



Petersburg Borough Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Hospital Board Regular Meeting



Thursday, January 29, 2026

5:30 PM

Assembly Chambers

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

<https://us06web.zoom.us/j/82952041475?pwd=qDfi011wnK9Eh30teFQiW08wbo5sni.1>

Webinar Id: 829 5204 1475

Password: 494998

1. Call to Order/Roll Call

- A. Call to Order
- B. Roll Call

2. Approval of the Agenda

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

3. Approval of Board Minutes

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

4. Visitor Comments

5. Board Member Comments

6. Committee Reports

- A. Resource
- B. Long Term Care Quality
- C. Critical Access Hospital Quality
- D. KinderSkog/Youth Programs

7. Reports

- A. Home Health
Ruby Shumway provided a written report.
- B. Human Resources
Cindy Newman provided a written report.
- C. New Facility
Justin Wetzel provided a written report.
- D. Quality
Stephanie Romine provided a written report.
- E. Infection Control
Rachel Kandoll provided a written report.
- F. Executive Summary
CEO, Phil Hofstetter, provided a written report.
- G. Financial
CFO, Jason McCormick, provided a written report.
Shaun Johnson, DZA audit presentation

8. Old Business

9. New Business

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

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

10. Next Meeting

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

11. Executive Session

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

12. Adjournment



**Petersburg Borough
Petersburg Medical Center**

12 South Nordic Drive
Petersburg, AK 99833

**Meeting Minutes
Hospital Board
Regular Meeting**



Thursday, December 04, 2025

5:30 PM

Assembly Chambers

1. Call to Order/Roll Call

A. Call to Order

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

B. Roll Call

PRESENT

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

2. Approval of the Agenda

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

Motion made by Board Member Roberts to amend the December 4, 2025, agenda to include executive session for appointments and reappointments. Seconded by Board Member Johnson, with none opposed.

Motion made by Board Member Roberts to approve December 4, 2025, Hospital Board agenda as amended, Seconded by Board Secretary Cushing. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

3. Approval of Board Minutes

A. Approval of the October 30, 2025, Hospital Board Meeting Minutes

Motion made by Board Member Stratman to approve October 30, 2025, Hospital Board Minutes, Seconded by Board Member Roberts. Voting Yea: Board President

Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

4. Visitor Comments

Roy Rountree thanked the Board for inviting him to attend the Hospital Board meeting and offered to answer any questions regarding new facility.

5. Board Member Comments

Board member Johnson expressed gratitude as new board member for the employee forum she attended. She stated the forum provided a nice introduction to the work that PMC staff are doing, and it was great to see some of the ways PMC staff are working to maintain and improve care for the community, whether it is acquisition of new equipment and learning to use the new tools, through bringing the concept of direct primary care to PMC and then making it a reality, or through the cool initiative to create meals for staff to more efficiently use the groceries. Board member Johnson also stated that the forum was a good place to share departmental programs, updates, initiatives, and milestones, and she thanked everyone for their efforts.

6. Committee Reports

A. Resource

Board Vice President Lagoudakis reported that PMC's income was lighter than usual this past month. The cost report was completed on time and has been paid in full. This report determines reimbursements from payers such as Medicare, and this year PMC owed Medicare—a normal part of the process. On a positive note, PMC was able to recover some older bad debt previously considered uncollectable.

The annual audit, which verifies PMC's financial information, is nearly complete, and a copy will be sent to Medicaid. PMC also has a KinderSkog provider on a new payment platform, and revenues are now being displayed correctly.

Expenses have been influenced by higher contract labor costs due to increased patient volume. Utility costs have risen slightly with the WERC building now online and occupied, though these increases are not unusual. Other routine expenses related to staffing and supplies are also up.

Despite these factors, PMC's year-to-date financial position remains strong. Days cash on hand have improved, and once reconciled to the 2025 cost report, this should further strengthen our position. Days in AR (accounts receivable)—the number of days it takes to collect payment for services—have also decreased.

PMC was recently awarded a mental health grant supporting both telehealth and in-person services. The Alaska Mental Health Trust has been very complimentary of PMC's high-demand program. A grant application is also pending with the Children's Trust to support additional state funding for childcare.

PMC continues to use HRSA grant funds for WERC building expenses and for design work with Bettisworth North on the next construction phase, as well as for the MRI magnet, project management, furnishings, equipment, and other needs.

PMC's investments are performing well, with diversified holdings and no exposure to highly speculative funds, while still generating solid returns.

Work continues with the state on the Certificate of Need, and PMC is collaborating with legal counsel to finalize an agreement with Cigna. Relationships with Moda and Aetna continue to look positive, and PMC is also exploring adding United to its insurer network.

B. Long Term Care Quality

Board Secretary Cushing reported that the Long-Term Care Committee met and reviewed current action items. The most significant update is the purchase of a new fall-prevention system, expected to be implemented at the start of the new year. PMC is also evaluating equipment to help staff safely care for heavier patients—an essential but high-risk activity for caregivers.

The Long-Term Care team recently hosted a Thanksgiving dinner for residents and their families, with an anticipated turnout of nearly 50 guests. Many staff members volunteered their time to support the event.

As Petersburg enters the fall and winter months, an increase in respiratory illnesses is expected. The committee noted the ongoing balance between encouraging family visits and community engagement for residents while also protecting them from heightened exposure risks.

C. Critical Access Hospital Quality

Board Secretary Cushing reported that the committee reviewed current action items, pharmacy operations, and ongoing policy and form updates. The committee also evaluated recent incident reports and discussed strategies to improve transitions of care—from the Emergency Department to inpatient stays, and from the hospital to Home Health—as well as both internal and external referral processes.

The committee continues to monitor access to care, including same-day acute appointment availability in the clinic. Mondays remain the busiest day for last-minute appointment requests. Physical Therapy currently has a waiting list, and overall rehab services are significantly busier than in past years; however, a second Occupational Therapist will be assisting this month to help meet demand.

Tobacco-use and lung screening opportunities were also reviewed. Lung cancer screening is available locally for individuals with a history of heavy smoking, and the clinic is actively screening for current tobacco use to encourage eligible patients to pursue this preventive health service.

Board Member Stratman thanked Board Member Cushing for attending the CAH Quality committee meeting in his absence.

D. Joint Conference

Board President Cook reported on the Joint Conference Committee that met on November 5, 2025, in the Dorothy Ingle Conference Room at Petersburg Medical Center. He called the meeting to order at 12:32 p.m., with leaders from the Medical Staff and Administration in attendance. CEO Phil Hofstetter provided a brief reminder of the committee's purpose: to ensure strong communication among the Board, Medical Staff, and Administration, address concerns, and support continuous improvement.

The committee reviewed quality and patient safety updates, including efforts to reduce unnecessary medications for Long-Term Care residents, strengthen oversight of controlled substances, and maintain regular infection-prevention reviews. Discussion of recent incident reporting highlighted improvements in the discharge process and the need for additional chart audits to support quality initiatives.

Emergency management updates noted an increase in falls among older adults and ongoing challenges for patients requiring memory-care support who do not meet criteria for Long-Term Care placement. Behavioral health access remains a significant concern due to limited local services and constrained federal reimbursement.

Clinical operations updates included plans to begin quarterly Scopes Clinic visits in January, continued evaluation of orthopedic service needs, and development of a simple, affordable subscription-based Direct Primary Care model.

The committee also reviewed workforce updates, including progress in physician recruitment and coverage support from incoming providers. We discussed upcoming provider transitions in light of Dr. Morgan's departure. Board President Cook shared concerns about the local impact of the opioid crisis and limited treatment options available in Southeast Alaska. The committee also discussed challenges residents face with Medicaid recertification, which can lead to higher emergency department utilization, and identified potential support roles to assist patients with navigating these requirements.

The meeting adjourned at 1:27 p.m.

E. New Facility Steering Committee

Board President Cook reported the New Facility Steering Committee met on December 2nd to continue planning for PMC's future facility. The group reviewed three updated design concepts and discussed the benefits and challenges of each. The committee is maintaining its plan to focus Phase 2 on long-term care, while keeping Phase 3 in mind to ensure the overall campus layout supports future needs. Key discussion points included how the buildings connect, how emergency vehicles access the site, service yard layout, and the importance of providing safe and meaningful outdoor space for long-term care residents.

Staff will be taking the latest design plans back to their teams and providing feedback to the architects within the next week. This input will help the design team prepare final recommendations for the committee to review and share in upcoming presentations.

The committee reaffirmed that a phased construction approach remains the most practical path forward and is strongly supported by leadership. Long-term care continues to be a priority in the early stages of development.

The meeting wrapped up with agreement on the need for flexible and adaptable spaces—such as offices and meeting rooms—that can support future growth. The team also discussed next steps for preparing updated materials for fundraising and community outreach, including refreshed summaries and website content.

7. Reports

A. New Facility

Justin Wetzel provided a written report.

Board Member Roberts inquired about the acronym SWPPP used in the New Facility reported submitted by J. Wetzel.

In response to this inquiry: A Storm Water Pollution Prevention Plan (SWPPP) is a site-specific document required for many construction projects to prevent contaminants from polluting nearby waterways due to stormwater runoff.

Board Vice President Lagoudakis asked for an update on the State's Certificate of Need (CON) process for the MRI. CEO Phil Hofstetter explained that the timeline is largely dependent on the State, and PMC is working collaboratively to provide all requested information. The State has submitted questions that must be answered within sixty days, and the team is ensuring responses are complete and accurate. PMC has gone through two rounds of questions so far. Once the next submission is made, the State will review and then open a public comment period, which typically lasts thirty days. After that process is complete, PMC will be able to begin seeing patients.

