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BOARD OF COMMISSIONERS
PEND OREILLE COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
August 27, 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, Jane Tilley, Cassie Wise, Rhi Drake, Trina Gleese, Aron Hutchison, Tammy Roberts, Jennifer Means, Jeremy Lamecker, Lindsy Coon, Tina Batsch, Josh Johnson, Sandy Nichols, Robyn Mitchell

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 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: July, inclusive District Write-off: $ 252,918.00

APPROVAL OF PREVIOUS MEETING MINUTES,

August 27th, meeting minutes were approved via a motion made, seconded, and unanimously approved.

BUSINESS FROM THE AUDIENCE:

Aron Hutchison, Director of Plant Operations, presented the three-year strategic vision covering all seven departments under plant operations: Engineering, Environmental Services, Security, Public Works, Emergency Management, Safety, and Dietary. Each department section follows a common structure, current state, three-year vision aligned to district strategic pillars, initiatives by year, and applicable regulatory standards. Three themes recur throughout the plan: becoming survey-ready at all times as a byproduct of daily operations, reducing single-person dependency by building redundancy, and expanding the use of data already being collected.

COMMITTEE REPORTS:

Finance: Justin Peters reviewed the July financials. Days cash on hand decreased from 93 to 90 days in July, largely due to an extra pay period during the month. FTEs increased by one from the prior month and continue to trend up slowly. July's income statement closed at $10.4M month-to-date, another record month, surpassing the previous record by approximately $200K, with expectations to exceed that again in August. Contract labor costs have nearly doubled, driven by the use of UKG consultants and backfilling RN positions in surgery. The District is at approximately $224K positive bottom line to date, roughly $124K off budget. Accounts receivable continues to increase due to the significant rise in charges and are expected to take some time to normalize. The extra pay period added approximately $1M in payroll-related expenses.

Justin also reported that all five Rural Health Transformation Program (RHTP) applications submitted by the District have been approved, and the District plans to apply for approximately $2.5M in additional grants over the next month.

Justin recognized Cori for her efforts turning around inventory monitoring, noting improvement compared to the prior year's figures.

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The District is also moving away from the BFR budgeting system in favor of managing the budget process internally, a change expected to save approximately $40K annually through a simpler process. Budget templates have been distributed to managers to review ahead of individual 1:1 meetings.

Revenue Cycle Report: Cassie Wise clarified that much of the recent revenue increase is attributable to patient volume growth rather than the chargemaster increases alone — July 2026 visits totaled approximately 7,900, compared to approximately 7,000 in July of the prior year, a 13% increase. Days in Accounts Receivable closed at 41.6 and are currently sitting at 41.8, trending slightly up; she is confident the District will be able to bring AR days back under 39 Days quickly. Uninsured revenue closed at approximately $426K, considered largely uncollectable. Uninsured services will continue to be monitored closely to ensure the increase does not continue into subsequent months. The team continues to look for better inventory management approaches, working with Jeremy Lamecker on a new SQL-based report that will assign accounts for review and flag status, with plans to expand the review to the full portfolio.

RMAC/RMV: Six admissions, six discharges, three transfers between buildings, and three deaths were reported. The admissions pipeline remains strong. Only two RMAC beds are currently available pending licensure, and interest in the unit remains high. SDU pricing has been established; documentation is pending completion of branding.

Quality & Compliance: Rhi Drake reported that leadership has completed HRO (High Reliability Organization) training. DNV has accepted the District's corrective action plan, with supporting evidence due back by November 18th. The compliance meeting structure is being restructured to include broader participation, including Aron Hutchison, Adam Wiltse/Danielle, Jane Tilley, and Bryce.

External Affairs & IT: Jenny Smith reported on several grant initiatives: the Pend Oreille County Opioid Abatement grant application (approximately $100K) was being submitted the following day (clinic grant); the 2026HCA12 RHTP application for provider technology — including replacement of beds and gurneys — was submitted the same day, with a second phase to add new Mindray monitors and connect them to Epic. 2026HCA14 RHTP application includes OB equipment and additional CRNA coverage, and final WSHA RHTP project submissions are underway.

Cybersecurity & Technology – The virtual server environment continues to be treated as critical infrastructure; an update to the Pyxis system is underway following virtual server upgrade. IT/Informatics is also developing a SANE (Sexual Assault Nurse Examiner) encounter workflow to protect sensitive patient data from standard day-to-day workflows.

Marketing – A new billboard focused on Labor & Delivery services was installed on Highway 2. 26 Leaders participated in the Pend Oreille County Fair; the Board will be invited to participate next year.

