Willapa Harbor Hospital

Minutes of the Governing Board

Cedar Room

June 23, 2026

Board Members Present: Kathy Spoor, Jeff Nevitt, Toni Williams, Steve Holland, 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: None

Audience: None

I. Call to Order:

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

Additions to the Agenda:

Approval of Meeting Minutes:

Approval of May 26th, 2026, Regular Board Meeting minutes: Jeff Nevitt made a motion to approve May 26th, 2026, Regular Board Meeting minutes as written. Steve Holland 2nd the motion, all in favor, motion carried.

Consent Agenda

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

Vouchers/Warrants:	May	$1,739,119.72
Payroll/Payable:	May	$1,270,851.18
Write-offs: Bad Debt	May	$ 55,775.72

II. New Business

- **Employee Engagement Survey**

  - Matt reviewed the Employee Engagement Dashboard and summarized the results of the 2026 Employee Engagement Survey. Overall, the survey results were very positive, with improved scores in every category except one, demonstrating continued progress in employee engagement across the organization. Employee participation reached 60%, providing valuable feedback.

III. Continued Business

- **Facility Master Planning**
  - An update was provided on the Facility Master Planning process. The next step is a geotechnical engineering assessment, which is scheduled for this Thursday. Facilities is also working on repurposing existing space to relocate the Health Information Management (HIM) department to create additional clinic space for the Surgical Clinic, Wound Care, and IV Therapy services.
  - The next Technical Advisory Committee (TAC) community meeting is scheduled for July 29, following the July Board meeting.

- **Quality**
  - Renee reviewed the Quality and Patient Safety Metrics Dashboard and quality highlights.
    - Continued focus on increasing Annual Wellness Visits.
    - Average A1C levels continue to improve.
    - Colon cancer screening is a focused effort. Colonoscopy volumes have declined; this is likely due to the increased use of Cologuard as a screening option.
    - Emergency Department throughput continues to perform well despite increasing patient volumes.
  - Patient and Family Advisory Council (PFAC) has conducted several interviews and three community members have been selected to serve on the council.
  - Daily clinical huddles are being planned. These will be a short, daily, 5–10-minute huddles to review overnight events, communicate equipment updates, and share other important operational information.
  - The laboratory is expecting its CLIA survey at any time.
  - Surveys from the Washington State Department of Health (DOH) and DNV are anticipated before the end of the year.

- **Capital Requests**
  - None

IV. Reports and Presentations:

CEO Report – Matt Kempton

Presentation

- Matt provided a presentation highlighting several key organizational initiatives and updates. Topics included:
  - Upcoming Nurse Practitioner site visit scheduled for July 13
  - Admission process improvements
  - Recent employee forums
  - Progress toward the organization's strategic goals.
- He also discussed developments related to the Walk-In Clinic, the integration of artificial intelligence (AI), and ongoing facility planning efforts. Additional updates included the

RPG Hospitalist Analysis and a review of employee engagement results for Willapa Medical Clinic.

CFO Report – Kimberly Polanco

May Financial Status

Willapa Harbor Hospital reports a Total Net Loss of ($263,172) for the month, and a YTD loss of ($833,875). This reflects both the core operation of providing healthcare services and other financial activities. The Total Margin for May was (9%), and (5.7%) year to date. Days cash on hand decreased slightly from 69 in April to 66 in May.

May operations resulted in an operating loss of ($215,534) for the month and an operating loss of ($580,955) YTD. The Operating Margin for May was (13%), and (9%) year to date. YTD the hospital has experienced an inpatient shortfall, lower than budget and the prior year, but most outpatient services lines volumes are at or exceeding budget. With the inpatient census being an average of 1.8 patients per day, a decrease in this service line causes large swings in financial performance resulting in the large operating loss YTD. In addition, while ER volumes are close to budget and the prior year, lower patient acuity contributes to lower revenues in the ER as well as in ancillary outpatient department revenues.

Non-operating revenue includes $63,332 for the month and $316,660 for the year from levied property taxes as community support for the hospital. Cash reserve investments have generated interest income of $84,053 YTD.

Expenses

May expenses were $2,967,368, 6.7% under budget for the month, $758,920 or 4.7% under budget YTD, and 6.1% higher than the same time period in the prior year.

