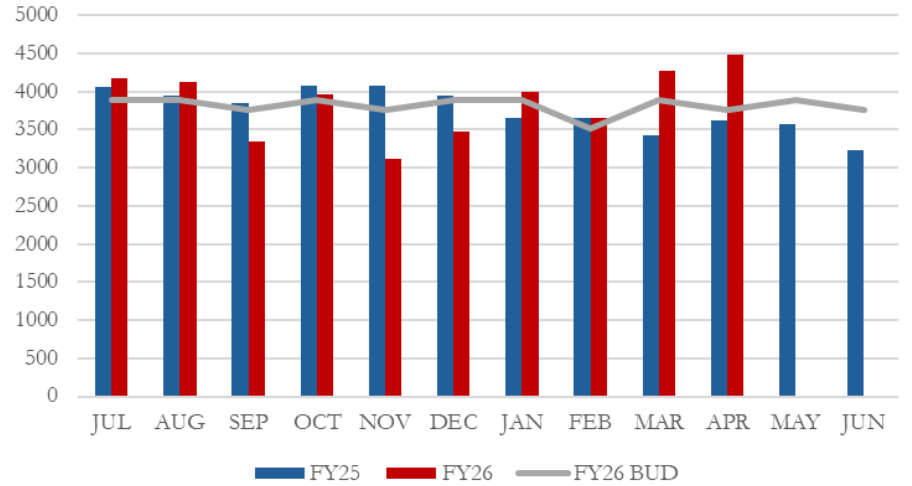
Surgery Patients



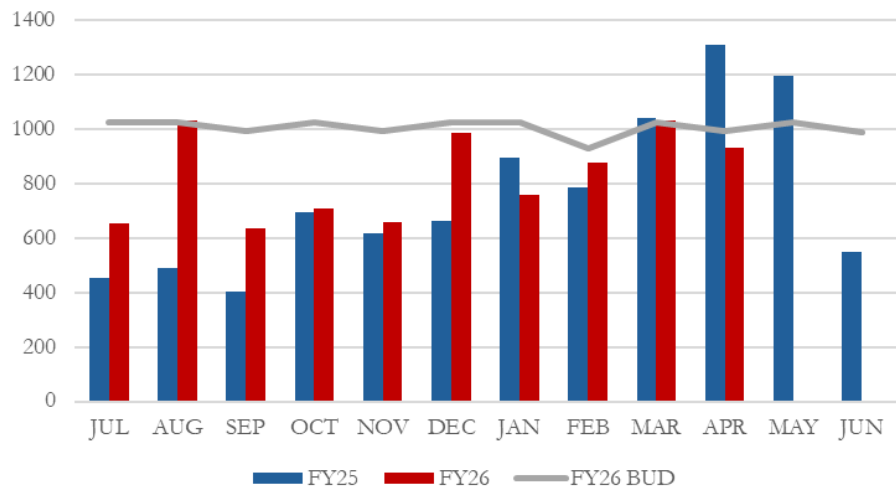
Imaging Visits



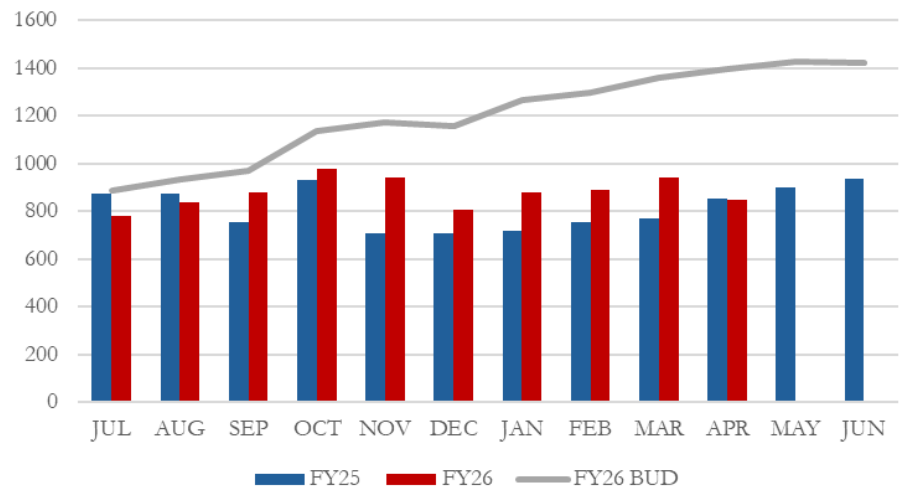
Lab Tests



RT Procedures



Clinic Visits



Southern Coos Hospital & Health Center

Volume and Key Performance Ratios

For The Period Ending April 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	128	133	126	-3.6%	1.6%	1,292	1,210	1,278	6.8%	1.1%
	Swing Bed Days	127	180	237	-29.4%	-46.4%	1,196	1,824	1,151	-34.4%	3.9%
	Total Inpatient Days	255	313	363	-18.5%	-29.8%	2,488	3,034	2,429	-18.0%	2.4%
	Avg Daily Census	8.5	10.4	12.1	-18.5%	-29.8%	8.2	10.0	8.0	-18.0%	2.4%
	Avg Length of Stay - IP	3.5	3.0	3.2	15.3%	7.1%	3.6	3.0	3.6	21.7%	2.0%
	Avg Length of Stay - SWB	14.1	9.0	18.2	56.8%	-22.6%	12.0	8.9	11.7	34.4%	1.8%
	ED Registrations	514	497	506	3.4%	1.6%	5,053	5,039	5,049	0.3%	0.1%
	Clinic Registrations	999	321	856	211.2%	16.7%	9,016	3,255	6,506	177.0%	38.6%
	Ancillary Registrations	1,769	595	1,577	197.3%	12.2%	12,755	6,030	12,755	111.5%	0.0%
	Total OP Registrations	3,282	1,413	2,939	132.3%	11.7%	26,824	14,324	24,310	87.3%	10.3%