Mr. Hofstetter noted one positive aspect of the delay: recent community power outages and brownouts have provided valuable insight into how such events could impact MRI operations. If the MRI had been active during those occurrences, patient care could have been disrupted, as the magnet requires significant time to restart. Fortunately, no patients were affected, and PMC has already ordered an uninterruptible power supply (UPS) to safeguard against future issues.

Vice President Lagoudakis observed that extended timelines seem common for CON reviews and that PMC's proposal is not unusual; rather, the duration appears consistent with processes that require additional clarification. Mr. Hofstetter agreed, emphasizing that the CON process is beneficial overall, as it ensures services are appropriately sized and aligned with community needs. PMC's phased approach is somewhat different from traditional submissions, which has prompted additional questions from the State.

B. Quality

Stephanie Romine provided a written report.

C. Infection Prevention

Rachel Kandoll provided a written report.

Board Member Roberts asked for clarification regarding masking protocols. Director of Nursing Jennifer Bryner explained that following unit-wide masking during the recent RSV outbreak, staff are required to continue masking for two weeks after the last positive case before precautions can be lifted.

D. Executive Summary

CEO Phil Hofstetter provided a written report.

CEO Phil Hofstetter noted that board members provided thorough updates in their reports and offered a brief overview of key activities. He shared that the audio-visual team recently worked in the PMC WERC Building conference room to address equipment issues, and the community conference rooms are seeing increased use. A few outside groups are currently utilizing the space, which has been helpful in identifying additional needs before fully opening it for public use. Work continues on bringing remaining services, including the computer room, online.

PMC held its all-staff employee forum in November in the WERC Building, with one of the highest attendance levels to date—approximately ninety staff members. He thanked board members who were able to attend. The Joint Conference Committee also met, as highlighted in President Jerod's report.

Mr. Hofstetter emphasized the significance of the Mental Health Trust Grant referenced by Vice President Lagoudakis, noting that funding from the Trust is challenging to secure and reflects strong support for PMC's telepsychiatry program. He recognized the behavioral health team for their efforts and reiterated that expanding access to behavioral health remains a top priority, as affirmed by medical staff at the Joint Conference Committee meeting. Behavioral health involvement in Long Term care has also been very successful.

He also commented on Senator Sullivan's virtual visit, noting that it was appreciated, though no new information was provided regarding healthcare transformation funding. The State has submitted its plan to CMS, with approval anticipated by December 31. A rapid rollout is expected if approved, and January may be a busy month as PMC evaluates potential grant opportunities and possible funding for the next phase of the new facility. At present, PMC remains in a monitoring and wait-and-see phase.

Mr. Hofstetter expressed appreciation to everyone who helped with the Long-Term Care Thanksgiving dinner and noted several upcoming December events, including the PMC Holiday Party, Julebukking on December 22, and additional resident gatherings for the Christmas season. Board Secretary Cushing offered assistance with Julebukking, which was gratefully accepted.

E. Financial

CFO Jason McCormick provided a written report.

CFO Jason McCormick thanked Board Vice President Lagoudakis for her thorough recap of the Resource Committee meeting. He reported that October was a strong

month across multiple service lines. Clinic visits totaled 999—just shy of 1,000—and radiology volumes remained steady at 254 procedures. Lab testing was robust at 2,265 tests. Rehab services increased with the return of traveling staff. Home health visits remained consistent at 287, and emergency department visits were slightly lower at 56. Acute care averaged nearly one patient per day, with 21 acute care days for the month. Swing bed volumes were strong at 67 days, and long-term care demand remained high, with at least one patient on the waiting list for most of the month. Patients awaiting placement accounted for the ICF days reflected in the report.

On the income statement, monthly revenues totaled \$2.837 million, approximately \$66,000 above budget. Contractual allowances were in line with expectations. Mr. McCormick noted continued improvements in accounts receivable performance following the transition to an insourced business office. The average collection period has decreased from roughly 82 days to 65–68 days, with further improvements anticipated. This progress allowed the organization to reduce reserves previously set aside for bad debt and timely filing issues.

Net patient revenue for the month was \$2.38 million—\$166,000 above budget. The 340B pharmacy program performed exceptionally well due to the capture of older transactions, increasing monthly revenues from the usual \$50,000 to nearly \$200,000. After accounting for associated expenses, the program netted just under \$100,000 for the month.

Total operating revenues were \$437,000 above budget. Expenses also ran higher, driven by increased staffing costs, contract labor, higher supply use, and 340B activity. This resulted in expenses exceeding budget by \$352,000. These variances will be reviewed as part of the upcoming revised budget process.

Operating income for the month was positive at \$251,000. Non-operating items—primarily capital-related activity—added \$444,000, including investment income, minimal interest expense, capital grant activity for the new building, and depreciation. The overall change in net assets for October was nearly \$700,000, reflecting a strong financial position for both the month and year-to-date.

Mr. McCormick reported that the cost report has been finalized, and the annual audit will be ready for presentation in January. This year's audit will be conducted remotely to reduce expenses. He expressed appreciation for the collaboration that made several major financial improvements possible, including payer contract renegotiations, implementation of the 340B program, business office insourcing, and consistently strong patient volumes driven by the organization's responsiveness to community needs.

8. New Business

A. Election of Officers

Board will elect officers for the next one-year term. A majority vote of all members of the board shall be necessary to elect. Terms shall begin upon adjournment of the meeting at which the election is held.

Nominations from the floor:

Election:
 President-
 Vice President-
 Secretary-

Nomination of Jerod Cook for Hospital Board President made by Board Member Conn, Seconded by Board Member Lagoudakis. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

Nomination of Cindi Lagoudakis for Hospital Board Vice President made by Board Member Stratman, Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

Nomination of Marlene Cushing for Hospital Board Secretary made by Board Member Conn, Seconded by Board Vice President Lagoudakis. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

9. Old Business

A. Committee Appointments

Board will review current appointments and update committees as agreed.

Quality Improvement Committees
 Long Term Care: Marlene Cushing
 Infection Control: Joe Stratman
 Critical Access Hospital: Joni Johnson

Resource Committee: Jerod Cook, Cindi Lagoudakis, and Jim Roberts

Joint Conference Committee: Jerod Cook

Foundation Committee: Marlene Cushing

Community Engagement Committee: Marlene Cushing and Joni Johnson

Evaluation Committee: Jerod Cook, Heather Conn, and Cindi Lagoudakis

Bylaws Committee: Jerod Cook, Joe Stratman, and Jim Roberts

Kinder Skog Advisory Committee: Cindi Lagoudakis and Joni Johnson

10. Next Meeting

A. Hospital Board Meeting

Currently scheduled for January 29, 2026 at 5:30pm

B. Potential meeting dates for joint work session with Borough Assembly

Work session scheduled for January 26th, 2026 at 5:30pm in Borough Chambers.

11. Executive Session

By motion, the Board will enter in Executive Session to consider medical staff appointments/reappointments and legal matters.

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

Reconvened post Executive Session.

Motion made by Secretary Cushing to appoint Jenilyn Lo, CRNA, James Taggart, MD, and reappoint David Tsai, MD Radiologist. Seconded by Board Member Johnson. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Conn, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

12. Adjournment

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

Meeting adjourned at approximately 6:25pm.



Home Health Report January 2026

Workforce Wellness

Home Health is excited to welcome Kayleigh Lenhard, RN, who joined our team this month. While new to Home Health, Kayleigh is a born and raised Petersburg resident and is eager to expand her expertise in home-based care. We also welcomed Aly Perez as our new receptionist, whose positive energy has already enhanced the office environment. Looking ahead, we plan to hire additional staff for the Cedar Social Club within the next six months, including a CNA and an activities coordinator. Despite many changes over the past year, Home Health continues to grow as a strong, community-focused department.

Community Engagement

We continue to promote the Cedar Social Club through multiple channels, including local newspaper ads, digital displays in clinic and business office, social media, and word of mouth. Recently, I participated in an interview with KFSK to inform the community about our move from the PIA building to main campus of PMC. Although we have new participants enrolled during recent months, we continue to serve an average of 3 participants per day, as some individuals have relocated. We anticipate that the upcoming Health Fair and Project Connect will help attract additional participants and strengthen community engagement.

Home Health will partner with Community Wellness in February to host a Blood Pressure Check Station during one of the Senior Discount Tuesdays at Hammer & Wikan Grocery Store. This event will provide an opportunity for face-to-face conversations about elderly services available in Petersburg and allow us to share brochures for Home Health and the Cedar Social Club.

Patient Centered Care

The changes in staffing over the past year have highlighted the importance of a strong orientation process. Steph has been working with our newly adopted Microsoft Teams platform to create orientation channels for each Home Health role. These channels include easy-to-follow checklists and direct links to policies and resources, ensuring information is accessible for both new and existing employees.

Following a recent Root Cause Analysis (RCA) involving a shared acute care/Home Health patient, we have implemented several measures to improve communication and patient care. These include:

- Participation in nursing huddles to stay informed about current and future patients.
- Increased involvement in discharge planning visits.
- Collaboration with IT to develop an ad hoc form that will send written reports to Home Health's Message Center in Cerner. This rollout will be led by Traci in coordination with the nursing department.
- A new communication policy aligning physician communication with their workflow for greater efficiency.

