



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda
Hospital Board
Regular Meeting



Wednesday, February 25, 2026

5:30 PM

Assembly Chambers

Please copy and pasted the link below into your web browser to join the webinar:

<https://us06web.zoom.us/j/85265980520?pwd=0JRU8bE7LsmgM8AzcETYsVQbOQpCvH.1v>

Webinar ID: 852 6598 0520

Password: 917770

1. Call to Order/Roll Call

- A. Call to Order
- B. Roll Call

2. Approval of the Agenda

- A. Approval of the February 25, 2026, Hospital Board Agenda

3. Approval of Board Minutes

- A. Approval of the January 29, 2026, Hospital Board Minutes

4. Visitor Comments

5. Board Member Comments

6. Committee Reports

- A. Resource
- B. Long Term Care Quality
- C. Infection Prevention and Control Quality

7. Reports

- A. Radiology
S. Paul submitted a written report.

- B.** Lab
V. Shimek submitted a written report.
- C.** Long Term Care
H. Boggs submitted a written report.
- D.** Patient Financial Services
C. Lantiegne submitted a written report.
- E.** New Facility
Justin Wetzel/ Arcadis submitted a written report.
- F.** Quality
S. Romine submitted a written report.
- G.** Infection Prevention
R. Kandoll submitted a written report.
- H.** Executive Summary
CEO, P. Hofstetter submitted a written report.
K. Bryson submitted grants update.
- I.** Financials
CFO, J. McCormick submitted a written report.

8. Old Business

- A.** See attached signed Board Resolution 2026-01 approved at last Board meeting.

9. New Business

- A.** PMC Staff Housing Report

10. Next Meeting

- A.** Currently scheduled for Thursday, March 26, 2026, at 5:30pm.

11. Executive Session

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

12. Adjournment



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
 Petersburg, AK 99833

Meeting Agenda
Hospital Board
Regular Meeting



Thursday, January 29, 2026

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 Jim Roberts
 Board Member Joni Johnson

ABSENT

Board Member Joe Stratman

2. Approval of the Agenda

A. Approval of the January 29, 2026, Hospital Board Agenda

Motion made by Board Member Johnson to approve January 29, 2026, Hospital Board Agenda. Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

3. Approval of Board Minutes

A. Approval of the December 4, 2025, Hospital Board Minutes

Motion made by Board Vice President Lagoudakis to approve December 4, 2025, Hospital Board Minutes. Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

4. Visitor Comments

None.

5. Board Member Comments

Board Secretary Cushing commented, expressing appreciation to the Assembly for the excellent work session held on Monday evening.

6. Committee Reports

A. Resource

Board Vice President Lagoudakis reported that the Resource Committee met on the 26th of this month. Clinic and lab visits are down slightly, which is not unusual for this time of year. Long-term care has returned to full capacity. Home health has experienced a decline in patient census, resulting in year-to-date revenue through the end of December appearing lower than anticipated.

On the expense side, repairs and maintenance for the older building are above budget, which is consistent with prior assessments regarding the challenges of maintaining the facility in good operating condition. Utility expenses have also increased due to occupancy of the WERC building and winter weather.

Revenue anticipated from the WERC building has not yet been realized; Phil and Jason will provide further detail on this. An interim rate review is pending, and the expected outcome is a favorable receivable that should bring performance back in line with the budget. Scope clinics have not yet occurred, and one provider position remains vacant, both of which have also impacted revenue generation to date.

The PMC business office resourcing is functioning well, investments continue to perform positively, the balance sheet remains strong, and days cash on hand are currently over 123.

B. Long Term Care Quality

Board Secretary Cushing reported that the Long-Term Care Quality Committee met this month. The facility continued to experience challenges maintaining adequate warmth during the December cold snap. One radiator failed; however, residents were kept warm and safe.

Long-term care is currently at full capacity. There has been some resident turnover in recent months. It was discussed that periods of turnover present an opportunity to inspect resident rooms and address any significant maintenance or upgrade needs before new occupants move in.

The committee reviewed the problem list, noting progress on many items that can now be removed, while others remain ongoing. Work also continues on implementing the new falls detection system.

C. Critical Access Hospital Quality

Board Member Johnson reported that the Critical Access Hospital (CAH) Quality Committee met on January 21. The committee reviewed departmental quality program reports. One notable change is that Home Health has been integrated into the CAH Quality Improvement Committee to improve coordination of quality initiatives and resource sharing.

The Emergency Preparedness Committee completed its annual reviews for all locations. Home Health has now been incorporated into the updated Hazard Vulnerability Assessment (HVA) for the main campus. Committee action items were reviewed, and the sewer line item was closed, with the plan to continue preventative maintenance rather than pursue large-scale repairs, which are not considered viable.

The committee continues to monitor access to care, noting that specialty clinics such as endocrinology, dermatology, and audiology increase visit volumes during the months they are offered. The Scopes Clinic is scheduled for February 5–6. The clinic has also seen an increase in no-shows and is addressing this through enhanced reminder processes, including phone calls, text messages, and evaluation of additional tools.

Rehabilitation services reported that two newly hired occupational therapists are now on board, helping reduce wait times for therapy services. Interviews are underway for two vacant physical therapist positions, with the expectation that waitlists and workload will improve in the coming months.

Additional updates included that the new morgue is fully operational, with minor room updates still in progress and plans for tours by the police department and state troopers. Shipping challenges continue to affect the timely transport of temperature-sensitive materials; however, the lab has identified alternative shipping options to support clinic operations. Radiology has transitioned to digital image sharing with other facilities and, over the past year, has shared imaging with more than 53 hospitals outside of major centers such as Seattle and Anchorage.

D. KinderSkog/Youth Programs

Board Vice President Lagoudakis reported that hospital staff and advisory representatives recently met to share ideas for the Kinder Skog youth programs and to establish goals for the coming year. The group identified six focus areas: community connection and camp culture; reach and awareness; education and empowerment; advocacy and sustainability; training and professional development; and environment and facilities. Within each area, three to six priority initiatives and corresponding metrics were developed to guide progress and measure outcomes. While the plan is ambitious, the group believes it is achievable and will strengthen the program.

Program goals discussed include establishing academic credit opportunities for interns serving in PMC youth programs; expanding cultural enrichment opportunities; integrating environmental education into programming; offering childcare on school and service days; and exploring more sustainable funding sources, including the potential development of an endowment dedicated to Kinder Skog youth programs.

It was also noted that Katie was recently recognized by the American Camp Association with the Golden Lens Photography Award for her work depicting camp experiences and best practices. Although she is unable to attend the February awards ceremony in San Diego due to Kinder Skog responsibilities, her achievement was formally acknowledged. Katie has compiled the planning work into a concise outline document and is available to share it with interested parties.

7. Reports

- A. Home Health
Ruby Shumway provided a written report.

Board Vice President Lagoudakis commented on the importance of the home health program. Board Member Conn expressed appreciation for the new hires in the home health department as well.

- B. Human Resources
Cindy Newman provided a written report.

Board Member Johnson inquired whether turnover rates could be categorized by department to improve the usefulness of the data for operational analysis. C. Newman responded that department-level information is available but that only the overall rate was included in the submitted report.

Board President Cook commented to confirm that PMC is currently utilizing 22 apartments and asked whether they are year-round rentals. C. Newman replied that while not all 22 units are year-round, many are. She noted that utilities and internet are generally included when possible, and that some units are leased through realtors while others are contracted directly with landlords.

- C. New Facility
Justin Wetzel provided a written report.

Justin reported that the final revision of the SWPPP plan is in progress and is anticipated to be submitted by the end of the week. He noted this submission is expected to address the remaining questions from ADEC regarding the new hospital facility site.

Regarding the WERC building, contractor and capital project activity has continued. The remaining FF&E items that had experienced delays have now been installed, including items for the Public Health office and other areas of the building. Electrical system upgrades were also completed to support the servers, vaccine refrigerators, and the MRI magnet. The magnet batteries and cabinets have arrived and have been placed in the electrical room. Installation is pending coordination with an Eaton representative and the arrival of the power conditioner so the system can be activated with the new UPS cabinet. The monument sign has been installed, and most remaining items for the MOB are expected to be completed by the end of the week.

With respect to the new hospital design, Bettisworth North conducted a site visit and walkthrough, which included Dawson, to review the site and concept layout. With the

WERC building now complete, a conceptual layout for Phases 3 and 4—representing the broader campus buildout—has been developed. The next steps include advancing the design and pursuing additional funding to move the concept into a more detailed design phase as the project progresses.

- D. Quality
Stephanie Romine provided a written report.
- E. Infection Control
Rachel Kandoll provided a written report.
- F. Executive Summary
CEO, Phil Hofstetter, provided a written report.

CEO, Phil Hofstetter, expressed appreciation for the recent work session between the Hospital Board and the Assembly, thanking those who presented and noting the strong engagement, particularly regarding the Rural Healthcare Transformation Fund update. He acknowledged the time commitment involved and stated the session was a valuable opportunity to review the past year and current organizational status.

He identified follow-up items from the work session, including a housing initiative that was mentioned but not discussed in depth due to time constraints. He suggested this topic may warrant future follow-up with the Borough, potentially through a board committee.

Phil also reported participating in the *Talk of Alaska* radio program alongside Commissioner Hedberg and Dr. Zink. He described the discussion as productive and informative. The Rural Healthcare Transformation Fund remains an evolving matter, and monthly updates will be provided to the board. PMC has identified potential projects and prepared letters of intent; however, he emphasized the importance of careful planning to ensure any awarded funds are used responsibly and within required timelines.

Regarding MRI services, Phil noted that the Certificate of Need public hearing is scheduled for February 4 from 11:30 a.m. to 1:30 p.m. via a state-hosted Zoom platform. This hearing represents the final step in the state regulatory review process. Community letters of support have been collected through the PMC website, coordinated by Public Relations, and may be read into the record during the hearing. He reported strong community engagement, with more than 90 responses submitted to date, including input from Representative Himschoot and other stakeholders.

He added that the WERC building includes a State of Alaska tenant, which is beneficial, and noted that full realization of the building's intended use is closely tied to bringing MRI services online following CON approval.

