LAKE CHELAN HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

CKHO/2026

LAKE CHELAN HEALTH

Chelan County Public Hospital District No. 2
Board Training 12:15-1:15PM
Regular Meeting of the Board of Commissioners
June 23, 2026, at 1:30 am via TEAMS
Meeting Link Available on Website

Agenda

*Mission- "*To provide the highest quality healthcare with compassion and respect to the community we serve.*"*

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

Time	*Agenda Item*	*Facilitator*	*Topic/Action*
1:30	1. Call to Order/ Changes to Agenda	L. Withrow	
1:31	2. Public Comment		
1:35	3. Chair Report	L. Withrow	
1:40	4. Consent Agenda	Commission	A. Regular Board Meeting Minutes 5/26/2026(FM) B. Warrants & Vouchers (FM) C. Bad Debt & Charity Care (FM) D. Finance Committee Minutes 6/18/2026 (FA)
1:45	5. Executive Session		A. RCW 42.30.110(1)(o) to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205
2:20	6. Reports	J. Barich, S.Freed S. Ottley/ B. Fields/J.Cussins A. Edwards Commissioners	A. Med Staff Report & Credentialing (FI) B. Financial i. May Financial Reports (FA) ii. Cost Report(s) Status (FI) iii. Revenue Cycle (FI) iv. Charity Care Policy (FM) v. 2025 Financial Audit (FA) vi. USDA Update (FI) C. CEO Report (FI) D. Community Connections (FD)
3:30	7. Old Business	A. Edwards/S. Ottley	A. EMS Capital Project Update (FI) – Grand Opening Committee B. Strat Planning (FD)
4:00	8. New Business	Commissioners	A. Desired Skills of a Board Commissioner (FD) B. EPIC Fundraising (FI) C. Resolution 2026-13 Disposal of Mobile Structure (FM)
4:15	9. Public Comment		
4:20	10. Executive Session		A. RCW 42.30.110(1)(g) to evaluate the performance of a public employee.
5:15	11. Roundtable/Action Items	Commission	
5:20	12. Adjournment	L. Withrow	

Board Calendar Reminders:

6/11/2026	Quality Committee	Bragg Room/ TEAMS	1 –2:30pm
TBA	Credentialing Committee	TBA	11:30 am
6/18/2026	Finance Committee	Bragg Room/ TEAMS	10 am
6/23/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm
6/29-7/1/26	WSHA Conference	Campbell's Resort	All Day

7/9/2026	Medical Staff Meeting	Bragg Room/TEAMS	7-8:30 am
7/9/2026	Quality Committee	Bragg Room/ TEAMS	1 – 3 pm
TBA	Credentialing Committee	TBA	TBA
7/23/2026	Finance Committee	Bragg Room/ TEAMS	10 am
7/28/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

8/13/2026	Quality Committee	Bragg Room/ TEAMS	1 – 3 pm
TBA	Credentialing Committee	TBA	TBA
8/20/2026	Finance Committee	Bragg Room/ TEAMS	10 am
8/25/2026	Board Education	Bragg Room/TEAMS	12:15 pm
8/25/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
Meeting Minutes May 26, 2026 at 1:30 pm

Commission Attendance:

(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary ☒Doug Gibson, Vice Chair	☒Len England

Staff Participants: A. Edwards, J. Barich, V. Rothmeyer, R. Montgomery, L. Sahlinger, M. Miller, B. Fields, A. Benegas, Jim Cussins, T. Lautiki
Community Members:

Recorder: Wendy Kenck

Agenda Item	Topic/Action
Call to Order Chair Report	• L. Withrow called the meeting to order at 1:30 pm and recited the Mission statement. • L. Withrow shared her appreciation for CFO Brant Truman who has resigned, and wished him much success in his future endeavors, and welcomed Jim Cussins to support the CFO transition. She thanked everyone who supported the hospital during the Apple Blossom Parade and Hospital Week events and noted that A. Edwards and M. Miller presented at the Manson Community Council meeting, expressing enthusiasm for the developing partnership.
Public Comment	• No Public Comment
Consent Agenda	• **Consent Agenda** o Add Resolution 2026-12 after the last Executive Session o *D. Gibson motioned to approve the Consent Agenda as edited, seconded, and motion approved.*
-	
Executive Session	• L. Withrow, Chair announced an Executive Session at 1:40 PM for 35 minutes, scheduled to end at 2:15 pm, citing RCW 70.44.062 and RCW 42.30.110(1)(o) to consider information regarding staff privileges and matters discussed by quality improvement committees. o L. Withrow announced Executive Session ended at 2:15 pm. The Board returned to the open meeting. o Action Following Executive Session: ▪ *J. LaPorte, after reviewing the medical recommendations from the Medical Executive Committee (MEC), motioned to approve the Initial appointment of Jason Durbin, DO, Gregory Wallis, DO, Bindu Nayak, MD, Lee Wood, DO, Lynda Szczech, MD, Harry Marty-Vigo, MD, Arun Nagabandi, MD, Jerome Klein, MD, a change of privileges for Gautam Nayak, MD, reappointment of privileges of Scott Hippe, MD, Andrew Gray, DO, Anthony Musielewicz, MD, Jared Sutherland, MD, Marc Jacobson, MD, Sonya Kella, MD, Gregory Kenyherz, MD, Christopher Leoni, MD, Barbara McCorvey, MD, Christopher Rickman, MD, Sergey*

	Shkurovich, MD, Neil Staib, MD, Adam Hecht, MD, Charles Henry, MD, Mary Huff, MD, Vishal Jani, MD, and noted Mimi Lee, MD, Nancy Marston-Quivey, MD, Jessica Cicoria, DO, Karen Caldemeyer, MD chose not to renew their privileges, seconded, motion approved.
Reports	• **Med Staff Report** o J. LaPorte motioned to approve the Delineation of Privileges for Conscious Sedation, seconded, motion approved. • **Finance:** o J. Cussins provided highlights to the unaudited April 2026 finance report. o B. Fields reported on the Revenue Cycle . o M. Murphy motioned to authorize the CEO to sign the WA Dept of Commerce grant, seconded, motion approved. o M. Murphy motioned to approve Resolution 2026-8 –Disposal of Stress Test Machine, seconded, motion approved. o M. Murphy motioned to approve Resolution 2026-9-Disposal of Stryker beds seconded, motion approved. o M. Murphy motioned to approve Resolution 2026-10, amending Resolution 2025-3, seconded, motion approved. • **CEO Report:** A. Edwards reported that the organization's insurance broker is exiting the D&O and EPL liability market, leaving only one carrier and likely increasing insurance costs next year. Anna Porter and Dr. Kaufman were recognized as Quality Stars of the Month for achieving the highest Net Promoter Scores. Jim Cussins was welcomed as Interim CFO to support the transition of Shawn Ottley into the CFO role. Organizational updates included expanded responsibilities for Marcus Miller, Rhianna Montgomery, and Louise Sahlinger, with Operations Informatics moving under the Quality Department. The CEO also noted that, despite the recent Chelan County cybersecurity incident, the county has assured the organization that manual payment processing remains available. • **Strat Plan:** No update to present • **Community Connection Opportunities:** o Community engagement efforts were highlighted, including strong participation at Apple Blossom Festival and executive presentations on LCH services to the Manson Community Council. o L. Withrow attended the WSHA Board Chair Roundtable. o LCH participated in an Entiat School event.
Old Business	• **EMS Capital Project Update:** A. Edwards provided an update and reported that approximately 65% of the EMS Capital Project has been completed. • **Strat Planning:** The Board discussed upcoming strategic planning, including review of information and final planning review.
New Business	• **Board Training:** The Board shared positive feedback regarding the training received today and noted the value of receiving information on Board roles and responsibilities. Discussion included the use of Relias training and aligning training requirements for Board members. • **Governance:** The Board discussed the draft list of Commissioner skills and qualifications.
Public	• No Public Comment