Key Income Statement Ratios			Actual	Budget	Prior Year	Variance to		Actual	Budget	Prior Year	Variance to	
						Bud	Prior Year				Bud	Prior Year
	Gross IP Rev/IP Day	7,585	7,822	6,639	-3.0%	14.3%	7,173	7,173	6,553	0.0%	9.5%	
	Gross SWB Rev/SWB Day	2,388	2,903	2,593	-17.7%	-7.9%	2,628	2,863	2,953	-8.2%	-11.0%	
	Gross OP Rev/Total OP Registrations	1,371	3,423	1,286	-59.9%	6.7%	1,287	3,203	1,440	-59.8%	-10.6%	
	Collection Rate	48.8%	62.0%	59.7%	-21.2%	-18.3%	54.2%	62.0%	60.9%	-12.5%	-11.0%	
	Compensation Ratio	64.3%	66.9%	73.2%	-4.0%	-12.2%	72.1%	70.7%	75.6%	1.9%	-4.7%	
	OP EBIDA Margin \$	215,700	292,037	70,094	-26.1%	207.7%	628,300	1,166,743	(669,610)	-46.1%	-193.8%	
	OP EBIDA Margin %	5.7%	8.4%	2.2%	-31.5%	155.8%	1.9%	3.5%	-2.3%	-46.1%	-179.7%	
	Total Margin	7.1%	6.6%	2.0%	7.9%	263.4%	0.8%	1.7%	-3.4%	-54.7%	-122.3%	

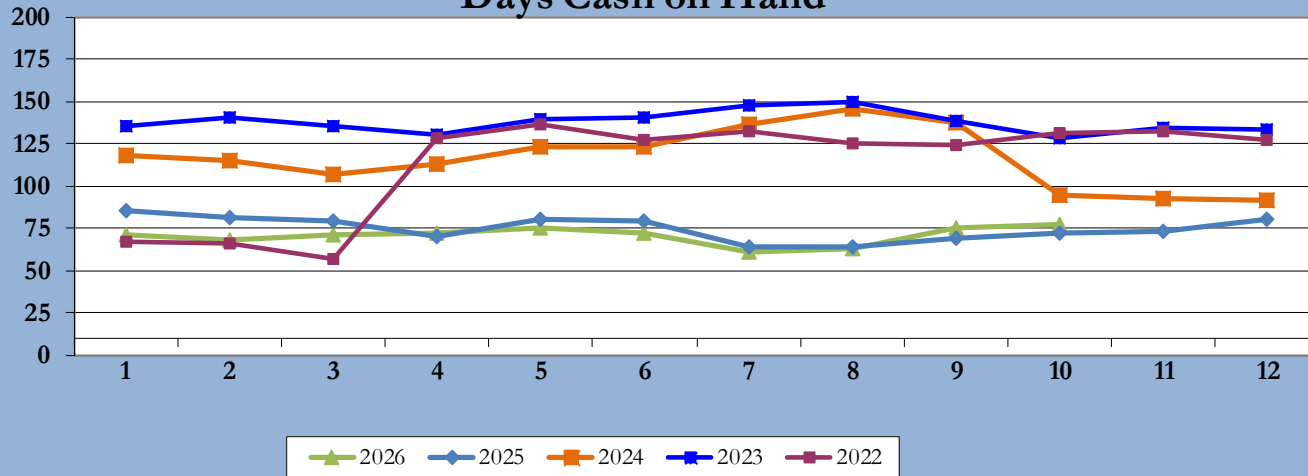
Key Liquidity Ratios			Actual	Budget	Prior Year	Variance to					
						Bud	Prior Year				
	Days Cash on Hand	77.1	80.0	71.9	-3.6%	7.2%					
	AR Days Outstanding	52.5	50.0	57.7	5.0%	-9.0%					

