



Board of Directors Meeting Minutes
July 24, 2025, 5:00PM Lake District Hospital
Lake Health District

Board Attendance: Jane O’Keeffe, Chair; John Shine, Treasurer; Greg Larson, Secretary; Kelsie Bostwick, Member; Shannon Theall, Member

LHD Managers in Attendance:

Landon Dybdal, CEO; Kyle Byers, COO; TeddiAnne Damuth, Interim CNO; Stacey Van Nes, Clinics Manager; Teresa Decker, Pharmacy Director; Kim Wright, HR Director; Tyson Lane, EMS Director; Shawn Cosby, Risk & Compliance Manager; Kelly Johnston, Interim CFO – via zoom; Jason Johnson, Senior Financial Consultant – via zoom

Others in Attendance: Kim McFall

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 June 19, 2025, meeting minutes
- August 2025 check signing calendar

Greg Larson seconded the motion. The motion was presented, all members voted, and the motion passed unanimously.

Financial Reports:

June 2025 LHD Financial Report

- Cash on Hand: 20 days – goal: 90-120 days
- Days in Accounts Receivable (AR): 150 – goal 55 days
- Days in Accounts Payable (AP): 15
- Contribution Margin: (2,839,721) for June. YTD Actual: (4,221,118)

Kelly provided an overview of what a three-year financial turnaround typically entails:

- Year 1 – Identify and assess existing issues.
- Year 2 – Revise processes and implement sustainable practices.
- Year 3 – Build upon the new foundation to ensure long-term success.

She noted that progress is slowed by multiple layers of bureaucratic red tape, particularly in Oregon, requiring a ground-up rebuild. Kelly also offered to provide a “Hospital Finance 101” session with new board members, explaining that Critical Access Hospitals (CAHs) operate under different measures than PPS facilities, adding complexity.

Recent Financial History & Compliance Issues

- 2023–2024: Significant compliance and billing issues arose after using an offshore company with no CAH experience.



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- 2024: Compliance concerns were identified with the CBB reporting, which had been filed inappropriately for three years. In addition, HRS COVID funds were not reported, and repayment was initially requested. Kelly successfully filed an appeal and corrected reports, eliminating repayment obligations.
- Cost Report: Determines Medicare cost-based reimbursement. When filed correctly, CAHs are reimbursed at \$1.01 per \$1 spent (in certain departments), with fee-for-service rates applying to others. Correct filing is essential to ensure appropriate payment for services.
- IRS Audit: Triggered by the incorrect closure of Lakeview Garden. The lack of proper IRS alignment led to the loss of the Employee Retention Credit (ERC).
- Revenue Cycle: Challenges include over a year without a CFO, termination of QBSS, turnover in the Revenue Cycle Director position (now reposted).
- Single Audit: Not filed since 2021. Audits for 2021–2022 are now complete; 2023 is in progress. These must be completed in order before rapid filing of the cost report.

Current Financial Status

- Legacy items from 2019–2020 remain on the books; the new team is aggressively writing these off.
- Payers and insurers are creating obstacles, with some demonstrating what Kelly described as “intentional ignorance” toward CAHs due to their smaller size relative to large insurers.
- Kelly has requested auditors to conduct a prior-period error adjustment, moving \$3.6M back to FY24 (its correct allocation) rather than FY25.

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

Medical Staff Report/Privileging:

Privileging – presented by Dr. Graham, CMO:

- I. Melody Armstrong, QMHA – Independent Allied Health Professional, Behavioral Health
- II. Maya Borso, MD – Courtesy, Radiology
- III. Jennifer Deitrich, QMHA- Independent Allied Health Professional, Behavioral Health
- IV. Laurie Martin, MD – Courtesy, Radiology
- V. Heidi Martinez, LPC- Independent Allied Health Professional, Behavioral Health
- VI. Erika Mendias, QMHA- Independent Allied Health Professional, Behavioral Health
- VII. Scott Metcalf, DO – Courtesy, Radiology
- VIII. Jacqueline Schuler, QMHA- Independent Allied Health Professional, Behavioral Health
- IX. Holly Vore, QMHA- Independent Allied Health Professional, Behavioral Health

Dr. Graham reported on privileging requests reviewed and accepted by the Medical Staff, including new team members and a resignation from consulting radiology staff.

