

Willapa Harbor Hospital
Minutes of the Governing Board
Cedar Room
June 17, 2025

Board Members Present: Kathy Spoor, Jeff Nevitt, Toni Williams, Steve Holland and Gary Schwiesow

Others Present: Matthew Kempton, CEO, Kimberly Polanco, CFO, Chelsea MacIntyre, CNO, Renee Clements, COO and Dawn Pearson, Executive Assistant

Board Members Absent: None

Others Absent:

Guests:

Audience:

I. Call to Order:

The meeting was called to order at 5:30 pm by Kathy Spoor

Approval of May 27th, 2025, Regular Board Meeting minutes: Jeff Nevitt made a motion to approve May 27th, 2025, Regular Board Meeting minutes as written. Gary Schwiesow 2nd the motion, all in favor, motion carried.

Consent Agenda

Steve Holland made a motion to approve the April and May consent agenda. Toni Williams 2nd the motion, all in favor, motion carried.

Vouchers/Warrants:	April	\$ 1,410,428.63
Payroll/Payable:	April	\$ 814,561.25
Write-offs: Bad Debt	April	\$ 262,964.58
Vouchers/Warrants:	May	\$ 1,777,842.62
Payroll/Payable:	May	\$ 1,262,837.17
Write-offs: Bad Debt	May	\$ 89,724.61

II. Reports and Presentations:

CEO Report – Matthew Kempton

➤ **Recognition**

- I would like to recognize our dietary staff who have washed dishes by hand for over 6 months while we waited for a dishwasher to be designed, shipped and retrofitted to fit our limited space. They have all done this with a smile and positive attitude. I appreciate their work and their contribution to our positive culture.

- Also, a big shout out to our diabetic education program (Dawn Herbert and Kristine Tecco). We have lost 850 lbs. collectively as a county from those enrolled in the class! We have decreased our collective A1c by 8.37% with an average of patients seen by our office to 7.27%, which is less than the state average of 8%!

➤ **WHH & WMC Facilities Replacement**

- We met with Raymond James, Wipfli and Roy Koegan about our financing options for funding the phased replacement without a bond. Natalie Wabbich with Raymond James mentioned that indicators are showing that the USDA interest rate is going up to 5.2% which indicates that the market rate will be over 6% on non-USDA financing. Eric Volk with Wipfli mentioned that they would move forward with their debt capacity study (that was previously paused when the bond failed). The previous 55 million was based on 2021 data. He thought that without the bond passing as a security to the rest of our debt, that our debt capacity would likely be significantly lower. Wipfli will be able to get us our updated debt capacity by July's board meeting.

➤ **Facilities**

- The hospital drain line clean outs that were corroded have been repaired. Currently waiting for a contracted company to view the remaining drain lines using these clean out access points. Once we have a clear understanding of any drain line issues under the facility and outside the facility, we will plan for any operational adjustments that need to be occurred, prior to repairs.

➤ **Pharmacy**

- The new 340b shelter contract with SB Pharmacy and Craneware has been signed by all parties. Currently working to implement the program – eta 2-3 months.

➤ **Grants**

- We are continuing to pursue grant funding from the Murdock Charitable Trust of 300k and from the Cheney Foundation of 247,900. The WA State Capital Budget was approved with 285k allocated to our project.
- The Pacific County EDC did approve 6k for grant writing expenses
- Eleven Pacific County .09 funding projects were submitted, only 4 were funded. These 4 projects were passed by a vote of 4 in favor to 3 opposed with many abstaining or not voting. Our facility replacement project at 225k was not approved.

➤ **Reminders**

- Annual Safety Fair June 18th & 19th
- Quarterly Employee Forums: 6/09 – 6/13
- Annual Employee Engagement Survey: June 10th – June 24th
- National Night Out August 5th Annual “Drive to Save Lives” Charity Golf Tournament: September 27th

CFO Report – Kimberly Polanco

➤ May 2025 Financial Status

- Willapa Harbor Hospital's May business resulted in an operating loss of (\$6,811) for the month and an operating loss of (\$740,485) YTD. The YTD loss is primarily due to lower service volumes in chronic pain management as the program ramps up and gradually becomes more widely known as a local option in Pacific County. Marketing efforts continue and we anticipate volumes to continue to increase. The operating loss also includes non-cash depreciation and amortization expenses.
- Non-operating revenue includes \$75,191 from Maintenance and Operations Tax for the month and \$375,955 for the year which are taxes received from levied property taxes for community benefit to the hospital. Interest income from investments of \$31,183 for the month and \$125,921 for the year is also included in non-operating revenue.
- Net Operating Income/Loss and Non-Operating Revenue combined resulted in a Total Net Gain of \$99,563 for the month, bringing the YTD loss to (\$238,609). The Total Margin YTD is (1.5%), with an operating margin of (5%). Days cash on hand is 86, down from 98 in April due to an additional payroll in May increasing cash outflow.

