



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes
Hospital Board
Regular Meeting



Thursday, August 28, 2025

5:30 PM

Assembly Chambers

1. Call to Order/Roll Call

A. Call to Order

Board President Cook called the meeting to order at 5:30PM.

B. Roll Call

PRESENT

Board President Jerod Cook

Board Vice President Cindi Lagoudakis

Board Secretary Marlene Cushing

Board Member Heather Conn

Board Member Kimberley Simbahon

Board Member Joe Stratman

Board Member Jim Roberts

2. Approval of the Agenda

A. Approval of August 28, 2025, Hospital Board Meeting Agenda

Motion made by Board Vice President Lagoudakis to approve August 28, 2025 Hospital Board Meeting Agenda, Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

3. Approval of Board Minutes

A. Approval of the July 24, 2025, Hospital Board Minutes

Motion made by Board Member Roberts to approve July 24, 2025, Hospital Board Minutes, Seconded by Board Vice President Lagoudakis. Voting Yea: President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

4. Visitor Comments

None.

Note: Following the conclusion of the public comment period, an individual entered the meeting room and requested to provide additional comment. The Board Chair stated the public comment period had closed. The individual submitted a document directly to the CEO. No further action was taken by the Board.

5. Board Member Comments

Board Vice President Cindi Lagoudakis commented on emergency preparedness and working together with Borough for updated process.

6. Committee Reports

A. Resource

Board Vice President Lagoudakis reported:

The Resource committee reviewed the financials, which continue to reflect strong operations. We are now operating under the new budget approved in July, and as expected, summer has been a busy season. Emergency visits are trending higher than typical, and there remain patients awaiting placement in long-term care.

Expenses are running slightly below budget, even with the timing of annual physician bonuses and new utility costs for the recently opened work building. Utility expenses are expected to increase as the facility becomes fully occupied. A reduction in contract labor has helped offset other costs, leaving us in a stable position overall.

Annual insurance premiums were paid in June, as was the state's pension program resolution. Both of these were reflected in July's financial statement. With these items behind us, August is projected to close in a more favorable position.

On the contracting side, we recently completed negotiations with Primera Blue Cross Blue Shield and are continuing discussions with Aetna.

Grant funding presented some challenges in August due to state computer system changes that delayed payments. Through negotiations, we were able to avoid late vendor fees during this period.

Investments had another strong month, though we are mindful of potential changes in future market conditions.

In terms of planning and development, we are completing the Certificate of Need paperwork and will be updating the facilities needs assessment for the current hospital building. We are also beginning work on the next logical phases of new hospital construction, with particular focus on long-term care. Our thinking has shifted toward building a hospital campus model, rather than relying on a single, partially funded building intended to house everything. In addition, our grant writer will be pursuing training and exploring opportunities related to rural professional housing.

B. LTC

Board Secretary Cushing reported on LTC Quality:

Long Term Care Quality committee held a work session to review the recent state and federal inspection of Long Term Care. These inspections are always unannounced and comprehensive, covering all aspects of patient care, facility standards, and regulatory compliance. Staff should be very proud of the care they provide—inspectors had to look extremely closely to find even minor items for their checklist, and none were related to the quality of care our residents receive. Inspectors also interviewed residents during the visit, further confirming the positive environment and care being delivered.

Board Member Joe Stratman also reported on the July 16th Long Term Care Committee meeting, which he attended but had not been able to report on at the previous board meeting. At that meeting, the committee reviewed action items, including the active policy list, which is close to completion. They also discussed the polypharmacy reduction project, which successfully removed unused medications, and confirmed that long-term care medication reconciliation had been resolved. In addition, Phil presented the incident reports, noting there were very few. The Chief Nursing Officer and Infection Control provided updates, including measures taken to address influenza A, which were effective in preventing its spread. Finally, the Therapy and Rehab report included discussion of ongoing efforts to recruit an occupational therapist.

C. CAH

Board Member Stratman reported on CAH Quality:

The Critical Access Hospital Quality committee was provided with several general updates, including ongoing generator issues, progress on various action items, and the sewer line plan. An agreement has been reached with Bettisworth North to complete a facility assessment. In addition, Cerner training is scheduled for September.

The committee also revisited the active policy list, noting that the table of contents has been distributed to managers for their review and comment. Several reports were reviewed, including incident reports, which showed a decline in June compared to May, with only a couple of incidents reported so far in July. The Skilled Nursing report highlighted the initiation of a new immunization program.

7. Reports

- A. Information Technology/ EHR
J. Dormer provided written report.
- B. Materials Management
M. Randrup provided a written report.
- C. Medical Records
K. Randrup provided a written report.

- D. Nursing
DON, J. Bryner provided a written report.
- E. Activities
A. Neidiffer provided a written report.
- F. New Facility
J. Wetzel provided a written report.

Board Vice President Lagoudakis noted that staff appear to be enjoying the new space and that it seems to be working well for everyone. She shared that during an earlier tour she saw the area prior to office occupancy, and now with staff moved in, the space is functioning successfully.