Facility

Our move from the PIA building to PMC main campus is now complete. While we are still resolving minor IT issues, the transition has been overwhelmingly positive. The new workspace provides a fresh start for our team and fosters collaboration with other departments, strengthening our presence and integration within the organization.

Financial Wellness

The Home Health Census has been steadily decreasing over the past quarter. Average census is 23, with current census at 16. To address this, we will be reaching out at Med Staff to identify any Medicaid patients that could benefit from Home Health services. Medicaid does not require the homebound criteria that other insurers mandate, which may help increase admissions and further help the community in bettering their health.

Submitted by: Ruby Shumway, RN Home Health and Community Based Services Manager



Human Resources Report January 2026

Workforce Wellness

PMC Human Resources Wrap-up for 2025.

Throughout 2025, the Human Resources Department -- comprised of Cynthia Newman, full time Human Resources Director, and Scott Zweifel, full time Human Resources Technician -- managed a consistently high workload while supporting an average of more than 190 employees. The year included significant activity related to recruitment, onboarding, employee separations, frequent transitions of travel staff (locums), and coordination of student placements.

Scott and I worked closely to ensure continuity of operations during periods of short staffing related to PTO, FMLA, recruitment timelines, and the coming and going of full time, part time, seasonal, and travel staff. In addition to core HR responsibilities, we addressed the ongoing logistical demands associated with travel staff housing (up to 22 apartments) and PMC vehicle (16 cars) upkeep, which added to daily operational pressures.

Despite these challenges and the pace of work, our overall morale remains good. However, the volume of demands and frequent staffing changes can be frustrating at times. Through consistent communication, responsiveness, and collaboration with leadership, Scott and I remain focused on supporting employee wellness, safety, morale, and retention.

PMC New Hires / Rehires

Our workforce numbers continued to increase in 2025 as we worked to maintain the personnel needed to support facility operations. During the year, HR processed a total of 73 new hires and rehires, including employees and travelers. The breakdown is as follows:

- Travel Agency Hires (new): 26
- Travelers (PMC paid): 2
- Benefitted Employees (new): 22
- Seasonal Employees: 14
- Agency Rehires: 4
- PMC Rehires: 5

PMC Terminations / Leaves of Absence

In 2025, PMC experienced 23 employee terminations, representing approximately 12% of the workforce, across a variety of departments. In addition, 16 employees are currently on a leave of absence with stated plans and anticipated return-to-work dates. Common reasons include college attendance, family needs, or seasonal/winter absences. As part of ongoing efforts to strengthen workforce tracking and accountability, Scott and I conduct monthly audits of employee status.

Workforce Stability / Persistent Vacancies

In 2025, as stated above, HR onboarded 32 traveler staff and 41 employees. During the same period, there total employee separations were 23. While overall turnover has not been a significant issue, PMC continues to face long-standing challenges related to persistent vacancies in critical clinical positions. Several roles -- particularly Registered Nurses (RNs), Certified Nursing Assistants (CNAs), Radiology Technologists, and Rehabilitation Therapists -- remain difficult to recruit and, in some cases, have been unfilled for multiple years. For example, a Radiology Technologist position has been vacant since January 2022. As a result, PMC relies on travelers to staff these roles on an ongoing basis, not because of excessive employee attrition, but due to a nationwide shortage of healthcare professionals and the added challenge of recruiting individuals who are clinically qualified, a good fit for our workplace culture, and willing to live and work in a remote Alaska community.

PMC Longevity Celebrations

PMC is proud to recognize nine employees who achieved significant service milestones during 2025. These longevity milestones reflect the dedication, experience, and commitment of staff who contribute to the continued success of the organization. A special luncheon will be held on Wednesday, February 11th, to honor these employees for their years of service and to celebrate their ongoing contributions to PMC.

10 Years

Matt Pawuk
Julie Spigelmyre
Sarah Wright

15 Years

Vikki Franklin
Julie Hursey
Sonja Paul

20 Years

Belinda Chase
Jackie Neidiffer
Tammy Strickland

Community Engagement

In 2025, the Human Resources Department actively supported community engagement through the expansion of PMC's Youth Intern program. Building on existing opportunities with Kinder Skog Mentors, Plant, and CNA roles, the program was expanded to include information technology (IT) work. This allowed PMC to engage young people in a broader range of career pathways and demonstrate that a medical center offers diverse opportunities both within and beyond direct patient care.

A total of 11 minors were employed across varying departments, requiring close collaboration between HR, department leadership, and supervisors. This initiative fostered positive engagement, open conversations about career development, and strengthened relationships between PMC and the local community. The program was successful, and the youth interns performed very well in their assigned roles.

Minors are held to the same employment standards as adult employees, ensuring safety, compliance, and accountability. These standards include completion of all pre-employment requirements, an approved background clearance with the State of Alaska for those age 16 and older, passing a drug screening (including marijuana testing), and completion of all required onboarding and training.

While coordinating youth employment requires additional oversight and administrative effort, the program has proven to be a valuable investment in workforce development and community connection.

Patient Centered Care (Support)

While Human Resources does not provide direct patient care, HR plays a critical role in supporting and enhancing patient care through workforce readiness, compliance, and collaboration. Throughout 2025, HR

focused on ensuring timely recruitment, onboarding, and training of employees, travel staff, and students so departments could maintain safe staffing levels and continuity of care.

HR is working to streamline the onboarding and orientation processes, to assist new hires and travel staff to become operational more quickly while maintaining regulatory and safety standards. Additional efforts included coordinating employee health requirements, background clearances, and drug screening along with IT privileges to ensure a safe care environment for patients and staff.

Challenges in this area included frequent staffing transitions, operational demands, and the administrative burden associated with onboarding and offboarding employees and travel staff.

Facility

In September 2025, the Human Resources Department transitioned into the WERC building as part of ongoing efforts to improve workflow, space utilization, and records management. Since that time, Scott has been steadily relocating personnel files and HR materials from the main site to the WERC Building while we've maintained uninterrupted HR services.

To support improved efficiency and reduce reliance on paper records, HR has been gradually transitioning new employee files to electronic formats. This shift allows for improved access to employee records, including terminated employee files, while supporting compliance, confidentiality, and long term record retention. This transition is being implemented incrementally to ensure accuracy and minimize disruption.

Due to PMC having two buildings, HR has been operating across two locations. Scott currently splits his time between an office at the main site (near the Business Office) and the HR office at the WERC Building, spending approximately 80% of his time at the main site. I am primarily based at the WERC Building, where I spend approximately 80% of my time. This arrangement requires coordination and flexibility to maintain accessibility and communication.

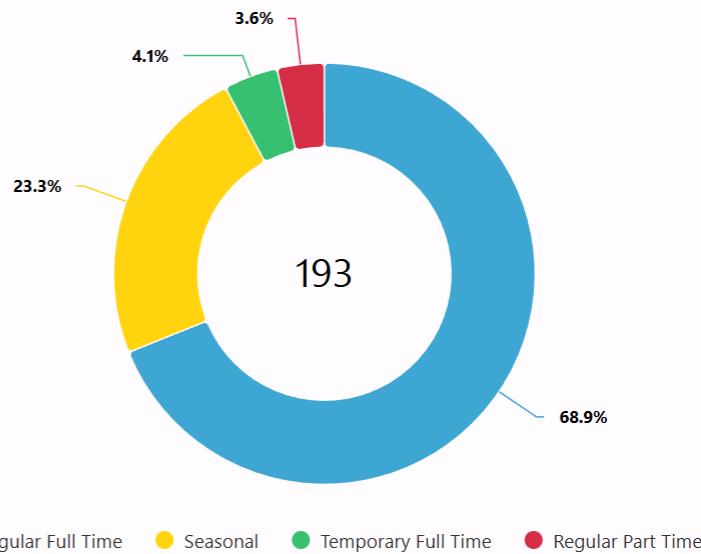
We anticipate Scott's full transition into the WERC building by February 28th (though HR will maintain an office at both buildings with hours there), which will allow HR operations to be more centralized and efficient.

Financial Wellness

The HR Department continued to manage its budget responsibly while supporting PMC's workforce needs. HR balances fiscal responsibility with the ongoing need to recruit, onboard, and retain qualified employees who support our mission and values. Efforts to improve efficiency include recruitment, streamlining onboarding processes and gradually transitioning select functions to electronic formats to save time and reduce administrative costs. At the same time, the budget continues to support employee longevity awards and special recognition days and weeks, reinforcing PMC's commitment to recognizing and appreciating staff for their dedication, service, and contributions.

