



**Board of Directors
Budget Hearing, Regular Meeting & Executive Session
Southern Coos Hospital & Health Center
June 25, 2026 - 6:00 p.m.**

AGENDA

I.	Call to Order 6:00 p.m.	
	1. Agenda Corrections or Additions.....	(action)
	2. Public Input	
II.	Consent Agenda	
	1. Open Session Regular Meeting Minutes	
	a. Regular Meeting-05/28/26.....	1
	Motion to Approve Consent Agenda	(action)
III.	Open Budget Hearing	(action)
	1. Form LB-1 Notice of Budget Hearing.....	7
	2. FY27 Consolidated Budget.....	9
	3.. FY27 Proposed Budget Resolution 2026-01 – Adoption of Budget.....	(action)14
	3. Close Budget Hearing	(action)
IV.	New Business	
	1. Medical Staff Bylaws Redline Copy – Addition of Application Fee.....	16
V.	Old Business	
	1. None.	
VI.	Staff Reports-Discussion	
	1. CEO Report.....	17
	2. CMO Report.....	19
	3. Retail Pharmacy Report.....	20
	4. CNO Report.....	22
	5. Quality Key Performance Indicators Dashboard & QAPI Assessment.....	25
	6. CIO Report.....	28
	7. Multi-Specialty Clinic Report.....	31
	8. HR Report.....	37
	9. SCHD Foundation Report.....	63
	10. Strategic Plan Update.....	(under separate cover)
	11. CFO Report.....	64

VIII. Monthly Financial Statements: Review & Discussion

- 1. Financial Statements for Period Ending May 31, 2026(under separate cover)
- 2. May Revenue Cycle Report.....65
- 3. Monthly Mitigation Dashboard Report for Period Ending May 31, 2026.....66

IX. Open Discussion

X. Executive Session

Executive Session Under ORS 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 ORS192.660(7) to consider employment of an officer, employee, staff member, or agent, and under ORS192.660(2)(e) to conduct deliberations with persons designated to negotiate real property transactions. No decisions will be made in Executive Session.

- 1. Review of Executive Session Minutes for Consideration in Open Session
 - a. Executive Session Minutes 05/28/26
- 2. Review of Monthly Reports for Consideration in Open Session:
 - a. Quality, Risk & Compliance Report
 - b. Medical Staff Committee Report
- 3. Real Property Negotiations
- 4. CEO Evaluation Follow-up

XI. Return to Open Session

- 1. Consideration of Executive Session Minutes from 05/28/26.....(action)
- 2. Consideration of Reports from Executive Session
 - a. Quality, Risk & Compliance Report.....(action)
 - b. Medical Staff Report.....(action)
- 3. Consideration of Real Property Negotiations.....(action)
- 4. CEO Evaluation Follow-up.....(action)

XII. Adjournment

**Southern Coos Health District
Board of Directors Meeting
Open Session Minutes
May 28, 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:** 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:** Raymond Hino, CEO; Stacy Nelson, HR Director; Alix McGinley, SCHF Executive Director; **Others in attendance:** Jeanie Ortiz, Controller (via remote link); Kim Russell, Executive Assistant. **Press:** None.

1. Agenda - Corrections or Additions.

Mary Schamehorn **moved** to accept the agenda with addition of Rural Health Transportation grant application ratification under New Business. Under Staff Reports, the Retail Pharmacy Report that was inadvertently missing from the agenda, will be included. Bob Pickel **seconded** the motion. **All in favor. Motion passed.**

2. Public Input – None.

II. Consent Agenda

- 1. a. Regular Meeting Open Session Minutes – 04/23/26**
b. Special Meeting Minutes – 04/30/26
- 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. New Business

1. Consideration of Employee Health Insurance Plan Recommendation

Raymond Hino, CEO shared that after the move to the current insurance provider on January 1, 2025, management has been continuing to explore options for health insurance and full benefits for employees of Southern Coos Hospital & Health Center at a reduced cost, leading to a recommendation tonight for medical insurance coverage that will include a complete package of insurance benefits; medical, dental, vision, life, disability and other coverage, at a more sustainable price than what we have contracted for in the past, through OEBC, the Oregon Educators Benefits Board. Stacy Nelson, HR Director, noted that while benefit plan “hopping” can be a dissatisfier for staff, the cost savings of this plan is likely to be well received, as well

as the return to the previous insurance benefit provider, Moda, that was widely preferred by staff. A five-year comparison was shared showing rate cap progression. If accepted, this plan will begin on October 1, with the current plan year contracted through December 31, cancellable with 30-day notice (to be confirmed by legal counsel). Mr. Marlowe noted that 3.4% is capitated rate that could go lower, however the maximum was included for conservative calculations. This plan was established for school districts but is open to other government entities. Healthcare workers tend to be higher utilizers of healthcare, so joining this plan will help share that utilization with lower-utilization groups, equating to savings for the healthcare members. Southern Coos will continue to provide 100% premium coverage for employees.

Mary Schamehorn **moved** for Administration to proceed with OEBC benefit plan as presented by the SCHHC management team for full- and part-time employees for coverage year October 1, 2026, to September 30, 2027. Pam Hanson **seconded** the motion. **Discussion:** Mr. Bedell added that Administration is to do all they can to mitigate transition costs. **All in favor. Unanimous decision.**

2. Consideration of FY26 CLA Independent Audit Scope of Work

Mr. Hino provided a recap regarding the selection in 2025 by the audit committee utilizing a RFP process, selecting Clifton Larsen Allen, with whom Southern Coos is in year 2 of a 3 year contract. The annual Scope of Work is presented tonight for Board consideration. We ask that the Board approve the hospital CEO to sign the attached FY 2026 Audit Scope of Work from CliftonLarsonAllen, LLP (CLA) for our 2026 Independent Audit at a cost of \$40,250 plus \$2,025 in expenses.

Pam Hansen **moved** to authorize the CEO to proceed with the Clifton Larsen Allen Scope of Work as presented. Mary Schamehorn **seconded** the motion. **Discussion:** Regarding “significant risks” as named in the scope of work, “Management Override” of “Controls and Revenue Recognition” are included as protective language not specific to this organization. **All in favor. Motion passed.**

3. Consideration of Travel Expense for CEO to attend Becker’s Rural Healthcare Leadership Summit in June 2026

Mr. Hino provided a summary of his request for Board authorization to attend the Becker’s Healthcare Rural Healthcare Leadership Summit June 11-12. This is a good opportunity to highlight the great things that we are doing at Southern Coos Hospital & Health Center, as well as within the State of Oregon, and 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. The estimated travel expense authorization requested is \$2,330.00, to include airfare, lodging, and taxi fare.

Kay Hardin **moved** to authorize CEO travel not to exceed \$2,330.00 as described. Bob Pickel **seconded** the motion. **All in favor. Motion passed.**

4. Rural Health Transformation Program Grant Application

On Monday, May 25, the Board of Directors was asked for approval for Administration

to submit the Rural Health Transformation Program (RHTP) grant application, due Tuesday, May 26 at 5:00 p.m. The RHTP is a federal program intended to help offset Medicaid reductions in which Oregon is to receive \$200M with \$35M flagged for 35 rural hospitals to be applied to transformative projects subject to a grant submission and approval process. Due to the holiday and continuous work on this project a special meeting was not possible for the required board approval. Thank you to board members for your unanimous support of these 3 projects by email, described below. Administration has shared in previous board meetings the opportunity to apply for up to \$5.0 million in grants from the Oregon Health Authority. Mr. Hino had previously discussed the plan for submittal of the application with Mr. Bedell, Board Chairman. The three (3) proposed projects to be funded through RHTP competitive catalyst grants were submitted based on thorough review, 1) Medical Imaging equipment; 2) formation of the Southern Coast Collaboration Alliance which will support various efficiencies and reduction in cost of services; and 3) telehealth expansion. Also included under the RHTP impact grant awards is expansion of the school nurse program, surgery expansion, and remodel of the Emergency Room to include a mental health bed. A motion is requested tonight to ratify application submission.

Bob Pickel **moved** to ratify the RHTP grant application and submission as presented. Mary Schamehorn **seconded** the motion. **All in favor. Motion passed.**

IV. Old Business

None.

V. Staff Reports

1. CEO Report

Mr. Hino kept it brief, noting that recruitment has begun for the permanent Chief Financial Officer/Chief Operations Officer position, with 15 applications to-date. Staff will participate in the interview process following standard screening; goal is to have in place by August 1. Mr. Marlowe will continue to September 1 to aid in the transition. Catalyst and Impact grant awards to be announced soon with funds to be available by late August. There were no questions.

2. CMO Report

Dr. Forrester, Chief Medical Officer, noted positive progress made on charting deficiencies, reduced to a single deficiency as of today with thanks to Colene Hickman, Revenue Cycle Director, Scott McEachern, CIO; HIM team members Lori Colby and Alicia Coffey for their work and teamwork on this project. Epic efficiencies will continue to support this effort. There were no questions regarding the written report.

3. Retail Pharmacy Report

Dr. Forrester continued with the Retail Pharmacy Report. He was sad to report that Jeremy Brown, Pharmacy Director, has announced that he will be moving from the

area for personal reasons. Recruitment has begun for his replacement. Volumes increased in April, filling an average of 150 prescriptions per day. A consultant has been contracted to perform an assessment of pharmacy operations, to begin in June.

4. CNO Report

Cori Valet, CNO, noted highlights from the written report, including the reduction in contract staff. No employee referrals have been received as of yet following implementation of the referral incentive. There were no questions.

5. Multi-Specialty Clinic Report

David Serle, Clinic Director, noted the positive bottom line of \$10K with review of provider RVUs, citing an example of one provider increase of 30%. Mr. Serle will be working with Revenue Cycle regarding end-of-month charges impacted by volume over the next month. The medical intern RVUs were credited to Dr. Webster. Gross revenue per visit average in April of \$500 jumped to \$600 this month. Also of note is the Patient-Centered Primary Care Home Program (PCHCH) certification that will add quality incentive payments. Mr. Serle thanked the clinic team for their work and survey participation that led to the certification, valid for 2 years.

6. Quality Key Performance Indicators Dashboard

Amanda Bemetz, Director of Quality Risk and Compliance, shared key Quality performance indicators from prior month, including areas of Clinic, Surgical Complication Rate, Emergency Department, Hospital and Patient Experience dashboard with performance and target numbers as well as 12-month trend graphs for each area, noting Clinic Accountable Care Organization (ACO) and PCPCH tracked categories. Highlights included the PCPCH clinical calls returned within 2 hours.

7. HR Report

Stacy Nelson, HR Director, added highlights of Hospital Week not included in the written report, noting how the special walking challenge activity was so successful that it continues for staff who are interested, and special thanks to newest members of the Employee Activity Committee, Colene Hickman and Brenna Watkins who created and ran a new “escape room” activity that incorporated patient safety questions and solutions. Mr. Hino used this opportunity to introduce and welcome our new CFO, Jeanie Ortiz, attending remotely.

8. CFO – See below.

9. CIO Report

Scott McEachern provided an update on the progress of the specialty clinic remodel with outside contractors wrapping up by mid-June. Providence, the Epic Community Connect platform implemented by Southern Coos, is creating a Cybersecurity Task Force as threats continue with healthcare data.

10. SCHD Foundation Report

Alix McGinley, SCHF Executive Director, reported that there were 30 in attendance at the volunteer recruitment event on June 9. New volunteers will be oriented to include HIPAA compliance for patient-facing volunteer positions which will include patient activities cart and greeting patients in the lobby.

11. Strategic Plan Update

This report is deferred to next month.

VI. Financial Review

1. Month-End Report & Statements for Period Ending April 30, 2026

Cam Marlowe, Interim Chief Financial Officer, again welcomed Jeanie Ortiz, Controller. The month of May closed with a positive bottom line of \$239K. Review of the balance sheet highlighted March and April cash increasing from \$1.7M to over \$2M, with special thanks to the Revenue Cycle team for their efforts. The Banner Bank loan payoff will be recorded in the May or June financials. The Budget Committee meeting is scheduled to be on Monday, June 1, with Budget Hearing on June 25. A second Budget Committee meeting date is reserved, if needed, the week of June 8.

2. April Revenue Cycle Report

Colene Hickman, Revenue Cycle Director, noted that this report format will be consolidated but will continue to include key performance indicators. Days in Accounts Receivable has reduced the third consecutive month. \$3.2M was collected in April, with collections trending higher in May. Initial and secondary claims were described. Ms. Hickman gave credit to her team of 4 billers, noting that 2 staff are now certified SHIBA counselors (Senior Health Insurance Benefits Assistance), Brenna Watkins and Carolyn Randolph.

VII. Open Discussion

None.

VIII. Executive Session

At 7:38 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; 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.

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 Forreser, MD, CMO; P.J. Keizer, MD, Medical Staff Chief of Staff. **Others in attendance:** Kim Russell, Executive Assistant. **Press:** None.

IX. Return to Open Session

At 8:02 p.m. the meeting returned to Open Session.

Decisions from Executive Session:

1. Consideration of Executive Session Minutes from 04/23/26

Bob Pickel **moved** to accept Executive Session Minutes from April 23 as presented. Pam Hansen **seconded** the motion. **All in favor. Unanimous.**

2. Consideration of Reports from Executive Session

- a. Quality, Risk & Compliance Report
- b. Medical Staff Report

Mary Schamehorn **moved** to approve the Quality, Risk and Compliance Report and the Medical Staff Report as presented. Bob Pickle **seconded** the motion. **All in favor. Motion passed.**

3. Consideration of Real Estate Negotiations

Pam Hansen **moved** to authorize the CEO to continue with negotiations on a potential real estate transaction. Bob Pickel **seconded** the motion. **All in favor. Unanimous decision.**

X. Adjournment

The meeting adjourned at 8:10 p.m. The next regular meeting and Budget Hearing will be held on June 25 at 6:00 p.m. at Southern Coos Hospital & Health Center.

Thomas Bedell, Chairman 6-25-2026

Mary Schamehorn, Secretary 6-25-2026

**FORM
OR-LB-1**

NOTICE OF BUDGET HEARING
Oregon Department of Revenue

A public meeting of the _____ will be held on _____ at _____ at _____
(Governing body) (Date)

_____, Oregon. The purpose of this meeting is to discuss the budget for the
(Location)

fiscal year beginning July 1, 20____ as approved by the _____ Budget Committee. A summary of
(Municipal corporation)

the budget is presented below. A copy of the budget may be inspected or obtained at _____
(Street address)

_____ between the hours of _____ a.m., and _____ p.m., or online at _____ This

budget is for an annual; biennial budget period. This budget was prepared on a basis of accounting that is: the same as;

different than the preceding year. If different, the major changes and their effect on the budget are:

Contact	Telephone number	E-mail
---------	------------------	--------

FINANCIAL SUMMARY – RESOURCES

TOTAL OF ALL FUNDS	Actual Amounts 20____–20____	Adopted Budget This Year: 20____–20____	Approved Budget Next Year: 20____–20____
1. Beginning Fund Balance/Net Working Capital			
2. Fees, Licenses, Permits, Fines, Assessments & Other Service Charges...			
3. Federal, State & all Other Grants, Gifts, Allocations & Donations			
4. Revenue from Bonds & Other Debt			
5. Interfund Transfers/Internal Service Reimbursements			
6. All Other Resources Except Current Year Property Taxes.....			
7. Current Year Property Taxes Estimated to be Received.....			
8. Total Resources —add lines 1 through 7.....			

FINANCIAL SUMMARY – REQUIREMENTS BY OBJECT CLASSIFICATION

9. Personnel Services			
10. Materials and Services			
11. Capital Outlay			
12. Debt Service			
13. Interfund Transfers.....			
14. Contingencies.....			
15. Special Payments			
16. Unappropriated Ending Balance and Reserved for Future Expenditure			
17. Total Requirements —add lines 9 through 16.....			

