Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda
Hospital Board
Regular Meeting

Thursday, June 26, 2025 | **5:30 PM** | **Assembly Chambers**

Please copy and paste the link below into your web browser to join the webinar:
https://us06web.zoom.us/j/83237395196?pwd=hD7M4CFGi8B8TKE26Obxoaa5HPUOPv.1

Webinar ID: 832 3739 5196
Passcode: 099254

1. **Call to Order/Roll Call**
2. **Approval of the Agenda**
3. **Approval of Board Minutes**
   - **A.** Approval of May 29, 2025, Hospital Board Minutes.
4. **Visitor Comments**
5. **Board Member Comments**
6. **Old Business**
   - **A.** PMC Water System Isolation and RPZ Assembly Replacement
7. **Committee Reports**
   - **A.** Resource
   - **B.** LTC
8. **Reports**
   - **A.** Human Resources
     Cindy Newman submitted a written report.
   - **B.** New Facility
     Justin Wetzel with Arcadis submitted a written report.
   - **C.** Quality and Infection Prevention
     Stephanie Romine and Rachel Kandoll submitted written reports.

D. Executive Summary
CEO Phil Hofstetter submitted a written report with supporting documents.

E. Financial
J. McCormick submitted a written report.
Action Required: Approval of revised budget for FY25

9. New Business

A. Budget Presentation: Informational only

B. Operating Budget
Action Required: Approval

C. Capital Budget
Action Required: Approval

10. Next Meeting

A. Propose meeting change to July 24, 2025, at 5:30pm at Borough Chambers.

11. Executive Session

A. By motion the Board will enter into Executive Session to discuss legal matters, medical appointments or reappointments.

12. Adjournment

Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes
Hospital Board
Regular Meeting

Thursday, May 29, 2025 | **5:30 PM** | **Assembly Chambers**

1. Call to Order/Roll Call

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

Board President Cook conducted Roll Call:

PRESENT
Board President Jerod Cook
Board Vice President Cindi Lagoudakis
Board Secretary Marlene Cushing
Board Member Heather Conn
Board Member Joe Stratman
Board Member Jim Roberts

ABSENT
Board Member Kimberley Simbahon

2. Approval of the Agenda

Motion made by Board Member Lagoudakis to approve the agenda with the addition of the water system isolation and RPZ assembly replacement discussion. Seconded by Board Member Conn. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, and Board Member Roberts.

3. Approval of Board Minutes

A. Approval of April 24, 2025, Hospital Board Minutes.

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

4. Visitor Comments

Roy Rountree expressed his appreciation for being included in the meetings and shared that he enjoys the discussions. He stated that he is available to answer any questions related to the WERC building and conveyed his enthusiasm about the ongoing progress of the project.

5. Board Member Comments

None.

6. Committee Reports

A. Resource

Board Vice President Cindi Lagoudakis reported:

The hospital's Form 990 tax return has been filed. It was prepared by a CPA firm based in Ketchikan and is quite detailed, spanning over 70 pages. The return incorporates data from our most recent audit. As a 501(c)(3) organization, we are required to include certain disclosures, including salary and other financial information. Board members are welcome to review the document in detail if interested.

In reviewing the financial statements for the past month, we noted that nearly all key volume indicators have increased—except for lab tests. As discussed in the previous meeting, this decline is attributed to the absence of a health fair this year, which typically boosts lab volumes. Despite that, revenue is up significantly, driven primarily by higher inpatient volumes. The 340B program also continues to positively impact our financial performance.

Joel recognized the hospital's business office for their outstanding work managing accounts receivable. April marked the highest monthly revenue in the past 10–11 months. Accounts payable are within a reasonable range, invoices are being paid promptly, and cash flow remains strong. Notably, our days in AR continue to decline.

The hospital currently has excess funds in the bank, and the committee discussed the possibility of transferring some of these funds into short-term investments that can be accessed quickly if needed.

We have finalized purchase orders for furniture for the WERC building, with payouts expected in June. The committee also discussed updates in the grant landscape, including ongoing coordination with the Borough to secure funding for future projects.

Other topics discussed included: Industry benchmarks for typical costs and salaries compared to PMC, rising utility costs, PMC's timeline for assuming responsibility of the WERC building from the contractor, and how depreciation of the WERC building and the MRI will positively impact future cost reports.

The FY26 budget is still in progress. Jason will be on-site in June for a detailed budget review session, and the budget is expected to be presented for board approval that same month.

B. LTC

Board Secretary Marlene Cushing reported:

Several key action items have recently been addressed in Long Term Care. One priority is the replacement of the fall prevention system, which is essential for residents with limited mobility, balance issues, or cognitive impairments. A new system has been identified and will be ordered and installed soon.

Ongoing sewer line inspections and repairs are in progress, and further updates will be provided as work continues.

The team is also focusing on addressing polypharmacy, a term used to describe the use of multiple medications, which is common among elderly residents. Many individuals in long-term care are prescribed numerous medications—some of which may no longer be necessary or could be interacting negatively with others. Efforts are underway to review and reduce unnecessary medications and to implement policies that ensure regular medication monitoring and oversight.

The psychiatrist who has been providing services via telehealth will be visiting in person and will meet with several residents during his visit.

There are currently 14 residents in Long Term Care. Many of them require one-on-one staffing for part or most of the day, which led to the hiring of an additional nurse aide to ensure adequate care and coverage.

A new emergency call system is being implemented, designed to quickly coordinate with the local police department in the event of a safety threat or urgent situation.

Additionally, the team has successfully onboarded a Physical Therapy Technician who is now actively working with residents to enhance mobility and support other physical rehabilitation needs—a long-standing goal that has now been achieved.

C. CAH

Board Member Joe Stratman reported:

Several ongoing action items were reviewed, including the digital formulary, an active policy list for future Board approval, health maintenance tabs, skilled stay auto-reminders, and an opioid reduction initiative.

Incident reports for April and May were reviewed, showing no major trends and remaining below the two-year average. Phil shared general updates from a recent Washington, DC meeting focused on hospital safety and quality. Phil also shared slides from the DC meeting highlighting safety improvements, particularly around cancer screening and prevention. Emphasis was placed on collaboration and communication as key factors in improving patient safety.

A report from the medical director highlighted updates on diabetes care and A1C levels, and newer information regarding referrals was shared. Physician availability and primary care management were also addressed.

The swing bed unit remains busy, averaging four skilled stays over the past month. Staff are working closely with home health to ensure smooth transitions of care. A challenge was discussed involving patients who do not qualify for long-term care but have no other suitable placement options, highlighting a gap in available services.

Additional reports were provided from infection control, therapy services, radiology, laboratory, and nutrition. Of note, the MRI magnet is scheduled to arrive in mid-July. Nutrition services have experienced increased demand due to a higher volume of acute patients and visitors. Updates were also shared from wellness, materials management, pharmacy, and emergency preparedness.

On the financial side, Phil reported a positive development: PMC has reduced its accounts receivable by 20 days, thanks to improvements under the new finance office structure.

D. Water System Isolation and RPZ Assembly Replacement

W. Brooks submitted a written report:

Date: 5/30/2025, estimated time of 8:30PM
Facility: Petersburg Medical Center
Location: Petersburg, Alaska, 99833

Project Overview
This project involves a controlled shutdown of the hospital's main domestic water supply to replace a 4-inch Reduced Pressure Zone (RPZ) backflow preventer assembly and, if necessary, a 4-inch upstream butterfly isolation valve located before the facility’s water meter. The work will take place in a remote, high-risk environment with limited access and a narrow operational window.

Scope of Impact
Full hospital building shutdown and/or temporary shutdown of a city block, as required Contractor Discipline: Industrial Service & Repair – Remote CAH/LTC

Primary Objectives

- Isolate and take the hospital’s water supply offline while preserving internal static pressure whenever possible.
- Replace the existing 4” RPZ backflow prevention assembly.
- Inspect and, if required, replace the upstream butterfly valve.
- Restore full water service to the building with minimal downtime.
- Ensure all work is completed in accordance with healthcare facility, life-safety and infection control protocols.

Risk Considerations

Hospital Water Supply Shutdown:
Shutting down the water supply in an operational hospital—particularly a critical access facility in a remote location—presents serious risks.

Life Safety Impact: The hospital relies on a constant water supply for patient care, sanitation, sterilization, HVAC systems, and fire protection. Any disruption must be tightly controlled and time-limited.

Infection Control: Loss of water could affect hand hygiene, surgical prep, and disinfection procedures, potentially compromising patient safety.

Operational Impact: The shutdown could disrupt inpatient services, emergency care, or laboratory operations if not properly coordinated with hospital leadership.

Emergency Access: Being in a remote location, immediate support or supply delivery is not guaranteed; contingency planning is essential.

Shutdown activities are being planned in coordination with emergency preparedness following emergency water plan. *(see attached applicable policies)*

Work Procedure Plan

Step 1: Pre-Isolation Planning
- Confirm timing and communication procedures with hospital leadership
- Prepare emergency backup water supply
- Conduct safety and readiness briefing

Step 2: Establish Static Conditions
- Ensure all plumbing fixtures have non-flowing, static water
- Troubleshoot if static conditions are not achieved

Step 3: Isolation Setup and Pipe Freezing
- Begin isolation of water supply
- Freeze upstream and downstream supply segments to maintain system pressure and prevent full drain-down

Step 4: Removal of Existing RPZ
- Remove existing 4” RPZ after establishing stable freeze
- Temporarily cap or isolate open lines

Step 5: Butterfly Valve Inspection/Replacement (if needed)
- Inspect for corrosion, leakage, or mechanical failure
- If replacement is required:
    - Isolate upstream line
    - Remove and replace valve with AWWA-compliant component
    - Confirm torque settings and valve functionality

Step 6: RPZ Assembly Installation

- Install new 4” RPZ assembly downstream of water meter
- Ensure alignment, anchoring, and code compliance

Step 7: System Restoration and Purging
- Thaw frozen sections gradually
- Purge air and debris
- Test for leaks, confirm valve performance, and restore full service

Step 8: Final Inspection and Standby
- Conduct final inspection with contractor and maintenance staff
- Clean work area
- Remain on standby for any post-installation issues

Summary

This work is essential to ensure long-term safety, functionality, and regulatory compliance of the hospital’s domestic water system. With close coordination among clinical, administrative, and contractor teams, and with contingency protocols in place, this high-risk procedure will be completed with minimal disruption to patient care.

(Visual reference available: annotated image of target water line section for replacement is included below.)

7. Reports

A. Case Management/ Swing Bed Management
E. Hart provided a written report.

Board Member Roberts inquired about discussions with Seattle hospitals regarding swing bed referrals. CEO P. Hofstetter clarified that the referrals in question involve individuals being transferred to Petersburg from outside facilities. In some cases, patients originally from Petersburg are referred back for rehabilitation services. It was also noted that Bartlett Regional Hospital is among the facilities that refer rehabilitation patients to Petersburg through the swing bed program.

Board President Cook raised a question about the long-term sustainability of operations given the recent increase in patient volumes. CEO Hofstetter acknowledged the concern and commended the staff for their exceptional performance. He reported that approximately a week and a half prior, there were 14 residents in Long Term Care and 11 inpatients, with nearly all rooms occupied—some even housing multiple patients. While staff managed the situation effectively, it has come at a cost in terms of fatigue and stress.

Jennifer B. added that staff members have been working double shifts to meet the demand. She noted a continuing trend of consistently higher patient volumes. Staffing remains a significant challenge, with a greater reliance on traveling healthcare professionals and more local staff taking on extra shifts.

Board Member Conn asked whether the increased volumes were driven by outside referrals or primarily local patients. CEO Hofstetter confirmed that the increase is largely due to community members from Petersburg.

Board Member Conn further inquired whether the new facility design accounts for additional Long Term Care beds, given the trend. Hofstetter stated that while the original plan did not include additional beds, it is now under consideration due to the ongoing increase in demand.

Board Member Roberts asked whether the current facility design includes flexibility for future expansion. CEO Hofstetter confirmed that expansion is possible and noted that since the project is currently at the 35% design stage, this may be an opportune time to reevaluate the design in light of the sustained increase in patient volumes.