Executive Session	• L. Withrow announced an Executive Session at 4:20 PM for 60 minutes to end at 5:20 PM citing RCW 42.30.110(1)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price and RCW 42.30.110(1)(g) to evaluate the performance of a public employee. An Action could be anticipated. o L. Withrow extended the Executive Session 15 minutes o L. Withrow extended the Executive Session 30 minutes o Executive Session ended at 6:05 pm and the Board resumed in open meeting.
Action Items	Lori to send WSHA presentation to EA for distribution to Board members
Adjournment	• J. LaPorte motioned to approve Resolution 2026-12, seconded, motion approved. • Roundtable discussion • L. Withrow adjourned the meeting at 6:28 pm

Attest:

_____ _____

Mary Murphy, Secretary Aaron Edwards, CEO

_____

Wendy Kenck, Executive Assistant

Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
Meeting Minutes June 8, 2026 at 9 am

Commission Attendance:

(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary (arrived at 10:05 am) ☒Doug Gibson, Vice Chair	☒Len England

Staff Participants: A. Edwards, S. Ottley
Community Members:

Recorder: Wendy Kenck

Agenda Item	Topic/Action
Call to Order	• L. Withrow called the meeting to order at 9:03 am and recited the Mission statement.
Executive Session	• L. Withrow, Chair announced an Executive Session at 9:05 am for 25 minutes, scheduled to end at 9:30 am, citing RCW 42.30.110(1)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. o L. Withrow extended the Executive Session 10 minutes o L. Withrow extended the Executive Session 5 minutes o Executive Session ended at 9:45 am and the Board resumed in open meeting
New Business	• The Board discussed Resolution 2026-11 related to bond financing. D. Gibson emphasized that obtaining financing is critical to the hospital's ability to continue operations and support its long-term success. It was noted that securing funding will allow for the acquisition of necessary capital assets. J. LaPorte highlighted the importance of preserving and continuing to build cash reserves to support future planning and financial stability. • J. LaPorte motioned to approve Resolution 2026-11, seconded; motion approved. o M. Murphy was absent from the vote.
Public	• No Public Comment
Executive Session	• L. Withrow announced an Executive Session at 9:50 for 20 minutes to end at 10:10 AM citing RCW 42.30.110(1)(g) to evaluate the performance of a public employee. An Action could be anticipated. o L. Withrow extended the Executive Session 10 minutes o L. Withrow extended the Executive Session 10 minutes o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o Executive Session ended at 10:40 am and the Board resumed in open meeting.

Adjournment	• Roundtable discussion • L. Withrow adjourned the meeting at 10:52 am

Attest:

_____ _____

Mary Murphy, Secretary Aaron Edwards, CEO

_____

Wendy Kenck, Executive Assistant

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - JUNE 2026	WARRANT#'S PAYROLL	AMOUNT	pay period
ACH	$ 99,119.99			DIRECT DEPOSIT	$ 720,963.78	5/30/2026
243606-243658	$ 492,765.08			PAYROLL TAXES	$ 308,565.34	5/30/2026
ACH	$ 340,456.46			CHILD SUPPORT	$ 712.61	5/30/2026
243659-243715	$ 320,471.40			PAYROLL TAXES - IDAHO & MONTANA	$ 1,193.00	5/30/2026
243716-243717	$ 3,862.59					
ACH	$ 153,718.84					
243718-243760	$ 358,598.39					
	$ 1,768,992.75				***$ 1,031,434.73***	

DATE May 2026

TOTAL BAD DEBTS - HOSPITAL $250,613.12
TOTAL MEDICARE BAD DEBTS $35,891.97
TOTAL BANKRUPTCY $0
TOTAL CHARITY CARE – HOSPITAL $274,688.17
TOTAL MEDICARE CHARITY CARE - $1,116.77

TOTAL ATTESTATION $562,310.03

I, The undersigned, do hereby certify that the accounts, as described on the attached "bad debt list", have been duly examined and have been duly processed in accordance with the hospital credit/collection policies. It is hereby submitted and recommended to the Governing Board that the said accounts be turned over to outside professional collector (s) as indicated on the attached list.