FINANCIAL SUMMARY – REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM*

Name of Organizational Unit or Program			
FTE for Unit or Program			
Name			
FTE			
Name			
FTE			
Name			
FTE			
Name			
FTE			

Southern Coos Hospital & Health Center
 FY2027 Consolidated Budget Proposal

Approved initially by budget committee on 06/01/26 but later modified - Not Final

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	FYTD26 Monthly Average	FYTD26 Annualized	FYTD27 Budget	% Change
1 Total Patient Revenue													
2 Inpatient Revenue	899,551	1,286,279	809,703	867,194	802,131	782,878	850,911	936,964	1,061,136	921,861	11,062,329	11,815,446	6.8%
3 Outpatient Revenue	4,302,825	3,895,084	3,850,184	4,319,262	3,378,933	3,694,473	3,420,630	3,618,235	4,385,955	3,873,953	46,487,441	51,476,813	10.7%
4 Swingbed Revenue	262,365	361,067	364,719	252,197	276,817	263,804	394,130	231,923	433,047	315,563	3,786,759	4,733,448	25.0%
5 Retail Pharmacy Revenue	326,686	351,114	368,618	494,630	476,226	610,819	527,035	538,827	677,573	485,725	5,828,704	7,415,900	27.2%
6 Total Patient Revenue	5,791,427	5,893,544	5,393,224	5,933,283	4,934,107	5,351,974	5,192,706	5,325,949	6,557,711	5,597,103	67,165,233	75,441,608	12.3%
7 Total Deductions	2,403,809	2,524,233	2,320,196	2,487,643	1,873,105	2,005,495	2,056,926	2,012,021	3,079,036	2,306,940	27,683,285	33,357,781	20.5%
8 Deductions/Patient Revenue	41.5%	42.8%	43.0%	41.9%	38.0%	37.5%	39.6%	37.8%	47.0%	41.2%	41.2%	44.2%	7.3%
9 Net Patient Revenue	3,387,618	3,369,311	3,073,028	3,445,640	3,061,002	3,346,479	3,135,780	3,313,928	3,478,675	3,290,162	39,481,948	42,083,827	6.6%
10 Other Operating Revenue	1,779	10,485	5,878	116,767	78,607	2,191	2,141	2,157	2,123	24,681	296,171	316,171	6.8%
11 Total Operating Revenue	3,389,397	3,379,796	3,078,906	3,562,407	3,139,609	3,348,670	3,137,921	3,316,085	3,480,798	3,314,843	39,778,119	42,399,997	6.6%
12 Total Operating Expenses													
13 Total Labor Expenses													
14 Salaries & Wages	1,556,650	1,594,488	1,587,425	1,681,154	1,579,262	1,721,461	1,682,236	1,456,158	1,653,470	1,612,478	19,349,739	20,451,980	5.7%
15 Contract Labor	516,036	594,457	499,908	513,474	511,039	619,974	528,579	520,505	439,739	527,079	6,324,948	6,144,447	-2.9%
16 Benefits	300,288	170,970	284,199	300,310	292,866	279,776	219,731	338,082	352,468	282,077	3,384,920	3,284,200	-3.0%
17 Total Labor Expenses	2,372,974	2,359,915	2,371,532	2,494,938	2,383,167	2,621,211	2,430,546	2,314,745	2,445,677	2,421,634	29,059,607	29,880,626	2.8%
18 Total Labor/Net Revenue	70.0%	70.0%	77.2%	72.4%	77.9%	78.3%	77.5%	69.8%	70.3%	73.6%	73.6%	71.0%	-3.5%
19 Purchased Services	199,325	212,411	261,989	217,928	211,000	122,829	189,751	206,177	252,886	208,255	2,499,061	2,609,033	4.4%
20 Drugs & Pharmaceuticals	220,544	220,212	210,050	253,227	240,301	321,958	163,288	250,141	268,670	238,710	2,864,521	3,093,683	8.0%
21 Medical Supplies	111,852	88,821	93,175	99,220	96,382	123,498	99,955	82,369	121,669	101,882	1,222,588	1,259,266	3.0%
22 Other Supplies	51,245	24,464	41,318	49,997	44,338	34,837	62,876	55,031	41,024	45,014	540,173	556,379	3.0%
23 Lease & Rental Expense	1,266	-	-	1,266	-	-	7,732	15,216	(2,728)	2,528	30,336	31,246	3.0%
24 Repairs & Maintenance	14,569	20,246	25,696	48,332	14,541	18,126	15,601	18,221	13,761	21,010	252,124	259,688	3.0%
25 Other Expenses	192,509	194,568	192,710	189,010	168,250	195,997	169,814	121,641	167,029	176,836	2,122,037	2,165,698	2.1%
26 Utilities	32,055	22,414	38,373	19,761	31,945	29,122	32,932	24,188	32,645	29,271	351,247	361,784	3.0%
27 Insurance	23,629	23,753	23,628	23,814	23,629	23,629	24,211	24,211	24,210	23,857	286,285	294,874	3.0%
28 Depreciation & Amortization	160,933	128,091	221,822	186,412	179,511	225,510	179,650	217,403	181,542	186,764	2,241,165	2,408,400	7.5%
29 Total Operating Expenses	3,380,901	3,294,895	3,480,293	3,583,905	3,393,064	3,716,717	3,376,356	3,329,343	3,546,385	3,455,762	41,469,145	42,920,677	3.5%
30 Op. Expenses/Op. Revenue	99.7%	97.5%	113.0%	100.6%	108.1%	111.0%	107.6%	100.4%	101.9%	104.3%	104.3%	101.2%	-2.9%
31 Operating Income / (Loss)	8,496	84,901	(401,387)	(21,498)	(253,455)	(368,047)	(238,435)	(13,258)	(65,587)	(140,919)	(1,691,027)	(520,680)	-69.2%
32 Operating Income/Loss	0.3%	2.5%	-13.0%	-0.6%	-8.1%	-11.0%	-7.6%	-0.4%	-1.9%	-4.3%	-4.3%	-1.2%	-71.1%
33 Property Taxes	96,792	96,792	96,792	114,333	101,177	101,177	101,177	101,177	101,177	101,177	1,214,125	1,214,125	0.0%
34 Non-Operating Revenue	4,673	64,154	35,000	53,948	29,668	85,983	33,526	36,876	25,505	41,037	492,444	492,444	0.0%
35 Interest Expense	(50,084)	(33,934)	(36,569)	(33,930)	(43,326)	(47,441)	(31,724)	(30,888)	(30,072)	(37,552)	(450,624)	(300,624)	-33.3%
36 Investment Income	59,660	27,072	25,596	58,581	24,826	24,716	52,664	18,480	21,565	34,796	417,547	292,547	-29.9%
37 Gain / Loss on Asset Disposal	(1,685)	162	(162)	-	-	-	-	-	-	(187)	(2,247)	(2,247)	0.0%
38 Net Non Operating Revenue	109,356	154,246	120,657	192,932	112,345	164,435	155,643	125,645	118,175	139,270	1,671,245	1,696,245	1.5%
39 Change In Net Position	117,852	239,147	(280,730)	171,434	(141,110)	(203,612)	(82,792)	112,387	52,588	(1,648)	(19,781)	1,175,565	
40 Gross Margin	3.5%	7.1%	-9.1%	4.8%	-4.5%	-6.1%	-2.6%	3.4%	1.5%	0.0%	0.0%	2.8%	

Southern Coos Hospital & Health Center
Budget Assumptions - Fiscal Year 2027
Presented on 06/01/26 - Not Final

1	Total Patient Revenue	
2	Inpatient Revenue	5.0% Charge Increase Increase in minor and major surgery revenue
3	Outpatient Revenue	5.0% Charge increase Increase in minor and major surgery revenue Increase in clinic procedure revenue Increase in telehealth revenue Increase in outpatient pharmacy revenue due to increased surgeries Increase in lab point of care test revenue Increase in SLS revenue Increase in pain mgt revenue
4	Swingbed Revenue	5.0% Charge increase Increased revenue due to occupational therapy services
5	Retail Pharmacy Revenue	5.0% Charge Increase Increased revenue based on last four month's average revenue
7	Total Deductions	Increase % contractual allowance to account for rising charges > rising expenses
10	Other Operating Revenue	Increase in contract pharmacy revenue Increase in blood pressure study revenue
14	Salaries & Wages	3.0% Wage increase 0.5% Misc wage increase Reduction in 5 positions Reduction in red star and overtime pay Reduction due to improved call-in procedures Add'l .25 FTE for occupational therapy telehealth facilitation Add'l 1.0 FTE for employed CFO/COO Add'l SLS staffing Add'l 1.0 FTE for CRNA
15	Contract Labor	Account for savings due to improved staffing agency rates Reduce 1.0 FTE for contract CFO Reduce part-time surgeon (Shulte) Increase two part-time surgeons Add'l surgery medical director fees Add'l provider RVU bonuses Add'l SLS staffing
16	Benefits	Increase in "non-health insurance" expenses Reduce health insurance costs by \$1M (\$1.4M savings less .4M employee savings)
19	Purchased Services	3.0% Increase Increase in malpractice insurance Gallup employee platform software
20	Drugs & Pharmaceuticals	8.0% Increase to account for retail pharmacy and surgery trends
21	Medical Supplies	3.0% Increase
22	Other Supplies	3.0% Increase
23	Lease & Rental Expense	3.0% Increase
24	Repairs & Maintenance	3.0% Increase
25	Other Expenses	3.0% Increase Reduce for streamlined education expenses
26	Utilities	3.0% Increase
27	Insurance	3.0% Increase
28	Depreciation & Amortization	7.5% Increase Add'l depreciation to account for new capital expenditures
33	Property Taxes	No change.
34	Non-Operating Revenue	No change.
35	Interest Expense	Reduce to account for Banner Bank loan payoff
36	Investment Income	Reduce to account for potential reduction in interest rates Reduce to account for Banner Bank loan payoff
37	Gain / Loss on Asset Disposal	No change.

Southern Coos Hospital & Health Center
FY2027 Consolidated Budget - Presented For Approval On 06/25/26

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	FYTD26 Monthly Average	FYTD26 Annualized	FYTD27 Budget	% Change
1 Total Patient Revenue													
2 Inpatient Revenue	899,551	1,286,279	809,703	867,194	802,131	782,878	850,911	936,964	1,061,136	921,861	11,062,329	11,815,446	6.8%
3 Outpatient Revenue	4,302,825	3,895,084	3,850,184	4,319,262	3,378,933	3,694,473	3,420,630	3,618,235	4,385,955	3,873,953	46,487,441	51,476,813	10.7%
4 Swingbed Revenue	262,365	361,067	364,719	252,197	276,817	263,804	394,130	231,923	433,047	315,563	3,786,759	4,733,448	25.0%
5 Retail Pharmacy Revenue	326,686	351,114	368,618	494,630	476,226	610,819	527,035	538,827	677,573	485,725	5,828,704	7,415,900	27.2%
6 Total Patient Revenue	5,791,427	5,893,544	5,393,224	5,933,283	4,934,107	5,351,974	5,192,706	5,325,949	6,557,711	5,597,103	67,165,233	75,441,608	12.3%
7 Total Deductions	2,403,809	2,524,233	2,320,196	2,487,643	1,873,105	2,005,495	2,056,926	2,012,021	3,079,036	2,306,940	27,683,285	33,357,781	20.5%
8 Deductions/Patient Revenue	41.5%	42.8%	43.0%	41.9%	38.0%	37.5%	39.6%	37.8%	47.0%	41.2%	41.2%	44.2%	7.3%
9 Net Patient Revenue	3,387,618	3,369,311	3,073,028	3,445,640	3,061,002	3,346,479	3,135,780	3,313,928	3,478,675	3,290,162	39,481,948	42,083,827	6.6%
10 Other Operating Revenue	1,779	10,485	5,878	116,767	78,607	2,191	2,141	2,157	2,123	24,681	296,171	516,171	74.3%
11 Total Operating Revenue	3,389,397	3,379,796	3,078,906	3,562,407	3,139,609	3,348,670	3,137,921	3,316,085	3,480,798	3,314,843	39,778,119	42,599,997	7.1%
12 Total Operating Expenses													
13 Total Labor Expenses													
14 Salaries & Wages	1,556,650	1,594,488	1,587,425	1,681,154	1,579,262	1,721,461	1,682,236	1,456,158	1,653,470	1,612,478	19,349,739	20,451,980	5.7%
15 Contract Labor	516,036	594,457	499,908	513,474	511,039	619,974	528,579	520,505	439,739	527,079	6,324,948	6,144,447	-2.9%
16 Benefits	300,288	170,970	284,199	300,310	292,866	279,776	219,731	338,082	352,468	282,077	3,384,920	3,284,200	-3.0%
17 Total Labor Expenses	2,372,974	2,359,915	2,371,532	2,494,938	2,383,167	2,621,211	2,430,546	2,314,745	2,445,677	2,421,634	29,059,607	29,880,626	2.8%
18 Total Labor/Net Revenue	70.0%	70.0%	77.2%	72.4%	77.9%	78.3%	77.5%	69.8%	70.3%	73.6%	73.6%	71.0%	-3.5%
19 Purchased Services	199,325	212,411	261,989	217,928	211,000	122,829	189,751	206,177	252,886	208,255	2,499,061	2,609,033	4.4%
20 Drugs & Pharmaceuticals	220,544	220,212	210,050	253,227	240,301	321,958	163,288	250,141	268,670	238,710	2,864,521	3,293,683	15.0%
21 Medical Supplies	111,852	88,821	93,175	99,220	96,382	123,498	99,955	82,369	121,669	101,882	1,222,588	1,259,266	3.0%
22 Other Supplies	51,245	24,464	41,318	49,997	44,338	34,837	62,876	55,031	41,024	45,014	540,173	556,379	3.0%
23 Lease & Rental Expense	1,266	-	-	1,266	-	-	7,732	15,216	(2,728)	2,528	30,336	31,246	3.0%
24 Repairs & Maintenance	14,569	20,246	25,696	48,332	14,541	18,126	15,601	18,221	13,761	21,010	252,124	259,688	3.0%
25 Other Expenses	192,509	194,568	192,710	189,010	168,250	195,997	169,814	121,641	167,029	176,836	2,122,037	2,165,698	2.1%
26 Utilities	32,055	22,414	38,373	19,761	31,945	29,122	32,932	24,188	32,645	29,271	351,247	361,784	3.0%
27 Insurance	23,629	23,753	23,628	23,814	23,629	23,629	24,211	24,211	24,210	23,857	286,285	294,874	3.0%
28 Depreciation & Amortization	160,933	128,091	221,822	186,412	179,511	225,510	179,650	217,403	181,542	186,764	2,241,165	2,408,400	7.5%
29 Total Operating Expenses	3,380,901	3,294,895	3,480,293	3,583,905	3,393,064	3,716,717	3,376,356	3,329,343	3,546,385	3,455,762	41,469,145	43,120,677	4.0%
30 Op. Expenses/Op. Revenue	99.7%	97.5%	113.0%	100.6%	108.1%	111.0%	107.6%	100.4%	101.9%	104.3%	104.3%	101.2%	-2.9%
31 Operating Income / (Loss)	8,496	84,901	(401,387)	(21,498)	(253,455)	(368,047)	(238,435)	(13,258)	(65,587)	(140,919)	(1,691,027)	(520,680)	-69.2%
32 Operating Income/Loss	0.3%	2.5%	-13.0%	-0.6%	-8.1%	-11.0%	-7.6%	-0.4%	-1.9%	-4.3%	-4.3%	-1.2%	-71.2%
33 Property Taxes	96,792	96,792	96,792	114,333	101,177	101,177	101,177	101,177	101,177	101,177	1,214,125	1,214,125	0.0%
34 Non-Operating Revenue	4,673	64,154	35,000	53,948	29,668	85,983	33,526	36,876	25,505	41,037	492,444	492,444	0.0%
35 Interest Expense	(50,084)	(33,934)	(36,569)	(33,930)	(43,326)	(47,441)	(31,724)	(30,888)	(30,072)	(37,552)	(450,624)	(300,624)	-33.3%
36 Investment Income	59,660	27,072	25,596	58,581	24,826	24,716	52,664	18,480	21,565	34,796	417,547	292,547	-29.9%
37 Gain / Loss on Asset Disposal	(1,685)	162	(162)	-	-	-	-	-	-	(187)	(2,247)	(2,247)	0.0%
38 Net Non Operating Revenue	109,356	154,246	120,657	192,932	112,345	164,435	155,643	125,645	118,175	139,270	1,671,245	1,696,245	1.5%
39 Change In Net Position	117,852	239,147	(280,730)	171,434	(141,110)	(203,612)	(82,792)	112,387	52,588	(1,648)	(19,781)	1,175,565	
40 Gross Margin	3.5%	7.1%	-9.1%	4.8%	-4.5%	-6.1%	-2.6%	3.4%	1.5%	0.0%	0.0%	2.8%	