Finally, Board Member Roberts asked about plans to hire additional nursing or provider staff. CEO Hofstetter responded that while staffing is under active review, current gaps are being filled with traveling healthcare professionals.

B. Pharmacy
E. Kubo provided a written report.

Board Member Roberts confirms PMC's interest in obtaining an automated dispensing cabinet to ensure a secure, trackable, and efficient medication storage and dispensing system for patient medication.

C. Chief of Staff
Dr. Burt provided a written report.

Board Vice President Lagoudakis notes that Dr. Burt's report also mentions the increase in older individuals in the community.

D. Clinic
K. Zweifel provided a written report.

K. Zweifel reported that the implementation of the new call system has improved provider availability in the clinic and has contributed to a less stressful work environment, which providers appear to appreciate.

Board Member Conn inquired whether the organization has considered adding another provider in light of the increased patient volume. K. Zweifel responded that the clinic has been managing effectively with the current team of four providers and two mid-level practitioners.

CEO Phil Hofstetter added that provider availability continues to meet patient needs, and the current staffing model remains sustainable. He emphasized that the organization is balancing provider availability, staffing, space, and budget. This can be challenging, however the new call schedule seems to have helped quite a bit. Going from 4 to 6 providers in the clinic has helped to balance the load.

K. Zweifel noted that daily data collection enables the clinic to anticipate patient needs more accurately. This, in turn, allows for more effective staffing and scheduling of clinic hours to best serve the community.

E. Community Wellness
J. Walker provided a written report.

F. Dietary
J. Ely provided a written report.

Board Member Cushing expresses her sympathy for the dietary staffing concerns. Board Member Conn acknowledges the issue of food price increases.

G. New Facility
J. Wetzel with Arcadis provided a written report.

Board Member Roberts commented on the Certificate of Need (CON) for the MRI and inquired whether there were issues with the original submission. CEO Phil Hofstetter explained that the State requested additional information, and the team is taking the necessary time to gather and respond thoroughly before submitting.

CFO Jason McCormick added that the State has expressed interest in reviewing the MRI project in conjunction with the WERC building as a comprehensive proposal, which requires submission of further supporting documentation.

H. Quality and Infection Prevention
S. Romine and R. Kandoll submitted written reports.

I. Executive Summary
CEO, P. Hofstetter submitted a written report.

CEO Phil Hofstetter reported on his recent trip to Washington, D.C., alongside the Alaska Health and Hospital Association, the executive team. Meetings were held with Senator Murkowski, Congressman Begich, and Senator Sullivan. The focus was largely on Medicaid budget issues and understanding federal policy developments.

Key takeaways included: Discussion of Medicaid expansion and administrative burdens associated with eligibility redetermination. Emphasis on the potential impacts of proposed federal Provider Tax changes, which would not affect Alaska due to its current exemption. Highlighted concerns about tariffs on medical and construction supplies. PMC's team has since begun forwarding relevant invoices to delegation to help illustrate the impact.

At the state level, limited capital funding is expected due to low oil prices. On the federal side, PMC submitted appropriation requests, and progress will be tracked as they move through Congress.

A notable success was the passage of the prior authorization reform bill, developed by ASHNHA and supported by insurers. The bill aims to reduce barriers for recurring authorizations for chronic conditions and will most likely take effect in January. The legislation received broad bipartisan support.

PMC’s Home Health team successfully completed their unannounced recertification survey this week. CEO Hofstetter commended the team, led by Laura, for their outstanding work, noting it was one of the most efficient exit interviews he has attended.

CEO Hofstetter highlighted improvements in the revenue cycle. Since bringing accounts receivable (AR) functions in-house, PMC has seen a notable decrease in AR despite increased patient volumes—an uncommon and positive trend. He praised the finance team, including Jason, Joel, and Carrie, for their efforts. Additionally, PMC now offers local, in-person billing support for community members with claims-related questions.

Efforts continue to maintain consistent specialty care. Dr. French will return June 9–13. Dr. Capp has been providing regular optometry services. Telepsychiatry with Dr. Sankas continues. Recruitment for scopes services is ongoing, with Jennifer Bryner actively pursuing leads.

Commissioning of the WERC building is expected to occur in June. Furniture deliveries and MRI equipment installation are scheduled for July, with a soft opening planned for late July/early August. A community grand opening is anticipated in September, with an invitation extended to Senator Murkowski in recognition of her role in securing federal appropriations. Workflow planning and transition logistics are currently underway.

Board Member Conn asks if Senator Sullivan discussed an Alaskan executive order with Phil, while he was in DC. CEO P. Hofstetter states he did not recall that. Member Conn mentions that Trump had signed an Alaska executive order and she is wondering how that would benefit us if we are seeing it in so many different ways. Hofstetter acknowledged that he had read about that order but states Senator Sullivan did not discuss this specifically with him.

Member Conn also inquired about which months we see the change in AR days specifically. Hofstetter notes that the graph on page 35 and 36 showcase the changes for mostly May.

Member Conn also asks what the main difference is between 'gross' and 'net'. CFO, Jason McCormick, explained that gross accounts receivable (AR) is the most accurate measure for tracking outstanding balances, as it reflects the total dollars owed. Gross AR is calculated by dividing total outstanding AR by the average daily total revenue.In contrast, net AR accounts for expected write-offs and reserves based on aging and historical collections, in line with accounting policies. While useful, net AR can understate the problem when AR is growing, as reserves may mask rising balances. Therefore, the business office focuses on gross AR to ensure a clear view of total collections needed and to support full accountability in revenue cycle operations.

Board President Cook inquired whether any potential funding opportunities for the new hospital emerged during CEO Phil Hofstetter’s recent trip to Washington, D.C. CEO Hofstetter responded that while he gained insight into the committees the Alaska delegates serve on—including Congressman Begich’s role on the Transportation and Infrastructure Committee, which may offer future potential—no specific funding avenues were confirmed. He noted that there is currently a high level of uncertainty surrounding the federal budget and many unknowns remain.

J. Financial
J. McCormick submitted a written report.

The CFO provided a comprehensive financial update and broader context on national healthcare trends. He explained that annual federal proposals for reimbursement cuts are ongoing due to the increasing demand for services driven by the aging baby boomer population. Despite this, federal programs like 340B, grant opportunities, and cost-based reimbursement models continue to support rural hospitals financially. The hospital is proactively optimizing these programs, including successfully implementing the 340B pharmacy program and securing employee retention tax credits and capital grants.

Key financial highlights include strong inpatient and swing bed volumes, steady outpatient services, and full occupancy in the long-term care unit. Revenue exceeded budget projections, supported by favorable cost report settlements and increased clinic activity. Patient receivables have started to decline following a change in billing service providers, with internal business office staff showing strong performance. Gross days in AR have improved from a high of 96 to 87 days in April, with a target of 65.

The CFO emphasized the importance of strategic planning in anticipation of federal changes, highlighting the long-term benefit of the new hospital build, particularly in how depreciation contributes to reimbursement. The hospital remains financially stable with increasing cash reserves and no significant concerns with accounts payable. The leadership team continues to monitor payer contracts to ensure fairness across all insurance providers.

Board Member Stratman confirms with CFO that the column year reading '2024' on page 42 showing the balance sheet should be corrected to read, '2025'.

8. Old Business

None.

9. New Business

A. Medical Staff Bylaws
Action required: approval

CEO Phil Hofstetter presented the updated Medical Staff Bylaws, which had been approved by the Medical Staff and now required Hospital Board approval.

Board Member Stratman asked for clarification on the approval process, recalling past Board involvement in similar matters. CEO Hofstetter clarified that while the Board is involved in approving changes to the Hospital Board Bylaws, the Medical Staff Bylaws are governed separately by the Medical Staff. Though the processes are similar, they involve different governing bodies.

Motion made by Board Member Conn to approve the Medical Staff Bylaws as presented, Seconded by Board Member Stratman.Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, and Board Member Roberts.

10. Next Meeting

A. Scheduled June 26, 2025, at 5:30PM

11. Executive Session

By motion the Board will enter into an Executive Session to discuss legal matters, medical appointments, and or medical reappointments.

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

Reconvened post Executive Session.

Motion made by Board Secretary Cushing to reappoint Dr. Jennifer Hyer, Julie Highland, Ronaldo Isuani, and DO Selina Burt. Seconded by Board Vice President Lagoudakis. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, and Board Member Roberts.

12. Adjournment

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

Meeting adjourned by 7:00pm.

PMC Facility Water Shut Off Real World Event & Communication Drill

May 30, 2025

After Action Report
For
Petersburg Medical Center

Petersburg
MEDICAL CENTER

Michelle Rumple
Emergency Preparedness Coordinator
Petersburg Medical Center
103 Fram St
Petersburg, AK 99833
Phone: 907-772-4291 ext. 5792

On May 30, 2025, Petersburg Medical Center's Maintenance department began work on a planned water utilities shut down to replace an aged and failing backflow preventer valve. This was a real-world event.

PMC staff who worked on the repairs included Wolf Brooks, Skip Hallingstad, and Michael File from Maintenance. Additionally, a local plumber was hired as a contractor and an additional contractor from out of state was flown in for his expertise and experience with this type of large-scale repair. A Borough employee with Water Management, Blake Buotte, assisted with the initial facility water shut off.

Planning for this event began months ago when it was determined that the valve was failing. It was put on hold initially as the company who had made the original valve section was no longer in business. A new company had to be found which could make the replacement valve to exact specifications. Shipping was also a factor in the delay. Once the part arrived, repairs were again put on hold as there were precise fittings which were found that also had to be replaced. These had to be specially ordered to exact specifications, causing delay.

Work on the repairs was scheduled for the evening of May 30, 2025. A pre-shut off meeting was held with different departments to go over a timeline of events, the plan of action, expectations, and contingency plans in the case of additional or new line failures. That meeting occurred at 10:30am on 5/30/25 and included Chris Waechter, Nancy Higgins, Levy Boiter, Sonja Paul, Phil Hofstetter, Sheena Canton, Jeanette Ely, Wolf brooks, Elise Kubo, and Michelle Rumple.

Communication
One Call Now was utilized to inform relevant staff of different events, including water shut off, water being turned back on, and a backup message if repairs were not able to be completed. This contact list included on call staff and department managers of affected areas. Additionally, Maintenance staff used the new PMC handheld radios to more easily keep in touch as repairs commenced and during fire watch as well as leak checks once the water was back on. Three handhelds were used with the fourth kept at the nurse's station and turned to the hospital frequency. The Borough PD and Fire Dept. were notified of the radio use and both stated that, while they don't typically monitor that internal frequency, they would check on it during the given timeframe as needed.

Timeline Day of Repairs

- 10:30am – Pre-shut off meeting with relevant, likely affected department contacts
- 8:30pm – water shut off started and line freezing began
- 8:41pm – initial One Call Now message goes out to previously identified staff
- 10:00pm – lines frozen, repair and replacement began
- 1:00am – replacement complete, water turned back on. Emergency Preparedness Coordinator received Tiger Text from Wolf that repairs were completed.
- 1:30am – One Call Now to previously identified staff went out alerting of water back on
- Ongoing from 1:00am Saturday morning until approximately 9:00am: leak checks and line flushing
- Debrief on Monday, 6/2/25 with Phil Hofstetter, Wolf Brooks, Sheena Canton, Michelle Rumple, Sonja Paul, Levy Boiter, Jennifer Bryner.

What Went Well

- The repair and replacement went very well and they were done ahead of projected schedule.
- Staff were careful and used alternate provided hand washing stations and provided water for flushing.
- PMC had plenty of non-potable water on hand for alternative use.
- Radio communication was clear and easy to use.
- Early planning included updating the Emergency Water Plan as well as the Dietary Utility Failure Plan. In addition to that update, the Dietary Manager ordered food to be used in the event of a full water failure.

What Could Be Improved

- Two hand washing stations had been set up, one at the ER and a portable one for use at the Nurse's station and LTC, as needed. A dedicated station for LTC would be better in the future.
- Though the Dietary sinks were flushed for approximately 30 minutes, the Saturday morning shift reported they still had sediment in the water initially. Additional flushing or line checks may be needed for future utility shut off.
- One Call Now has fewer mobile app features than on desktop which limited its use somewhat. A list of relevant personnel had to be created the day before to ensure previously identified staff were the only ones who received the messages. It was not meant to be call list wide. Additionally, though the text only feature was selected, some staff also received phone calls and emails when the alerts went out.
- One Call Now needs to be updated when staff change their home or cell numbers as one person stated they did not receive the text due to a number change.