- G. Financial
CFO, Jason McCormick, provided a written report.
Shaun Johnson, DZA audit presentation

Jason McCormick reported that total gross patient revenues are \$16.8 million, compared to a budget of \$16.4 million, approximately \$370,000 above budget and 6% higher than the prior year. Inpatient and outpatient volumes are slightly down, while long-term care census has remained strong and has returned to higher levels.

Deductions are trending higher in line with increased revenues. A mid-year correction is anticipated following the interim rate review, which includes additional expenses associated with the WERC building. This adjustment is expected to reduce contractual allowances, improve net revenue performance, and help offset current variances. Net patient revenue is currently approximately \$378,000 below budget.

340B program revenue is exceeding budget and prior-year performance. PERS in-kind revenue is above budget due to WERC building impacts. Grant revenue is tracking as expected, and other revenue categories remain strong.

Operating expenses are above budget, primarily due to higher patient volumes, employee benefits, and utilities. Wages are near budget, while contract labor contributes to total expenses running approximately \$743,000 over budget. A budget amendment is anticipated when the proposed budget is presented in May.

Investments continue to perform well relative to both budget and the prior year. Additional grant revenues related to the building project continue to be recognized.

Year-to-date bottom line reflects \$4.1 million, compared to a \$15 million budget and \$6.7 million at the same time last year, when building-related activity was higher.

Cash balances include approximately \$2 million in operating accounts, \$2 million in short-term investments, and \$4.7 million in long-term investments. Days cash on hand is approximately 122 days, providing a strong position to manage potential cash flow disruptions common in the healthcare industry.

The cost report has been submitted, and budget development for the upcoming fiscal year will begin next month. Projects remain on schedule. Jason concluded by introducing Shaun Johnson with DZA, whose team prepared the financial statements.

Shaun Johnson, CPA, presented the audited financial statements for the fiscal year ended June 30, 2025. He explained that the financial statements and the compliance reports were issued under separate covers this year due to delays in the federal approval of the compliance supplement. He reviewed both reports at a high level.

The independent auditor's report on the financial statements reflects an unmodified (clean) opinion, indicating the financial statements are fairly presented in all material respects. Management is responsible for preparation of the financial statements, and the auditor's role is to express an opinion based on the audit.

There were no significant audit adjustments. The primary adjustment made during the audit related to the accounting treatment of the organization's participation in the Alaska PERS pension and other post-employment benefit plans.

Net patient service revenue increased significantly from FY24 to FY25, driving an overall increase in operating revenues of approximately 19%. On the expense side,

the most notable change was in employee benefits, largely due to PERS-related accounting impacts. Total expenses increased approximately 31%, resulting in an operating loss of approximately \$159,000 compared to operating income of \$2.2 million in the prior year.

Non-operating items included recognition of the CARES Act Employee Retention Credit, recorded as revenue when the organization determined eligibility and submitted the application. Capital grants totaled approximately \$13.3 million, primarily related to the work building project. Overall change in net position was approximately \$15.5 million; however, it was noted that capital grants significantly influence this figure, and operating income is a more meaningful measure of performance.

Cash flow from operating activities was positive at approximately \$2.6 million, an improvement over the prior year. Cash increased by approximately \$2.3 million year over year.

The auditor also issued a report on internal controls over financial reporting, which contained no material weaknesses or significant deficiencies.

Financial indicator trends showed improvement in operating margin (when excluding PERS impacts), days cash on hand (113 days at year-end), and current ratio. Accounts receivable days and bad debt percentages remain stable and within healthy ranges. Capital equipment replacement has been below depreciation in recent years but is expected to increase with the work building coming into service.

A separate compliance audit report on federal awards also resulted in a clean opinion. The largest federal program audited was the Coronavirus Capital Projects Fund related to the WERC building. The organization was found to be in compliance with grant requirements. One minor advisory recommendation was made to strengthen documentation of vendor debarment checks; no debarred vendors were identified.

The auditor's required communication letter noted implementation of a new accounting standard requiring recognition of a liability for accumulated sick leave benefits (approximately \$277,000). No audit difficulties, disagreements with management, or material audit adjustments were reported. Monthly financial statements provided to the board were noted as reliable.

Risk assessment procedures focused on management override of controls, accounting estimates, the employee retention credit, and implementation of the new accounting standard. No issues were identified.

Advisory comments included recommendations to formalize written policies and procedures related to federal grants management, review of manual journal entries, key accounting estimates, and preparation of the Schedule of Expenditures of Federal Awards.

Shaun concluded that the audit results were positive overall.

Jason concluded the financial report by noting that the recommended policies and procedures identified during the audit process will be implemented in the near future.

8. Old Business

None

9. New Business

A. Petersburg Medical Center, Petersburg Alaska, Resolution #2026-01

A resolution affirming continued support for the phased development of a new hospital facility in Petersburg, including the certificate of need process.

Board President Cook read the Petersburg Medical Center, Petersburg, Alaska Resolution #2026-01 aloud in its entirety.

Motion made by Board Vice President Lagoudakis to approve Petersburg Medical Center, Petersburg Alaska, Resolution #2026-01. Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

Petersburg Medical Center, Petersburg Alaska, Resolution #2026-01, approved.

10. Next Meeting

A. Currently scheduled for **Wednesday, February 25th, 2026**, at 5:30pm.

Confirmed for **Wednesday, February 25th, 2026**, at 5:30pm in Borough Chambers.

11. Executive Session

A. Executive Session

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

Motion made by Board Member Roberts to enter into Executive Session to consider medical appointments/reappointments and discuss legal matters. Seconded by Board Member Johnson. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

Motion made by Board Secretary Cushing to come out of Executive Session. Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

Motion made by Board Secretary Cushing to appoint Harrison, Victor, MD; William, S. Winn, FNP; and Husitha Reddy, Vangura, MBBS, to medical staff. Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Roberts, and Board Member Johnson.

12. Adjournment

Meeting adjourned at 6:52pm.



Radiology Report February 2026

Workforce Wellness

Staffing consists of three full-time technologists currently one being filled by a contract technologist. This level of staffing allows employees to comfortably take PTO while the other two can cover with a little higher call hour volume while the third technologist is gone. Technologists have been using PTO which makes for some tight staffing but is maintainable temporarily when needed. One full-time technologist position is still listed.

We are also working with Siemens who is the manufacturer of the MRI equipment to hire a travel MRI technologist to start when we start MRI services. This technologist will be knowledgeable in the field of MRI and will have training on the Free.Max prior to arriving in Petersburg. We will start writing up a job description for a new department position of MRI Technologist Aide/Registration and will prepare to post a full-time MRI technologist position.

Community Engagement

MRI implementation continues to be a high priority. Technologists have taken an MRI Technologist training course and have been working on policies and department safety. Certificate of need process is still underway. I gave testimony at the open forum along with many community members and employees.



Patient Centered Care

Annual Mammography Quality Standards Act inspection took place the end of July and went smoothly with continued accreditation given. Additionally, we were issued a random image check from the FDA for mammography in August. This was also completed with passing result, keeping mammography department in good standing. Patient exams are at the center of our work. We remain committed to providing a wide range of diagnostic services with the highest quality and the best of our ability.

Facility

We have started looking into what equipment could be upgraded or replaced with the thoughts of RHTP funding. Upgraded equipment could result in more screening exam options for patients. Additional equipment could increase the screenings we offer or the types of studies we do. Software upgrades could also be beneficial when it comes to radiologist reading and technologist ease.

The WERC facility has experienced a technical issue related to the MRI support systems. Our team is working closely with the equipment vendor, Eaton, to complete upgrades that will improve system stability and prevent future disruptions.

Financial Wellness

Patient exam statistics remain consistent. CT exam preauthorizations remain a challenge with time constraints to exam need and how smoothly a process can go. VA authorizations remain the most difficult. We are beginning to develop a standardized process for managing MRI authorizations, as these can be more complex and time-consuming than CT authorizations.

Submitted by: Sonja Paul RT(R)(M), ARDMS



Petersburg
MEDICAL CENTER

Laboratory Report February 2026

Workforce Wellness

The Laboratory is fully staffed for the first time in over five years; there are no vacant FTEs.

Our Laboratory Technician completed her online program and passed her national ASCP certification. She is now a 4-year Medical Laboratory Scientist. We are currently training a new uncertified tech. She is making very good progress, but it will be a few months before she is able to perform patient testing.

Community Engagement

Health Fair blood draws are taking place February 17-19, February 24-26, and March 3-5 in the Dorothy Ingle Conference Room. A huge thank you to our volunteer phlebotomists! We are very thankful for you!

**HEALTH FAIR
BLOOD DRAWS**

Week 1: Feb 17-19
Week 2: Feb 24-26
Week 3: March 3-5

Schedule at www.pmcak.org

Community Health Fair
"THRIVING at Every Age & Stage"
 Saturday, March 14th
 Full Schedule:
pmcak.org/health-fair

For assistance scheduling:
 ✉ healthfair@pmcak.org
 ☎ 907-772-5552

Patient Centered Care

The lab's CLIA survey took place November 18-19, 2025. Two surveyors spent two full days reviewing all the lab's documentation, proficiency testing, instrument validations, and interviewing staff.

There were two deficiencies that were corrected on site during the survey, and neither of which impacted patient safety. Our surveyors were very impressed with the size and offerings of our test menu and stated not many crucial access hospital labs our size offer such a broad test menu. They were also impressed with the stability and teamwork of our staff and how well they have been trained.

Facility

Our current chemistry instrument is aging out and the operating system can no longer be updated. Additionally, it is difficult to bring in new chemistry tests since our current instrument is at capacity for onboard reagents. We are in the final stages of negotiations to purchase a new chemistry analyzer that will allow us to expand our in-house test menu to include Vitamin D, as well as various hormones (ex. Testosterone, LH, and FSH). We hope to have it here before the end of the year.

Financial Wellness

Lab and Ancillary registration continue to optimize the prior authorization process, so prior authorizations don't become a barrier to our patients receiving care.