Patient Service Revenue

May Patient Revenue was $4,804,299, 6% under budget and 1% higher than May 2025.
YTD Patient Revenue is $22,908,290, 10% under budget and 1.8% under May YTD 2025.
Net Patient Revenue (revenue after deductions) YTD is under budget ($2,446,091), or 15%.

The payer mix in May was 40% Medicare, 16% Medicare Advantage, 18% Medicaid, 20% Commercial, 3% Tricare/VA, and 3% Self Pay.

The payer mix YTD May is 36% Medicare, 17% Medicare Advantage, 20% Medicaid, 20% Commercial, 5% Tricare/VA, and 3% Self Pay.

Revenue deductions in May were 43%, and 39% YTD compared to a budget of 37%. Safety Net Assessment Funds supplementing low Medicaid reimbursement are included in the monthly financials reducing revenue deductions by $498,750 YTD.

Charity care was $104,664 and $410,417 for the year, under budget by $49,985 YTD.

Accounts Receivable

Patient service revenue collections were $2,798,165 in May. Patient service revenue collections YTD are
$12,529,892, representing 92% of net patient revenue. Delayed Medicare collections have resolved and Medicare accounts receivable are back down to a current level.

Net Days in AR improved by two days, resulting in 51 days in May. However, due to temporary staffing shortages coding and billing timeframes increased in May resulting in delayed revenue collection which in turn lowers days cash on hand and increases net days in AR.

2025 Medicare Cost Report

The Medicare Cost Report was filed at the end of May resulting in a settlement receivable of $1,014,000, an increase from the settlement of $769,000 on the 2024 cost report. The settlement was primarily the result of operational growth rather than reimbursement changes. The most significant drivers were:

1. Growth in outpatient hospital utilization
2. The addition of pain management services
3. A full year of cardiology services
4. Increased inpatient and swing bed utilization
5. Higher allowable provider and labor costs

The cost report also resulted in a reimbursement increase in the rural health clinic raising the encounter rate to the maximum allowable rate. This significant financial improvement was due to the addition of cardiology services, provider contract renewals with market wage adjustments, and contracting with agency providers during provider vacancies.

USDA Rural Development – Community Facilities Grant

The funding application has been approved by the USDA Rural Development National Office for the CT and other imaging equipment. The CT has been ordered and additional quotes are being obtained.

Rural Healthcare Transformation Program

Willapa Harbor Hospital received an announcement from WSHA stating our eligibility to receive funding under the Rural Health Transformation Program Fund Initiative 1.3: Critical Technology Infrastructure and Maintenance Needs. These funds are administered by WSHA on behalf of the Washington State Health Care Authority. WHH is eligible for up to $693,207 in funding for the current cycle. These funds must be fully spent by September 30, 2027.
WSHA must comply with the rules of both the federal and state governments for the program. In order to receive these funds, we must complete an application process for each project which outlines our plans for using these funds within the required parameters of the program in the specified time frame.

The RHTP Portal is open with initial application steps, but not all application materials are available yet. We've accessed the portal and submitted the materials available for completion as of June 23rd.

WSHA is currently finalizing application materials based on the recently-signed contract. All application materials will be available after approval by WSHA's Rural Hospital Committee which is providing governance of the program. They anticipate this will be the first or second week of July.

The application deadline is September 1, 2026.

CNO Report – Chelsea MacIntyre

Recognition

- I would like to recognize Megan Houk. She was absolutely wonderful to work with on our Vocera implementation. She massively contributed to a smooth deployment, and I appreciate her technical knowledge, creativity, communication, reliability, and problem-solving skills immensely. Jamey and Jim also deserve recognition for contributing in significant ways to the success of this project- IT team, you are deeply appreciated!!

Wins

- Congrats to our accepted RNEP applicants, Alicia Silva, and Kayla Dominguez, and Janel Silva!!
- We had a hugely successful Vocera go-live!!
    - Improved communication
    - Reduced overhead noise benefits both patients and our teams.

