



LAKE CHELAN HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

8/25/2026



Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
August 25, 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

<i>Time</i>	<i>Agenda Item</i>	<i>Facilitator</i>	<i>Topic/Action</i>
1:30	Call to Order/ Changes to Agenda	L. Withrow	
1:31	Public Comment		
1:35	Chair Report	L. Withrow	
1:40	Consent Agenda	Commission	A. Regular Board Meeting Minutes 7/28/2026(FM) B. Bad Debt & Charity Care (FM) C. Warrants & Vouchers (FM) D. Finance Committee Minutes 8/20/2026 (FA) E. July Unaudited Finance Report (FA)
1:45	Quarterly Reports	Resident: Elsie Piper	A. Resident Quality Improvement Report (FI)
2:15	Executive Session		A. RCW 42.30.110(1)(o) to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205
2:45	Reports	J. Barich, S.Freed S. Ottley/J.Cussins A. Edwards R. Montgomery Commissioners	A. Med Staff Report & Credentialing (FI) B. Financial i. July Financial Summary (FI) ii. Revenue Cycle (FI) C. CEO Report (FI) D. OB Report YTD (FD) E. Community Connections (FD)
4:00	Old Business	Executive Team A. Edwards Commissioners M. Miller/S. Ottley A.Edwards/S.Ottley	A. Strat Planning Update and Feeback (FD) B. RHTP Update (FI) C. Philanthropy (FI) D. EPIC/ERP (FI) E. EMS Build Update (FD)
4:30	New Business	S. Ottley/M.Miller	A. Downtown Clinic Plans/Mobile Clinic Plans (FI)
5:15	Public Comment		
5:20	Executive Session		A. RCW 42.30.110(1)(g) to evaluate the performance of a public employee.
6:00	Roundtable/Action Items	Commission	
6:10	Adjournment	L. Withrow	

Board Calendar Reminders:

9/10/2026	Quality Committee	Bragg Room/ TEAMS	1 –2:30pm
TBA	Credentialing Committee	TBA	11:30 am
9/24/2026	Finance Committee	Bragg Room/ TEAMS	10 am
9/29/2026	Board Education	Bragg Room/TEAMS	12:15 pm
9/29/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

10/8/2026	Medical Staff Meeting	Bragg Room/TEAMS	7-8:30 am
TBA	Credentialing Committee	TBA	TBA
10/16/26	Special Board Meeting- Budget Workshop	Bragg Room	9am –12 pm
10/22/2026	Finance Committee	Bragg Room/ TEAMS	10 am
10/27/2026	Board Education	Bragg Room/TEAMS	12:15 pm
10/27/2026	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

TBA	Credentialing Committee	TBA	TBA
11/22/2026	Finance Committee	Bragg Room/ TEAMS	10 am
11/27/2026	Board Education	Bragg Room/TEAMS	12:15 pm
11/27/2026	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 July 28, 2026 at 1:30 pm

Commission Attendance:

(☐ not present ☒ present)

☒ Jordana LaPorte ☒ Lori Withrow, Chair	☒ Mary Murphy, Secretary ☒ Doug Gibson, Vice Chair	☒ Len England
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Staff Participants: A. Edwards, J. Barich, B. Fields, A. Benegas, Jim Cussins, Dr. Rothmeyer, Dr. Freed, M. Miller, R. Montgomery, L. Sahlinger, A. Benegas, T. Lautiki, S. Ottley
Community Members: Manuel Navarro

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. - Chair Report: L. Withrow chair recognized EMS for achieving its 15th year of Lighthouse Recognition. Noted that July was a busy month and expressed appreciation to staff and administration for their efforts, dedication, and support during this month's fire incident.
Public Comment	No Public Comment
Consent Agenda	Consent Agenda <i>Edits to the June 23rd meeting minutes first Exec Session adjust ending time to 2:01pm</i> <i>L. England motioned to approve the Consent Agenda with edits, seconded, and motion approved.</i>
Chief of Staff Report	Chief of Staff Report: Dr. Rothmeyer reported continued progress in defining staff duties and responsibilities and remains on track to finalize the updated Medical Staff bylaws by year-end. Noted a strong group of ER providers currently on staff and positive growth within the nursing team. Implementation of the neurology consult service has begun. Dr. Rothmeyer noted challenges and concerns related to transitioning OB triage responsibilities to the ED when an OB nurse is unavailable. The need for specialized OB skills and experience among available staff remains a significant concern, creating ongoing training, competency, and staffing challenges that need to be addressed to ensure safe patient care.
Executive Session	L. Withrow, Chair announced an Executive Session at 1:40 pm for 15 minutes, scheduled to end at 1:55 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. L. Withrow extended the Executive Session 5 minutes L. Withrow announced Executive Session ended at 2 pm. The Board returned to the open meeting. - Action Following Executive Session: <i>D. Gibson , after reviewing the medical recommendations from the</i>

	<i>Medical Executive Committee (MEC), motioned to approve the Initial appointment of Natalie Bonthius, MD (Emergency Medicine), Brett Teodoro, CRNA (Anesthesia), Hope Opara, MD (Tele-neurology), reappointment of rent Lyman, PA-C (Physician Assistant), Michelle Pappy, MD (Family Medicine), Harsh Patel, MD (Tele-neurology), Tarvinder Singh, MD (Tele-neurology), Binod Wagle, MD (Tele-neurology), Arlene Sussman, MD (Tele-radiology), Blake Poleynard, MD (Tele-radiology), Cathleen Ivy, MD (Tele-radiology), Alison Haimes, MD (Tele-radiology), Benjamin Strong, MD (Tele-radiology), Cynthia Tortorelli, MD (Tele-radiology), Deborah Conway, MD (Teleradiology), Dennis DeJesus, MD (Tele-radiology), Joshua Morais, MD (Tele-radiology), Kay Lozano, MD (Tele-radiology), Mary Alfidi, MD (Tele-radiology), Megan Hellfield, MD (Tele-radiology), Nicholas Dickson, DO (Tele-radiology), Tariq Rashid, MD (Tele-radiology), William Whetsell, MD (Tele-radiology), and</i> ▪ <i>Liam O'Sullivan, MD (Emergency Medicine), Carson Van Sanford (Tele-neurology) chose not to renew their privileges, seconded, motion approved.</i> • <i>D. Gibson motioned to accept the delineation of privileges for Rheumatology, seconded, motion approved.</i>
Reports	• Medical Staff Report: Dr. Freed reported continued improvement in the MSU, with a steadily increasing case mix index, enhanced diagnostic and cardiology services, and rising specialty clinic volumes. He noted positive progress in the general surgery program with 24/7 coverage. Ongoing challenges with OB diversion were discussed, including labor and delivery admissions during diversion status, highlighting the need for a defined ED process and concerns regarding insurance coverage when care is provided while on diversion. • Finance: - o J. Cussins reviewed the CFO financial summary for June - o J. Cussins reported on the Revenue Cycle for May. - o ERP selection has begun with demos being scheduled over the next 2 weeks. - o <i>J. LaPorte motioned for Aaron Edwards to sign the letter of participation for the Health Trust GPO, seconded, motion approved</i> • CEO Report: A. Edwards provided updates on several strategic initiatives, including a UW Residency funding application submitted by Dr. Harberd for \$250,000 to be shared between LCH and CVCH. He also discussed potential technology funding opportunities that could help support ERP implementation efforts. Additionally, recruitment is underway for a service development position focused on grants and philanthropy, and a grant was awarded to fund an additional Community Health Worker. A. Edwards also noted LCH's participation in the state SNAP funding program, with funds expected to be distributed back to participating hospitals at the end of the year. - o M. Marcus reported that a finalized Epic quote is expected soon, with implementation now targeted for December. • Grand Opening EMS: • Initial internal EMS Building planning meetings have been completed, with follow-up discussions held with Board members and final event planning underway. Discussions also included naming the building and establishing a dedicated address