BOARD DESIGNATED AUDITOR_____DATE:_____

BOARD APPROVAL

DATE:_____

CHAIR_____

VICE CHAIR_____

SECRETARY_____

MEMBER_____

MEMBER_____

ATTEST. ADMINISTRATOR_____

Form 02-a Revised 4-26-95

LAKE CHELAN
HEALTH

Unaudited Financial Statements

for

For the month ended May 31, 2026

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Lake Chelan Health

	Current Month 5/31/2026 unaudited	Prior Year 12/31/2025 AUDITED	Prior Year 5/31/2025 Unaudited	
ASSETS:				
CASH	295,416	$ 710,559	$ 464,505	
PATIENT RECEIVABLES	19,934,490	17,873,725	$ 13,293,492	
LESS: RESERVES FOR ALLOWANCES	(10,565,519)	(9,145,837)	$ (6,717,177)	
NET PATIENT ACCOUNTS RECEIVABLES	9,368,970	8,727,889	6,576,315	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	1,224,850	261,253	187,274	
OTHER RECEIVABLES	(138,919)	608,064	12,521	property taxes are accrued over 12 months
INVENTORIES	407,061	333,784	331,101	
PREPAID EXPENSES	364,039	518,700	512,334	
TOTAL CURRENT ASSETS	$ 11,541,417	$ 11,160,248	$ 8,084,050	
GENERAL RESERVES	$ 1,338,890	599,257	$ 1,463,744	
Unrestricted Reserves	$ 1,074,895	2,517,941	$ 6,304,125	
Internally Restricted Reserves	$ 4,139,524	4,139,524	$ 4,139,524	
2018 BONDS	0	0	$ -	
USDA 2023	547,200	547,200	$ 410,400	
Coastal Bank	50,016	50,012	$ 50,006	
TOTAL LIMITED USE ASSETS	$ 7,150,525	$ 7,853,934	$ 12,367,800	
LAND	$ 4,133,845	4,133,845	$ 4,133,845	
LAND IMPROVEMENTS	2,969,105	2,969,105	$ -	
BUILDINGS & IMPROVEMENTS	0	0	$ -	
EQUIPMENT	9,536,867	9,235,793	$ 8,713,492	
SOFTWARE	2,245,630	2,242,422	$ 2,383,004	
NEW HOSPITAL	44,757,019	44,757,019	$ 44,757,019	
LOCUM HOUSING	691,665	691,665	$ 691,665	
GASB 87 BUILDINGS AND EQUIPMENT	4,561,351	5,023,746	4,955,878	
CONSTRUCTION-IN-PROGRESS - PROJECTS	7,112,744	1,892,126	$ 2,900,279	
CONSTRUCTION-IN-PROGRESS - HOSPITAL	113,942	74,248	$ 72,807	
GROSS PROPERTY, PLANT, & EQUIPMENT	76,122,168	71,019,969	68,607,988	
LESS: ACCUMULATED DEPRECIATION	(18,615,362)	(17,077,985)	$ (15,003,049)	
GASB 87 AMORTIZATION	(1,769,670)	(1,443,601)	(1,396,826)	
NET PROPERTY, PLANT, & EQUIPMENT	$ 55,737,136	$ 52,498,382	$ 52,208,112	
DEFERRED ITEMS	$ 2,408,429	2,416,456	$ 1,455,956	
TOTAL ASSETS	$ 76,837,508	$ 73,929,020	$ 74,115,918	
LIABILITIES:				
ACCOUNTS PAYABLE	$ 956,155	663,522	1,041,076	
ACCRUED PAYROLL	(6,659)	1,076,786	847,200	ukg interface recon in process
ACCRUED VACATION/HOLIDAY/SICK PAY	1,904,602	1,596,206	743,766	
PAYROLL TAXES PAYABLE	252,065	210,226	154,113	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	0	0	0	
OTHER CURRENT LIABILITIES	1,471,084	1,154,183	1,256,565	
INTEREST PAYABLE	504,547	89,348	538,201	
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,204,038	1,189,475	1,129,467	
LINE OF CREDIT	0	0	0	
TOTAL CURRENT LIABILITIES	$ 6,285,833	$ 5,979,746	$ 5,710,387	
CAPITALIZED LEASES	$ -	$ -	$ -	
2018 BONDS	$ 17,952,761	17,958,807	18,352,272	
2013 BONDS	3,895,741	3,893,592	4,285,584	
USDA LOANS	17,921,277	18,113,606	18,353,607	
LEASES	2,560,696	3,253,680	3,254,731	
PAID LEAVE - LT PORTION	89,941	179,000	147,000	
2025 BONDS	1,392,555	1,392,333	80,300	
TOTAL LONG TERM LIABILITIES	$ 43,813,171	$ 44,791,019	$ 44,473,494	
DEFERRED ITEMS	$ 9,451,461	4,776,042	4,110,603	
TOTAL LIABILITIES	$ 59,550,465	$ 55,546,806	$ 54,294,484	
FUND BALANCE:				
UNRESTRICTED FUND BALANCE	$ 17,804,272	19,160,312	20,171,416	
TEMPORARY RESTRICTED FUND BALANCE	$ -	0	0	
YTD Net Revenue/(Expenses)	(517,229)	(778,098)	(349,983)	
TOTAL NET ASSETS	$ 17,287,043	$ 18,382,214	$ 19,821,433	
TOTAL LIABILITIES AND NET ASSETS	$ 76,837,508	$ 73,929,020	$ 74,115,918	

Statement of Revenue and Expense
Lake Chelan Health

For the month ended May 31, 2026

	CURRENT MONTH				
	Actual 05/31/26	Budget 05/31/26	Positive (Negative) Variance		Prior Year 05/31/25
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 540,145	$ 849,745	(309,600)	-36%	$ 630,985
OUTPATIENT	7,256,995	6,864,370	392,625	6%	5,489,224
TOTAL PATIENT SERVICE REVENUES	7,797,140	7,714,115	83,024	1%	6,120,209
DEDUCTIONS FROM REVENUE					
CONTRACTUAL ALLOWANCES	(3,320,622)	(3,432,780)	112,159	-3%	(2,370,148)
BAD DEBT	(165,885)	0	(165,885)	0.00%	(45,756)
CHARITY	(275,805)	0	(275,805)	0.00%	(48,080)
TOTAL DEDUCTIONS FROM REVENUES	(3,762,311)	(3,432,780)	(329,531)	-10%	(2,463,984)
	48.3%	44.5%			40.3%
NET PATIENT SERVICE REVENUES	4,034,828	4,281,335	(246,506)	-6%	3,656,225
OTHER OPERATING REVENUES	35,174	71,085	(35,911)	-51%	32,650
TOTAL OPERATING REVENUES	**4,070,003**	**4,352,420**	(282,417)		**3,688,875**
OPERATING EXPENSES					
SALARIES/WAGES	2,219,883	2,186,430	(33,452)	-2%	2,049,134
EMPLOYEE BENEFITS	492,799	466,603	(26,196)	-6%	413,311
PROFESSIONAL SERVICES	508,578	514,921	6,343	1%	279,714
FOOD SUPPLIES	23,515	23,260	(255)	-1%	23,189
MINOR EQUIPMENT	28,862	38,518	9,656	25%	7,968
SUPPLIES	317,910	314,710	(3,200)	-1%	199,862
PLANT UTILITIES	21,221	38,466	17,245	45%	26,188
PURCHASED SERVICES	330,744	368,236	37,492	10%	397,331
REPAIR/MAINTENANCE	109,053	100,392	(8,660)	-9%	104,119
PUBLIC RELATIONS/RECRUITM	7,325	10,453	3,128	30%	4,911
RENT/LEASES	45,723	46,382	659	1%	(124,662)
INSURANCE	87,768	45,329	(42,440)	-94%	14,150
LICENSES/TAXES	21,465	36,461	14,996	41%	28,813
DUES/SUBSCRIPTIONS/OTHER	45,901	72,659	26,758	37%	65,024
TRAVEL/TRAINING	15,260	15,491	231	1%	10,462
DEPRECIATION	323,695	365,828	42,133	12%	195,826
AMORTIZATION	66,080	64,583	(1,497)		300,064
TOTAL OPERATING EXPENSES	**4,665,783**	**4,708,721**	**42,938**	0.9%	**3,995,406**
NET OPERATING SURPLUS (LOSS)	**(595,780)**	**(356,301)**	**(239,479)**		**(306,531)**
NON-OPERATING REVENUES	273,156	204,874	68,283		239,158
TAXES	0				
INTEREST	0				
GIFTS & GRANTS	222,369	0	222,369		90,014
OTHER	0	0	0		0
NET INCOME	(100,255)	(151,427)	51,172		22,641
margin	-2.5%	-3.5%			0.6%
TOTAL NET INCOME (LOSS)	**$ (100,255)**	**$ (151,427)**	**51,172**		**$ 22,641**