Projects

- Vocera
    - Successfully went live on June 10, 2026.
- Telestroke services
    - Exploration of options for telestroke services to optimize patient care and cost.
- Behavioral Health/Recovery Navigator Program/Designated Crisis Responder/Crisis System
    - Collaborating with the Pacific County Health Dept to improve systems of care for patients with suicide attempts and those with substance use disorders.
        - We will be potentially serving as a naloxone vending machine site.
- Hospital Staffing Committee
    - Working with HR on process improvements around meal/rest breaks.
    - 2026 Hospital Staffing Plan is finalized and has been approved by the Department of Health.
- IV Therapy and Swing Bed
    - We are continuing to see growth in our referrals to our swing bed program. We have set increased targets for 2026.
- Wound Care

    - In the beginning stages of considering implementation of a more robust wound care program at WHH.
- Infection Control and Employee Health
    - We are conducting audits on employee files, especially in light of rising measles cases.
        - We are more than 60% done with audits.
    - We have a weekly evaluation of risk of local, regional and statewide data that is shared with us from the Health Dept. We use this in combination with our internal data to stratify risk and determine precaution levels that optimize safety.
- Serving on the Rural Collaborative Ethics Committee
- Chairing the Rural Collaborative Chief Nurse Executive Committee.
    - In 2026, co-chairing with my friend and colleague Curtis Shumate from Whidbey Health.
- Participating on the Health & Human Services Advisory Board (and its executive committee).
- Education
    - WHH has been selected as an RNEP Community Partner!
        - All 3 nominees accepted to the program.

Quality

- Pharmacy and nursing collaborated to improve safety around rapid sequence intubation kits.
- We have a goal to reduce use of indwelling urinary catheters, and we were below target for Q1. Our target was </=39 days, and we were at 31 days of use.

Service

- We are happy to have an increase in referrals for line care from patients seen through Providence.

Gratitude

- I am very grateful to The Rural Collaborative, for all the ways they benefit rural hospitals and communities.

<u>COO Report – Renee Clements</u>

Recognition

Sandra Montgomery-Lab Manager for her focused efforts, laborious work and hours in implementing our new Microbiology Analyzer that meets CLIA compliance rules for infection control. A large project co-existed with her daily workload. She works under the radar but very appreciated!

Paul Staats- Facility Director for his engagement on the Master Facility Planning, Imaging Expansion Project and all the moving parts navigating vendors, contractors, bids and schedules. His hard work and organizational skills are appreciated making our challenge tolerable to continue to work in an aging and outdated infrastructure.

Strategic Planning

Meeting scheduled with 1 of 3 local schools to discuss educational partnerships to assist our local students in health care career pathways. 2nd school shared interest and we will reach out.

Cardiopulmonary

Continued discussions with Cardiology procedure expansion to increase access to care locally for Cardiology specialty visits. Renewal of our Cardiology Agreement with Olympia Health successful to maintain our partnership.

- Respiratory Protection Program work continues. Capital need-Mask and Respirator Fit testing = Quantitative Fit testing machine.
- RT procedures-75/55 -136% of budget
- EKGs Outpatient/ER/Medical-162/175 93% of budget
- Cardiac Rehab- 31/36 86% of budget. Process improvements in place.
- Cardiology visits at RHC- 78/62=125% of budget
- Echocardiograms- 40/30 130% of monthly informal projections

Radiology

- Diagnostic Expansion Project in progress. Targeted completion date for CT project is August.

  Electrical work completed for the mobile CT unit that will be used during the installation of the new CT. Mobile vendor reviewed space planning with Plant/Radiology. Clinic parking may be affected and relocated during this temporary time. Continued dip in referral sources for ancillary orders.

  Marshall has reviewed two portable Xray units, and Friday went to Phillips location to observe and follow a Plain film room to make a determination soon on both.
  - XR: 373/360 103% of budget
- CT: 232/247 94% of budget
- Nuclear Medicine: 20/21= 95% stabilizing new service vendor.
- MRI: 38/50= 76% of budget
- Ultrasound: 148/133 =111% of budget* Echocardiogram increase correlating to increased cardiology visits and increased PCP referrals in this area.
- Mammography: 44/58 75% of budget

Lab

6244/6500=96% of budgeted volumes. Large DI complete AND Microbiology Analyzer project complete, go live was 6/4.