HIM and Lab continue to meet and review coding queries to prevent claim denials by insurance companies. The discussions continue to be extremely educational for both departments, and we hope it will allow us to stay a step ahead of changes that affect reimbursement, keeping out of pocket expenses for our patients as low as possible.

Submitted by: Violet Shimek, MLS (ASCP)^{CM}



Long Term Care Report – February 2026

Workforce Wellness

Nursing:

0800 – 1700 Mon-Fri: 1 LTC DON

0600 – 1830: 1 Staff Nurse

1800 – 0630: 1 Staff Nurse

0600 – 1830: 2 CNA

1800 – 0630: 2 CNA

0700 – 1900: 1 CNA

0800 – 2000: 1 CNA (Sat-Sun)

1000 – 2200: 1 CNA (Sat-Sun) – Added since last report.

Activities Current Schedule:

Activities Coordinator: Monday-Friday (0800-1700)

Activities Aide: Tue-Fri (1100-1900) and Saturday (1200-1900)

Activities Aide: Mon-Wed (0700-1500) and Sunday (0930-1530)

Activities Aide: Mon-Fri (0800-1100) – Added since last report.

Activities Aide Temp Position: Fri-Mon (0830-1830) – Added since last report.

All activities staff are CNAs as well.

Floor shifts (Nursing/CNA) are 12.5 hours - staff who are working typically do not leave the facility. We encourage participating in the wellness opportunities/challenges that are available through the organization. We have increased CNA and activities staff on the weekend.

Community Engagement

LTC welcomes visitors and families. Volunteers have been coming in to play music, bingo, sing to and with residents, read to residents, etc. Staff work with residents to help them enjoy the community outside of LTC as much as they would like. Some residents have been enjoying Bingocize, church of choice, volunteering at the pilot etc. It is a goal to have activities staff working on Sunday to help accommodate participation in church of choice.

Patient Centered Care

PMC LTC 2025 Survey took place July 28th-Aug 4th. Citations included:

Federal:

- 1.) **CFR(s): 483.35(i)(1)-(4) Posted Nurse Staffing Information (F0732):** Based on observation and interview, the facility failed to post the daily total number, and the actual hours worked for resident care per shift worked by the Certified Nurse Assistants (CNA), Licensed Practical Nurses (LPN), and Registered Nurses (RN). This failed practice provided inaccurate information to the residents and their families.
- 2.) **CFR(s): 483.80(a)(1)(2)(4)(e)(f) Infection Prevention & Control (F0880):** Based on record review, observation, and interview, the facility failed to ensure an infection control procedure was followed during resident cares for 1 resident (6), out of 9 sampled residents. Specifically, staff

failed to perform a glove change and hand hygiene when going from a dirty task to a clean task. This failed practice had the potential to increase the development and transmission of communicable disease and infections

State:

- 1.) **CFR(s): 7 AAC 10.910(c) Background Check (N105):** Based on record review and interview, the facility failed to obtain a background check for 1 Licensed Nurse (LN #1), out of 3 personnel records reviewed, who had been separated from the facility's employment for more than 100 days, in accordance with 7 Alaska Administrative Code (AAC) 10.910 directives. This failed practice placed all residents at risk of potential abuse and harm.

While the surveyors were at PMC they were ill and it was found that they have COVID. This put our nursing home into outbreak status. One resident tested positive for COVID during outbreak testing.

Petersburg Medical Center Nursing home has a 4-Star rating on Nursing Home Compare as of February 5, 2026. Health inspection = 4/5 stars, Staffing = 4/5 stars, and Quality measures = 3/5 stars.

Facility

Pressure alarm system for fall safety and prevention failed and we were unable to purchase new parts for it. PMC has been working with a vendor called VirtuSense, as a new solution for fall prevention. IT has started installing devices in some rooms. Weekly calls with company.

Continued issue: Due to the age of the building, there are no oxygen connections in the three rooms in the older part of LTC (212, 215, 216). If residents require oxygen in those rooms a concentrator is used. We were unable to move a resident into one of the larger single rooms due to there not being oxygen connections in those rooms.

Plan to replace beds in LTC this year.

Financial Wellness

As of today, the LTC census is 10 residents. 7 residents have discharged since 12/01/25. All current residents have Medicaid. The average wait time for Medicaid continues to be long – about 3-6 months. The nursing department currently has 4 CNA travelers and 7 RN travelers. When staff call out sick for a shift, managers look at the census and current staffing then decide if the shift should be filled.

Submitted by: Helen Boggs, RN



Patient Financial Services Report February 2026

Workforce Wellness

The PFS Manager and Team Lead participate in a daily meeting with our remote billing team to ensure alignment, open communication, and a unified approach to our work. We recently began inviting in-house staff to attend one day each week, creating additional opportunities for collaboration, discussion of questions or challenges, and shared problem-solving. These meetings have strengthened teamwork, increased understanding of each group's processes, and enhanced overall knowledge of the Revenue Cycle from start to finish.

PFS is fortunate to have a highly experienced team with extensive expertise in claims management, billing, and reimbursement. This depth of knowledge has been instrumental in successfully transitioning billing operations in-house while maintaining consistent performance and a steady, uninterrupted cash flow.

Community Engagement

PFS, in collaboration with Finance, has reinstated the monthly Revenue Cycle meetings with departmental managers to address all aspects of the medical claim lifecycle—from registration through reimbursement—focusing on denials, medical necessity, and coding issues to improve front-end accuracy, promote clean claim submission, and accelerate reimbursement.

Patient Centered Care

The completion of the WERC Building has created additional space within the PMC Administration area, allowing PFS to establish a dedicated private meeting space for staff and patients. This new area will provide a quiet, confidential setting to discuss financial assistance, encounter or billing inquiries, and to review and complete necessary forms and applications. The addition of this space enhances both the patient's experience and our team's ability to provide personalized, professional support.

Facility

PFS is currently evaluating claims management software that can be integrated with our existing EHR, Cerner. This solution would allow us to more effectively monitor insurance reimbursements and compare payments against our current payer contracts, helping to ensure accuracy and appropriate reimbursement. Implementing this tool would strengthen our oversight capabilities and support ongoing revenue integrity efforts.

Financial Wellness

One of our current priorities is to review our claim scrubber, SSI, to ensure we are maximizing all available payer connections that accept electronic claims. Increasing electronic claim submissions will help accelerate reimbursement timelines and reduce the need for manual handling by billing staff. This review supports our continued efforts to improve efficiency, accuracy, and overall revenue cycle performance. Over the past six months, we have maintained an average of 1,960 electronic claim submissions per month, achieving a 90% clean claim rate.

Submitted by: Carrie Lantiegne



New Facility Construction Report February 2026

Sitework

RESPEC (civil engineer) and Dawson (general contractor) continue to work with ADEC (Alaska Department of Environmental Conservation) to close the SWPPP (Storm Water Pollution Prevention Plan), as the future hospital site is required to be “stabilized” and must meet standards for a temporary condition until the actual construction takes place. There are still a few remaining items that ADEC has requested a formal response to, which they were not previously satisfied with. Another submittal will be sent on 2/27/2026.

WERC Building

The WERC (Wellness, Education, and Resource Center) building and the MRI addition are 100% complete with the original contract scope. The UPS (Uninterrupted Power Supply) for both the magnet and servers is planned to be activated on 2/25/2026. All other remaining punch list items, including the FF&E (Fixtures, Furniture, and Equipment), have been completed at this time.

New Hospital Design

The design drawings for the full Hospital and Long-term Care Building were paused at 35% schematic design.

To create an alternative pathway for the progress of the campus build-out, the current concepts that have been recently developed are for a multi-phase approach as follows:

Phase 1 – Sitework, completed

Phase 2 – WERC Building completed

Phase 3 – LTC concept site plan only

Phase 4 – Hospital concept site plan only.

This would allow an immediate focus to take place on the Long-Term Care Building with allowable funds at that time, in anticipation of future funding for the Hospital.

Based on current market conditions, a project of this scale and magnitude will go up in costs by roughly \$2,000,000 per year due to inflation and changing market conditions. So, if the campus is built in 2031 versus 2026, for example, it could be forecasted to cost \$10,000,000 more. This is another driver to start construction as soon as possible on at least one building to reduce the overall construction costs for the completion of the campus.

Replacement Buildings Square Footage Comparison

REPLACEMENT PETERSBURG MEDICAL CENTER

1/20/2026

SPACE	EXISTING			2023 PROPOSED			2026 PROPOSED		
	NSF	GF	DSF	NSF	GF	DSF	NSF	GF	DSF
DEPARTMENTS									
MAIN ENTRY RECEPTION	875	1.10	963	2,905	1.15	3,341	3,043	1.15	3,500
ADMINISTRATION	2,183	1.18	2,576	0	0.00	0	0	0.00	0
INFORMATION TECHNOLOGY	0	0.00	0	0	0.00	0	0	0.00	0
BUSINESS/MED. RECORDS	884	1.19	1,052	0	0.00	0	0	0.00	0
LONG TERM CARE	4,430	1.38	6,113	8,910	1.50	13,365	10,080	1.50	15,120
CLINIC	2,736	1.95	5,335	4,900	1.40	6,860	6,143	1.40	8,600
ACUTE CARE	3,578	1.20	4,294	6,010	1.50	9,015	6,245	1.50	9,368
EMERGENCY DEPARTMENT	954	1.10	1,049	1,445	1.50	2,168	1,417	1.50	2,126
LABORATORY	1,683	1.12	1,885	1,840	1.25	2,300	1,840	1.25	2,300
IMAGING	1,437	1.48	2,127	1,984	1.50	2,976	2,667	1.50	4,000
PHARMACY	117	1.00	117	540	1.20	648	540	1.20	648
SURGERY	1,045	1.46	1,526	1,030	1.55	1,597	1,030	1.55	1,597
CENTRAL STERILE	480	1.09	523	0	0.00	0	0	0.00	0
PHYSICAL THERAPY	1,096	1.14	1,249	2,080	1.25	2,600	2,080	1.25	2,600
HOME HEALTH	1,672	1.44	2,408	0	0.00	0	0	0.00	0
MAINTENANCE	2,376	1.26	2,994	1,114	1.15	1,281	1,243	1.15	1,430
DIETARY	1,656	1.21	2,004	2,210	1.20	2,652	2,210	1.20	2,652
CENTRAL SUPPLY	5,012	1.20	6,014	0	0.00	0	0	0.00	0
OTHER SUPPORT SPACES	4,660	0.00	0	0	0.00	0	0	0.00	0
SHELL SPACE	0	0.00	0	0	0.00	0	2,100	1.00	2,100
TOTAL DEPARTMENT GROSS SQUARE FOOTAGE			42,229			48,801			56,039
			Building Grossing Factor			1.2			1.2
TOTAL DEPARTMENT GROSS SQUARE FOOTAGE			50674			58562			67247

Upcoming Activities

- Close SWPPP
- Complete LTC/Hospital Phased Concept Design
- Funding to advance LTC Design \$1M+ (35% SD)

Budget

- WERC budget – \$22.7M (Stacked)
 - CCPF Treasury Grant – \$20M
 - HRSA Grant – \$2.7M
- Hospital Sitework & 35% Schematic Design – \$5.3M
 - HRSA Grant – \$5.3M
- Remaining funds in combined grants – >\$500k (mostly expended)

See the next pages for updates to the overall campus build-out, concept site plan, and timeline.