Conclusion

Replacement of the aged and failing backflow preventer assembly for Petersburg Medical Center was a months long process due to the intricacies of ordering precisely calibrated parts, wait times for builds and shipping, and the aged nature of the facility's utility systems. Wolf Brooks and the Maintenance department completed the planning and execution of the work with almost no impact to the facility itself and none at all to daily operations. Communication within the facility and to identified staff went well both with the One Call Now notification system, all staff received notice either text or email, as well as the new handheld radios. While future repairs can be expected given the aging facility, the efficiency and competence demonstrated by the Maintenance department underscores their ability to handle the difficult situations of the facility.

Petersburg MEDICAL CENTER

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Human Resources Board Report June 2025

Workforce Wellness - Staffing Overview

The Human Resources (HR) Department is comprised of Cynthia Newman, full time Human Resources Director, and Scott Zweifel, full time Human Resources Technician. Over the past six months, the department has experienced a high volume of activity due to new hires, employee terminations, the addition of travel staff (locums), and student placements. The team is responsible for supporting an average of over 175 paid employees at PMC. Each day is consistently busy and productive.

Employee Recap: January – June 2025

New Employees - 18

- 3 – Healthcare Biller
- 2 – Patient Financial Accounts Representatives
- 1 – Cook
- 1 – Registered Nurse
- 1 – Activities Assistant
- 1 – Speech-Language Pathologist (SLP)
- 5 – Kinder Skog Mentors
- 4 – Youth Interns

Terminations – 6

- 1 – Physical Therapist
- 2 – Kinder Skog Mentors
- 1 – Ward Clerk
- 1 – Certified Nurse Assistant
- 1 – Home Health CNA

Private Contract – 5

- 2 – Cook (1 contract completed)
- 1 – Dietitian
- 1 – Physical Therapist
- 1 – Radiologic Technologist

Traveler Staff – Through a Staffing Agency – 14

- 8 – Registered Nurse (2 contract completed)
- 1 – Licensed Practical Nurse
- 8 - Certified Nurse Assistant (4 contract completed)
- 3 – Physical Therapist (1 contract completed)
- 2 – Occupational Therapist (1 contract completed)

Positions Open

- Assistant Billing Coordinator – Home Health
- Certified Nurse Assistant
- Clinic Reception / Admissions
- Cook
- Healthcare Data Analyst (PT)
- Housekeeper
- Laboratory Assistant
- Medical Assistant
- Medical Technologist
- Occupational Therapist
- Phlebotomist
- Physical Therapist
- Radiological Technologist
- Registered Nurse
- Ward Clerk

Employee Retention. As part of employee retention efforts, we reinstated the employee newsletter, *Chart Notes*, which has been in production every month for one year and resumed the distribution of longevity gifts to staff reaching service milestones.

Chart Notes highlights special recognition weeks - such as National Nurses Week in May and National Nurse Assistant Week & Community Health Improvement Week in June - while also a welcome to new / farewell to departing employees. The newsletter is an engaging way to keep all staff informed about what's happening across the facility.

To celebrate staff longevity, PMC honored 14 employees on February 14th with a special luncheon and commemorative gifts in recognition of their 10th, 15th, 20th, 25th, and 30th service anniversaries.

Looking Forward.

The HR Department is currently preparing for several key activities related to the upcoming Open Enrollment period in June with an effective date of July 1st.

- Health Insurance: We are pleased to offer our employees a choice of health plans. This year's options include a plan with a $3,000 deductible and another with $1,000 deductible.
- Dental Coverage: Dental insurance will be included as part of the health insurance options. Employees may choose an enhanced dental plan that

includes orthodontic coverage or opt for no dental coverage.

- Additional Coverages: PMC will continue to offer employees the opportunity to purchase optional benefits, including Optional Life Insurance, Accident Insurance, Critical Illness Coverage and Short Term Disability through a new company called Lincoln.

Challenges.

Paylocity. The HR Department has been using Paylocity since July 1st, 2022. Over this time, we have continued to expand our understanding of the platform and its capabilities. We are still discovering new functions across various modules, including HR and Payroll, Time and Attendance, Performance, and Onboarding. These tools have significantly enhanced the efficiency and effectiveness of our work.

- HR & Payroll: This module is used to manage payroll for all employees paid through our system.
- Time & Attendance: An effective tool for tracking employee time and attendance. The system allows employees to clock in via badges, online, or through the mobile app in accordance with the permissions granted.
- Performance: All performance reviews are conducted through Paylocity. Both 6-month and annual reviews include a "*Self-Review*" option and/or an Evaluation by the reviewer for the Review / Supervisor to choose. Feedback forms can be created using system templates or custom-built by reviewers. To date, over 270 reviews have been completed.
- Onboarding: Since December 1st, 2023, the following onboarding categories have been processed:
    - Contract Staff (travel companies): 44
    - Contract Staff (on payroll): 6
    - Benefitted Employees (Full-Time, Part-Time): 34
    - Seasonal Employees: 21
    - Re-hire via Agency (travel company): 7
    - Re-hire (on payroll): 5

State of Alaska - Background Checks. In alignment with Petersburg Medical Center's Hiring and Recruitment policy and the State of Alaska Background Check regulations all individuals employed by PMC -- whether directly or as travel staff -- must receive either a Provisional Background Clearance or a completed Background Clearance from the State of Alaska Background Check Program prior to starting work. For current employees, a valid Clearance (or Provisional) must remain in place for continued employment.

These Clearances are required for individuals aged 16 and older and are valid for five (5) years. HR maintains an Excel spreadsheet to monitor expiration dates. On the 1st of each month, either Scott Zweifel or I review the list for upcoming expirations. New background checks are initiated up to 60 days in advance to allow sufficient time for processing and mailing. As an added measure, BCU Clearance dates are now recorded in each employee's Paylocity profile, providing another safeguard to prevent lapses.

Cars. PMC owns and maintains a fleet of vehicles to support staff and medical student transportation needs. Several of these vehicles are designated for use by staff in the performance of their duties, including:

- LTC New Van – Long Term Care
- Old Van – Home Health
- Silverado Pickup – Plant Operations
- Honda Odyssey – Materials (used for mail run)

In addition to these, 13 vehicles are available for use by travel staff and students. The fleet includes:

- Hyundai: Tucson
- Ford: Taurus
- Toyota Models: 2 Corollas, Highlander, Scion
- Subaru Models: 2 Foresters, Impreza, Legacy
- Honda Models: 3 CR-Vs

All vehicle registrations and insurance policies are current. The HR Department is responsible for managing the check-out and return of vehicles. Maintaining vehicles can be particularly challenging due to their age and wear. HR, in coordination with Plant Operations, works to ensure the vehicles' readiness.

Rentals. PMC currently rents 18 apartments for travel or new (relocating) staff, as well as 2 office spaces. The HR Department maintains a detailed record of all rental units, including arrival and departure dates for each occupant, and a corresponding cleaning schedule. In many cases, HR staff greet the arriving individual, provide a brief tour of Petersburg, and accompany them to their assigned apartment. Managing the rental schedule requires significant planning, coordination, and logistical effort to ensure a smooth transition for incoming and outgoing staff.

Community Engagement.

Hiring of Minors (15 – 17 years old). PMC has enhanced its workforce by employing minors in various departments, including Nursing, Youth Programs, Maintenance and Information Technology. Minors are held to the same employment standards as their adult counterparts. This includes:

- Completion of all pre-employment requirements
- Approved background clearance (required for those 16 and older)
- Passing a drug screening, which includes testing for marijuana
- Completion of all onboarding and training required by PMC

Parental or guardian permission is obtained for all minors, in compliance with applicable regulations. When required by the State of Alaska, an approved work permit is also secured prior to employment. PMC is committed to encouraging youth engagement by promoting healthcare and other career opportunities within our organization, with the goal of fostering interest in future employment at our facility. Currently, PMC employs three 15 year-olds, three 16 year-olds, and four 17 year-olds in seasonal positions -- each gaining valuable experience and insight into potential career paths.

Patient Centered Care. N/A

Facility.

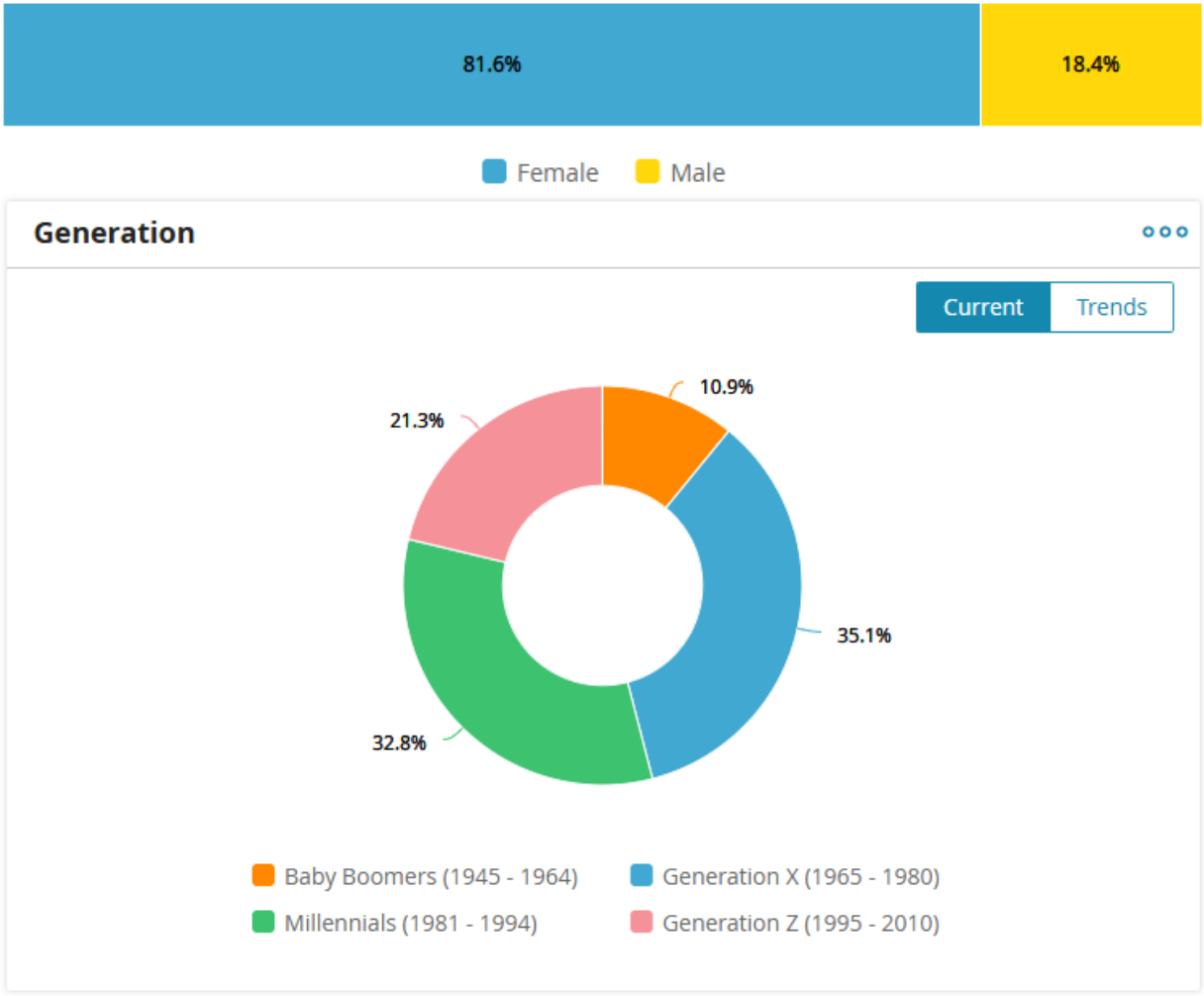
The HR Department is actively preparing for the upcoming move into the new building. As part of the organization wide “Clear the Clutter” initiative, we are sorting through the warehouse, shredding documents, and discarding materials that are no longer needed. In the new building, Scott and I will be located on the second floor in the Administration wing. We also anticipate maintaining a workstation in the old building to meet with employees as needed. This space will allow us to dock our computers and work there when necessary.