Southern Coos Hospital & Health Center
Budget Assumptions - Fiscal Year 2027
Presented For Approval On 06/25/26

1	Total Patient Revenue	
2	Inpatient Revenue	5.0% Charge Increase Increase in minor and major surgery revenue
3	Outpatient Revenue	5.0% Charge increase Increase in minor and major surgery revenue Increase in clinic procedure revenue Increase in telehealth revenue Increase in outpatient pharmacy revenue due to increased surgeries Increase in lab point of care test revenue Increase in SLS revenue Increase in pain mgt revenue
4	Swingbed Revenue	5.0% Charge increase Increased revenue due to occupational therapy services
5	Retail Pharmacy Revenue	5.0% Charge Increase Increased revenue based on last four month's average revenue
7	Total Deductions	Increase % contractual allowance to account for rising charges > rising expenses
10	Other Operating Revenue	Increase in contract pharmacy revenue Increase due to 340b savings allocated from pharmacy expenses Increase in blood pressure study revenue
14	Salaries & Wages	3.0% Wage increase 0.5% Misc wage increase Reduction in 5 positions Reduction in red star and overtime pay Reduction due to improved call-in procedures Add'l .25 FTE for occupational therapy telehealth facilitation Add'l 1.0 FTE for employed CFO/COO Add'l SLS staffing Add'l 1.0 FTE for CRNA
15	Contract Labor	Account for savings due to improved staffing agency rates Reduce 1.0 FTE for contract CFO Reduce part-time surgeon (Shulte) Increase two part-time surgeons Add'l surgery medical director fees Add'l provider RVU bonuses Add'l SLS staffing
16	Benefits	Increase in "non-health insurance" expenses Reduce health insurance costs by \$1M (\$1.4M savings less .4M employee savings)
19	Purchased Services	3.0% Increase Increase in malpractice insurance Gallup employee platform software
20	Drugs & Pharmaceuticals	8.0% Increase to account for retail pharmacy and surgery trends Increase due to 340b savings allocated to other operating revenue
21	Medical Supplies	3.0% Increase
22	Other Supplies	3.0% Increase
23	Lease & Rental Expense	3.0% Increase
24	Repairs & Maintenance	3.0% Increase
25	Other Expenses	3.0% Increase Reduce for streamlined education expenses
26	Utilities	3.0% Increase
27	Insurance	3.0% Increase
28	Depreciation & Amortization	7.5% Increase Add'l depreciation to account for new capital expenditures
33	Property Taxes	No change.
34	Non-Operating Revenue	No change.
35	Interest Expense	Reduce to account for Banner Bank loan payoff
36	Investment Income	Reduce to account for potential reduction in interest rates Reduce to account for Banner Bank loan payoff
37	Gain / Loss on Asset Disposal	No change.

Southern Coos Hospital & Health Center
FY2027 Consolidated Budget - Presented For Approval On 06/25/26

	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	May 2027	Jun 2027	FY27
1 Total Patient Revenue													
2 Inpatient Revenue	1,003,504	1,003,504	971,133	1,003,504	971,133	1,003,504	1,003,504	906,390	1,003,504	971,133	1,003,504	971,133	11,815,446
3 Outpatient Revenue	4,372,003	4,372,003	4,230,971	4,372,003	4,230,971	4,372,003	4,372,003	3,948,906	4,372,003	4,230,971	4,372,003	4,230,971	51,476,813
4 Swingbed Revenue	402,019	402,019	389,051	402,019	389,051	402,019	402,019	363,114	402,019	389,051	402,019	389,051	4,733,448
5 Retail Pharmacy Revenue	629,844	629,844	609,526	629,844	609,526	629,844	629,844	568,891	629,844	609,526	629,844	609,526	7,415,900
6 Total Patient Revenue	6,407,369	6,407,369	6,200,680	6,407,369	6,200,680	6,407,369	6,407,369	5,787,301	6,407,369	6,200,680	6,407,369	6,200,680	75,441,608
7 Total Deductions	2,833,127	2,833,127	2,741,735	2,833,127	2,741,735	2,833,127	2,833,127	2,558,953	2,833,127	2,741,735	2,833,127	2,741,735	33,357,781
8 Deductions/Patient Revenue	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%
9 Net Patient Revenue	3,574,243	3,574,243	3,458,945	3,574,243	3,458,945	3,574,243	3,574,243	3,228,348	3,574,243	3,458,945	3,574,243	3,458,945	42,083,827
10 Other Operating Revenue	43,839	43,839	42,425	43,839	42,425	43,839	43,839	39,597	43,839	42,425	43,839	42,425	516,171
11 Total Operating Revenue	3,618,082	3,618,082	3,501,370	3,618,082	3,501,370	3,618,082	3,618,082	3,267,945	3,618,082	3,501,370	3,618,082	3,501,370	42,599,997
12 Total Operating Expenses													
13 Total Labor Expenses													
14 Salaries & Wages	1,737,017	1,737,017	1,680,985	1,737,017	1,680,985	1,737,017	1,737,017	1,568,919	1,737,017	1,680,985	1,737,017	1,680,985	20,451,980
15 Contract Labor	521,857	521,857	505,023	521,857	505,023	521,857	521,857	471,355	521,857	505,023	521,857	505,023	6,144,447
16 Benefits	278,932	278,932	269,934	278,932	269,934	278,932	278,932	251,939	278,932	269,934	278,932	269,934	3,284,200
17 Total Labor Expenses	2,537,807	2,537,807	2,455,942	2,537,807	2,455,942	2,537,807	2,537,807	2,292,212	2,537,807	2,455,942	2,537,807	2,455,942	29,880,626
18 Total Labor/Net Pat. Revenue	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%	71.0%
19 Purchased Services	221,589	221,589	214,441	221,589	214,441	221,589	221,589	200,145	221,589	214,441	221,589	214,441	2,609,033
20 Drugs & Pharmaceuticals	279,737	279,737	270,714	279,737	270,714	279,737	279,737	252,666	279,737	270,714	279,737	270,714	3,293,683
21 Medical Supplies	106,951	106,951	103,501	106,951	103,501	106,951	106,951	96,601	106,951	103,501	106,951	103,501	1,259,266
22 Other Supplies	47,254	47,254	45,730	47,254	45,730	47,254	47,254	42,681	47,254	45,730	47,254	45,730	556,379
23 Lease & Rental Expense	2,654	2,654	2,568	2,654	2,568	2,654	2,654	2,397	2,654	2,568	2,654	2,568	31,246
24 Repairs & Maintenance	22,056	22,056	21,344	22,056	21,344	22,056	22,056	19,921	22,056	21,344	22,056	21,344	259,688
25 Other Expenses	183,936	183,936	178,003	183,936	178,003	183,936	183,936	166,136	183,936	178,003	183,936	178,003	2,165,698
26 Utilities	30,727	30,727	29,736	30,727	29,736	30,727	30,727	27,753	30,727	29,736	30,727	29,736	361,784
27 Insurance	25,044	25,044	24,236	25,044	24,236	25,044	25,044	22,620	25,044	24,236	25,044	24,236	294,874
28 Depreciation & Amortization	204,549	204,549	197,951	204,549	197,951	204,549	204,549	184,754	204,549	197,951	204,549	197,951	2,408,400
29 Total Operating Expenses	3,662,304	3,662,304	3,544,165	3,662,304	3,544,165	3,662,304	3,662,304	3,307,888	3,662,304	3,544,165	3,662,304	3,544,165	43,120,677
30 Op. Expenses/Op. Revenue	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%	101.2%
31 Operating Income / (Loss)	(44,222)	(44,222)	(42,796)	(44,222)	(42,796)	(44,222)	(44,222)	(39,943)	(44,222)	(42,796)	(44,222)	(42,796)	(520,680)
32 Operating Income/Loss	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%	-1.2%
33 Property Taxes	103,117	103,117	99,791	103,117	99,791	103,117	103,117	93,138	103,117	99,791	103,117	99,791	1,214,125
34 Non-Operating Revenue	41,824	41,824	40,475	41,824	40,475	41,824	41,824	37,777	41,824	40,475	41,824	40,475	492,444
35 Interest Expense	(25,532)	(25,532)	(24,709)	(25,532)	(24,709)	(25,532)	(25,532)	(23,062)	(25,532)	(24,709)	(25,532)	(24,709)	(300,624)
36 Investment Income	24,846	24,846	24,045	24,846	24,045	24,846	24,846	22,442	24,846	24,045	24,846	24,045	292,547
37 Gain / Loss on Asset Disposal	(191)	(191)	(185)	(191)	(185)	(191)	(191)	(172)	(191)	(185)	(191)	(185)	(2,247)
38 Net Non Operating Revenue	144,065	144,065	139,417	144,065	139,417	144,065	144,065	130,123	144,065	139,417	144,065	139,417	1,696,245
39 Change In Net Position	99,843	99,843	96,622	99,843	96,622	99,843	99,843	90,180	99,843	96,622	99,843	96,622	1,175,565
40 Gross Margin	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%

Resolution 2026-01
ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Southern Coos Health District hereby adopts the budget for fiscal year 2026-2027 in the total amount of \$47,559,384 as is now on file at the Southern Coos Hospital and Health Center’s administrative offices.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2026 and for the purposes shown below are hereby appropriated:

Hospital Fund	
Personal Services	\$ 23,736,180
Materials & Services	19,384,498
Capital Outlay	1,996,081
Debt Services	417,926
Contingencies	<u>0</u>
Total Appropriations	\$45,534,685
 Unappropriated / Reserve Funds	 <u>\$ 2,024,699</u>
 TOTAL BUDGET	 <u>\$ 47,559,384</u>

IMPOSING THE TAX

BE IT RESOLVED that the Board of Directors of the Southern Coos Health District hereby imposes the taxes provided for in the adopted budget for operations at the rate of \$0.8892 per \$1,000 of assessed value and that these taxes are hereby imposed for the tax year 2026-2027 upon the assessed value of all taxable property within the district and categorized as follows:

6.1 APPLICATION FOR APPOINTMENT

- A. All applicants will be subject to a pre-application process including background checks, verification of appropriate licensure, verification of malpractice insurance coverage, and other elements.

All applications for appointment to the Medical Staff shall be in writing—preferably submitted via our electronic portal. SCHHC uses the Oregon Practitioner Credentialing Application. This application must be filled out in its entirety.

A medical staff initial application or reapplication fee will be assessed for each application. Medical staff members in good standing in the following categories are exempt from the fee: Active Staff and Telemedicine Staff.

The amount of the fee shall be determined by majority vote of the Medical Staff Committee members present in-person or attending via electronic means when the vote is taken. No vote to change the application fee may be taken unless the vote is noted on the meeting agenda and announced to the medical staff at least two weeks prior to the meeting. The fee may only be changed once per Medical Staff Year as defined elsewhere in these Bylaws.



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, June

Management Changes:

- We are now into the 2nd round of interviews for Chief Operating Officer/Chief Financial Officer candidates. We have identified two (2) excellent candidates at this time, and we continue to receive applications. We plan to have on-site interviews for finalists no later than the first week in July.
- I received a resignation from our HR Director, Stacy Nelson earlier this month. Stacy has explained that he loves working at Southern Coos Hospital and his job. However, for personal reasons, he has regretfully informed us that he needs to resign his position at this time. Stacy has done a great job for us at SCHHC and we will miss him. I support him in prioritizing his personal life over the job at SCHHC. We began advertising his position on June 8. We have received 10 applications so far, including 1 internal candidate, and have received some excellent candidates for interviews. Because Stacy Nelson's last day is July 3, I have engaged the services of Ms. Kelley Frengle once again. Board members may remember that we contracted with Ms. Frengle for Interim HR Director services two (2) times before. Once we recruited for Carrie Okie and once when we recruited for Stacy Nelson. Kelley Frengle is a very experienced HR Director, having previously served as the Director of HR for OHSU in Portland. She is now a full-time consultant. As we have done previously, we will be contracting for Kelley to be available on a part-time basis each week and available for phone calls, Teams video meetings and HR problem solving. Kelley will begin working with us on June 29 and will remain onboard until we hire a replacement for Stacy Nelson.

Master Facility Planning Process

- We are continuing to follow up in the areas that we committed to for the Master Facility Planning Process. They are:
 - Pursue acquisition and ownership rights to the properties immediately to the north of our current northern boundary line.
 - Identify a consultant partner for creation of a Capital Campaign and fundraising drive to support expansion of our current hospital and clinics.
 - Identify a consultant partner for evaluation of local taxpayer support of expansion of our current hospital and clinics.

We will be making monthly reports on progress and updates in each of these areas.

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)
- During the month of May, Southern Coos Hospital & Health Center applied for \$963,000 in Immediate Impact Awards, to support the following 3 areas.
 - Emergency Department improvements
 - Surgery Service expansion & sustainability
 - School Nurse program expansion & sustainability

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 next 25% (\$240,750) being received in November of this year. The final 25% (\$240,750) will be received in February of 2027. There will be a requirement for quarterly reporting of how we are using the funds.

- We also applied for \$4.0 million under the Catalyst Awards category. If approved the funds will be used for:
 - Replacement of our Radiology Room X-Ray Unit with a Radiology & Fluoroscopy Unit
 - Telehealth expansion in our clinic and hospital
 - Creation of a Regional Hospital & Clinic Collaborative Alliance for Creation of new revenue producing programs, shared costs and mutual collaboration.
- There is one (1) additional opportunity for SCHHC through the Rural Health Transformation Program. That additional opportunity is to join with nine (9) other independent rural hospitals in Oregon, for the creation of a Clinically Integrated Network (CIN). The State of Oregon has expressed commitment to fund the creation this network of independent hospitals, that would provide additional leverage for payer contracting with commercial insurance companies, as well as potential savings through leveraged purchasing of the 10-hospital network. The name of our Oregon Clinically Integrated Network is the Oregon Cascade High Value Network.

Becker's Rural Healthcare Leadership Summit:

- I greatly appreciate the Board's support to allow me to attend and participate as a Key Note presenter at the June 11-12 Becker's First-Ever Rural Healthcare Leadership Summit. For a first-time event, the conference was well attended and included opportunities to share and learn from rural critical access hospitals from around the Country. I presented on a 3-member panel on the subject of the Rural Health Transformation Program. Our panel members, agreed that collaboration among rural providers is critical for future success. I was proud to report on what we are doing in Oregon and at Southern Coos Hospital.



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, June 2026

Switch to Salem Radiology

On June 15 we switched from Direct Radiology to Salem Radiology for provision of overnight imaging interpretation services. To recap, Direct Radiology informed us several months ago that they intended to cease providing service to us. While this switch was in effect forced on us, we expect the outcome to be a net benefit to Southern Coos in the form of improved service. So far, the transition has been smooth.