unaudited

Statement of Revenue and Expense
Lake Chelan Health

For the month ended May 31, 2026

	YEAR-TO-DATE				
	Actual 05/31/26	Budget 05/31/26	Positive (Negative) Variance		Prior Year 05/31/25
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 3,561,727	$ 4,406,154	(844,427)	-19%	$ 3,271,831
OUTPATIENT	34,517,266	31,279,295	3,237,971	10%	25,474,901
TOTAL PATIENT SERVICE REVENUES	38,078,993	35,685,449	2,393,544	7%	28,284,910
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(16,745,039)	(15,880,023)	(865,016)	5%	(10,691,017)
BAD DEBT	(584,063)	0	(584,063)	0.00%	(556,129)
CHARITY	(665,316)	0	(665,316)	0.00%	(492,278)
TOTAL DEDUCTIONS FROM REVENUES	(17,994,418)	(15,880,023)	(2,114,395)	-13%	(11,739,424)
	47.3%	44.5%			41.5%
NET PATIENT SERVICE REVENUES	20,084,575	19,805,427	279,148	1%	16,545,487
OTHER OPERATING REVENUES	200,647	355,427	(154,780)	-44%	154,085
TOTAL OPERATING REVENUES	**20,285,222**	**20,160,853**	124,369	1%	**16,699,571**
OPERATING EXPENSES					
SALARIES/WAGES	10,833,197	10,650,032	(183,164)	-2%	9,015,177
EMPLOYEE BENEFITS	2,434,575	2,272,805	(161,770)	-7%	1,884,976
PROFESSIONAL SERVICES	2,067,691	2,574,604	506,914	20%	1,385,065
FOOD SUPPLIES	117,125	116,298	(828)	-1%	104,338
MINOR EQUIPMENT	166,831	192,590	25,759	13%	79,296
SUPPLIES	1,562,260	1,455,832	(106,428)	-7%	931,286
PLANT UTILITIES	167,733	192,328	24,595	13%	148,093
PURCHASED SERVICES	1,591,308	1,841,180	249,872	14%	2,197,169
REPAIR/MAINTENANCE	515,235	501,961	(13,274)	-3%	479,830
PUBLIC RELATIONS/RECRUITMENT	57,922	52,265	(5,658)	-11%	53,076
RENT/LEASES	223,875	231,910	8,035	3%	217,720
INSURANCE	285,746	226,643	(59,102)	-26%	213,065
LICENSES/TAXES	118,189	182,355	64,166	35%	133,346
DUES/SUBSCRIPTIONS/OTHER	339,795	363,295	23,500	6%	299,314
TRAVEL/TRAINING	64,552	77,453	12,901	17%	35,598
DEPRECIATION	1,626,734	1,829,139	202,405	11%	1,462,836
AMORTIZATION	326,881	322,917	(3,964)		300,064
TOTAL OPERATING EXPENSES	**22,499,649**	**23,083,607**	**583,959**	2.5%	**18,940,248**
NET OPERATING SURPLUS (LOSS)	**(2,214,427)**	**(2,922,754)**	**708,327**		**(2,240,676)**
NON-OPERATING REVENUES					
PROPERTY TAXES FOR OPERATIONS	1,209,877	911,360			1,163,591
GRANTS/CONTRIBUTIONS	382,776	74,750			755,996
EMS COMMERCE GRANT	0	2,224,715			(192,354)
INVESTMENT EARNINGS	79,366	101,723			166,094
OTHER EXPENSE			0		
TAXES FOR DEBT SVC PMTS	556,942	420,000			540,653
INTEREST EXPENSE	(764,915)	(682,918)			(774,248)
GAIN / (LOSS) ON ASSET DISPOSAL	233,151	106,704			230,961
TOTAL NON OPERATING REVENUES	1,697,197	3,156,334	(1,459,137)		1,890,692
NET INCOME	(517,230)	233,580	708,327		(349,984)
margin	-2.5%	1.2%			-2.1%
TOTAL NET INCOME (LOSS)	**$ (517,230)**	**$ 233,580**	**$ (750,810)**		**$ (349,984)**

unaudited

Patient Statistics
Lake Chelan Health
For the month ended May 31, 2026

= or > 90% of budget
= or > 70% of budget
< 70% of budget

Actual vs Budget	Current Month 05/31/26	BUDGET	STATISTICS	Actual vs Budge	Last Year Month 05/31/25	BUDGET
	50	120	Total Days Cash on Hand		105	120
	69	50	Net AR Days		60	40
	0.77	1.25	Debt Coverage Ratio		0.77	1.25
	3.81		Average Age Of Plant			
	271		Payroll FTEs		232	

Actual vs Budget	Current Month Actual 05/31/26	Prior Year 05/31/25	BUDGET	STATISTICS	Actual vs Budge	Year-To-Date Actual 05/31/26	Prior Year 05/31/25	BUDGET
				Admissions				
NA	19	19	NA	medical	NA	126	94	NA
NA	0	0	NA	surgical	NA	1	0	NA
NA	5	6	NA	OB	NA	29	28	NA
NA	24	25	NA	Acute	NA	156	122	NA
NA	3	5	NA	Swing Bed	NA	18	32	NA
NA	5	6	NA	Total Deliveries	NA	28	27	NA
				Patient Days				
	50	74	72	medical		442	275	334
NA	0	0	NA	surgical	NA	2	0	NA
	7	10	13	OB		50	57	61
	57	84	85	Acute		494	332	395
	28	43	60	Swing Bed		137	311	60
	7	7	9	Total Newborn Days		35	38	43
	92	134	155	TOTAL PATIENT DAYS		666	681	498
				Average Length of Stay				
	2.4	3.4		Total Inpatient		3.2	2.7	
	9.3	8.6		Swing Bed		7.6	9.7	
				Avg Daily Census - Hospital				
	1.8	2.7		Total Inpatient		3.3	2.2	
	0.9	1.4		Swing Bed		0.9	2.1	
	2.7	4.1		Total		4.2	4.3	
	630	500	523	ED Visits		2538	2384	2419
	55	64	121	Surgeries		306	283	560
	1545	1343	1251	Imaging Procedures		6621	5974	5787
	5031	4088	3916	Lab Tests		22591	18870	18124
	926	773	728	Rehab Visits		4023	3611	3368
	128	142	129	EMS Runs		599	566	596
	1331	877	1466	Total Clinic Visits		5781	4326	6939
	534	121	630	SPECIALTY		2347	623	2914
	59	10	35	General Surgery		249	108	160
	140	50	193	Orthopedics		711	224	891
	62	0	82	ENT		332	0	379
	170	61	169	Dermatology		844	291	779
	8	0	96	Urology		9	0	445
	95	0	56	Cardiology		202	0	260
	797	756	836	RHC		3434	3703	4025
	212	157	combined with express	Primary care	combined with express	860	772	
	40	0	118	Pediatrics		196	0	546
	19	0		Audiology		33	0	
	526	599	718	Express Care		2343	2831	3479
	23	23		working days		108	110	

Note #1 CONTRACTUALS

AR decreased $1,077,125 from April to May.