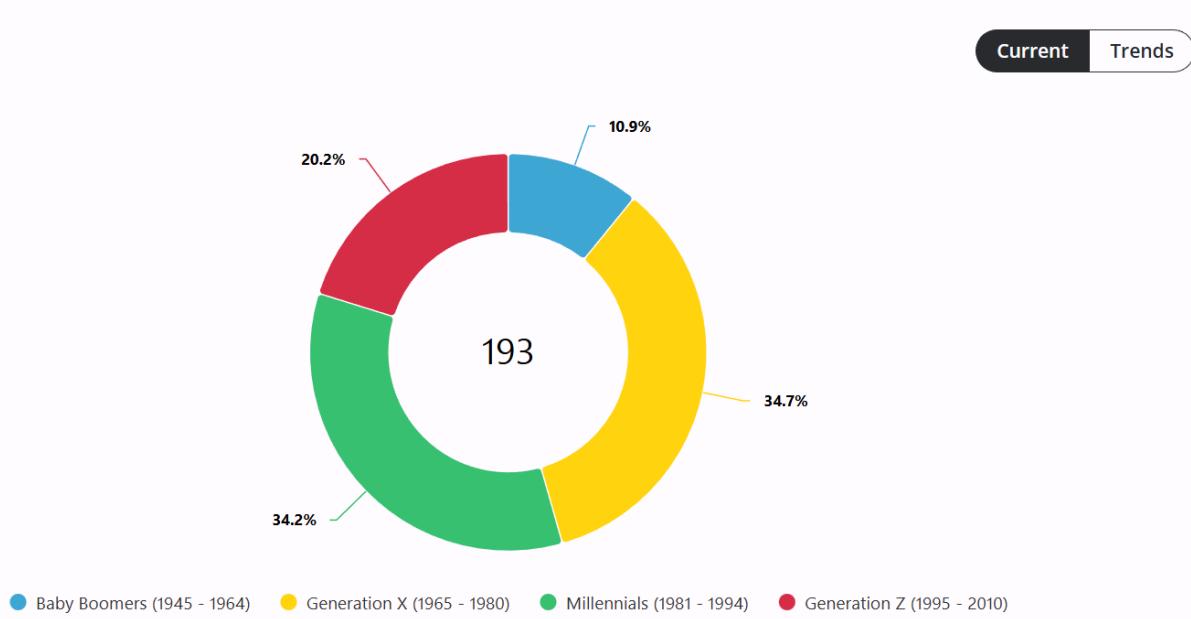
I've attached graphs on the breakdown of employees' status, generational demographics, and gender.

Employment Type

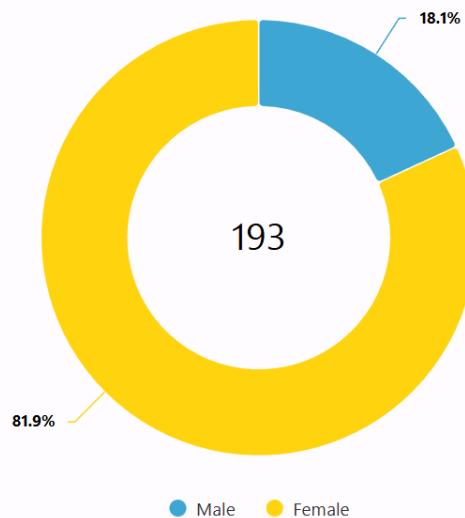


132 – Full Time / 7 – Part Time / 45 – Seasonal / 8 – Temporary FT

Generation



21 - Baby Boomers, 67 - Gen X, 66 - Millennials, 39 - Gen Z

Gender (Legal)

158 Females / 35 Males

Submitted by: Cynthia Newman



New Facility Construction Report January 2026

Sitework

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

WERC Building

The WERC (Wellness, Education, and Resource Center) building and the MRI addition are 100% complete with the original contract scope. The UPS (Uninterrupted Power Supply) for both the magnet and servers is planned to be installed starting the week of the 19th through the 30th. All other remaining punch list items, including the FF&E (Fixtures, Furniture, and Equipment), will be installed in this same time frame.

The monument sign at the entrance is being shipped to Petersburg this week and will also be installed in the upcoming weeks, as part of the same mobilization.

New Hospital Design

The design drawings for the full Hospital were paused at 35% schematic design. These, in theory, could still be used with revisions if the project were to be fully funded at one time.

To create an alternative pathway for progress of the campus, the current concepts that have been recently developed are for a multi-phase approach as follows: Phase 1 – Sitework, completed; Phase 2 – WERC Building completed; Phase 3 – LTC layout concept only; Phase 4 – Hospital layout concept only. This would allow an immediate focus to take place on the Long-Term Care Building with allowable funds at that time, in anticipation of future funding for the Hospital.

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

Upcoming Activities

- LTC/Hospital Phased Concept Design

- Final FF&E Install
- Monument Sign, Interior Signage, and UPS installation.

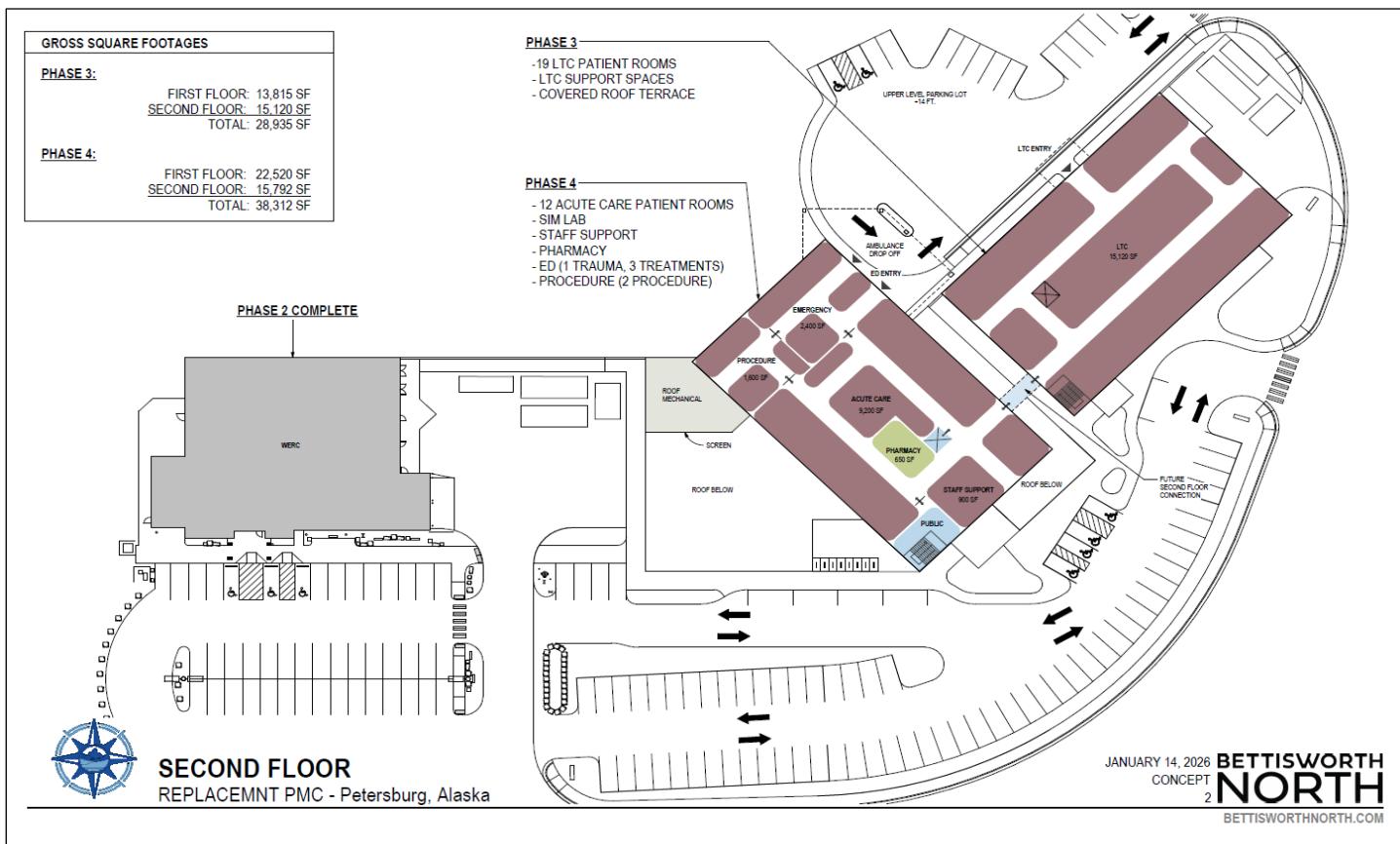
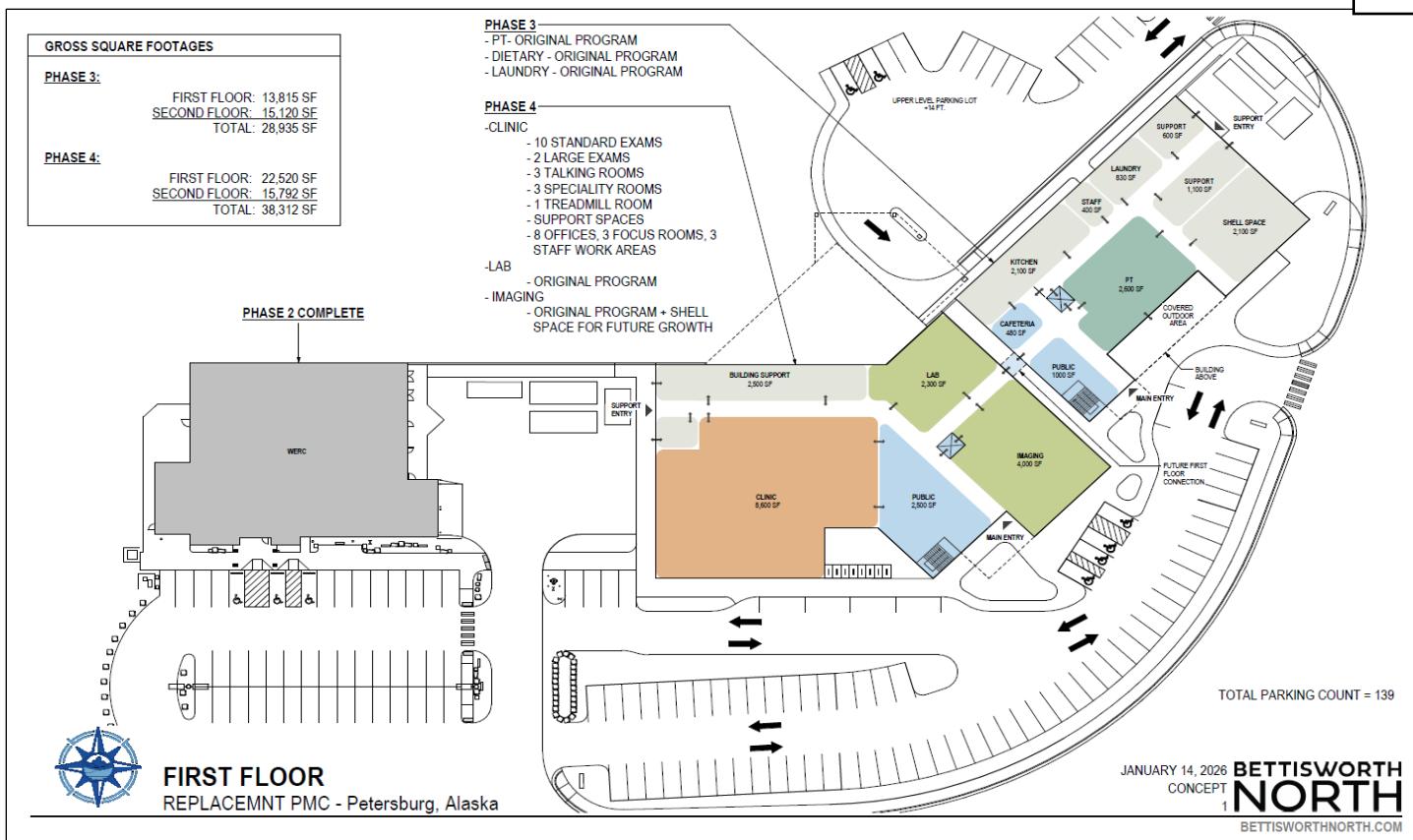
Budget