Justin with Arcadis reported that all permitting has been completed for the Wellness Drive extension to Excel. Contractor pricing has been negotiated, and the project is within budget. Work is scheduled to begin the first week of September. Progress on the hospital retaining wall continues, with the footer poured and wall forming and pouring planned over the next couple of weeks. A delineation fence with privacy screening will also be installed to create a finished look, provide separation for future hospital construction, and support future access planning. Existing grant funds are being fully utilized to advance the project.

- G. Quality and Infection Prevention
S. Romine and R. Kandoll provided written reports.
- H. Executive Summary
CEO, Phil Hofstetter, provided a written report with attachments.

CEO, P. Hofstetter reported: focus on transitioning into the new WERC building, with departments beginning a soft opening. Staff engagement includes scheduled weekly meetings to address workflows and processes, while IT and Facilities have been working intensively to support the move. Public communication has included tours for media and community partners, with more to come as spaces like the community computer room become operational. The MRI Certificate of Need remains in process with minor follow-up requested. Challenges remain with staff working across two campuses, but communication strategies are being strengthened. Recent tours included the SEAPA board and Alaska Hospital & Healthcare Association CEO Jared Kosin, who spoke highly of PMC and Petersburg. Patient volumes remain stable overall, with strong ER activity and slightly lower swing bed/inpatient census following an extended period of high volumes. Specialty clinics continue, with ENT, optometry, and dermatology scheduled this fall, and planning underway for additional services. Staff also completed a timely and thorough proposal for the state's Healthcare Transformation Fund RFI, positioning PMC for future phased development, including potential long-term care facilities. Bettisworth North conducted an updated facility assessment in August, with results forthcoming.

Board Member Conn asked about Dr. Justin Morgan's departure date and was informed it will be mid-November. Recruiting efforts for his replacement underway.

- I. Financial
CFO, Jason McCormick provided a written report.

J. McCormick reported clinic visits in July were slightly lower than the prior year, with 790 visits compared to 833. Radiology procedures were consistent at 253, while lab tests were down approximately 100 from last year. Rehab services also decreased, though home health visits increased significantly. Emergency Department volumes were strong with 102 visits in July, slightly above the typical summer range of 90–100. Hospital days were 12, compared to 34 last year, and swing bed days totaled 54, down from 113. Long-term care census increased to 426, up from 372 in July 2024.

Gross revenues were slightly below budget at \$2.73 million versus a budget of \$2.77 million. Total operating revenues came in \$73,000 under budget, offset in part by higher-than-expected grant revenue (\$30,000 above budget) and 340B income. Operating expenses were under budget by \$6,648, though payroll was higher due to bonuses. Operating income for the month was \$98,000, which is \$67,000 below budget. Importantly, this represents the first month of operations in the new building, with depreciation and utility costs included—and those costs are being fully covered.

Capital grants continue to provide strong support, with \$1.3 million recognized in July. Total cash remains strong despite a \$300,000 insurance premium payment, with \$2.9 million in cash and short-term investments and \$4.5 million in long-term investments. Accounts payable are current, with only minor construction-related items outstanding.

Key financial ratios remain stable. Days cash on hand decreased to 98 (from 117 in June) due to the insurance payment, but this is expected to rebound. Gross days in AR are at 82, with ongoing efforts to reduce to the 70s. Days in accounts payable are favorable at 26.

Looking ahead, the Rural Healthcare Stabilization and Transformation Fund—a \$50 billion federal program allocating approximately \$1 billion per state—will present significant funding opportunities beginning around 2026. PMC is well-positioned, with a strong vision and shovel-ready projects that align with anticipated priorities.

8. Old Business

None

9. New Business

None.

10. Next Meeting

Next meeting scheduled for September 25th, 2025, at 5:30pm in Assembly Chambers.

11. Executive Session

By motion, the Board will enter into Executive Session to consider medical staff appointments/reappointments, discuss any legal concerns, and conduct the CEO annual evaluation.

Motion made by Board Member Stratman to enter into Executive Summary to consider medical staff appointment and reappointments, discuss legal concerns, and conduct the

annual CEO Evaluation, Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

Reconvened post Executive Session.

Motion made by Board Secretary Cushing to appoint/reappoint Joshua Sonkiss, MD, Stephen Thiede, MD Radiology, Bernardo Isuani, MD Radiology, Jon Ekstrom, MD Radiology, Justin Morgan, MD, George Leonard, MD, John Campbell, MD, Ryan Tade, MD Radiology, Jessica Bianco, DMD, Pediatric Dentist, and our Telemed providers; Claire Creutzfeldt, MD, Ariell Davis, MD, Rizwan Kalani, MD, Sandeep Khot, MD, David Tirschwell, MD, Jonathan Weinstein, MD, Breana Taylor, MD, Natalie Weathered, MD, Ryan Kiser, MD, Hope Opara, MD, Alison Seitz, MD, and Vivian Yang, MD. Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts

12. Adjournment

Motion made by Board Member Roberts to adjourn, Seconded by Board Vice President Lagoudakis. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

Meeting adjourned at 7:09PM.