	for the facility. • OB Task Force: Met with the CVCH CEO and two Board members to discuss obstetrics-related challenges facing both organizations. The group agreed to continue discussions and engage regional partners for guidance on potential solutions. • Medical Malpractice: Discussed rising malpractice claim costs, particularly related to surgical and obstetric services. Concerns were raised regarding increasing OB settlements and the resulting impact on insurance premiums, which could potentially double current costs. Increases in D&O and EPL insurance rates were also noted following the transition to a single carrier providing coverage in the state. • Community Connection Opportunities: L. Withrow and S. Ottley attended a city planning meeting where a proposed change to designate the former hospital as a long-term care facility was presented. No objections were raised during the meeting.
Old Business	• Strat Planning: A. Edwards has requested IT leadership to facilitate an IT strategic planning session. • Philanthropy: L. Withrow and M. Murphy met with both Guilds over the past several weeks to better understand their organizations and provide education and support regarding the hospital, EMS, and other local healthcare organizations. Guild Y is raising funds for EMS gym equipment, while Guild B is launching a fundraising campaign to support the Epic implementation.
New Business	• Board Education: Board members participated in a roundtable discussion and shared key insights and lessons learned from the WSHA Conference held in June. • Resolutions: <i>D. Gibson motioned to approve Resolution 2026-14 and Resolution 2026-15, seconded, motion approved.</i> - o <i>Resolution 2026-16 was not approved at this time.</i>
Public	• No Public Comment
Executive Session	• L. Withrow announced an Executive Session at 5:45 PM for 40 minutes to end at 6:25 PM 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 20 minutes - o L. Withrow extended the Executive Session 20 minutes - o L. Withrow extended the Executive Session 20 minutes - o L. Withrow extended the Executive Session 5 minutes - o Executive Session ended at 7:30 pm and the Board resumed in open meeting.
Action Items	• A. Edwards to connect with city council in regard to LCH presence in the valley • Board to review proposed strategic goals and provide feedback by Friday Aug 7th • L. Withrow and D. Gibson to attend the foundation meeting Aug 6 @ 5pm • S. Ottley to Identify 4 attendees to the Guild B event October 5th by the end of the week. • Executive Assistant to coordinate the web posting of the Board Bio sketches
Adjournment	• Roundtable discussion • L. Withrow adjourned the meeting at 7:33 pm

Attest:

Mary Murphy, Secretary

Aaron Edwards, CEO

DATE July 2026

TOTAL BAD DEBTS - HOSPITAL \$269,753.76
TOTAL MEDICARE BAD DEBTS \$7,445.15
TOTAL BANKRUPTCY \$0
TOTAL CHARITY CARE – HOSPITAL \$259,769.09
TOTAL MEDICARE CHARITY CARE - \$0

TOTAL ATTESTATION \$536,968.00

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:_____

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BOARD APPROVAL

DATE:_____

CHAIR_____

VICE CHAIR_____

SECRETARY_____

MEMBER_____

MEMBER_____

ATTEST. ADMINISTRATOR_____

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - AUGUST 2026	WARRANT#'S PAYROLL	AMOUNT	pay period
ACH	\$ 269,259.76			DIRECT DEPOSIT - Dr. Toomey Payroll	\$ 1,761.71	6/27/2026
244037-244113	\$ 349,089.16			DIRECT DEPOSIT	\$ 733,099.77	7/11/2026
ACH	\$ 424,006.35			CHILD SUPPORT	\$ 760.61	7/11/2026
244114-244188	\$ 515,182.35			PAYROLL TAXES	\$ 290,838.75	7/11/2026
ACH	\$ 489,303.67			PAYROLL TAXES - IDAHO & MONTANA	\$ 404.00	7/11/2026
244189-244248	\$ 458,531.71			DIRECT DEPOSIT	\$ 722,573.05	7/25/2026
ACH	\$ 216,245.12			CHILD SUPPORT	\$ 760.61	7/25/2026
244249-244303	\$ 260,242.22			PAYROLL TAXES	\$ 277,475.82	7/25/2026
DOR (June)	\$ 22,748.55			PAROLL TAXES - IDAHO & MONTANA	\$ 394.00	7/25/2026
				PAID FAMILY LEAVE & LTC	\$ 14,752.42	7/25/2026
	\$ 3,004,608.89				\$ 2,042,820.74	



Finance Committee Meeting Minutes

Group: Finance Committee August 20, 2026		
Facilitator: Jordana LaPorte		Recorder:
Member Attendance:		
☒ Jordana LaPorte, BOC ☒ Doug Gibson, BOC (virtual)	☒ Shawn Ottley, COO/CFO ☒ Jim Cussins, Interim CFO	☐ Aaron Edwards, CEO (virtual) ☐ Rhianna Montgomery, CNO
Participants:		
Guests:		

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

Agenda Item	Topic/Action
Call to Order	J. LaPorte called the meeting to order at 10 a.m.
New Business	J. Cussins reviewed highlights from the Revenue Cycle report. S. Ottley presented an update on the Guild B, Y, and Lake Chelan Foundation.
Old Business	S. Ottley provided the committee with an update on the ERP vendor selection process.
Reports	Jim Cussins presented July 2026 Financial Statement (unaudited) (FA) New format was presented and accept as the new financial statement format going forward
Action Items	
Adjournment	Meeting adjourned at 11:55 p.m.

Background

Most rural hospitals no longer deliver babies¹

- 52% of rural hospitals do not offer obstetric services

Hospitals without OB services have increased maternal morbidity and mortality^{1,2}