➤ Patient Service Revenue

- May Patient Revenue was \$4,753,518, 9% under budget and 14% over May 2024. YTD Patient Revenue is 6% under budget and 11% over May YTD 2024. Most service lines met or were close to budgeted volumes in May. Inpatient admissions were slightly under budget along with X-ray and CT volumes, and ER visits slightly declined. Pain management services continue to increase, however volumes remain far below expectations. The rural health clinic visits increased with the addition of new providers.
- Revenue deductions in May were 32%, and 39% YTD compared to a budget of 40%. The Safety Net Assessment Program, a Medicaid Directed Payment Program, was approved by CMS in May. Net revenue for January through May was recognized in May business in the amount of \$426,400 reducing revenue deductions as a supplement to the low Medicaid payments.
- Charity care was \$66,283 and property tax deductions were \$3,189, both within range of the typical trend.

➤ Accounts Receivable

- Patient service revenue collections were \$2,541,338, meeting the 2025 average trend. Net Days in AR increased by 3 days from 41 in April to 44 in May.

➤ Grant Funding

- A letter of intent was submitted to the Cheney Foundation describing the need for \$247,900 to fund the purchase of cardiac diagnostic and monitoring equipment. If WHH receives an invitation to apply for the grant application will be due in either August or September.

➤ **Expenses**

- May expenses were \$3,070,334, 2% over budget for the month, 1% under budget for the year, and 14% higher than the YTD same time period in the prior year.

➤ **2024 Medicare Cost Report**

- The 2024 Medicare Cost Report was completed in May resulting in \$448,989 due Willapa Harbor Hospital from CMS. A reconciliation including additional payments for 2024 services will be done by CMS by September 2025 which may reduce this amount, however it should remain a receivable to the hospital/clinic rather than a payment due CMS.

➤ **2024 Financial Audit**

- The 2024 Financial Compilation has been completed, and we've requested an audit from the State Auditor's Office which is anticipated in the 3rd quarter of 2025.

CNO Report – Chelsea MacIntyre

➤ **Wins**

- On 6/10, we presented our experiences as a pilot site for the Washington state plain language codes initiative to the hospital association in California to share inspiration and our lessons learned.

➤ **Recognition**

- To our dietary dept as they have gone above and beyond in both actions and attitude in this prolonged period of handwashing dishes. Thank you so much!

➤ **Projects**

- Excited to kick off the Vocera project in June!
- Behavioral Health/Recovery Navigator Program/Designated Crisis Responder/Crisis System
 - Dedicated Designated Crisis Responder for PacCo?
 - Talks continue
 - Will likely be running as co-responder program with the Pacific County Sheriff's Office (PCSO).
- Renee and I are exploring ways to further integrate behavioral health into WHH systems of care.
- Hospital Staffing Committee
 - 2025
 - Working with HR on process improvements around meal/rest breaks.
 - Developing 2025 Hospital Staffing Plans (HSPs).
- IV Therapy and Swing Bed
 - Recently we had a successful 10-day swing bed stay for a local patient. This is potentially a program record and had a great outcome!

- Infection Control and Employee Health
 - We are conducting audits on employee files, especially in light of rising measles cases.
 - Surveillance for measles continues.
 - New COVID variant, Nimbus, is starting to circulate in WA state.
- Serving on the Rural Collaborative Ethics Committee
- Newspaper Column
- Chairing the Rural Collaborative Chief Nurse Executive Committee
 - Working with other nursing leaders and the Northwest Healthcare Response Network (NWHRN) to address the challenges arising with the end of the Washington Medical Coordination Center (WMCC).
- Education
 - Drill with Summit Pacific Medical Center (SPMC), the Northwest Healthcare Response Network (NWHRN), the Disaster Medical Coordination Center for West Region (DMCC), Grays Harbor EMS (GHEMS), and LifeFlight Network (LFN) an on 6/25 to test disaster, communications, patient influx and patient movement skills.
 - Rural OB simulation with the Rural Collaborative (TRC), Physicians Insurance (PI) and Laerdal later this summer.
 - One nursing student here from Grays Harbor College (GHC), and another one coming in August from Indiana Wesleyan University (IWU).

