



OHSU Public Board of Directors Meeting

Friday, April 25, 2025

9:15-11:35am

Robertson Life Sciences Building, Room 3A001

2730 S. Moody Ave., Portland, OR 97201

or

YouTube: https://youtube.com/live/U_s6IIUTeFM?feature=share

Dial-in Only

1-503-388-9555 Portland, OR

Meeting number (access code): 2631 492 2735



**OREGON HEALTH & SCIENCE UNIVERSITY
BOARD OF DIRECTORS MEETING**

Public Agenda

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| | | |
|---------|--|--|
| 9:15am | Call to Order/ Chairman's Comments President's Comments | Chad Paulson, J.D. Steve Stadum, J.D. |
| 9:30am | Public Testimony | Chad Paulson, J.D. |
| 10:00am | Resolution Committee Appointments for Justin Hurley Braswell (ACTION) | Chad Paulson, J.D. |
| 10:05am | Standing Report | Amy Miller Juvé, Ed.D., M.Ed. Erin Madriago, M.D., FASE |
| 10:20am | Knight Cancer Institute Overview | Shivaani Kummar, M.D., FACP |
| 10:40am | The Future of Research at OHSU | Peter Barr-Gillespie, Ph.D. |
| 11:00am | OHSU Onward: FY25 March YTD Results & FY26 Preliminary Budget Plan | Lawrence Furnstahl |
| 11:30am | Resolution Appreciation of Service Calvin Jara (ACTION) | Chad Paulson, J. D. |
| 11:35am | Meeting adjourned | |



**RESOLUTION 2025-04-02
OREGON HEALTH & SCIENCE UNIVERSITY
BOARD OF DIRECTORS**

(Approval of Committee Appointments)

WHEREAS, the Board wishes to identify and appoint a new Board member to serve on the Finance and Audit Committee and Human Resources Committee.

NOW, THEREFORE, BE IT RESOLVED:

The following person shall be appointed to the following committees and shall serve at the pleasure of the Board of Directors:

Finance and Audit Committee

Justin Hurley Braswell

Human Resources Committee

Justin Hurley Braswell

This Resolution is adopted this 25th day of April, 2025.

_____ Yeas

_____ Nays

_____ Abstentions

Signed by the Secretary of the Board on April 25, 2025.

Connie Seeley
Board Secretary



Date: April 25, 2025

To: Oregon Health & Science University Board of Directors

From: Amy Miller Juve, Senate President and Professor, Anesthesiology & Perioperative Medicine and Erin Madriago, Senate President-Elect and Associate Professor, Pediatrics, on behalf of the OHSU Faculty Senate

Senate highlights and appreciations:

- Strategies for increased communication: To improve the flow of information across OHSU, two new communication methods have been introduced. Although the initial rollout of the cascading communication strategy has experienced some challenges, we remain optimistic about its potential to complement our existing channels. Additionally, the new OHSU Town Hall format with Interim President Stadum has been a welcome development. Following the loss of many communications staff during the summer layoffs, we sincerely appreciate the administration's efforts to explore creative and effective ways to keep our community informed.
- Budget transparency: We are grateful for the transparency regarding our current budget situation. Mr. Furnstahl and Mr. Stadum, along with other senior leaders have made themselves available to senate, fostering open dialogue through questions, feedback and idea sharing. While there is concern among faculty about our current financial outlook, there is also a deep appreciation for the thoughtful and engaging way institution and department leaders have approached these tough conversations.
- Senate workgroups: Faculty Senate workgroups are actively engaged in a variety of matters that concern faculty. Specifically, the Finance and Legacy workgroups have been meeting regularly with OHSU leadership to provide faculty perspective and share important updates to Faculty Senate and the broader faculty community.

Areas of focus and updates:

- Budget priorities and salary: We recognize that substantial work has been done to find the best path forward for our current budget situation and appreciate the commitment to avoiding widespread layoffs. We understand that there are factors outside of our control that impact our budget and may negatively impact our ability to serve our communities in the coming year. Prior to any future cuts, Senate urges OHSU leaders and the Board to focus on ways to increase revenue and efficiencies before considering program and services cuts and exploring alternatives before terminating valued employees.

Faculty deeply value the preservation of jobs across the institution and support the well-earned raises being provided to many of our represented colleagues. At the same time, there is growing concern that the impact of ongoing budgetary constraints is not being distributed equitably. Faculty and unclassified administrative (UA) staff are slated to receive a 2% increase, while many represented employees will see significantly higher raises. This disparity has led to feelings of inequity and echoes similar sentiments expressed during the COVID-19 pandemic, when only faculty and UAs experienced pay reductions. While faculty are not necessarily requesting increases beyond the 2%, there is a strong belief that the responsibility of navigating financial challenges should be shared more evenly across all employee groups to foster a sense of unity and fairness.

- Parking: Once again parking rates are increasing in an effort to dissuade employees from coming to campus. We understand our parking struggles and are empathetic to the real need to find additional parking capacity. The concerns we raised (attached) to Mr. Dodson and Ms. Cadigan in November of 2023 remain; increasing the cost of parking will do little to detour faculty from parking on campus – simply, a majority of faculty cannot do their work from home. Faculty Senate urges OHSU leaders to look at alternative and innovative solutions to our parking capacity issues.
- Importance of our research mission and the Oregon National Primate Research Center: Further detail will be added.



November 8, 2023

Mr. Dodson and Ms. Cadigan,
Parking and Transportation Services
Oregon Health & Science University

RE: Proposed changes to parking

Dear Mr. Dodson and Ms. Cadigan,

Thank you for meeting with the Executive Committee of the Faculty Senate on 10/19/23 to present the latest proposed parking changes. Your presentation sparked a lively discussion, where many concerns about the new fee structure were illuminated. We commend the institution's efforts to incentivize alternative means to get to campus. However, the financial burden to fund those incentives falls largely on faculty, which is causing significant frustration and anger. We respectfully ask that you pause changes to parking until alternative solutions can be found. In finding alternative solutions, please involve all employees who must be present on campus to carry out our mission. Our concerns and suggestions are outlined below in more detail.

1. Though you were unable to provide data about which employee types are in the two effected wage tiers, we believe a significant number are faculty. Based on the feedback we've received from our constituents; higher rates will not encourage them to reconsider their trip to campus or take alternative transportation. Simply, their job cannot be done remotely. Those who generate significant income for our university and work the most unpredictable hours are bearing the brunt of the financial burden in order to mitigate our parking constraints.
 - a. Most faculty are required to physically be at OHSU, sometimes five or more days per week for direct patient care, teaching, or research that cannot be done remotely.
 - b. Faculty generally do not work 8.5-hour, fixed schedules; we often get to OHSU early and do not leave until late in the evening. Adding the burden of a lengthy public transportation commute is unreasonable, and frankly unsafe.
 - c. Many faculty, especially physicians, have expressed extreme dissatisfaction with these proposed changes. Several local hospitals are using our recently announced parking fee increases in their efforts to recruit physicians to work for their hospitals.

OHSU Faculty Senate
Executive Committee

Amy Miller Juve, Ed.D., M.Ed.
Faculty Senate President

Martina Ralle, Ph.D.
Past President

Gabriel Kleinman, M.D.
Secretary

Sue Aicher, Ph.D.
Treasurer

Carmem Pfeifer, D.D.S., Ph.D.
Senator A-large

Erin Madriago, M.D., FASE
Senator At-large

Verginia Cuzon-Carlson
Senator At-large

senate@ohsu.edu
www.ohsu.edu/education/faculty-senate

Mail code: L349
Baird Hall, room 1028
3225 S.W. Pavilion Loop
Portland, OR 97239

2. We understand the revenue generated by increasing parking fees for those in the income higher parking tiers will be used to improve transportation infrastructure. We have not heard specific examples of these planned improvements nor have we been presented any data about whether or not they will impact daily single car commutes to campus. Addressing our observations below may increase the usage of alternative transportation without having to raise parking fees for a subset of campus parkers.
 - a. Accessibility to campus via the bus has declined in recent months. For example, the 60 series express buses have been discontinued and bus 8 frequency has not improved.
 - b. Bike storage and possibilities to shower on campus are far and few between.
 - c. Monetary incentives for cyclists are restricted to a small number of bike shops.
 - d. Bike lanes up the hill (on campus) are not maintained well.

In summary, the sheer nature of our location and our continual growth will further exacerbate our parking constraints. For example, the Oregon Hospital Expansion Project is expected to increase the number of employees and patients commuting to campus daily. We must find sustainable solutions for parking, other than increasing the cost. We are confident that increasing the cost for higher wage earners will not detour daily single car commutes for those employees. We believe the current and proposed measures to reduce driving to OHSU are not acceptable and we encourage you to pause the increase in prices until alternatives can be found. We are motivated to work with you, in the short and long term, to evaluate proposed changes to our parking program and communicate potential impacts on our faculty colleagues.

We propose substantially different solutions to our parking constraints:

1. Determine which groups of employees need parking (i.e., work long hours, live further away, and need access to their car during the day) and find ways to prioritize their parking.
2. Determine within what radius of OHSU it is reasonable to expect an employee to use an alternative form of transportation and prioritize parking for those who live outside of that range and require campus access.
3. Increase bus access to all campuses. The express buses, such as 68, were always appreciated and a fast alternative for many people to get to OHSU.
4. Consider renting or purchasing additional off-hill parking and have satellite lots with shuttle service. When some of us started at OHSU this was an option that we used frequently.
5. Engage with the various groups of employees who use parking the most frequently to find out why and explore alternative work plans for employees who do not provide direct patient care, have labs to run, or do face to face teaching.

Sincerely,



Amy Miller Juve, Ed.D, M.Ed.

OHSU Faculty Senate President, on behalf of the OHSU Faculty Senate Executive Committee

CC Mr. Skai Dancey, Mr. Lawrence Furnstahl, Dr. Danny Jacobs



To: OHSU Board of Directors
From: Shivaani Kummar, MD, FACP
CEO (Interim), OHSU Knight Cancer Institute
Chief, Cancer Business Unit
Chief, Division of Hematology & Medical Oncology
Date: April 25, 2025
RE: Knight Cancer Institute Update

Dear OHSU Board Members:

It is a pleasure to share the Knight Cancer Institute's significant achievements and positive momentum over the past couple of years. These accomplishments are a testament to our collective dedication and the impact we are making in the fight against cancer.

Recently there has been transition in some leadership roles within the Knight, including my taking on the roles of interim Chief Executive of the Knight Cancer Institute and Chief of the Cancer Business Unit and Dr Lisa Coussens becoming the interim director. I will briefly review the history of the Knight and the current organizational structure. I will also describe our continued focus on aligning oncology efforts across the three missions of OHSU, healthcare, research, and education, illustrating our work in each area. We continue our goal to end cancer as we know it and further strengthen a resilient, forward-thinking organization in the face of ever-changing scientific landscapes and healthcare challenges.

Thank you for your time today and your support and continued commitment to our mission.



Overview of the Knight Cancer Institute



Bagby

1991: Oregon Cancer Center established; Grover Bagby, founding Director.



Druker

2007: Brian Druker, MD, becomes Director of the OHSU Cancer Institute.



Knights

2015: OHSU raises \$1 billion for cancer research through a \$500 million matching challenge from Phil & Penny Knight and 10,000+ donors.



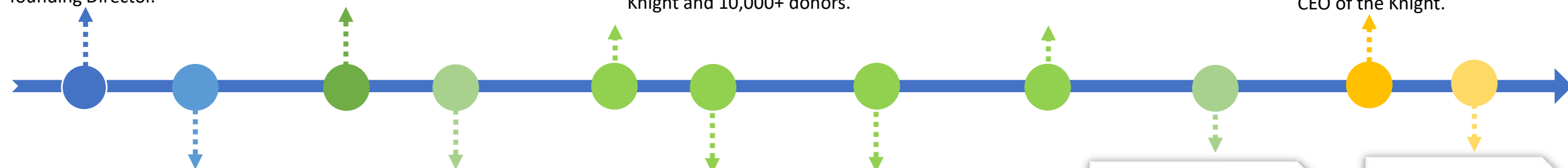
CHH 2

2019: 750,000 sq ft Center for Health & Healing 2 (CHH 2) opens.



Kummar

2025: Shivaani Kummar, MD, FACP becomes the interim CEO of the Knight.



1997: Oregon Cancer Center receives NCI designation.



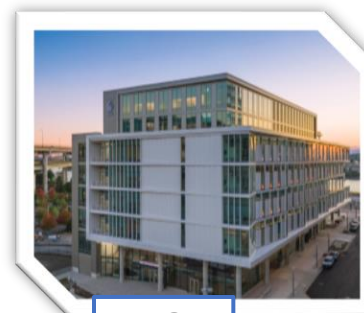
2008: OHSU Cancer Institute becomes the OHSU Knight Cancer Institute with a \$100 million donation from Phil & Penny Knight.



2017: Knight achieves Comprehensive Cancer Center status.



2018: 320,000 sq ft Knight Cancer Research Building (KCRB) opens.



KCRB



Sellers

2024: Thomas A. Sellers, PhD, MPH, becomes Director of the Knight while Brian Druker becomes CEO.

