

**Willapa Harbor Hospital**  
**Minutes of the Governing Board**  
**Cedar Room**  
**November 18, 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, Dawn Pearson, Executive Assistant

**Board Members Absent:**

**Others Absent:**

**Guests:** Joe Kunkle, The Healthcare Collaborative Group via Teams

**Audience:** None

**I. Call to Order:**

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

➤ **Additions to the Agenda**

- Capital Expense – Microbiology Analyzer

*Approval of October 28th, 2025, Regular Board Meeting minutes: Jeff Nevitt made a motion to approve October 28th, 2025, Regular Board Meeting minutes as written. Steve Holland 2nd the motion, all in favor, motion carried.*

**Consent Agenda**

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

Vouchers/Warrants:                   October                   \$2,092,866.17

Payroll/Payable:                   October                   \$ 1,331,870.90

Write-offs: Bad Debt                   October                   \$    65,485.10

**II. Continued Business**

➤ **Facility Planning Update – Joe Kunkle**

- Joe reported that he received two proposals for facility master planning services from **Mahlum Architects** and **Anderson Dabrowski Architects**.
  - The purpose is to explore short-term growth options at the current facilities by bringing in an architect form to help us to navigate service expansion.
  - Joe stated both firms are qualified and capable of delivering strong results. He acknowledged Anderson Dabrowski did work for us in the past and their familiarity with the organization could be a plus.

*Toni Williams made a motion to authorize Matt and Joe to select the architectural firm they determine to be the best fit. Gary Schwiesow 2nd the motion, all in favor, motion carried.*

The board emphasized the importance of community involvement in the planning process.

➤ **Quality**

- Renee reviewed the quality dashboard spreadsheet.
  - This spreadsheet is a tool to keep us on track with quality initiatives and accreditation.

➤ **Capital Requests**

- Microbiology Analyzer

*Gary Schiesow motioned to approve the Microbiology Analyzer in the amount of \$63,264.00. Toni Williams 2nd the motion, all in favor, motion carried.*

**Regular Meeting Recess: 6:00 pm - 6:40 pm**

**III. New Business**

➤ **2026 Budget**

*Toni Williams made a motion to approve the 2026 Budget. The board will revisit the budget after the first quarter of 2026 to review. Steve Holland 2nd the motion, all in favor, motion carried.*

➤ **Resolution 2025-4 Regular Property Tax Levy**

*Gary Schwiesow made a motion to approve Resolution 2025-4 to the Department of Revenue for the property tax levy for 2026 in the amount of \$597,500. Steve Holland 2nd the motion, all in favor, Resolution 2025-4 approved as written.*

**IV. Reports and Presentations:**

**CEO Report – Matthew Kempton**

**Recognition & Gratitude**

- I am grateful for the opportunity to meet with The Rural Collaborative and The Rural Enterprise groups in Prosser this past Friday. There were many cost saving projects discussed as well as ways critical access hospitals are providing more access to care in their rural communities.
- I would like to recognize Melanie Hurley for her hard work to grow the swing bed program. During the two years prior to her joining WHH, the program had virtually no patients. Melanie has grown this program to 58 swing days and counting. She did this by calling and visiting outside referring hospitals, by meeting swing bed patient needs and by working with our hospitalists during the admission and referral process.

A few of our most recent swing bed patients have shared many compliments about the swing bed program, our physicians and our nursing team.

### **Facility Master Planning**

- Joe Kunkle will be reviewing the proposals from Mahlum Architects and Anderson Dabrowski Architects with all of us during the board meeting.

### **Willapa Medical Clinic**

- Jeremy Quinn, PA-C has agreed to renew his employment contract with our organization. He has also agreed to add a 4<sup>th</sup> day of Walk-in Clinic on Thursdays beginning in January. This will make him a full-time healthcare provider at WMC.
- Our J-1 visa physician candidate chose a different opportunity – we will revisit with our recruiter to find how we can better position ourselves to receive more interested physician candidates
- We have also posted for a full-time ARNP position at WMC.
- Sherry Franks, PA-C will be out in December on extended leave.

