



Board of Directors Meeting Minutes  
May 28, 2026, 5:30PM Lake District Hospital  
Lake Health 501c3

**Board Attendance:**

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

**LHD Managers in Attendance:**

Landon Dybdal, CEO; Scott Daly, COO; Kelly Johnston, Interim CFO; Debbie Callins, CNO; Kim Wright, HR Director; Tyson Lane, EMS Director; Alena Acklin, Process and Quality Improvement Coordinator; Dr. Scott Graham, CMO; Judy Clarke, Public Health Director

**Others in Attendance:**

**Call to Order:**

Jane O’Keeffe, Chairperson, called the meeting to order in open session at 5:14PM, immediately following adjournment of the Lake Health District meeting.

**Consent Agenda Item Approval:**

A motion was made to approve the consent agenda items, which included:

- April 23, 2026, Lake Health 501c3 board minutes
- June 2026 check signing calendar

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

**Amendment to Agenda – Lake Health District FY25 Audit Approval:**

The CFO noted that approval of the Lake Health District audit for the year ended June 30, 2025, had not been included on the published agenda. A motion was made to amend the agenda to add approval of the Lake Health District audit. The motion was seconded. The motion was presented, all members present voted, and the motion passed unanimously.

**Financial Reports:** *Kelly Johnston, Interim CFO*

*April 2026 Lake Health 501c3 Financial Report*

Kelly presented the financial report and highlighted key performance indicators, including 22 days cash on hand as of April (increasing to 29 days in May), accounts receivable of 89.3 days, increased swing bed utilization compared to the prior year, and a positive April operating result of approximately \$328,000.

Year-to-date through April 2026, total revenue was reported at \$32.9 million, operating expenses at \$32.3 million, and the net operating result reflected a loss of approximately \$664,000. Kelly reported that operating EBITDA remains positive on a year-to-date basis and that current-year financial performance reflects improvement over the prior fiscal year. Accounts receivable days have decreased significantly during the year and continue to trend toward established targets.

Kelly also provided updates regarding revenue cycle initiatives, payer reimbursement strategies, chargemaster review efforts, and balance sheet management.



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A motion was made and seconded to accept the financial reports of the Lake Health District and the 501(c)(3) organization as presented. The motion carried unanimously.

**Lake Health District FY25 Audit Approval:** *Kelly Johnston, Interim CFO — Wipfli LLP, Auditors*

Kelly presented the audit of the Lake Health District d/b/a Lake District Hospital for the year ended June 30, 2025, prepared by Wipfli LLP and dated February 12, 2026. The auditors issued an unmodified opinion, with no material weaknesses and no internal control concerns identified.

**FY25 Audit Results (Year Ended June 30, 2025):**

- Total Operating Revenue (net): \$36 million
- Total Operating Expenses: \$41 million
- Operating Loss: (\$5.5 million)
- Loss After Non-Operating Income: (\$3.7 million)
- Prior Period Adjustment (FY24 bad debt correction recorded in FY25): \$3,334,000 (one-time)
- GASB Statement No. 101 Impact (Compensated Absences): Approximately \$500,000

Kelly reviewed the FY25 audit and explained that the financial statements reflect a prior-period accounts receivable adjustment of approximately \$3.3 million, which accounting standards required to be recorded prospectively as a change in accounting estimate. She also noted the impact of GASB No. 101 implementation related to compensated absences. Excluding these items, management reported that the District would have achieved a positive operating result for the fiscal year.

Kelly reported that the audit results and related financial impacts have been communicated to bondholders, lenders, and the District's refinancing team, and that key financial ratios remain supportive of the planned refinancing efforts. She further reported that the District's net position is improving during the current fiscal year. The complete audit report was included in the Board packet for review.

A motion was made and seconded to approve the FY25 audit report prepared by Wipfli LLP and authorize its submission to the State. The motion carried unanimously.

**Medical Staff Report:** *Dr. Scott Graham, CMO (remote)*

Privileging Requests: N/A

Dr. Graham joined the meeting remotely. Audio difficulties limited the verbal report; Dr. Graham subsequently expressed appreciation to the board for their attendance at the Dr. Stanton Smith community open house held the prior day. No privileging actions were presented.

**Nursing Report:** *Debbie Callins, CNO*

Debbie reported continued progress in nursing recruitment supported by the development of a new graduate nurse residency program in collaboration with Hannah from Education. The program was developed in response to workforce trends indicating that newly graduated nurses require structured onboarding and supervised clinical experience prior to independent practice. The residency model includes classroom instruction and clinical training delivered in cohorts over a three- to six-month period.



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Due to limitations under the current ONA contract regarding posting of “residency” positions, Human Resources and ONA were unable to finalize an alternative posting structure within the required timeframe. As a result, Nursing and Education developed an alternative recruitment pipeline through Klamath Community College (KCC). A continuing partnership has been established with the KCC nursing program lead, resulting in increased referrals of graduates to the District.