National Health Service Corps Update

As noted previously, we submitted an application for our clinic but could not submit the National Health Service Corps application for the hospital by the required deadline due to a mis-categorization of our hospital site as “Terminated” on the government website. That has since been corrected and we were granted an extension to file the application and filed it prior to the extension deadline. Thus, we have now submitted the required applications for both the hospital and the clinic and are awaiting determination of our National Health Service Corps site designation. NHSC designation allows us access to additional tools to recruit and retain clinicians.

General Surgery Update

Dr. Stewart has signed a contract to provide general surgery services at Southern Coos Hospital, and we expect Dr. Hiesterman to sign soon (perhaps by the time you read this). This should allow a smooth transition from Dr. Schulte to our new surgeons without disruptions in care. We remain extremely grateful for Dr. Schulte’s work restarting our general surgery program. I expect that both new surgeons’ credentialing requests will come before the Board at the July meeting.

At this time, we still plan to offer on-site general surgery services one week per month but hope with two surgeons that we can expand the surgeons’ role in follow up of non-urgent cases seen in the ED through timely telephone consultations between the surgeons and our ED physicians. This, hopefully, will lead to increased volume.

Medical Staff Application Fee

The Medical Staff voted to approve a change to the Medical Staff Bylaws that authorizes the Medical Staff to institute an application fee. As this is a change to the Bylaws, it requires approval by the Board prior to taking effect. The relevant section of the Bylaws is included below with new text underlined. This item will be on the agenda for consideration under New Business.



Retail Pharmacy Report

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

Retail Pharmacy Volume

A quantity of 3,099 prescriptions were filled in May compared to 3,030 prescriptions filled by our retail pharmacy in the month of April. Prescription volume appears to have plateaued at roughly 3,000 per month.

Financial Statement for December

The net change in position for retail pharmacy in May was (\$30,163) compared to (\$26,897) in April. Revenue was roughly constant for the two months. Marketing costs and increased labor costs for the month account for much of the difference in change in net position. I am taking a close look at our marketing plan to focus on more grass roots rather than mass media marketing to significantly trim marketing costs which currently stand at roughly \$6,000 per month.

We continue to look for ways to improve the financial performance of the retail pharmacy. As part of this effort, we engaged a pharmacy business consultant to look over our current operations and suggest improvements. The consultant, Dan Rackham, has extensive experience in pharmacy business operations including retail operations. He completed an on-site visit earlier this month and will provide us with a report in July after analyzing the information he collected.

The profit and loss statement for May for retail pharmacy can be found in Appendix A of this report.

Director of Pharmacy Search

After initially vetting multiple applicants, we are currently evaluating three candidates for the position of Director of Pharmacy to replace Jeremy Brown when he leaves. Two of the candidates are external and one is internal. Interviews with those candidates are ongoing. We still do not have a firm date for Jeremy Brown's last day.

Appendix A

Southern Coos Health District
PHARMACY-RETAIL (OP)

Southern Coos Hospital & Health Center Profit & Loss Statement As of May 31, 2026

	Month To Date 05/31/2026				07/01/2025 Through 05/31/2026			
	Actual	Operating Budget	Actual minus budget	Budget variance	Actual	Operating Budget	Actual minus budget	Budget variance
Total Patient Revenue								
Outpatient Revenue								
3009 - OTHER PATIENT REVENUE	-	90,291	(90,291)	(100.0) %	-	623,008	(623,008)	(100.00) %
Outpatient Revenue	-	90,291	(90,291)	(100.0) %	-	623,008	(623,008)	(100.00) %
Retail Pharmacy Revenue								
3020 - RETAIL PHARMACY REVENUE	721,003	-	721,003	100.0 %	5,810,028	-	5,810,028	100.00 %
Retail Pharmacy Revenue	721,003	-	721,003	100.0 %	5,810,028	-	5,810,028	100.00 %
Total Patient Revenue	721,003	90,291	630,712	698.5 %	5,810,028	623,008	5,187,020	832.57 %
Total Deductions	527,869	-	527,869	100.0 %	4,250,110	-	4,250,110	100.00 %
Net Patient Revenue	193,134	90,291	102,843	113.9 %	1,559,919	623,008	936,911	150.38 %
Total Operating Revenue	193,134	90,291	102,843	113.9 %	1,559,919	623,008	936,911	150.38 %
Total Operating Expenses								
Total Labor Expenses								
Salaries & Wages	40,369	41,794	(1,425)	(3.4) %	386,398	444,626	(58,228)	(13.09) %
Benefits	7,169	8,240	(1,070)	(13.0) %	62,332	89,040	(26,708)	(29.99) %
Total Labor Expenses	47,538	50,034	(2,495)	(5.0) %	448,730	533,666	(84,936)	(15.91) %
Purchased Services								
4500 - PURCHASED SERVICES	524	-	524	100.0 %	17,970	-	17,970	100.00 %
Purchased Services	524	-	524	100.0 %	17,970	-	17,970	100.00 %
Drugs & Pharmaceuticals								
4204 - DRUGS	183,812	27,618	156,193	565.5 %	1,441,847	303,804	1,138,043	374.59 %
4206 - DRUGS - 340B SAVINGS	(21,335)	-	(21,336)	100.0 %	(154,309)	-	(154,309)	100.00 %
Drugs & Pharmaceuticals	162,477	27,618	134,857	488.3 %	1,287,538	303,804	983,734	323.80 %
Medical Supplies								
4202 - NONBILLABLE SUPPLIES - MEDICAL	977	-	978	100.0 %	9,252	-	9,252	100.00 %
Medical Supplies	977	-	978	100.0 %	9,252	-	9,252	100.00 %
Other Supplies								
4301 - OFFICE SUPPLIES	38	-	38	100.0 %	5,248	-	5,248	100.00 %
4398 - MINOR EQUIPMENT	-	-	-	-	2,145	-	2,145	100.00 %
Other Supplies	38	-	38	100.0 %	7,393	-	7,393	100.00 %
Other Expenses								
4302 - POSTAGE & FREIGHT	137	-	137	100.0 %	1,389	-	1,389	100.00 %
4501 - MARKETING - ALLOWABLE (MCR)	-	1,667	(1,667)	(100.0) %	-	18,333	(18,333)	(100.00) %
4502 - MARKETING - NON ALLOW-ABLE	6,232	-	6,232	100.0 %	27,542	-	27,542	100.00 %
4504 - PRINTING & COPYING	74	-	74	100.0 %	706	-	705	100.00 %
4702 - LICENSING & GOVERNMENT FEES	-	840	(840)	(100.0) %	555	9,240	(8,685)	(93.99) %
4703 - DUES & SUBSCRIPTIONS	4,669	-	4,669	100.0 %	13,372	-	13,373	100.00 %
4706 - TRAVEL & LODGING	-	-	-	-	1,284	-	1,284	100.00 %
4798 - BANK & COLLECTION FEES	969	-	969	100.0 %	7,390	-	7,390	100.00 %
Other Expenses	12,081	2,507	9,574	382.0 %	52,238	27,573	24,665	89.44 %
Utilities								
4404 - ELECTRICITY	-	3,773	(3,773)	(100.0) %	-	41,503	(41,503)	(100.00) %
Utilities	-	3,773	(3,773)	(100.0) %	-	41,503	(41,503)	(100.00) %
Depreciation & Amortization								
6162 - DEPRECIATION - MAJOR MOV-ABLE EQUIPMENT	410	-	410	100.0 %	4,509	-	4,509	100.00 %
6152 - DEPRECIATION - BUILDING - CLINIC	1,326	-	1,326	100.0 %	14,585	-	14,585	100.00 %
Depreciation & Amortization	1,736	-	1,736	100.0 %	19,094	-	19,094	100.00 %
Total Operating Expenses	225,371	83,932	141,439	168.5 %	1,842,215	906,546	935,669	103.21 %
Operating Income / (Loss)	(32,237)	6,360	(38,597)	(606.9) %	(282,296)	(283,538)	1,242	(0.43) %
Net Non Operating Revenue								
Non-Operating Revenue								
3200 - OTHER NON-OPERATING REVENUE	2,075	-	2,075	100.0 %	2,075	-	2,075	100.00 %
Non-Operating Revenue	2,075	-	2,075	100.0 %	2,075	-	2,075	100.00 %
Net Non Operating Revenue	2,075	-	2,075	100.0 %	2,075	-	2,075	100.00 %
Change In Net Position	(30,163)	6,360	(36,522)	(574.3) %	(280,221)	(283,538)	3,316	(1.16) %



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 – June 25, 2026

Clinical Department Staffing –

- **Medical-Surgical department** – One full-time RNs recruited in May. One full-time nurse position vacant. CNA positions are fully staffed. Three contract RNs utilized. One contract concluded mid-May. Second contract ending mid-June.
 - FTE variance – Under budget expectation at -4.36 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 recruited end of May. One newly hired RN terminated due to meet job expectations within 90 days introductory period. One full-time RN position vacant. Two contract RNs utilized.
 - FTE variance – Over by 1.73 FTE due to 2 nurses orienting to their roles and the Trauma Program Manager increasing hours per week to 36 hours per week to focus on Trauma program development as goal to be complete by end of 2026.
- **Laboratory department** – One Medical Lab Assistant resigned with last day mid-May. The vacancy has been filled with a new MLA having started orientation 6/3/2026. Further staffing vacancies include 1 MLT and 1 MLS out on leave. The vacancies were covered by the department manager and 1 contract MLS.
 - FTE variance - Over by 1.07 as we are staffing an additional FTE over what was originally budgeted.
- **Surgical department** – One full time sterile processing technician position vacant. Seeking contract sterile processing technician to fill vacancy. OR scrub tech temporarily covering the need. Contract sterile processing tech to begin mid-June.
 - FTEs variance – Below budgeted expectations at -2.91 FTE.
 - Staff being flexed to other departments/roles and/or called off for low census.
 - Sterile processor position unfilled.
 - 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 May to cover the vacancies.
 - FTE variance – Below budgeted expectations at -2.6 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.

	May 2026 FTE				
	SCH Actual	Contract Actual	Actual Total	Budget	Diff
Med Surg	25.43	2.16	27.59	31.95	-4.36
Manager	1	0	1	1	0
CH RN	3.3	0	3.3	3.85	-0.55
RN	11.75	2.16	13.91	12	1.91
LPN	0.95	0	0.95	2.45	-1.5
CNA	6.91	0	6.91	8.65	-1.74
TeleTech	1.52	0	1.52	4	-2.48
Emergency Dept	14.88	2.03	16.91	15.18	1.73
Manager	1	0	1	1	0
RN	9.58	2.03	11.61	8.78	2.83
LPN	2.7	0	2.7	3.6	-0.9
CNA/US	1.6	0	1.6	1.8	-0.2
Laboratory	10.25	0.23	10.48	9.41	1.07
Manager	1	0	1	1	0
MLS	2.3	0.23	2.53	0.37	2.16
MLT	2.44	0	2.44	3.12	-0.68
Lab Assist I	2.76	0	2.76	2.38	0.38
Lab Assist II	0.87	0	0.87	1.47	-0.6
Lab Assist III	0.88	0	0.88	1.07	-0.19
Surgical Dept	4.89	0	4.89	7.8	-2.91
Manager	1	0	1	1	0
Surgical RN	2.01	0	2.01	3	-0.99
Sterile processor	0.17	0	0.17	1	-0.83
Surgical Tech	0.91	0	0.91	2	-1.09
Housekeeper	0.8	0	0.8	0.8	0
Medical Imaging	8.68	3.11	11.79	14.39	-2.6
Manager	1	0	1	1	0
Radiology Tech	3.03	2.13	5.16	8.03	-2.87
Rad Tech I	1.83	0	1.83	0.7	1.13
Ultrasound	0.83	0.98	1.81	2.66	-0.85
MI Coordinator	1.48	0	1.48	1	0.48
MI Admin Assist	0.51	0	0.51	1	-0.49
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	1.54	0	1.54	1.65	-0.11
Case manager	1.54	0	1.54	1.65	-0.11
Totals	70.95	7.53	78.48	87.69	-9.21
% of FTE	90%	10%			

Emergency Department Transfer Statistics –

- May 2026 Transfers – Total Transfers = Thirty (30). Twenty-nine (29) 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.

	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
No SCHHC Beds	2	0	4	0	0	0	0	1	1	0	0	0
Higher level of care required	22	33	42	33	17	21	21	31	28	39	40	29
Patient request	0	0	0	0	0	0	0	0	0	0	1	1

- Cardiology – 4
- Surgical Services – 8
- Obstetrical – 0
- Gynecology - 0
- Intensive care – 2
- Urology – 1
- Psychiatric evaluation – 0
- Ear/Nose/Throat – 1
- Neurology – 1
- Oncology - 0
- Dialysis - 0
- Pediatric – 1
- Orthopedics - 1
- Burn Center-2
- Nephrology - 2
- Hematology/Platelets – 0
- Gastroenterology – 1
- Interventional Radiology – 2
- Ultrasound – 1
- MRI - 3

Just Culture Training –

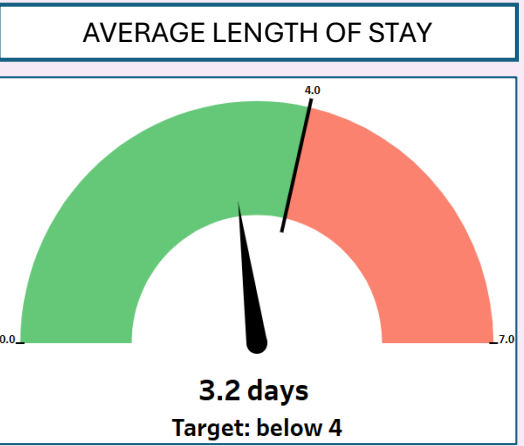
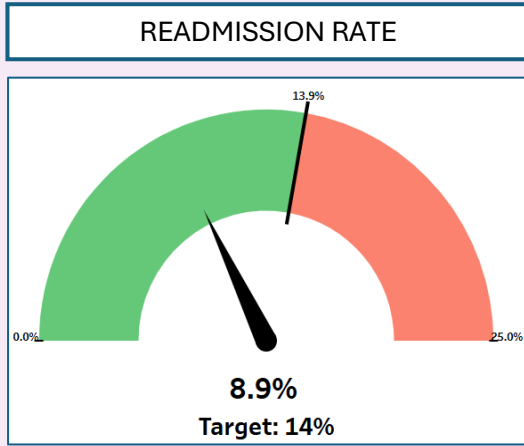
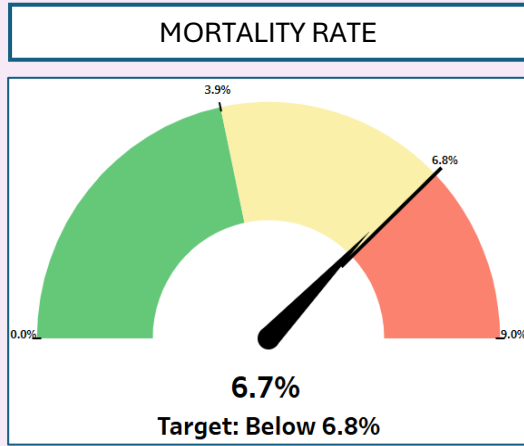
As a part of a Small Rural Hospital Improvement Program (SHIP) grant, Colleen Hickman, Revenue Cycle Manager, and I, Cori Valet, Chief Nursing Officer, participated in and completed a Just Culture certification course to serve as champions of Just Culture methods and training at Southern Coos Hospital & Health Center. The Just Culture methodology is a framework of shared accountability used in high-risk industries such as ours. It balances a no-blame environment (where staff feel safe reporting errors without fear of punishment) with a clear accountability model (where reckless behavior is still penalized). Next steps include having managers and other SCHHC influencers participate and complete Just Culture training so that we can begin implementing the practices. By including all leaders in this training, we can more effectively build trust and transparency as we are better distinguishing between an honest accident and intentional negligence. This will help staff to more willingly report errors, near misses and system hazards. We will also help management take responsibility for fixing confusing or ineffective policies, faulty equipment, or staffing shortages that contribute to errors. Our hope is to incorporate this training into new employee orientation and to have periodic reviews and practice sessions to ensure understanding.