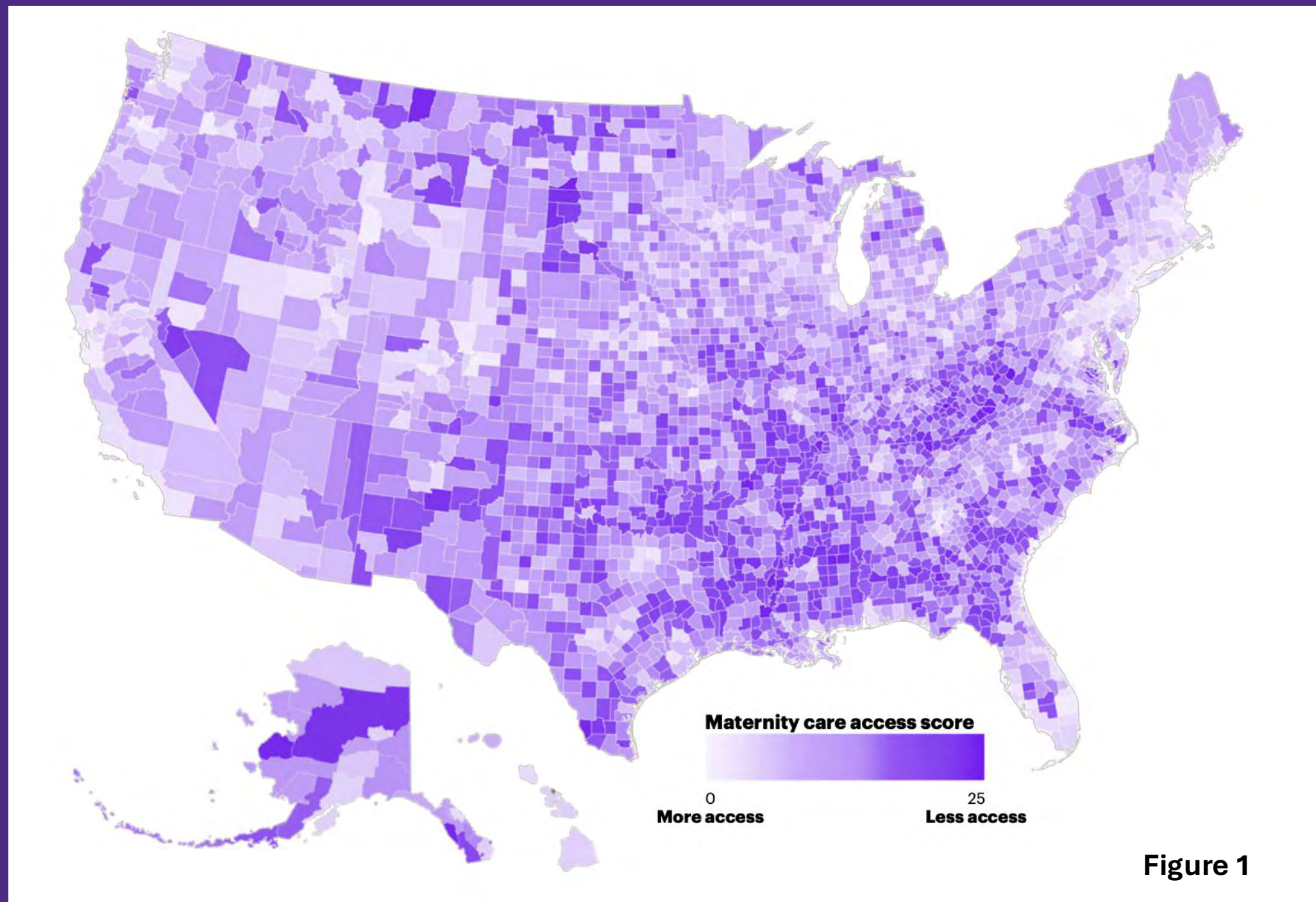
Poor neonatal outcomes^{3,4}

- Babies more likely to experience birth asphyxia, respiratory distress & death related to lack of equipment and training

Increased rates of out-of-hospital births and emergency deliveries^{4,5}

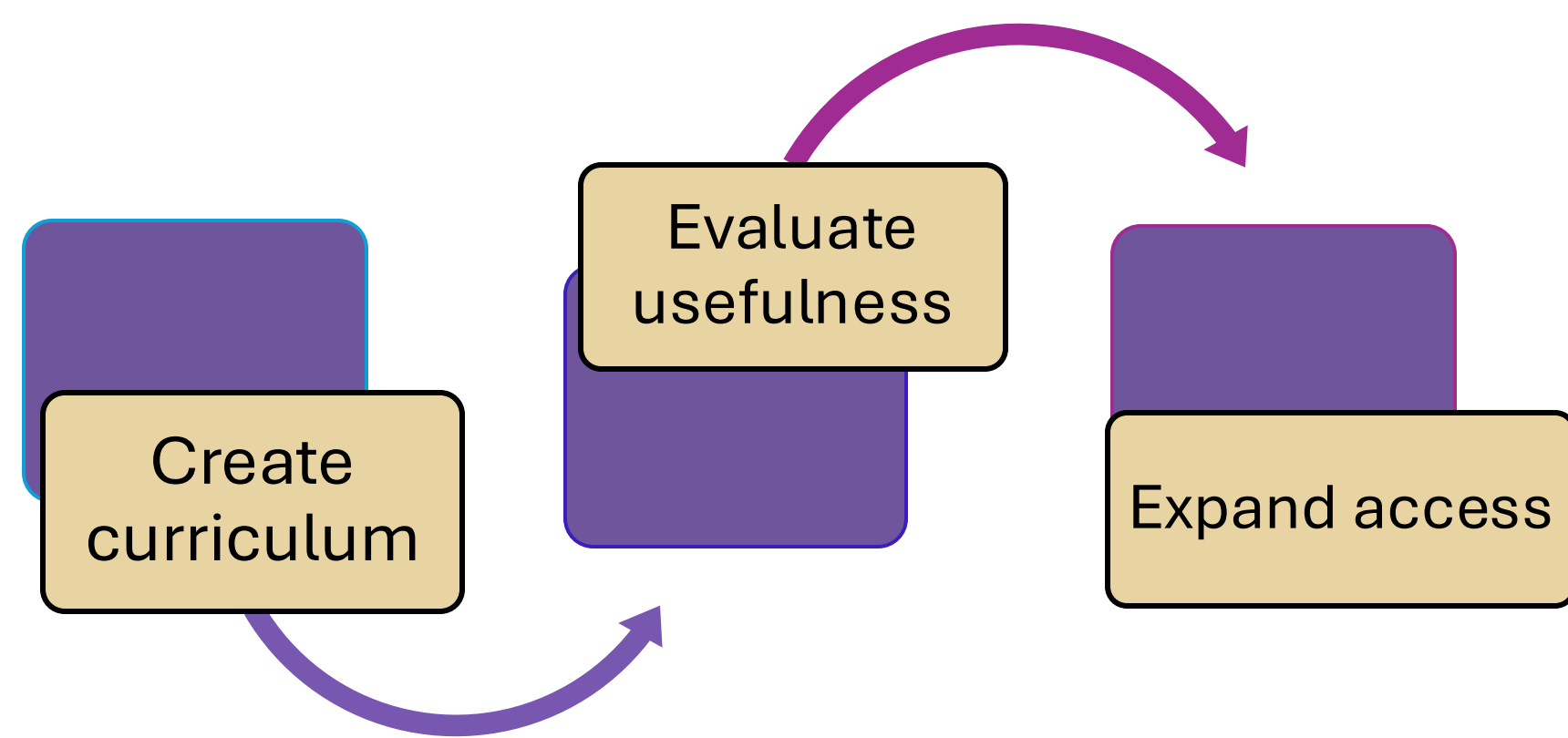
- Out of hospital births increase by up to 45%
- Rural EDs without OB report continued deliveries in their facilities

Gaps in training delays management^{1,2}



Goals

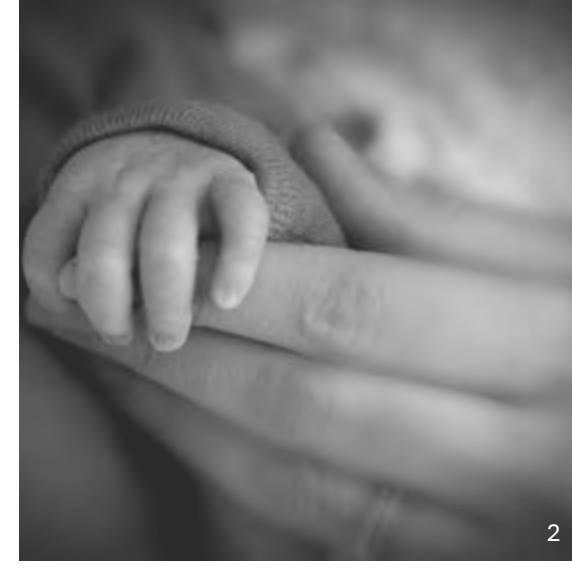
This project aims to pilot and evaluate a spaced-repetition, low-fidelity simulation curriculum for managing obstetric emergencies in hospitals within maternity care deserts, enhancing staff preparedness for these scenarios.



Will hospital teams who are utilizing the rural obstetric emergency curriculum report increased comfort in managing obstetric emergencies?



Will using the curriculum help identify gaps in the facility's ability to provide life-saving obstetric emergency care?



Aims & Methods

Study design: mixed-methods pre-post implementation evaluation study

1. Needs Assessment

- Surveys and stakeholder feedback will identify knowledge gaps and critical learning needs.

2. Curriculum Development & Implementation

- A spaced-repetition, low-fidelity simulation curriculum for obstetric emergencies will be developed with input from FM, OB, and EM colleagues, then piloted at five hospitals in maternity care deserts.

3. Evaluation:

- Using a longitudinal pre/post design via REDCap, surveys will measure provider comfort and self-reported ability to manage obstetric emergencies. Quantitative analysis will use paired-sample t-tests; qualitative feedback will identify strengths, gaps, and equipment/learning needs.