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>

April 2026 Days Cash on Hand



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	70.5
2025	74.8
2024	116.3
2023	137.8
2022	113.0

Benchmark

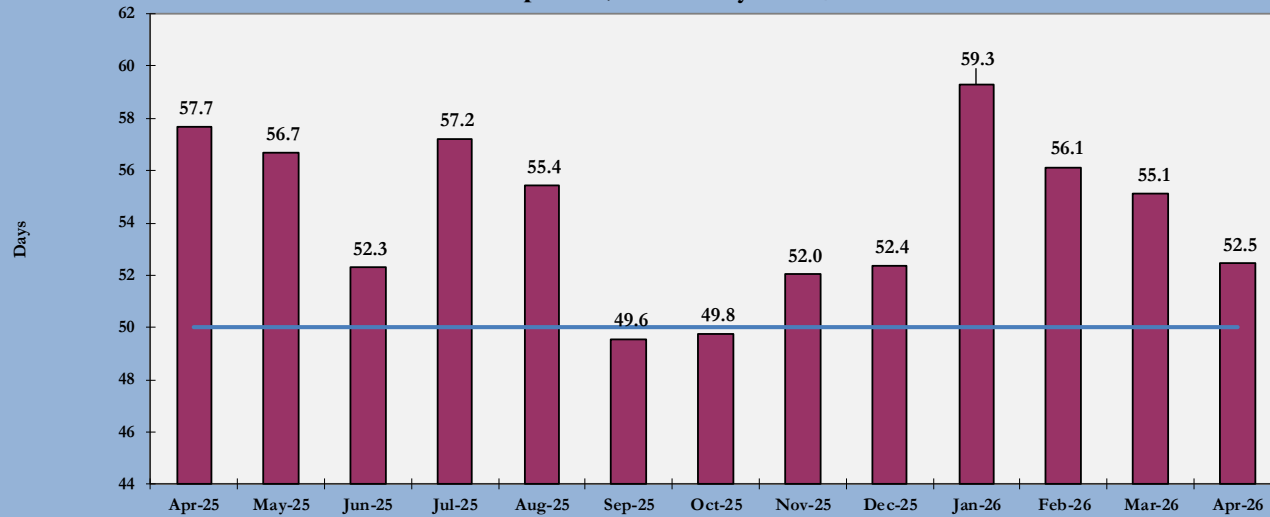
80 Days

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	63.2	74.9	77.1		
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

April 30, 2026 - Days in A/R



Calculation: Gross Accounts Receivable

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.

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
A/R (Gross)	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	8,853,251	9,390,115	9,690,344
Days in AR	57.7	56.7	52.3	57.2	55.4	49.6	49.8	52.0	52.4	59.3	56.1	55.1	52.5
'''	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
A/R (Gross)	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	8,853,251	9,390,115	9,690,344
Days in Month	30	31	30	31	31	30	31	30	31	31	28	31	30
Monthly Revenue	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	4,787,122	5,880,138	5,775,369
3 Mo Avg Daily Revenue	164,835	165,101	163,962	164,732	168,028	174,258	173,975	163,969	159,105	150,703	157,711	170,366	184,749
Days in AR	57.7	56.7	52.3	57.2	55.4	49.6	49.8	52.0	52.4	59.3	56.1	55.1	52.5

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

FY26 Capital Budget - Projects under \$15,000

Total Budget	\$	186,000
Projects Completed / Capitalized	\$	25,246
Projects In Progress	\$	21,200
Remaining Budget	\$	139,554

FY26 Capital Budget - Projects over \$15,000

Total Budget	\$	3,114,000
Projects Completed / Capitalized	\$	519,945
Projects In Progress	\$	190,055
Remaining Budget	\$	2,404,000

