



Board of Directors Meeting Minutes
February 27, 2025, 5:00PM Lake District Hospital
Lake Health District

Board Attendance: Jane O’Keeffe, Chair; John Shine, Treasurer; Jerald Steward, Secretary; Greg Larson, Member; Don Liddycoat, Member

LHD Managers in Attendance:

Tory Coe, CNO; Kyle Byers, Radiology Director; Stacey Van Ness, Clinics Manager; Teresa Decker, Pharmacy Director; Judy Clarke, Public Health Director; Alan Caldwell, Interim HR Director; Kelly Johnston, Interim CFO – via Zoom

Others in Attendance: See attached sign in sheet.

Jane O’Keeffe, Chairperson, called the meeting to order in open session at 5:00PM and led the Pledge of Allegiance.

Consent Agenda Item Approval:

John Shine made the motion to approve the consent agenda items, which included:

- The January 23, 2025, meeting minutes
- February 2025 check signing calendar

Jerald Steward seconded the motion. The motion was presented, all members voted, and the motion passed unanimously.

Financial Reports:

January 2025 LHD Financial Report

Kelly Johnston reported that the finance department is in regular discussions with Cerner, actively submitting tickets, troubleshooting issues, and optimizing system functionality. The team is also progressing on physician credentialing efforts.

- Accounts Payable stands at 35-40 days.
- Cash on Hand remains at 23 days.
- Noridian, the Medicare contractor for the region, has been engaged for cost report submission.
- The sale of Alturas Clinic resulted in a gain moved to GLMS, Inc.
- Financial Performance: January 2025 recorded a gain of \$289,995, with a year-to-date (YTD) loss of \$17,878.
- A \$400K bed tax recovery has helped offset some expenses.
- Grants: Funds have been dispersed to Outback Strong, which is no longer part of LHD.
- A meeting with the Purchasing and A/P team is planned in the coming weeks to review Group Purchasing Organizations (GPOs), assess purchasing volumes, and identify cost-saving opportunities



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Financial Forecast & Strategic Planning:

- A financial outlook for the upcoming quarter was presented, highlighting expected revenue trends and cost management strategies.
- The board discussed potential adjustments to ensure financial stability.

Greg Larson made a motion to approve the January 2025 financials as presented. Jerald Steward seconded the motion. The motion was presented, all members present voted, and the motion was passed unanimously.

Audited Financial Report

Community Benefit & Compliance Updates

- Community Benefit Reports: Three years of filings are due tomorrow.
- OHA Compliance: Single audit filing required.
- HRSA: Refiled to proceed; re-filings for provider relief funds accepted.
- Michigan Payroll Tax: Notification received regarding deficiencies.
- Audit Status: Clean opinion issued.

Key District Challenges

- Medicare/Medicaid Reimbursement Risks: Impacted by state/national healthcare reform and budget shortfalls.
- Healthcare Workforce Shortages: Shortage of physicians, RNs, and other healthcare professionals.
- Rising Costs: Employee wages, benefits, and increasing numbers of underinsured patients.
- Insurance Liabilities: High malpractice and liability premiums for hospital and physician practices.
- Physician Retention & Recruitment: Difficulty attracting and maintaining primary care and specialty providers.

Audit Findings

- 2024-001 (Significant Deficiency): Financial statement preparation and note disclosures lacking due to absence of monthly audits. Books must be reconciled monthly.
- 2024-002 (Material Weakness): Significant and material audit adjustments required. Books must be reconciled monthly.
- State Regulations: Findings align with 2024-001 and 2024-002.

Jerald Steward made a motion to approve the audited financial report as presented. John Shine seconded the motion. The motion was presented, all members present voted, and the motion was passed unanimously.



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Medical Staff Report/Privileging:

Privileging:

Cynthia Tucker, MD, OB/GYN – Courtesy; David Smith, MD – ED/Family Practice – Courtesy; Andrew Ewell, CRNA – Independent Allied Health Professional

Jerald Steward made a motion to grant privileges to the providers listed above. Greg Larson seconded the motion. The motion was presented, all members present voted, and the motion was passed unanimously.

Quality Measures:

Alena Acklin was unable to attend but provided board updates which included:

- We are still waiting for the validation of a major portion of the CMS report. Once the validation is completed, the scores for previous months will be updated accordingly.
- Despite the updated Quality Measures, departments have proactively implemented improvements, resulting in strong January performance.
- Average 2024 QI Scores:
 - Clinic: 73.6%
 - Acute & Emergency Department: 89%
 - Total Quality Score (LHD): 86.1%

The board requests details on any red zones in the QI scores moving forward.