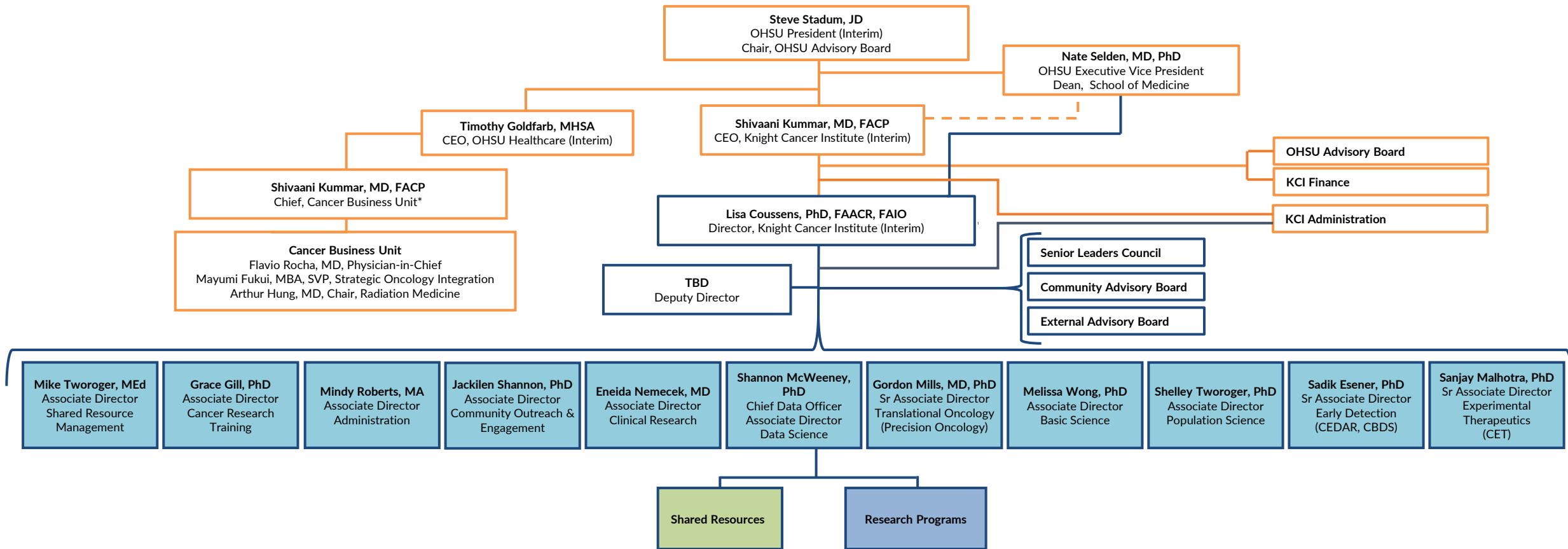


Coussens

2025: Lisa Coussens, PhD, FAACR, FAIO becomes the interim Director of the Knight.

Knight Cancer Institute Timeline

Knight Cancer Institute Organizational Chart



Associate Directors

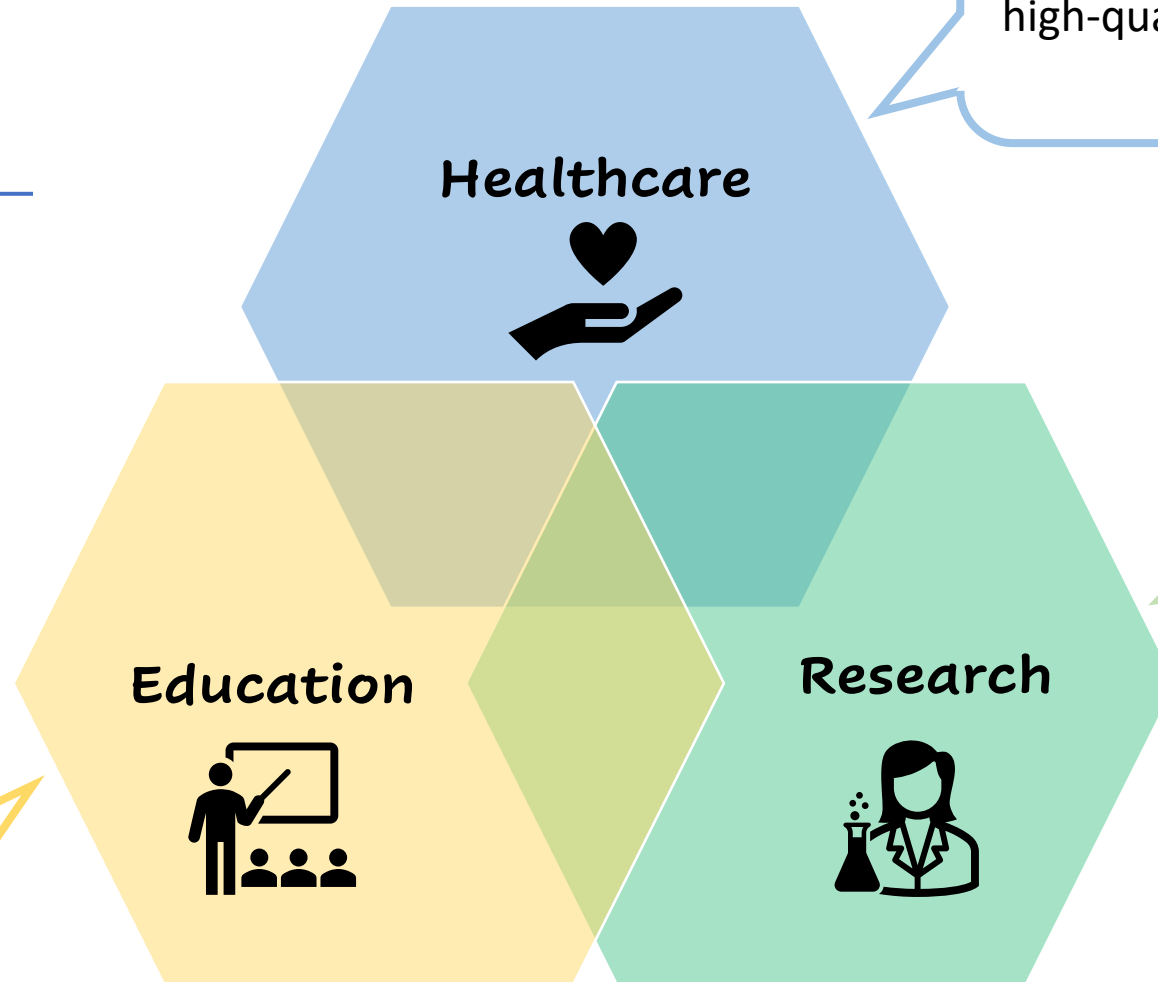
*indicates dotted line reporting to OHSU EVP, Dean, SoM

Integrating our missions

Vision | A world freed from the burden of cancer.

Mission | We will end cancer as we know it. Through innovative, collaborative research and education, we provide prevention, detection, and care ~ one person at a time.

Train future clinicians and scientists using the latest knowledge.



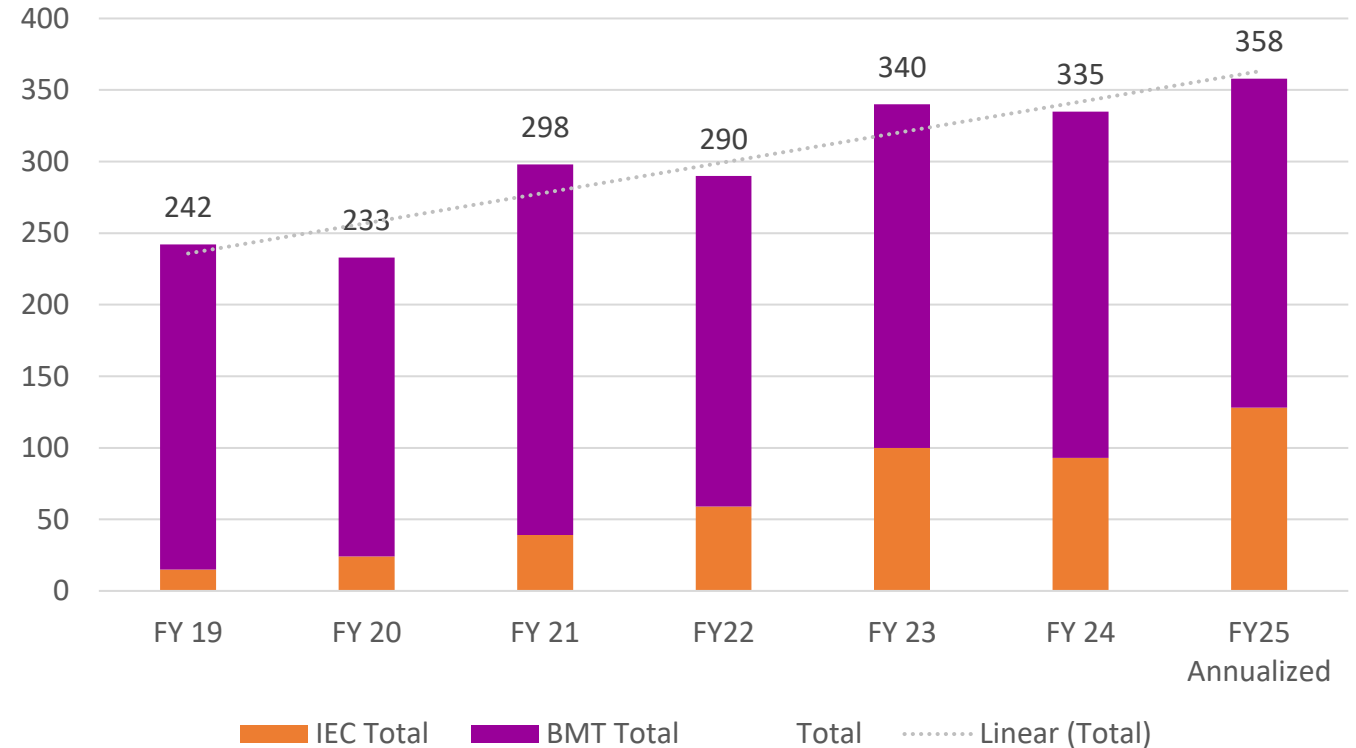
Deliver evidence-based, high-quality patient care.

Drives innovation and discovery that informs best practices.

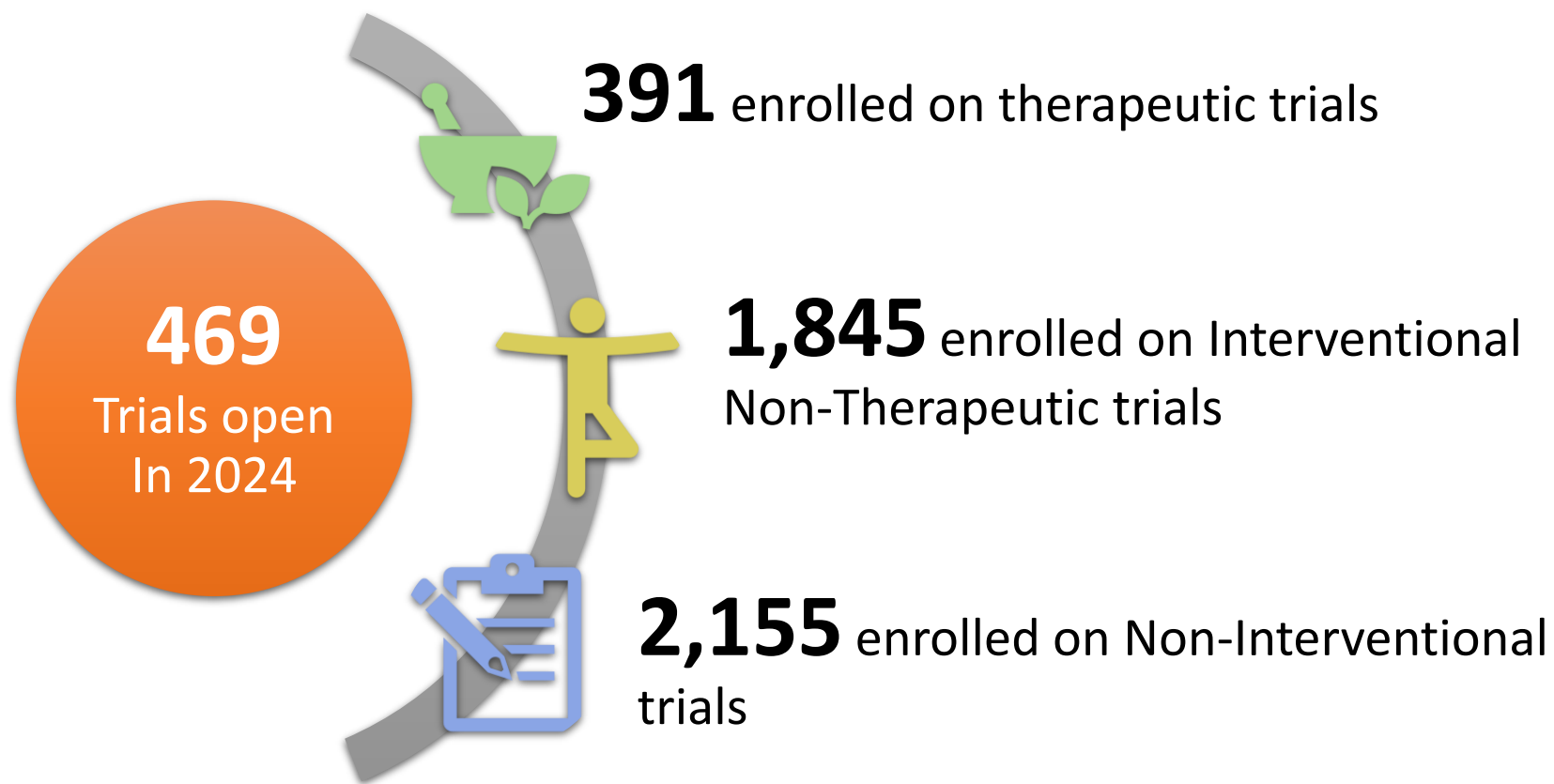
Patients Come First

- 6,100 newly diagnosed patients each year
- 35,000 patients per year
- 175,000 encounters

**OHSU Bone Marrow Transplants and
Immune Effector Cell Treatments by Fiscal Year**
Immune Effector Cells (IEC) include CAR-T and Tumor-Infiltrating Lymphocytes (TILs)