- WERC budget – \$22.7M (Stacked)
 - CCPF Treasury Grant – \$20M
 - HRSA Grant – \$2.7M
- Hospital Sitework & 35% Schematic Design – \$5.3M
 - HRSA Grant – \$5.3M
- Remaining funds in combined grants – >\$1M (mostly expended)

Completed WERC Building



Phased Concept Layout – Long-term Care and Hospital



Submitted by: Justin Wetzel- Arcadis Project Manager



Quality Report January 2026

Workforce Wellness

Six PMC managers attended a Lean Master class in January offered by Alaska Hospital & Healthcare Association with the opportunity to join a cohort in exercising Lean principles this spring. Lean is a continuous quality improvement methodology that focuses on optimizing processes, eliminating waste and ensuring customer value.

Recently assisted in developing role specific staff orientation resources within the home health department to help ensure exposure to needed elements and streamline the process. MS Teams platform was utilized as a shared space and resource repository.

Community Engagement

Cedar Social Club quarterly satisfaction surveys were distributed to gain insight into the experiences of participants and their families with the goal of ensuring quality and implementing feedback to improve services.

Patient Centered Care

We continue to work to implement and monitor system changes that were identified to improve communication pathways and processes for care transitions. This project has included development of new policy, staff quality assurance tools, system processes and training. Feedback collection and ongoing monitoring informs plan adjustments and helps to ensure lasting improvements. Throughout the healthcare industry, care transitions are notorious for creating opportunities for communication and service gaps to occur, therefore continuously improving these processes is a priority to ensure patient safety and optimal care.

Facility

The National Critical Access Hospital Quality Inventory and Assessment was submitted in November as part of the Medicare Beneficiary Quality Improvement Project. This assessment provides PMC information on quality improvement infrastructure and activities, service lines offered, and related quality measures. In 2023 and 2024, unmet elements included strategic planning and collecting data. Results from the 2025 submission should be available at the end of February to inform planning on targeted improvements in the coming year. It is supported by the Alaska State Office of Rural Health Flex Program.

Financial Wellness

No new updates in this area.

Submitted by: Stephanie Romine, RN



Infection Prevention Board Report January 2026

Workforce Wellness

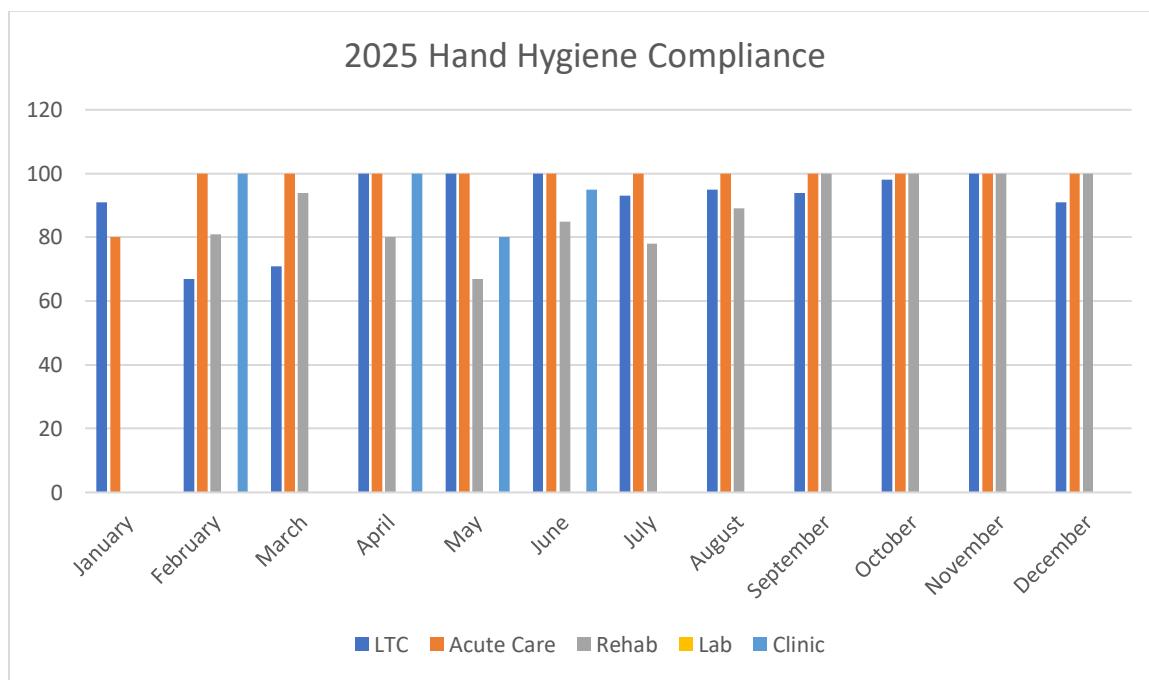
I am the only Infection Preventionist for PMC.

Community Engagement

I work with many different departments at PMC to ensure compliance with regulations. In January our Environment of Care (EOC) rounds focused on our high-level disinfection and sterilization areas. Our EOC team consists of nursing, EVS, and management working together to identify areas of improvement at PMC.

Patient Centered Care

2025 PMC Hand Hygiene Report



LTC 2025 Infection Prevention Metrics

- Urinary Tract Infections (UTI): 3
- Catheter associated Urinary Tract Infections (CAUTI): 0
- Clostridium Difficile Infections: 0
- Covid-19 Infections: 1
- Influenza Infections: 0
- RSV Infections: 5

In 2025, 44% of our LTC residents received a prescribed antibiotic. That falls below the national average of 50-70%. [Description of national antibiotic prescribing rates in U.S. long-term care facilities, 2013–2021 | Antimicrobial Stewardship & Healthcare Epidemiology | Cambridge Core](https://doi.org/10.1093/ehp/ehab001)

Facility

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

Financial Wellness

No changes to this area.

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



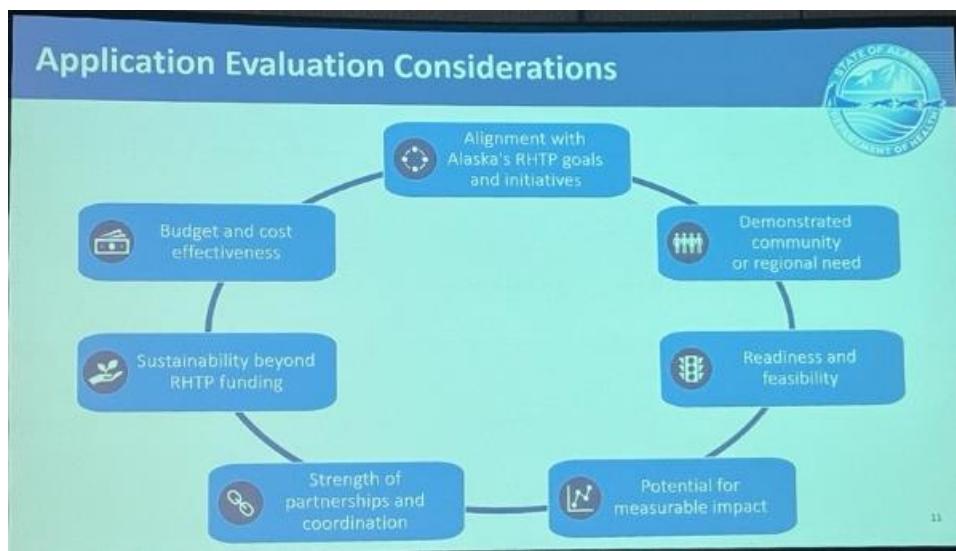
PMC Executive Summary January 2026

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

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

Summary:

Since the last Board meeting on December 5, we closed out December with relatively lower primary care volume, while the Emergency Department and medevac activity remained busy with higher-acuity cases despite lower overall volume—an example of the realities of rural healthcare. December produced the second-highest medevac total of the year. January began with the State's launch of the Rural Health Transformation Program (RHTP); Alaska received \$272 million in Year 1 (second only to Texas). Katie Bryson and I attended the initial in-person RHTP convening in Anchorage (January 15–16), while Joel and Jason from Finance participated virtually on January 14. The first day included presentations focused on technology and innovation, including Microsoft, followed by breakout sessions structured around the State's initiative pathways for funding: (1) administrative readiness and technical assistance to support execution capacity, (2) planning activities needed to move projects to implementation, (3) implementation projects already underway that can be accelerated quickly, and (4) demonstration projects built through partnerships—alongside a clear emphasis on statewide technology solutions and potential alignment with CMS's AHEAD-style global budget direction. Finally, the Assembly passed a resolution on January 20 supporting PMC's MRI/WERC Certificate of Need (CON) application, and a similar resolution is presented today for Board consideration to reaffirm support and document the current regulatory status and next steps in the CON process.