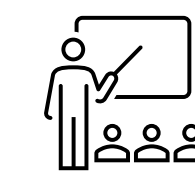
Primary Outcome Measures:

- o Confidence and self-reported ability of providers practicing at hospitals located within maternity care deserts to safely manage obstetric emergencies

Secondary Outcome Measures:

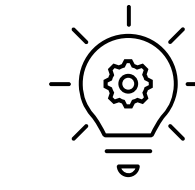
- o Feedback on usefulness as a tool to identify gaps in knowledge or materials needed to safely care for OB patients and neonates
- o Feedback on feasibility and acceptability to inform scalability/expansion
- o Evaluation feedback to inform iterative refinements to curriculum

Components of the Curriculum



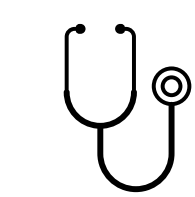
Teaching & Retention

- **Spaced repetition:** Deliver scenarios at regular intervals to maximize retention; build complexity and integrate lessons learned.
- **Whole-team participation:** Offer the curriculum to hospitals, involving the entire emergency response team rather than individual providers.
- **Hands on** with specialized OB equipment: Practice with tools such as vacuum suction devices; provide a recommended equipment and medication list.



Adaptation & Readiness

- **Workarounds for resource limits:** Discuss solutions when specialized equipment is unavailable (e.g., Doppler for intermittent auscultation; surgical packing instead of balloon tamponade).
- **Gap identification:** Encourage teams to note scenarios they cannot manage and make plans for improved readiness.



Clinical Focus

- **Dual emergencies:** Cover maternal and neonatal crises and strategies for managing both simultaneously.
- **Quick access guidance:** Reinforce best practices; provide emergency protocols and algorithms for rapid reference.
- **Postpartum planning:** Identify community resources to support mother-newborn dyads after discharge.

Potential Challenges & Solutions

Challenge:

Getting buy-in from individual participants

Curriculum adopted by hospital not individual providers

Demonstrate efficacy during pilot period

Challenge:

Different members present for different training activities

Hospitals require participation for continued credentialing

Build in redundancy with spaced repetition

Next Steps

- Establish connections with participating hospitals

Fall 2025

- Complete needs assessment

Winter 2026

- Curriculum development

- Survey development

Spring/Summer 2026

- Roll out curriculum and pre-survey

- Revise based on early feedback

Summer/Fall 2026

- Send out post-survey

- Evaluate data

Winter 2027

- Publish results

- Identify other hospitals willing to participate

- Further expand project

Spring 2027

Clinical Impact

This curriculum aims to address a critical public health gap by improving emergency obstetric preparedness, team coordination, and adherence to best practices—supporting safer maternal and neonatal outcomes in rural hospitals within maternity care deserts.

Future Work

- o **Explore patient outcomes** related to timely intervention (e.g., improvements in emergency management and preparedness).
- o **Leverage momentum** in participating communities to enhance pre- and post-natal care outcomes.
- o **Expand curriculum reach** to include pre-hospital providers such as EMS and first responders.

Contact:

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2.Department of Laboratory Medicine and Pathology, University of Washington, Seattle, WA

3.Department of Rehabilitation Medicine, University of Washington, Seattle, WA

* PI and Research Track Director

^ Research Track Program Manager

Acknowledgments:

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Photos:

Photo 1: Jessica Hearn / Unsplash

Photo 2: David Trinkins / Unsplash

Photo 3: Saul Siguenza / Pexels

Photo 4: Pavel Danilyuk / Pexels

References:

1. March of Dimes. (2024). *Nowhere to go: Maternity care deserts across the U.S.* Retrieved from https://www.marchofdimes.org/sites/default/files/2024-09/2024_MoD_MCD_Report.pdf March of Dimes+1
2. Kozhimannil, K. B., Vilda, D., Blewett, L. A., & Moscovice, I. (2024). Obstetric care access at rural and urban hospitals in the United States. *JAMA*, 331(7), 590-600. <https://doi.org/10.1001/jama.2024.????> JAMA Network+2JAMA Network+2
3. Fischer, S. J., Royer, H., & White, C. D. (2022, June). The health impacts of obstetric unit closures in the U.S. (NBER Working Paper No. 30141). National Bureau of Economic Research. <https://doi.org/10.3386/w30141> nber.org
4. Hung, P., Kozhimannil, K. B., Kuehn, B. M., & Moscovice, I. (2018). Changes in hospital-based obstetric services in rural U.S. counties, 2004-2014. *JAMA*, 319(13), 1385-1387. <https://doi.org/10.1001/jama.2018.2025> JAMA Network+1
5. American Hospital Association. (2024, September 13). Report: Maternal care access worsening nationwide due to hospital closures, decreases in obstetric services. Retrieved from <https://www.aha.org/news/headline/2024-09-13-report-maternal-care-access-worsening-nationwide-due-hospital-closures-decreases-obstetric-services> American Hospital Association

Figure 1. Stoneburner A, Lucas R, Fontenot J, Brigania C, Jones E, DeMaria AL. Nowhere to Go: Maternity Care Deserts Across the US. (Report No 4). March of Dimes. 2024. <https://www.marchofdimes.org/maternity-care-deserts-report> March of Dimes



LAKE CHELAN HEALTH

Unaudited Financial Statements

for

For the Month ended July 2026

Year -To-Date

Year -To-Date

Year -To-Date

Net Margin

Statement of Revenue and Expense

Lake Chelan Health

For the Month ended July 2026

Current Month

Year -To-Date

	Actual	Budget	Var	Actual	Budget	Var	Prior Year
Key Indicators							
Deduction %	40.7%	44.5%	3.8%	45.6%	44.5%	-1.1%	42.9%
Net Reimbursement %	59.3%	55.5%	3.8%	54.4%	55.5%	-1.1%	57.1%
Charity %	2.7%	0.0%	-2.7%	1.9%	0.0%	-1.9%	1.4%
Bad Debt %	-0.3%	0.0%	0.3%	2.4%	0.0%	-2.4%	4.3%
SWB % of NPR	50.9%	49.3%	-1.6%	61.7%	59.3%	-2.3%	62.2%
Benefits as a % of Wages	20.7%	21.3%	0.7%	22.1%	21.3%	-0.7%	21.2%
Supplies % of NPR	9.3%	8.4%	-0.9%	8.9%	8.6%	-0.2%	6.7%
EBIDTA Margin	10.2%	19.1%	-8.9%	2.4%	3.4%	-1.0%	1.6%
Operating Margin	3.3%	11.1%	-7.8%	-6.5%	-6.4%	-0.1%	-8.4%
Net Margin	8.9%	14.9%	-6.0%	0.9%	-1.4%	2.3%	3.4%
Other Key Indicators	Actual	Target	Prior Month	Prior Year End			
Days Cash on Hand	51	120	60	71			
Net AR days	72	50	67	72			
Debt Service Coverage Ratio	2.28	1.25	1.74	1.50			
Ave age of plant	4.94	8-12 years	4.77	4.65			
FTE's	275		271	234			

Cash flow
Lake Chelan Health
For the Month ended July 2026

	Month	Year to date
Cash at beginning of Period	\$ 8,309,229	\$ 8,581,753
Cash		
Disbursements	\$ (3,615,166)	\$ (21,965,637)
Cash Receipts	\$ 4,519,922	\$ 36,515,088
Journal Entries	\$ (749,608)	\$ (7,148,290)
Payroll	\$ (1,457,194)	\$ (8,975,733)
Change in cash	\$ (1,302,047)	\$ (1,574,571)
Cash at end of Period	\$ 7,007,182	\$ 7,007,182