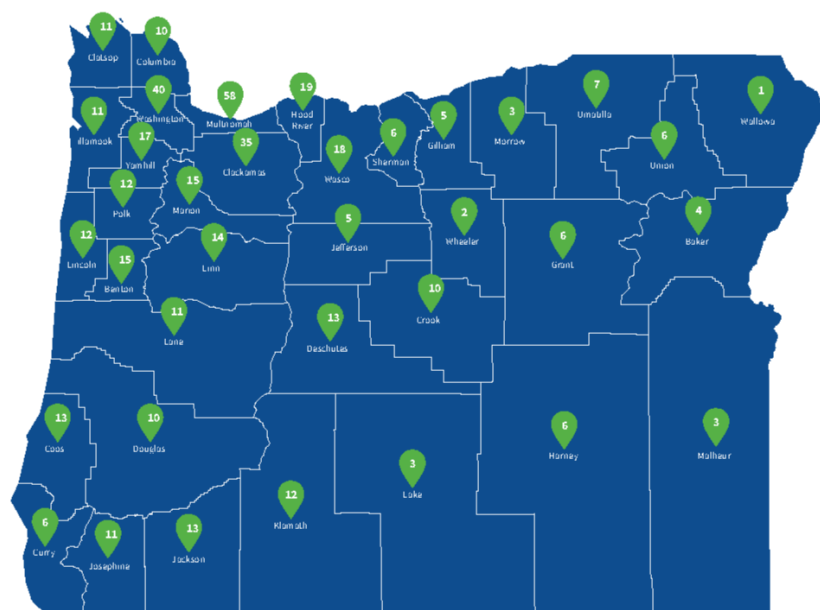
Impact of Clinical Research



Highlight | SMMART

- **250+** patients enrolled
- **8** distinct disease areas
- **15+** industry and academic collaborations
- **45+** peer-reviewed publications

Connecting Across Oregon



Community Partnership Program Grants



Mobile Van



John Day Health Fair



Community Health and Research Advisory Council



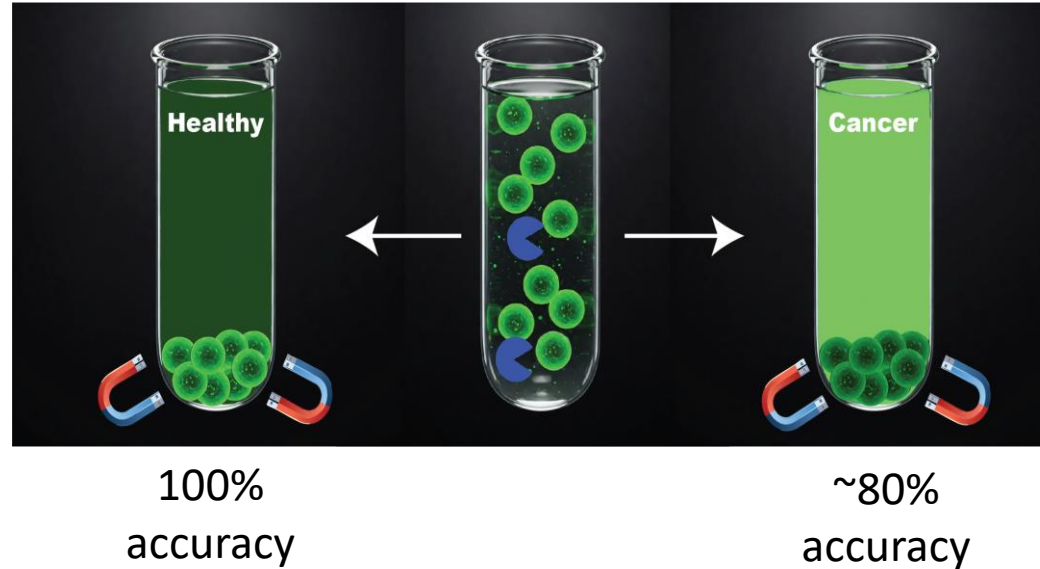
Research Advocates



Reach the Beach
Astoria

Early Detection Efforts

- **316** early detection projects
- **48,100+** Oregonians in Healthy Oregon Project (HOP)
- **21** technologies in IP pipeline
- **58** technologies with patent applications
- **230+** publications



SCIENCE TRANSLATIONAL MEDICINE | RESEARCH ARTICLE

CANCER

Early detection of pancreatic cancer by a high-throughput protease-activated nanosensor assay

Jose L. Montoya Mira^{1,2}, Arnaud Quentel¹, Ranish K. Patel³, Dove Keith⁴, Megan Sousa¹, Jessica Minnier^{5,6}, Benjamin R. Kingston¹, Larry David^{5,7}, Sadik C. Esener^{1,2,5}, Rosalie C. Sears^{4,5,8}, Charles D. Lopez^{4,5,9}, Brett C. Sheppard^{3,4,5}, Utkan Demirci^{10,11}, Melissa H. Wong^{5,9}, Jared M. Fischer^{1,5,8*}



Jose Montoya Mira,
PhD



Jared Fischer, PhD

Center for Experimental Therapeutics (CET)

Target ID &
Validation

HTS/Hit
Finding

Lead
Optimization

Lead Profiling

Clinical
Candidate

Early Clinical
Safety & Eff.

Phase III

Registration



Sanjay Malhotra, PhD
Shivaani Kummar, MD
CET Co-Directors

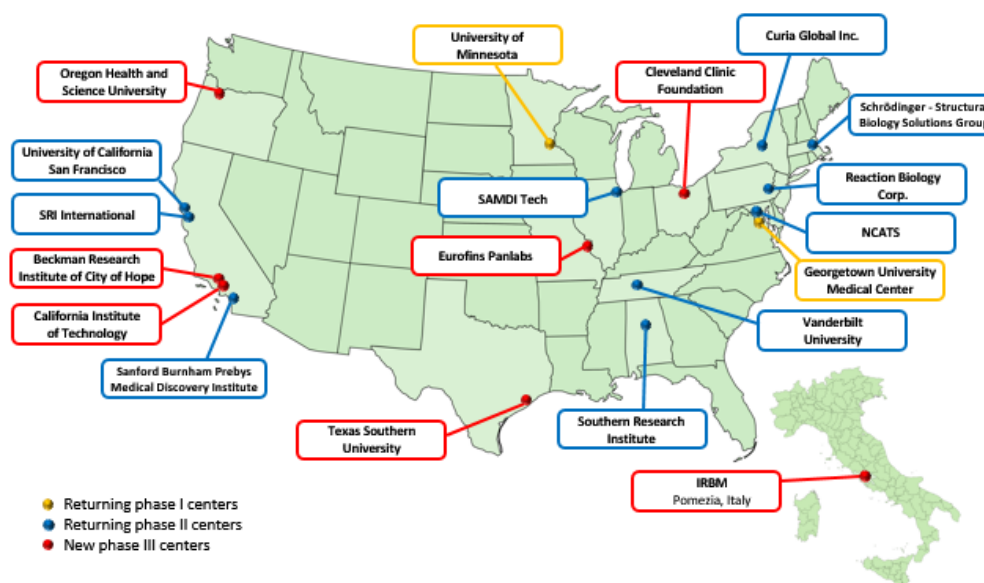
24 Publications

11 Patent Applications

9 National Collaborations

7 International Collaborations

CBC Network Map

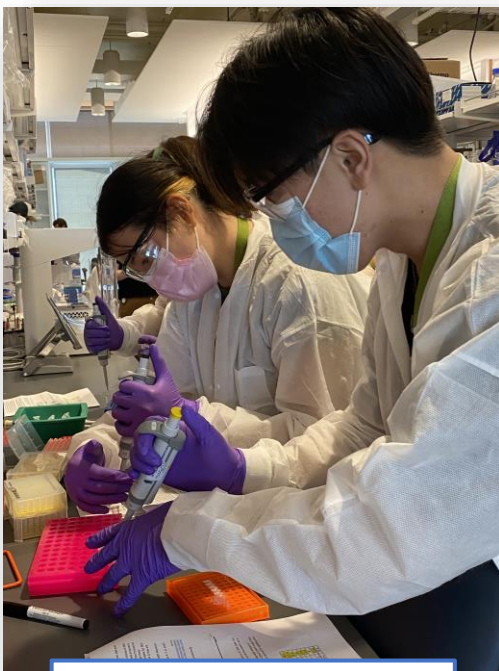


National Cancer Institute (NCI) Experimental Therapeutics (NExT) Program
Chemical Biology Consortium (CBC) Member



**KNIGHT
CANCER
Institute**

Training our future scientists



KCI Trainees



Postdocs and Clinical Fellows

T32 Experimental Therapeutics in Cancer (2025)

Lead by: Shivaani Kummar, MD and Sanjay Malhotra, PhD



Pre- and Post-doctoral Trainees

T32 Integrated Cancer Systems Biology (2021)

Lead by: Lisa Coussens, PhD and Daniel Zuckerman, PhD



Pre-doctoral Trainees

T32 Program in Biomedical Sciences (2021)

Lead by: Jeffrey Tyner, PhD and Amanda McCullough, PhD



KNIGHT
CANCER
Institute



Vista Pavilion

Hospital Expansion

14-story building – 4 floors devoted to cancer

128 new cancer beds

Oncology, complex surgery, cancer medicine, and cellular therapy will be the primary services offered.

Estimated completion: Spring 2026



To: OHSU Board of Directors

From: Peter G. Barr-Gillespie, PhD

Date: 7 April 2025

RE: Board presentation on 25 April 2025

Please find attached slides for my Board presentation later this month. In this presentation I will discuss some of the exciting science coming out of all corners of OHSU. At the same time, I will highlight the tremendous risk that biomedical science is facing at OHSU; I think it is possible that as much as 75% of all research activity could be gone within a year. We are facing threats locally, because of OHSU finances; at the state level, because of the interference of elected officials in OHSU decision making; and especially at the federal level, where the new administration appears intent on dismantling NIH and other federal agencies that fund science, replacing them political organizations.



The Future of Research at OHSU

25 APRIL 2025

PETER BARR-GILLESPIE, CHIEF RESEARCH OFFICER & EVP

Rays of sunshine

- Pancreatic cancer blood test
- Mimicking hibernation to prevent stroke or heart damage
- Imaging from atomic to people scales
- Infertility breakthrough
- Universal flu vaccine; HIV cure



Gathering storm

- OHSU finances
- State government and public
- Federal government
- Will research survive at OHSU?



Weathering the storm

- Research Restructuring Commission
- Research grants from non-federal sources
- Innovation
- Clinical trials





Thank You



April 16, 2024

To: Members, OHSU Board of Directors

From: Lawrence J. Furnstahl
Executive Vice President & Chief Financial Officer

Re: Finance Materials for April 25th Meeting

Enclosed is a presentation on financial results and budget planning for next Friday's meeting of the Board of Directors.

The FY25 March YTD operating loss is \$(71.5)m or an average of \$(7.9)m per month. On a straight-line basis this annualizes to a full year loss of \$(95)m or a -1.7% operating margin, roughly in line with last year's performance. Through nine months, revenues are up \$422m or 11.5% while expenses are up \$405m or about 11%, for a \$17m improvement in adjusted operating income compared to third quarter last year.

The FY26 budget plan outlined here is pre-Legacy and pre-federal changes from the new administration, making no estimate of possible impacts to Medicaid, NIH or other federal funds. The plan aims to cut this year's estimated loss in half to \$(45)m and keep the negative operating margin below -1%. Key strategies are 12% revenue growth with continued focus on services required to treat cancer and other complex diseases, while keeping growth in total compensation expense to 10%.

While over time we must scale OHSU's missions and services to the resources available, more budget reductions than targeted here would result in excessive damage now. Although falling short of a balanced budget, the FY26 plan showing progress toward a sustainable financial position over time. Given the planned deficit, OHSU can fund fewer capital projects and will draw down cash balances otherwise intended for future investment.

A final budget will be proposed for consideration in June.



OHSU Onward: FY25 March YTD Results & FY26 Preliminary Budget Plan

OHSU Board / April 25, 2025

Introduction to March Results & FY26 Plan

- This document presents FY25 financial results through March and the preliminary budget plan for FY26.
- March YTD operating loss is \$(71.5)m or \$(7.9)m per month. On a straight-line basis this annualizes to a full year loss of \$(95)m or a -1.7% operating margin, roughly in line with last year's performance.
- Next year's budget plan aims to cut this loss in half and keep the negative operating margin below -1%. A final budget will be proposed for consideration in June.

| OHSU Income Statement (millions) | FY24 Actual* | FY25 Adj Budget* | FY25 Mar Annualized | FY26 Prel Budget | FY26 Prel / FY25 Ann |
|---|-----------------|---------------------|------------------------|---------------------|-------------------------|
| Operating revenues | \$5,035 | \$5,462 | \$5,458 | \$6,127 | 12.3% |
| Salaries & benefits | 3,172 | 3,390 | 3,390 | 3,731 | 10.1% |
| Rx, supplies & services | 1,705 | 1,809 | 1,900 | 2,160 | 13.7% |
| Depreciation & interest | 255 | 270 | 264 | 281 | 6.6% |
| Total expense | 5,133 | 5,469 | 5,553 | 6,172 | 11.1% |
| Operating income | \$(97) | \$(7) | \$(95) | \$(45) | -52.8% |
| Operating margin | -1.9% | -0.1% | -1.7% | -0.7% | |
| EBITDA margin | 3.1% | 4.8% | 3.1% | 3.9% | |
| *FY24 includes \$43.5m in prior-year Medicare 340b recovery and \$18.1m in RIF-related costs originally budgeted in FY25. | | | | | |

Introduction to FY26 Plan (continued)

- The FY26 budget plan outlined here is pre-Legacy and pre-federal changes from the new administration, making no estimate of possible impacts to Medicaid, NIH or other federal funds.
- To be fair and more realistic, budget targets are prepared from a hybrid base:
 - Actual performance trended forward for Healthcare + School of Medicine (HC+SoM), which are running behind budget.
 - Approved budget for Provost and Chief Research Officer (CRO) areas, central administration, and other institutional costs, which are running better than budget.
- Key strategies are 12% revenue growth with continued focus on services required to treat cancer and other complex disease, while keeping salary & benefit growth to 10%.
- To hold the operating margin within -1% margin loss, we are also:
 - Keeping general pay increases for faculty and managers to 2%, with each one percentage point equivalent to approximately 50 employees in Unclassified Administrative and faculty roles.
 - Pay for performance against productivity benchmarks in all three missions.
 - Significant scrutiny on position control and management.
 - Holding vacancies and securing supply chain and other savings across OHSU.