Debbie further reported that external labor market conditions, including a hiring freeze for new graduate nurses at St. Charles Health System and limited capacity at Sky Lakes Medical Center to accept the full KCC graduating class, created recruitment opportunities that the District was able to utilize. The District has accepted six new graduate nurses through this pathway.

**Recruitment Outcomes:**

- New graduate nurses accepted: 4 positions filled
- Offers outstanding: 1 offer extended; 1 candidate completed screening and pending formal application
- Additional hire: 1 PRN nurse transitioning to a benefitted part-time position
- Total filled/pending since last update: 7 of 10 open positions

Debbie reported that this represents the strongest single-cycle nursing recruitment outcome in approximately five years. Two of the new graduate nurses are former students who completed clinical rotations at the District. She further noted that the new ONA contract has supported improved entry-level compensation competitiveness, and that compensation has not been identified as a barrier by candidates during this cycle. Human Resources has supported expedited same-day offer processing during recruitment efforts.

The Chief Nursing Officer noted that retention of new graduate nurses may vary and that the residency and pipeline strategy will continue to develop over a multi-year horizon.

Scholarship funds are available in the approximate amount of \$43,000 annually, with up to approximately \$10,400 per individual. The Chief Nursing Officer will coordinate with Human Resources and Finance regarding future scholarship awards as part of the ongoing pipeline development strategy.

**Swing Bed Program Update:**

Structural alignment of the Swing Bed Program has placed coordination under David Bybey, supported by Mary Margaret and the therapy team. A revised workflow has been implemented, including communication with receiving facilities at the time of patient transfer from the Emergency Department to determine eligibility for return to Swing Bed status. This process has resulted in several recent successful patient returns to the program.

Leadership met with St. Charles Health System representatives to review referral and transfer processes. St. Charles has been informed of the District’s hospital transportation services and has adjusted internal referral workflows to prioritize Lake District Hospital for patients within the District’s service area zip codes, subject to patient choice requirements.

Recent Swing Bed admissions have included transfers from Klamath Falls, Medford, and Sky Lakes facilities. A standing quarterly coordination meeting has been established with St. Charles, and additional linkage is underway between David Bybey and St. Charles case management leadership to support



ongoing discharge planning collaboration. Weekly utilization review and readmission meetings continue as scheduled.

**Quality Performance Overview:** *Alena Acklin, Process & Quality Improvement Coordinator*

Alena reviewed the Q2 2026 HCAHPS dashboard. She reported overall improvement across multiple domains compared to the prior quarter. The overall hospital rating reached 100%, with all respondents rating the hospital a 10 during the reporting period. Nurse communication showed improvement, while care coordination and discharge information remained consistent with prior performance. Hospital quietness remained stable and consistent with expected baseline conditions. The District continues to perform above national and Critical Access Hospital benchmarks.

**Sample Size and Response Rate:**

- Approximately 24–26 responses per quarter; Q2 response data remains incomplete due to the quarter being in progress
- Overall response rate approximately 23–30%, depending on month
- Approximately 100 responses annually are required for public reporting; the District is currently approximately 15 responses short on a trailing twelve-month basis

One patient comment referenced a possible opioid-related reaction. Medical record review did not identify documentation supporting the concern; no naloxone was administered and no medication adjustment was indicated. The respondent rated the hospital 8 out of 10 overall. The comment was determined to be inconsistent with documented clinical findings.

Alena reviewed CMS Star Rating methodology and impact. HCAHPS comprises approximately 25% of the overall rating, with additional domains including patient safety contributing to the remainder. The District is not currently eligible for a star rating due to insufficient reportable quality measure volume; CMS is lowering threshold requirements over time, and the District is preparing for future eligibility. Star ratings are updated annually for Critical Access Hospitals, with preview data available approximately April 15 and final publication in July. The Quality program is being aligned with CMS star-rating domains through a consultant-led initiative over a two-year implementation horizon.

Discussion noted that increased emphasis on bedside communication, leadership rounding, and timely survey distribution has contributed to improved response rates, increasing from approximately 18% to 24–30%.

A motion was made and seconded to approve the Quality Improvement report as presented. The motion carried unanimously.

**Manager Report – Public Health:** *Judy Clarke, Public Health Director*

Judy provided informational materials including a Public Health services pamphlet, Intergovernmental Agreement (IGA) amendments processed through the Oregon Health Authority (OHA) and County Commissioners, and a summary of current program elements and grant funding supporting Public Health services and staffing.



### **Public Health Funding:**

- Program element grants fund Public Health staffing at 100%
- Oregon Health Plan (OHP) revenue: approximately \$50,000 annually
- County general fund support: approximately \$122,000 annually

### **Quality Improvement Activities:**

Public Health is implementing internal quality improvement measures for the first time. Initial focus areas include timely completion of WIC documentation to maintain benefit eligibility and completion of required documentation for Reproductive Health clients, including identification, insurance verification, and income documentation. A primary barrier identified is client no-show rates, despite reminder calls, text messages, and same-day appointment confirmations. Public Health will collaborate with the Process and Quality Improvement team to identify additional measurable performance areas.