Balance Sheet

Lake Chelan Health

Assets		Current Month		Prior Month	Liabilities		Current Month		Prior Month		
Current assets		6/30/2026					6/30/2026				
CASH		\$	345,791	\$	1,678,254	ACCOUNTS PAYABLE	\$	860,699	\$	743,363	
PATIENT RECEIVABLES	\$ 20,642,626			\$	19,636,529	ACCRUED PAYROLL	\$	307,008	\$	(59,269)	
LESS: RESERVES FOR ALLOWANCES	\$ (10,514,932)			\$	(10,450,068)	ACCRUED VACATION/HOLIDAY/SICK PAY	\$	1,870,773	\$	1,866,758	
Net Patient Account Receivables		\$	10,127,694	\$	9,186,460						
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS		\$	1,087,105	\$	1,011,105	ACCRUED PAYROLL TAXES	\$	197,352	\$	73,203	
OTHER RECEIVABLES		\$	554,732	\$	(3,266,656)	OTHER CURRENT LIABILITIES	\$	848,842	\$	1,339,341	
INVENTORIES		\$	409,921	\$	393,817	INTEREST PAYABLE	\$	177,119	\$	88,099	
PREPAID EXPENSES		\$	426,275	\$	371,000	CURRENT PORTION OF LTD	\$	1,201,603	\$	1,201,603	
TOTAL CURRENT ASSETS		\$	12,951,518	\$	9,373,980	TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	\$	5,463,396	\$	5,253,098
					2018 Bonds		\$	17,950,342	\$	17,951,552	
					2013 Bonds		\$	3,896,600	\$	3,896,171	
General Reserves	\$ 1,124,210			\$	1,113,299	USDA Loan	\$	17,852,936	\$	17,889,253	
2018 Bond	\$ 791,336			\$	783,831	Leases/PUD payable	\$	2,246,120	\$	2,595,169	
USDA Restricted	\$ 547,200			\$	547,200	Paid Leave	\$	138,000	\$	138,000	
Costal	\$ 50,017			\$	50,017	2025 Bonds	\$	1,392,555	\$	1,392,555	
Internally restricred reserves	\$ 4,148,628			\$	4,136,628	2026 Bonds	\$	2,600,000	\$	2,600,000	
TOTAL LIMITED USE ASSETS		\$	6,661,391	\$	6,630,975.02	TOTAL LONG TERM LIABILITIES		\$	46,076,554	\$	46,462,700
LAND	\$ 4,133,845			\$	4,133,845						
Clinics	\$ 5,570,274			\$	5,570,759						
EQUIPMENT	\$ 9,921,754			\$	9,664,124						
SOFTWARE	\$ 2,263,022			\$	2,245,630						
NEW HOSPITAL	\$ 44,757,019			\$	44,757,019						
LOCUM HOUSING	\$ 691,665			\$	691,665						
GASB 87 BUILDINGS AND EQUIPMENT	\$ 3,652,761			\$	4,561,351						
CONSTRUCTION-IN-PROGRESS - PROJECTS	\$ 9,278,945			\$	9,009,496						
CONSTRUCTION-IN-PROGRESS - HOSPITAL	\$ 127,961			\$	113,942						
LESS: ACCUMULATED DEPRECIATION	\$ (19,262,416)			\$	(18,922,484)						
LESS: GASB 87 AMORTIZATION	\$ (1,429,416)			\$	(1,908,491)						
NET PROPERTY, PLANT, & EQUIPMENT		\$	59,705,415	\$	59,916,856.65						
DEFERRED ITEMS		\$	2,447,223	\$	2,448,829	DEFERRED ITEMS		\$	12,518,439	\$	9,449,664
						UNRESTRICTED FUND BALANCE		\$	17,419,908	\$	17,419,627
						YTD Net Revenue/(Expenses)		\$	287,251	\$	(214,449)
TOTAL ASSETS		\$	81,765,547	\$	78,370,640.04	TOTAL LIABILITIES AND NET ASSETS		\$	81,765,547	\$	78,370,640

Patient Statistics

Lake Chelan Health

For the Month ended July 2026

Current Month								
Actual	Budget	Variance	Prior Year		Actual	Budget	Variance	Prior Year
Admissions								
28		#DIV/0!	19	medical	173		#DIV/0!	136
0			0	surgical	1			0
8		#DIV/0!	7	OB	48			49
36	0	#DIV/0!	26	Acute	222	0	#DIV/0!	185
4		#DIV/0!	6	Swing Bed	25		#DIV/0!	39
8		#DIV/0!	14	Total Deliveries	47		#DIV/0!	47
Patient Days								
67	84 	(20%)	74	medical	578	418 	38%	397
0	0		0	surgical	2	0		0
15	15 	0%	23	OB	81	77 	5%	91
82	99 	(17%)	97	Acute	661	495 	34%	488
29	70 	(59%)	42	Swing Bed	193	70 	176%	362
11	11 	0%	18	Total Newborn Days	60	53 	13%	65
122	180 	(32%)	157	TOTAL PATIENT DAYS	914	618 	48%	915
Average Length of Stay								
2.3	#DIV/0!	#DIV/0!	3.7	Total Inpatient	3.0	#DIV/0!	#DIV/0!	2.6
7.3	#DIV/0!	#DIV/0!	7.0	Swing Bed	7.7	#DIV/0!	#DIV/0!	9.3
Avg Daily Census - Hospital								
2.6	3.2 	(17%)	3.1	Total Inpatient	3.1	2.3 	34%	2.3
0.9	2.3 	(59%)	1.4	Swing Bed	0.9	0.3 	176%	1.7
3.6	5.5 	(34%)	4.5	Total	4.0	2.7 	51%	3.9
768	606 	27%	706	ED Visits	3963	3025 	31%	3691
90	140 	(36%)	52	Surgeries	484	701 	(31%)	378
1708	1449 	18%	1533	Imaging Procedures	10076	7236 	39%	8840
5831	4539 	28%	4909	Lab Tests	33574	22663 	48%	27673
946	844 	12%	912	Rehab Visits	6480	4212 	54%	5236
178	149 	19%	209	EMS Runs	920	745 	23%	909
1544	1467 	5%	1060	Total Clinic Visits	7121	6939 	3%	6022
627	631 	(1%)	189	SPECIALTY	2919	2914 	0%	812
96	35 	174%	14	General Surgery	320	160 	100%	122
164	193 	(15%)	20	Orthopedics	870	891 	(2%)	244
76	82 	(7%)	0	ENT	388	379 	2%	0
187	169 	11%	155	Dermatology	1019	779 	31%	446
12	96 	(88%)	0	Urology	11	445 	(98%)	0
92	56 	64%	0	Cardiology	311	260 	20%	0
917	836 	10%	871	RHC	4202	4025 	4%	5210
208			150	Primary care	1068			1064
55	118		0	Pediatrics	243	546		0
21			0	Audiology	45			0
633	718		721	Express Care	2846	3479		4146

CMO Board Report August 2026

Dear Colleagues,

As the summer of 2026 comes to an end, we are starting to see the results of investments made clinically to LCH roughly one year ago. Our outpatient clinic visits are up a little over 2100 patients over last year. This is driven primarily by our Specialty Clinic growth. Our surgical volumes are up significantly from one year ago and the inpatient case index is increasing, along with a modest rise in hospital volumes.

Our new QMM process is identifying opportunities for improvement throughout the organization and is now being seen more as a platform for solution making, rather than just a place to file a complaint.

All of these changes are positive, however: this has placed a significant strain on our infrastructure, including our business office and staff. We are seeing a need to focus on communication and “standard work” to improve the reliability of our systems, both clinically and through the non-clinical support departments. Emotions are occasionally tested and we are tempted to slow down or revert back to old ways of behaving. This is a time for strong and compassionate leadership, to push through the fear that comes naturally with this much change.

We are beginning a new process for our leaders of professional development. Part of this process includes what you would call a “book review”. We are all reading “Critical Conversations” and will be reviewing the book, chapter by chapter and bring practical discussions of real-world examples here at LCH and even do some role-playing exercises to further develop our skills regarding conflict management.

The stress of growth is an opportunity to expand the skills of our leadership team and advance the LCH culture in the direction of a “Learning Organization”. By doing so, we will become more proactive in addressing problems as learning opportunities and not react to problems as issues to fix, after they occur.

I continue to be impressed with the staff and leadership here at LCH and am excited to continue into the rest of 2026.