### **340b Shelter Program (partnership with SB Pharmacy)**

- Due to numerous regulatory changes and pharmacy manufacturer exclusions, this year the 340b program revenue has dramatically declined. However, with a new 340b shelter agreement, our wholesaler license, with our vendor (Craneware) and SB Pharmacy, we can now go back and reclaim some of our lost revenue between 5/1/24 – to current date.
- Currently there are 756 eligible claims with a go-live date for the program of 12/07.

### **CFO Report – Kimberly Polanco**

#### **October Financial Status**

Willapa Harbor Hospital reports a Total Net Gain of \$366,032 for the month, and a YTD loss of (\$192,814). This reflects both the core operation of providing healthcare services and other financial activities. The Total Margin for October is 11%, and (0.38%) year to date, compared to a budget of 2%. Days cash on hand continues to be in the same range as in the prior three months at 84.

October operations resulted in an operating gain of \$392,103 for the month and an operating gain of \$130,972 YTD. The Operating Margin for October is 8%, and (0.40%) year to date, compared to a budget of 1.6%. Service delivery volumes exceeded expectations across all service lines, generating higher gross revenue than budgeted by 23% for the month. October represents the highest generating gross revenue month on record, 8% higher than the 2<sup>nd</sup> highest which was in August 2025.

Non-operating revenue includes \$75,191 from Maintenance and Operations Tax for the month and \$751,910 for the year from levied property taxes as community support for the

hospital. Cash reserve investments generated interest income of \$27,965 for the month and \$290,918 year to date.

### **Patient Service Revenue**

October Patient Revenue was \$5,447,234, 23% over budget as mentioned above and 24% over October 2024. YTD Patient Revenue is \$47,131,133, 6% under budget and 12% over October YTD 2024. Net Patient Revenue YTD is under budget (\$169,029), or 0.6%.

The payer mix in October was 38% Medicare, 14% Medicare Advantage, 20% Medicaid, 18% Commercial, 5% Tricare/VA, and 4% Self Pay.

The payer mix YTD October is 39% Medicare, 13% Medicare Advantage, 20% Medicaid, 21% Commercial, 4% Tricare/VA, and 3% Self Pay.

Revenue deductions in October were 35%, and 38% YTD compared to a budget of 41%. Safety Net Assessment Funds supplementing low Medicaid reimbursement are included in the monthly financials reducing revenue deductions and total \$997,500 YTD.

Charity care was \$129,896 and \$857,630 for the year, under budget (\$288,540) YTD. However, as seen in recent months Bad Debt was \$59,158 in October and \$916,817 YTD, over budget \$219,148.

### **Accounts Receivable**

Patient service revenue collections were \$2,714,665, consistent with the 2025 collection expectations. Patient service revenue collections YTD are \$25,756,043, 7% or \$1,589,730 higher than the same time period in 2024. Collections in the hospital are trending upward with increased service volumes, while the clinic is stable and consistent with collections. Net Days in AR remained at 44 reflecting strong revenue cycle performance and efficient collections.

### **Expenses**

October expenses were \$3,196,560, 7% over budget for the month due to salaries and wages and contract labor costs. Expenses YTD are \$29,245,925, 0.2% under budget and 17% higher than the same time period in the prior year.

YTD supplies are under budget (\$452,855), purchased services (\$339,359), and professional fees (\$112,515) primarily due to lower outpatient service delivery in pain management than budgeted. These are mostly offset by higher than budgeted employee benefits \$344,870, salaries and wages \$238,316, and bad debt expense \$219,148.

### **Cashflow Statement**

For the month ending October 31, 2025, the hospital's cash increased by \$187,702, bringing the ending cash balance to \$8,180,648.