Submitted by: Justin Wetzel- Arcadis Project Manager



PETERSBURG MEDICAL CENTER HOSPITAL & LONG TERM CARE

REPLACEMENT PROJECT UPDATE

FEBRUARY 2026

The replacement Petersburg Medical Center campus is a phased project with site preparations (Phase 1) and the Wellness, Education, and Resource Center (Phase 2) already complete. The next phase is the replacement of Long Term Care (LTC), which serves the most vulnerable patient group in the current failing hospital. The new 29,000 square foot facility will house 20 LTC beds, rehabilitation services, and bring PMC's Youth Program under the same roof for an innovative infant to Elder care model. Phase 4 will complete the Hospital and Outpatient Clinic, including Emergency Room, 12 Acute Care beds, Outpatient Care, and support services such as Lab and Imaging.

KEY REASONS TO SUPPORT THE PROJECT

-  A condition survey of the existing hospital shows that the building is nearing catastrophic failure. The proposed Replacement LTC and Hospital projects ensure PMC's capacity to meet the Borough's healthcare needs into the future.
-  Healthcare is the #1 economic driver in Alaska in both employment and wages.
-  The Replacement PMC campus will employ over 175 staff and provide an on-site nurse training program among others supporting local workforce development.
-  The current hospital building is obsolete and unable to meet modern healthcare requirements. A new hospital ensures PMC's capacity to meet the Borough's healthcare needs into the future.
-  PMC is a designated Critical Access Hospital, which allows for a cost-based reimbursement structure through the Medicaid and Medicare system (i.e., including depreciation).
-  A new facility supports the long-term financial position of the hospital. PMC will not require additional funding for operations and maintenance costs at the replacement health campus.

PROJECT UPDATE

Other exciting developments at the new PMC Campus:

- Phase 1:** Site Preparations - Complete!
- Phase 2:** Wellness, Education, and Resource Center - Complete!

We're thrilled to share that the new WERC building was completed ahead of schedule and under budget!

Phase 3: Concept design for the Replacement LTC is underway. PMC has identified a need to expand the number of LTC beds provided to 20. This will allow more members of the community to access this resource in Petersburg rather than relocating. The new LTC will also accommodate Rehabilitation Services and a dietary department.

Phase 4: Replacement Hospital: Concept design for the 38,000sf replacement hospital is also underway. The replacement hospital will contain 12 acute care beds, nurse training, an outpatient clinic, an emergency department, procedure, lab, and imaging.

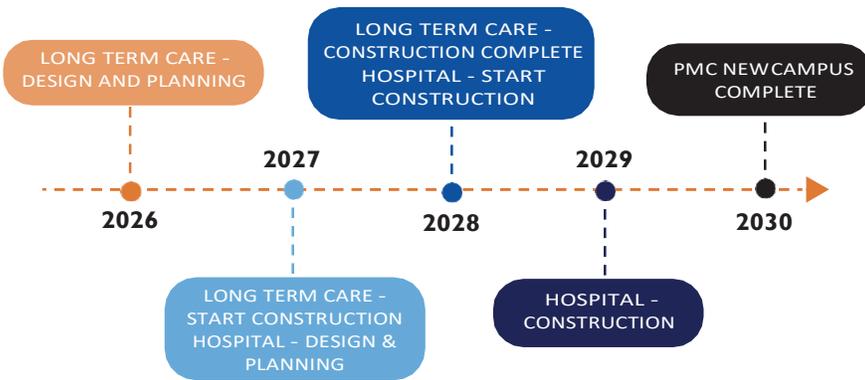
BETTISWORTH
NORTH

ZGF

LEARN MORE ABOUT THE PROJECT:
www.pmcak.org



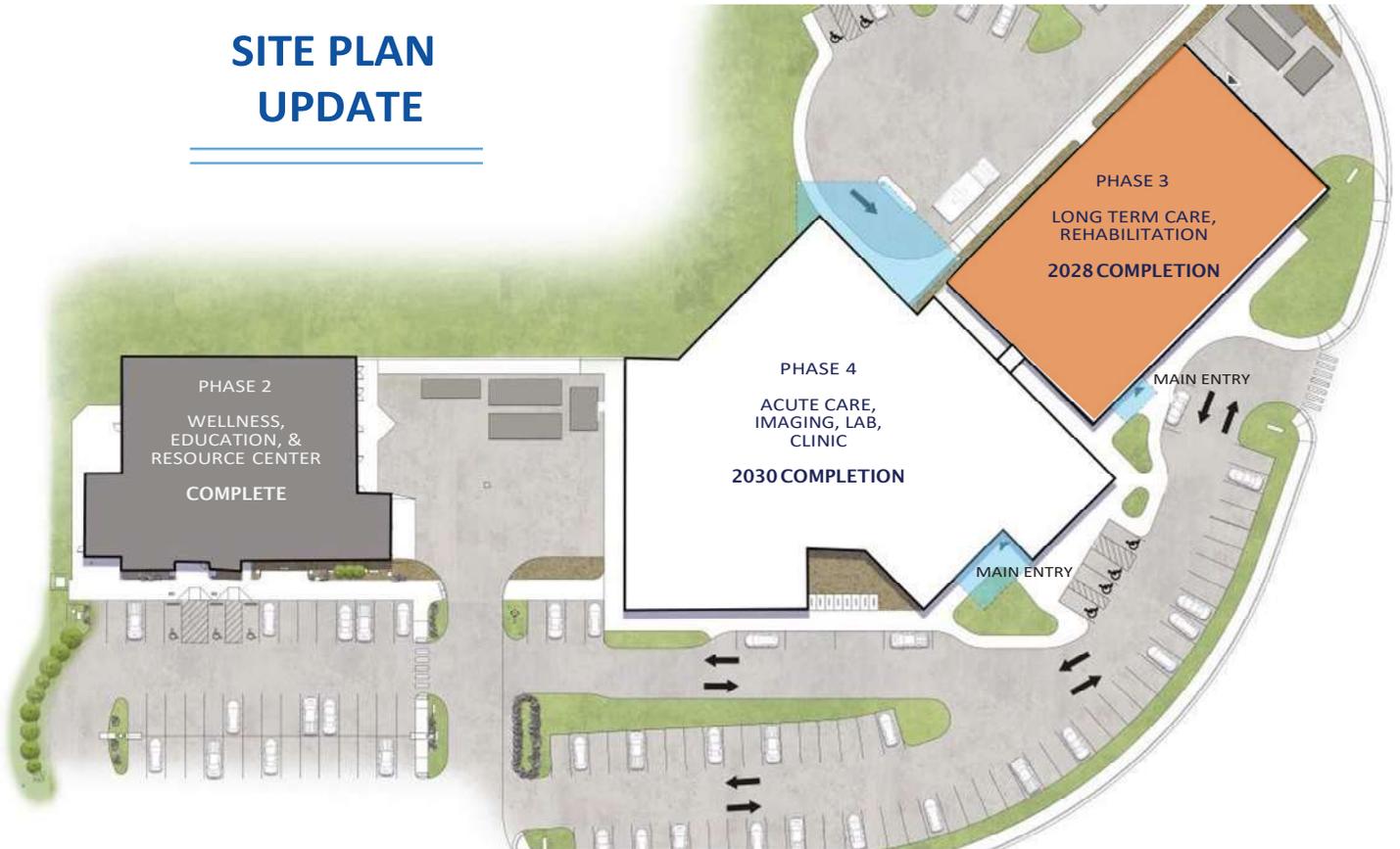

NEXT STEPS



PROGRESS TO DATE

- May 2021:** Borough Resolution 2021 - 04 donates land, supports phased construction and getting the project shovel ready
- August 2022:** Awarded \$8M HRSA CDS through Sen. Murkowski
- December 2023:** Awarded \$20M U.S. Dept. of the Treasury grant for WERC
- August 2025:** Construction of the WERC building (Phase 2) is complete.

SITE PLAN UPDATE





Quality Report February 2026

Workforce Wellness

The Alaska Hospital & Healthcare Association Lean Master class kicked off on February 11th. This five-part educational series is offered to provide tools and support to PMC managers. Lean is a continuous quality improvement methodology that focuses on optimizing processes, eliminating waste and ensuring customer value. Two interdepartmental projects have been identified to move forward using these new tools over the spring.

Community Engagement

We are in the planning stage for implementing a public/patient feedback mechanism through the PMC website for providing staff recognition and for use in guiding improvement efforts. Collecting patient/caregiver feedback provides important insights to evaluate and improve the quality of patient care and enhance the overall patient experience.

Patient Centered Care

Currently working with Home Health staff to evaluate additional services provided by the EMR Matrixcare that can help to streamline and support nursing workflows, allowing for more time with patients. We continue to develop staff resources by defining processes, cross training, and utilizing the shared MS Team space to collaborate.