Charity Care was $275,805 for May. Bad Debt was $286,505
Charity and Bad Debt are 3.60% of gross charges ytd compared to 3.77% this same time last year.
Medicare Cost Report YTD through May $292,000.
There was $323k written off primarily for accounts over 365 days that were uncollectable.

Note #2 SALARIES AND WAGES

General Surgery is over budget by $521k due to the fact that the cost was originally budgeted under professional fees.

Note #3 BENEFITS

Taxes are higher for 1st part of the year for high wage earners. This amount will decrease once the thresshold has been reached
Health Insurance is also running over budget. Benefits will also be higher because of wages being higher than budgeted.

Note #4 SUPPLIES

Surgery is currently over budget.
Surgery cases are more complex. Will continue to monitor

Note #5 PROFESSIONAL SERVICES

General Surgeons are employed

Note #6 PURCHASED SERVICES

N/A

Note #7 INSURANCE

There are 6 professional liability charges due to the fact that December's was not paid until 2026.

Note #8 NON OPERATING REVENUE

The sale of the old hospital resulted in a net gain of $996,288

There were assets that had not been fully depreciated
Current gain recognized is $228,651 for 2024, $547,446 for 2025 and $228,651 for 2026
Gain on sale of other assets $4,500

Grants/Contributions -
restricted contributions
WA ST Ecology
Misc 9,223
Nick of Time
Foundation 2,258
Grant
AWPHD - CHNA
North Central Regional EMS
ems booth donation $200
Hearth Health LCHW $11,400
AZ Wells 32,805
ems banquet $1,000
grants
Action Health Partners - 90,160
Community Choice - CARES
DSHS distressed hospital 199,543
WA ST Health 8,000
WA ST ED Trauma 13,400
WA ST Health
LCHW-EMS ATV Grant
Population Grant
North Central Emer
Misc Grants
wa commerce grant - deferred

For the month ended May 31, 2026

4/30/2026	GL ACCOUNT #	ACCT DESCRIPTION	5/31/2026	EXPLANATION			
492,511	10,002,000	General Fund Cash In Bank (Wheatland)	1,121,025	**628,514**			
				5,102,831	deposits		
				0			
				0	commerce grant		
				(8,845)	tsys/payplus fees		
				(5,151)	fees mckesson/cardinal		
				(321)	fees and interest		
				0	rebates		
					café sales		
				(4,460,000)	transfer to county		
954,534	10,004,000	General Fund Cash w/ Treasurer	712,060	**(242,474)**			
				1,583,682	AP		
				43,318	Voids		
				(1,627,000)	warrants issued		
				(1,662,765)	warrants redeemed		
				4,460,000	Bank Transfers from 10002000		
				0	Bank Transfer to/from 10106000		
				(88,992)	Bank Transfer for USDA pmt		
				0	Bank Transfer from reserves 10760000		
				(2,814,282)	Payroll/Benefits		
				(18,230)	B&O taxes		
				88,214	Property Taxes		
				289	Leasehold Taxes & Misc Taxes		
				0	ap refund		
(26,567)	10,009,000	cash clearing	13,019	**41,586**	pmts posted as remits received		
(821,857)	20,070,000	warrants outstanding	(1,550,687)	**(728,830)**			
				(2,112,091)	remits (payroll/benefits/b&O)		
				1,662,765	warrants redeemed		
				(1,627,000)	warrants issued ap		
				2,761,838	remits redeemed		
				43,318	voids		
865,361	10,106,000	AMB RESERVE	16,830	**(848,532)**			
				(1,000,000)	transfer to general fund		
				0	transfer from reserves (bond pmt & ops)		
				150,938	property taxes		
				530	leasehold taxes		
				0	interest	**Days of Cash on Hand**	
						Cash:	
1,096,030	10,910,000	2018 GO BOND	1,107,179	**11,148**		current assets	295,416
				109,280	property taxes	unrestricted reserves	1,338,890
				(98,131)	bond pmt / fee	unrestricted reserves	1,074,895
							2,709,201
0	10,911,000	2018 CASH BOND	0	**0**	interest	reclassed to general fund	
						USDA reserve	597,216
427,200	10,916,000		427,200	**0**	funded year 4 per LOC	restricted reserves - pending covid ca	4,139,524
120,000	10,917,000		120,000	**0**	funded year 4 per LOC		4,736,740
547,200			547,200	0			
						Expenses:	
0	10,915,000	CASH/TREAS LTGO BOND	98,131	**98,131**	paid bond interest	total YTD	22,499,649
						less depreciation	-1,953,615
116,750	10,923,000	HOSP 2025 REVENUE BONE	116,750	**0**	reimb for draws		20,546,034
5,578,370	10,760,000	RESERVES	5,214,419	**(363,951)**			
				15,000	interest	number of days YTD	151
				(378,951)	transfer to gen fund		
50,015	10,764,000	COASTAL BANK	50,016	**(0)**			
					interest		
8,850,347			7,445,941	**(1,404,407)**	6	**Days of Cash on Hand**	19.9
						Restricted Days Cash on Hand	30.4
						Total Days Cash on Hand	50.3

LAKE CHELAN HEALTH

MINUTES

Group: Finance Committee 6/18/2026 at 10 am in person and via Teams		
Facilitator: Jordana LaPorte	**Recorder: W. Kenck**	
Member Attendance:		
☒ Jordana LaPorte, BOC (virtual) ☒ Doug Gibson, BOC	☒ Shawn Ottley, COO/CFO ☒ Jim Cussins, Interim CFO	☒ Aaron Edwards, CEO ☒ Rhianna Montgomery, CNO
Participants: B. Fields, V. Bodle, L. Sahlinger, T. Lautiki **Guests:** Nicholas Wilson (Eide Bailly), Renee Gravalin (Eide Bailly)		

FI – For Information; FD – For Discussion; FR – For Recommendation

Agenda Item	*Topic/Action*
1. Call to Order	• J. LaPorte called the meeting to order at 10:03 am
2. New Business	• B. Fields reported on May's Revenue Cycle • 2025 Finance Audit Presented by Renee Gravalin from Eide Bailly. The audit is currently in final review and is expected to be available for Board approval at the upcoming meeting. • Discussion held regarding the USDA Consent. • The Finance Committee recommends Board review of the 2025 Financial Audit as presented, Resolution 2026-13, and the Charity Care Policy.
3. Reports	• V. Bodle noted that the May 2026 Financial Statements are still in progress due to payroll closing and county system challenges, with an anticipated delivery by Monday for Board review.
	Meeting ended at 11:25 am

Status **Draft** PolicyStat ID **20166596**

Origination	2/4/2025
Last Approved	N/A
Effective	N/A
Last Revised	N/A
Next Review	N/A
Owner	Brittany Fields: Revenue Cycle Director
Area	Patient Financial Services

Charity Care Policy

I. PURPOSE

This Financial Assistance Policy is intended to ensure that patients who are at or near the federal poverty level receive Appropriate Hospital-Based Medical Services and Appropriate Non-Hospital-Based Medical Services at a cost that is based on their ability to pay for services up to and including care without charge. Financial Assistance will be granted to all eligible persons regardless of age, race, color, religion, sex, sexual orientation, or national origin in accordance with WAC Chapter 246-453 and RCW 70.170.