➤ **Quality**

- Working with colleagues to respond to an increase in falls here on campus.

➤ **Service**

- We will be supporting our annual safety fair efforts with education and competencies around Safe Haven law, restraints, blood glucose testing, falls and safe patient handling, infection control, malignant hyperthermia preparedness, and other topics.
- Assisting with policy development to clarify non-public areas of the hospital campus.
 - Policy draft being reviewed internally following risk review.

➤ **Gratitude**

- To Dawn, for all she does to keep things organized, on track, and well-communicated. We would be lost without her.

COO Report – Renee Clements

➤ **Recognition** –Dr Hill, Emily, Chelsea and Sandra for quick collaboration and teamwork on a new Dept P&P and workflow change around Therapeutic Phlebotomy.

➤ **Rural Health Clinic – Willapa Medical Clinic**

- **Interventional Pain Mx:** 17 of 34 50% of budgeted volumes.
- **Cardiology visits:** 57 of 69, 83% of budgeted volumes.

- **Family Practice:** 946 of 1100 87% of budgeted volumes.
 - Focus QI project continues for Standardized Rooming procedures, Preventative and Wellness visits.
 - Ongoing Quality Improvements surrounding breast health (mammogram screening), Mental Health (depression screening), Annual Wellness Medicare visits.
 - WMC opened to new patients, the week of June 1st.
 - Sherry Franks PA back June 9th
 - Opportunity for AI scribe Pilot in the clinic with MultiCare/Epic.

➤ **Radiology**

- Exceeded budget with 882 exams of budgeted 876
- Nuclear Medicine variance upcoming; Radioisotope shortage again related to supplier and delivery vendor. Radioisotope pharmaceuticals are rare entities, and our Mobile Vendor is rapidly working to procure from Seattle vs. Portland.
- Executed Renewal Agreement for 5 years with Heritage Imaging for MRI services, With an enhancement in July including (A.I.)to decrease scan times, decrease time on the table and increase schedule availability.

➤ **Lab**

- 6097 tests of 6323 at 96% of budgeted volumes.

➤ **Quality / Risk / Clinical Informatics**

- State DOH survey Corrective Action Response Plan was approved.
- Pending Fire Marshall re-survey for closure letter.
- QI Goals- Fall Reduction-Reduce All falls from 20 to 17 by EOY 2025. (9) YTD.
 - WMC is adding fall screening to the clinic setting.

➤ **Diabetic Program**

- Diabetes Program growth continues. Diabetic Education integration into WMC.

➤ **Dietary**

- BePoz POS system implemented, and Dishwasher installed.

➤ **Thankful** – Friends, Family, Gorgeous PNW weather.

Community Health and Wellness Fair: October 4th, 10-2:00 Saturday- WHH- Adventure to Wellness

III. New Business

- **Resolution 2025-2 The Board Book/Bylaws Update**

Toni Williams motioned to approve Resolution 2025-2 The Board Book/Bylaws Update. Steve Holland 2nd the motion, all in favor, motion carried.

IV. Continued Business

- **Quality**

- Quality Dashboard Review
- DOH Corrective Action
- Patient Safety Structure Measures

- **Facility Master Planning**

- Matt shared the information provided by ZGF. They provided more information regarding options A, A.1 and B.
- Kimberly shared the preliminary debt capacity analysis results.
- The board discussed all available options weighing the pros/cons of each.
- Emphasized transparency and community involvement.

The board discussed all options and the pros/cons of each. They are committed to working with the community to find a path forward that meets the needs of the community. To move forward in a thoughtful way, the board would like to schedule a special meeting with the Technical Advisory Committee in July or August. To open the discussion and hear what they believe the community can support and what solutions might best meet local needs. The board is committed to working together on a path forward that is both realistic and community supported.

V. Appointments/Reappointments

- None

VI. Executive Session: There was an executive session to discuss a personnel issue, (Performance of a public employee RCW 42.30.110)

Start time: 7:50 pm, expected to take 10 minutes. The Executive Session closed at 8:00 pm and returned to the regular session.

With no further business, the meeting was adjourned at 8:00 pm.

VII. Adjournment: 8:00 pm.

Submitted: Toni Williams

Toni Williams, Secretary to the Board