HOSPITAL

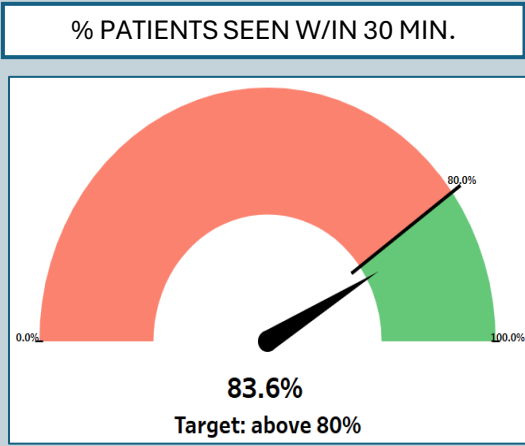
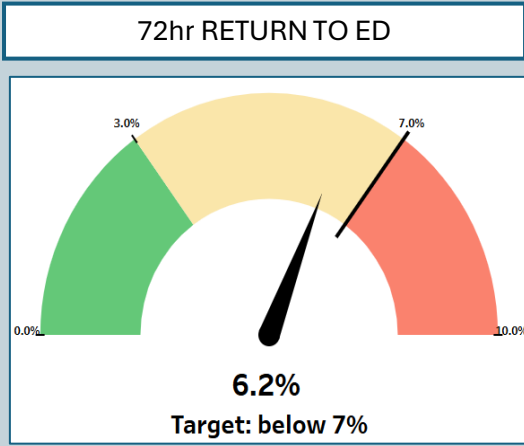
Better than Target

In Acceptable Range

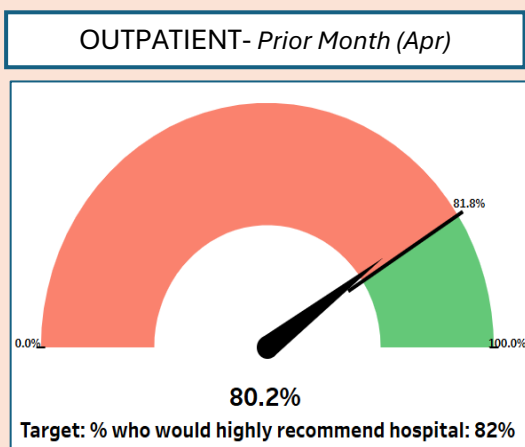
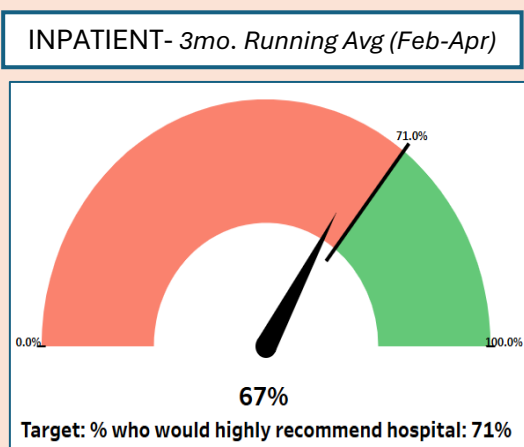
Over Target



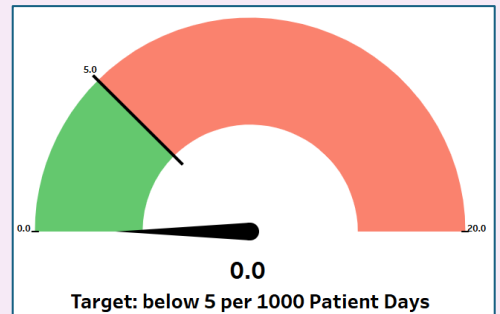
EMERGENCY DEPARTMENT



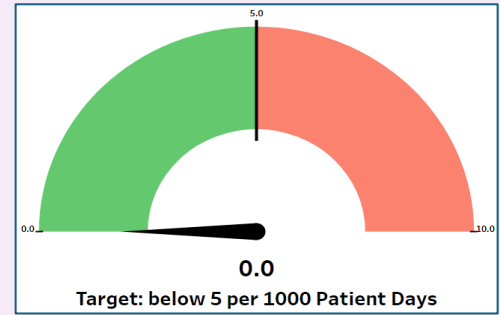
PATIENT EXPERIENCE



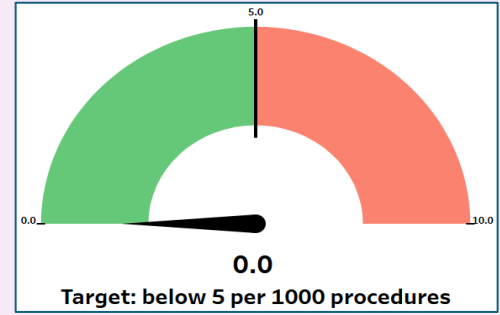
MEDICATION ERROR RATE



HOSP. ACQUIRED INFECTIONS



SURGICAL COMPLICATION RATE

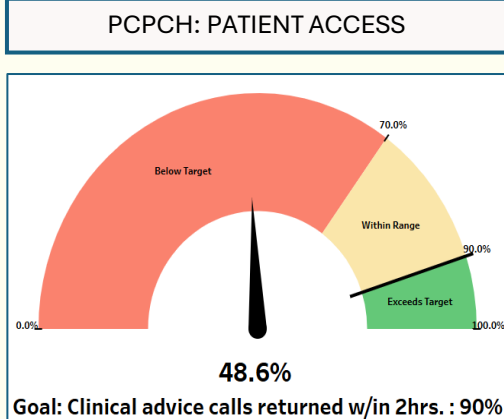
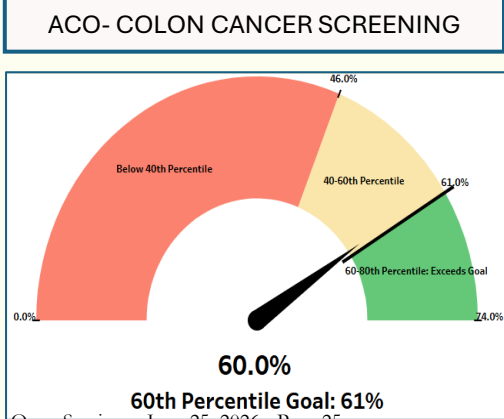
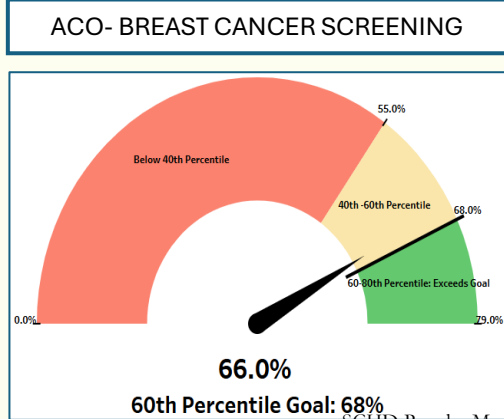
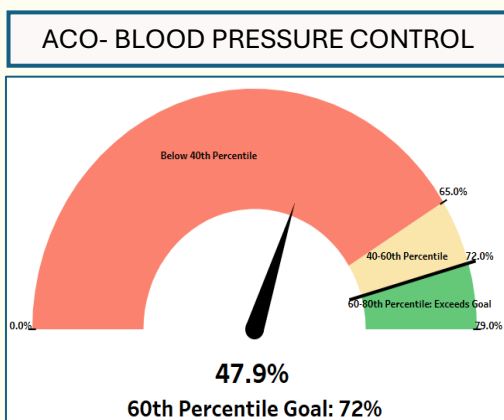
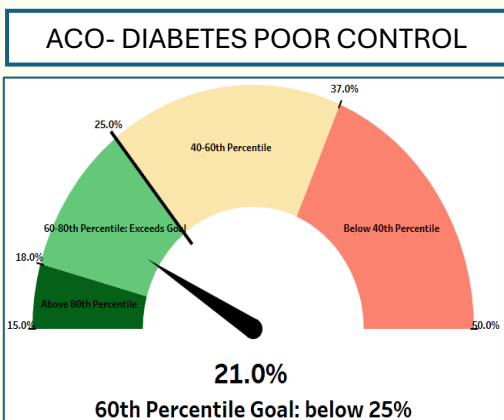
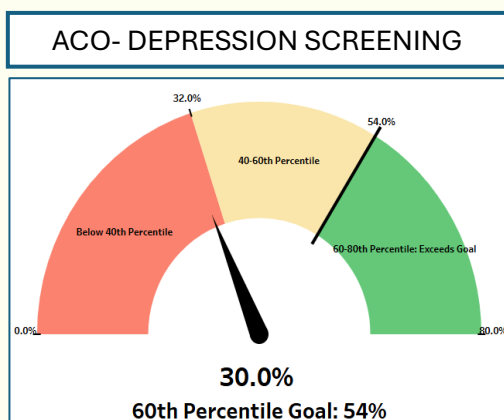