The written policy includes:

(1) eligibility criteria for Financial Assistance,

(2) describes the basis for calculating amounts charged to patients eligible for Financial Assistance,

(3) describes the method by which patients may apply for Financial Assistance and

(4) describe how the District will publicize the policy with the community services by the District.

II. POLICY STATEMENT

Financial Assistance may cover all appropriate hospital-based medical services, received in the inpatient or outpatient/clinic setting. Services not qualifying under financial assistance may include elective or experimental procedures or separately billable professional services provided by the hospital's medical staff. Non-residents of Washington State are eligible for Financial Assistance consistent with Washington Administrative Code 246-453, which includes coverage for all medically necessary health care. Financial Assistance will not be denied based on immigration status.

III. SCOPE

Lake Chelan Health is required to provide notice of its Financial Assistance program and will make a good-faith effort to provide every patient with information regarding its availability. Lake Chelan Health (inpatient and hospital-based outpatient clinics/facilities) will post signs in Patient Access, Business Office/Financial Counseling, Emergency Department, and Outpatient Registration that will notify the public of the Financial Assistance Policy. Eligibility for Financial Assistance requires that patients must fulfill all requirements and expectations as outlined in the Financial Assistance Policy. This Financial Assistance Policy and applications for Financial Assistance are available in any language spoken by more than five percent of the population or 1,000 individuals in the applicable hospital's service area. Additionally, interpreter services will be made available for other non-English speaking or limited-English speaking or other patients who cannot read or understand the written application materials

IV. ROLES & RESPONSIBILITIES

All LCH staff can provide a charity care application for LCH patients. The financial counselor will receive the charity care application and supporting documentation to support the determination of a discounted rate based on the Federal Poverty Limit and will review and validate the charity care application. Upon approval, the Assistant Revenue Cycle Director will provide the requested adjustment to the financial counselor for the approved discount.

V. DEFINITIONS

Scope of Services:

Financial Assistance will not be denied based on resident or immigration status. Patients seeking Medically necessary health care qualify when Third-Party Coverage, if any, has been exhausted, to the extent that the persons cannot pay for the care or to pay deductible or coinsurance amounts required by a third-party payer based on the criteria in this policy. Persons who have exhausted any third-party coverage, including Medicare and Medicaid, and whose income is equal to or below 300% federal poverty standards, adjusted for family size, or is otherwise not sufficient to enable them to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, may be eligible for Financial Assistance under this policy.

Appropriate Hospital-Based Medical Services:

Those Lake Chelan Health hospital services that are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause suffering or pain, result in illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective, more conservative or substantially less costly course of treatment where appropriate, no treatment at all.

Appropriate Non-Hospital Based Medical Services:

Those services are rendered at the clinic offices by LCH Members which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the worsening of conditions that endanger life, cause

suffering or pain, result in illness or infirmity, threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no other equally effective, more conservative or substantially less costly course of treatment available or suitable for the person requesting the service. A course of treatment may include mere observation or, where appropriate, no treatment at all. For purposes of this Financial Assistance Policy, preventive care services may be considered "Appropriate Non-Hospital-Based Medical Services".

LCH Members:

For purposes of this policy, a physician or other qualified healthcare professional who has executed a practice agreement with LCH, or has otherwise reassigned their services to LCH under a contractual arrangement, and provides services at approved LCH sites of practice.

APPLICATION

When a patient wishes to apply for Financial Assistance, the patient shall complete a Confidential Financial Information (CFI) Form (Attachment B) and provide necessary and reasonable supplementary financial documentation to support the entries on the CFI. Lake Chelan Health will make an initial determination of a patient's Financial Assistance status at the time of admission or as soon as possible following the initiation of services to the patient. Financial Assistance application procedures shall not place an unreasonable burden upon the patient, taking into account any barriers that may hinder the patient's capability of complying with the application procedures. Screening for eligibility for Medicaid or other relevant public assistance benefits will be coordinated through the Patient Access Department, Discharge Planning/Outcome Management (if not nursing home placement), or through Patient Financial Services. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of Financial Assistance eligibility for all family household members 18 years or older:

1. "W-2" withholding statement; or
2. Current pay stubs (3 months); or
3. Last year's income tax return, including schedules, if applicable; or
4. Written, signed statements from employers or others (letter of support) stating your current financial situation and circumstances if you have no proof of income; or
5. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance; or
6. Forms approving or denying unemployment compensation; or written statements from employers or welfare agencies.

In addition, in the event the patient is not able to provide any of the documents described above, Lake Chelan Health shall rely upon written and signed statements from either the responsible party or another party describing the applicant's income. If none of the above is available, Lake Chelan Health may decide based on knowledge of a prior grant of financial assistance or based on verbal representation.

Annual family Income of the Applicant will be determined as of the time the appropriate medical services were provided, or at the time of application for Financial Assistance if the application is made within two years of the time the appropriate medical services were provided, the applicant has been

making good faith efforts towards payment for the services, and the applicant demonstrates eligibility for Financial Assistance.

Lake Chelan Health may waive income requirements, documentation, and verification if Financial Assistance eligibility is obvious. Lake Chelan Health staff discretion will be exercised in situations where factors such as from the responsible party for making a final determination of eligibility.

Lake Chelan Health shall make a final determination within 14 days of receipt of financial assistance applications and supporting documentation. Supporting documentation includes items listed on the Confidential Financial Information Form Instructions.

VI. PROCEDURE

1. Initial Determination

For the purpose of reaching an initial determination of eligibility, the District shall rely upon information provided orally or in written form for Financial Assistance as outlined in the Financial Assistance Application Form Instructions. The district may require the responsible party to sign a statement attesting to the accuracy of the information provided to the District for purposes of the initial determination of eligibility. Patients will be screened for other forms of coverage such as Medicaid and Health Benefits Exchange eligibility. Patients who do not have applicable Third-Party Coverage may be eligible for Medicaid and/or health care coverage through Washington's Health Benefit Exchange (RCW 43.71). Staff will provide assistance with Medicaid and Qualified Health Plan applications and including but not limited to providing the patient/family with information about the application process, assisting patients through the application process, providing necessary forms that must be completed, and/or connecting the patient/family with other agencies or resources who can assist the patient/family in completing such applications.