Financial Wellness.

The HR Department consistently strives to manage costs responsibly while supporting PMC’s strong reputation within the community and beyond. We also recognize the ongoing challenge of balancing fiscal responsibility with the need to recruit and retain qualified, high-caliber individuals who contribute to PMC’s mission, values and success. I’ve submitted a couple of graphs for the board and photos for your information.

Respectfully Submitted,

Cynthia Newman, SHRM-CP, PHR
HR Director



Employees
Baby Boomers – 19 / General X – 61
Millennials – 57 / Generation Z – 37

PMC Youth Programs
Kinder Skog

PMC Youth Interns
Information Technology & Plant

Maddy, Dakota, Amaya, Brad, Charlotte, Logan, Katie, Gabi, Jake

Jill, Scotty, Alex, Noah, Arielle, Kristina, Phil

Petersburg MEDICAL CENTER

ARCADIS

New Facility Construction Report June 2025

Sitework

The base sitework is now completed, the additional work of placing concrete at the Wellness Drive up to the WERC/Hospital delineation line, and finishing the entire parking area has been completed. This had previously been designed/planned for gravel only for budget reasons, but cost savings during construction allowed for this to be included within the total budget allotment. The new focus for exterior work is going to transition to landscaping efforts, and placements of rock have already begun this week.

WERC Building

Substantial completion walkthrough took place from May 1st through May 3rd with Arcadis, Bettisworth North, RSA, and others. The Substantial completion certificate was issued on June 2nd and has now been fully executed. Punch list items for adjustments or corrections will be ongoing through mid-July. This is also tied to ASI-19, which has minor modifications to the building to accommodate add-ons and adjustments within the FF&E package. The closeout process will continue with O&M submittals, and all final documentation submitted to achieve the Certificate of Occupancy by the end of June and be ready for early occupancy by mid-July.

The MRI Addition is now 90% complete, the RF Shield has been installed, with the exception of the opening required magnet to come in to the structure. After the installation of the magnet it will be patched in from gypsum through the exterior siding including the RF Shield, Siemens has confirmed that the magnet is still on schedule to arrive in Petersburg in mid-July. After the Siemens magnet has been installed, it will be tested, calibrated, and commissioned by the end of July and could be put into service by August.

Furniture, Fixtures, and Equipment (FF&E) will be getting installed in July; this will be a joint effort by Arcadis, Dawson, Capitol Office, and PMC. There will be a second wave of FF&E that will arrive in mid-August and will be part of the final completion effort, along with any artwork and other items that will be installed before the Grand Opening in September.

New Hospital Design

Further design for the Hospital is on hold pending additional funding. The Phase 5 wetlands permit has been received from the ACOE and sent to PMC; this is currently under review. Pending concurrence with the permit requirements, the drive to Excel street that will eventually be used as an emergency and secondary driveway would be able to be excavated of organic native materials and replaced and stabilized with clean fill.

Upcoming Construction Activities

- June – Punch list, Exterior siding (MRI Addition), Exterior concrete surfaces (Adds).
- July – Landscaping, MRI Addition, FF&E Install (Wave 1)
- August – FF&E Install (Wave 2), Final Set up and Completion

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

MRI Addition & Copper RF Shield

View - Northwest

Submitted by: Justin Wetzel- Arcadis Project Manager

Petersburg MEDICAL CENTER

Quality Report June 2025

Workforce Wellness

Quality staff and one home health nursing staff member attended the National Council On Aging 'Age +Action' Conference in Arlington, VA next week funded by the Fall Prevention Grant. This conference offered resources for grantees to learn about programs and support aimed at building up older adults in the community to include 'Age Friendly' initiatives, further strategic planning on aging, and expanding Social Determinants of Health screening and resource connection. We look forward to sharing and exploring these resources.

I started PTO on the 10th and will be out through the end of the month.

Community Engagement

Community Health Needs Assessment is concluding. Full public report should be forthcoming. Efforts will be transitioning to addressing the strategies and priorities identified in the implementation plan.

We continue to elicit and incorporate patient/participant and family feedback through satisfaction surveys for home health and the Cedar Social Club.

Patient Centered Care

Continue working to connect to departments within PMC, share resources, and offer support with quality improvement initiatives. Assistance is provided with incident review to help in identifying potential processes or areas where improvement could be reached or is needed. Initiating follow up in areas that have potential to increase access to care, decrease barriers, increase quality or efficiency of care aligned with strategic plan objectives. Increasing emphasis on the collection, maintenance, and availability of actionable data.

New guidance has been published requiring the examination of health outcomes for long-term care residents from a health equity perspective.

"Health equity" refers to the attainment of the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes. From the CMS Framework for Health Equity, April 2022,

A Health Equity Review will be incorporated quarterly into the LTC Quality Committee.

Facility

LTC Quality Committee will meet on the 18th to review recent data and quality metrics. Updates will be provided on quality improvement projects underway.

Financial Wellness

No new updates in this area.

Submitted by: Stephanie Romine, RN

Petersburg MEDICAL CENTER

Infection Prevention Board Report June 2025

Workforce Wellness

I work alone as the Infection Preventionist for PMC.

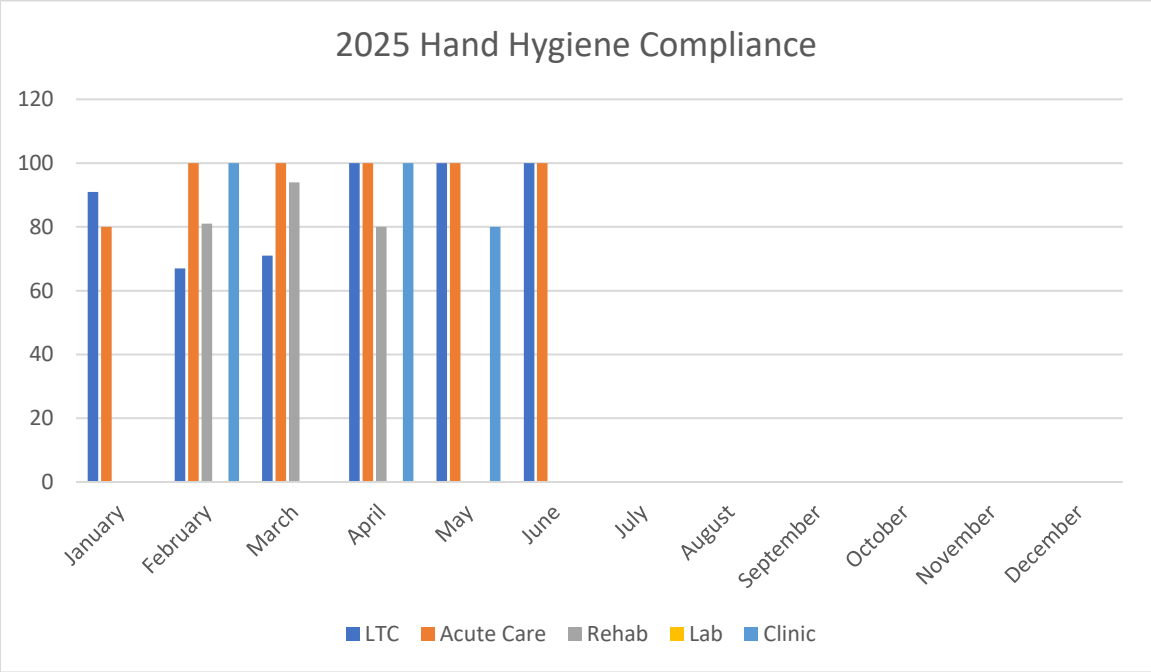
Community Engagement

I have been continuing to look for ways to update and improve PMC. I work with many different departments at PMC to ensure compliance with regulations. Last month in Environment of Care Rounds, our team of nursing, EVS, and management focused on EVS closets in the facility. This month we will do general rounds, in addition to making sure PMC is in compliance with CMS and HIPPA standards of signage.

I have been working with our PMC's contracted pharmacist to improve our Antimicrobial Stewardship program.

Patient Centered Care

2025 Hand Hygiene Compliance



Our *Precaution Signage* for each room, to help staff and visitors know how best to protect themselves and our patients, had been completed. The signs are up to date and uniform throughout LTC, CAH and the ER.

We have successfully implemented Enhanced Barrier Precautions, per CMS regulations, in our LTC facility.

LTC 2025 Infection Prevention Metrics:

- Urinary Tract Infections (UTI): 1
- 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 to meet current IPC standards.

Financial Wellness

No changes to this area.

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

Petersburg MEDICAL CENTER

PMC CEO Board Report June 2025

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

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

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.*

- June 4: Physician Lunch
- June 11: Medstaff meeting, with presentation by Dr. Sonkiss
- June 12: Student Intern Orientation with Phil, Human Resources and IT
- June 19 : Office Hours/Coffee with Phil
- June 20: Environmental Care Rounds
- June 20: Manager Meeting
- PMC Celebrates the following professionals in June: Community Health Improvement employees Becky Turland, Mariah Clemens, Katie Holmlund, Jake Clemens, Kaili Watkins, Logan Stolpe, and Julie Walker. National Nurse Assistants (CNAs) Lillee Birchell, Daphany Capitini, Veronica Carter, Lucille Chapman, Holli Davis, Aileen Eilenberger, Myaca Francisco, Alana Esguerra, Carline Gayle, Gia Goodridge, Kathleen Heistuman, Fe Lamphere-England, Jamie Lockart, Audrey Moreno, Alice Neidiffer, Jackie Neidiffer, Janisa Nguyen, Erica O'Neil, Anya Pawuk, Caity Pearson, CeCe Perkins, Luke Sinclair, Avery Skeek, Kendra Speh, and Shirley Yip.

Becky, Mariah, Julie, Kaili

CeCe, Shirley, Lillee, Lucy, Anya

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

- June 2: Submitted report for Borough Noon Assembly Meeting.
- June 15: Letters to Senator Murkowski and Senator Sullivan submitted *(see attached)*
- June 17: Op Ed published to Anchorage Daily News *(see attached)*
- June 26: KFSK/PMC Live
- June 26: Hospital Board Meeting open to the public
- Ongoing this summer: Kinderskog programs and ORCA camps launch featuring theater camps, FUEL Up, Kayak Expedition, Wiffleball, Flyfishing, and Wild Trails.
- Ongoing: Bingocize and Tai Ji Quan, part of fall prevention programs
- Art Donation: Art Donation from Beth Flor for the new facility. Pieces will temporarily be displayed in the WERC building until they can be moved to the new facility. Total of seven framed canvas paintings.

Petersburg High School (PHS) / Petersburg Medical Center CNA course

In the fall of 2016, PHS and PMC partnered to offer a Certified Nurse Assistant (CNA) course to PHS students. High school students were given the opportunity to complete their CNA training over the school year. The PHS / PMC course has been offered every other year to PHS students!

This year, the program includes juniors Gabriele Whitacre and Freya Tucker; seniors Martha Midkiff, Izabella Tarquino, and Elizabeth Burns. Special thanks to Traci Vinson, the course instructor, for her dedication & support.