Stu Freed MD, CMO



CEO Board Report (Prepared as of August 14, 2026)

People:

- Current traveler staffing includes one night-shift OB RN and two night-shift MSU RNs. The OB traveler contract is scheduled to end on August 24, and a replacement traveler or LCH applicant has not yet been secured. This may create a significant night-shift OB staffing shortage beginning August 24; Devon is actively exploring solutions.
- Three of the four planned MSU FTE positions have been filled.
- HR is developing an exit interview survey through Qualtrics to better identify and track turnover trends while giving employees a convenient way to share feedback.
- Turnover remains favorable compared with prior year: Q1 turnover was 2.56%, Q2 turnover was 4.02%, YTD turnover is 7.58%, compared with 9% for 2025.
- Appreciated the Chelan Douglass County Health Department bringing us a handful of air purifiers to help with the smoke. We have also purchased 8 units of our own along with charcoal filters for our HVAC.
- Lake Chelan Health continues to recruit for open positions across clinical, ancillary, technical, provider support, and administrative roles. Applicants can view current openings and apply through the Careers portal on the Lake Chelan Health website (<https://lakechelanhealth.org/careers/>).

Community:

- I continued regional emergency-preparedness coordination through daily regional fire healthcare impacts update calls, along with work coordinating “what if’s” with Harborview and other neighboring facilities.
- Continue to be active with WSHA Board, Rural Health Collaborative Chair work (will have the ’25 annual report at the board meeting), and on the board of the Associated Washington Public Hospital Districts.
- Visited with Congresswoman Kim Schrier, M.D. regarding Medicare Advantage plans during panel discussion hosted by Providence Swedish Issaquah. I was the lone rural panelist and emphasized the challenges rural hospitals face from Medicare Advantage administrative burden, prior authorization delays, inappropriate denials, and impacts on timely access to care for seniors. This aligns with Congresswoman Schrier’s Medicare Advantage Improvement Act priorities, including increased oversight, standardized coverage criteria between Medicare Advantage and traditional Medicare, reduced administrative burden, and stronger patient access to post-acute care providers. Appreciate her work to get legislation passed.
- Our mobile clinic will be out for the first time visiting Manson Schools on 8/15 to perform sports physicals.

Quality:

- August Quality Stars:

- Emma Attwood, MSU HUC, was recognized for attention to detail and advocacy for consistent and accurate Medicare form compliance upon patient admissions. Her work supports follow-through on a DNV nonconformity and improved coordination with Patient Access.
 - Morgan Neumann, Lab Tech, was recognized for volunteering for additional committees and actively supporting the QMM Event Committee and Safety Committee.
- Quality continues to focus on compliance, survey readiness, patient safety, and cross-department support for sustained operational improvement.

Financial:

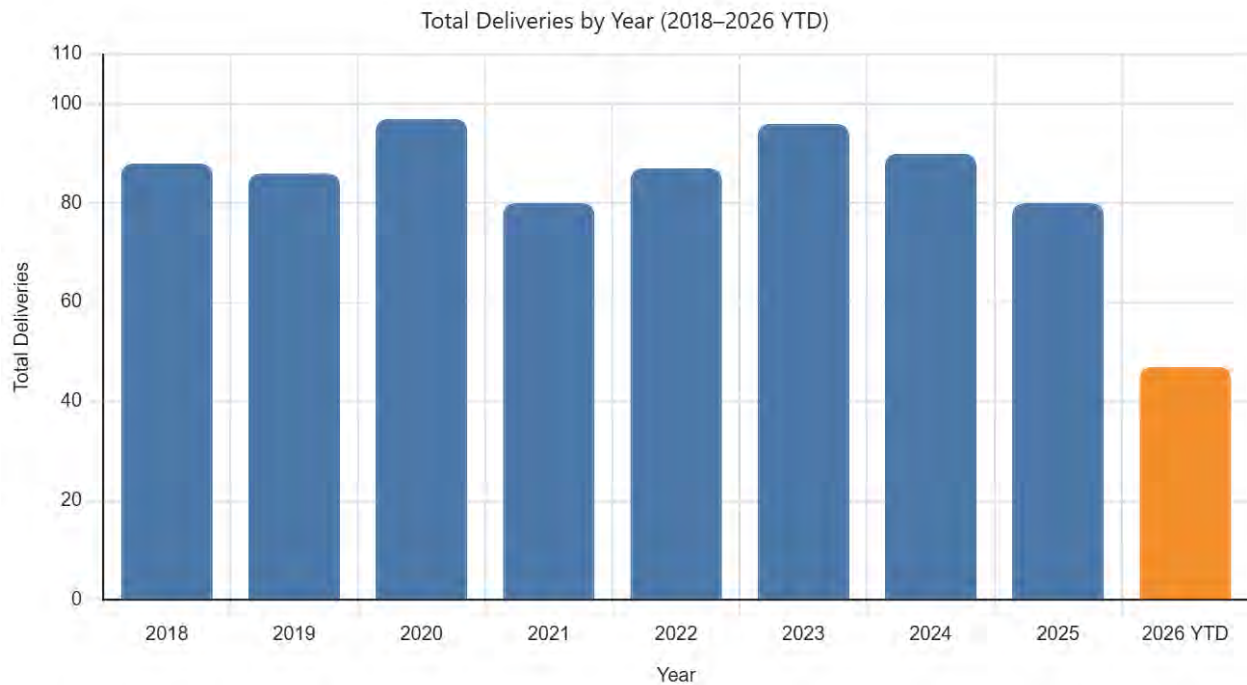
- Continued focus remains on improved coding, prior authorization processes, billing capacity, and revenue cycle support.
- Preliminary July results show a positive net margin of \$573,743 for the month, year-to-date net margin remains positive at \$359,294 and \$778,465 favorable to budget.
- July operating income was positive at \$258,302, and the year-to-date operating loss is (\$1,913,120), essentially on budget and \$52,291 favorable to plan.
- LCH continues to evaluate WSHA RHTP opportunities that may support ERP funding, conversion of 1212 to clinical space, med water improvements for the OR, conversion of an LDRP room to step-down capacity, clinic remodel elements, ED door conversion for better patient transport, and materials access improvements for oversized packaging, and upgrades to lab equipment (we hope to have all year one applications out by board so more on that during our meeting).

Building for the Future:

- Specialty referral and clinic growth continue to build the foundation for expanded local access, with January–July 2026 clinic volume reaching 8,666 visits compared with 6,135 during the same period in 2025.
- July 2026 clinic volume reached 1,545 visits compared with 984 visits in July 2025, reflecting continued growth in local access and service utilization.
- Growth was driven by expanded specialty and clinic services, including Orthopedics, Dermatology, ENT, General Surgery, Cardiology, Audiology, Urology, and continued Primary Care volume.
- Express Care remains a major access point, with 3,777 visits year-to-date through July, while Primary Care reached 1,277 visits year-to-date through July.
- We have delivered 47 babies year to date.
- Dr. Nayak did his first TEE (transesophageal echocardiogram) this week and was very complimentary of our staff.
- MSU/PCU preparation for higher acuity remains an important operational priority, with five additional beds, monitoring equipment, call light upgrades, and staffing work underway.
- The EMS building remains on track, with continued planning for grand opening activities.
- Lake Chelan Health continues to prepare for onsite visits with selected ERP vendors as we narrow options and manage the timing challenges between ERP implementation and EHR implementation.
- IT successfully rolled out Imprivata tap-to-authenticate badges to 65 workstations and 100 people, approximately one-third of LCH. The next rollout phase is being prioritized in August.
- The downtown clinic will get its new Xray this coming Tuesday.