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



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Quality Measures:

June 2025 QI Scores:

- Clinic: 83.5%
- Acute & Emergency Department: 79%
- Total Quality Score (LHD): 87.7%

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

Manager Report: *Presenter: Tara Geil, Dietary Director*

Tara provided an update on the Dietary Department, highlighting the integration of care pathways from clinic providers to support referrals and provide full-circle care. She noted that appointments related to diabetes and heart disease are eligible for reimbursement, while weight management services are generally not covered and remain out-of-pocket for patients.

The department is staffed by 15 employees – 11 full-time and 4 PRN – with strong staff longevity, reflecting stability and effective leadership within the team.

Dietary services extend well beyond patient meal preparation, encompassing the cafeteria and catering program, barista and vending operations, inpatient and outpatient nutritional consulting, WIC program support, and grant-funded cooking classes.

In June, the department provided a total of 4,114 meals and 689 drinks through the coffee cart. Patient meals included 350 breakfasts, 357 lunches, and 346 dinners. Employee meals included 1,025 breakfasts, 1,305 lunches, and 296 afternoon snacks.

CEO Report: *Presenter: Landon Dybdal, CEO*

Landon emphasized continued improvements in the Revenue Cycle, noting that “cash is king” and timely payments are essential to solving problems and sustaining operations. Revenue has begun to increase following the successful integration of Dr. Graham and Lesa Cahill from Warner Mountain Medical in April. Recruitment and staffing efforts remain active. In primary care, Maja Lee, FNP is in her third week on site and began seeing patients last week, receiving very positive feedback. A job offer was extended to Dr. Kane, a physician originally from Hawaii, who would serve patients in the clinic if she accepts. Her anticipated start date would be October. In addition, Jaci Mastrandrea, NP, who has local family ties, is scheduled to begin on August 18. She will serve as a locum provider for six months before transitioning to a full-time role. With clinic staffing nearing capacity, attention will soon turn to recruiting an Internal Medicine physician.

In the Emergency Department and hospital, coverage remains strong, supported by the recent hiring of an ED Nurse Practitioner. Conversations continue with surgical candidates: one general surgeon prefers to remain in Denver, and another interview is scheduled tomorrow. Early discussions are also underway with a Cardiac PA from Sky Lakes. The organization is also pursuing additional visiting specialists from Sky Lakes,



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as Bend-based providers remain overextended. Looking ahead, Dermatology services are expected to return in approximately one year with Ashley Hoff, currently completing her residency, who would potentially provide coverage a couple days per month. Dr. Heaton continues to provide services one day each month and will resume O.R. procedures beginning next month.

Clinic space continues to be a challenge, as the facility was not designed to support current patient volumes. With too many offices and not enough exam rooms, two offices are scheduled to be converted into exam rooms next month. Over the next 2–4 years, leadership is exploring the use of a USDA loan to fund a larger expansion of clinic space.

Kyle Byers, COO, reported significant progress is also being made in Diagnostic Imaging and surgical support. Investments include a new x-ray machine, mobile unit, RFA, C-arm for CT scans, and potentially an EK system to enhance cardiac imaging. These initiatives are supported in part by Murdock Trust & Collins McDonald Fund. Kyle introduced the new Diagnostic Imaging Director, Robert Sebring, and noted that his wife, Ashley Sebring, RN, has joined as the new Surgery Manager.

Public Comment: N/A

Adjournment:

At 6:24PM, Jane O’Keeffe called for an executive session per ORS 192.660(2) and adjourned the open session. The executive session began at 6:353PM and was adjourned at 7:13PM.

Respectfully submitted,


Greg Larson, Secretary

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