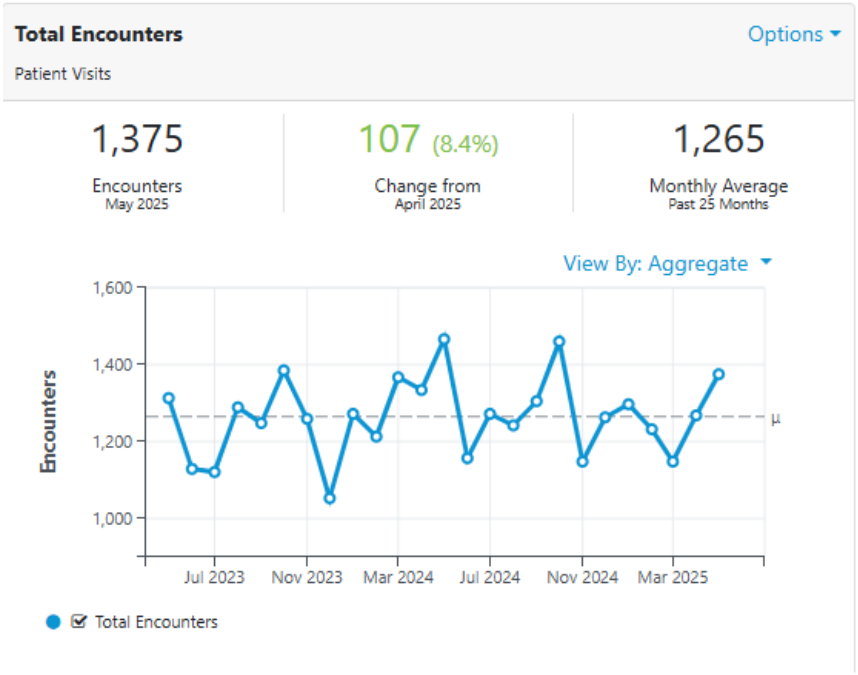
Gabriele, Freya, Martha, Traci (Course Instructor)
Izabella, Elizabeth

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

- June is showing consistent patient volumes, and we are anticipating increased volumes as we move into the summer months.

- Joy Janssen Clinic Access to Primary Care: We remain fully staffed with 4 Physicians and 2 mid-level practitioners. M-F 8AM-5PM, and Saturday 8AM-12, 1PM-4:30PM
    - Same day appointments for urgent care are readily available.
    - Next available appointment with primary care provider averages 16 business day wait time
    - Third available appointment with primary care remains an average 16 business days.

        -The change in average wait times is due to provider PTO over the summer months. In June there are many two-provider days. Clinic has maintained same day availability for acute and time sensitive appointments.



- Psychiatry services are ongoing via telehealth. Dr. Sonkiss was in town this month and saw patients in person. He also gave a presentation at MedStaff for our providers.
    - PMC initiated a partnership with Dr. Sonkiss in September 2024. Since that time, a number of individuals have engaged in psychiatric services with him, either through completed visits or upcoming scheduled intakes. This partnership has expanded access to care through both provider and self-referrals. We look forward to continuing advancements in telepsychiatry as there is an expressed need for it in our community.

- Audiologist, Phil Hofstetter, continues to see patients in Specialty Clinic.
- Dermatologist, Cameron French was in clinic June 9th-13th. He saw a total of 102 patients and is scheduled to return September 15-19th.

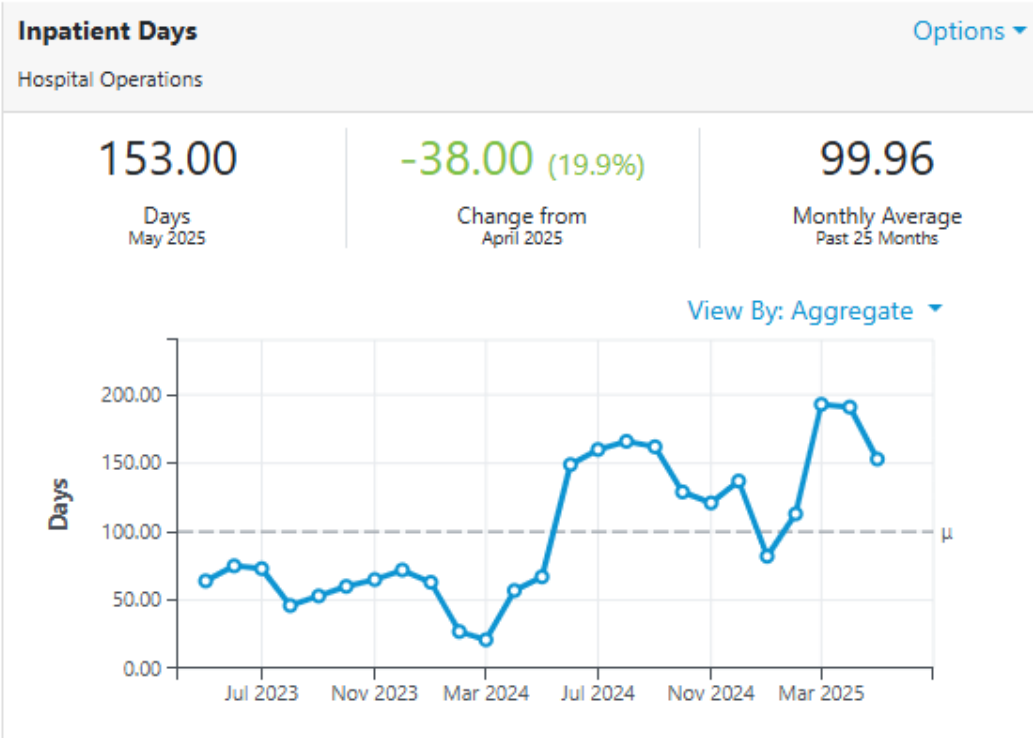
- Current Facility: We successfully completed the water system isolation and RPZ Assembly Replacement (full after-action report attached in *Old Business*)

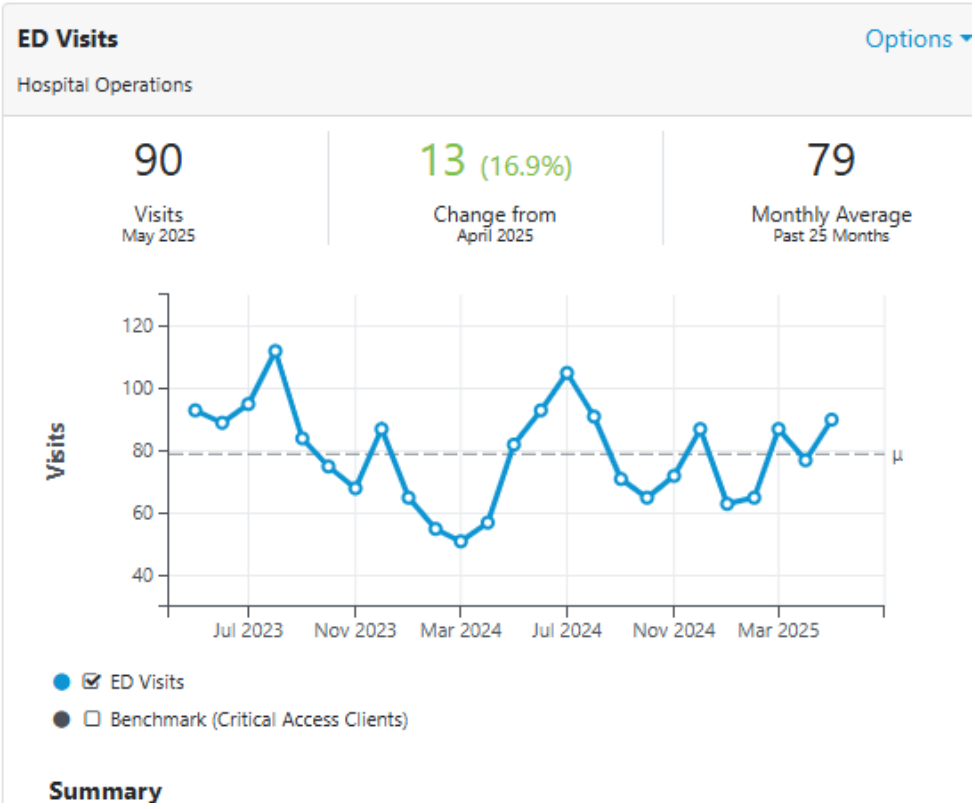
New Facility: *Goal: To expand the capacity and capabilities of the community borough-owned rural hospital through the construction of a new facility, while taking into account the needs and priorities of the local community.*

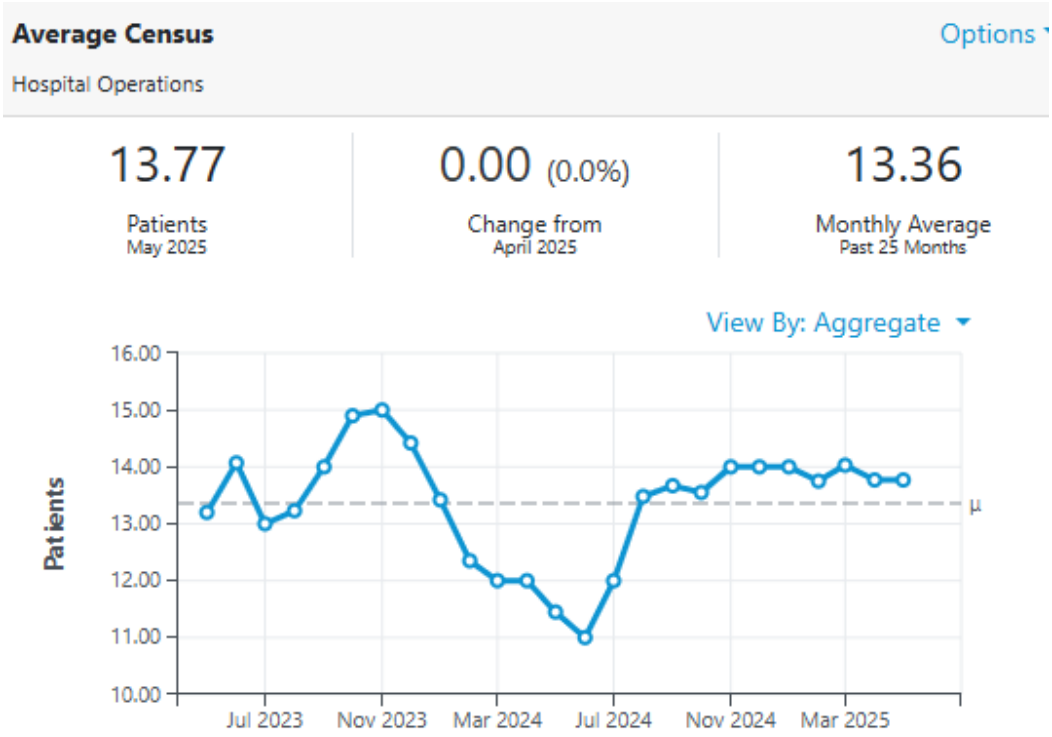
- Arcadis submitted a report with a detailed update on the new facility.
- Base sitework nearly complete.
- Entire parking lot concreted and lines painted.
- Initial furniture, fixtures, and equipment has been ordered.
- MRI addition is 70% complete.
- We continue to be on track and on budget for the WERC building.
- Transition planning with the departments that will move into WERC building, as well as departments that will occupy the vacated space in our existing facility, will continue monthly until the move date this summer/fall.
- Updates: Project updates are available on the PMC website under the “New Facility & Planning” tab. Photos are updated on social media every Friday afternoon.
- As the WERC building nears completion, building tours are closed as floors, paint, and fixtures are added, with an opening date pending.

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.







- Grants; *See attached Grants Report*
- Monthly Financial report attached
- Budget preparations for the next FY26 have been drafted by Finance, detailed report regarding Capital, and Operational budget by CFO, Jason McCormick.

Submitted by: Phil Hofstetter, CEO

Petersburg MEDICAL CENTER

FISCAL YEAR 2025 GRANTS UPDATE

Throughout FY25, grants funded 4.6 FTE in total staff time across 15 PMC roles.