Facility

An Infection Control Assessment & Response (ICAR) is scheduled for February 24-25 with the State of Alaska. The purpose of this assessment is to evaluate infection control policies and practices within PMC and will provide insight into any areas of needed improvement.

Financial Wellness

No new updates in this area.

Submitted by: Stephanie Romine, RN



Infection Prevention Board Report February 2026

Workforce Wellness

I am the lone Infection Preventionist for PMC.

Community Engagement

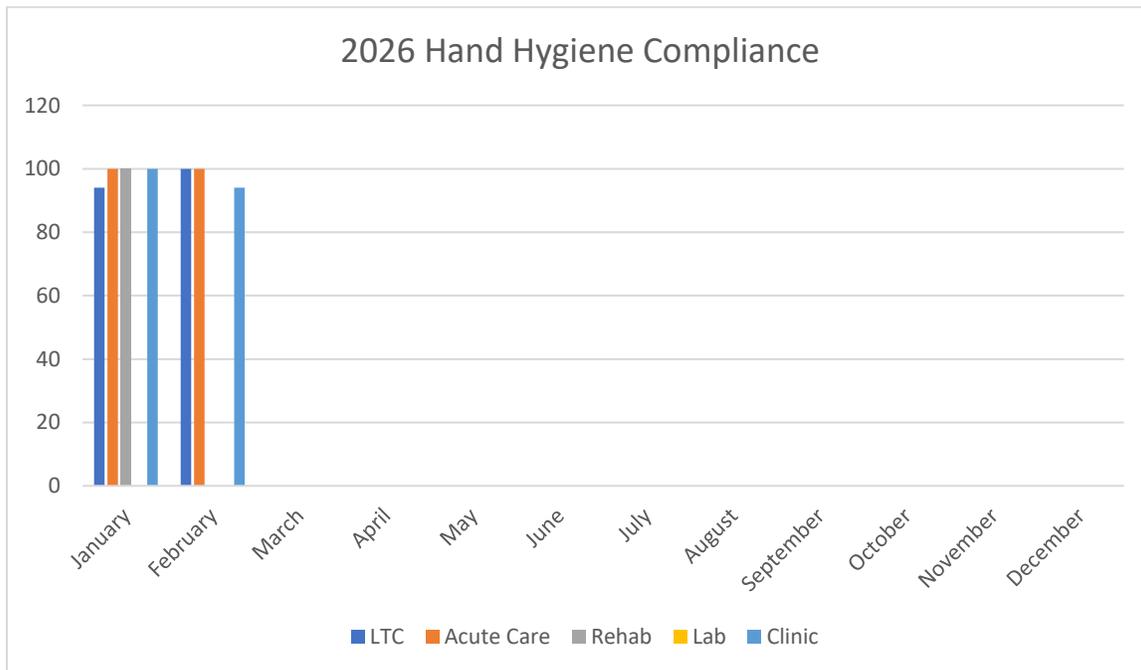
I work with many different departments at PMC to ensure compliance with regulations. Our Environment of Care (EOC) rounds for February will focus on the laundry department. Our EOC team consists of nursing, EVS, and management working together to identify areas of improvement at PMC.

This month during our endoscopy clinic I worked with our scrub techs to ensure correct processing with high level disinfectants for our scopes.

At the end of February, we will be having complementary Infection Control Assessment and Response (ICAR) performed by an infection preventionist from the State of Alaska, Division of Public Health.

Patient Centered Care

2026 PMC Hand Hygiene Report



LTC 2026 Infection Prevention Metrics

- Urinary Tract Infections (UTI): 0
- Catheter associated Urinary Tract Infections (CAUTI): 0
- Clostridium Difficile Infections: 0
- Covid-19 Infections: 0
- Influenza Infections: 0
- RSV Infections: 0

Facility

I continue to work closely with the maintenance department to identify and correct any damage, structural or cosmetic, that I find in our facility. Our aging facility continues to cause many obstacles in meeting current IPC standards.

Financial Wellness

No changes to this area.

Submitted by: Rachel Kandoll, RN, BSN, Infection Prevention



PMC Executive Summary February 2026

Mission Statement: Excellence in healthcare services and the promotion of wellness in our community.

Guiding Values: Dignity, Integrity, Professionalism, Teamwork, and Quality

Summary:

The State of Alaska recently conducted the public hearing for the Certificate of Need (CoN) application for the WERC and MRI project, representing the final regulatory step toward bringing local MRI services online. The level of public participation was remarkable and deeply meaningful.

Many who provided testimony shared firsthand accounts of the significant financial, logistical, and personal burdens associated with traveling for MRI services, including transportation, lodging, and extended time away from home. These perspectives underscored the real impact this service will have on our community.

I had the opportunity to present at the beginning of the hearing. We extend sincere appreciation to our staff and to the many community members who took the time to testify and submit written comments. In total, 29 individuals provided live testimony and more than 100 letters of support were received.

The public comment period closed on February 9, and we now await the State’s determination.

Legislative Fly-In: *verbal report*

Workforce Wellness: *Goal: To create a supportive work environment and promote the physical and mental well-being of hospital staff to improve retention and overall productivity.*

- **February 3:** PMC proudly recognizes the women physicians who care for our community in observance of National Women Physicians Day: Dr. Selina Burt, Dr. Cortney Hess, and Dr. Alice Hulebak. Today is an opportunity to thank them for their dedication to patient care, clinical excellence, and commitment to serving. We are grateful for the knowledge, professionalism, and heart they bring to PMC and are proud to



recognize their contributions on this special day. Thank you, Dr. Burt, Dr. Hess, and Dr. Hulebak, for all that you do.

- **February 11:** Employee Longevity Appreciation Luncheon



- **February 13:** New Hire Orientation with CEO



- **February 20:** Manager Meeting
- **February:** PMC proudly recognizes Facilities Management Appreciation Month by honoring our Facilities team for the essential role they play in keeping PMC safe, fully operational, and ready to serve our community 24/7. From maintaining critical infrastructure—such as power, heating, ventilation, and medical gas systems—to supporting infection prevention, life-safety compliance, and emergency preparedness, their work is foundational to everything we do. We extend our sincere appreciation to Skip Hallingstad and Wolf Brooks for their dedication and commitment to excellence.



- **February 2nd-6th:** During Pride in Food Service Week, PMC would like to extend our sincere thanks to our incredible Dietary and Food Services team. Your dedication, creativity, and attention to detail ensure that our patients, residents, and Cedar Social Club participants receive nutritious, comforting, and high-quality meals. Residents and patients receive these meals and snacks 364 days a year! Beyond daily meal service, the department supported our entire organization and community with Yulebukking in December, offers a great selection of food for staff purchase, and purchases the break room snacks provided to employees in both buildings. Food is more than nourishment -- it is care, connection, and comfort.



- **Ongoing:** Employee Meals
- **Ongoing:** Employee Recognition and Rewards

Community Engagement: *Goal: To strengthen the hospital’s relationship with the local community and promote health and wellness within the community.*

- **February 2:** Submitted written report and attended/reported out at Borough Noon Assembly Meeting.
- **February 4:** Presented during public hearing for Certificate of Need.
- **February 3 & 10:** AHA Committee Meeting-Board Member
- **February 10:** Home Health and Wellness join to offer free blood pressure screenings at Hammer and Wikan grocery store in recognition of healthy heart month.



- **February 16-20:** Legislative Fly In, Juneau, AK.
- **February 19:** Health E Connect Board Meeting- Board Member
- **February 17-19, February 24-26, and March 3-5:** PMC offers discounted blood draws for the Health Fair. to



HEALTH FAIR BLOOD DRAWS

Week 1: Feb 17-19

Week 2: Feb 24-26

Week 3: March 3-5

Schedule at www.pmcak.org

Community Health Fair
 “THRIVING at Every Age & Stage”
 Saturday, March 14th
 Full Schedule:
pmcak.org/health-fair

For assistance scheduling:

✉ healthfair@pmcak.org

☎ 907-772-5552

- **February 25:** KFSK Live
- **February 25:** Hospital Board Meeting open to the public, and broadcast live on KFSK
- **Ongoing:** Kinder Skog Program