Certificate of Need Application

Application was received by the state and a they have posted notification [NOTICE OF A COMPLETE APPLICATION FOR A CERTIFICATE OF NEED THE DEPARTMENT OF HEALTH - Alaska Online Public Notices](#) and coordinated a public hearing date. Written comments on the proposed project may be submitted via email at: doh.orr.con@alaska.gov, and must be received no later than 30 days after the date of the publication of this notice. You can also submit letters via our PMC website, or Facebook page. Public Meeting oral comments may be submitted during a public meeting via teleconference. Should you wish to provide a public oral comment, please see the following public meeting details:

Meeting Date: February 4, 2026

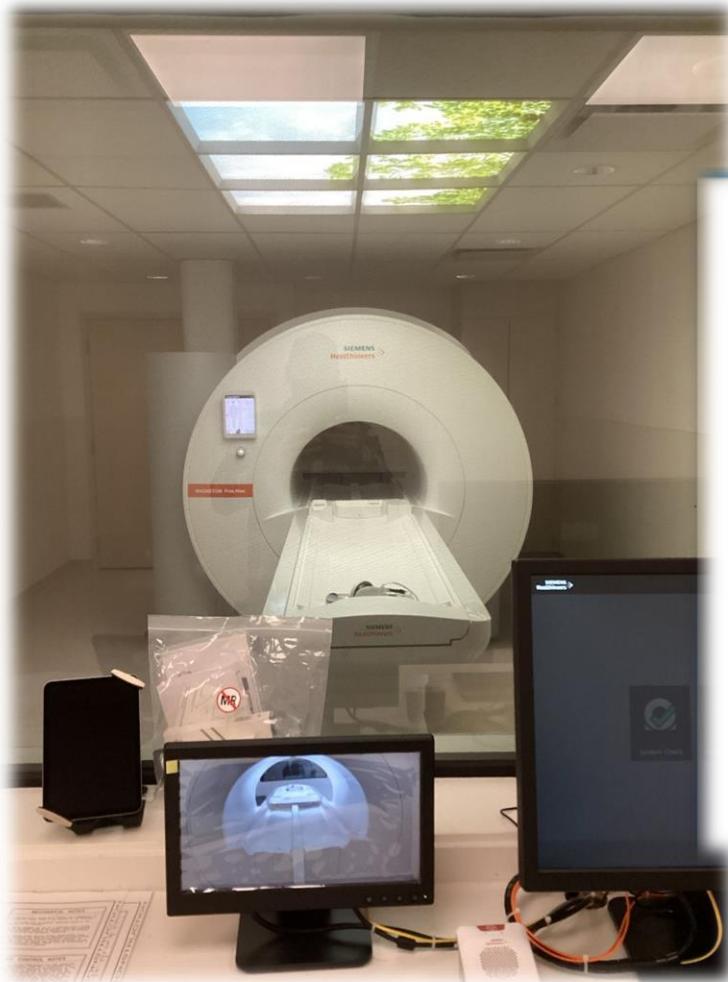
Meeting Time: 11:30 am – 1:30 pm

Participant Link: <https://us02web.zoom.us/j/89346934400?pwd=FaSQnH1rTCex8e4fMu52mptURuHiED.1>

Meeting ID: 893 4693 4400

Passcode: 330220

Participant Call-In Phone Number: 833 928 4610



NOTICE OF RECEIPT OF AN APPLICATION FOR A CERTIFICATE OF NEED THE DEPARTMENT OF HEALTH

The Department of Health (Department) has received an application for a Certificate of Need (CON) for the diagnostic imaging project described below.

Project/Activity: Construction of a New Medical Office Building and Acquisition of an MRI.

Project Applicant: Petersburg Medical Center.

Project/Activity Service Area: Petersburg Borough and surrounding remote Census Area Communities in Southeast Alaska.

Project Description: Petersburg Medical Center seeks to establish a new medical office building primarily to expand imaging services, which will house an added 1.5T Siemens MRI unit and additional administrative and community spaces. The total square footage of the building will be 18,900, with 1,329 sq ft being MRI space.

Project Estimated Cost: \$24,425,422.

Project Estimated Completion Date: Summer of 2025.

Annual Work Session: January 26th, 2026: Assembly Borough/ Hospital Board at 5:30pm in Borough Chambers

Alaska Mental Health Trust Authority awarded PMC a grant of \$81, 000 to support ongoing telepsychiatry development, psychotherapy services in Long-Term Care, and staff training.

Rasmuson Foundation recently awarded PMC Youth Programs with a generous grant (a Tier 1 grant in the amount of \$25,000.00) to support Youth Programs “Tides and Trails Initiative.” The grant will go towards purchasing kayaking and camping equipment for the summer ORCA camps and the Kinder Skog program. The grant is essential to promote the sustainability of these programs and to work toward reducing cost barriers for families in the community. We really appreciate Rasmuson Foundation’s support of providing healthy activities for kids to put them on a path of wellness.

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.*

- **December 5:** PMC annual Holiday Party was well attended. PMC thanks the Elks Lodge for the ballroom rental, the Emblem club for the kitchen usage, Fire Catering for the wonderful food, and the Rockfish band for the lively entertainment.

- **December 12:** Activities Assistant Barb Marifern and Nursing Assistant Rachel Thomas, both working in Long Term Care, completed training and passed their state proctored Certified Nursing Assistant (CNA) tests.
- **December 18:** Coffee with Phil- offers all employees the opportunity to connect directly with leadership in an open informal setting. Thank you to hospital board vice president, Cindi, for attending.
- **December 19:** Manager Meeting
- **January 12:** PMC recognizes our contract pharmacist, Cate Kowalski and Heather Lefebvre for their exceptional service to PMC and our community, in honor of National Pharmacist Day. They play a critical role in supporting high-quality care across our organization and we appreciate their attention to detail and commitment to patient safety.
- **January 16:** Manager Meeting
- **January 26-30:** PMC recognizes our Activities professionals: Alice Neidiffer, Fe Lamphere-Englund, and Barb Marifern as they play a vital role in the quality of life for our LTC residents.
- **Ongoing:** Employee Meals
- **Ongoing:** Employee Recognition and Rewards



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

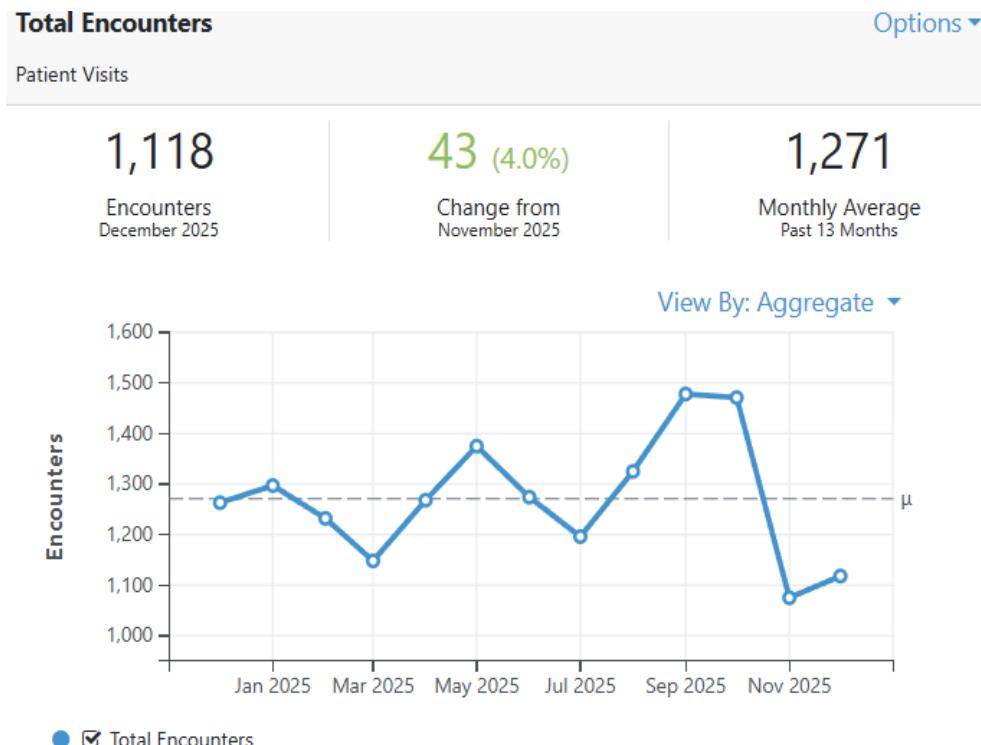


- **December 1:** Submitted written report and attended/reported out at Borough Noon Assembly Meeting.
- **December 4:** KFSK Live
- **December 4:** Hospital Board Meeting open to the public, and broadcast live on KFSK
- **December 15:** Health E Connect Meeting – *Board Member*
- **December 19:** Long Term Care Christmas Meal for residents and their families
- **December 22:** Julebukking in the Dorothy Ingle Conference Room from 3-5pm.
- **Ongoing:** Kinder Skog Program
- **Ongoing:** Bingocize and Tai Chi Programs
- **Ongoing:** UAA nursing program, we currently have two employees enrolled in this course.
- **January 26:** Assembly Borough/ Hospital Board annual Work Session 5:30pm in Borough Chambers.
- **January 29:** KFSK Live
- **January 29:** Hospital Board Meeting at 5:30pm in Borough Chambers.