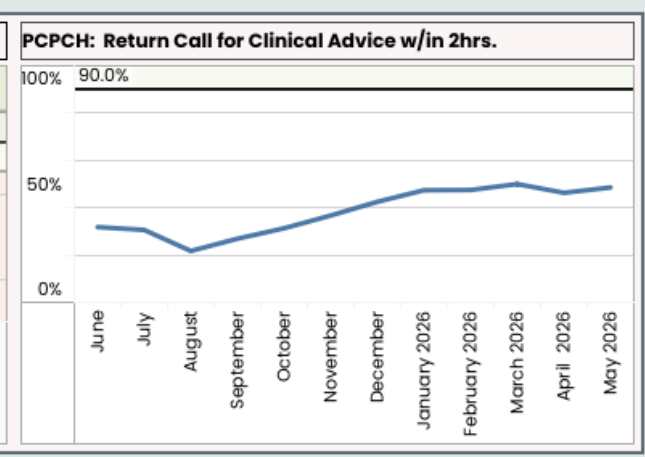
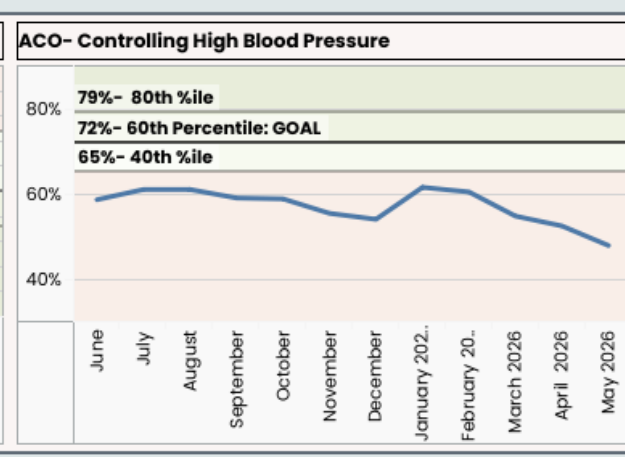
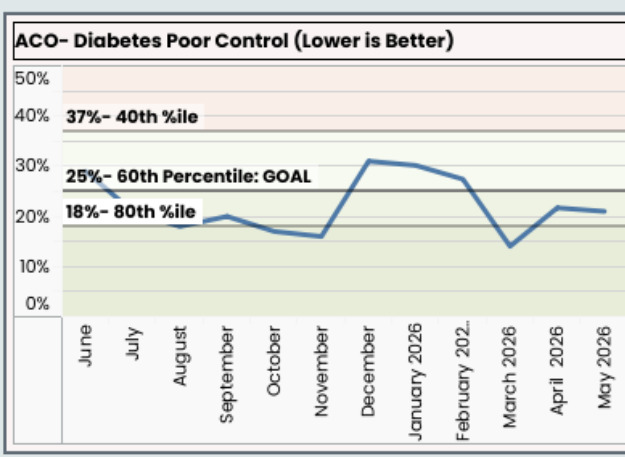
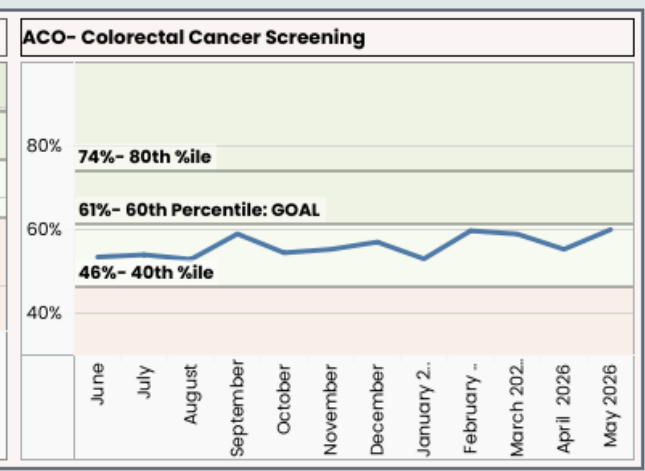
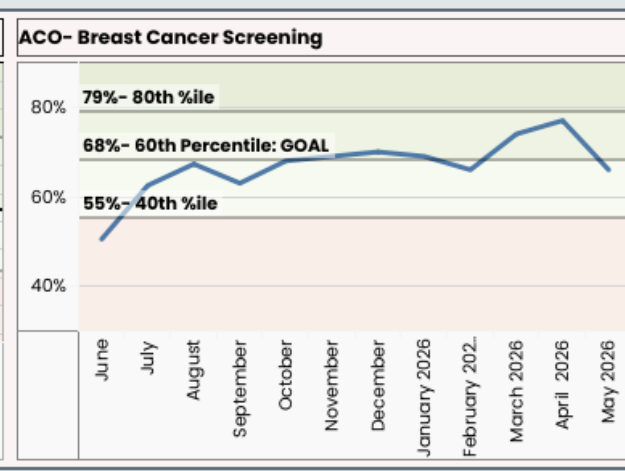
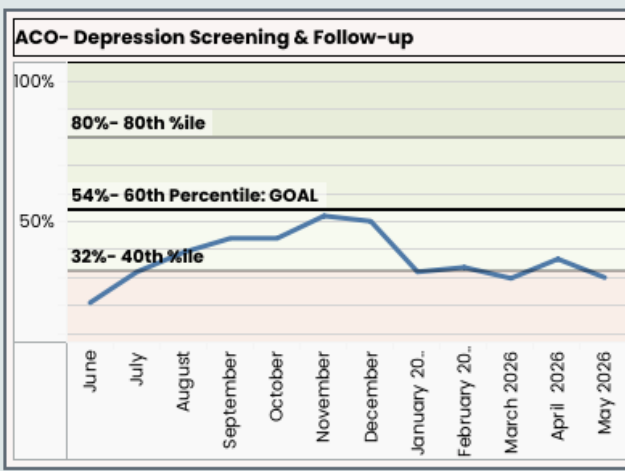
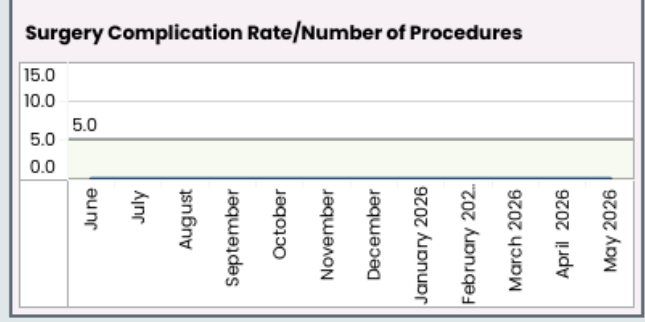
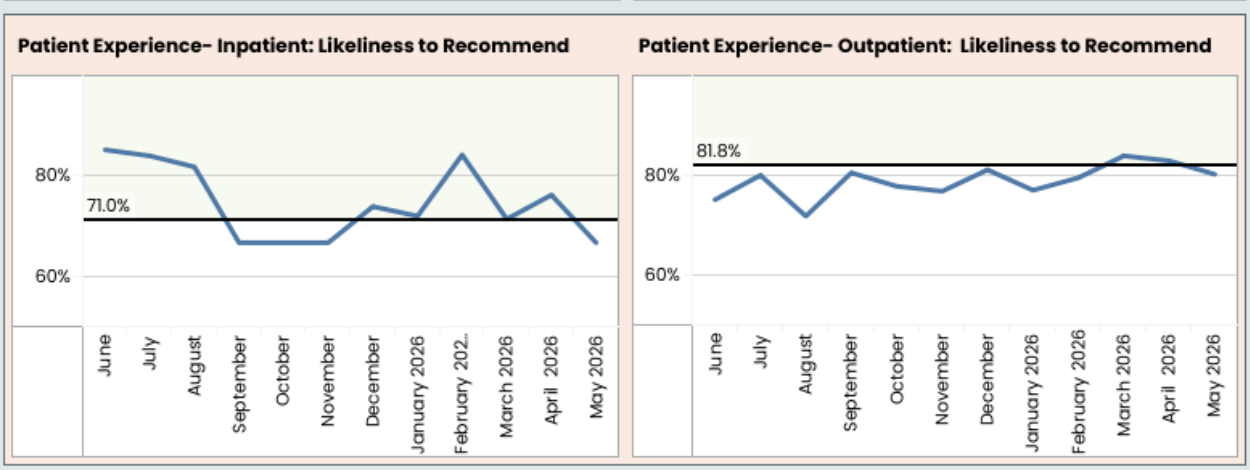
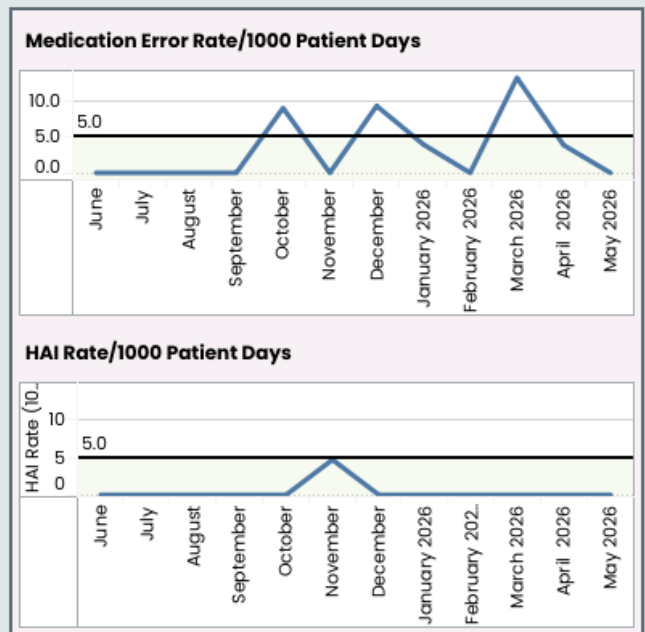
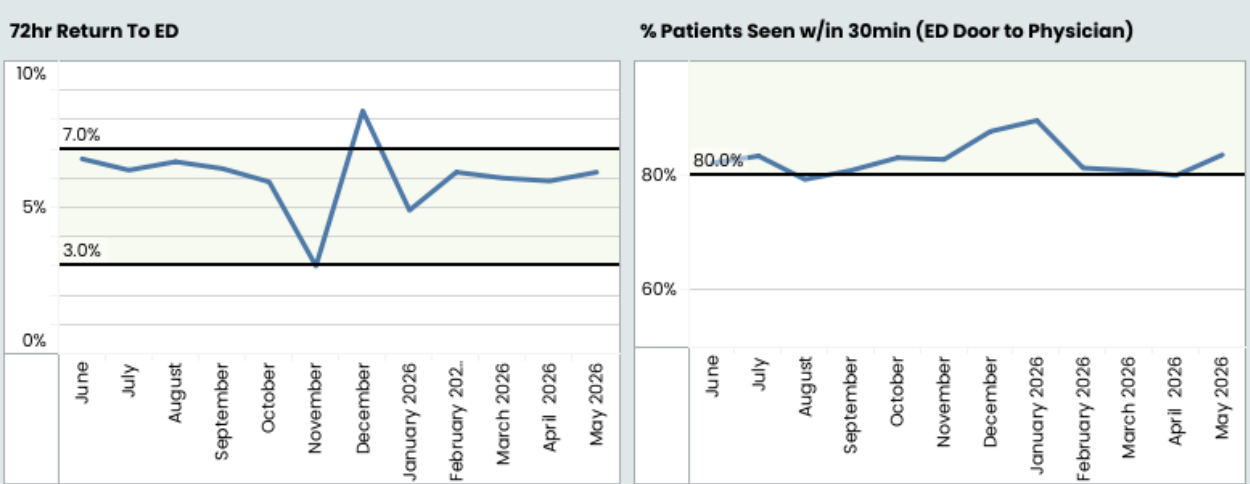
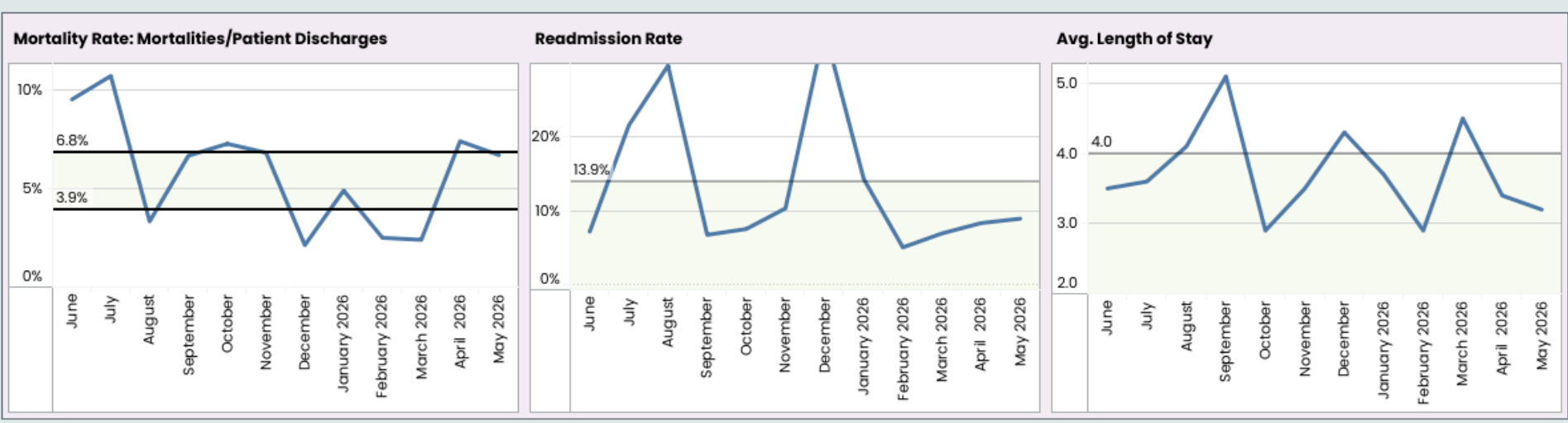
CLINIC

ACO TARGET: 60th Percentile

40- 60th Percentile

Below 40th Percentile





Assessment #	QAPI Self- Assessment Follow-ups	QAPI Self- Assessment Performance Status and Current State Notes	QAPI Self- Assessment Implementation(s)	Quality Dept. Facilitator	Responsible Leader	Progress %	Due Date	Completed Yes/ No	Completion Date	Completion Details/ Comments
2	Our QAPI plan describes a systematic and objective process for prioritizing opportunities for improvement. It incorporates feedback from various stakeholders, including patients, families, and healthcare professionals. The plan provides a structure for following up on identified issues that pose a significant risk.	Almost There: Patient contact is frequent through various modalities; see comments	Process to clearly identify Performance Improvement Projects	Jamie	Jamie	100%		Yes	2025	4/10/26 UPDATE: NRC, HCAHPS, Clarity Event Reporting System, Compliance Hotline, Anonymous Reporting link on Website, Alex McKinley>>> IDCT meetings daily, Case Management 7X week, Swing Bed patient leave process
			Create a project charter template to capture each project's scope and objectives (See 8a)			0%			ProjectCharterTemplate.docx	
			Develop Prioritization Process for PI Projects; Formal RCA Training, Tools, and Quality Dept. support			50%			Use PIP boards in departments and develop process to share with QPSC	
			Develop Feedback Loop into PI Projects			50%			6/15/2026- First formal PI Project- IV monitors	
			Integrate Metrics into PI Projects			50%			Project Template- PowerPoint.pptx	
			Formal PIP template and QPSC report-out	Jamie	50%					
3	QAPI is integral to new hire orientation and annual training.	Almost There: Annual Relias training is needed but the training materials are complete. Plan: to add a link to the QAPI plan in the new hire orientation materials.	Add QAPI training/ introduction within new hire orientation via Electronic Education/ Training System and General Orientation PowerPoint Presentation	Rachel						Completed 5/28/26
			Add QAPI training to all staff annually via Electronic Education/ Training System/						Completed 5/28/26	
			Link to QAPI Plan in MCN to the General Orientation PowerPoint Presentation. Can a link be added or an attestation for the electronic annual training?						Completed 5/28/26	
									Completed 5/28/26	
4	Department orientation addresses each employee's role in assuring quality in service and care, pertinent quality measures and identifying opportunities to improve processes.	On Our Way: Overlays for the PIP boards should be here this week. Work is ongoing to get quality data to the managers. Participants share that they are not always orienting staff to the concept of Quality but plan to go forward. Department managers can put this on their orientation checklists to facilitate this.	Department managers to include department PIP board and any current/ applicable PIPs during dept level orientation.	Jamie	Jamie/All Clinical Managers					Need to work with managers to incorporate QI training into their department level orientation
			Department level Quality Metrics via PIP Boards						Update: 6/10/26: All departments have metrics via Consent Agenda Workbook except Lab and Imaging. Working with Tonya on Lab metrics	
6	We have systems that effectively collect, analyze and display our data.	Almost There: Examples of systems are Epic, Tracer program, NRC, data dashboards, ACO, PCPCH. We are still looking at ways to get better and optimizing the tools that we have to track progress with EOC/Life Safety. Front line staff need to be involved. ***Jamie to add other data shares and platforms	Front Line Staff Engagement: Metrics on PIP Boards	Jamie	Jamie/All Clinical Managers					Update: 6/10/26: All departments have metrics via Consent Agenda Workbook except Lab and Imaging. Working with Tonya on Lab metrics
			Front Line Staff Engagement: Metrics on SharePoint Site						4/10/2026: KPIs on SharePoint	
			Limble Reports						3/15/2026 Working with Jeff to create Limble Dashboards for EOC/Safety Metrics	
7	Each department uses data to make decisions and drive improvements and uses measurements to evaluate the success and sustainability of improvement activities.	On Our Way: No additional notes.	Use PIP Boards to track PI Projects with developed metrics or create tools for project tracking	Jamie	Jamie/All Clinical Managers					
8a	For each performance improvement project: We create a project charter to provide the project team with a clear understanding of the project's scope and objectives.	Almost there: Templates were created but not being used consistently.	Integrated into #2	Jamie						
8c	We have a process for documenting what we have done, including highlights, progress and lessons learned.	Almost There: Work on documenting lessons learned by building into QPSC process.	Integrated into #2	Jamie						
8d	We use data to determine if changes to systems and processes were effective and sustained over time	Almost There: No additional notes.	Integrated into #2	Jamie						
9	There is a process for covering frontline staff to actively participate in improvement teams.	On Our Way: We strive to bring the process to the staff while doing Gemba Walks. Staff should feel like they are vital to participate in process improvement. Currently there are no committees such as a Unit Based Council.	Develop Multi-Disciplinary Team approach to PI Projects (build into Project Charters)	Jamie						
			Process for covering frontline staff						4/10/26 UPDATE: Chain of command for staffing coverage, no Quality and Patient Safety dedicated budget, have been supported by dept. managers, and utilizing light-duty staff	
10	Our organization uses a structured root cause process to identify underlying causes of problems.	On Our Way: RCA training scheduled for the end of January. Not all staff are aware of what and RCA entails.	RCA Training for Leadership and Management	Jamie						Completed Training Feb 17-19, 2026; Shared Resources via SharePoint
			Roll out RCA training for all staff	Rachel						Completed 5/26/26 Included in Quality Orientation Presentation for new staff and current staff.
11	Our organization uses Root Cause Analysis to investigate problems and identify system and process breakdowns without focusing on individual performance.	On Our Way: Informally and verbally done but need structured RCA training.	Implement training from #10	Amanda						
12	When we identify breakdowns in systems and processes, we focus on linking corrective actions with the system and process breakdowns rather than solely relying on training, education, or asking caregivers to be more careful and remember a step.	Almost There: This is an ongoing process in which we will always be working on.	Continue with Tracer program and develop CAP process for any process breakdowns.	Rachel						4/28/26: Corrective Action Plans are completed for non-conformities found during internal tracers and external surveys and inspections.
			Over coming barriers, engagement, and shared accountability	Amanda						

QAPI Mini Self- Assessment 2026 link:

QAPI Self- Assessment Performance Status Totals:

Not Started: 0
Just Starting: 0
On Our Way:
Almost There:
Doing Great:

New QAPI Elements

New Dietary/ Nutrition QAPI requirements
New OB QAPI Requirements

Rachel:

Update current QAPI Yes/ No



Chief Information Officer Report

To: Board of Directors and Southern Coos Management
From: Scott McEachern, CIO
Re: CIO Report for Board of Directors Meeting – June 25, 2026

May and June have been busy with interface implementations. See Project Report below for details.

We also experienced a critical infrastructure failure in our shared drive server, also known as our corporate intranet. We hold critical organizational documents in these drives. These files and folders were offline for about 2 days. These files had been backed up and were available to our staff by request to the IS department. We replaced the infrastructure that had failed and the shared drive server is now up and running and files are available. Due to our attention to regular backups, we experienced very little, if any, data loss. The IS team is now performing an analysis to determine what exactly happened. We also are preparing for added redundancies so if a comparable situation happens in the future, we will not experience significant interruption of service. Thank you especially to Jeff Weymouth and Chris Cox for their around the clock work during the two days of interruption.

Cybersecurity Report

The biggest healthcare story of the month was NYC Health + Hospitals confirming a breach affecting at least 1.8 million people, making it one of the largest healthcare breaches of 2026 so far. The intrusion came through a third-party vendor with network access, and attackers exfiltrated medical records, government IDs, geolocation data, and biometric data including fingerprints and palm prints. NYC H+H detected suspicious activity on February 2, 2026, and later determined an unauthorized actor had access from roughly late November 2025 through February 2026.

Other HIPAA-regulated breaches disclosed in May

The pattern across the rest of the month was overwhelmingly third-party/vendor compromise, email account takeover, and ransomware on legacy or backup servers:

- **University of Nebraska Medical Center** — 26,937 individuals. A vulnerability in the REDCap research software was exploited; UNMC found the flaw in February 2026 but determined exploitation had actually occurred back in September 2023, with access possible until February 3, 2026.
- **Singing River Health System** (Mississippi Gulf Coast, 3 hospitals + 50 clinics) — a hacking incident detected around December 21, 2025, with files confirmed copied; count not yet posted to OCR.
- **World Trade Center Health Program** — 1,071 individuals, but highly sensitive data. The TridentLocker ransomware group hit vendor Managed Care Advisors/Sedgwick, exfiltrated data, then leaked it when the ransom wasn't paid.
- **Tampa Bay Dental Implants & Prosthetics** — 6,400 individuals. Ransomware encrypted a legacy server holding a backup of electronic medical records.
- **Aligned Orthopedic Partners** (Maryland) — 7,213 individuals via business email compromise.