**Operating Activities:** Operations generated a net cash outflow of \$70,198, largely due to a \$580,543 increase in accounts receivable. While net income was positive at \$366,032, cash collections lagged behind billing due to payer timing and volume growth. We continue to monitor accounts receivable closely.

**Investing Activities:** Net cash inflow of \$318,771 reflects a large receipt of levied taxes typically seen twice a year and a cash outflow of \$20,799 in capital expenditures.

**Financing Activities:** Net cash outflow of \$60,871 reflects scheduled debt service for the electronic health record and pension fund.

Year to date, cash has decreased by \$980,501, primarily due to capital expenditures and an increase in accounts receivable due to increased service volume. The current cash position remains strong and sufficient to support operations and strategic growth.

## **2024 Financial Audit**

The State Auditor Accountability Audit for January 1, 2023 through December 31, 2024 and the Financial Statement Audit for January 1, 2024 through December 31, 2024 are still underway. While there have been staffing changes within the auditor's office that have delayed progress, there are currently no concerns identified. We expect the audits to wrap up soon and will provide final documentation once complete.

## **Preliminary 2025 Medicare Cost Report**

The annual Interim Rate Review which is a preliminary review of the Medicare Cost Report to be filed for 2025, reflects increased inpatient and swing bed utilization, contributing to a higher cost-based reimbursement: an increase in outpatient services increasing the outpatient reimbursement rate, a steady reimbursement rate for swing bed reinforcing the value of this service line, and a 31% increase in the RHC rate. A lump sum payment of \$769,000 will be received soon, however this will be recorded as Deferred Income and may improve the 2026 financials if the final audited results maintain the funds are earned and should be recognized.

## **CNO Report – Chelsea MacIntyre**

### **Wins**

- Our Corrective Action Plan has been submitted to DNV.
- We participated in the Harvest Festival (Trunk or Treat and Haunted Barn) on November 1. The kids and families really had fun, and the organizers appreciated our participation.

### **Recognition**

- To Renee for chairing our Food Bowl effort again this year, which will greatly benefit our local food banks. Also, to our Leadership team, who stepped up in a big way to donate to our local food banks. It is wonderful to work with people who care so deeply about serving our community with dignity and compassion.

## Projects

- Vocera
  - Clinical infrastructure and configuration of the system is currently being built.
- Behavioral Health/Recovery Navigator Program/Designated Crisis Responder/Crisis System
  - Renee and I are exploring ways to further integrate behavioral health into WHH systems of care.
- Hospital Staffing Committee
  - Working with HR on process improvements around meal/rest breaks.
  - 2026 Hospital Staffing Plan is finalized and has been submitted to the Department of Health well ahead of the required deadline.
  - Looking at break scheduling tools from other hospitals for inspiration.
- IV Therapy and Swing Bed
  - We are continuing to see growth in our referrals to our swing bed program. We have met our target days for this year, and have set increased targets for 2026.
- Infection Control and Employee Health
  - We are conducting audits on employee files, especially in light of rising measles cases.
  - Flu shots have been being deployed the last few weeks. We are targeting November 15 as a deadline to have documentation on file for everyone.
  - Working on implementing updated return-to-work guidance for employees with respiratory illnesses.
- Serving on the Rural Collaborative Ethics Committee
- Newspaper Column
- Chairing the Rural Collaborative Chief Nurse Executive Committee
- Education
  - A third student for this year is coming from South Dakota State University in the winter.

## Quality

- Working with colleagues to respond to an increase in falls here on campus.
  - Fall prevention signage is now up (thanks, Dawn and Paul!). These feature the fall prevention campaign slogan chosen by the employees of our health system.
  - Additionally, we have added fun incentives for going fall-free in a given month.
  - While we are unlikely to reach our aggressive target for fall reduction this year, we are still grateful that we have made a difference in awareness and have certainly prevented additional falls from occurring.

## Service

- Assisting with policy development to clarify non-public areas of the hospital campus.
  - Policy draft being reviewed internally following risk review.
- Scheduled four ACLS/PALS classes and two TNCC classes in October and November.

