

Willapa Harbor Hospital
Minutes of the Governing Board
Cedar Room
July 22, 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, Steven Hill, DO, CMO and Dawn Pearson, Executive Assistant

Board Members Absent: None

Others Absent:

Guests: Sherri McDonald, Bethany Bernard, Mauricio Ayoa-Rodriguez

Audience:

I. Call to Order:

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

Approval of June 17th, 2025, Regular Board Meeting minutes: Jeff Nevitt made a motion to approve June 17th, 2025, Regular Board Meeting minutes as written. Gary Schwiesow 2nd the motion, all in favor, motion carried.

Consent Agenda

Toni Williams made a motion to approve the June consent agenda. Jeff Nevitt 2nd the motion, all in favor, motion carried.

Vouchers/Warrants: June \$1,760,045.28

Payroll/Payable: June \$ 827,691.19

Write-offs: Bad Debt June \$ 109,687.58

II. New Business

- Wipfli Financial Feasibility Study Presentation – Eric Volk and Meranda Adams from Wipfli
 - Wipfli utilized our financial statements from 2021-2024 and YTD through June 2025.
 - Went through forecast assumptions, looked at inflations, net patient service revenue and went off a standard operating revenue projected to increase 3% annually.
 - Based off a USDA loan for 30 years at 5.25% interest
 - WHH Financial Feasibility Forecast is \$25 million (without any taxpayer bond)
 - We would need community support, (i.e. vote approved bond to fund a \$60 million project - new hospital only)

- Technical Advisory Discussion
 - With so much uncertainty right now it's going to be hard to get community support (bond passed). The community cannot afford the extra costs.
 - There are too many financial costs that are outside of their control. The community will say NO to extra costs that they can control.
 - The board and the hospital need to do a better job of communicating with the public.
 - Communicate everything. What we know and what we don't know. They need to know we are working on things.
 - Invite the public to our board meetings.
 - The state of our aging facility is NOT getting any better.
 - The hospital should be a priority over the clinic if it comes down to choosing one.

III. Continued Business

- **Quality**
 - Quality Dashboard Review
- **Facility Master Planning**
 - Further discussion by the board.
 - The board will continue to hear from the Technical Advisory Group
 - We need to get our community leaders' support before moving forward with another bond (if that's decided).
 - The board discussed the possibility of the Levy Lid Lift to help maintain our facility until a plan is decided on to move forward.
 - We need to find alternative ways to get information out to the public.
 - Get our monthly newsletter out to more people
 - Possible monthly "What's Happening at WHH" newspaper article
 - Radio interviews

IV. Reports and Presentations:

CEO Report – Matthew Kempton

- **Recognition**
 - We have been awarded the Gold Level of Washington State Hospital Association (WSHA) Critical Access Hospital Achievement of Excellence Award for excellence in quality care and reporting. This is our third year in a row of being recognized.
 - We were recognized nationally by the American Heart Association and American Stroke Association for achievement of the Rural Stroke Silver Award – for our excellence nationally in stroke care.
- **Physician Recruitment**
 - Reminder that Jenni Kuker, NP is starting full time at WMC in December of 2025. We are working with a J1 waiver physician candidate who graduates from his

residency in 2026. We are also working with a physician recruiter to hire another primary care physician as well.

➤ **WHH & WMC Facilities Replacement**

- Kimberly and I had a call last week with the USDA rural development team concerning our pre-application. USDA had requested the call after they learned that our bond did not pass. Raymond James (municipal advisor) and Brad Berg (bond counsel) were also on the call. Brad was on the call because USDA mentioned in a prior email that their financing needed to be 100% GO bonds. Brad pointed out to them that legally public hospital districts in WA state aren't allowed to do that – there needs to be some revenue backed bonds. USDA agreed. I reviewed the different phased options the board is now considering with their team. I also reviewed with them why the facility needs to be replaced and answered questions regarding the feasibility of specialty physician recruitment and growth. I helped them understand the part-time traveling specialist model vs. full-time. They agreed to put the project pre-app on hold until the board makes its decisions here in the next few months. Natalie (Raymond James) let me know afterwards that she thought the call went as well as it could. She said they were very receptive and open to changing the pre-app to one of the phased options. She mentioned that often USDA is not willing to be flexible and can be very difficult to deal with. USDA seems to understand and agree that our community needs our hospital replaced.
- I met with Rep. Gluesenkamp-Perez's staff a few days ago. Our 8 million dollar congressional directed spending request for the replacement of our rural health clinic is within the USDA's rural development grant section of congressional directed spending. Senators Murray and Cantwell are also supportive of our request.