Introduction to FY26 Plan (continued)

- Tuition increases of no more than 2% and the Tuition Promise for all eligible programs.
- Employee benefits are not reduced.
- While over time we must scale OHSU's missions and services to the resources available, more cuts than targeted here would result in excessive damage now.
- Thus, we are planning for a \$(45)m or -0.7% deficit next year in order to preserve as many jobs as possible and avoid widespread layoffs.
- Although falling short of a balanced budget, the FY26 plan does reduce last year's actual and this year's estimated losses of about \$(95)m or -1.7% in half, showing progress toward a sustainable financial position over time.
- Given the planned deficit, OHSU can fund fewer capital projects and will draw down cash balances otherwise intended for future investment:
 - The annual capital budget is \$130m, down from \$150m several years ago.
 - We complete the Vista Pavilion (IPA) and design the ED expansion but delay the Perinatal Addition until a funding path for that \$425m project becomes clear.
 - As a result, cash is forecast to decline \$(181)m assuming 6% investment return.

FY25 March YTD Dollar Change from Prior Year

- The broadest way of looking at FY25 Q3 financial results is to compare dollars of revenue and expense to the prior year.
- Through 9 months, revenues are up \$422m or 11.5% while expenses are up \$405m or about 11%, for a \$17m improvement in adjusted operating income.
- This analysis excludes last year's one-time recovery of 340b Medicare revenue.

| OHSU Operating Income (millions) | FY24 Mar YTD | FY25 Mar YTD | Dollar Change |
|--|----------------------|-----------------|------------------|
| Operating revenue | \$3,672 | \$4,094 | \$422 |
| Operating expense | 3,760 | 4,165 | 405 |
| Adjusted operating gain (loss) | <u>\$(88)</u> | <u>\$(71)</u> | <u>\$17</u> |
| <i>One-time 340b recovery</i> | <i>44</i> | | |
| <i>Total operating gain (loss)</i> | <u><i>\$(44)</i></u> | | |

\$(31)M Variance from Budget by Major Area

- Through March, OHSU's total operating loss is \$(31)m off budget. The budget spread in Q4 requires a steep climb in earnings—gains of nearly \$12m per month.
- Like other tables here, these variances are adjusted for \$18m in severance & other RIF costs originally budgeted in FY25 but in the end accrued in June 2024. Half of this amount was in Healthcare and half in other University institutional accounts.
- Healthcare + School of Medicine are lagging target consistent with impact of HB3320 presumptive screening for financial assistance to patients plus higher AHP partner support and staffing costs.
- All other areas of the University have favorable budget variances, as does the Strategic Initiative budget due to slower ramp up of program spending.

| FY25 Q3 Budget Variance* | (millions) |
|--|-----------------|
| Healthcare | \$(46.8) |
| School of Medicine | (31.3) |
| Subtotal - HC + SoM | (78.1) |
| Provost Areas | 5.4 |
| Chief Research Officer Areas | 0.9 |
| Chief Financial Officer Areas | 5.9 |
| Other Central Administration | 2.5 |
| Subtotal - Other Operating Areas | 14.8 |
| Contingency & Strat. Initiatives | 29.0 |
| Other Institutional Accounts | (0.3) |
| Restricted (Grant) Funds | (1.4) |
| Depreciation & Interest | 5.1 |
| Total Improvement from Budget | \$(30.9) |
| <i>*Budget adjusted for \$18.1m in severance & other RIF costs accrued into June 2024.</i> | |

Spread of FY25 Results by Quarter

- Besides seasonality, the FY25 budget spread shifts from a loss to a gain with the redeployment of beds, ORs and diagnostic capacity toward complex, AHC-level care.
- The actual trend in earnings is downward. In Q1, OHSU had an operating loss of \$(9)m compared to a budgeted loss of \$(30)m.
- By Q3, the operating loss grew to \$(38)m compared to a budget of +\$4m, with the budget variance flipping from a +\$21m in Q1 to \$(42)m in Q3.
- The last quarter of the year is budgeted for a gain of \$34m or nearly +\$12m per month. This would require reversing the recent monthly trend of \$(11)m in November, \$(11)m in December, \$(22)m in January, \$(19)m in February, and +\$3m in March.
- March's small gain reflects very strong activity of +9% over budget.

| FY25 Budget Spread by Quarter (millions) | | | | | | | | |
|--|-----------------------|---------|-------------|--|-------------|---------|-------------|-----------------|
| | Adjusted FY25 Budget* | | | | FY25 Actual | | | Actual - Budget |
| | Revenue | Expense | Gain (Loss) | | Revenue | Expense | Gain (Loss) | |
| Q1 | \$1,324 | \$1,354 | \$(30) | | \$1,328 | \$1,338 | \$(9) | \$21 |
| Q2 | 1,353 | 1,367 | (14) | | 1,368 | 1,392 | (24) | (10) |
| Q3 | 1,369 | 1,366 | 4 | | 1,397 | 1,435 | (38) | (42) |
| Q4 | 1,416 | 1,382 | 34 | | | | | |
| Total FY25 | \$5,462 | \$5,469 | \$(7) | | | | | \$(31) |

FY25 Q3 Loss at \$(71.5)M with -1.7% Margin

| March YTD - 9 Months (millions) | Last Year Adjusted | Budget Adjusted | FY25 Mar Actual | Actual - Budget | Actual / Last Year |
|---|-----------------------|--------------------|--------------------|--------------------|-----------------------|
| Net patient revenue | \$2,505 | \$2,799 | \$2,786 | \$(12) | 11.2% |
| Medical contracts | 137 | 156 | 147 | (9) | 7.4% |
| Healthcare other revenue | 187 | 160 | 220 | 60 | 17.6% |
| Subtotal - clinical | 2,829 | 3,114 | 3,153 | 39 | 11.5% |
| Grants & contracts | 429 | 446 | 443 | (3) | 3.2% |
| Gifts applied | 84 | 98 | 98 | (0) | 17.0% |
| Tuition & fees | 62 | 64 | 64 | (0) | 3.0% |
| Non-healthcare other revenue | 51 | 39 | 51 | 11 | -1.0% |
| Subtotal - academic & other | 626 | 647 | 655 | 8 | 4.7% |
| Subtotal - State support | 218 | 285 | 285 | 0 | 30.7% |
| Total operating revenues | 3,673 | 4,047 | 4,094 | 47 | 11.5% |
| Salaries & benefits | 2,325 | 2,532 | 2,542 | 11 | 9.3% |
| Rx & medical supplies | 729 | 802 | 867 | 65 | 18.9% |
| Other services & supplies | 516 | 550 | 558 | 7 | 8.1% |
| Depreciation & interest | 190 | 203 | 198 | (5) | 4.3% |
| Total operating expenses | 3,760 | 4,087 | 4,165 | 78 | 10.8% |
| Adjusted operating income | (87) | (41) | (71) | (31) | 0 |
| Adjustments made* | 44 | (18) | 0 | 18 | |
| Total operating income (loss) | \$(44) | \$(59) | \$(71) | \$18 | |
| <i>*\$43.5m 340b recovery in last year and \$18.1m RIF cost in this year's budget booked in June.</i> | | | | | |

Broad-Based Gains Across Patient Volume Metrics

| Patient Activity | FY24 | FY25 | FY25 | Actual | Actual |
|------------------------------|------------------|---------------|---------------|-----------------|--------------------|
| Mar YTD - 9 Months | Last Year | Budget | Actual | / Budget | / Last Year |
| Inpatient admissions | 20,623 | 20,393 | 21,668 | 6.3% | 5.1% |
| Average length of stay | 7.02 | 7.00 | 6.90 | -1.4% | -1.7% |
| Average daily census | 490.4 | 492.0 | 501.4 | 1.9% | 2.2% |
| Day / observation patients | 35,636 | 37,205 | 38,322 | 3.0% | 7.5% |
| Surgical cases | 27,487 | 28,593 | 28,621 | 0.1% | 4.1% |
| Emergency visits | 41,536 | 41,074 | 44,300 | 7.9% | 6.7% |
| Ambulatory visits | 891,963 | 904,562 | 929,027 | 2.7% | 4.2% |
| Casemix index (CMI) | 2.48 | 2.50 | 2.55 | 2.0% | 2.8% |
| Outpatient share of activity | 57.9% | 58.4% | 59.2% | 1.4% | 2.2% |
| CMI/OP adjusted admissions | 121,540 | 122,594 | 135,581 | 10.6% | 11.6% |
| Rate-adjusted gross charges | 5,851 | 6,314 | 6,583 | 4.3% | 12.5% |

Healthcare Growth Against Budget & Last Year

- Services to meet AHC-level demand are growing the fastest, with +15% actual activity growth compared to +6% budgeted (aqua line).
- The FY25 budget plan aims to meet patient needs better by allocating more physical and staffing capacity (such as beds & ORs) to cancer care and other complex subspecialty programs unique to Oregon's only AHC.
- Growth in imaging, lab & other professional services is up but not yet as much as planned. Improving capacity, access and throughput in these services is a major focus.

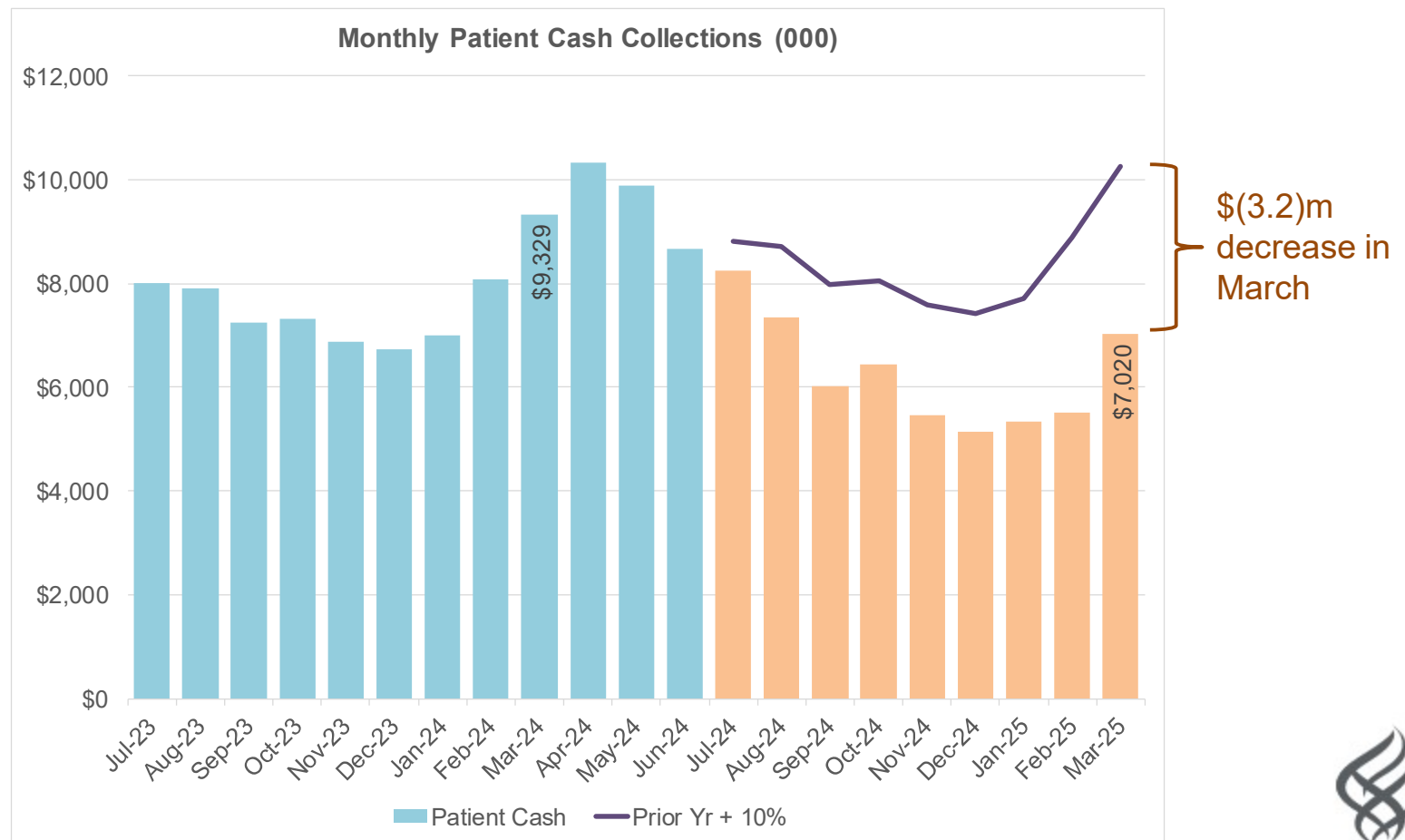
| Mar YTD Volume Growth by Service Area (FY25 / FY24) | % of Hosp. Charges | Budgeted Growth | Actual Growth | Actual vs Budget |
|---|--------------------|-----------------|---------------|------------------|
| Non-hospital pharmacy | 28% | 4.8% | 19.8% | 14.3% |
| Professional (imaging, lab) | 17% | 8.1% | 4.8% | -3.0% |
| Oncology services | 5% | 9.4% | 27.6% | 16.7% |
| Subtotal - focused growth areas | 51% | (6.4%) | (15.0%) | 8.1% |
| Surgery & procedural | 20% | 4.9% | 9.0% | 3.9% |
| All other hospital services | 29% | 12.5% | 10.8% | -1.6% |
| Subtotal - other growth areas | 49% | 9.4% | 10.0% | 0.6% |
| Rate-adjusted gross charges | 100% | 7.9% | 12.5% | 4.3% |

HB3320: Screening for Financial Assistance

- As described at the January meeting, this new Oregon law requires hospitals to presumptively screen all patients for financial assistance in paying patient due amounts.
- Previously, all patients could apply for assistance, and we provided extensive signage and information on how to do so.
- When crafting the budget, we did not expect HB3320 to have a major impact since OHSU's existing program was seen as a model and the tiers of assistance (write offs of patient due portions based on family income and size) did not change.
- However, the presumptive screening process (using a third-party estimating tool) is currently identifying 64% of patients eligible, compared to 12% under the prior "application" process.
- We recently reviewed State economic data that suggests 57% of all Oregonians would be eligible for hospital financial assistance based on family income and family size.