Lake Chelan Health OB Data 2026 YTD

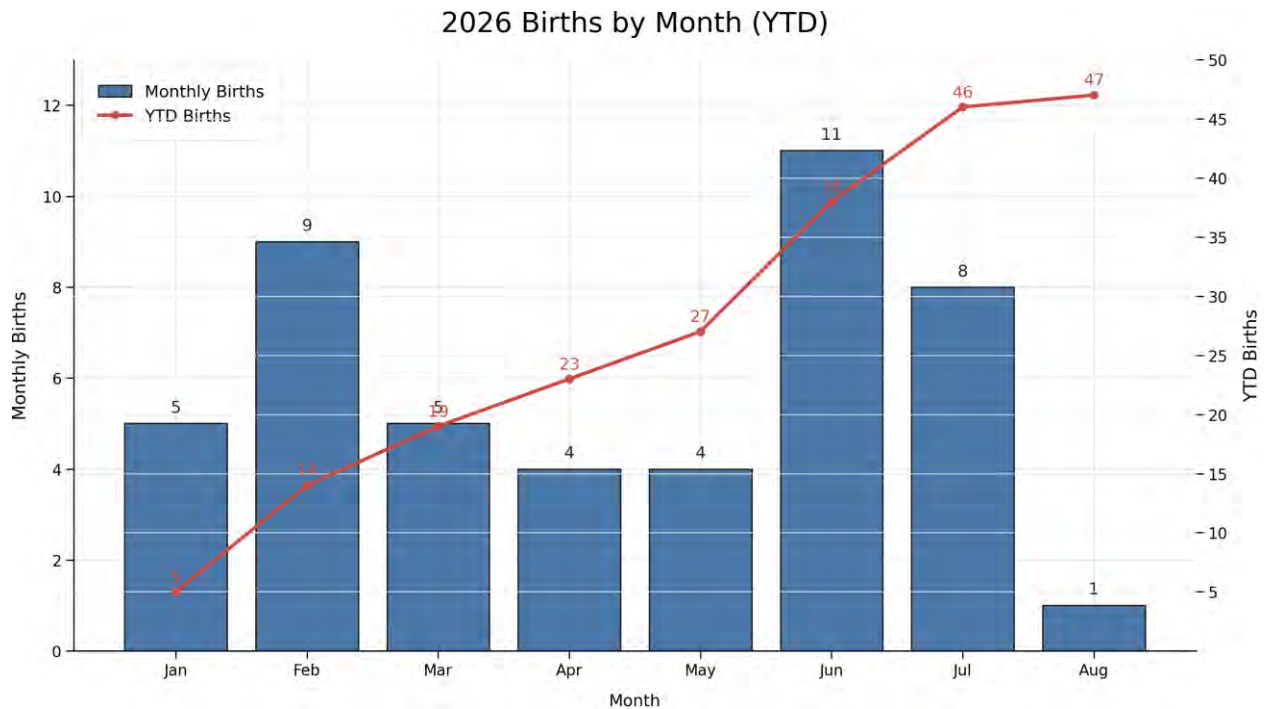


Summary

- Highest delivery volume: 2020 (97 deliveries)
- Second-highest delivery volume: 2023 (96 deliveries)
- Lowest delivery volumes: 2021 and 2025 (80 deliveries each)
- **Average annual deliveries (2018 – 2025): 88**
- **2025 deliveries decreased by 11.1% compared to 2024**
- **Total deliveries (2018–2026 YTD): 751**

Key Observation

Delivery volumes have remained relatively stable over the past eight completed years, averaging approximately **88 deliveries annually**, with totals generally ranging between **80 and 97 deliveries**.



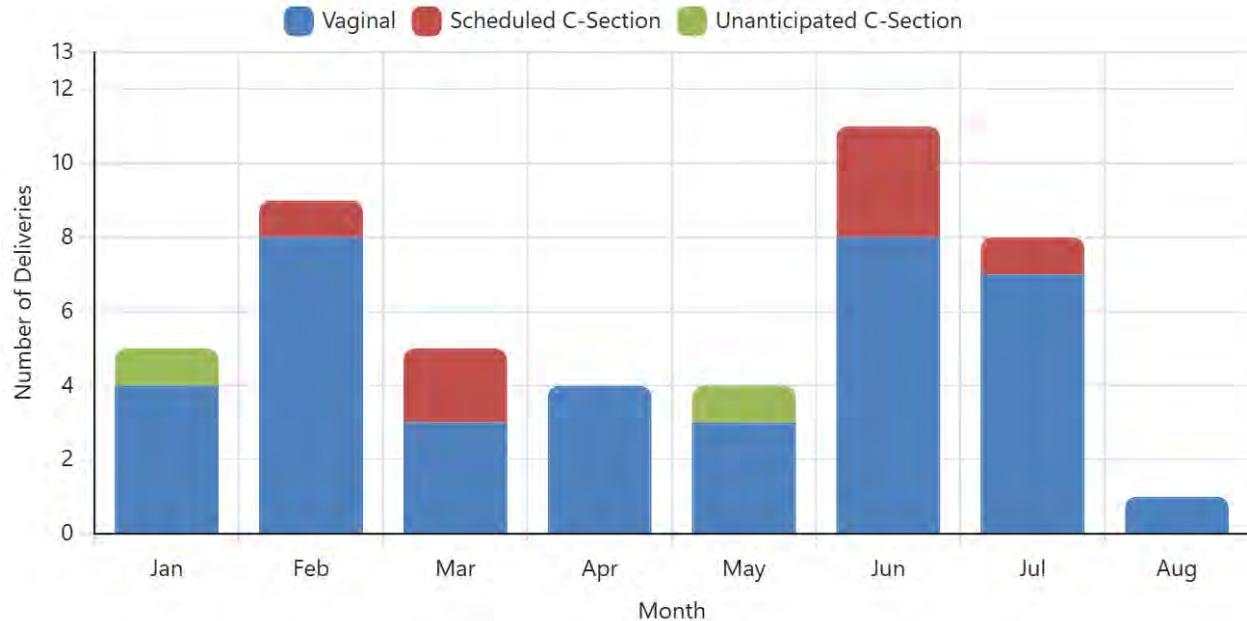
Projected Year-End Total

- **Conservative:** 63 deliveries
- **Most likely:** 71 deliveries
- **Optimistic:** 79 deliveries

Key Observation

At the current pace, 2026 is projected to finish **below the historical average of 88 deliveries**, with the most likely outcome approximately **17 deliveries below average**.

2026 Deliveries by Month and Delivery Method (YTD Total = 47)



Summary (47 Deliveries)

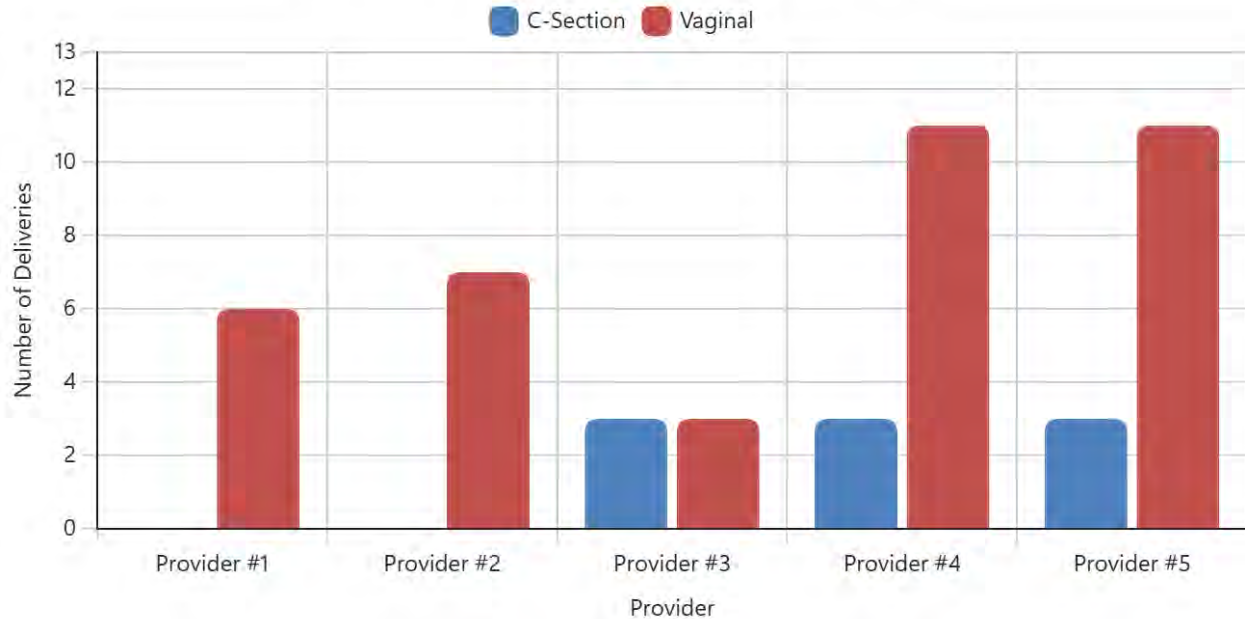
- **Vaginal:** 38 (80.9%)
- **Scheduled C-Section:** 7 (14.9%)
- **Unanticipated C-Section:** 2 (4.3%)
- **Overall C-Section Rate:** 19.1% (9 out of 47 deliveries)