- **LHC Group (Louisiana) and Mays Housecall Home Health (Oklahoma)** — 8,644 and 5,208 individuals respectively, both through the same vendor, Doctor Alliance’s web portal.
- **Pivot Health** — AWS cloud environment accessed over a two-week window; cloud misconfiguration/access rather than ransomware.

The recurring vector this month was **third parties and business associates**. NYC H+H, the WTC program, LHC Group, Mays, and the Aligned email breach all trace back to vendor or BAA exposure. That tracks with the broader 2026 data: over 80% of stolen PHI records now originate from third-party vendors, software providers, and business associates rather than hospitals directly. [Elliott Davis](#)

Two other patterns relevant to SCHHC and CAHs specifically: ransomware keeps finding **legacy and backup servers** (Tampa Bay Dental), and dwell time can be measured in *years* when the entry point is an under-monitored research or third-party app (UNMC’s REDCap).

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)

We have made significant progress through the month of June. We have finished installing ceiling tiles, flooring, hand sanitizer/soap dispensers, paper towel dispensers, visitor chairs, and computer workstations. As of this writing, we are waiting for over-the-sink cabinetry to be delivered and then we will install.

- Estimated date for occupancy: End of July (updated from mid-to-end April 2026)
- Budget: \$150,000
- Current Spend as of May 31, 2026:

Radiology Data Conversion

SCH is working with Providence to connect radiology reports from studies conducted prior to the December 7, 2024 go-live with Epic. This project will link the prior studies to the patient chart in Epic, eliminating the need for providers to check two systems for past patient information. This project is on track for a July 27 go-live.

- Estimated completion date: July 27, 2026
- Budget: \$40,000
- 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 used by Providence to integrate EKGs and other biomedical devices with Epic. The original go-live of June 22nd was delayed until July 27, 2026. After consulting with our internal teams, I decided to delay the go-live to assess several issues in the workflow.

- Estimated completion date: July 27, 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 EMR. We have been working on this project behind the scenes and will ramp up project meetings in July 2026.

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

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

Salem Radiology

SCHHC worked with Salem Radiology to replace Direct Radiology/OnRad. This project is now complete.

- Go-Live Date: June 15, 2026
- Budget: \$8,500
- Spend: \$0

Echo Interface with NovaPACS

This project is complete.

- Go-Live date: May 31, 2026
- Budget: \$19,200
- Spend: \$0

Interface with Motion MD

This project is live and complete.

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



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 – June 25, 2026

Clinic Operations - May 2026

Provider Recruiting/Onboarding: As of 6/19/26

- In discussions with two General Surgeons in Ashland, Oregon. One has signed the other is close behind.
- Making offer to local Nurse Practitioner – Family Medicine

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

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

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

Figure 1

May 2025 - May 2026

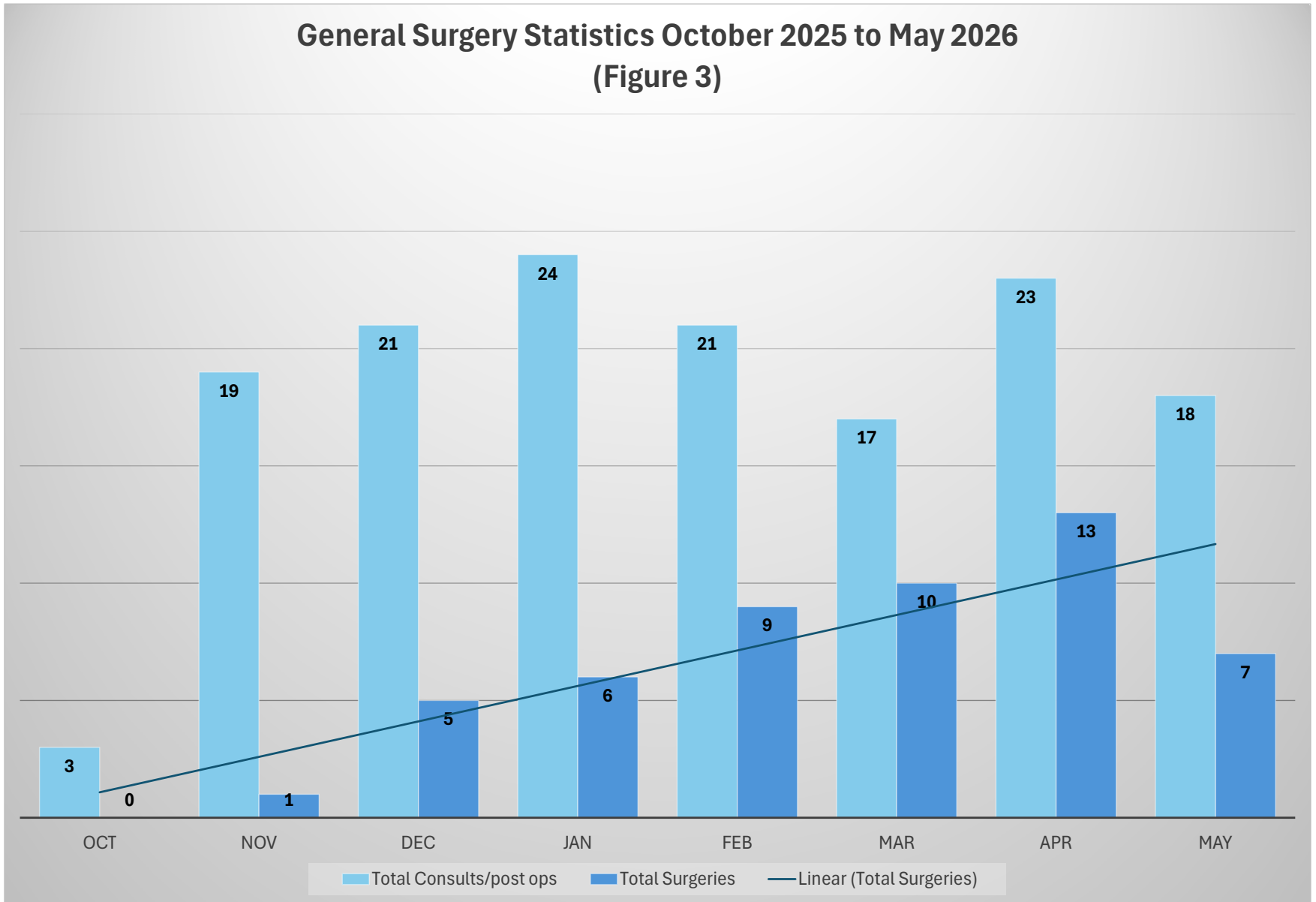


Figure 2

May Clinic Visits By Provider

											2025							
											2026							
Year: 2026	Clinic	PT's	Cancel	No Show	Total Seen	AVG Seen	No Show Rate	Cancel Rate	Tele HLTH	New PT's	October	November	December	January	February	March	April	May
Month: May																		
Provider	Days	Sched	Cancel	Show	Seen	Seen	Rate	Rate	HLTH	PT's								
Jennifer Webster, MD	8.2	101	5	2	94	11.5	2%	5%	4	0	159	123	129	93	162	149	187	94
Paul Preslar, DO	9.0	116	12	2	102	11.3	2%	10%	0	0	132	135	128	153	118	154	166	102
Natalie Speck, MD	11.0	130	7	5	118	10.7	4%	5%	4	24					100	153	118	
Felisha Miller, FNP	13.0	109	10	5	94	7.2	5%	9%	2	17	107	92	103	79	73	118	111	94
Kim Bagby, FNP											130	154	26	124	103			
Shane Matsui, LCSW	19.0	82	7	1	74	3.9	1%	9%	3	1	87	74	80	79	78	85	63	74
Henry Holmes	8.0	63	9	0	54	6.8	0%	14%	0	0	37	61	62	48	66	53	49	54
Tami Marriott, MD	4.0	44	5	0	39	9.8	0%	11%	0	0	33	34	35	33	21	31	9	39
Victoria Schmelzer, CRNA	10.0	90	5	2	84	8.4	2%	6%	2	8	36	67	0	71	66	34	20	84
Brett Schulte, MD	3.0	19	1	0	18	6.0	0%	5%	0	11	3	19	21	24	21	17	23	18
Total Provider Visits	85	754	61	17	677	8.0	2%	8%	15	61	724	759	584	704	708	741	781	677
<i>Total Outpatient Services</i>	20	214	15	2	197	9.9	1%	7%	0	0	253	184	225	174	183	201	218	197
Total Visits	105	968	76	19	874	8.3	2%	8%	15	61	977	943	809	878	891	942	999	874

Figure 3



Southern Coos Hospital & Health Center
Income Statement
As of May 31, 2025

	Month Ending 5/31/2026			Year To Date 5/31/2026		
	Hospital Actual	Clinic Providers Actual	Actual	Hospital Actual	Clinic Providers Actual	Actual
Total Patient Revenue						
Inpatient Revenue	1,128,655	-	1,128,655	10,396,275	-	10,396,275
Outpatient Revenue	3,486,007	234,127	3,720,134	39,539,952	3,546,935	43,086,887
Swingbed Revenue	91,465	-	91,465	3,234,857	-	3,234,857
Retail Pharmacy Revenue	721,003	-	721,003	5,810,029	-	5,810,029
Total Patient Revenue	5,427,130	234,127	5,661,257	58,981,113	3,546,935	62,528,048
Total Deductions	2,334,902	170,855	2,505,757	24,141,259	2,083,958	26,225,217
Revenue Deductions %	43.0 %	73.0 %	44.3 %	40.9 %	58.8 %	41.9 %
Net Patient Revenue	3,030,250	125,250	3,155,500	34,780,063	1,522,767	36,302,830
Other Operating Revenue	(59,790)	61,978	2,188	388,286	59,790	448,076
Total Operating Revenue	3,032,438	125,250	3,157,688	35,228,139	1,522,767	36,750,906
Total Operating Expenses						
Total Labor Operating Expenses	2,484,900	107,188	2,592,088	25,575,076	1,228,359	26,803,435
Total Other Operating Expenses	1,023,847	57,311	1,081,158	11,005,984	680,601	11,686,585
Total Operating Expenses	3,508,747	164,499	3,673,246	36,581,060	1,908,960	38,490,020
Operating Income / (Loss)	(476,309)	(39,249)	(515,558)	(1,352,920)	(386,193)	(1,739,113)
Net Non Operating Revenue	149,016	-	149,016	1,626,214	-	1,626,214
Change In Net Position	(327,293)	(39,249)	(366,542)	273,294	(386,193)	(112,899)



Human Resources Report

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

Metrics:

Employee Turnover

- FY 2024 = 12.21%
- FY 2025 = 9.31%
- FY 2026 YTD
 - 9/30/2025 = 8.21%
 - 12/31/2025 = 7.85%
 - 3/31/2026 = 10.50%
- Annual U.S. National Average in Healthcare Industry = 18.5% (NSI March 2026)
- 2026 SCHHC Target for Annual Turnover = <15.0%.
- FY 2026 New Employee Turnover YTD (90 Days or Less)
 - 9/30/2025 = 17.80%
 - 12/31/2025 = 14.53%
 - 3/31/2026 = 11.10%

Recruitment/Staffing:

New Hires - May 2026

- Allison Lucas, Medical Lab Assistant - Laboratory
- Jeanie Ortiz, Controller - Accounting/Finance
- Katie Sturdevant, CT/Rad Tech - Medical Imaging
- Altaira Wilhelm, RN Charge – Med/Surg Department

Activities/Events:

- 2026 Leadership Academy:

March - Legal Red Flags I

April - Legal Red Flags II

May - Crucial Conversations

June - Communication Styles

July - Trust & Influence

August - Emotional Intelligence

September - HR 101

October - Work/Life Balance

November - Hospital Finance 101

December - End of Year Celebration

People:

Quote of the Month - May 2026

“No one cares for you like Southern Coos. My house is only a few blocks away, and sometimes I walk over to the hospital, just to have someone to talk to.”

– A Conversation Overheard between Two Community Members

Employees of the Month - May 2026

- Clinical - Dawn Couch - Respiratory Therapist - Respiratory Therapy Department

“I would like to nominate this employee for the outstanding care and dedication they consistently demonstrate. They continually go above and beyond for patients, ensuring they receive not only excellent clinical care but also compassion, reassurance, and advocacy for their specialty needs. In addition to providing exceptional patient care, this employee is an invaluable team player within their department. They are always willing to assist coworkers, step in during difficult situations, and support the overall success of the team without hesitation. They have a positive attitude, professionalism, and willingness to help create a stronger work environment for everyone around them. This employee exemplifies the qualities we strive for in healthcare: teamwork, compassion, reliability, and excellence. Their dedication does not go unnoticed, and they truly deserve this nomination and recognition.”

- Non Clinical - James Dougherty - Facilities Assistant - Engineering Department

I would like to nominate this employee for their outstanding dedication & exceptional work ethic in their department. They consistently go above & beyond their daily responsibilities to ensure everything runs smoothly & efficiently. They are always willing to step in & help whenever needed, often taking initiative without being asked. Their reliability, positive attitude, & commitment to getting the job done make them an invaluable part of the team. Whether responding quickly to issues, assisting coworkers, or staying late to complete important tasks, this employee demonstrates professionalism & teamwork every day. Their hard work helps create a safe, efficient, & well-maintained environment. They ALWAYS have a smile on their face & make it fun to work here. Their dedication & willingness to help others truly set them apart, and I believe they are highly deserving of EOM!

CRUCIAL CONVERSATIONS

Tools for Talking when Stakes are High

Southern Coos Hospital & Health Center
June, 2, 2026

Today's Agenda

1	What Is a Crucial Conversation?	8 min
2	The High Stakes of Silence in Healthcare	7 min
3	The PATH™ Framework	10 min
4	Creating Safety & Mutual Respect	7 min
5	Hospital Scenarios	8 min
6	Action Planning & Commitments	5 min

The Trouble with Communication

“The single biggest problem in communication, is the illusion that it has taken place.”

- George Bernard Shaw

What Is a Crucial Conversation?

High Stakes

The outcome significantly affects patient care, staff well-being, or organizational performance.

Opposing Opinions

People hold different views, values, or expectations — creating potential for conflict or misunderstanding.

Strong Emotions

Feelings are running high — fear, frustration, defensiveness, or anxiety shape the conversation.

When all three are present — the stakes are too high to stay silent.

The Silence – Violence Continuum

SILENCE BEHAVIORS

Masking

Pretending to agree or understating your true concern

Avoiding

Steering around the topic or the person entirely

Withdrawing

Physically or emotionally checking out of the conversation

VIOLENCE BEHAVIORS

Controlling

Cutting off, interrupting, or steamrolling others' views

Labeling

Dismissing or stereotyping to invalidate the other person

Attacking

Moving from disagreement to personal criticism or threats

SILENCE

DIALOGUE

VIOLENCE

What Drives Both Extremes

- Adrenaline hijacks rational thinking — fight-or-flight overrides the ability to stay in dialogue
- Feeling psychologically unsafe — perceived threat to identity, respect, or purpose
- In healthcare: time pressure creates a false choice between speed and quality conversation

Two Ways We Fail the Conversation

SILENCE — Masking & Withdrawing

- Withholding a safety concern
- Not addressing a colleague's behavior
- Avoiding a disciplinary conversation
- Nodding when you disagree
- Leaving issues to fester until crisis

VIOLENCE — Controlling & Attacking

- Cutting off or interrupting staff
- Sarcasm or dismissive body language
- Blame-shifting during incidents
- Public criticism of colleagues
- Ultimatums or threats (HR risk in OR)

Both responses are driven by the same root: feeling unsafe in the conversation.