➤ **Facilities**

- A local company is working on an estimate for a dye study for our hospital drain lines. They are determining which pipe water flowing out of the building is using to determine how far down they need to excavate in the back parking lot to fix a deteriorating elbow joint. We have also started a new pipe flush procedure (by connecting a garden hose) that is keeping our pipes from clogging. This company will also be jetting our pipes once the dye study is completed.
- We have contracted with a local painter to repair the rust on the front of the building. He is due to start this month.

➤ **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. Before implementation, we have to have a pharmacy wholesale license DOH inspection which is scheduled for the 24th of this month.

➤ **Reminders**

- August 5th National Night Out
- August 20-23 Pacific County Fair
- September 27th: WHHF - 3rd Annual “Drive to Save Lives” Charity Golf Tournament

CFO Report – Kimberly Polanco

➤ **June Financial Status**

- Willapa Harbor Hospital’s June business resulted in a Total Net Loss of (\$69,873) for the month, bringing the YTD loss to (\$308,504). The Total Margin YTD is (1.8%), with an operating margin of (6%). Days cash on hand is 93, up from 86 in May.
- Operations resulted in an operating loss of (\$176,109) for the month and an operating loss of (\$916,616) YTD. The loss in June is due to revenue lower than budget in inpatient, outpatient, and clinic service areas similar to June 2024 as summer months are typically slower. The YTD loss is primarily due to lower service volume than budgeted in chronic pain management, imaging, and the rural health clinic.
- Non-operating revenue includes \$75,191 from Maintenance and Operations Tax for the month and \$451,146 for the year which are taxes received from levied property taxes as community support to the hospital. Interest income from investments of \$31,045 for the month and \$156,966 for the year is also included in non-operating revenue.

➤ **Patient Service Revenue**

- June Patient Revenue was \$4,254,416, 12% under budget and nearly equal to June 2024. YTD Patient Revenue is 7.6% under budget and 9.4% over June YTD 2024. Most service lines met or were close to budgeted volumes in June. Inpatient admissions were slightly under budget and chronic pain management continues to be under budget although slowly increasing in clinic visits and procedures.
- The payer mix in June was 40% Medicare, 13% Medicare Advantage, 17% Medicaid, 23% Commercial, 5% Tricare/VA, and 2% Self Pay.
- Revenue deductions in June and YTD are 39% compared to a budget of 40%.
- Charity care was \$47,167 and property tax deductions were \$3,050, both within range of the typical trend.

➤ **Accounts Receivable**

- Patient service revenue collections were \$2,696,661, in line with the 2025 average trend and collection expectations. Net Days in AR decreased by 3 days from 44 in May to 41 in June.

➤ **Expenses**

- June expenses were \$2,809,650, 3% under budget for the month, 1.5% under budget for the year, and 15% higher than the YTD same time period in the prior year.

➤ **Grant Funding**

- In response to a Letter of Inquiry WHH was invited to submit an application to the Murdock Charitable Trust for \$300,000 toward facility replacement, specifically to fund the Emergency Department. The application was submitted on July 10th.
- WHH has received various grant funds recently. WHH applied for and received a Distressed Hospital Grant for \$71,193 to assist with the operating loss in 2025. As a participant of the Medicaid Quality Improvement Program WHH received \$50,394 in incentive funds. WHH also applied for and received the 2025 Small Rural Hospital Improvement Program (SHIP) grant for \$12,373. The Association of Washington Public Hospital Districts (AWPHD) contributed \$10,000 to WHH to apply toward 2025 strategic planning expenses and the Pacific County Economic Development Council (PC EDC) awarded WHH an additional \$5,905 for a total of \$7,405 to assist with grant writing for replacement healthcare facilities.
- Last, but not least, please see the attached summary pertaining to the One Big Beautiful Bill Act and the preliminary expected impact it will have on WHH/WMC.