FY26 Capital Budget - Grant Funded

Total Grant	\$	246,000
Projects Completed / Capitalized	\$	-
Projects In Progress	\$	162,198
Remaining Budget	\$	83,802



Revenue Cycle Report

To: Board of Directors and Southern Coos Management
From: Colene Hickman, Director Revenue Cycle
Re: Report for Board of Directors Meeting – May 28, 2026

Executive Summary

April revenue cycle performance showed continued improvement across key operational metrics. AR Days improved to 52.2, continuing the positive trend from the January peak and reflecting ongoing progress in claims resolution and collections. AR aging remains strong, with approximately 81% of receivables within 90 days.

Aged AR over 120 days declined overall, driven primarily by another significant reduction in Self-Pay balances. Billing activity reached a new post go-live high at \$7.3M, positioning the organization for improved future cash collections as claims progress through the payment cycle.

Collections increased to \$3.29M for the month, demonstrating continued stabilization in overall payment performance and supporting sustained revenue cycle improvement.

AR Days Month over Month

Oct	Nov	Dec	Jan	Feb	Mar	April
47.6	50.7 ▲	54.4 ▲	58.8 ▲	54.1 ▼	53.3 ▼	52.2 ▼

Aged AR Over 120 Days by Financial Class

Class	Oct	Nov	Dec	Jan	Feb	March	April
Medicare	\$148,201	\$127,546 ▼ \$20,655	\$106,571 ▼ \$20,975	\$59,824 ▼ \$46,747	\$66,537 ▲ \$6,713	\$63,429 ▼ \$3,108	\$110,501 ▲ \$47,072
Commercial	\$433,980	\$425,551 ▼ \$8,429	\$437,265 ▲ \$11,714	\$462,521 ▲ \$25,256	\$430,565 ▼ \$31,956	\$465,896 ▲ \$35,240	\$444,088 ▼ \$21,808
Self-Pay	\$757,442	\$811,588 ▲ \$54,146	\$888,531 ▲ \$76,943	\$924,788 ▲ \$36,257	\$777,135 ▼ \$147,653	\$506,994 ▼ \$270,141	\$373,735 ▼ \$133,259
Medicare HMO	\$86,181	\$124,931 ▲ \$38,750	\$144,837 ▲ \$19,906	\$213,041 ▲ \$68,204	\$287,425 ▲ \$74,384	\$298,787 ▲ \$11,362	\$283,453 ▼ \$15,334
Medicaid HMO	\$69,806	\$85,578 ▲ \$15,772	\$153,758 ▲ \$68,180	\$172,040 ▲ \$18,282	\$144,422 ▼ \$27,618	\$135,797 ▼ \$8,625	\$143,505 ▲ \$7,708
Other Government	\$15,541	\$23,189 ▲ \$7,648	\$146,571 ▲ \$123,382	\$326,590 ▲ \$180,019	\$10,699 ▼ \$315,891	\$10,418 ▼ \$281	\$17,189 ▲ \$6,771
Medicaid	\$28,050	\$44,123 ▲ \$16,073	\$30,258 ▼ \$13,865	\$28,441 ▼ \$1,817	\$26,890 ▼ \$1,551	\$35,582 ▲ \$8,692	\$11,979 ▼ \$23,603
Worker's Comp	\$5,207	\$3,613 ▼ \$1,594	\$-1,616 ▼ \$5,229	\$-2,157 ▼ \$541	\$-1,700 ▲ \$457	-\$1,693 ▼ \$7	-\$1,693 No Change

Other	\$4,864	\$5,389 ▲ \$525	\$5,128 ▼ \$261	\$3,515 ▼ \$1,613	\$3,515 ▼ \$0	\$4,079 ▲ \$564	\$4,583 ▲ \$504
Undistributed	\$-10,719	\$5,230 ▲ \$15,949	\$-8,792 ▼ \$14,022	\$22,687 ▲ \$31,479	\$18,342 ▼ \$4,345	-\$233 ▼ \$18,109	-\$16,090 ▲ \$15,857

Aged AR over 120 days had an overall improvement in April, driven primarily by another significant reduction in Self-Pay balances, which have declined by more than \$550K since January. Commercial and Medicare HMO balances also improved during the month, while Medicaid balances saw a notable decrease. Although Medicare and Medicaid HMO balances increased slightly, overall aged receivables remain stable and continue to trend positively across most payer classes.