Lake Chelan Health will not initiate collection efforts until an initial determination of Financial Assistance eligibility status is made.
Where Lake Chelan Health initially determines that a patient may be eligible for Financial Assistance, any and all extraordinary collection actions (including civil actions, garnishments, and reports to collections or credit agencies) shall cease pending a final determination of Financial Assistance eligibility. However, as set forth in WAC 246-453-020 the failure of a patient or responsible party to reasonably complete Financial Assistance application procedures under this policy shall be sufficient grounds for Lake Chelan Health to initiate collection efforts directed at the patient. Accordingly, for purposes of this policy, a patient or responsible party has failed to reasonably complete financial assistance application procedures when the patient or responsible party does not submit application materials within 15 business days of the patient's or responsible party's receipt of the materials. Any collection efforts will be halted if the patient or responsible party reengages in the application process. This application, along with full disclosure of their financial status with supporting documentation, will be considered in the final determination of eligibility.

Lake Chelan Health excludes assets in the calculation of determining eligibility for financial assistance.

2. Third-Party Coverage

Financial Assistance is generally secondary to all other third-party coverage resources available to the patient.

This includes:

1. Group or individual medical plans.
2. Workers' compensation programs.
3. Medicare, Medicaid or other medical assistance programs.
4. Other state, federal or military programs.
5. Third-party liability situations. (e.g.: auto accidents or personal injuries).
6. Tribal health benefits.
7. Health care sharing ministry as defined in 26 U.S.C. Sec. 5000A.
8. Other situations in which another person or entity may have a legal responsibility to pay for the costs of medical services.

The medically indigent patient will be granted Financial Assistance regardless of race, color, sex, religion, age, national origin, or immigration status. In the event that the responsible party's identification as an indigent person is obvious to District personnel, the District is not obligated to establish the exact income level or request the documentation specified in the financial assistance application. Such individuals are determined to have presumptive eligibility (e.g., have qualified under the state Medicaid or Apple Health program).

In those situations where appropriate primary payment sources are not available, patients shall be considered for Financial Assistance under this District policy based on the following criteria consistent with requirements of WAC 246-453-040.

3. Income

By policy, persons whose income is equal to or below 300% of the federal poverty standard may be eligible to receive Financial Assistance. Lake Chelan Health will consider all sources of income in establishing income eligibility for Financial Assistance. Income includes total cash receipts before taxes derived from wages and salaries; welfare payments; Social Security payments; strike benefits; unemployment or disability benefits; child support; alimony; and net earnings from business and investment activities paid to the individual patient/guarantor. If gross family income is at or below 200% of the current federal poverty guidelines (consistent with WAC code 246-453-050) these patients shall receive a 100% adjustment on their patient balance.

A sliding fee scale shall be used to determine the amount that shall be discounted for patients with incomes greater than 200% and less than or equal to 300% of the current federal poverty level. All resources of the family as defined by WAC 246-453-050 are considered in determining the applicability of the sliding fee scale in Attachment A.

The sliding fee scale shall take into account the potential necessity for allowing the responsible party to

satisfy the maximum amount of charges for which the responsible party will be expected to provide payment over a reasonable period, without interest or late fees. In determining the maximum amount of charges, the District calculates this by using the Amounts Generally Billed (AGB) look-back methodology. For the current year, the District's AGB percentage is listed in Attachment A (enclosed). No individual qualifying under the Financial Assistance Policy shall be charged more than the AGB for emergency care or other medically necessary services. See 26 USC §501(r)(5)(A)

4. Catastrophic Financial Assistance

The District may offer Financial Assistance for patients with family income above 300% of the federal poverty level or at a higher percentage for those above 100% of the federal poverty guidelines when circumstances indicate severe financial hardship or personal loss. This will be done only upon recommendation by the business office manager with adequate justification and only upon approval by the Chief Financial Officer. These adjustments shall be included in the Chief Financial Officer's regular financial assistance report to the Board of Commissioners.

5. Notifications

Lake Chelan Health shall notify persons applying for Financial Assistance of its determination of eligibility for Financial Assistance within 14 days of a receiving person's completed application for Financial Assistance and supporting documentation. Approvals, Requests for More Information or Denials for Financial Assistance applications shall be in writing and shall include instructions for appeal or reconsideration. In the event that Lake Chelan Health denies Financial Assistance, Lake Chelan Health shall notify the person applying for Financial Assistance of the basis for the denial. If denied the patient/guarantor may provide additional documentation to Lake Chelan Health or request review by the Chief Financial Officer or their designee within 30 days of receipt of the notification of denial. If this review affirms the previous denial of Financial Assistance, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

6. Documentation of Records

All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the financial assistance application form and retained for seven years.

VII. REFERENCES

1. Washington Administrative Code, Chapter 246-453, "Hospital Financial Assistance" with specific reference to the following:
2. WAC 246-453-020 Uniform procedures for the identification of indigent persons
3. WAC 246-453-030 Data requirements for the identification of indigent persons
4. WAC 246-453-040 Uniform criteria for the identification of indigent persons
5. RCW 70.170.060 Financial Assistance — Prohibited and required hospital practices and policies
6. 26 USC §501(r)(5)(A) and (B)

7. Lake Chelan Health Billing & Collection Policy
8. Lake Chelan Health (Policy Stat ID 8989696 – "Duty to Provide Appropriate Medical Screen Examination)
9. Policy (CAH) - Emergency Medical Treatment and Active Labor Act (EMTALA)"

VIII. ATTACHMENTS

1. Attachment A: Federal Poverty Guidelines/Sliding Fee Scale
2. Attachment B: Financial Assistance Application / Confidential Financial Information (CFI) Form

**This policy may be revised at any time without prior notice. All revisions supersede prior policy and are effective immediately upon approval.*
**Any printed policy is not valid past the print date and should not be relied on for official purposes. Current versions of all policies can be found in PolicyStat.*

Attachments

2026 Sliding Scale - Charity Care Eligibility (4).xlsx

CHARITY CARE APPLICATION.pdf

Approval Signatures

Step Description	Approver	Date

CEO Board Report (as of 6/26/2026)

People:

- Dr. Bindu Nayak, Endocrinologist, will start seeing patients on 7/20.
- We will have a new provider coming to Primary Care this fall.
- LCH has 30 open positions across a wide range of disciplines across the district (including those in high demand areas we post for and leave open year-round). Go to www.lakechelanhealth.org and click our "career" tab on the top banner of our website to learn more.

Community:

- EMS will be supporting the Cycle Chelan event this weekend, the JR Rodeo on 7/11 & 7/1212, and the PRCA Lake Chelan Rodeo on July 17 & 18. EMS will also be monitoring paragliding events over the next two weeks.
- LCH will be participating in back-to-school fair on 8/16.
- We are targeting a Nick of Time like event for 8/21. Additionally, will be offering Safe Sitter and other classes at various times this summer (see the bottom of our main home page for class information).
- Community health workers are planning a Chronic Disease Self-Management class.
- Guild B is working on planning a major fundraising campaign to help LCH move to Epic/My Chart – more to come.
- Guild Y is working on fundraising for exercise equipment for our new EMS building.
- YTD, we have 35 OB deliveries, trending down quite a bit vs past years (only three transfers have occurred YTD due to OB Divert/OB staffing). Interestingly, 78% of our births have been boys.