### **School Health Services:**

Public Health provides contracted school nursing services to the Lake County School District, including diabetes education, medication administration and seizure training for school staff and coaches, and classroom health education. Reproductive health education is provided for grades 7–12, and puberty education is provided at the elementary level. Services are also provided to peripheral schools upon request. The school district contract has been recently renegotiated.

### **Community Investment and Program Highlights (Past Two Years):**

Public Health reported the following community investments and program activities:

- Replacement CPR mannequins for hospital training (\$3,000–\$4,000)
- 911 emergency “bug-out” kit to support dispatch continuity (\$12,000–\$15,000), with transition planning following dispatch closure
- Provision of free COVID-19 vaccinations to the community
- Oxygen tanks for durable medical equipment use during recent power outages
- Hosting of G305 All-Hazards preparedness training locally (approximate \$30,000 value), reducing need for out-of-area travel
- Emergency shelter equipment with heating/cooling capacity and hospital attachment tunnel (\$38,000), also utilized for Sheriff’s Office community events
- Grant funding passed through to the hospital for rent (approximately \$125,000) via grant application support
- Facility improvements including new signage, generator repair (supporting vaccine cold chain and emergency community services), and facility upgrades including flooring and exam room furniture



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- Grant funding secured for a future on-campus storage building to replace the current trailer location, to be coordinated over the next 12–18 months
- Community prevention programming including Tall Cop training (\$6,000 sponsorship) in partnership with Outback Strong Behavioral Health
- Educational programming in the Public Health kitchen, including youth art, music, and cooking classes
- Sources of Strength program for grades K–6 (\$12,000), supporting student leadership development activities including school events
- Sponsorship of Safe and Sober, prom programming, and holiday programming for children
- Annual mentorship sponsorship for young women in the school system (\$10,000 annually)

Public Health does not currently offer first aid certification classes. CPR training is on hold pending resolution of the external training relationship with St. Charles Health System. Basic Life Support (BLS) classes are provided through EMS/contracted instruction. The Public Health food handler certification program continues to serve local schools and food service establishments.

Board members commended the Public Health facility relocation and improved workflow, noting that state site visits are now routinely conducted in person rather than virtually.

**CEO Report:** *Landon Dybdal, CEO*

**Introduction of New Chief Operating Officer:**

Landon introduced Scott Dayley, who began service as Chief Operating Officer the week following the April Board meeting. Mr. Dayley provided a brief professional background, noting approximately 25 years of healthcare experience beginning as a phlebotomist. He holds an Associate degree from the College of Southern Idaho, a Bachelor's degree in Clinical Laboratory Science from Idaho State University, and a Master's degree from Northwest Nazarene University (2015). He most recently served for approximately 15 years at a Critical Access Hospital in Gooding, Idaho, where he held roles as Laboratory Director and later Ancillary Services Director overseeing laboratory, imaging, dietary services, facilities/engineering, and in-house security. Mr. Dayley's family is scheduled to relocate to Lake County, with his children enrolling in Lakeview Schools and participating in extracurricular activities. The Board welcomed Mr. Dayley to the organization and community.

**Branding and Marketing:**

Landon distributed materials from a recent branding and marketing presentation by Jessica Cannon (formerly with Artist). No agreement has been executed, and contract terms remain under review. Leadership expressed interest in pursuing a refreshed branding and marketing strategy to support recruitment, swing bed program growth, social media presence, and reduction of service-line leakage. The strategy will incorporate previously obtained Stroudwater service-line leakage data, with follow-up analysis pending. A marketing committee is proposed to guide next steps, to include Board and administrative representation. The Board recommended Kelsie Bostwick as the Board representative on the committee.



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**Provider and Leadership Recruitment:**

- General Surgery: Dr. Stanton Smith has begun practice. A community open house was held and was well attended by Board and staff members. Dr. Smith completed six endoscopic procedures by 11:00 a.m. on his first full day of procedures. Board members commented favorably on the quality of the operating room facilities.
- Internal Medicine: An offer has been extended to a candidate who has one additional interview scheduled, with a decision expected within the week. The District remains the candidate's top choice.
- Family Practice Obstetrics: Recruitment efforts continue with limited progress; however, a recent resident physician (Dr. Gallagher Graham Hussey), who completed a rotation during the prior week, has expressed potential interest in returning for permanent employment.
- Revenue Cycle Director: A candidate completed an on-site interview with positive feedback from leadership and revenue cycle staff. An offer has been extended, with a response anticipated within five days.
- Coding: A medical coder has been hired to support transition of coding services from external vendors to internal operations.

Dr. Graham expressed appreciation to the Board for attendance at the Dr. Stanton Smith open house following prior communication interruptions.

**Public Comment:** N/A

**Adjournment:**

At 6:54PM, Chair Jane O'Keeffe adjourned the open session of the 501(c)(3) Board and convened an executive session pursuant to ORS 192.660(2)(i) for Performance Evaluation and ORS 192.660(2)(f) for Exempt Records and Attorney Advice. The executive session began at 7:04PM and adjourned at 7:36PM.

Respectfully submitted,

Greg Larson, Secretary

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