BOARD OF COMMISSIONERS
PEND OREILLE COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
June 25, 2026

In Attendance: Commissioners: Becky Walrath, Lynnette Elswick, Melanie Kiss, Susan Johnson; Lois Silva, Executive Officers: Kim Manus, Justin Peters, Jennifer Lunz; Joseph Clouse Others: Jenny Smith, RaeLynn Wellman, Jane Tilley, Cassie Wise, Rhi Drake, Rachel Davis, Trina Gleese, Jacob Denham, Aron Hutchison, Tammy Roberts, Jennifer Means, Jeremy Lamecker, Adam Wiltse, Jennifer Romero, Damon Gardella, Joe Bonnema, Matt Piano, Daniel Juchau, Sandy Nichols, Sophia Aldous

CALL TO ORDER:

Chairperson Elswick called the meeting to order at 8:30 a.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA / CONSENT ITEMS:

The meeting agenda was amended to table the action item regarding selection of an alternative public works method and to add two action items. The amended meeting agenda, auditor's reports, and Uncompensated Care Report (Consent Packet) were approved by a motion made, seconded, and passed unanimously.

Bad Debt/Charity: May, inclusive District Write-off: $ 228, 388.00

APPROVAL OF PREVIOUS MEETING MINUTES,

May 28th, meeting minutes were approved via a motion made, seconded, and unanimously approved.

June 8th, special meeting minutes were approved via a motion made, seconded and unanimously approved.
June 17th, special meeting minutes were approved via a motion made, seconded and unanimously approved.

BUSINESS FROM THE AUDIENCE:

Daniel Juchau with DZA presented the 2025 audit, noting that the audit went smoothly and resulted in an unmodified opinion, the highest level of assurance.

Matt Piano with Klosh Group presented information on the differences between alternative public works methods to the Board.

COMMITTEE REPORTS:

Finance: Justin Peters reported days cash on hand for May increased to 94 days. Total FTEs increased by 20 compared to the prior year, bringing the total to 364, while salary/benefits/ contract labor to total expense decreased approximately 1%. May closed with a loss of approximately $538K, nearly identical to the same period last year, noting the month included nurse contract back pay. The June 1 chargemaster implementation is already producing positive financial results.

Justin also advised the District received the Rural Health Transformation Program (RHTP) award documentation. Required forms have been completed and submitted. Applications become available July 1, and the leadership team has begun prioritizing projects in preparation for the September application deadline. It was noted the initial funding cycle will provide one year to expend awarded funds, with future funding cycles allowing two years for project completion.

Revenue Cycle Report: Cassie Wise reported gross revenue for May closed at approximately $7.9M, below April's record-breaking month. June revenue is currently trending near $9M as the chargemaster updates begin to take effect. Cash collections remain strong at approximately $4.7M and are expected to continue trending upward.

Days in Accounts Receivable closed at 39.7 days and are currently holding near 40 days, primarily due to approximately $1M in payment timing fluctuations. Cassie anticipates Accounts Receivable will remain between 39 and 40 days over the next several months before beginning to trend downward, noting it typically takes about 90 days to fully realize the impact of revenue cycle changes. The shift in payer mix toward Medicare Advantage plans continues to show positive results. Aging accounts continue to decline, with no anticipated write-offs at this time. The team expects remaining aging accounts to be substantially cleaned up by October or November.

RMAC/RMV: Three admissions and two discharges were reported.

Quality & Compliance: Rhi Drake reported the Policy Governance Committee continues meeting every couple of weeks with the goal of reducing the overall number of policies and improving consistency throughout the organization. Education has been rolled out to department leaders regarding the appropriate process for creating new policies and reviewing existing policies, particularly those that apply District-wide. The Infection Prevention Plan approved at the previous meeting has been updated with revised language and requires new signatures.

External Affairs & IT: Jenny Smith reported community outreach efforts continue to focus on educating the public about the proposed bond measure facts.
DNV Document Control Project – Work continues on the multi-year document control initiative. Approximately 600 forms, documents, and signs have been identified for review. A new forms and signage policy has been implemented to standardize document creation and management throughout the organization.
Congressional Appropriations – Confirmation was received that Senator Patty Murray advanced the District's congressional appropriation request for the clinic expansion project. Now we need to wait for the federal budget session.
Cybersecurity & Technology – Information Technology continues work on a major interface project with Providence, allowing the anesthesia system and Mindray monitors to communicate vital signs directly into Epic. Phishing attempts have decreased overall; however, those that are received continue to become more sophisticated. Concern was raised regarding the growing use of AI voice simulation technology and the potential cybersecurity risks associated with it.
Marketing – New billboard advertising is scheduled to roll out in the coming weeks.
Community Education – Community engagement activities will begin in September.
Foundation – The 2026 golf tournament achieved record fundraising results.

Administrative Services Report: Joseph Clouse provided an update on the Specialized Dementia Unit, reporting there are currently 11 on the waiting list. Approximately 13 residents are expected to transition from River Mountain Assisted Care, with the goal of both units reaching full occupancy and achieving break-even operations.
Repairs related to the River Mountain Village flood continue to progress. Once repairs are complete, DSHS will conduct the licensing survey. A ribbon-cutting ceremony will be scheduled following licensure.

Clinical Services Report: Jennifer Lunz presented the report noting Respiratory Therapy is now included in the data.