Impact of HB3320 on Patient Cash Collections

We budgeted collections from patients themselves (e.g., copays and deductibles) to follow last year's pattern trended forward with overall clinical revenue growth. Since implementation of HB3320 in July, the gap between actual collections (orange bars) and target (purple line) has grown to over 30% as far more patients are granted assistance.



YTD Change in FTEs and Compensation Costs

- The following chart compares FTEs on OHSU's payroll from last March to this March by major group.
- Note that Unclassified Administrative FTEs are down 285 or -11% (which adjusts for the transfer of some Research staff into this category), AFSCME FTEs are up 58 or about 1%, and ONA FTEs are up 391 or 14%.
- March YTD salaries & benefits are up 9%, the 2% growth in FTEs plus 7% increase in average compensation cost (wages + benefits) per person.
- For comparison, admissions, surgical cases and ambulatory visits are up 4% – 5%.

| FTEs on Payroll | Mar 2024 | Mar 2025 | # Change | % Change |
|------------------------------------|----------------|----------------|--------------|-----------|
| AFSCME (most hourly) | 7,801 | 7,859 | 58 | 1% |
| Faculty | 2,871 | 2,932 | 61 | 2% |
| ONA (nurses) | 2,735 | 3,126 | 391 | 14% |
| Unclass Admin (managers) | 2,485 | 2,200 | (285) | -11% |
| Research | 1,442 | 1,554 | 112 | 8% |
| House Officer | 967 | 988 | 21 | 2% |
| All other | 406 | 415 | 9 | 2% |
| Total OHSU FTEs | 18,707 | 19,074 | 367 | 2% |
| YTD compensation (millions) | \$2,325 | \$2,542 | \$217 | 9% |

Importance of Pharmacy & IGT to OHSU Budget

- The table on the left separates out two key resources—pharmacy services for cancer / other complex care plus IGT funding through the Medicaid program—from all other activity in March YTD results, labeled “base” revenues & expenses here.
- Year over year, base revenues grow 5% while base expenses growth 9%, resulting in a 9-month “base” loss of \$(651)m, an increase of \$(153)m or 31% from last March.
- The table on the right shows that 78% of this increase reflects Oregon’s hospital staffing and patient financial assistance bills, with the remaining 22% reflecting the ongoing gap between payment rate growth and wage & cost inflation.

| Mar YTD Revenue & Expense (millions) | Last Year | This Year | Percent Change |
|--|--------------|--------------|-------------------|
| Base revenues* | \$2,791 | \$2,941 | 5% |
| Base expenses* | 3,289 | 3,592 | 9% |
| Base operating loss** | (498) | (651) | 31% |
| Non-hospital Rx direct margin | 245 | 347 | 42% |
| IGT funding | 165 | 233 | 41% |
| Rx & IGT gain | 410 | 580 | 41% |
| Total OHSU operating loss | \$(87) | \$(71) | -18% |
| *Excludes non-hospital pharmacy and IGT activity and for last year only, \$43.5m of 340b recovery. | | | |

| | |
|-------------------------------|---------|
| **Base loss - last year | \$(498) |
| Hospital staffing bill impact | (62) |
| HB3320 F/A impact | (58) |
| All other Mar YTD impacts | (33) |
| Base loss - this year | (651) |
| Base loss annualized x12/9 | \$(868) |

Cash Off \$(310)M with QDP Payment Delay

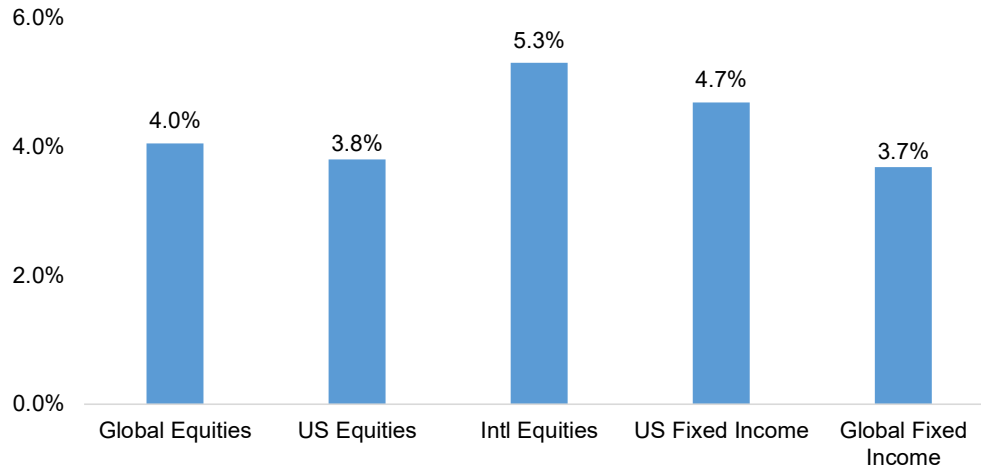
- OHSU-held cash & investments fell \$(310)m through 9 months, largely due to a three-month delay in federal CMS approval of the IGT-QDP program for CY2025 plus the operating loss. We expect the federal QDP approval to be settled in April or May.
- With this delay and higher daily expenditures, days cash on hand fell from 172 in June to 136 in March, well below Fitch medians of 270 days for AA and 205 for A credits.

| Balance Sheet (millions) | 6/30/24 | 3/31/25 | 9-Month Change |
|------------------------------------|----------------|----------------|-------------------|
| OHSU-held cash & investments | \$1,460 | \$1,149 | \$(310) |
| OHEP construction fund | 111 | 0 | (111) |
| Net property, plant & equipment | 2,414 | 2,545 | 131 |
| Interest in OHSU Foundation | 1,546 | 1,538 | (8) |
| Long-term debt | (1,336) | (1,336) | 1 |
| PERS pension liability | (513) | (513) | 0 |
| Working capital & GASB 101 | 597 | 655 | 58 |
| Consolidated net worth | \$4,278 | \$4,039 | \$(239) |
| Operating income (loss) | | | (71) |
| GASB 101 implementation | | | (255) |
| OHSU investment return | | | 79 |
| Grant & gift funded capital | | | 0 |
| Foundation gain (loss) | | | (8) |
| Release of surplus note reserve | | | 17 |
| Other non-operating items | | | (0) |
| YTD change in net worth | | | \$(239) |

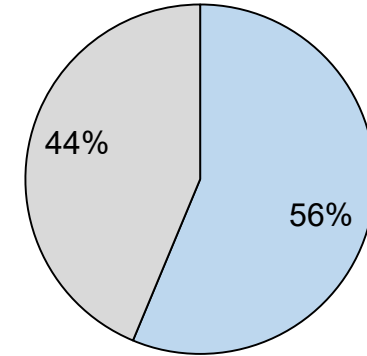
| FY25 Mar YTD Cash Flow | (millions) |
|--|----------------|
| Operating income | \$(71) |
| Depreciation | 164 |
| Investment return | 79 |
| Construction funds applied | 111 |
| Grant & gift funded capital | 0 |
| Sources of cash | 283 |
| Long-term debt repaid, net | (1) |
| Capital spending | (295) |
| QDP approval delay | (226) |
| Other working capital, net | (71) |
| Uses of cash | (593) |
| Net cash flow | \$(310) |
| <i>6/30/24 Days cash on hand</i> | <i>172</i> |
| <i>3/31/25 Days cash on hand</i> | <i>136</i> |
| <i>Fitch Ratings AA median</i> | <i>270</i> |
| <i>Fitch Ratings A median</i> | <i>205</i> |
| <i>(Special Report, August 12, 2024)</i> | |

FY25 March YTD Investment Returns Up 4.4%

Major Index Returns (YTD)



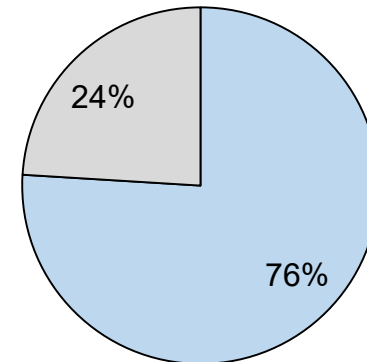
Asset Allocation – OHSU-Held Funds



Equity Fixed Income

| Asset Pool | 6/30/2024 Balance | 3/31/2025 Balance | FY25 YTD TR (%) | Benchmark YTD TR (%) |
|-------------------------------------|----------------------|----------------------|--------------------|-------------------------|
| OHSU-Held Funds | | | | |
| Short-Term Asset Pools | 442,811 | 200,176 | 4.4% | 4.4% |
| Long-Term Asset Pools | 1,150,444 | 949,118 | 4.2% | 4.2% |
| Other Asset Pools | 113,890 | 122,930 | 9.7% | 9.7% |
| Total OHSU Assets | \$1,707,146 | \$1,272,224 | 4.6% | 4.7% |
| Foundation-Held Funds* | | | | |
| Non-Endowment Asset Pools | 186,551 | 264,661 | 4.8% | 4.6% |
| Endowment Assets | 1,449,688 | 1,372,447 | 4.1% | 4.9% |
| Total Foundation Assets | \$1,636,239 | \$1,637,108 | 4.2% | 4.8% |
| Total OHSU Investable Assets | \$3,343,385 | \$2,909,332 | 4.4% | 4.7% |

Asset Allocation – Foundation-Held Funds



Equity Fixed Income

* Foundation preliminary actual and benchmark return calculated by OHSUF staff, with NAV sourced from investment managers.



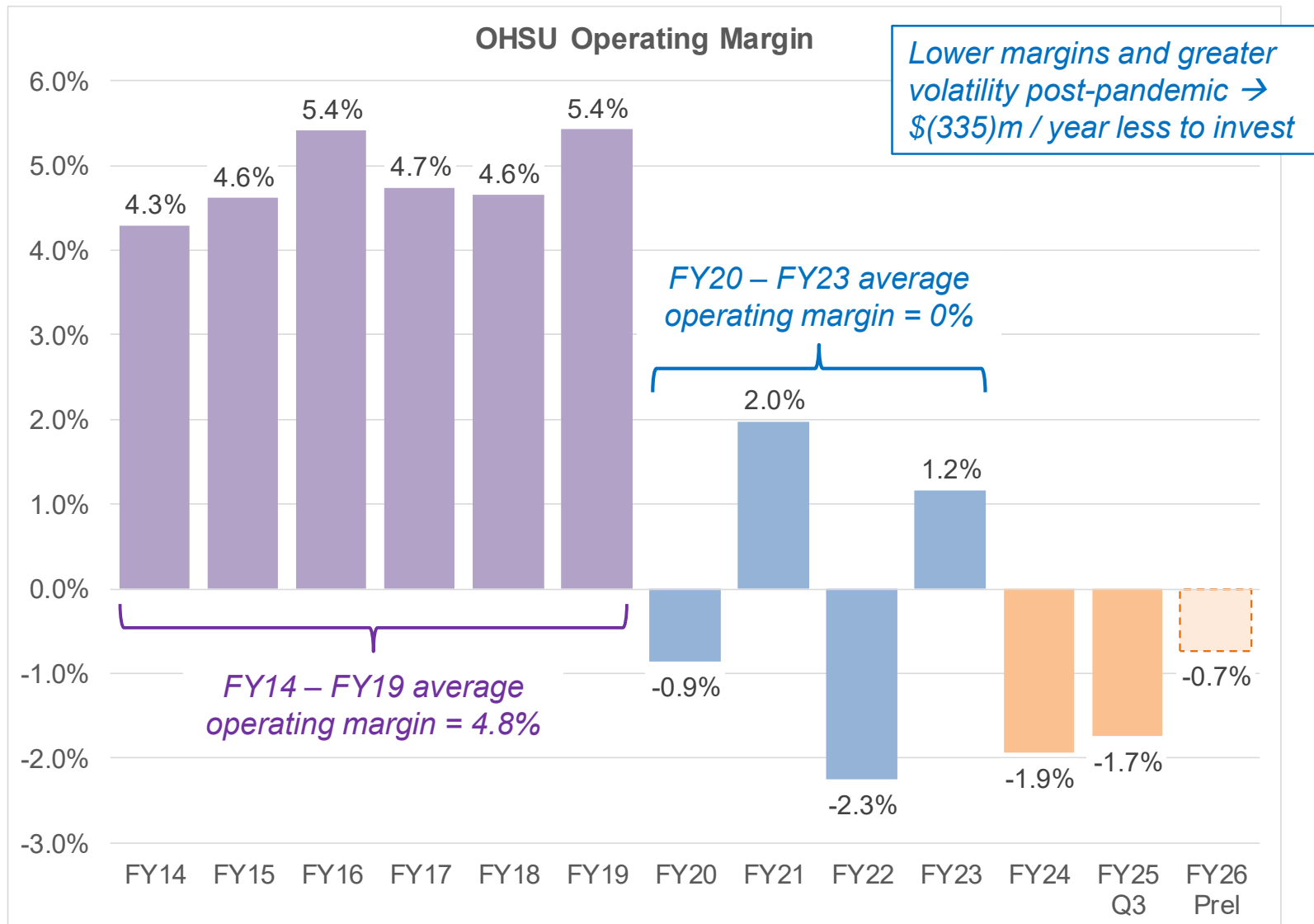
Renewal of \$100M Line of Credit with US Bank

- OHSU has a line of credit with US Bank for \$100 million that expires on April 30, 2025.
- We have had a facility like this with US Bank since 2020, although we have never drawn on it.
- Last fiscal year the Board approved a resolution granting management the ability to renew this type of indebtedness without returning for additional authorization.
- The current US Bank LOC has a facility fee of 8bps or \$80k per year, and a credit spread on current short-term benchmark rates of 35bps
- Historically, US Bank has typically provided the most attractive bids with respect to short term liquidity facilities for OHSU.
- Given the pending Legacy Health transaction and for administrative efficiency, we intend to enter direct negotiations with US Bank to renew the existing facility for another year on similar terms, using the authority granted last year.
- Going forward, we may adjust the line of credit as necessary based on our evolving operating and financial environment.