## **Gratitude**

- Several of our local swing bed patients and families have recently commented on how much the program meant to them, and being close to home. This is so wonderful to hear and proves we are making a difference for our local patients and community.

## **COO Report – Renee Clements**

**Recognition** - Melanie and Chelsea were instrumental in coordinating a Swing bed stay for “Grandma.” WHH Leadership Food Drive.

## **Operations**

### **Cardiopulmonary-**

- Olympia Health Dr. Younas and Dr. Yousaf have increased cardiology clinic consultations. November growth in volumes expected.
- Cardiopulmonary dept created: Charles Cessolini the Cardiopulmonary Director and will oversee the current and future managers of the service lines. Expected growth in Cardiac testing exams and pulmonary studies.
- ECGs, PFTs, Cardiac Rehab stats above budget. I will monitor these areas more with the new program and direct reports.

## **Radiology**

- Strong Radiology Month
- Highlights:
  - CT: 343 exams of 216 proposed= 158% over budget
  - Nuclear Medicine: 15 of 15= 100% of budgeted volumes-Transition to Heritage vendor on track ETA- Dec. 30<sup>th</sup> 2025
  - MRI: 59 of 52=104% of budgeted volumes.
  - Ultrasound 119 of 88=135% over budget
  - Mammography 84 of 46= 182% over budget

**Lab** - 7063 of 5442= 129% over budgeted volumes; Dr. Busey added to the current clinic panel, while we still have existing providers increased our Clinic visits, along with ER visits over budget led to increased lab visits.

**Quality/Risk/Informatics**—Section 1557 Language Interpreter service update.

- October is Breast Cancer Awareness & QI -Continued Fall prevention continues
- Complaints/Grievances: Quarter 3 total of (6) -(3) complaints (3) Grievances- Resolved see report.

- DNV ISO Year 3 survey completed 10/14 & 10/15. Quality team/COO completing a DNV academy online training Nov 3<sup>rd</sup> to prepare for ISO 9001 standards for our journey on the accreditation path.

## **Facilities**

- Life Safety Firewalls and Fire door penetration work to be completed by Remedi8, approved and pending.
- Decon trailer-change out. Haz Mat team re-development. Ongoing facility/space planning pending.

**Diabetic Program**-continued growth and successes, increased collaboration with Dr. Busey and Dawn Diabetes RN to streamline referrals and testing and treatments.

**Community/Community Health and Wellness Fair** - Food Drive; competition with County, Cities and Weyco. Challenge initiated. Generosity by our Leadership personal donations very appreciated.

## **CMO Report – Steven Hill, DO**

### **Staffing –**

#### **Willapa Harbor Hospital Hospitalist coverage -**

New provider Dr Ajoujo started as RPG hospitalist Wednesday 11/12/25. He lives nearby (Montesano area)

### **Emergency Room -**

No changes except Dr Shaw retiring 11/30/25

Dr Dueber dropping to part time December.

### **Office at Willapa Medical Clinic -**

Dr. Busey started as full time family doctor October

Looking forward to adding Jennifer Kuken, ARNP around December 7.

### **General Medical Staff issues -**

#### **Difficult issues –**

None at this time.

### **Training –**

Dustie, Medical Staff Services Manager and Dr Hill went to a Medical Staff Bootcamp the Rural health collaborative put on in Port Townsend. They both agreed that it was a good class and they got great information to bring back. They are already discussing some changes to implement.

## **V. Appointments/Reappointments**

### **None**

## **VI. Executive Session:** Adjourned to executive session at 7:37 to discuss personal issues and CEO Employment Agreement. (Performance of a public employee RCW 72.30.110) Executive Session closed at 9:05

Renewal of CEO Employment Agreement Tabled for further review and discussion.

**VII. Adjournment:** With no further business the meeting adjourned at 9:06 pm

Submitted: Toni Williams

Toni Williams, Secretary to the Board