Nursing Report: Amy provided an update on the Sexual Assault Nurse Examiner (SANE) program, advising seven nurses have now completed training. Plans are in place for continued education, with additional training scheduled this October and several more nurses expressing interest in participating. Jenn reported offers have been accepted for two new Nurse Manager positions as part of a planned nursing leadership restructure. One manager brings a strong Utilization Review background with experience expanding swing bed programs and outpatient wound care services and will eventually oversee the Operating Room and Outpatient Services. Robin, from West Coast, is expected to begin in August and will initially focus on the Acute Care Unit and Obstetrics, with responsibilities transitioning over time.

CEO Report: Kim Manus recommended scheduling a special board meeting to discuss alternative public works contracting methods and consider Action Item No. 3.

During recent community outreach, an attendee questioned whether the proposed expansion would be large enough to meet future community needs. Kim explained that the project size is limited by the District's available debt capacity and current market cost estimates.

Kim briefly discussed the impacts of the One Big Beautiful Bill Act (OBBBA**)** on Medicaid eligibility. Beginning January 1, 2027, Medicaid beneficiaries will face increased eligibility redeterminations; frequency of eligibility redeterminations will move from every 12 months to once every 6 months for individuals enrolled through the ACA Medicaid expansion. There will also be a shortened retroactive Medicaid coverage period, and the lookback for coverage will decrease from three months before the month of application to one month. The District anticipates working more closely with patients to ensure required paperwork is completed. HCA has recently demonstrated staffing challenges; therefore, their processing compacity may become a significant issue event when applications are submitted on time. It was noted Washington State Hospital Association (WSHA) is working to provide updates on changes as they are communicated by the Health Care Authority (HCA). New work requirements demonstrating 80 hours per month of qualifying activities such as employment, community service or enrollment in an educational program at least half-time will be implemented on January 1, 2027.

Kim further reported on January 1, 2026, changes under the Affordable Care Act, including an estimated 18% increase in the Marketplace unsubsidized premiums and the removal of enhanced premium tax credits for incomes exceeding 400% FPL. Washington State experienced a six percent reduction in marketplace enrollment, as fewer individuals opted to continue their insurance coverage with the elimination of subsidized coverage. Kim reported that the Leadership Team has started evaluating cash-pay pricing strategies and alternative payment structures for those uninsured patients paying at the time of service to encourage regular wellness and preventative healthcare visits

River Mountain Village recently received the first shipment of beds for the Specialized Dementia Unit.

Kim also shared the District has started conversations with an oncologist in Spokane regarding future oncology services. Dr. Hannah Robbins became aware of our interest in pursuing cancer care in Newport and she introduced Dr. Chaundhry, president of Summit Cancer Center. The initial conference call occurred on June 16th to explore opportunities to bring oncology services closer to home for our patients. Data collection has been initiated with the Newport team to evaluate internal data on cancer diagnosis and efforts are underway to coordinate a site visit, within the next few weeks, to the Summit Cancer Centers in Spokane. In the event Newport decides to pursue oncology, Dr. Chaundhry recommended Newport engage with a consultant who is familiar with the nuances of setting up a rural oncology infusion center to identify potential concerns and opportunities to ensure all reimbursement issues in a rural setting are addressed (340B program pricing, CAH cost-based reimbursement and provider-based rural health care).

Kim also shared the District terminated the professional services agreement with 7B due to information on expectations of the Providers being withheld at the time of negotiations.

ACTION ITEMS:
Motion to approve the emergency capital purchase of the AHU-3 in the amount of $35,638 plus tax and shipping was made, seconded, and unanimously approved.
Motion to approve the capital purchase of the C-Arm in the amount of $198,465.50 plus tax and shipping was made, seconded, and unanimously approved.

EXECUTIVE SESSION:
As permitted by RCW 42.30.110, the meeting was moved to Executive Session at 10:12 for approximately 30 minutes per RCW 42.30.110 (f) to receive and evaluate complaints or charges brought against a public officer or employee.

RETURN TO OPEN:
The Commission returned to Open Session at 10:42 am. Upon returning to Open Session the Commissioners took the following action:
Motion to immediately initiate exemption for salary deferral contributions for those wages designated as ineligible under the Retirement Plan document. Effective June 25, 2026, the following pay types will be ineligible for deferral match: bonus, severance, and PTO cashout; furthermore, this change will not be applied prior wage payments was made, seconded, and unanimously approved.
Motion to designate Adam Wiltse as the onsite administrator during the timeframe when Executive Leadership and the Board are attending the WSHA Chelan Conference effective June 28, 2026 to July 1, 2026, was made, seconded, and unanimously approved.

NEXT MEETING DATE
The next meeting will be on July 23, 2026, at 8:30 am.

Per the recommendation of the Medical Staff Executive Committee, the Board of Commissioners approved the following privileges by motion made, seconded, and passed unanimously:

Provisional-CRNA	Robert Reynolds
Provisional to Courtesy-General Surgery	Hannah Robbins
Courtesy Radiology	**Provisional** Dylan Ropert, DO Joyce-Christie Le, MD **Reappointments** Charles Alder MD Paige Flett, MD Oksana Prychyna, MD Gregory Balmforth, MD

	John Bell, MD
	David Holznagel, MD
Courtesy Teleneuro	**Reappointments**
	Pawani Sachar, MD
	Kinjal Desai, MD
	Hanbing Wang, MD

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 10:30 am.

Minutes recorded by RaeLynn Wellman, Executive Administrative Assistant.

Signed by:
Lynnette Elswick
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Lynnette Elswick, President
Board of Commissioners

Signed by:
Melanie Kiss
B02CE91C75134D1...
Melanie Kiss, Secretary
Board of Commissioners