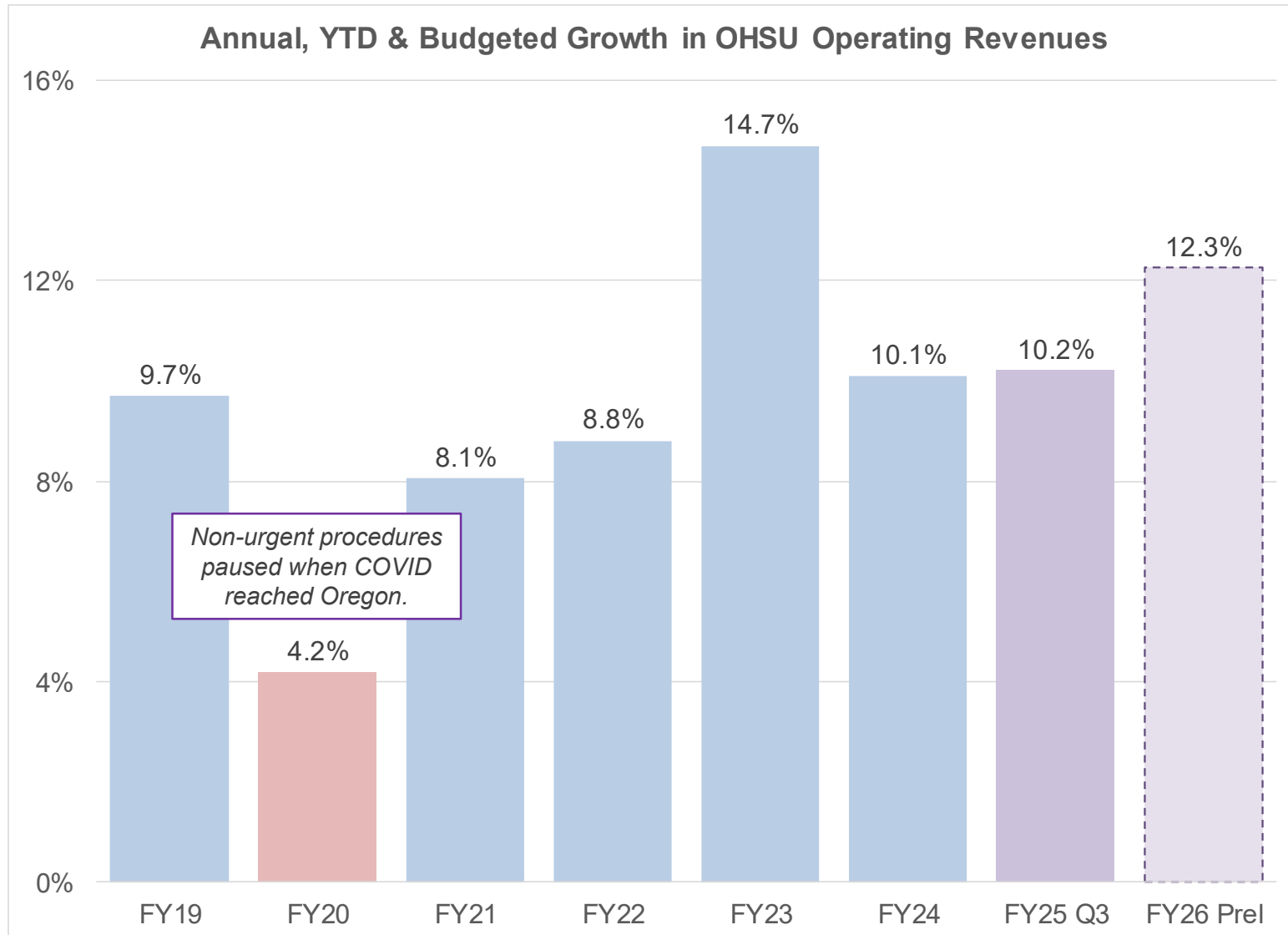
Fitch Ratings Wire on Early FY24 Hospital Results

- OHSU's Fitch rating is currently AA-, above their median rating, but with a Negative Outlook that indicates a downward trend toward the median.
- Trend in Fitch medians from FY23 to FY24 compared to OHSU results:
 - Median operating margin improved from -0.5% to +1.2%
 - OHSU operating margin declined from +1.2% to -1.9%
 - Median labor costs as a percent of revenue fell from 55.4% to 54.5%
 - OHSU labor costs as a percent of revenue increased from 59.9% to 63.0%
 - Median revenue growth was 9.1%
 - OHSU revenue growth was 10.1%
 - Median days cash on hand were stable at 220 days
 - OHSU days cash on hand fell from 184 to 172 days
 - Median cash to debt improved from 170.2% to 178.5%
 - OHSU cash to debt improved from 144.2% to 158.0%

Margin to Invest in People, Programs & Places



Demand for OHSU Missions Remains Very Strong



FY24 includes \$43.5m of prior-year Medicare 340b recovery.

Demand for OHSU Care Grows 2x Other Hospitals

- Over 5 years from FY19 to FY24, OHSU's hospital net patient revenue has grown by 62%, twice that of all other Oregon hospitals.
- This reflects the demand for OHSU's unique specialty/subspecialty services as Oregon's academic health center combined with our ability to recruit faculty and build programs.
- These factors resulted in a 2.5% annual increase in case mix or complexity per year.
- OHSU's shortage of adult inpatient beds will be alleviated by the Vista Pavilion / Inpatient Addition and, if approved, the Legacy combination.

| Net Patient Revenue (millions) | OHSU Hospital | All Other Oregon | OHSU % All Other | | Oregon Hospitals by System | | |
|--|------------------|---------------------|---------------------|--|----------------------------|---------|--------|
| | | | | | Providence | Legacy | Kaiser |
| FY19 (Jul 2018 - Jun 2019) | \$1,762 | \$11,505 | 15% | | \$2,388 | \$1,596 | \$703 |
| FY24 (Jul 2023 - Jun 2024) | \$2,863 | \$15,019 | 19% | | \$3,136 | \$1,958 | \$826 |
| 5-year percent growth | 62% | 31% | | | 31% | 23% | 17% |

Core Assumptions for Rate, Cost Inflation & Volume

- This table summarizes core assumptions for payment rate growth, unit wage & cost inflation (first column) as well volume and variable cost increases (second column).
- If OHSU provided the exact same services across patient care, research and education, in the exact same manner next year as this year, we would expect revenues to grow by a weighted average of 3.4% and expenses to grow by 6.0%.
- Instead, we expect core activity (before special focus to increase complex care above trend) to increase by a weighted average of 4.2% and variable cost (added staff, drugs, and other supplies needed to meet trended higher volume) to increase by 2.8%.
- Trended revenues would increase by a compounded 7.7% but expenses by 9.0%, a gap that would increase losses by a net of \$(83)m absent corrective actions.

| FY26 Preliminary Budget Assumptions | Rate / Cost Inflation | Volume / Var Cost | Combined Impact |
|-------------------------------------|-----------------------|-------------------|-----------------|
| Patient care | 4.0% | 5.0% | 9.2% |
| Research & education | 2.0% | 2.0% | 4.0% |
| Total revenues | 3.4% | 4.2% | 7.7% |
| Salaries & benefits | 7.4% | 3.2% | 10.9% |
| Rx & medical supplies | 5.0% | 5.0% | 10.3% |
| Other services & supplies | 2.0% | 1.6% | 3.6% |
| Depreciation & interest | 4.0% | 0.0% | 4.0% |
| Total expenses | 6.0% | 2.8% | 9.0% |

Key Dynamics in FY26 Budget Planning

- For HC+SoM, FY26 budget targets start with February YTD annualized, a direct margin (before overhead) of \$207m, which itself is \$(181)m below budget. (March results, which are somewhat better, were not available when FY26 targets were set.)
- For the rest of the University plus depreciation & interest, FY26 targets start with the original budget, rather than February trended, which would be \$76m more favorable.
- This “hybrid” approach is intended to be both realistic and fair, and shown in orange on the revenue & expense table on the next page.
- The gap between 3.4% payment rate growth and 6.0% wage & cost inflation increases the deficit by \$(151)m, offset by 4.2% volume growth less 2.8% variable costs that adds a net of \$68m, plus \$30m of incremental State support, largely from IGT funding at 87% of Medicaid-related costs.
- The hybrid budget base plus the rate & volume trends results in an FY26 “roll-forward” or starting point for FY26 budget work of \$(241)m, shown in aqua on the next page.
- Corrective actions against this starting loss include revenue cycle enhancements, reduced losses at partner hospitals, accelerated focus on services that support cancer and other complex care, non-renewal of certain faculty and management positions, and maintaining vacancies and other below-budget spending, offset by \$25m in net startup costs for the Vista Pavilion, opening in FY26 Q4.

Key Dynamics in FY26 Plan (continued)

| (millions) | Revenue | Expense | Margin |
|---|----------------|----------------|---------------|
| HC+SoM at Feb YTD trend | \$4,453 | \$4,246 | \$207 |
| All Other University at budget | 936 | 1,060 | (124) |
| Depreciation & interest | | 270 | (270) |
| Total OHSU FY25 budget base | 5,389 | 5,576 | (188) |
| Rate growth minus cost inflation | 183 | 334 | (151) |
| Volume growth minus variable cost | 234 | 166 | 68 |
| Incremental State support | 30 | 0 | 30 |
| FY26 roll-forward from FY25 base | 5,836 | 6,076 | (241) |
| Vista Pavilion startup costs | 0 | 25 | (25) |
| Revenue cycle improvements | 33 | 5 | 28 |
| Reduction in partner support | 0 | (14) | 14 |
| Cancer & other complex services | 258 | 128 | 131 |
| Position reductions - HC+SoM | 0 | (35) | 35 |
| Cost reductions - Other University | 0 | (13) | 13 |
| FY26 preliminary budget | \$6,127 | \$6,172 | \$(45) |

Over 2 Years Revenue Grows 23% & Expense 20%

| OHSU Income Statement (millions) | FY24 Actual | FY25 Adj Budget | FY25 Mar Annualized | FY26 Prel Budget | 2-Yr Growth FY26/FY24 |
|--|----------------|--------------------|------------------------|---------------------|--------------------------|
| Net patient revenue | \$3,405 | \$3,802 | \$3,715 | \$4,273 | 25.5% |
| Medical contracts | 185 | 208 | 196 | 213 | 15.3% |
| Healthcare other revenue | 256 | 213 | 294 | 346 | 35.3% |
| Subtotal - clinical | 3,846 | 4,223 | 4,204 | 4,832 | 25.7% |
| Grants & contracts | 580 | 591 | 590 | 618 | 6.6% |
| Gifts applied | 121 | 131 | 130 | 124 | 2.3% |
| Tuition & fees | 81 | 84 | 85 | 89 | 9.5% |
| Non-healthcare other revenue | 71 | 53 | 67 | 52 | -26.9% |
| Subtotal - academic & other | 853 | 859 | 873 | 883 | 3.5% |
| Subtotal - State support | 293 | 380 | 380 | 412 | 40.6% |
| Total operating revenues | 4,991.8 | 5,462 | 5,458 | 6,127 | 22.7% |
| Salaries & benefits | 3,172 | 3,390 | 3,390 | 3,745 | 18.1% |
| Rx & medical supplies | 998 | 1,079 | 1,156 | 1,372 | 37.5% |
| Other services & supplies | 708 | 730 | 744 | 774 | 9.4% |
| Depreciation & interest | 255 | 270 | 264 | 281 | 10.1% |
| Total operating expenses | 5,133 | 5,469 | 5,553 | 6,172 | 20.2% |
| Adjusted operating income | (141) | (7) | (95) | (45) | -68.1% |
| Adjustments made* | 44 | (18) | 0 | 0 | -100.0% |
| Total operating income (loss) | \$(97) | \$(25) | \$(95) | \$(45) | -53.8% |
| *\$43.5m 340b recovery in FY24 and \$18.1m RIF cost in FY25 budget booked in FY24. | | | | | |

FY26 Budget Targets by Major Area

- FY26 direct margin target for HC+SoM is \$348m, which is \$(39)m less than the current year's budget but \$119m higher than the March run-rate (blue line). This is the largest budget-to-budget variance and drives the \$(45)m overall bottom line (red).
- Other operating areas have targets that are close to the current budget and somewhat more expansive than the March run-rate. Holding these positive budget variances into next year will help these areas reach their targets.
- Expense for depreciation, interest & institutional accounts (orange line) is expected to increase next year from the March run-rate as new programs catch up from this year's underspending during their startup periods.