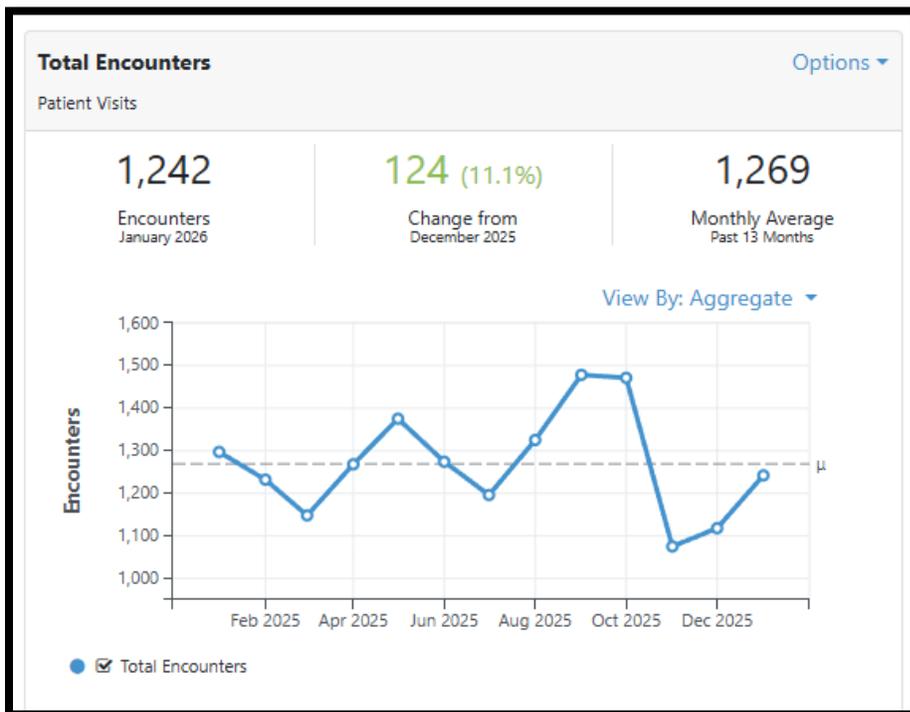


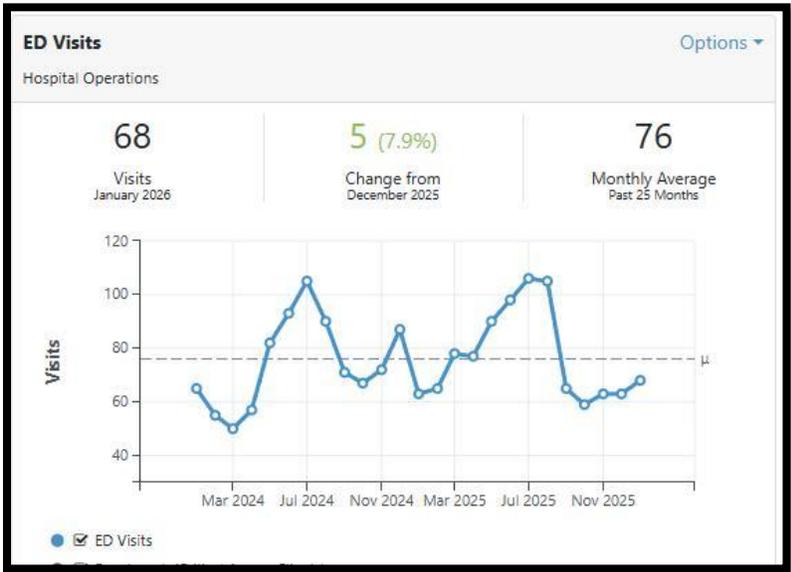
- **Ongoing:** Bingocize and Tai Chi Programs
- **Ongoing:** UAA nursing program, we currently have two employees enrolled in this course.
- **March 14th:** HEALTH FAIR: Booths in the Community Gym 10:00-1:00 Health & Wellness Services, Public Assistance Programs, Behavioral Health Services & Resources, Outdoor Recreation Info, Blood Pressure Screenings, Fall Prevention Information, Kids' Activities, Massage, Dental, Fitness Opportunities, and more! Door prizes every 30 min! Fitness Class Demonstrations in the Parks and Rec Fitness Court, and Presentations in the Parks and Recreation Activity Room.
- **March 15th:** XTRA Tough 5K Fun Run/Walk Registration 1:30 / Start 2:00 SANDY BEACH Join guest speaker [Peter Kline](#), founder of *Marathons with Meaning* during Petersburg's first ever Xtra Tough 5K Fun Run/Walk.

Patient Centered Care: *Goal: To provide high-quality, patient-centered care, and promote wellness for patients.*

- **February 11:** Medstaff Meeting
- **February 20:** Environment of Care Rounds: focus on laundry department
- **February 18:** Quality Meetings (LTC Quality and Infection Prevention)
- **Joy Janssen Clinic** Access to Primary Care: We are currently staffed with 3 Physicians and 3 mid-level practitioners.
 - We are actively looking for a provider to fill the 4th position available.
 - As of 2/18/26, the average time to the next available appointment is approximately 9 days, and the average time to the third next available appointment is approximately 9 days across all providers.
 - We have locum providers set to assist through remaining winter months.

- Clinic is open and available M-F 8AM-5PM, and Saturday 8AM-12, 1PM-4:30PM. Same day appointments for urgent or acute care are readily available.
- Flu shots available at clinic, call for appointment.





- **Audiology:** Phil Hofstetter continues to see patients in the Specialty Clinic. Call 772-5792 to schedule.
- **Psychiatry:** services are ongoing via telehealth with Dr. Sonkiss by referral. Dr. Sonkiss was on site this week seeing patients in-person and offering a presentation to providers.
- **Integrative Medicine:** Integrated Medicine with Dr. Hyer is offered via telehealth, email Dr. Hyer directly at jhyer@pmc-health.org to schedule.
- **Optometry Clinic:** Dr. Kamey Kapp, Optometrist with Last Frontier Eye Care, regularly visiting Petersburg in the Specialty Clinic. Please call 907-434-1554 to

schedule appointments. Dr. Kapp saw approximately 100 people when she was here this last month.

- **Dr. Harrison:** Seeing endocrinology patients here in Petersburg while doing a locum rotation.
- **Scopes Clinic:** Dr. Taggart and CRNA Jenilyn Lo were in Petersburg Feb 5-6 seeing referred patients. Our goal is to establish this as a regular rotational service, reducing the need for community members to travel or arrange lodging for this procedure. Their next scheduled date will be in April.



- **Dermatology:** Cameron French will be returning in the Spring for dermatology appointments
- **Orthopedic Clinic:** Discussions taking place to explore options for bringing ortho clinic specialty to Petersburg.
- **New Facility:** *Goal: To expand the capacity and capabilities of the community borough-owned rural hospital through the construction of a new facility, while considering the needs and priorities of the local community.*



- Monument sign has been installed with lighting.
- WERC open house will be scheduled once MRI services are fully operational. Although areas such as Public Health are complete, we believe it is important for all components of the WERC — including conference rooms and the computer lab, currently undergoing final technology setup and reservation planning — to be fully ready before hosting the event. This deliberate approach ensures high-quality, fully functioning services for our community at launch.

Financial Wellness: *Goal: To achieve financial stability and sustainability for the hospital. FY25 Benchmarks for Key Performance Indicators (KPIs): Gross A/R days to be less than 55, DNFB < then 5 days, and 90 Days Cash on Hand*

- Accounts Receivables (AR) Update: This number was at 96 in March, down to 88 at the end of April, down to 78 mid-June, 76 for

July, at 80 as of August 27th, at 76 as of September 15th, numbers at 68 as of October 21st, 62 as of November 24th, 58 as of 12/23/2025, and are currently at 54 as of January 9th, 2026 and have maintained at 54. These numbers represent a steady and significant decrease in AR days reaching lowest numbers ever in PMC records.

- Our auditor with DZA gave a full report of our finances at our last board meeting showing we are in good order with some suggestions on how to strengthen areas with policies that have since been drafted.
- See attached Grants Report.
- See attached Financial Report.



Submitted by: Phil Hofstetter, CEO



FISCAL YEAR 2026 GRANTS UPDATE

To date, grants fund 3.4 FTE in FY26 staff time across 10 PMC positions.

2 Pending Grant Requests: \$3,520,000

- ◆ **Alaska Community Foundation Camps Initiative**
Youth Programs request supporting Summer 2026 ORCA Camps.
1 Award | **\$20,000** total requested – *Decision anticipated Spring 2026*
- ◆ **Senate Appropriations Borough Transportation Project Request**
PMC provided a proposal item to widen & pave Excel Rd./pave & light Wellness Dr.
1 Award | **\$3,500,000** total requested – *Decision anticipated 2026*

7 RHTP LOI Submissions in Development:

- ◆ **State of Alaska RHTP Funding New PMC Facility Designs**
Funds requested to advance LTC and Hospital designs to 100%.
- ◆ **State of Alaska RHTP Funding Independent CAH Shared Medical Office**
Partnership with South Peninsula & Cordova independent CAHs to share costs.
- ◆ **State of Alaska RHTP Funding Petersburg Telehealth Department**
Funds requested to develop infrastructure to support telehealth across services.
- ◆ **State of Alaska RHTP Funding Critical Medical Equipment Purchase & Training**
Interdepartmental project to procure equipment supported by training and staff.
- ◆ **State of Alaska RHTP Funding Home & Community Based Services**
Multi-year expansion of service lines, equipment, staffing & regional reach.
- ◆ **State of Alaska RHTP Funding Perinatal & Early Childhood Program Planning**
Funds requested to develop lactation consulting program & assess opportunities.
- ◆ **State of Alaska RHTP Funding Integrated Behavioral Health Program**
Funds requested to establish & fully staff a PMC Behavioral Health Department.

2 New Facility Grants Operating in FY26 \$28,000,000

- ◆ **HRSA Congressionally Directed Spending: Community Project**
No-Cost Extension of grant for new health campus sitework and construction.
Year 4 of 4 | **\$8,000,000** (total single award); Project housed in: Finance

- ◆ **US Department of Treasury Coronavirus Capital Projects Fund Grant**
Wellness, Education & Resource Center building construction including MRI Suite.
Year **5** of **6** | **\$20,000,000** (total single award); Project housed in: Finance

10 Program & Personnel* Grants Operating in FY26 \$863,894

* FY26 Grant contributions to PMC’s Admin & Finance costs: \$56,873

- ◆ **Alaska Children's Trust Cultural Activities Grant**
Youth Programs project for Kinder Skog learning activities in partnership with PIA.
1 Award | **\$1,000** (total single award) – **COMPLETE**
- ◆ **Alaska Community Foundation Camps Initiative**
Youth Programs project supporting the Summer 2025 ORCA Kayaking Camp.
1 Award | **\$20,000** (total single award) – **COMPLETE**
- ◆ **Alaska Mental Health Trust Authority Partnership Grant**
Expands PMC’s hybrid telehealth/onsite behavioral health services for LTC & HH.
1 Award | **\$81,960** (total single award)
- ◆ **ACL Communities Deliver & Sustain Evidence-Based Falls Prevention**
Provides evidence-based falls prevention programs to older adults, people with disabilities, & others with mobility challenges. Connects community to CW/HH.
Year **3** of **4** | **\$147,076** in FY26
- ◆ **HRSA Rural Health Network Development Planning Program**
Planning with independent AK CAHs to improve rural health access & efficiency.
1 Award | **\$100,000** (total single award)
- ◆ **Petersburg Community Foundation Community Support Grant**
Community Wellness award for *Sources of Strength* training, supplies, and more.
1 Award | **\$10,000** (total single award) – **COMPLETE**
- ◆ **Rasmuson Foundation Tier I Grant**
Youth Programs award for Kinder Skog & ORCA camp gear, equipment & storage.
1 Award | **\$25,000** (total single award)
- ◆ **State Health Department Adult Day Services Grant**
Supports Cedar Social Club staffing & \$50K+ per year in participant scholarships.
Year **2** of **3** | **\$191,030** in FY26 – **Additional award of \$41,175 in Jan 2026**
- ◆ **State Health Department Community Tobacco Prevention & Control Grant**
Funds evidence-based Million Hearts® Change Package for Tobacco Cessation.
Year **3** of **3** | **\$145,000** in FY26
- ◆ **State Health Department Opioid Settlement Funds Grant**
Sustain telepsychiatry access pilot program established by 2023 HRSA grant.
Year **2** of **3** | **\$142,828** in FY26