6 Funded FY25 Grant Requests to Date: $151,000

- **Alaska Children's Trust** **Cultural Activities Grant**
  Community Wellness request to fund PIA guest educators & Elders in Kinder Skog
  1 Year | **$1,000** (total single award)

- **AK Community Foundation** **Camps Initiative**
  Community Wellness request supporting the Summer 2025 ORCA Kayaking Camp.
  1 Year | **$20,000** (total single award)

- **HRSA** **Rural Health Network Development Planning Program**
  Planning with independent AK CAHs to improve rural health access & efficiency.
  1 Year | **$100,000** (total single award)

- **Petersburg Community Foundation** **Community Support Grant**
  Community Wellness request for *Sources of Strength* training, supplies, and more.
  1 Award | **$10,000** (total single award)

- **State Health Department** **Hypertension & Diabetes Prevention Quality Project**
  Clinic request for flexible support for PMC prevention/health education initiatives.
  1 Award | **$10,000** (total single award)

- **State Health Department** **Heart Disease and Stroke Prevention Quality Project**
  Clinic request for flexible support for PMC prevention/health education initiatives.
  1 Award | **$10,000** (total single award)

3 Pending FY25 Grant Requests to Date: $3,090,000

- **Alaska Community Foundation** **GCI Suicide Prevention Grant**
  Community Wellness request for *Sources of Strength* training, supplies, and more.
  1 Award | **$15,000** total requested – *Decision anticipated August 2025*

- **Exact Sciences** **FOCUS Program Grant**
  Support with relaunching visiting colonoscopy clinics with contracted providers.
  18 Months | **$75,000** total requested – *Decision August 2025*

- **Senate Appropriations** **Congressionally Directed Funds (Rep. Begich)**
  New Facility Phase 3 costs. Requested in FY24, still pending budget appropriation
  1 Award | **$3,000,000** total requested – *Decision now anticipated FY26*

Updated 6/17/2025 *by Katie McKay Bryson (Director of Grants, Planning & Evaluation)*

2 New Facility Grants Operating in FY25 — $28,000,000

- **HRSA** **Congressionally Directed Spending: Community Project**
  New Medical Center & Long-Term Care facility sitework and construction costs.
  Year **3** 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 **3** of **6** | **$20,000,000** (total single award); Project housed in: Finance

9 Program & Personnel* Grants Operating in FY25 — $780,296

** FY25 Grant contributions to PMC's Admin & Finance costs:* *$62,980*

- **AK Community Foundation** **Summer ORCA Camps – COMPLETE**
  Launched PMC's first overnight camp experience / kayaking camp for older youth.
  1 Year | **$20,000** (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 **2** of **4** | **$147,076** in FY25

- **AHHA** **Facility-Led Workforce Initiative Funding – COMPLETE**
  Support for expansion of Youth Program camps, and PMC staff wellness support.
  Year **2** of **2** | **$52,992** in FY25

- **HRSA** **Rural Community Opioid Response Project – Overdose Response**
  No-Cost Extension of FY24 project establishing PMC's telepsychiatry pilot project.
  Year **2** of **2** | **$65,000** in FY25

- **SBHA** **School-Based Health Services Grant** ***Cancelled in CDC Funding Recall***
  Partnership providing onsite School Nurse & BH support for PSD K-12 students.
  1 Year | **$104,116 awarded** ***Federal recall of $31,906.83, retroactive***

- **State Health Department** **Adult Day Services Grant**
  Supports Cedar Social Club staffing & $33K+ per year in participant scholarships.
  Year **1** of **3** | **$149,855** in FY25

- **State Health Department** **Community Tobacco Prevention & Control Grant**
  Funds evidence-based Million Hearts® Change Package for Tobacco Cessation.
  Year **2** of **3** | **$145,000** in FY25

- **State Health Department** **Hospital Preparedness Program – COMPLETE**
  Purchase 2 radio base stations & 4 mobile handheld radios for emergency prep.
  1 Year | **$14,664.28** (total single award)

- **State Health Department** **Opioid Settlement Funds Grant**
  Sustain telepsychiatry access pilot program established by 2023 HRSA grant.
  Year **1** of **3** | **$142,828** in FY25

Updated 6/17/2025 *by Katie McKay Bryson (Director of Grants, Planning & Evaluation)*

Petersburg
MEDICAL CENTER

907-772-4291
www.pmcak.org
PO Box 589
103 Fram Street
Petersburg, AK 99833

June 13, 2025

Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murkowski,

On behalf of the staff, patients, and families of Petersburg Medical Center (PMC), I am writing with deep concern and urgency regarding proposed federal Medicaid reductions that would devastate healthcare access in our community. We ask you to stand with Alaskans and oppose these harmful cuts.

As a Critical Access Hospital and Long Term Care facility serving a remote island community, PMC is acutely vulnerable to Medicaid funding changes. One in three Alaskans depends on Medicaid for access to essential care. In Petersburg, approximately 20% of our population—roughly 650 to 700 residents—relies on Medicaid for basic and preventive healthcare. If that coverage disappears, patients will delay treatment until their conditions become emergencies, leading to ER visits, hospitalizations, and costly medevac flights. In our region, a single medevac often costs tens of thousands of dollars—many times more expensive than preventative care at a local clinic.

In an age of increasing healthcare consolidation across the nation, our rural non-profit hospital is one of Alaska's last three independent, community-owned Critical Access Hospitals. PMC is already doing everything possible to provide cost-effective, high-quality care in the face of an increasingly challenging cost environment and deepening workforce shortages. We've built programs to train and retain local nurses, to partner with specialty providers that simply do not exist in our region, and to bring vital diagnostic care through MRI services to our service area for the first

time. We already face constant challenges with the complexity of Medicaid eligibility and redetermination – a person's urgent health needs don't disappear just because their coverage is unclear or denied. When this happens, a non-profit hospital like ours must provide the care, even indefinitely board the patient, and find somewhere to absorb that cost. In the last three years, PMC contributed over $685,000 in income-based financial assistance and matching funds to our patients

But we cannot absorb the impact of the massive Medicaid cuts that will hit our state if the budget reconciliation you are considering voting for moves forward. Where we are already stretching to maintain essential services as the sole primary, emergency, and Long Term Care provider in our Borough, this bill offers no solution, no assistance to our providers or our patients. Instead, it adds layers of bureaucracy and tighter Medicaid restrictions that threaten to choke off care entirely.

There are no real savings here. Rural hospitals like ours will bear the shifting financial weight while our patients and local economies suffer. I see it in the data, but more importantly, I see it in the families walking through our doors.

In 2024, Medicaid revenue accounted for nearly one-third of PMC's income—approximately $7.1 million. That funding supported:

- $3.8 million for Long Term Care (the only local nursing home for our elders)
- $0.8 million for outpatient services
- $0.76 million for inpatient hospital care
- $0.55 million for primary care
- $0.35 million for emergency care

Losing any significant portion of this reimbursement for services would inevitably force cuts to services and staffing. Our healthcare workers, already carrying the weight of staffing shortages, would face wage freezes or job loss. Discretionary budget programs like our local nurse training pathway and CNA partnership with the Petersburg School District, which help us grow our workforce from within, would likely disappear. Once losses like these occur, they are incredibly difficult to reverse. If our Long Term Care unit or outpatient services close, they may never return.

These effects will not stop at our hospital doors. We are one of the largest employers in our community. Layoffs and service losses would reverberate through families, businesses, and schools. These cuts risk not only the health of our people, but the stability of our entire community – at a time when costs are ballooning in every remote Alaskan village and town.

Some in Washington claim these Medicaid changes are reforms. But the Congressional Budget Office has estimated they would result in nearly 11 million Americans losing coverage by 2034. In our state alone, with the potential rollback of enhanced premium tax credits, over 60,000 Alaskans could lose healthcare coverage. These are not just numbers—they are our neighbors, elders, children, and veterans. They deserve better.

Senator Murkowski, we deeply appreciate your long-standing support of rural healthcare and your recognition of these risks. We urge you—and Senator Sullivan—to continue speaking out, just as Senators Collins and Hawley have done. Alaska needs your leadership now more than ever.

Please, oppose this legislation and protect the healthcare systems that rural communities depend on. What's at stake is nothing less than access, dignity, and survival.

Sincerely,

Phillip Hofstetter, AuD
Chief Executive Officer
Petersburg Medical Center
Petersburg, Alaska

Petersburg
MEDICAL CENTER

907-772-4291
www.pmcak.org
PO Box 589
103 Fram Street
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June 13, 2025

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706 Hart Senate Office Building
Washington, DC 20510

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time. We already face constant challenges with the complexity of Medicaid eligibility and redetermination – a person's urgent health needs don't disappear just because their coverage is unclear or denied. When this happens, a non-profit hospital like ours must provide the care, even indefinitely board the patient, and find somewhere to absorb that cost. In the last three years, PMC contributed over $685,000 in income-based financial assistance and matching funds to our patients

But we cannot absorb the impact of the massive Medicaid cuts that will hit our state if the budget reconciliation you are considering voting for moves forward. Where we are already stretching to maintain essential services as the sole primary, emergency, and Long Term Care provider in our Borough, this bill offers no solution, no assistance to our providers or our patients. Instead, it adds layers of bureaucracy and tighter Medicaid restrictions that threaten to choke off care entirely.

There are no real savings here. Rural hospitals like ours will bear the shifting financial weight while our patients and local economies suffer. I see it in the data, but more importantly, I see it in the families walking through our doors.

In 2024, Medicaid revenue accounted for nearly one-third of PMC's income—approximately $7.1 million. That funding supported:

- $3.8 million for Long Term Care (the only local nursing home for our elders)
- $0.8 million for outpatient services
- $0.76 million for inpatient hospital care
- $0.55 million for primary care
- $0.35 million for emergency care

Losing any significant portion of this reimbursement for services would inevitably force cuts to services and staffing. Our healthcare workers, already carrying the weight of staffing shortages, would face wage freezes or job loss. Discretionary budget programs like our local nurse training pathway and CNA partnership with the Petersburg School District, which help us grow our workforce from within, would likely disappear. Once losses like these occur, they are incredibly difficult to reverse. If our Long Term Care unit or outpatient services close, they may never return.

These effects will not stop at our hospital doors. We are one of the largest employers in our community. Layoffs and service losses would reverberate through families, businesses, and schools. These cuts risk not only the health of our people, but the stability of our entire community – at a time when costs are ballooning in every remote Alaskan village and town.

Some in Washington claim these Medicaid changes are reforms. But the Congressional Budget Office has estimated they would result in nearly 11 million Americans losing coverage by 2034. In our state alone, with the potential rollback of enhanced premium tax credits, over 60,000 Alaskans could lose healthcare coverage. These are not just numbers—they are our neighbors, elders, children, and veterans. They deserve better.

Senator Sullivan, we deeply appreciate your long-standing support of rural healthcare and your recognition of these risks. We urge you—and Senator Murkowski—to continue speaking out, just as Senators Collins and Hawley have done. Alaska needs your leadership now more than ever.

Please, oppose this legislation and protect the healthcare systems that rural communities depend on. What's at stake is nothing less than access, dignity, and survival.

Sincerely,

Phillip Hofstetter, AuD
Chief Executive Officer
Petersburg Medical Center
Petersburg, Alaska

Opinions

Opinion: Medicaid cuts will put Alaska hospitals and Alaskans' health care at risk. Our senators need to step up.

By Philip Hofstetter

(iStock / Getty Images)

There is no question: the federal budget reconciliation now under Senate review would severely harm Alaskans, especially in rural communities. As CEO of one of Alaska's last three community-owned critical access hospitals, I see the consequences firsthand when people lose healthcare coverage. This bill adds layers of bureaucracy and new Medicaid restrictions that threaten to choke off care entirely. Fortunately, our senators can choose to block it.

If the Senate rushes this legislation through, an estimated 33,918 Alaskans will lose their health insurance. One in five of these will lose coverage they have now through the Affordable Care Act, while the remaining 80% will lose their Medicaid coverage. Many people have already written powerfully about the effects this will have on Alaskan families, given that over one third of births in our state and over 100,000 Alaskan children are currently covered by Medicaid.

I have worked for over 30 years to improve health outcomes for rural Alaska communities in both Northwest and Southeast Alaska. All over this state, the truth is that all Alaskans depend on people who depend on Medicaid. They are our relatives, our friends, our

childcare providers, the people who fish and hunt and farm to feed us. They are our neighbors. Regardless of what talking points come out of Washington, D.C., the data is clear: the majority of the people covered by Medicaid already work full-time. And when they are uninsured, the impact ripples across entire communities.

Rural hospitals already face constant challenges and delays with Medicaid eligibility and redetermination. We already absorb the cost of care for patients stuck in Medicaid eligibility limbo – the extra work needed just to help Alaskans navigate a system designed to deny care, not deliver it. This bill does not save on costs or address health problems. It simply threatens to shift even more costs onto the shoulders of rural hospitals like ours.

Petersburg Medical Center is the only source of primary, emergency and long term care in our borough. As in many rural communities, our hospital is also one of the primary employers and sources for job training. When our patients lose coverage, the health care they need doesn't stop. That care just becomes more expensive and — when delayed — more desperate. ER visits. Inpatient stays. Medevac flights. Interventions that cost ten times what timely local care costs.