The Cost of Silence in Hospitals

68%

of nurses have withheld a safety concern from a physician

70%

of preventable adverse events involve communication failure

5x

more likely to succeed if concern is voiced early

2/3

of hospital personnel avoid at least one crucial conversation/week

Cost of Not Speaking Up

\$10,000.00+ for each *Crucial Conversation* not had

- Decreased Morale
- Reduction in Productivity
- Turnover Costs
- Eroded Trust
- Resentment
- Lost Opportunities

The P.A.T.H. Framework

A step-by-step guide to navigating crucial conversations

The PATH Framework — Overview

P

Pool the Facts

Separate observable facts from the story you're telling yourself. Start with shared data.

A

Ask About Their Story

Invite the other person's perspective before judging. Curiosity prevents defensiveness.

T

Talk Tentatively

Share your interpretation as a hypothesis, not a verdict. Tone signals openness.

H

Hold the Space for Safety

Continually monitor for safety breakdown. Pause, restore, then re-engage.

P — Pool the Facts (Start With Heart)

✓ FACTS (Documentable)

- Observable, specific behaviors
- Dates, times, measurable outcomes
- What you saw or heard directly
- Incident reports & documentation

⚠ STORIES (Interpretations)

- *"She always does this..."*
- *"He doesn't respect nursing staff"*
- *"They don't care about quality"*
- *"This is a pattern of negligence"*

A — Ask About Their Story (Be Curious)

The Villain Story Trap

When we feel threatened, our brain casts us as the hero and others as villains. In healthcare, this undermines safety culture and team trust.

Questions That Open the Conversation

"Help me understand what was happening from your perspective."

"I want to make sure I have the full picture — what am I missing?"

"Walk me through your thinking at that point."

"Is there context I should know that would help me understand?"

T — Talk Tentatively (Share Your Story Carefully)

Deliver with confidence. Frame with humility.

✗ Verdict (Closes conversation)

"You clearly don't care about this patient."

"This is insubordination."

"You're always late. It affects everyone."

✓ Tentative (Opens conversation)

"I'm concerned this may have put the patient at risk. Help me understand what led to it."

"I noticed the protocol wasn't followed — I want to understand if there was a reason before I draw conclusions."

"I've noticed your shift starts have been running 10–15 minutes late three times this week. What's going on?"

H — Hold the Space for Safety

Safety is the prerequisite — not the goal — of crucial conversations.

Mutual Purpose

Both parties believe the conversation serves a shared goal — patient safety, team performance, professional growth.

Mutual Respect

Both parties believe they are valued as people and professionals, regardless of hierarchy or outcome.

Signs Safety Is Breaking Down

⚠ Silence or one-word answers

⚠ Canned / corporate responses

⚠ Physical withdrawal (arms crossed, looking away)

⚠ Sarcasm, deflection, or humor as deflection

Hospital Scenarios

Applying the framework to real situations

Scenario 1: Provider Dismissing a Nurse's Concern

The Situation

A charge nurse identifies a patient deteriorating post-op. She flags the attending provider twice. He dismisses her concern with "I'll deal with it later" and walks away. The patient requires an emergency intervention 30 minutes later. Staff morale on the unit is tense.

P

Lead with the observable facts — time, vitals, your actions, the response.

A

Ask about his clinical reasoning before drawing conclusions.

T

Frame your concern as needing alignment, not blame.

H

If he becomes defensive, restore mutual purpose: patient safety.

Scenario 2: Addressing a Performance Pattern

The Situation

A veteran floor nurse has had three incomplete patient handoffs in two weeks. Colleagues are covering for her informally. Her manager has avoided the conversation because "she'll get defensive" and the unit is already short-staffed.

P

Name the specific incidents — dates, what was missing, observable impact.

A

Ask what's been happening for her — life circumstances, workload, confusion about protocol.

T

"I'm not here to write you up — I'm here because I need to understand and I need this to change."

H

If she cries or shuts down, slow the conversation. Restoration > Resolution in the short term.

Scenario 3: Speaking Up to Leadership

The Situation

A unit manager needs to tell the CNO that a recent staffing model change is creating unsafe conditions on nights. The CNO is budget-focused and has been dismissive of concerns in the past. The manager is worried about being seen as "not a team player."

P

Bring data: near-misses, overtime violations, turnover signals — not feelings.

A

Acknowledge budget pressures and ask about the reasoning before advocating.

T

Frame your concern as shared risk, not insubordination.

H

Appeal to mutual purpose: patient safety AND organizational sustainability.

Scenario 4: Peer-to-Peer Conflict Between Charge Nurses

The Situation

Two charge nurses on adjacent units have had escalating tension for weeks. One feels the other is "territorial" about shared resources; the other feels dismissed. Their teams are starting to take sides. Handoffs between the units are becoming clipped and incomplete.

P

Name a specific observable incident — not the pattern, not the personality, one event.

A

Ask directly: "Is something going on between us?" — don't assume you know.

T

Be tentative about your interpretation of their intent or attitude.

H

Re-establish shared purpose: patients, team, unit — then resolve the relationship.

Building a Culture of Crucial Conversations

Leaders Go First

Model the behavior. Have the conversations your team is watching you avoid.

Normalize Feedback

Build brief debrief moments into team huddles and shift changes.

Reward Voicing

When someone raises a hard truth, thank them — visibly and specifically.

Create Structures

Safety huddles, peer feedback tools, and anonymous reporting lower the stakes.


Just Culture Alignment

Oregon's patient safety model supports curiosity over blame — lead from that.


Debrief & Learn


After a crucial conversation, reflect. What worked? What would you do differently?


Key Takeaways

 A crucial conversation has high stakes, opposing views, and strong emotions — and avoiding it costs more than having it.

 Silence is not neutral. In hospitals, unvoiced safety concerns carry real patient and regulatory risk.

 PATH (Pool the Facts, Ask About Their Story, Talk Tentatively, Hold the Space) is your framework under pressure.

 Oregon's labor laws, Just Culture standards, and staffing regulations make crucial conversations a compliance competency.

 Culture is built one conversation at a time. Leaders who model crucial conversations give their teams permission.

Application of Principles

www.theothersideacademy.com

My Crucial Conversation Commitment

Take 3 minutes — answer these three questions for yourself.

1

What is the ONE conversation I have been avoiding?

Name it specifically — who, what topic, why you've been avoiding it.

2

What is the cost of continued silence?

To the patient, to your team, to your own integrity as a leader.

3

What is my first step this week?

Not "have the whole conversation" — just: when will I request the meeting?

Resources & Next Steps

Crucial Conversations (Book)

Patterson, Grenny, McMillan & Switzler — Available on Amazon or hospital library

VitalSmarts Training

cruciallearning.com — Online & in-person workshops available

Oregon Patient Safety Commission

oregonpatientsafety.org — Just Culture resources & SAE reporting

Oregon BOLI (Employer Resources)

oregon.gov/boli — Labor law compliance guidance for healthcare

ONA (Oregon Nurses Association)

oregonrn.org — Workforce & safety resources for nursing leaders

The conversations you're avoiding are the ones your team needs you to have.



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

Once we are able to secure funds via Rural Health Transformational Funds we will continue working on the plan for expanding this program. We are looking forward to what we can accomplish next school year!

Volunteer Expansion

Both recruitment events (May at Hospital and June Meet & Greet) were successful and resulted in 15 volunteer applications. 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).

Next step is to get applicants through background and drug testing followed by a volunteer orientation in July. First group project will be to put together a resource guide for our Bandon community. New positions to begin by first week in August and training, orientation and job descriptions are in process now.

Golf for Health Classic (GFHC)

Fundraising for the 19th annual Golf for Health Classic is underway. Events are set for Friday, September 18th (Bandon Dunes Reception) and Saturday, September 19th (Bandon Crossings Tournament), including a new Bandon Dunes Shorty's outing limited to 24 golfers. Chivaroli & Associates return as Event Sponsor.

All SCHHC leaders and both boards have been asked to engage their contacts/vendors to recruit new sponsors. Tina is pursuing sponsors in Coquille and Myrtle Point; Alix is covering Bandon through Gold Beach. With three months remaining, sponsorship commitments total \$30,300.

Next year marks the 20th anniversary of both the Golf for Health Classic and the Southern Coos Health Foundation; special anniversary events are planned. More details to follow.

Capital Campaign

We continue talking with our community about MFP and expansion plans for our Southern Coos Hospital. 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

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

Month-End CFO Report and Financial Statements

I want to apologize to the Board of Directors and provide some explanation on why the June CFO Report and Financial Statements for the month of May, 2026 are being presented late this month.

On the night of June 16 and early morning hours of June 17, Southern Coos Hospital suffered a catastrophic crash of our network storage devices, which meant that all files stored on shared drives, including our I drive, which stores the majority of files for our hospital, were inaccessible as of Wednesday morning. Fortunately, due to excellent planning and foresight by our IT department, all of our data is backed up regularly, so that all previously saved work was saved. But none of it was available on Wednesday and Thursday, and up until almost 12 noon on Friday.

Due to the tireless hours of work by our IT team, and particularly Jeff Weymouth and Chris Cox, all of the shared drive files and access was restored shortly before noon on Friday, June 19.

As a result, with the system being down and planned and approved absence for our Interim CFO (out of office on Friday June 19 through Monday, June 22), we were unable to get the financial reports completed on time to distribute to the Board with the Board packet on Friday, June 19. Cam Marlowe, Interim CFO, will be back in or facility on Tuesday, June 23 and a full Board packet will be distributed to the Board on that date.

Once again, I sincerely apologize for the delay of the May Financial Results.



Revenue Cycle Report

To: Board of Directors and Southern Coos Management
From: Colene Hickman, Director Revenue Cycle
Re: Report for Board of Directors Meeting – June 25, 2026

Executive Summary

Revenue Cycle performance remained strong in May, highlighted by continued improvement in AR Days and record cash collections. AR Days decreased to 47.3, surpassing both the organizational goal of 50 days and the top quartile benchmark of 49.3 days and a reduction of 4.9 AR Days from April. Cash collections reached \$3.94 million, representing the highest monthly collections performance year-to-date.

While Aged Insurance AR over 90 Days increased to 21%, this metric continues to be influenced primarily by Medicare secondary claims that often pay shortly after crossing the 90-day threshold. Additional aging is associated with payer-specific processing delays and line-item denials that require appeal or additional follow-up by billing staff. These balances are actively monitored and worked through established escalation and appeals processes.

Metric	Goal	Top 25%	Dec	Jan	Feb	Mar	Apr	May	Change
EPIC AR Days	50	49.3	54.4	58.8	54.1	53.3	52.2	47.3	↓
Aged Ins AR over 90 Days by Percentage	12%	14%	21%	20%	16%	15%	16%	21%	↑
Cash Collections	-	-	3,066,816	2,539,380	3,220,626	2,984,391	3,285,873	3,941,514	↑
DNFB (Discharge not Final Billed) Days	10	10	10	10	10	9	14	13	↓
Pre-Service Collection %	9%	9%	8%	3%	5%	3%	4%	1%	↓
Overall Denial Rate %	10%	12%	11%	12%	13%	13%	12%	12%	-

Areas of Focus

Aged Insurance AR (>90 Days): Continue active management of Medicare secondary balances, payer follow-up, appeals, and escalation of delayed payments to improve reimbursement timeliness.

Pre-Service Collections: Pre-service collections remain an area of focus over the coming months. Additional staff training and enhanced tools are being implemented to support patient estimates and facilitate financial discussions at the time of service. These efforts are intended to improve upfront collections, increase patient understanding of financial responsibility, and strengthen overall revenue cycle performance.

Legacy System Winddown

We continue to make progress winding down legacy AR within CPSI. During the month, the team completed cleanup of unapplied payments, reducing more than \$200,000 in unresolved items to \$0. This work included researching duplicate postings, incorrect payment amounts, credit balances, and payments missing remittance detail. While this improved reconciliation and accuracy, it did not materially reduce the overall legacy AR balance, as many items were cash posting corrections or credit balances rather than collectible receivables.

Legacy AR currently totals \$349,534 and continues to be actively worked. The team has submitted appeals, identified payments that had been issued but not cashed, and requested reissued checks where appropriate. While collectability is limited due to account age, we continue to pursue reasonable recovery opportunities. In May, \$19,736 in CPSI payments was posted, separate from the \$3.9 million collected in Epic.

Monthly Mitigation Dashboard

Through May 31, 2026

1	Operating Loss by Dept	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Q1 2026 Average	Q2 2026 Average	Q3 2026 Average	Q4 2026 Average
2	SLS	\$ -	\$ (9,500)	\$ (9,500)	\$ (9,500)	\$ (8,235)	\$ (30,916)	\$ (37,419)	\$ (47,030)	\$ (63,684)	\$ 239,122	\$ (22,215)	\$ (6,333)	\$ (16,217)	\$ (49,378)	\$ 108,454
3	Surgery	\$ (76,237)	\$ (70,922)	\$ (77,832)	\$ (114,173)	\$ (95,487)	\$ (176,669)	\$ (72,273)	\$ (37,995)	\$ (30,465)	\$ (78,689)	\$ (122,915)	\$ (74,997)	\$ (128,776)	\$ (46,911)	\$ (100,802)
5	Retail Pharmacy	\$ (29,619)	\$ (17,896)	\$ (23,617)	\$ (50,246)	\$ (36,142)	\$ (41,442)	\$ 31,876	\$ (24,375)	\$ (31,700)	\$ (26,897)	\$ (32,237)	\$ (23,711)	\$ (42,610)	\$ (8,066)	\$ (29,567)
6	Total	\$ (105,856)	\$ (98,318)	\$ (110,949)	\$ (173,919)	\$ (139,864)	\$ (249,027)	\$ (77,816)	\$ (109,400)	\$ (125,849)	\$ 133,536	\$ (177,367)	\$ (105,041)	\$ (187,603)	\$ (104,355)	\$ (21,916)
7																
8	Overall Operating Gain/(Loss)	\$ 8,495	\$ 84,901	\$ (401,387)	\$ (21,499)	\$ (253,455)	\$ (368,047)	\$ (238,435)	\$ (13,259)	\$ (65,587)	\$ 44,719	\$ (515,558)	\$ (102,664)	\$ (214,334)	\$ (105,760)	\$ (235,420)
9	Gain (Loss) Excluding Initiatives	\$ 114,351	\$ 183,219	\$ (290,438)	\$ 152,419	\$ (113,591)	\$ (119,020)	\$ (160,619)	\$ 96,141	\$ 60,262	\$ (88,817)	\$ (338,191)	\$ 2,377	\$ (26,731)	\$ (1,405)	\$ (213,504)
14																
15	Retail Pharmacy 340B Savings				\$ (18,191)	\$ (18,280)	\$ (27,898)	\$ (21,261)	\$ (15,040)	\$ (16,092)	\$ (16,210)	\$ (21,335)	\$ (21,456)	\$ (17,464)	\$ (18,773)	
16																
17	Revised Retail Pharm Gain/Loss without 340B Savings				\$ (68,437)	\$ (54,422)	\$ (69,340)	\$ 10,615	\$ (39,415)	\$ (47,792)	\$ (43,107)	\$ (53,572)	\$ (64,066)	\$ (25,531)	\$ (48,340)	
18	Revised Operating Gain/Loss Excluding Initiatives without 340B Savings				\$ 83,982	\$ (168,013)	\$ (188,360)	\$ (150,004)	\$ 56,726	\$ 12,470	\$ (131,924)	\$ (391,763)	\$ (90,797)	\$ (26,936)	\$ (261,844)	
19																
20																
21	Notes:															
22	1. For May in Surgery, \$60,000 of the loss was due to V. Schmelzer PTO cost. Per contract, her PTO for the year is front-loaded in the month of her contract renewal, in this case May.															
23	2. I have included Retail Pharmacy 340b savings to illustrate the impact of this program on the retail pharmacy's bottom line.															
24	3. SLS showed a +239,122 gain for the month of April. This is due to a delay in claim submissions Jan - March. These issues have been resolved and SLS claims are being submitted on a timely basis.															
25																