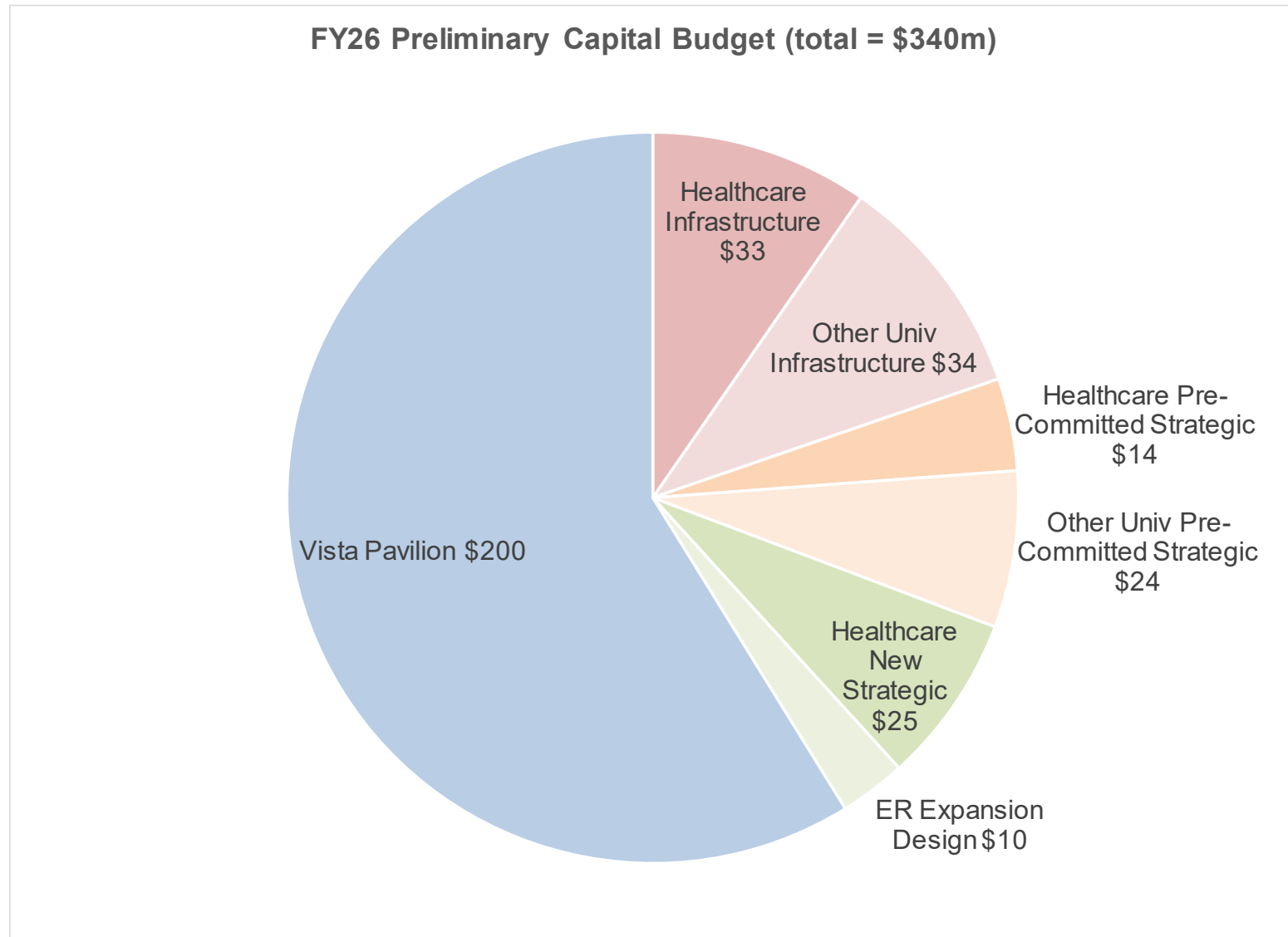
| FY26 Budget Targets by Major Area (millions) | FY25 Adj Budget | FY25 Mar Annualized | FY26 Prel Budget | FY26 Prel - FY25 Bdg | FY26 Prel - FY25 Est |
|---|--------------------|------------------------|---------------------|-------------------------|-------------------------|
| Healthcare +School of Medicine | \$387 | \$229 | \$348 | \$(39) | \$119 |
| Provost + education administration | (5) | 3 | (10) | (5) | (14) |
| CRO + research administration | 10 | 11 | 8 | (1) | (3) |
| Central administration & support | (178) | (167) | (183) | (5) | (15) |
| Restricted (grant) funds | 7 | 5 | 7 | (0) | 2 |
| Operating areas | 221 | 81 | 170 | (51) | 89 |
| Depreciation, interest & institutional | (228) | (176) | (215) | 13 | (39) |
| Total OHSU operating income | \$(7) | \$(95) | \$(45) | \$(38) | \$50 |

FY26 Budget Draws Down \$(181)M in Cash

- OHSU-held cash & investments are forecast to fall by \$(181)m, largely due to completion of the \$650m Vista Pavilion. The \$350m in bond funds borrowed in 2021 for this project was fully applied against construction costs as of mid-FY25.
- Investment income of \$71m is forecast at a 6% return, but this figure has a 12% standard deviation, so swings of plus or minus \$142m would not be unusual.
- \$425m Perinatal Addition is delayed in this preliminary plan due to lack of funding.

| FY26 Cash Flow | (millions) |
|---------------------------------|----------------|
| Operating income | \$(45) |
| Depreciation & interest | 281 |
| Investment income at 6% | 71 |
| Capital gifts & grants | 5 |
| Sources of cash | 312 |
| Debt service | (81) |
| Working capital | (72) |
| Annual capital spending | (130) |
| Vista Pavilion (IPA) completion | (200) |
| ER expansion design | (10) |
| Perinatal Addition (delayed) | 0 |
| Uses of cash | (493) |
| Sources less use of cash | \$(181) |

FY26 Capital Projects by Category



FY26 Preliminary Capital Budget Detail

| FY26 Preliminary Capital Budget (000) | OHSU Healthcare | Other University | Total OHSU | | OHSU Healthcare | Other University | Total OHSU |
|--|----------------------------|-----------------------------|-----------------------|--|----------------------------|-----------------------------|-----------------------|
| Infrastructure | | | | New strategic priorities | | | |
| Infrastructure / replacement | \$32,019 | \$20,583 | \$52,602 | Doernbecher hybrid OR | \$7,785 | - | \$7,785 |
| Library materials / Academic areas | 774 | 5,850 | 6,624 | Hillsboro Medical Center Neuro expansion | 3,000 | - | 3,000 |
| Space committee (relocation & repurposing) | - | - | - | Vista Pavilion Nutrition Services tray line | 8,104 | - | 8,104 |
| Research equipment replacement | - | 750 | 750 | Neuroscience unit expansion (Koehler11) | 1,080 | - | 1,080 |
| Flexible workspace | - | 928 | 928 | Cardiovascular ICU expansion (Koehler 13/14) | 3,600 | - | 3,600 |
| School of Medicine equipment replacement | - | 400 | 400 | South Hospital A wing air handler upgrade | 1,893 | - | 1,893 |
| Public Safety and Administration | - | 250 | 250 | | | | |
| Institutional contingency / infrastructure | - | 5,504 | 5,504 | <i>Subtotal new strategic priorities</i> | <u>25,462</u> | <u>-</u> | <u>25,462</u> |
| <i>Subtotal infrastructure / replacement</i> | <u>32,793</u> | <u>34,265</u> | <u>67,058</u> | Total FY25 annual capital allocation | 72,159 | 57,841 | 130,000 |
| Strategic priorities - pre-committed | | | | Vista Pavilion (IPA) completion | | | 200,000 |
| Parking garage C (ED) infrastructure updates | - | 1,100 | 1,100 | Emergency Department expansion - design | | | 10,000 |
| PGE feeder utility connection | - | 2,000 | 2,000 | Total FY26 capital budget | | | \$340,000 |
| Security cameras for parking structures | - | 1,000 | 1,000 | | | | |
| Parking garage C - Utility vault upgrade | - | 9,800 | 9,800 | | | | |
| Research equipment from grants | - | 5,000 | 5,000 | | | | |
| Kronos UKG Dimensions software upgrade | - | 1,576 | 1,576 | | | | |
| Marquam Hill nonconforming site improvements | - | 1,850 | 1,850 | | | | |
| Partnership project (lease consolidation) | - | 1,000 | 1,000 | | | | |
| West Campus drain piping replacement | - | 250 | 250 | | | | |
| OR lights, booms & integration replacement | 7,043 | - | 7,043 | | | | |
| Mt. Hood cancer infusion clinic expansion | 441 | - | 441 | | | | |
| GI Lab relocation (Hatfield 11) | 6,420 | - | 6,420 | | | | |
| <i>Subtotal strategic pre-committed</i> | <u>13,904</u> | <u>23,576</u> | <u>37,480</u> | | | | |

Multi-Year Projects in Preliminary Capital Plan

| Multi-Year Strategic Capital Projects (000) | Total Project* | FY26 Capital Budget | FY27 & Beyond |
|---|---------------------------|--------------------------------|------------------------------|
| <i>Healthcare initiatives</i> | | | |
| OR lights, booms & integration replacement | \$16,086 | \$7,043 | \$2,000 |
| Vista Pavilion Nutrition Services tray line | 9,000 | 8,104 | 896 |
| Neuroscience unit expansion (Koehler Pavilion 11) | 3,880 | 1,080 | 2,800 |
| Cardiovascular ICU expansion (Koehler Pavilion 13/14) | 5,880 | 3,600 | 2,280 |
| South Hospital A wing air handler upgrade | 9,300 | 1,893 | 7,407 |
| <i>Other University initiatives</i> | | | |
| PGE feeder utility connection | \$8,000 | \$2,000 | \$5,772 |
| Marquam Hill nonconforming site improvements | 25,780 | 1,850 | 24,430 |
| Kronos UKG Dimensions upgrade (timekeeping system) | 3,999 | 1,576 | 446 |
| Parking garage C (ED) infrastructure updates | 9,900 | 1,100 | 6,600 |

**Total project includes prior-year components.*

Conclusion

- In FY19, the last pre-pandemic year, OHSU salaries & benefits were 57.9% of revenues and the operating margin was +5.4%.
- Today, salaries & benefits are 62.1% of revenues and the operating margin is -1.7%, despite strong top-line growth.
 - The increase in compensation as a share of revenue equates to \$230m on this year's bottom line.
- This pattern reflects post-pandemic inflation on wages and other costs that is not reflected in payment rates, combined with the financial impact of Oregon's new hospital staffing and patient financial assistance laws—bills we supported and now need to fund.
- Through focus on complex care programs and services unique to academic health centers, holding employees in Unclassified Administrative and faculty roles salary growth low while also eliminating positions, the FY26 plan aims to keep the negative operating margin to below -1%.
- While over time we must scale OHSU's missions and services to the resources available, more cuts than currently planned would result in excessive damage now.
- As a consequence, OHSU can fund fewer capital projects (across infrastructure, strategic initiatives, and major facilities) while still drawing down cash balances otherwise intended for investment in the future.



**RESOLUTION 2025-04-03
OREGON HEALTH & SCIENCE UNIVERSITY
BOARD OF DIRECTORS**

WHEREAS, Calvin Jara has served as a member of the Board of Directors of Oregon Health & Science University since February 16, 2024, including service on the Integrity Program Oversight Council and the OHSU Presidential Search Committee;

WHEREAS, the Board of Directors wishes to recognize the service and outstanding achievements of Dr. Jara;

NOW THEREFORE, BE IT RESOLVED, that Oregon Health & Science University expresses its sincere appreciation for the valuable service and dedication of Dr. Jara throughout his tenure on the Board of Directors and for advancing OHSU's missions of teaching, healing, discovery and outreach.

This Resolution is adopted this 25th day of April, 2025.

Yeas _____

Nays _____

Signed by the Secretary of the Board on April 25, 2025.

Connie Seeley
Board Secretary

Glossary of Terms

A3 – Single page strategy

AAEO – Affirmative Action and Equal Opportunity

AAV - Adenovirus-associated virus

ACA - Affordable Care Act. The Patient Protection and Affordable Care Act, often shortened to the Affordable Care Act (ACA) or nicknamed Obamacare, is a United States federal statute enacted by the 111th United States Congress and signed into law by President Barack Obama on March 23, 2010

ACGME – Accreditation Council for Graduate Medical Education

ADA – Americans with Disabilities Act

AFSCME - American Federation of State, County and Municipal Employees. A union that represents OHSU classified employees.

AH - Adventist Health.

AHC - Academic Health Center. A partnership between healthcare providers and universities focusing on research, clinical services, education and training. They are intended to ensure that medical research breakthroughs lead to direct clinical benefits for patients.

AHEC – Area Health Education Centers

AHEC SW - AHEC South West of Oregon located in Roseburg, OR

AHRQ – Agency for Healthcare Research and Quality

AI/AN - American Indian/Alaska Native

AMD - Age-Related Muscular Degeneration is a common eye condition and a leading cause of vision loss among people age 50 and older.

AMP - Antibody-mediated protection clinical trial to prevent HIV acquisition

APP – advanced practice providers

APR - Academic Program Review: The process by which all academic programs are evaluated for quality and effectiveness by a faculty committee at least once every five years.