Covering costs at the local level for people losing their coverage under this legislation will force hospitals like ours into a budget crisis. And once a health care service goes away in a rural area, rebuilding it is next to impossible. Skilled professionals move away from the region. Without regular use, equipment and infrastructure degrade. People are forced to bear the cost of seeking care away from home, while healthcare becomes less local, more expensive, and less available in the moment you need it. As Alaskans, we have already seen this.

Rural hospitals and the communities we serve need support, not even more barriers to care. I join my colleagues across the state in urging Sens. Sullivan and Murkowski to block Medicaid cuts that would result from pointless bureaucratic red tape.

Philip Hofstetter, AuD *is the CEO of Petersburg Medical Center, an independent community critical access hospital serving Petersburg Borough in Southeast Alaska.*

PETERSBURG MEDICAL CENTER

FINANCIAL REPORTING PACKAGE

For the month ended May 31, 2025

PETERSBURG MEDICAL CENTER

Key Volume Indicators

FISCAL YEAR 2025

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior YTD	% Change
1. Clinic Visits	847	874	860	986	782	827	855	804	750	833	864		9,282	9,065	2.4%
2. Radiology Procedures	259	202	211	231	247	240	194	190	221	265	238		2,498	2,200	13.5%
3. Lab Tests (excluding QC)	2,057	1,754	1,753	1,720	1,489	1,861	1,714	1,808	1,602	2,074	2,536		20,368	21,000	-3.0%
4. Rehab Services Units	1,028	789	788	1,129	1,132	1,186	1,057	841	1,318	1,249	1,237		11,754	9,374	25.4%
Physical	687	629	643	857	865	1,024	916	678	982	1,009	995				
Occupational	281	112	123	272	251	152	123	146	300	213	220				
Speech	60	48	22	-	16	10	18	17	36	27	22				
5. Home Health Visits	155	168	175	227	196	160	230	197	184	189	192		2,073	1,515	36.8%
Nursing Visits	110	119	136	150	109	110	135	130	121	109	119				
PT/OT Visits	45	49	39	77	87	50	95	67	63	80	73				
6. Emergency Room Visits	95	88	65	64	67	86	63	60	62	77	86		813	781	4%
Hospital Inpatient															
7. Patient Days - Acute	34	49	27	24	23	30	21	28	25	42	41		344	293	17.4%
8. Patient Days - Swing Bed (SNF)	113	79	75	67	66	44	4	58	133	97	58		794	356	123.0%
9. Patient Days - Swing Bed (ICF)	7	36	60	38	30	31	31	20		7	54		314	11	2754.5%
10. Patient Days - Total	154	164	162	129	119	105	56	106	158	146	153		1,452	660	120.0%
11. Average Daily Census - Acute	1.1	1.6	0.9	0.8	0.8	1.0	0.7	1.0	0.8	1.4	1.3		1.0	0.9	17.4%
12. Average Daily Census - Swing Bed (SNF)	3.6	2.5	2.5	2.2	2.2	1.4	0.1	2.1	4.3	3.2	1.7		2.4	1.1	123.0%
13. Average Daily Census - Swing Bed (ICF)	0.2	1.2	2.0	1.2	1.0	1.0	1.0	0.7		0.2	1.7		0.9	0.0	2752.3%
14. Average Daily Census - Total	5.0	5.3	5.4	4.2	4.0	3.4	1.8	3.8	5.1	4.9	4.9		4.3	2.0	119.9%
15. Percentage of Occupancy	41.4%	44.1%	45.0%	34.7%	33.1%	28.2%	15.1%	31.5%	42.5%	40.6%	41.1%		36.1%	16.4%	119.9%
Long Term Care															
16. LTC Days	372.0	418.0	410.0	392.0	420.0	434.0	434.0	384.0	434.0	412	426		4,536	4,457	1.8%
17. Average Daily Census	12.0	13.5	13.7	12.6	14.0	14.0	14.0	13.7	14.0	13.7	13.7		13.5	13.3	1.8%
18. Percentage of Occupancy	80.0%	89.9%	91.1%	84.3%	93.3%	93.3%	93.3%	91.4%	93.3%	91.6%	91.6%		90.3%	88.7%	1.8%

PETERSBURG MEDICAL CENTER

Statement of Revenues and Expenses

For the month ended May 31, 2025

Month Actual	Month Budget	$ Variance	% Variance			YTD Actual	YTD Budget	$ Variance	% Variance	Prior YTD	% Variance
					Gross Patient Revenue:						
$675,169	$335,254	$339,915	101.4%	1.	Inpatient	$6,741,555	$3,687,795	$3,053,760	82.8%	$3,329,363	102.5%
1,002,712	971,221	31,492	3.2%	2.	Outpatient	9,916,396	10,683,428	(767,031)	-7.2%	9,752,472	1.7%
648,357	521,472	126,885	24.3%	3.	Long Term Care	6,761,630	5,736,192	1,025,438	17.9%	5,873,809	15.1%
539,775	447,680	92,095	20.6%	4.	Clinic	5,016,098	4,924,470	91,628	1.9%	4,750,528	5.6%
49,982	44,315	5,667	12.8%	5.	Home Health	499,518	487,460	12,058	2.5%	456,732	9.4%
2,915,995	2,319,942	596,053	25.7%	6.	**Total gross patient revenue**	28,935,198	25,519,345	3,415,853	13.4%	24,162,904	19.8%
					Deductions from Revenue:						
361,010	496,977	135,967	27.4%	7.	Contractual adjustments	5,077,296	5,466,753	389,457	7.1%	4,545,624	-11.7%
0	(84,770)	(84,770)	100.0%	8.	Prior year settlements	(454,791)	(932,470)	(477,679)	51.2%	(664,863)	31.6%
37,692	12,500	(25,192)	-201.5%	9.	Bad debt expense	425,809	137,500	(288,309)	-209.7%	42,382	904.7%
62,680	16,667	(46,013)	-276.1%	10.	Charity and other deductions	283,826	183,337	(100,489)	-54.8%	(16,893)	1780.1%
461,382	441,374	(20,008)	-4.5%		**Total revenue deductions**	5,332,140	4,855,120	(477,020)	-9.8%	3,906,249	-36.5%
2,454,613	1,878,568	576,046	30.7%	11.	**Net patient revenue**	23,603,058	20,664,225	2,938,833	14.2%	20,256,655	16.5%
					Other Revenue					-	
48,070	33,333	14,737	44.2%	12.	340b Revenue	218,526	366,666	(148,141)	-40.4%	-	n/a
100,642	84,247	16,395	19.5%	13.	Inkind Service - PERS/USAC	1,059,376	926,717	132,659	14.3%	908,284	16.6%
57,310	52,179	5,131	9.8%	14.	Grant revenue	796,803	573,969	222,834	38.8%	618,675	28.8%
0	9,562	(9,562)	-100.0%	15.	Federal & State Relief	2,933,427	105,188	2,828,239	2688.7%	75,000	3811.2%
17,652	38,202	(20,550)	-53.8%	16.	Other revenue	289,431	420,222	(130,791)	-31.1%	380,174	-23.9%
223,674	184,190	(8,586)	-4.7%	17.	**Total other operating revenue**	5,297,563	2,026,096	3,052,941	150.7%	1,982,133	167.3%
2,678,287	2,062,758	615,530	29.8%	18.	**Total operating revenue**	28,900,621	22,690,321	6,210,300	27.4%	22,238,788	30.0%
					Expenses:						
1,145,479	985,954	(159,525)	-16.2%	19.	Salaries and wages	11,504,340	10,845,504	(658,836)	-6.1%	10,335,988	-11.3%
174,220	105,319	(68,901)	-65.4%	20.	Contract labor	1,825,886	1,158,502	(667,384)	-57.6%	1,109,872	-64.5%
374,730	366,659	(8,071)	-2.2%	21.	Employee benefits	4,328,272	4,033,257	(295,015)	-7.3%	3,840,775	-12.7%
179,143	136,754	(42,389)	-31.0%	22.	Supplies	1,705,419	1,504,294	(201,125)	-13.4%	1,475,629	-15.6%
111,473	127,280	15,807	12.4%	23.	Purchased services	2,006,257	1,400,087	(606,170)	-43.3%	1,361,348	-47.4%
49,688	45,699	(3,989)	-8.7%	24.	Repairs and maintenance	551,653	502,689	(48,964)	-9.7%	513,996	-7.3%
37,447	21,720	(15,727)	-72.4%	25.	Minor equipment	377,019	238,911	(138,108)	-57.8%	210,743	-78.9%
26,231	21,137	(5,094)	-24.1%	26.	Rentals and leases	335,377	232,515	(102,862)	-44.2%	232,523	-44.2%
88,432	91,623	3,190	3.5%	27.	Utilities	949,390	1,007,848	58,457	5.8%	978,778	3.0%
8,691	10,192	1,501	14.7%	28.	Training and travel	120,066	112,107	(7,960)	-7.1%	109,145	-10.0%
87,183	100,765	13,582	13.5%	29.	Depreciation	995,301	1,108,424	113,123	10.2%	1,048,520	5.1%
16,770	22,211	5,441	24.5%	30.	Insurance	194,697	244,329	49,632	20.3%	175,996	-10.6%
32,260	34,576	2,316	6.7%	31.	Other operating expense	316,316	380,329	64,013	16.8%	389,498	18.8%
2,331,747	2,069,888	(261,859)	-12.7%	32.	**Total expenses**	25,209,993	22,768,795	(2,441,198)	-10.7%	21,782,811	-15.7%
346,541	(7,130)	353,671	4960.0%	33.	**Income (loss) from operations**	3,690,628	(78,474)	3,769,102	4803.0%	455,977	-709.4%
					Nonoperating Gains(Losses):						
144,919	11,323	133,596	1179.9%	34.	Investment income	313,753	124,560	189,193	151.9%	394,124	20.4%
(10,054)	(4,438)	(5,616)	-126.5%	35.	Interest expense	(119,767)	(48,828)	(70,939)	-145.3%	(128,427)	6.7%
0	0	0	n/a	36.	Gain (loss) on disposal of assets	0	0	0	n/a	-	n/a
1,037,802	1,016,666	21,136	2.1%	37.	Other non-operating revenue	12,443,926	11,183,334	1,260,592	11.3%	8,422,671	47.7%
1,172,667	1,023,551	149,116	14.6%	38.	**Net nonoperating gains (losses)**	12,637,912	11,259,066	1,378,846	12.2%	8,688,367	45.5%
$1,519,207	$1,016,421	$502,787	49.5%	39.	**Change in Net Position (Bottom Line)**	$16,328,540	$11,180,592	$5,147,948	46.0%	$9,144,344	78.6%

PETERSBURG MEDICAL CENTER

Balance Sheet

May, 2025

ASSETS	May 2025	Apr 2025	June 2024	May 2024
Current Assets:				
1. Cash	2,264,699	1,647,019	356,249	775,173
2. Cash - insurance advances	0	0	0	0
3. Investments	1,093,183	1,089,395	1,057,873	1,053,150
4. Total cash	3,357,881	2,736,414	1,414,122	1,828,323
5. Patient receivables	7,445,932	7,603,537	6,821,298	6,187,057
6. Allowance for contractuals & bad debt	(2,709,819)	(2,727,047)	(2,363,151)	(2,263,471)
7. Net patient receivables	4,736,113	4,876,490	4,458,147	3,923,586
8. Other receivables	5,401,809	4,374,146	2,231,342	2,642,817
9. Inventories	362,109	362,586	319,404	325,595
10. Prepaid Expenses	173,110	557,461	161,762	144,623
11. Total current assets	14,031,022	12,907,098	8,584,777	8,864,945
Property and Equipment:				
12. Assets in service	28,670,924	28,666,915	28,601,075	28,602,955
13. Assets in progress	21,853,258	20,815,407	9,368,246	9,694,031
14. Total property and equipment	50,524,182	49,482,321	37,969,321	38,296,986
15. Less: accumulated depreciation	(23,294,258)	(23,207,074)	(22,298,956)	(22,201,529)
16. Net propery and equipment	27,229,924	26,275,247	15,670,365	16,095,457
Assets Limited as to Use by Board				
17. Investments	3,556,087	3,439,903	3,337,912	3,316,185
18. Building fund	776,329	751,996	724,158	719,607
19. Total Assets Limited as to Use	4,332,416	4,191,899	4,062,069	4,035,792
Pension Assets:				
20. OPEB Asset	7,338,848	7,338,848	6,685,608	6,685,608
Deferred Outflows:				
21. Pension	2,428,790	2,428,790	2,554,803	2,554,803
22. Total assets	**$55,361,000**	**$53,141,882**	**$37,557,622**	**$38,236,605**

