



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes
Hospital Board
Regular Meeting



Thursday, July 24, 2025

5:30 PM

Assembly Chambers

1. Call to Order/Roll Call

A. Call to Order

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

B. Roll Call

PRESENT

Board Vice President Cindi Lagoudakis
Board Secretary Marlene Cushing
Board Member Kimberley Simbahon
Board Member Jim Roberts

ABSENT

Board President Jerod Cook
Board Member Heather Conn
Board Member Joe Stratman

2. Approval of the Agenda

Motion made by Board Secretary Cushing to approve the agenda, Seconded by Board Member Roberts. Voting Yea: Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, and Board Member Roberts.

3. Approval of June 26, 2025 Board Minutes

A. Approval of the June 26, 2025, Hospital Board Minutes

Motion made by Board Member Simbahon to approve June 26, 2025, Hospital Board Minutes, Seconded by Board Secretary Cushing. Voting Yea: Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, and Board Member Roberts.

4. Visitor Comments

Katie Holmlund, Youth Program Development and Advocacy Coordinator, expressed gratitude to the Petersburg community for their support in making this year's youth kayak expedition a success. Despite shipping delays for a new fleet of kayaks funded by a grant from the Elks, the community rallied to provide seaworthy kayaks, allowing the program to proceed safely. She thanked everyone involved and noted her appreciation for the community's ongoing support.

5. Board Member Comments

Board Secretary Cushing commented on the Paddle Battle being a great success.

6. Committee Reports

- A. Board Vice President Cindi Lagoudakis with verbal report.

Board Vice President Lagoudakis reported:

Jason reviewed hospital statistics at the July 21st meeting, noting upward trends in primary and specialty clinic visits, radiology, procedures, rehab services, and home health visits. Revenue increased over 17% from last year, partly due to chargemaster updates. Accounts payable is current, cash reserves are strong, and funds were approved for transfer to a non-speculative investment account. The committee is renegotiating billing rates, collaborating with new providers for the 340B program, and reviewing the certificate of need process. Some grant funds have been reduced, though new opportunities are being pursued. Major updates include the delivery of the MRI and arrival of furniture for the new work building.

- B. LTC- Board Member Stratman will report out in August.

- C. CAH- Board Member Stratman will report out in August.

7. Reports

- A. Home Health
Laura Holder submitted a written report.

- B. Imaging
Sonja Paul submitted a written report.

Board Secretary Cushing notes that it is exciting to see pictures of the MRI machine that has arrived in Petersburg.

- C. Lab
Violet Shimek submitted a written report.

- D. Long Term Care
Helen Boggs submitted a written report.
- E. Patient Financial Services
Carrie Lantiegne submitted a written report.
- F. New Facility
J. Wetzel with Arcadis submitted a written report.
- G. Quality and Infection Prevention
Stephanie Romine and Rachel Kandoll submitted written reports.
- H. Executive Summary
CEO, P. Hofstetter, submitted a written report.

CEO, Phil Hofstetter commended Katie Holmlund and her team for the successful youth kayaking expedition and noted the strong community engagement.

The recent Pedal & Paddle Battle raised over \$24,000 for scholarships and continuing education through the PMC Foundation, with 23 paddlers and 15 bikers participating—the highest ratio of paddlers to bikers to date. Thanks were extended to corporate sponsors including Alaska Airlines, Lee's Clothing, Rocky's Marine, Rexall Drug, Petersburg Properties, Anchor Properties, First Bank, USI (insurance broker), AP&T, Petersburg Mental Health Services, Last Frontier Eye Care, Dawson, Arcadis, and Bettisworth North.

An earlier report overstated medevac numbers at 73; the corrected figure is 59—still one of the higher counts for the fiscal year. Inpatient and swing bed volumes remain elevated. The Certificate of Need (CoN) for the MRI has been submitted and received by the State, allowing progress toward patient use. The WERC building is nearing readiness, with a gradual move-in anticipated, likely in September, following equipment installations.

Board Vice President Lagoudakis commended the Pedal & Paddle Battle, noting how wonderful it was to see families and young children participating and highlighted the value of including the bicycling component for younger kids. Cushing also thanked, Liz Bacom, and the PMC kitchen team for coordinating food for the event.

- I. Financial
J. McCormick submitted a written report

CFO, Jason McCormick reported: Clinic volumes increased across primary care, specialty clinics, and radiology (up 11%). Rehab services rebounded strongly (12,891 vs. 10,249 prior year), as did home health (2,296 vs. 1,717). Emergency room visits rose slightly (907 vs. 872), inpatient days increased (373 vs. 351), and swing bed days grew significantly (827 vs. 441). Long-term care maintained 87–90% capacity.

Revenues exceeded budget by \$257K for the month and \$3.67M year-to-date. Net patient revenue trends are stable, with \$58K in new 340B revenue. Adjustments were

made for the Employee Retention Tax Credit, reducing revenue by \$972K after federal changes; even with this correction, year-to-date net operating income remains \$3.1M (including \$2M from the tax credit). Without the adjustment, June net income would have been +\$400K (reported: -\$589K).

Expenses exceeded budget (\$94K for the month, \$2.5M YTD) but are supported by increased revenues. Cash position remains strong with nearly 100 days cash on hand, short-term investments growing, and accounts payable current (31-day average). Bad debt write-offs remain well below industry averages.

The recently passed federal bill reduces one-third of the retention credit but creates a \$50B fund for rural healthcare stabilization. PMC will monitor the State's plan for accessing these funds and participate where possible. No significant financial impacts are expected within the next 6–12 months, with updates to be incorporated into the FY2027 budget process.

J. McCormick highlighted portions of attached grants report.

8. Old Business

None.

9. New Business

None.

10. Next Meeting

A. Next meeting scheduled for August 28th, 2025, in Borough Chambers.

11. Executive Session

A. By motion, the Board will enter into Executive Session to consider medical staff appointments/reappointments and/or any legal concerns.

Motion made by Board Secretary Cushing to enter into Executive Session to consider medical staff appointments/ reappointments and/or legal concerns, Seconded by Board Member Roberts.

Voting Yea: Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Simbahon, and Board Member Roberts.

Reconvened post Executive Session.

Motion made by Board Secretary Cushing to reappoint Jonathan Sims, Radiologist to medical staff, Seconded by Board Member Roberts. Voting Yea; Board Vice President Lagoudaki, Board Secretary Cushing, Board Member Roberts, and Board Member Simbahon.

12. Adjournment

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

Meeting adjourned at 6:15PM.