AR Aging Distribution

Bucket	Oct	Nov	Dec	Jan	Feb	March	April
Open/Inhouse	\$725K (9%)	\$478K (6%) ▼	\$480K (6%) ▲	\$503K (6%) ▼	\$530K (6%) ▲	\$820K (9%) ▲	\$582K (6%) ▼
0-30	\$3.9M (47%)	\$4.06M (49%) ▲	\$4.06M (47%) ▼	\$4.01M (45%) ▼	\$4.35M (51%) ▲	\$4.32M (48%) ▼	\$4.76M (51%) ▲
31-60	\$1.06M (13%)	\$893K (11%) ▼	\$1.07M (12%) ▲	\$1.48M (17%) ▲	\$1.19M (14%) ▼	\$1.6M (18%) ▲	\$1.28M (14%) ▼
61-90	\$616K (7%)	\$701K (8%) ▲	\$530K (6%) ▼	\$398K (4%) ▼	\$412K (5%) ▲	\$512K (6%) ▲	\$894K (10%) ▲
91-120	\$407K (5%)	\$501K (6%) ▲	\$584K (7%) ▲	\$309K (3%) ▼	\$284K (3%) ▼	\$297K (3%) ▲	\$443K (5%) ▲
121-180	\$601K (7%)	\$617K (7%) ▲	\$742K (9%) ▲	\$896K (10%)	\$519K (6%) ▼	\$403K (4%) ▼	\$398K (4%) ▼
180+	\$937K (11%)	\$1.04M (13%) ▲	\$1.16M (13%) ▲	\$1.34M (15%) ▲	\$1.24M (15%) ▼	\$1.12M +(12%) ▼	\$1M (11%) ▼

Approximately 81% of AR remains within 90 days, with 20% aged beyond 90 days, reflecting continued strong revenue cycle performance and effective management of receivables. Industry top quartile performance for AR greater than 90 days is generally considered 25% or below, and the organization continues to perform within that benchmark. This remains a closely monitored metric, with ongoing focus on further reducing aged receivables and strengthening overall AR performance.

Claims Billing Activity

Month	Total Billed
October	\$6,102,351
November	\$5,580,756 ▼ \$521,595
December	\$5,117,797 ▼ \$462,959
January	\$5,745,879 ▲ \$628,082

February	\$6,042,778 ▲ \$296,899
March	\$6,626,430 ▲ \$583,652
April	\$7,326,343 ▲ \$699,913

Total claims billed reached a new post go-live high of \$7.3M in April, continuing a four-month upward trend following declines seen in late 2025. April billing increased by nearly \$700K over March, driven not only by continued stabilization in charge capture, coding, and claims submission processes, but also by April representing another record revenue month for the organization. Increased billed volume continues to position the organization for stronger future cash collections as claims progress through the cycle.

Collections Activity

Month	Payments	Avg Daily
October	\$3,403,456	\$154,703
November	\$2,628,555 ▼ \$774,901	\$146,031 ▼ \$8,672
December	\$2,823,235 ▲ \$194,680	\$128,329 ▼ \$17,702
January	\$2,259,582 ▼ \$563,653	\$112,979 ▼ \$15,350
February	\$3,220,267 ▲ \$960,685	\$169,478 ▲ \$56,499
March	\$2,815,880 ▼ \$404,387	\$170,387 ▲ \$909
April	\$3,285,873 ▲ \$469,993	\$149,358 ▼ \$21,029

Collections performance improved in April, with total payments increasing to \$3.29M, up nearly \$470K from March. Overall cash performance continues to stabilize, supported by sustained growth in billed volume and ongoing improvement in revenue cycle operations.

Revenue Cycle Departments Update

Revenue cycle departments continue to demonstrate strong collaboration and focus on process improvement across the full patient financial lifecycle, from referrals and authorizations through billing and collections. Patient Access continues to identify opportunities to improve point-of-service collections while partnering closely with clinic teams to strengthen front desk workflows and registration processes.

Health Information Management (HIM) has worked diligently to improve document processing, scanning, and indexing workflows, resulting in improved turnaround times for chart analysis and downstream revenue cycle functions. Billing teams remain focused on identifying payer denial trends and working collaboratively with upstream departments to address root causes, reduce denials, and minimize delays in reimbursement. Overall, teams continue to demonstrate strong operational engagement and commitment to ongoing revenue cycle improvement initiatives.

Respectfully Submitted,

Colene Hickman
Revenue Cycle Director