LIABILITIES & FUND BALANCE	May 2025	Apr 2025	June 2024	May 2024
Current Liabilities:				
23. Accounts Payable - Trade	$1,490,847	$1,578,547	$3,255,927	$4,589,634
24. Accounts Payable - New Facility	2,263,450	1,156,101	0	0
25. Accrued Payroll	245,347	631,848	240,920	173,111
26. Payroll taxes and other payables	238,545	133,554	236,514	213,441
27. Accrued PTO and extended sick	1,215,261	1,167,446	1,018,401	1,025,767
28. Deferred revenue	144,710	166,312	152,525	335,047
29. Due to Medicare	1,466,833	1,466,833	160,798	299,999
30. Due to Medicare - Advance	0	0	0	0
31. Due to Blue Cross - Advance	0	0	0	0
32. Other current liabilities	3,203	3,203	4,145	4,022
33. Current portion of long-term debt	459,407	457,424	618,244	400,966
34. Total current liabilities	7,527,603	6,761,268	5,687,476	7,041,985
Long-Term Debt:				
35. Capital leases payable	1,864,610	1,903,811	2,283,594	2,153,235
Pension Liabilities:				
36. Net Pension Liability	15,526,950	15,526,950	16,521,607	16,521,607
37. OPEB Liablity	-	-	-	-
38. Total pension liabilities	15,526,950	15,526,950	16,521,607	16,521,607
39. Total liabilities	24,919,163	24,192,029	24,492,677	25,716,827
Deferred Inflows:				
40. Pension	413,688	413,688	623,594	623,594
Net Position:				
41. Unrestricted	13,726,830	13,726,830	2,751,845	610,104
42. Current year net income (loss)	16,328,540	14,809,333	9,689,507	11,286,082
43. Total net position	30,055,369	28,536,163	12,441,352	11,896,184
44. Total liabilities and fund balance	**$55,388,220**	**$53,141,880**	**$37,557,622**	**$38,236,605**

****Note: Cash on line 1 is for presenation 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 May 31, 2025

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior Year	% Change
1. Contractual Adj. as a % of Gross Revenue	14.2%	11.2%	12.5%	22.5%	16.1%	36.8%	10.5%	31.7%	18.6%	8.0%	12.4%		17.5%	18.8%	6.7%
2. Charity/Other Ded. As a % of Gross Revenue	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	5.1%	1.0%	0.3%	2.4%	2.1%		1.0%	-0.1%	1503.0%
3. Bad Debt as a % of Gross Revenue	1.2%	3.7%	1.6%	-0.3%	0.0%	6.4%	3.1%	-6.4%	2.0%	2.3%	1.3%		1.5%	0.2%	739.0%
4. Operating Margin	9.1%	12.8%	8.0%	1.9%	-4.4%	-26.6%	1.0%	-13.1%	49.3%	23.1%	12.9%		12.8%	-10.2%	224.7%
5. Total Margin	47.5%	39.0%	39.0%	29.6%	28.7%	-0.6%	38.0%	26.5%	60.2%	44.2%	39.5%		39.3%	-10.6%	276.6%
6. Days Cash on Hand (Including Investments)	83.3	87.9	89.8	92.4	96.9	100.5	117.6	110.3	102.1	99.7	110.7		100.5	81.3	24%
7. Days in A/R (Net)	68.5	65.9	67.8	62.6	65.6	77.7	75.4	78.9	80.1	65.1	58.7		77.7	62.0	25.2%
8. Days in A/R (Gross)	85.3	85.3	87.1	81.0	82.8	87.6	88.8	86.5	96.1	87.7	82.2		87.6	79.2	11%

0

FY25 REVISED OPERATING BUDGET

Petersburg Medical Center

	Original FY25 Budget	FY25 Run Rate	YoY %
Gross Patient Revenue:			
Inpatient	4,023,048	6,952,515	73%
Outpatient	11,654,870	10,684,350	-8%
Long Term Care	6,257,665	7,255,062	16%
Clinic	5,372,147	5,398,667	0%
Home Health	531,774	548,877	3%
Total gross patient revenue	**27,839,504**	**30,839,471**	**11%**
Deductions from Revenue:			
Contractual adjustments	(6,163,735)	(6,008,278)	-3%
Prior year settlements	1,017,240	-	0%
Bad debt expense	(150,000)	(409,351)	173%
Charity and other deductions	(100,000)	(216,196)	116%
Total revenue deductions	**(5,396,495)**	**(6,633,825)**	**23%**
Net patient revenue	**22,443,009**	**24,205,645**	**8%**
Other Revenue			
340b Revenue	400,000	400,000	0%
Inkind Service - PERS/USAC	1,010,963	1,136,176	12%
Grant revenue	626,149	929,564	48%
Federal & State Relief	114,750	-	0%
Other revenue	458,425	285,687	-38%
Total other operating revenue	**2,610,287**	**2,751,427**	**5%**
Total operating revenue	**25,053,296**	**26,957,073**	**8%**
Expenses:			
Salaries and wages	(11,831,458)	(12,273,302)	4%
Contract labor	(1,263,821)	(2,003,894)	59%
Employee benefits	(4,399,916)	(4,656,846)	6%
Supplies	(1,641,047)	(1,708,222)	4%
Purchased services	(1,527,367)	(1,816,803)	19%
Repairs and maintenance	(548,389)	(585,920)	7%
Minor equipment	(260,631)	(405,142)	55%
Rentals and leases	(253,652)	(367,854)	45%
Utilities	(1,099,470)	(1,021,434)	-7%
Training and travel	(122,298)	(107,532)	-12%
Insurance	(266,540)	(216,175)	-19%
Other operating expense	(414,905)	(335,721)	-19%
Total expenses	**(23,629,494)**	**(25,498,845)**	**8%**
Income (loss) from operations	**1,423,802**	**1,458,228**	**2%**
Nonoperating Gains(Losses):			
Investment income	135,883	440,386	224%
Interest expense	(53,266)	(133,137)	150%
Other non-operating revenue	(30,000)	(29,442)	-2%
Depreciation	(1,209,189)	(1,102,908)	-9%
Capital Grants Revenue	12,230,001	13,014,861	6%
Net nonoperating gains (losses)	**11,073,429**	**12,189,760**	**10%**
Change in Net Position (Bottom Line)	**12,497,231**	**13,647,988**	**9%**

FY26 OPERATING BUDGET

Petersburg Medical Center

	FY24	FY25 RR	FY26	YoY %
Gross Patient Revenue:				
Inpatient	4,113,476	6,952,515	6,711,702	-3%
Outpatient	10,658,406	10,684,350	12,123,164	13%
Long Term Care	6,380,023	7,255,062	7,400,164	2%
Clinic	5,143,506	5,398,667	5,830,560	8%
Home Health	512,315	548,877	559,855	2%
Total gross patient revenue	**26,807,726**	**30,839,471**	**32,625,444**	**6%**
Deductions from Revenue:				
Contractual adjustments	(5,040,547)	(6,008,278)	(5,858,636)	-2%
Prior year settlements	501,026	-	-	0%
Bad debt expense	(131,832)	(409,351)	(425,725)	4%
Charity and other deductions	(142,848)	(216,196)	(233,492)	8%
Total revenue deductions	**(4,814,202)**	**(6,633,825)**	**(6,517,853)**	**-2%**
Net patient revenue	**21,993,524**	**24,205,645**	**26,107,592**	**8%**
Other Revenue				
340b Revenue	-	400,000	550,000	38%
Inkind Service - PERS/USAC	979,531	1,136,176	1,227,070	8%
Grant revenue	783,512	929,564	632,104	-32%
Federal & State Relief	75,000	-	-	0%
Other revenue	464,339	285,687	307,939	8%
Total other operating revenue	**2,302,382**	**2,751,427**	**2,717,114**	**-1%**
Total operating revenue	**24,295,907**	**26,957,073**	**28,824,706**	**7%**
Expenses:				
Salaries and wages	(11,236,351)	(12,273,302)	(13,676,808)	11%
Contract labor	(1,326,295)	(2,003,894)	(1,891,893)	-6%
Employee benefits	(2,408,828)	(4,656,846)	(4,959,041)	6%
Supplies	(1,612,365)	(1,708,222)	(1,938,428)	13%
Purchased services	(1,466,206)	(1,816,803)	(1,026,018)	-44%
Repairs and maintenance	(567,146)	(585,920)	(602,534)	3%
Minor equipment	(274,333)	(405,142)	(419,811)	4%
Rentals and leases	(263,204)	(367,854)	(352,581)	-4%
Utilities	(1,060,449)	(1,021,434)	(1,300,487)	27%
Training and travel	(117,421)	(107,532)	(104,527)	-3%
Insurance	(191,853)	(216,175)	(224,822)	4%
Other operating expense	(382,243)	(335,721)	(337,459)	1%
Total expenses	**(20,906,695)**	**(25,498,845)**	**(26,834,409)**	**5%**
Income (loss) from operations	**3,389,212**	**1,458,228**	**1,990,296**	**36%**
Nonoperating Gains(Losses):				
Investment income	422,813	440,386	225,994	-49%
Interest expense	(146,098)	(133,137)	(252,310)	90%
Other non-operating revenue	17,106	(29,442)	(30,374)	3%
Depreciation	(1,145,947)	(1,102,908)	(2,925,645)	165%
Capital Grants Revenue	8,437,899	13,014,861	1,022,195	-92%
Net nonoperating gains (losses)	**7,585,774**	**12,189,760**	**(1,960,140)**	**-116%**
Change in Net Position (Bottom Line)	**10,974,986**	**13,647,988**	**30,156**	**-100%**

KEY BUDGET ASSUMPTIONS

Volumes & Revenue

1) Outpatient Revenue to increase due to chargemaster increase and J Bryner believes we will have some Scopes clinics again
2) Most other revenue to increase 8% based on chargemaster increase and manager perceived expected flat volumes year over year

3) Swingbed revenue to increase based on chargemaster but decrease materially based on assumed reduction in volumes in FY26
4) Assuming relatively flat utilization in all departments except for Swingbed
5) Revenue increase for Imaging of 750k based on new MRI and volumes for equivalent sized hospitals

Personnel Expenses

1) Employee Health Insurance Premiums will decrease in FY26 in term of rate from the carrier but our number of employees is increasing which partially wipes out the positive effect of the rate decrease
2) Salaries to increase materially based on:
   a) Overall headcount is increasing
   b) Most nurses to receive 8% increase
   c) Many other positions are paid well below AHHA survey - HR asking to increase the rates for those positions
3) Many benefits and taxes to increase by the same amount that overall Personnel spend increases (e.g. PTO expense, Employer paid taxes)
4) Contract labor to reduce mainly due to Home Health getting a permanent nurse rather than traveler

Other

1) Assuming a 25% increase in utilities due to new facility plus 15% increase based on the budget being considered by the assembly
2) Assume unrealized investment gains of 50% of current year run rate due to current market fluctuations
3) Sharp curtailment of Capital Grant revenue due to winding down of the WERC building project
4) Sharp increase in depreciation based on the new building and MRI machine
5) Increase in interest expense for the new capital items being requested for Lab, Pharmacy, Imaging and IT

FY26 Capital Budget

Petersburg Medical Center

Department	Equipment	Est. Acquisition Cost
Information Technology	Software for Falls Prevention in LTC	35,000
	New Server	45,000
	Mobile Charting Carts (5 x 9,250)	46,250
Laboratory	Chemistry Instrument replacement	200,000
Inpatient	Pyxis Pharmacy Dispenser	135,000
Imaging	New CT Scanner	450,000
	New Ultrasound	28,000
Clinic	New Vaccine Refrigerator	6,000
	Body Composition Analyzer	10,000
Total		**955,250**