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

- **December 10:** Medstaff Meeting
- **December 17:** Quality Meetings (LTC Quality and Infection Prevention and Control)
- **January 14:** Medstaff Meeting
- **January 16:** Environment of Care Rounds: focus on sterile processes
- **January 21:** Quality Meetings (LTC Quality and Critical Access Hospital)
- **Joy Janssen Clinic Access to Primary Care:** We are currently staffed with 3 Physicians and 3 mid-level practitioners.
 - We are actively looking for a provider to fill the 4th position available.
 - As of 1/19/26, the average time to the next available appointment is approximately 9 days, and the average time to the third next available appointment is approximately 12 days across all providers.
 - We have two locum providers set to assist through remaining winter months.
 - Clinic is open and available M-F 8AM-5PM, and Saturday 8AM-12, 1PM-4:30PM. Same day appointments for urgent or acute care are readily available.
 - Flu shots available at clinic, call for appointment.





Summary



- **Audiology:** Phil Hofstetter, continues to see patients in the Specialty Clinic. Call 772-5792 to schedule.
- **Psychiatry:** services are ongoing via telehealth with Dr. Sonkiss by referral.
- **Integrative Medicine:** Integrated Medicine with Dr. Hyer is offered via telehealth, email Dr. Hyer directly at jhyer@pmc-health.org to schedule.
- **Optometry Clinic:** Dr. Kamey Kapp, Optometrist with Last Frontier Eye Care, regularly visiting Petersburg in the Specialty Clinic. Please call 907-434-1554 to schedule appointments.
- **Dr. Harrison:** Recently saw established endocrinology patients here in Petersburg while doing a locum rotation.
- **Scopes Clinic:** scheduled to be in Petersburg Feb 5-6 seeing referred patients. Our goal is to establish this as a regular rotational service, reducing the need for community members to travel or arrange lodging for this procedure.
- **Dermatology:** Cameron French will be returning in the Spring for dermatology appointments
- **Orthopedic Clinic:** Discussions taking place to explore options for bringing ortho clinic specialty to Petersburg.

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

- Monument sign pending arrival and installation- new campus.
- WERC open house will be scheduled once MRI services are fully operational. We are scheduled to have UPS for MRI installed January 24th, 2026. Certificate of Need application was accepted by the state with next steps being a public hearing *see above*. Although areas such as Public Health are complete, we believe it is important for all components of the WERC — including conference rooms and the computer lab, currently undergoing final technology setup and reservation planning — to be fully ready before hosting the event. This deliberate approach ensures high-quality, fully functioning services for our community at launch.

Financial Wellness: *Goal: To achieve financial stability and sustainability for the hospital. FY25 Benchmarks*

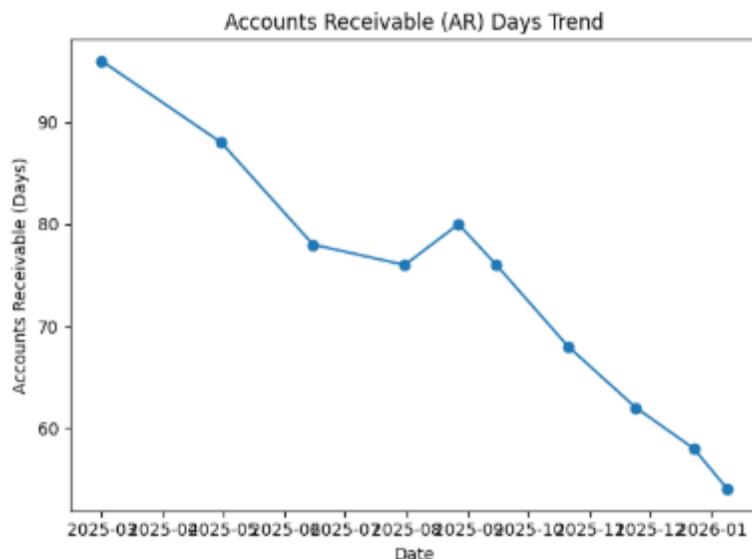


for Key Performance Indicators (KPIs): Gross A/R days to be less than 55, DNFB < then 5 days, and 90 Days Cash on Hand

- Accounts Receivables (AR) Update: This number was at 96 in March, down to 88 at the end of April, down to 78 mid-June, 76 for July, at 80 as of August 27th, at 76 as of September 15th, numbers at 68 as of October 21st, 62 as of November 24th, 58 as of 12/23/2025, and are currently at 54 as of January 9th,

2026. These numbers represent a steady and significant decrease in AR days reaching lowest numbers ever in PMC records.

- See attached Financial Report.



Submitted by: Phil Hofstetter, CEO



FISCAL YEAR 2026 GRANTS UPDATE

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

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

◆ **Alaska Community Foundation Camps Initiative**

Youth Programs request supporting Summer 2026 ORCA Camps.

1 Award | **\$20,000** total requested – *Decision anticipated Spring 2026*

◆ **Senate Appropriations Borough Transportation Project Request**

PMC provided a proposal item to widen & pave Excel Rd./pave & light Wellness Dr.

1 Award | **\$3,500,000** total requested – *Decision anticipated 2026*

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

◆ **HRSA Congressionally Directed Spending: Community Project**

No-Cost Extension of grant for new health campus sitework and construction.

Year 4 of 4 | **\$8,000,000** (total single award); Project housed in: Finance

◆ **US Department of Treasury Coronavirus Capital Projects Fund Grant**

Wellness, Education & Resource Center building construction including MRI Suite.

Year 5 of 6 | **\$20,000,000** (total single award); Project housed in: Finance

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

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

◆ **Alaska Children's Trust Cultural Activities Grant**

Youth Programs project for Kinder Skog learning activities in partnership with PIA.

1 Award | **\$1,000** (total single award) – **COMPLETE**

◆ **Alaska Community Foundation Camps Initiative**

Youth Programs project supporting the Summer 2025 ORCA Kayaking Camp.

1 Award | **\$20,000** (total single award) – **COMPLETE**

◆ **Alaska Mental Health Trust Authority Partnership Grant**

Expands PMC's hybrid telehealth/onsite behavioral health services for LTC & HH.

1 Award | **\$81,960** (total single award)

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

PETERSBURG MEDICAL CENTER

FINANCIAL REPORTING PACKAGE

For the month ended December 31, 2025

PETERSBURG MEDICAL CENTER
Key Volume Indicators
FISCAL YEAR 2026

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior YTD	% Change
1. Clinic Visits	790	878	984	999	750	733	-	-	-	-	-	-	5,134	4,978	3.1%
<i>Primary Clinic</i>	765	865	852	980	732	720							4,914	4,978	-1.3%
<i>Specialty Clinics</i>	25	13	132	19	18	13							220	-	n/a
2. Radiology Procedures	253	251	242	256	208	223							1,433	1,390	3.1%
3. Lab Tests (excluding QC)	1,936	2,575	2,259	2,288	2,266	2,196							13,520	10,634	27.1%
4. Rehab Services Units	880	1,089	730	1,178	918	977							5,772	6,052	-4.6%
<i>Physical</i>	648	767	582	860	604	622							4,083		
<i>Occupational</i>	154	237	56	206	230	271							1,154		
<i>Speech</i>	78	85	92	-	84	84							423		
5. Home Health Visits	284	296	221	287	166	202							1,456	1,081	34.7%
<i>Nursing Visits</i>	149	151	141	179	120	138							878		
<i>PT/OT Visits</i>	135	145	80	108	46	64							578		
6. Emergency Room Visits	102	105	65	56	64	61							453	465	-3%
7. Observation Days	3	8	4	2	2	4							21	30	-30%
<i>Hospital Inpatient</i>															
8. Patient Days - Acute	12	20	36	21	36	25							150	187	-19.8%
9. Patient Days - Swing Bed (SNF)	54	69	41	67	67	89							387	444	-12.8%
10. Patient Days - Swing Bed (ICF)	8			26	30	34							98	202	-51.5%
11. Patient Days - Total	74	89	77	114	133	148	-	-	-	-	-		635	833	-23.8%
12. Average Daily Census - Acute	0.4	0.6	1.2	0.7	1.2	0.8							0.8	1.0	-19.4%
13. Average Daily Census - Swing Bed (SNF)	1.7	2.2	1.3	2.2	2.2	2.9							2.1	2.4	-13.8%
14. Average Daily Census - Swing Bed (ICF)	0.3			0.8	1.0	1.1							0.5	1.1	-51.5%
15. Average Daily Census - Total	2.4	2.9	2.5	3.7	4.4	4.8							3.4	4.5	-24.2%
16. Percentage of Occupancy	19.9%	23.9%	21.0%	30.6%	36.3%	39.8%							28.6%	37.7%	-24.2%
<i>Long Term Care</i>															
17. LTC Days	426.0	403.0	420.0	434.0	406.0	361.0							2,450	2,446	0.2%
18. Average Daily Census	13.7	13.0	14.0	14.0	13.5	11.6							13.3	13.3	0.2%
19. Percentage of Occupancy	91.6%	86.7%	93.3%	93.3%	90.2%	77.6%							88.8%	88.6%	0.2%