➤ **One Big Beautiful Bill Act (OBBA): Impact on WHH/WMC**

- New legislation known as the One Big Beautiful Bill Act (OBBA) will bring changes to Medicaid and rural health funding over the next several years. While the impacts are complex, we have been actively assessing what this means for WHH and WMC and preparing accordingly. We're working closely with state and regional partners, including the Washington State Hospital Association and The Rural Collaborative, to ensure our planning is strategic, thoughtful, and community centered.
- Safety Net Assessment Program funding which supplements low Medicaid reimbursement rates will gradually be reduced beginning in 2027 as a result of OBBA. This reduction will have a negative impact on our financial results. However, the Rural Health Transformation Program funding, also within OBBA, begins in 2026 and includes initiatives supporting access to care to rural

communities and will be a positive impact to our financial results and to patients seeking care. Medicaid eligibility guidelines will be more complex beginning in 2027, and we are committed to supporting our patients in accessing the care they need.

CNO Report – Chelsea MacIntyre

➤ Wins

- The Rural OB Simulation we were selected to host with Physicians Insurance and The Rural Collaborative is officially scheduled for Aug 4th and Aug 5th.
- We won the Washington State Hospital Association (WSHA) Critical Access Hospital (CAH) Achievement of Excellence Award- Gold Level. This our third year in a row!
- We won the American Heart Association and American Stroke Association “Get with the Guidelines” Rural Stroke Award- Silver Level. This national recognition of our high-quality care is fantastic.

➤ Recognition

- To Matt and Dawn, for our recent Leadership Development Institute, LDI, with speaker Todd Hendricks. This was my favorite LDI to date and made a big impact on our team.

➤ Projects

- Excited to kick off the Vocera project this summer!
- 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 had a successful 9-day swing bed stay for a local patient.
- 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
- 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 went really well.
 - I was Incident Commander for our facility and was very impressed with our team.
 - 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). Potentially a third from South Dakota State University in the fall.

➤ **Quality**

- Working with colleagues to respond to an increase in falls here on campus.
 - Zero patient falls in June! 2 staff falls.

➤ **Service**

- Assisting with policy development to clarify non-public areas of the hospital campus.
 - Policy draft being reviewed internally following risk review.

➤ **Gratitude**

- To Charles for recently stepping in more than once to help his team and ensuring we can provide timely stress tests for our patients. Thanks to Marshall, for always being a champion of this service and going above and beyond.

COO Report – Renee Clements

- **Recognition** – Marshall Wirkkala, Charles Cesolini and Dr Yousaf for additional support to meet patient's needs.
- **Rural Health Clinic – Willapa Medical Clinic**
 - **Interventional Pain Mx:** 15 of 34=44% of budgeted volumes
 - **Cardiology visits:** 63 of 69= 91% of budgeted volumes
 - Ongoing cardiology-ancillary services continue in progress:
 - Holter monitor interpretation, Echo interpretation
 - **Family Practice:** 1066 of 1127=95% of budgeted volumes
 - **Provider recruitment**
- **Radiology**

- 850 exams meeting projected budget of 858=99%
- Focused improvements:
 - Nuclear Medicine: 14 of 25= 56% of budget** 2 ½ weeks canceled due to vendor/coach problems. July numbers look positive.
 - MRI/ AI launched July 18th, 2025. Goal to decrease scan times, decrease time on the table and increase schedule availability and improve image accuracy.