ARRA - American Recovery and Reinvestment Act of 2009.

A/R - Accounts Receivable. Money owed to a company by its debtors

ART – Antiretroviral therapy

ASF - Assignable Square Feet. The sum of all areas on all floors of a building assigned to, or available for assignment to, an occupant or specific use

AVS – After visit summary

A&AS – Audit and Advisory Services

Beat AML - collaborative clinical trial for acute myeloid leukemia

BERG – Black Employee Resource Group

bNAbs – Broadly neutralizing antibody

BRB - Biomedical Research Building. A building at OHSU

BS – Bachelor of Science

CAGR - Compound Annual Growth Rate measures the annual growth rate of an investment for a time period greater than a year

CAO - Chief Administrative Officer.

Capex - Capital expense

CAUTI – catheter associated urinary tract infections

CDI – Center for Diversity & Inclusion

CDI – Clostridium Difficile Infection

C Diff – Clostridium Difficile

CEAH - Cascades East AHEC, located in Bend, OR

CEI - Casey Eye Institute. An institute with OHSU

CFO - Chief Financial Officer.

CHH - Center for Health & Healing Building. A building at OHSU.

CHH-2 - Center for Health & Healing Building 2. A building at OHSU

CHIO – Chief Health Information Officer

CLABSI – Central line associated bloodstream infections

Clery – Clery Act requires colleges and universities to report campus crime data, support victims of violence, and publicly outline the policies and procedures they have put into place to improve campus safety

CLSB - Collaborative Life Sciences Building. A building at OHSU.

CMH - Columbia Memorial Hospital. A hospital in Astoria, Oregon

CMHI – Center for Mental Health Innovation.

CMI - Case Mix Index. Relative value assigned to a diagnosis-related group of patients in a medical care environment.

CMS - Centers for Medicare & Medicaid Services. A federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program (CHIP), and health insurance portability standards. In addition to these programs, CMS has other responsibilities, including the administrative simplification standards from the Health Insurance Portability and Accountability Act of 1996 (HIPAA), quality standards in long-term care facilities (more commonly referred to as nursing homes) through its survey

and certification process, clinical laboratory quality standards under the Clinical Laboratory Improvement Amendments, and oversight of HealthCare.gov.

CPI - Consumer Price Index measures the average prices of goods & services in the United States.

CY - Current Year.

DAC- Diversity Advisory Council

DEI – Diversity, Equity, & Inclusion

DEIB – Diversity, Equity Inclusion and Belonging

Downstream referral activity - specialty referrals that generate a higher margin and result from the primary care activity.

Days Cash on Hand - The number of days that OHSU can continue to pay its operating expenses with the unrestricted operating cash and investments.

DCH - Doernbecher Children's Hospital. A building at OHSU.

DMD - Doctor of Dental Medicine.

DNP - Doctor of Nursing.

DNV – Det Norske Veritas

E&M – Evaluation and management

EBIT - Earnings before Interest and Taxes. A financial measure measuring a firm's profit that includes all expenses except interest and income tax.

EBITDA - Earnings before Interest, Taxes, Depreciation and Amortization.

ED - Emergency Department. A department in OHSU specializing in the acute care of patients who present without prior appointment.

EHR - Electronic Health Record. A digital version of a patient's medical history.

EHS – Environmental Health and Safety

EMR – Electronic medical record

ENT - Ear, Nose, and Throat. A surgical subspecialty known as Otorhinolaryngology.

Envelope - HIV surface protein that is the target of bNAbs

EPIC - Epic Systems. An electronic medical records system.

EPMO – Enterprise Program Management Office

ER - Emergency Room.

ERG – Electroretinography is an eye test used to detect abnormal function of the retina.

ERG – Employee Resource Groups

ERM - Enterprise Risk Management. Enterprise risk management in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives.

EVP – Executive Vice President

FTE - Full-time equivalent is the hours worked by an employee on a full-time basis.

FY - Fiscal Year. OHSU's fiscal year is July1 – June30.

GAAP - Generally Accepted Accounting Principles. Is a collection of commonly-followed accounting rules and standards for financial reporting.

GASB - Governmental Accounting Standards Board. Is the source of generally accepted accounting principles used by state and local governments in the United States.

GDP - Gross Domestic Product is the total value of goods and services produced within a country's borders for a specified time period.

GIP - General in-patient

GME - Graduate Medical Education. Any type of formal medical education, usually hospital-sponsored or hospital-based training, pursued after receipt of the M.D. or D.O. degree in the United States This education includes internship, residency, subspecialty and fellowship programs, and leads to state licensure.

GPO –group purchasing organization

H1 – first half of fiscal year

H2 – second half of fiscal year

HAC – hospital acquired conditions

HAI – hospital acquired infections

HCAHPS – Hospital Consumer Assessment of Healthcare Providers and Systems

Hospice GIP – Hospice General In-patient

HR - Human Resources.

HRBP – Human resources business partner

HRSA - Health Resources and Service Administration, federal agency under Health and Human Services

HSE – Harvard School of Education

HSPH – Harvard School of Public Health

IA - Internal Arrangements. The funds flow between different units or schools within OHSU.

ICU - Intensive Care Unit. A designated area of a hospital facility that is dedicated to the care of patients who are seriously ill

IGT - Intergovernmental Transfers. Are a transfer of funds from another government entity (e.g., county, city or another state agency) to the state Medicaid agency

IHI – Institute for Health Care Improvement

IMPACT - International Maternal Pediatric Adolescent AIDS Clinical Trials Network

INR – International Normalised Ratio
IP – In Patient
IPA – In Patient Addition
IPS – Information Privacy and Security
ISO – International Organization for Standardization

KCC - Knight Cancer Center. A building at OHSU.
KCRB – Knight Cancer Research Building
KPI – Key Performance Indicator
KPV - Kohler Pavilion. A building at OHSU.

L – Floor Level
L&D - Labor and Delivery.
LGBTQ – Lesbian, Gay, Bisexual, Transgender, Queer
LOI - Letter of Intent. Generally used before a definitive agreement to start a period of due diligence before an enduring contract is created.
LOS – Length of stay

M - Million
MA – Medicare Advantage
M and A - Merger and acquisition
MBCT – Mindfulness-Based Cognitive Therapy
MBU - Mother-Baby Unit. A unit in a hospital for postpartum women and their newborn.
MCMC - Mid-Columbia Medical Center. A medical center in The Dalles, OR.
MD - Doctor of Medicine.
MOU—Memorandum of Understanding
MPH - Master of Public Health
MRSA – Methicillin-resistant staph aureus

NAPLEX – North American Pharmacist Licensure Examination
NCLEX – National Council Licensure Exam
NCI – National Cancer Institute
NEOAHEC - Northeast Oregon AHEC, located in La Grande, OR
NFP - Not For Profit.
NICU - Neonatal Intensive Care Unit specializes in the care of ill or premature newborn infants.
NIH - National Institutes of Health. A part of the U.S. Department of Health and Human Services, NIH is the largest biomedical research agency in the world.
NOL - Net Operating Loss. A loss taken in a period where a company's allowable tax deductions are greater than its taxable income. When more expenses than revenues are incurred during the period, the net operating loss for the company can generally be used to recover past tax payments.
NPS: Net Promotor Score.
NWCCU - Northwest Commission on Colleges and Universities: OHSU's regional accrediting body which is recognized by the U.S. Department of Education as the authority on the educational quality of institutions in the Northwest region and which qualifies OHSU and our students with access to federal Title IV student financial aid funds.

O2 – OHSU's Intranet
OBGYN – Obstetrics and Gynecology
OCA - Overhead Cost Allocation. Internal OHSU mechanism for allocating overhead expenses out to departments.
OCBA – Oregon Commission on Black Affairs
OCIC – Office of Civil Rights Investigations and Compliance
OCNE - Oregon Consortium for Nursing Education. A partnership of Oregon nursing programs.
OCR – Office of Civil Rights Federal Office
OCT - Optical Coherence Tomography is a non-invasive imaging test.
OCTRI - Oregon Clinical & Translational Research Institute. An institute within OHSU.
OHA - Oregon Health Authority. A government agency in the state of Oregon
O/E – observed/expected ratio
OHSU—Oregon Health & Science University
OHSUF - Oregon Health & Science University Foundation.
OHWI - Oregon Pacific AHEC Center located in Lebanon, OR
ONA - Oregon Nurses Association. Professional association for nurses in Oregon.
OPAHEC - Oregon Pacific AHEC Center located in Lebanon, OR
ONPRC - Oregon National Primate Research Center. One of seven federally funded National Primate Research Centers in the United States and a part of OHSU.
OP – Outpatient. If your doctor sends you to the hospital for x-rays or other diagnostic tests, or if you have same-day surgery or visit the emergency department, you are considered an outpatient, even if you spend the night in the course of getting those services. You only become an inpatient if your doctor writes orders to have you formally admitted.
OPP – OHSU Practice Plan

OPAM - Office of Proposal and Award Management is an OHSU department that supports the research community by providing pre-award and post-award services of sponsored projects and awards.
OPE - Other Payroll Expense. Employment-related expenses for benefits which the university incurs in addition to an employee's actual salary.
Opex - Operating expense
OR - Oregon
OR - Operating Room. A room in a hospital specially equipped for surgical operations.
OSU - Oregon State University.

P – Parking Floor Level
PAMC - Portland Adventist Medical Center.
PARS – Physician Advice and Referral Service
PaWS – Parking and Workplace Strategy
PCLF - Primary Care Loan Forgiveness program. Oregon program that covers tuition in exchange for a service commitment. Students enroll during the mid-point of their education.
PDT - Photodynamic Therapy is a treatment that uses special drugs and light to kill cancer cells.
PEP - post-exposure prophylaxis
Perinatal Services – Before and after birth care
PERI-OP – Perioperative. The time period describing the duration of a patient's surgical procedure; this commonly includes ward admission, anesthesia, surgery, and recovery
PERS - Public Employees Retirement System. The State of Oregon's defined benefit plan.
PET/MRI - Positron Emission Tomography and Magnetic Resonance Imaging. A hybrid imaging technology that incorporates MRI soft tissue morphological imaging and positron emission tomography PET functional imaging.
PharmD – Doctor of Pharmacy
PHB – Portland Housing Bureau
PPI – Physician preference items
PPO - Preferred Provider Organization. A type of health plan that contracts with medical providers, such as hospitals and doctors, to create a network of participating providers. You pay less if you use providers that belong to the plan's network.
Prgogrm – Program
PSI – Patient safety intelligence
PSU - Portland State University.
PTO - Personal Time Off. For example sick and vacation time.
PV - Present Value. The current value of a future sum of money or stream of cash flows given a specified rate of return.
PY - Previous Year.

Quaternary - Extension of Tertiary care involving even more highly specialized medical procedures and treatments.

R&E - Research and Education
RAPP – Research Administration Partner Pod
RFP – Request for Proposal
RJC – Racial Justice Council
RLSB - Robertson Life Sciences Building
RN - Registered Nurse.
ROI – return on investment
RPA - Robotic Process Automation. Refers to software that can be easily programmed to do basic tasks across applications just as human workers do
RPV – revenue per visit

SAMHSA – Substance Abuse Mental Health
SAVE Act – The Campus Sexual Violence Elimination Act
SBAR – Situation, Background, Assessment, Recommendation
SCB – Schnitzer Campus Block
SG&A - Selling, General and Administrative expenses. A major non-production cost presented in an income statement
SHOI - Students for a Healthy Oregon Initiative. Oregon program that covers tuition in exchange of a service commitment. Students enroll at admission.
SIPP – Suicide Prevention, Prevention, Postvention Plan
SLM – Senior Leadership Meeting
SLO - Student Learning Outcomes Assessment: The process of establishing learning goals, providing learning opportunities, measuring student learning and using the results to inform curricular change. The assessment process examines whether students achieved the learning goals established for them.
SMMART - Serial Measurements of Molecular and Architectural Responses to Therapy
SoD – School of Dentistry
SoM - School of Medicine. A school within OHSU.
SoN – School of Nursing
SOPs – Standard Operating Procedures
SPCP – Suicide Prevention Coalition and Partnership
SPH - School of Public Health. A school within OHSU.
SPD - Sterile Processing Department. An integrated place in hospitals and other health care facilities that performs sterilization and other actions on medical devices, equipment and consumables.

SSI – Surgical site infection

TBD – To be decided

Tertiary - Highly specialized medical care over extended period of time involving advanced and complex procedures and treatments.

THK – Total hip and knees

TIC – Trauma Informed Care

Title IX - The U.S. Department of Education's Office of Civil Rights enforces, among other statutes, Title IX of the Education Amendments of 1972. Title IX protects people from discrimination based on sex in education programs or activities that receive federal financial assistance. Title IX states: No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

TTBD - Technology Transfer & Business Development supports advancement of OHSU research, innovation, commercialization and entrepreneurship for the benefit of society.

UBCI – Unconscious Bias Campus – wide initiative

Unfunded Actuarial Liability - Difference between actuarial values of assets and actuarial accrued liabilities of a pension plan.

Represents amount owed to an employee in future years that exceed current assets and projected growth.

UO—University of Oregon

UPP - University Pension Plan. OHSU's defined benefit plan.

URM – underrepresented minority

USMLE – United States Medical Licensing Examination

VAWA – The Violence Against Women Act

VBP – Value-based purchasing

VEC – Vaccine Equity Committee

VGTI - Vaccine and Gene Therapy Institute. An institute within OHSU.

VTE – venous thromboembolism

WACC - Weighted Average Cost of Capital is the calculation of a firm's cost of capital in which each capital category is proportionately weighted.

WMG – Wednesday Morning Group

wRVU - Work Relative Value Unit. A measure of value used in the United States Medicare reimbursement formula for physician services

YoY - Year over year.

YTD - Year to date.