Quality:

- Our overall Net Promotor Score has increased to 79! Range is -100 to 100 with the healthcare industry typically ranging from 30 to 58. Hospitals typically score in the high 50's.
- Tristin Brown (RN Charge Nurse), Yuritzi Padilla (Rehab Patient Access), and Curtis Foster (Facilities) were all nominated for Quality Star Awards.
- Our Primary Care clinic team held a two-day improvement event, which patients will notice immediately when establishing care with us. This was the first event of many in the coming months to improve our processes.
- Our Patient and Family Advisory Council has had a few applicants. We need to secure a few more applicants to be able to begin the interview process.

Financial:

- LCH is eligible for $658,207 in Rural Health Transformation Funds in '26. We will begin working on our application with WSHA, which will center on remodeling the downtown clinic, fixing the swing on several of our ED doors, converting conference room 1212 to clinical space (stress echo), converting LDRP rooms to step down rooms, remodeling the doors into Materials area, adding capacity to our med water system in the OR, and a few other potential projects.
- Financial reports were not available at the time of writing this report. However, preliminary numbers show that we likely had a tough May, driven by untimely billing accounts being written off, high levels of bad debt, and charity care.
- We are settling several past open cost reports, along with our '25 report, which will lead to substantial receivables shortly.
- The Revenue Cycle Team continues to make progress toward improving our billing process.
- We working with the USDA to secure approval for additional capital to be applied towards our downtown clinic and bringing it up to the same physical standards of the new specialty clinic.

Building for the Future:

- We are working towards securing a potential part time Rheumatologist and additional cardiology services. We are also working towards offering PET Scans.
- Dr. Anne Sobba Higley is expanding her practice by an additional 5 days per month. She is also beginning to treat patients in the OR.

- The EMS building project remains on time and on budget, with an expected completion in September.

Lake Chelan Health Board of Commissioners - Desired Skills

Have you considered serving our Chelan County Public Hospital District No. 2 as a Commissioner? If so, we welcome your interest, provide to you the following information, and encourage you to consider how you would serve as an effective member of the Board of Commissioners. A willingness to learn how to be an effective Commissioner is expected. A high functioning Board is essential for a successful Hospital District.

What are the basic legal requirements to serve as an elected or appointed Commissioner? You must be a United States citizen, a registered voter, and a resident of Chelan County Public Hospital District No. 2.

What is the primary responsibility of a Commissioner?

Commissioners are responsible for over-seeing the Hospital District's policies and organization with respect to the operation of the District, including the delivery of quality patient care. In fulfilling its obligation, the Board's role is to adopt the necessary general policies to achieve those ends and to delegate the day-to-day operational responsibility with respect to those policies to the Chief Executive Officer. The Chief Executive Officer is the only position that the Commission manages and evaluates. Commissioners accomplish their purpose by majority vote. An individual Commissioner is one-fifth of this body that has been given this responsibility.

What is the time commitment of a Commissioner? Board Members typically give 20 to 30 hours of service per month, including but not limited to: regular Board and Committee meetings, meeting preparation, mandatory training and attending other meetings as an authorized Board representative.

What are the expectations of a Lake Chelan Health Commissioner?

1. Exhibit interest in the welfare of the community and how the hospital fits into the community. Reach out to community members and learn what is important to them. Represent all community members' interests. Not serve as the advocate of narrow interests or interest groups;
2. Comply with Washington State laws, federal laws and local laws regarding health care and hospital governance. You must be aware of and prevent potential legal liabilities associated with serving as a Commissioner (including Fiduciary Duty, Washington Open Public Meetings Act (OPMA) and Records Retention Act (PRA), and federal Health Information Portability and Accountability Act (HIPAA));
3. Act to advance Lake Chelan Health's mission, vision and key goals;
4. Exhibit a high level of personal and professional integrity;
5. Meet the time requirements associated with board membership;
6. Exhibit proficiency in basic use of computer (Email, Word, Teams, etc.) and other electronic communication devices.
7. Prepare for meetings and learn about issues that impact the Hospital District; Exhibit ability to discuss issues and listen to board members with other positions. Be accurate to make your case.
8. Follow Roberts Rules of Order;
9. Support board policies and decisions once they are formulated, even after voting against them;
10. Declare conflicts of interest that could affect your ability to decide/act in the best interest of the district; Members are not permitted to vote on or influence decisions where they have a personal or financial interest.

11. Follow District policies and procedures, including confidentiality policies; Board members are prohibited from sharing confidential patient information or sensitive board materials discussed in executive session.
12. Attend and actively participate in board education/development activities;
13. Demonstrate understanding of the difference between governance and management or business operations;
14. Exhibit ability to interpret financial statements and business cases. Analyze and apply health data;
15. Analyze complex concepts, develop creative solutions, and evaluate policy decisions to enable the organization to achieve long-term objectives;
16. Demonstrate high value for diversity and cultural dexterity, and a strong commitment to creating an inclusive environment within the organization;
17. Foster healthy Board culture of active and respectful participation in discussions and deliberations to assist to move issues to a decision;
18. Be willing to serve on Board committees, and in a leadership role as board officer and/or committee chair;
19. Regularly evaluate and improve performance as a Board member and Board as a whole;
20. Hold self and other Board members accountable for agreed upon behaviors and compliance with laws and District policies;

*For a complete list on Public Hospital Districts see Revised Code of Washington (RCW) Chapter 70.44.

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2
Lake Chelan Health
Chelan County, WA

RESOLUTION No. 2026-13
Disposal of Mobile Structure

A RESOLUTION of the Board of Commissioners of Public Hospital District No. 2, Chelan County, Washington (the 'District'), to authorize the disposal of hospital surplus items; and

WHEREAS, Lake Chelan Health (LCH) a public hospital in the State of Washington, is committed to the responsible management and disposal of assets; and

WHEREAS, the Hospital has identified the following items as surplus to departmental needs:

- 2 story mobile structure purchased in 2013

WHEREAS, an assessment has determined that this equipment is no longer needed for hospital purposes and should be disposed of in accordance with applicable laws and hospital policies;

BE IT RESOLVED, that the Board of Commissioners of Chelan County Public Hospital District No. 2 hereby adopts the following:

1. The items described above are declared surplus and are authorized for disposal.

2. The approved method of disposal is to sell the equipment, in accordance with hospital policy and applicable regulations.

The Controller is authorized to oversee and document the disposal process in compliance with all applicable state and local regulations.

A record of the disposal, including method and justification, shall be maintained for auditing purposes.

ADOPTED AND APPROVED, by the Board of Commissioners, Chelan County Public Hospital District No. 2, at an open public meeting thereof this 23rd day of June 2026 with the following Commissioners being present and voting in favor of the resolution.

CHAIRPERSON OF THE BOARD	SECRETARY
VICE CHAIRPERSON	MEMBER
MEMBER	CEO

CC: Controller, Materials