Key Observations

- **80.9% of deliveries were vaginal births**, demonstrating a predominantly low-intervention delivery mix.
- **Only 2 unanticipated C-sections** occurred year-to-date, representing **4.3% of all deliveries**.
- The **scheduled C-section rate (14.9%)** exceeded the **unanticipated C-section rate (4.3%)**, indicating most surgical deliveries were planned rather than emergent.
- Delivery volume varies throughout the year, ranging from **4 to 11 deliveries per month**, with an average of **5.9 deliveries per month** (1 delivery every 5.2 days) through August.



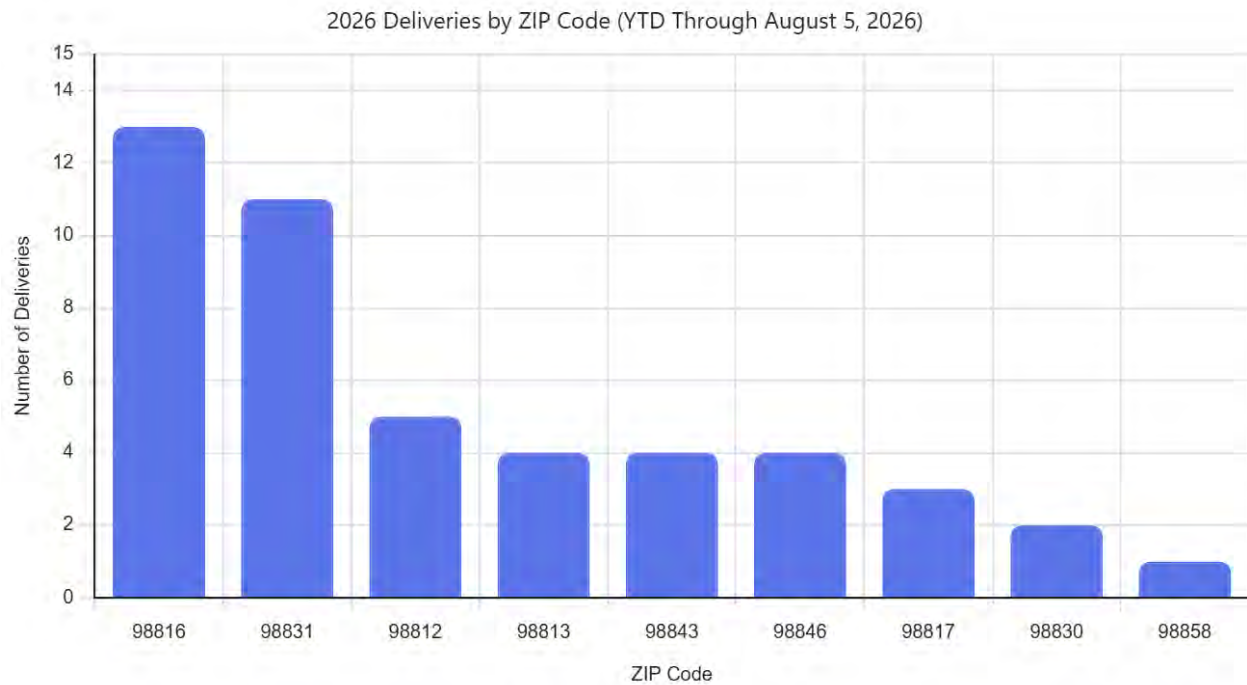
2026 Deliveries by Provider and Delivery Type (YTD Total = 47)



Summary

- **Provider #1:** 6 vaginal, 0 C-sections, **6 total**
- **Provider #2:** 7 vaginal, 0 C-sections, **7 total**
- **Provider #3:** 3 vaginal, 3 C-sections, **6 total**
- **Provider #4:** 11 vaginal, 3 C-sections, **14 total**
- **Provider #5:** 11 vaginal, 3 C-sections, **14 total**

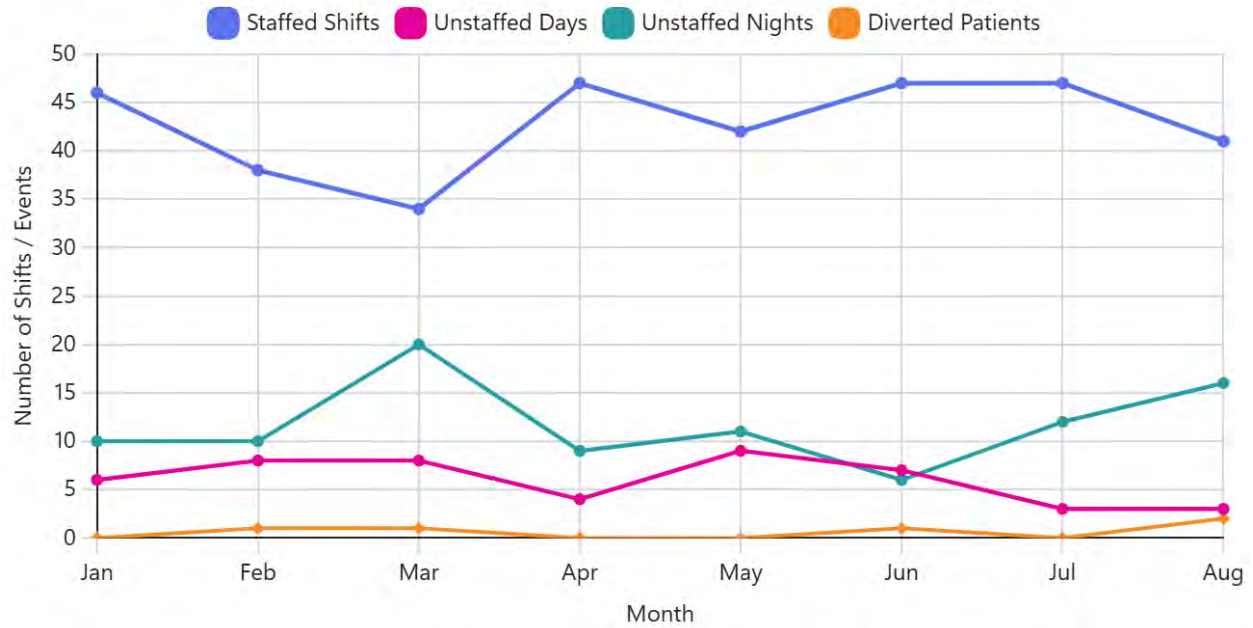
Overall: 38 vaginal deliveries and 9 C-sections, for **47 total deliveries YTD.**



Summary

- 98816 (Chelan): 13
- 98831 (Manson): 11
- 98812 (Brewster): 5
- 98813 (Bridgeport): 4
- 98843 (Orondo): 4
- 98846 (Pateros): 4
- 98817 (Chelan Falls): 3
- 98830 (Mansfield): 2
- 98858 (Waterville): 1

OB Staffing Trends (Jan-Aug YTD)



Summary

- Staffed Shifts: 342
- Unstaffed Days: 48
- Unstaffed Nights: 94
- Total Unstaffed Shifts: 142
- Total Shifts Requiring Coverage: 484
- **Staffed:** $342 / 484 = 70.7\%$
- **Unstaffed:** $142 / 484 = 29.3\%$
- **Diverted Patients:** 5