



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes
Hospital Board
Regular Meeting



Thursday, September 25, 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 Secretary Marlene Cushing

Board Member Heather Conn

Board Member Kimberley Simbahon

Board Member Joe Stratman

Board Member Jim Roberts

ABSENT

Board Vice President Cindi Lagoudakis

2. Approval of the Agenda

A. Approval of September 25, 2025, Hospital Board Agenda

Motion made by Board Member Cushing to approve September 25, 2025, Hospital Board Meeting Agenda. Seconded by Board Member Conn. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

3. Approval of Board Minutes

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

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

4. Visitor Comments

None

5. Board Member Comments

Board Secretary Cushing expressed her appreciation for the strong support demonstrated by candidates during forum in prioritizing the new hospital as the top item on the borough's capital requests.

Board President Cook expressed appreciation to Kim Simbahon for her dedicated service on the Petersburg Medical Center Hospital Board. CEO Phil Hofstetter and all board members present joined in extending their gratitude to Kim for her time, commitment, and valuable contributions to the organization.

6. Committee Reports

A. Resource

Meeting held Sept 22, 2025. Refer to J. McCormick Finance Report.

B. LTC Quality

Meeting held September 17, 2025.

C. CAH Quality

Board Member Stratman reported on CAH Quality:

The committee met on September 17, 2025, to review the action item list and discuss several operational updates. Topics included the digital formulary, the health maintenance tab, and the skilled stay auto reminder pop-ups, which appear to be functioning effectively.

Incident reports were reviewed, with the committee noting a downward trend over the past several months. Primary care data indicated an improvement in the rate of well-managed patients over the last six months. Access to care metrics and skilled nursing reports were also presented.

The committee reviewed infection control data, including microbial and hand hygiene metrics. Department updates included Physical Therapy, which is currently fully staffed, as well as Lab, Radiology, and Nutrition, whose metrics were reviewed.

The Wellness report highlighted the falls prevention initiative and the launch of a new Tai Chi program on September 20. Additionally, the committee was informed of a new website design project now underway.

D. Infection Prevention Quality

Board Member Stratman reported on Infection Prevention Quality:

The Infection Control Committee met on September 17, 2025. Erin from Public Health provided a report on the flu shot clinic. The committee discussed hand hygiene and reviewed action items. Work on handrails remains in progress, and the cleaning chemical inventory has been resolved and removed from the action list.

Additional discussion included antibiotic stewardship, installation of a new salon chair in Long Term Care, storage room considerations, and laboratory reports confirming that blood contamination rates remain very low.

7. Reports

A. Pharmacy

E. Kubo provided a written report.

Board Member Roberts inquired about the function of a Pyxis unit. Elise Kubo explained that a Pyxis unit is a secure, computerized medication dispensing system commonly used in hospitals and clinics. It maintains medications in a locked environment, requires staff login or badge access, and automatically records each transaction. This process supports accurate inventory management, enhances patient safety, and ensures that the correct medication is administered at the appropriate time.

B. Rehab Department

B. McMahon provided a written report.

C. Plant Maintenance

W. Brooks provided a written report.

Board President Cook inquired about the recent pipe failure. Wolf reported that a large section of the greywater system, composed of cast iron piping that had reached the end of its service life, had ruptured. The issue was addressed and fully resolved the same day.

D. Environmental Services

G. Edfelt provided a written report.

E. New Facility

J. Wetzel/ Arcadis provided a written report.

Board Member Roberts inquired about concept design reviews. Justin from Arcadis explained that while the schedule is not yet finalized, the reviews are expected to begin in October. He offered to send invitations to board members who wish to participate.

Justin reported that Bettisworth Northwest, the design team, conducted a facility assessment of the existing hospital as part of the concept design process. He noted that additional site visits are planned, with formal discussions scheduled to begin in October and progress thereafter.

F. Quality & Infection Prevention

S. Romine and R. Kandoll provided written reports.

G. Executive Summary

CEO P. Hofstetter provided a written report.

CEO Phil Hofstetter reported that he, along with Board President Jerod Cook, CNO Jennifer Bryner, MD Cortney Hess, Financial Controller Joel Pipkin, and Grant Specialist Katie Bryson, attended the annual Alaska Hospital and Healthcare Association (AHHA) conference in Girdwood. A key focus of the conference was the federal healthcare transformation funds, part of a \$50 billion allocation. CMS released additional funding details during the meeting. The State of Alaska is required to submit its plan by early November, with funds expected to be released as early as January. While capital for new facilities does not appear to be included, further clarification is pending. The importance of alignment and collaboration among hospitals with the State was emphasized.