Foundation – Women's Health Seminar event is planned for October, with Lois Silva, Dr. Stewart, and Madison Stewart participating. The Foundation is discontinuing its annual Festival of Trees gala in favor of a renewed focus on extended-hours programming for children.

Administrative Services Report: With there being no questions surrounding the content of the report, Joseph highlighted Aron Hutchison's completion of a 3-year operations strategic vision covering Engineering, EVS, Security, Public Works/Capital Projects, Emergency Management, Safety and Dietary. The board requested a report from Aron on this at an upcoming Board meeting.

Clinical Services Report: Tina Batsch reported record patient numbers, with particular recognition of all three Rehab service lines for high volume. The backup hematology system is live. The new C-Arm was

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delivered a few days prior and is expected to be fully operational within the next few weeks. Imaging received approval for a full-time MRI technologist and assistant, which will allow MRI services to be offered seven days a week.

Nursing Report: August is on track to be a record month; kudos were given to providers and the L&D team. Nursing remains fully staffed, with the last traveler contract ending in October. Outpatient visit volumes remain high. New Nurse Manager Robyn Mitchell was introduced to the Board and is working with the team to determine departmental assignments, with a focus on policies and workflows. The department is also addressing ER competencies. New Nurse Educator Laura Davis is focused on streamlining the onboarding process.

CEO Report: Kim Manus provided an update on the expansion project, noting that the August bond vote did not pass. Efforts are now concentrated on community meetings and improving communication with the public. The Association of Washington Public Hospital Districts (AWPHD) spoke with Jenny Smith about ways to improve messaging, indicating the District should spend more time discussing the services and community benefits the project would bring, rather than focusing on space alone — though space constraints remain real, as the District has utilized all available space.

Jason Hotchkiss, CFO of WSHA, is visiting ten hospitals across the state to help identify effective ways to communicate with the general community.

Feedback from the fair was positive; residents expressed interest in understanding why the project cannot be completed in phases, and the District continues working to communicate its debt-capacity constraints and address voter fatigue, including developing easy-to-understand infographics and reinforcing that new construction adds to the community's assessed value. Community members from the northern part of the district, who are currently unable to vote in District elections, raised the possibility of consolidating with PHD 2.

WSHA offers a peer-review service; the District's current program has faced statewide challenges, particularly for OB, clinic, CRNA, and surgical specialties, following the retirement of the service line lead. The District is considering a model in which physicians from different hospitals review one another.

Kim recognized Cori for her work on the 340B program, and Jeremy Lamecker for developing the new SQL reporting tool that provides direct access to data without relying solely on Epic. Andrew was also recognized as a strong addition to the Infection Prevention team.

Express Care: The departure of an Express Care provider prompted a program redesign with Dr. Stewart, moving to a model of three PAs with expanded hours and duties. A second PA has accepted and signed a contract.

CRNA: The District is adding an FTE and pursuing an HCA grant to help supplement the cost.

Behavioral Health: The District continues to work through challenges related to defining staff roles and delineating responsibilities, including the distinction between medical responsibilities and custodial oversight. An internal team has been formed to develop policies and procedures modeled on relevant RCWs. Five or six recent incidents involving aggressive behavior or attempts to leave were noted, and staff are being encouraged to continue reporting through the Healthcare Safety Zone system. Next steps include a formal meeting with external partners; a WSHA webinar addressing similar statewide challenges is scheduled for September 28th.

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SDCU: The District is still awaiting DSHS review, which has been delayed due to the Spokane-area wildfires. DSHS has requested additional information and is beginning its review, though no timeline has been set.

ACTION ITEMS:

Motion to approve Resolution 2026-07 appointing Cassie Wise as Deputy Treasurer was made, seconded, and unanimously approved.

Motion to approve the capital purchase of Smart Beds and Gurney Replacement for an estimated amount of $492,030 was made, seconded, and unanimously approved.

Motion to approve the capital purchase of Mindray monitors and equipment for an estimated amount of $465,994 was made, seconded, and unanimously approved.

EXECUTIVE SESSION:
As permitted by RCW 42.30.110, the meeting was moved to Executive Session following a short break at 10:11 for approximately 15 minutes until 10:26 am per RCW 42.30.110 (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. The Commission returned to Open Session at 10:26 am and extended the session for another 15 minutes.

RETURN TO OPEN:
The Commission returned to Open Session at 10:41 am.

NEXT MEETING DATE
The next meeting will be on September 24, 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 Radiology - Inland Imaging	Elyse Blum, MD
Provisional Teleneuro - Providence	Syed Jafri, DO Rami-James Assadi, MD

ADJOURNMENT

There being no further business, the meeting was adjourned at approximately 10:41 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
B02CE91C751134D1...
Melanie Kiss, Secretary
Board of Commissioners