PETERSBURG MEDICAL CENTER

FINANCIAL REPORTING PACKAGE

For the month ended January 31, 2026

PETERSBURG MEDICAL CENTER

Key Volume Indicators

FISCAL YEAR 2026

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior YTD	% Change
1. Clinic Visits	793	878	983	1,003	754	734	792	-	-	-	-	-	5,937	5,813	2.1%
<i>Primary Clinic</i>	768	865	851	984	736	721	773						5,698	5,813	-2.0%
<i>Specialty Clinics</i>	25	13	132	19	18	13	19						239	-	n/a
2. Radiology Procedures	253	251	242	256	208	223	223						1,656	1,584	4.5%
3. Lab Tests (excluding QC)	1,937	2,575	2,241	2,270	2,244	2,212	2,168						15,647	12,348	26.7%
4. Rehab Services Units	883	1,086	730	1,178	1,548	973	1,000						7,398	7,109	4.1%
<i>Physical</i>	651	764	582	860	604	618	596						4,675		
<i>Occupational</i>	154	237	56	206	860	271	309						2,093		
<i>Speech</i>	78	85	92	-	84	84	95						518		
5. Home Health Visits	284	296	221	287	166	202	176						1,632	1,308	24.8%
<i>Nursing Visits</i>	149	151	141	179	120	138	113						991		
<i>PT/OT Visits</i>	135	145	80	108	46	64	63						641		
6. Emergency Room Visits	102	105	65	56	64	61	68						521	528	-1%
7. Observation Days	3	8	4	2	2	4	3						25	32	-23%
<i>Hospital Inpatient</i>															
8. Patient Days - Acute	12	20	36	21	36	25	17						167	208	-19.7%
9. Patient Days - Swing Bed (SNF)	54	69	41	67	67	89	53						440	448	-1.8%
10. Patient Days - Swing Bed (ICF)	8			26	30	34	38						136	233	-41.6%
11. Patient Days - Total	74	89	77	114	133	148	108	-	-	-			743	889	-16.4%
12. Average Daily Census - Acute	0.4	0.6	1.2	0.7	1.2	0.8	0.5						0.8	1.0	-19.3%
13. Average Daily Census - Swing Bed (SNF)	1.7	2.2	1.3	2.2	2.2	2.9	1.7						2.0	2.1	-2.7%
14. Average Daily Census - Swing Bed (ICF)	0.3			0.8	1.0	1.1	1.2						0.6	1.1	-41.7%
15. Average Daily Census - Total	2.4	2.9	2.5	3.7	4.4	4.8	3.5						3.4	4.1	-16.8%
16. Percentage of Occupancy	19.9%	23.9%	21.0%	30.6%	36.3%	39.8%	29.0%						28.7%	34.5%	-16.8%
<i>Long Term Care</i>															
17. LTC Days	426.0	403.0	420.0	434.0	406.0	361.0	396.0						2,846	2,880	-1.2%
18. Average Daily Census	13.7	13.0	14.0	14.0	13.5	11.6	12.8						13.2	13.4	-1.1%
19. Percentage of Occupancy	91.6%	86.7%	93.3%	93.3%	90.2%	77.6%	85.2%						88.3%	89.3%	-1.1%

PETERSBURG MEDICAL CENTER
Statement of Revenues and Expenses
For the month ended January 31, 2026

Month Actual	Month Budget	\$ Variance	% Variance		YTD Actual	YTD Budget	\$ Variance	% Variance	Prior YTD	% Variance
				<i>Gross Patient Revenue:</i>						
\$441,196	\$570,035	(\$128,839)	-22.6%	1. Inpatient	\$3,516,940	\$3,953,469	(\$436,529)	-11.0%	\$4,107,891	-14.4%
918,671	1,029,728	(111,057)	-10.8%	2. Outpatient	6,692,153	7,141,663	(449,510)	-6.3%	6,421,632	4.2%
727,908	628,507	99,401	15.8%	3. Long Term Care	5,439,868	4,359,000	1,080,868	24.8%	4,261,559	27.6%
436,682	495,109	(58,427)	-11.8%	4. Clinic	3,358,191	3,433,819	(75,628)	-2.2%	3,176,987	5.7%
48,151	47,549	602	1.3%	5. Home Health	381,654	329,775	51,879	15.7%	332,190	14.9%
<u>2,572,608</u>	<u>2,770,928</u>	<u>(198,320)</u>	<u>-7.2%</u>	6. Total gross patient revenue	<u>19,388,807</u>	<u>19,217,726</u>	<u>171,080</u>	<u>0.9%</u>	<u>18,300,259</u>	<u>5.9%</u>
				<i>Deductions from Revenue:</i>						
697,094	500,578	(196,515)	-39.3%	7. Contractual adjustments	4,482,271	3,471,754	(1,010,518)	-29.1%	3,275,540	-36.8%
0	0	0	n/a	8. Prior year settlements	0	0	0	n/a	-	n/a
(78,716)	36,158	114,874	317.7%	9. Bad debt expense	(373)	250,770	251,143	100.1%	420,123	-100.1%
17,853	19,831	1,977	10.0%	10. Charity and other deductions	205,701	137,536	(68,165)	-49.6%	121,606	-69.2%
<u>636,231</u>	<u>556,567</u>	<u>(79,664)</u>	<u>-14.3%</u>	Total revenue deductions	<u>4,687,599</u>	<u>3,860,060</u>	<u>(827,540)</u>	<u>-21.4%</u>	<u>3,817,269</u>	<u>-22.8%</u>
<u>1,936,377</u>	<u>2,214,361</u>	<u>(277,984)</u>	<u>-12.6%</u>	11. Net patient revenue	<u>14,701,207</u>	<u>15,357,667</u>	<u>(656,459)</u>	<u>-4.3%</u>	<u>14,482,990</u>	<u>1.5%</u>
				<i>Other Revenue</i>						
27,687	46,712	(19,025)	-40.7%	12. 340b Revenue	570,903	323,970	246,933	76.2%	-	n/a
158,698	104,217	54,481	52.3%	13. Inkind Service - PERS/USAC	1,089,846	722,795	367,051	50.8%	656,808	65.9%
58,779	53,686	5,093	9.5%	14. Grant revenue	389,846	372,335	17,511	4.7%	556,931	-30.0%
0	0	0	n/a	15. Federal & State Relief	0	0	0	n/a	-	n/a
31,297	26,154	5,143	19.7%	16. Other revenue	291,082	181,389	109,693	60.5%	182,643	59.4%
<u>276,461</u>	<u>230,768</u>	<u>45,693</u>	<u>19.8%</u>	17. Total other operating revenue	<u>2,341,677</u>	<u>1,600,489</u>	<u>741,189</u>	<u>46.3%</u>	<u>1,396,382</u>	<u>67.7%</u>
<u>2,212,838</u>	<u>2,445,130</u>	<u>(232,291)</u>	<u>-9.5%</u>	18. Total operating revenue	<u>17,042,884</u>	<u>16,958,155</u>	<u>84,729</u>	<u>0.5%</u>	<u>15,879,373</u>	<u>7.3%</u>
				<i>Expenses:</i>						
1,081,410	1,161,736	80,326	6.9%	19. Salaries and wages	8,008,126	8,057,204	49,077	0.6%	7,179,996	-11.5%
230,026	160,681	(69,345)	-43.2%	20. Contract labor	1,324,865	1,114,403	(210,462)	-18.9%	1,175,818	-12.7%
449,975	421,179	(28,796)	-6.8%	21. Employee benefits	3,150,341	2,921,079	(229,262)	-7.8%	2,700,205	-16.7%
150,261	164,634	14,372	8.7%	22. Supplies	1,168,990	1,141,814	(27,176)	-2.4%	1,037,921	-12.6%
71,816	79,710	7,894	9.9%	23. Purchased services	605,022	552,826	(52,196)	-9.4%	1,081,251	44.0%
56,448	51,174	(5,273)	-10.3%	24. Repairs and maintenance	435,718	354,917	(80,801)	-22.8%	359,099	-21.3%
25,415	35,655	10,240	28.7%	25. Minor equipment	202,984	247,286	44,302	17.9%	230,084	11.8%
30,253	37,377	7,124	19.1%	26. Rentals and leases	230,733	259,226	28,493	11.0%	215,508	-7.1%
158,780	110,452	(48,327)	-43.8%	27. Utilities	982,161	766,041	(216,121)	-28.2%	588,766	-66.8%
1,954	8,878	6,923	78.0%	28. Training and travel	61,897	61,571	(326)	-0.5%	72,767	14.9%
21,773	19,095	(2,678)	-14.0%	29. Insurance	163,763	132,430	(31,334)	-23.7%	127,347	-28.6%
40,204	28,663	(11,541)	-40.3%	30. Other operating expense	256,054	198,795	(57,259)	-28.8%	208,984	-22.5%
<u>2,318,316</u>	<u>2,279,234</u>	<u>(39,082)</u>	<u>-1.7%</u>	31. Total expenses	<u>16,590,655</u>	<u>15,807,591</u>	<u>(783,065)</u>	<u>-5.0%</u>	<u>14,977,746</u>	<u>-10.8%</u>
<u>(105,478)</u>	<u>165,896</u>	<u>(271,373)</u>	<u>163.6%</u>	32. Income (loss) from operations	<u>452,229</u>	<u>1,150,564</u>	<u>(698,335)</u>	<u>60.7%</u>	<u>901,627</u>	<u>49.8%</u>
				<i>Nonoperating Gains(Losses):</i>						
125,638	19,194	106,445	554.6%	33. Investment income	483,099	133,119	349,980	262.9%	297,385	-62.4%
(8,772)	(21,429)	12,658	59.1%	34. Interest expense	(66,819)	(148,621)	81,802	55.0%	(78,239)	14.6%
0	0	0	n/a	35. Gain (loss) on disposal of assets	0	0	0	0.0%	-	0.0%
90,782	87,380	3,402	3.9%	36. Other non-operating revenue	4,315,305	606,022	3,709,283	-612.1%	7,584,894	43.1%
(151,030)	(248,479)	97,449	-39.2%	37. Depreciation & Amortization	184,072	(1,723,323)	1,907,395	110.7%	(652,789)	128.2%
<u>56,619</u>	<u>(163,334)</u>	<u>219,953</u>	<u>-134.7%</u>	38. Net nonoperating gains (losses)	<u>3,608,011</u>	<u>(1,132,802)</u>	<u>6,048,459</u>	<u>-533.9%</u>	<u>7,151,251</u>	<u>-49.5%</u>
<u>(\$48,859)</u>	<u>\$2,561</u>	<u>(\$51,420)</u>	<u>-2007.5%</u>	39. Change in Net Position (Bottom Line)	<u>\$4,060,240</u>	<u>\$17,762</u>	<u>\$5,350,124</u>	<u>30121.1%</u>	<u>\$8,052,877</u>	<u>-49.6%</u>