Diabetes/Dietitian Programs

78 visits exceeded budget-Growth continues. Posting a Full Time Dietitian to support this program and other program growth requiring consistency in regulatory nutritional works. Dawn is nominated for the Certified Diabetes Care and Education Specialist of the Year Award, and the Distinguished Service Aware 2026. Submission is July 1 and notification should take place in August.

Quality/Risk/Informatics

- PSSM-Patient Safety Structural measure report= 3 out of 5 measures met.

- Complaints/Grievances: (3) closed complaints=May. Zero (0) public records request
- P&P and Document Management software change-Power DMS in progress.
- Zero Adverse Events.
- Patient Safety and Quality Report- Attached *Action Cue*
- Change to our Liability Insurer Risk Program-Physician Insurance. Trend for Medical Malpractice companies dropping EPLI and D&O coverages. TRC and WHH reviewing other insurers.

Facilities/Emergency Preparedness

- Completed works in May:
  - Geotech Geoengineers analysis approved pending onsite analysis on June 25th and report. Cost: $14,691.00. Pacific County approved Geoengineers in consideration of possible shared costs related to slide evaluation on the shared property hillside adjacent to Jail/Courthouse.
  - Dept. of Ecology P&P and activities in progress for hazardous materials WHH compliance
  - Medical Surgical patient windows tinting/reflective film to prevent parking lot visibility from people looking into the rooms. =$4380.00
  - Proposals for water/plumbing works to the end of the hospital for possible repurposing of space received. Three options. $9,100.00-$48,000.00
  - Mass Casualty Surge Tabletop Exercise for Emergency Preparedness May 5 with FIFA/WA state members completed.
  - Property Management committee formed and P&P for streamlining recruitment and EVS services.
  - Plumbing repair for Lab plumbing leaks.
  - New HVAC repairs for Kitchen-$2080.00, Purchasing and Admitting units
  - Communications-Cell phone project with IT and Facilities for Cybersecurity works for IT.
  - New Clinic signage purchased for Hours changed at the clinic. Thurs-Sun. Walk in Clinic, with Jeremy Quinn,PA-C.
- Pending:
  - IT server room- Fire Mitigation plan potential goal for RHTP award.
  - HVAC boilers x2 in near future-pursuing RHTP funds or Clean Building Act USDA funding. $100,00?
  - Annual inspection of Fire door-Rolldown window for radiology.
  - RHTP funding application to determine next steps.
  - Non-clinical area in hospital repurpose-ing project for ambulatory clinical space.
  - Staff/dept. relocation of this area to other areas on the campus. IT and Facility staff works.

Community Give Back

- Preparing for the 3rd Annual Community Health Fair at WHH- Adventure to Wellness. Planned for October 3rd, Saturday 10-2:00.
- Golf tournament preparation assistance involving Food Services and Maintenance staff. Appreciation for the targeted fundraising obligations to assist in our Cardiac Procedure expansion, increasing access to care.

- County Fair WHH booth.

CMO Report – Steven Hill, DO

Willapa Harbor Hospital Hospitalist

RPG continuing with 14 out of 28 and myself covering the other 14

Emergency Room

Physicians in ER who work regularly - Rookstool, Bhullar, Souza
5 per diem who work intermittently (Dueber, Wilson, Kim, Frakes, Nagavi)
Recently added locums – Dr Nunez and Dr. Gunnells
Planned Dr Makela for part time direct hire -pending credentialing.

Willapa Medical Clinic

Dr Busey and Dr Hill each work 4 days per week (Mon-Thurs).
Jennifer Kuken, ARNP works 4 days weekly (Tue-Fri).
2 more locums providers ARNP on staff now.
Jeremy Quinn, PA-C is now doing walk in on Thurs-Fri-Sat-Sun.

General Medical Staff issues

We have made med changes on formulary.
Looking forward to CT install.

V. Appointments/Reappointments

None

VI. Regular Meeting Adjourned: 7:49 pm

VII. Executive Session: Executive Session 7:50 pm to 8:10 pm – RCW 42.30.110

VIII. Adjournment: With no further business, meeting adjourned at 8:10 pm

Submitted: Toni Williams

Toni Williams, Secretary to the Board