John Shine made a motion to approve the Quality Measures. Greg Larson seconded the motion. The motion was presented, all members present voted, and the motion was passed unanimously.

Manager Report:

Steven Vance, IT Director, provided an update on LHD's IT operations. The department currently manages 43 servers, with 12 upgraded in the past year. As of October 14, 2025, Windows 10 will be obsolete, and efforts are underway to transition to Windows 11. To date, 58% of LHD computers have been upgraded over the past two years, with further updates occurring as budget permits.

Cerner system issues have improved over the past three months as outstanding payments are being addressed. LHD utilizes the Community Works version of Cerner, and the relationship with the vendor is on an upward trend.

Over the past year, the IT team has completed 1,331 Spiceworks IT tickets and is actively working to educate employees on utilizing the system for documentation purposes.

Regarding network redundancy, discussions with TNet are ongoing to implement redundant circuit solutions, while Starlink has proven to be a viable backup option for small-scale needs.

LHD IT has secured a contract with Outback Strong for systems, computers, and services.



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In terms of cybersecurity, the network registers millions of threat attempts annually, with the Security Information and Event Management (SIEM) system successfully blocking over 900 threats in 2024. Additionally, 86 security issues were remediated last year, including four security breaches (two internal and two external).

Lastly, 36 Sysco switches need to be replaced at an estimated cost of \$31,000 to upgrade to Avista for enhanced Wi-Fi capabilities.

AHA Conference Report:

Greg Larson provided an update on the AHA Rural Health Conference, emphasizing that our healthcare challenges are not unique—these are national issues impacting organizations across the country. He highlighted the importance of strong leadership and focusing on what we can control. Greg also attended a session on onboarding new board members, stressing that it is our responsibility to ensure new members have the support they need to be successful. Given the steep learning curve, a structured and supportive onboarding process is essential to help them integrate effectively.

Landon Dybdal shared key takeaways from the conference, particularly around the growing role of artificial intelligence (AI) in healthcare. There is a significant push toward AI integration in healthcare facilities, with notable developments such as ambient listening technology in Cerner. This AI-powered tool passively listens as providers communicate with patients, automatically generating clinical notes. Cerner is currently in beta testing, with plans for implementation within the next year. Additionally, AI has various applications in revenue cycle management, presenting opportunities for efficiency and optimization. To stay ahead, Lake Health District should consider forming an AI committee to explore potential implementations.

Landon also discussed clinically integrated networks (CINs)—collaborations among small hospitals designed to enhance operational efficiency and improve contract negotiations with payers. While Oregon does not currently have such networks, this is an area that will need further exploration in the coming years.

Jane O’Keeffe provided additional updates, noting a recent congressional announcement regarding an \$880 billion cut to Medicaid funding. She also highlighted legal risks for hospital boards, particularly regarding negative credentialing — a situation where a physician’s errors lead to legal action extending up to the board members who approved their credentials. At the conference, Jane learned about strategies to strengthen the credentialing process and reduce risks of liability.

Finally, she shared insights from keynote speaker Jamie Orlikoff, who underscored the importance of quality measurements in healthcare governance. His message reinforced the need for continuous improvement and accountability in patient care and organizational performance.

Organizational Chart:

Landon Dybdal presented an updated Organizational Chart for Lake Health District to the Board for their approval.

Jerald Steward made a motion to grant privileges to the providers listed above. Greg Larson seconded the motion. The motion was presented, all members present voted, and the motion was passed unanimously.



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CEO Report:

Landon Dybdal provided updates on provider recruitment, emphasizing the administration's ongoing efforts to attract and retain healthcare professionals.

- An HR Director candidate from West Virginia will be on-site for an interview tomorrow.
- An Orthopedic Surgeon will visit on Monday to explore a contract for three weeks per month, with the potential to transition to a full-time role.
- Discussions are underway with multiple Nurse Practitioner (NP) candidates.
- An NP candidate is scheduled for an on-site visit on March 13. This candidate, originally from Klamath Falls, previously served as a police officer in Alturas before transitioning to healthcare. They are being considered for ER coverage with the possibility of supporting the walk-in clinic.

Public Comment: N/A

Adjournment:

At 6:21PM, Jane O'Keeffe called for an executive session per ORS 192.660(2) and adjourned the open session. The executive session began at 6:32PM and was adjourned at 6:55PM.

Respectfully submitted,

Jerald Steward, Secretary

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