PETERSBURG MEDICAL CENTER
Balance Sheet
For the month ended January 31, 2026

ASSETS	Jan 2026	Dec 2025	June 2025	Jan 2025	LIABILITIES & FUND BALANCE	Jan 2026	Dec 2025	June 2025	Jan 2025
Current Assets:					Current Liabilities:				
1. Cash	2,544,784	2,009,432	1,544,710	2,460,605	23. Accounts Payable - Trade	\$1,011,957	\$982,599	\$1,299,834	\$1,062,046
2. Cash - insurance advances	0	0	0	0	24. Accounts Payable - New Facility	307,609	440,555	831,368	1,843,691
3. Investments	2,146,939	2,140,030	2,097,227	1,077,986	25. Accrued Payroll	520,338	399,170	319,625	434,644
4. Total cash	4,691,723	4,149,462	3,641,937	3,538,591	26. Payroll taxes and other payables	252,766	86,851	143,596	825,695
5. Patient receivables	5,180,138	5,680,277	7,548,114	7,280,802	27. Accrued PTO and extended sick	1,178,076	1,238,819	1,196,902	1,062,460
6. Allowance for contractals & bad debt	(1,939,978)	(2,083,376)	(2,615,075)	(2,752,457)	28. Deferred revenue	151,964	65,445	131,961	84,861
7. Net patient receivables	3,240,160	3,596,901	4,933,039	4,528,345	29. Due to Medicare	1,067,786	1,067,786	1,466,833	1,393,548
8. Other receivables	2,615,273	2,737,623	2,701,066	1,418,422	30. Due to Medicare - Advance	0	0	0	0
9. Inventories	356,997	352,453	364,788	351,486	31. Due to Blue Cross - Advance	0	0	0	0
10. Prepaid Expenses	262,897	269,527	169,095	222,333	32. Other current liabilities	4,561	4,561	3,323	3,206
11. Total current assets	11,167,051	11,105,965	11,809,926	10,059,177	33. Current portion of long-term debt	427,497	434,142	459,791	451,528
Property and Equipment:					34. Total current liabilities	4,922,554	4,719,929	5,853,233	7,161,679
12. Assets in service	28,723,535	28,723,535	28,677,563	28,640,186	Long-Term Debt:				
13. Assets in progress	27,099,746	27,000,667	22,776,724	17,054,649	35. Capital leases payable	1,592,906	1,624,790	1,826,846	2,020,403
14. Total property and equipment	55,823,281	55,724,202	51,454,287	45,694,835	Pension Liabilities:				
15. Less: accumulated depreciation	(24,503,534)	(24,352,504)	(23,379,960)	(22,951,746)	36. Net Pension Liability	17,065,093	17,065,093	15,526,950	15,526,950
16. Net property and equipment	31,319,747	31,371,697	28,074,326	22,743,089	37. OPEB Liability	-	-	-	-
Assets Limited as to Use by Board					38. Total pension liabilities	17,065,093	17,065,093	15,526,950	15,526,950
17. Investments	4,018,317	3,926,629	3,668,961	3,559,110	39. Total liabilities	23,580,553	23,409,812	23,207,029	24,709,033
18. Building fund	878,550	857,491	799,968	775,343	Deferred Inflows:				
19. Total Assets Limited as to Use	4,896,867	4,784,120	4,468,928	4,334,453	40. Pension	291,347	291,347	413,688	413,688
Pension Assets:					Net Position:				
20. OPEB Asset	7,315,602	7,315,602	7,338,848	7,338,848	41. Unrestricted	28,985,878	28,985,878	13,726,830	13,726,830
Deferred Outflows:					42. Current year net income (loss)	4,060,240	4,109,099	16,773,270	8,054,807
21. Pension	2,218,751	2,218,751	2,428,790	2,428,790	43. Total net position	33,046,117	33,094,977	30,500,100	21,781,636
22. Total assets	\$56,918,017	\$56,796,136	\$54,120,818	\$46,904,357	44. Total liabilities and fund balance	\$56,918,017	\$56,796,136	\$54,120,817	\$46,904,356

**Note: Cash on line 1 is for presentation purposes only. The total cash in bank is the sum of Lines 1 and 2.

PETERSBURG MEDICAL CENTER
Key Operational Indicators
For the month ended January 31, 2026

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior Year	% Change
1. Contractual Adj. as a % of Gross Revenue	17.8%	35.4%	17.3%	17.6%	20.8%	24.7%	27.1%						23.1%	16.6%	39.3%
2. Charity/Other Ded. As a % of Gross Revenue	1.1%	0.0%	2.4%	0.4%	2.7%	0.3%	0.7%						1.1%	0.9%	17.9%
3. Bad Debt as a % of Gross Revenue	4.4%	1.5%	2.4%	-1.9%	-7.0%	3.4%	-3.1%						0.0%	1.2%	-100.2%
4. Operating Margin	4.2%	-7.6%	4.0%	8.7%	14.1%	-3.4%	-4.8%						2.7%	10.2%	-74.0%
5. Total Margin	37.6%	18.8%	29.1%	20.9%	22.0%	-6.0%	-2.2%						19.7%	38.0%	-48.3%
6. Days Cash on Hand (Including Investments)	98.5	108.0	109.1	122.1	124.3	123.9	134.0						124	117	6.2%
7. Days in A/R (Net)	64.4	72.2	67.4	57.2	53.0	50.5	48.8						49	59	-17.0%
8. Days in A/R (Gross)	82.3	83.4	76.6	67.4	65.2	63.7	60.0						60	83	-27.6%
9. Days in Accounts Payable	26	16	30	25	26	26	29						29	31	-5.8%

**Petersburg Medical Center
Petersburg, Alaska**

BOARD RESOLUTION # 2026-01

**A RESOLUTION AFFIRMING CONTINUED SUPPORT FOR THE PHASED DEVELOPMENT
OF A NEW HOSPITAL FACILITY IN PETERSBURG, INCLUDING THE CERTIFICATE OF
NEED PROCESS**

WHEREAS, the Petersburg Medical Center Board of Directors (“**PMC**”) and the Petersburg Borough Assembly (“**Assembly**”) recognize the ongoing importance of ensuring reliable access to high-quality, safe, and sustainable health care services for Petersburg Borough residents and visitors;

WHEREAS, in 2021, PMC adopted Resolution #2021-01, a copy of which is attached hereto as Exhibit A, expressing its support for the initial planning for new health care facilities to be developed in phases (“**Project**”);

WHEREAS, since adoption of the 2021 resolution, PMC acknowledges that the Project is actively underway and continues to progress consistent with the phased approach previously supported by the Assembly;

WHEREAS, PMC has continued to advance the Project through public engagement and planning activities, including preparation and submission of a Certificate of Need (“**CON**”) application to the Alaska Department of Health;

WHEREAS, the Assembly has passed a resolution continuing to support PMC as it proceeds with subsequent phases of Project development; and

WHEREAS, PMC recognizes that the Project remains subject to applicable state and federal regulatory approvals, including the CON process, and PMC’s ongoing participation in and compliance with those requirements.

NOW, THEREFORE, BE IT RESOLVED, the PMC Board:

- 1) Thanks the Assembly for its resolution reaffirming continued support of PMC’s planning for the Project;
- 2) Reaffirms that the Project is intended to preserve and strengthen access to essential health care services for the Petersburg Borough residents and visitors;
- 3) Acknowledges and supports the submission of the CON application for the Wellness, Education, Resource Center’s (WERC) hospital administrative, support, and outpatient services building and MRI suite portions of the Project as a significant planning milestone;
- 4) Reaffirms its commitment to ongoing compliance with and participation in the State of Alaska CON process related to the Project;
- 5) Authorizes PMC management to take such administrative and procedural actions as may be necessary to support regulatory review of the Project; and

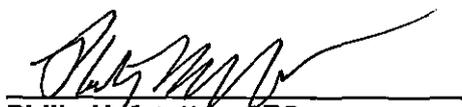
- 6) Affirms its intent to continue coordinating with the Assembly and to keep the Assembly informed regarding material developments related to the Project.

PASSED AND APPROVED by the Petersburg Medical Center Board on Jan 29, 2026.



Jerod Cook, Board Chair

ATTEST:



Philip Hofstetter, CEO
Petersburg Medical Center

PMC Housing Expense Analysis

	<i>Calendar Year</i>			
	<u>2023</u>	<u>2024</u>	<u>2025</u>	
Total Housing Expense	226,537	280,067	357,971	
Rentals	182,563	252,288	326,455	
Fuel & Utilities	36,736	25,088	31,199	
Repairs & Maintenance	7,239	2,691	317	
Avg. No. Apartments	17	17	22	
Gross Revenue	26,501,558	29,447,048	35,212,064	
Average LTC Occupancy	83%	85%	90%	
Average Inpatient Occupancy	20%	28%	33%	