➤ **Lab**

- 6226 of 5749= 108% of budgeted volumes
- CLIA lab SOD received with a 10-day response TAT for corrective action plan.

➤ **Quality / Risk / Clinical Informatics**

- Quality Health Care Excellence Award for WHH and WMC!
- Fire Marshall re-survey commenced, all corrective actions approved.
- QI Goals- Continued Fall prevention activities. Goal to decrease Falls on campus to 17/year
 - Fall Prevention Program adopted a Fall Campaign and slogan:
 - “A fall, a slip, a hospital trip”
 - Campaign to decrease falls with fun incentive awards. Ie pizza, ice-cream, coffee

➤ **Diabetic Program**

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

➤ **Dietary**

- Ongoing improvements with the POS system.

➤ **Community**

• **Community Health and Wellness Fair**

- August 5th, National Night Out – WHH booth
- October 4th, 10-2:00 Saturday – WHH Adventure to Wellness

➤ **Thankful** – Great LDI recently, to enhance our leadership development skills around Employee Retention and Recruitment.

CMO Report – Steven Hill, DO

➤ **Staffing –**

- Currently we have following in ER:

- 6 physicians in ER who work regularly (Dueber, Smith, Kuypers, Bhullar, Souza, Rookstool)
- 1 physician that works part time when in the country (Shaw)
- 3 per diem who work intermittently (Wilson, Kim, Frakes)
- Shaw, Rookstool, Frakes all have done occasional hospitalist to cover when not in ER (Bhullar/Souza both do hospitalist while working at times).

➤ **Medical Staff Meeting –**

- Most recent well received and each department did report
- Surgery- discussed department and plans for future changes on patient types, etc.
- Anesthesia – discussed nursing changes and physician changes on sedation
- Pharmacy – discussed meds, formulary and changes.
- Clinic – Dr Dutkiewicz discussed issues and recent improvements in communication from and to hospital.
- We reviewed all pathology, transfers and physician issues and concerns.
- No new issues right now – reviewing some issues with our radiologists from VRad. Preparing for new hospitalist service and telehealth doctors.

V. Appointments/Reappointments

➤ **Appointments**

- **Rehab Visions** – The following provider is requesting 6-month provisional privileges: Isabel Mullins, OT.
- **vRad** – The following providers are requesting 6-month provisional privileges: Steven Cross, MD and Elizabeth Vogler, MD

➤ **Reappointments**

- **Active Clinic** – The following provider has been given 2-year reappointment: Jennifer Kuker, NP.
- **Oly Heart & Vascular (WHH and WMC)** – The following provider has been given 2-year reappointment: Katie Reitz, PA-C.
- **Active ER** – The following providers has been given 2-year reappointment: Brooke Frakes, MD, Jung Kim, MD and Jake Wilson, MD.
- **RehabVisions:** The following provider has been given an extended 6-month privileges for the last time since they have not been on site – Marisa Vasquez, PTA.
- **vRAD** – The following providers has been given 2-year reappointment: Dennis Buschman, MD, Nicholas Dickson, DO, Adam Hecht, MD, Robert Joodi, MD, Christopher Leoni, MD, David Meis, MD, Melissa Protigal, MD, Surinder Rai, DO, Ralph Richardson, MD, Joseph Rozell, MD, Sergey Shkurovich, MD, Joshua Sokol, MD, Zarana Trivedi, DO, Jeffrey Wensel, MD, Aaron Wright, MD, Albert Ybasco, MD and Claudia Zacharias, MD.
- **One add on – Vrad** Geatrakas, Christina – the following provider has been given 2-year reappointment.

The board discussed, Gary Schwiesow made a motion to approve all appointments and reappointments, Toni Williams 2nd the motion to approve all appointments and reappointments, all in favor, motion carried.

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

Closed for Executive Session at 7:55 pm, expected to take around 20 minutes.

The Executive Session closed at 8:45 pm and returned to the regular session.

VII. Adjournment: With no further business the meeting adjourned at 8:46 pm

Submitted: _____

Toni Williams, Secretary to the Board