Prior to the conference, the team also participated in the HRSA Collaborative meeting. As recipients of the HRSA grant, PMC is working with South Peninsula Hospital and Cordova Community Medical Center to explore opportunities for collaboration and potential use of transformation funds to advance community-level healthcare.

At the local level, progress continues at the Wellness, Education, and Resource Center (WERC) campus. Work is underway to complete audiovisual installation in conference rooms, finalize the MRI setup, and prepare the community computer room for public use. Once all components are operational, a ribbon-cutting ceremony is planned.

Public Health successfully hosted its first community flu shot clinic in the new facility, serving over 120 individuals. Specialty services also remain active, with Dermatology recently seeing more than 120 patients over five days at the Joy Janssen Clinic, and Dr. Kamey Kapp scheduled to provide optometry services from September 29 through October 7.

Community engagement efforts continue with the *Walk with a Doc* program, scheduled for October 11 at Sandy Beach. This national initiative connects physicians with the community in a casual, health-focused setting.

Finally, the annual manager work session is scheduled for the coming week. Board members are invited to attend as the leadership team reflects on the past year and sets priorities for the upcoming year in alignment with the strategic plan.

H. Financial

J.McCormick provided a written report.

August was one of our busiest months, consistent with summer trends. Primary care visits increased to 865, slightly above July, radiology recorded 251 visits, and lab volumes continued to climb. Both physical therapy and home health services showed steady growth. The emergency department experienced a modest increase, though volumes are expected to return to the typical fall and winter range of 60–70 visits per

month. Acute care totaled 20 patient days, swing bed accounted for 69, and long-term care remained strong at an average daily census of 4.03. ICF bed days continue to reflect overflow needs, indicating a very full long-term care facility with patients awaiting placement. August was also our highest gross revenue month on record. Contractual adjustments were elevated both due to strong gross revenue and catch-up write-offs for diabetes testing in long-term care, which is included in resident services but not billed separately. Bad debt remains normal, and 340B revenues were stable, with ongoing work to expand pharmacy contracts. Expenses came in slightly above budget, largely from salaries and benefits tied to longevity incentives and payroll-related costs such as taxes; contract labor declined, while benefits rose. These payments were irregular and expected to normalize in coming months. With the WERC building opening and MRI becoming operational, we will soon be able to assess depreciation impacts and cost-based reimbursement, though it will take a few months to fully calculate. Facility operating costs such as utilities remain manageable, and we anticipate positive returns. Cash remains strong at \$1.6 million in our main accounts, with short-term investments contributing to a total cash position of more than 100 days on hand, reflecting good liquidity. Medicare's claims edit under Method 2 Billing temporarily held back payments for critical access hospitals, but the edit has been lifted, reprocessing is underway, and catch-up payments are expected in September or October. Accounts receivable days are at 83, trending down since insourcing the business office, while accounts payable days stand at 16, showing timely vendor payments. Investments performed well in August. The finance team is currently focused on the annual audit and cost report preparation. We have concluded payer negotiations with Aetna, effective October 1, and would like to secure standardized rates across payers ensuring no payer has an advantage.

CFO, J. McCormick noted support for Pyxis system in nursing stating the system performs as a reliable "work horse" with no issues reported with any of his previous clients that adopted the system.

Overall, August was financially and operationally very strong, with record revenues, solid cash flow, and positive momentum.

8. Old Business

None

9. New Business

None

10. Next Meeting

A. Next meeting scheduled for October 30th, 2025, at 5:30pm in the Borough Chambers.

11. Executive Session

A. Executive Session

By motion the Board will enter into Executive Session to consider medical staff reappointment, and any legal concerns.

Motion made by Board Member Conn to enter into Executive Session to consider medical staff reappointment and any legal concerns, Seconded by Board Member Cushing.

Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

Reconvened post Executive Session.

Motion made by Board Member Cushing to reappoint PA Erik Hulebak to Medical Staff, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

12. Adjournment

Motion made by Board Member Simbahon to adjourn, Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.