PETERSBURG MEDICAL CENTER
Statement of Revenues and Expenses
For the month ended December 31, 2025

Month Actual	Month Budget	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance	Prior YTD	% Variance	
\$611,341	\$570,035	\$41,306	7.2%	1. Inpatient	\$3,075,744	\$3,383,434	(\$307,690)	-9.1%	\$3,734,543	-17.6%
868,767	1,029,728	(160,961)	-15.6%	2. Outpatient	5,773,482	6,111,935	(338,452)	-5.5%	5,506,639	4.8%
695,092	628,507	66,585	10.6%	3. Long Term Care	4,711,960	3,730,493	981,467	26.3%	3,613,259	30.4%
424,258	495,109	(70,851)	-14.3%	4. Clinic	2,921,509	2,938,710	(17,201)	-0.6%	2,734,176	6.9%
48,290	47,549	741	1.6%	5. Home Health	333,503	282,226	51,277	18.2%	280,201	19.0%
2,647,748	2,770,928	(123,180)	-4.4%	6. Total gross patient revenue	16,816,199	16,446,798	369,401	2.2%	15,868,818	6.0%
654,621	500,578	(154,043)	-30.8%	<i>Deductions from Revenue:</i>						
0	0	0	n/a	7. Contractual adjustments	3,785,178	2,971,175	(814,003)	-27.4%	3,019,835	-25.3%
89,783	36,158	(53,625)	-148.3%	8. Prior year settlements	0	0	0	n/a	-	n/a
7,815	19,831	12,015	60.6%	9. Bad debt expense	78,343	214,612	136,269	63.5%	345,383	-77.3%
752,220	556,567	(195,653)	-35.2%	10. Charity and other deductions	187,848	117,705	(70,142)	-59.6%	(1,564)	12109.3%
1,895,528	2,214,361	(318,833)	-14.4%	Total revenue deductions	4,051,369	3,303,493	(747,876)	-22.6%	3,363,654	-20.4%
106,486	46,712	59,774	128.0%	11. Net patient revenue	12,764,830	13,143,305	(378,475)	-2.9%	12,505,164	2.1%
158,698	104,217	54,481	52.3%	<i>Other Revenue</i>						
49,748	53,686	(3,937)	-7.3%	12. 340b Revenue	543,216	277,258	265,958	95.9%	-	n/a
0	0	0	n/a	13. Inkind Service - PERS/USAC	931,148	618,578	312,570	50.5%	556,166	67.4%
25,175	26,154	(979)	-3.7%	14. Grant revenue	331,067	318,650	12,418	3.9%	492,795	-32.8%
340,107	230,768	109,339	47.4%	15. Federal & State Relief	0	0	0	n/a	-	n/a
2,235,635	2,445,130	(209,494)	-8.6%	16. Other revenue	259,785	155,235	104,550	67.3%	154,712	67.9%
1,050,803	1,161,736	110,934	9.5%	17. Total other operating revenue	2,065,216	1,369,720	695,496	50.8%	1,203,673	71.6%
222,335	160,681	(61,653)	-38.4%	18. Total operating revenue	14,830,046	14,513,026	317,020	2.2%	13,708,838	8.2%
434,398	421,179	(13,219)	-3.1%	<i>Expenses:</i>						
124,855	164,634	39,779	24.2%	19. Salaries and wages	6,926,716	6,895,467	(31,249)	-0.5%	6,192,866	-11.8%
110,183	79,710	(30,473)	-38.2%	20. Contract labor	1,094,839	953,722	(141,118)	-14.8%	995,827	-9.9%
75,459	51,174	(24,285)	-47.5%	21. Employee benefits	2,700,366	2,499,900	(200,466)	-8.0%	2,313,038	-16.7%
32,657	35,655	2,998	8.4%	22. Supplies	1,018,729	977,180	(41,549)	-4.3%	929,176	-9.6%
34,044	37,377	3,333	8.9%	23. Purchased services	533,206	473,116	(60,090)	-12.7%	927,602	42.5%
154,704	110,452	(44,252)	-40.1%	24. Repairs and maintenance	379,271	303,743	(75,527)	-24.9%	308,831	-22.8%
12,069	8,878	(3,191)	-35.9%	25. Minor equipment	177,568	211,631	34,062	16.1%	195,490	9.2%
22,198	19,095	(3,104)	-16.3%	26. Rentals and leases	200,480	221,849	21,369	9.6%	185,573	-8.0%
38,317	28,663	(9,654)	-33.7%	27. Utilities	823,382	655,588	(167,794)	-25.6%	500,711	-64.4%
2,312,022	2,279,234	(32,788)	-1.4%	28. Training and travel	59,942	52,693	(7,249)	-13.8%	74,522	19.6%
(76,387)	165,896	(242,282)	146.0%	29. Insurance	141,991	113,335	(28,655)	-25.3%	109,915	-29.2%
24,846	19,194	5,652	29.4%	30. Other operating expense	215,849	170,131	(45,718)	-26.9%	180,606	-19.5%
(9,073)	(21,429)	12,357	57.7%	31. Total expenses	14,272,339	13,528,357	(743,983)	-5.5%	12,914,157	-10.5%
0	0	0	n/a	32. Income (loss) from operations	557,707	984,669	(426,962)	43.4%	794,681	29.8%
79,565	87,380	(7,815)	-8.9%	<i>Nonoperating Gains(Losses):</i>						
(150,515)	(248,479)	97,965	-39.4%	33. Investment income	357,461	113,925	243,535	213.8%	205,535	-73.9%
(55,176)	(163,334)	108,158	-66.2%	34. Interest expense	(58,048)	(127,192)	69,144	54.4%	(67,328)	13.8%
(\$131,563)	\$2,561	(\$134,125)	-5236.4%	35. Gain (loss) on disposal of assets	0	0	0	0.0%	-	0.0%
(\$131,563)	\$2,561	(\$134,125)	-5236.4%	36. Other non-operating revenue	4,224,523	518,642	3,705,881	-714.5%	6,369,244	33.7%
				37. Depreciation & Amortization	127,453	(1,474,844)	1,602,297	108.6%	(565,141)	122.6%
				38. Net nonoperating gains (losses)	3,551,392	(969,468)	5,620,857	-579.8%	5,942,311	-40.2%
				39. Change in Net Position (Bottom Line)	\$4,109,099	\$15,201	\$5,193,895	34168.9%	\$6,736,991	-39.0%

PETERSBURG MEDICAL CENTER
Balance Sheet
Dec, 2026

ASSETS				LIABILITIES & FUND BALANCE				
	Dec 2025	Nov 2025	June 2025	Dec 2024	Dec 2025	Nov 2025	June 2025	Dec 2024
Current Assets:								
1. Cash	2,009,432	2,087,742	1,544,710	1,465,964	23. Accounts Payable - Trade	\$982,600	\$1,182,158	\$1,299,834
2. Cash - insurance advances	0	0	0	0	24. Accounts Payable - New Facility	440,555	753,398	831,368
3. Investments	2,140,030	2,133,162	2,097,227	1,075,014	25. Accrued Payroll	399,170	295,458	319,625
4. Total cash	4,149,462	4,220,904	3,641,937	2,540,977	26. Payroll taxes and other payables	86,851	154,390	143,596
5. Patient receivables	4,680,277	5,968,417	7,548,114	7,476,712	27. Accrued PTO and extended sick	1,238,819	1,336,533	1,196,902
6. Allowance for contractuels & bad debt	(2,083,376)	(2,002,628)	(2,615,075)	(2,686,494)	28. Deferred revenue	65,445	85,763	131,961
7. Net patient receivables	2,596,901	3,965,789	4,933,039	4,790,217	29. Due to Medicare	1,067,786	1,067,786	1,466,833
8. Other receivables	2,737,623	2,936,523	2,701,066	1,522,114	30. Due to Medicare - Advance	0	0	0
9. Inventories	352,453	338,580	364,788	359,365	31. Due to Blue Cross - Advance	0	0	0
10. Prepaid Expenses	269,527	369,064	169,095	289,774	32. Other current liabilities	4,561	4,561	3,323
11. Total current assets	10,105,965	11,830,860	11,809,926	9,502,448	33. Current portion of long-term debt	434,142	440,754	459,791
Property and Equipment:								
12. Assets in service	28,723,535	28,664,630	28,677,563	28,627,030	34. Total current liabilities	4,719,930	5,320,802	5,853,233
13. Assets in progress	27,000,667	26,910,320	22,776,724	15,851,990	Long-Term Debt:			6,669,422
14. Total property and equipment	55,724,202	55,574,949	51,454,287	44,479,020	35. Capital leases payable	1,624,790	1,656,540	1,826,846
15. Less: accumulated depreciation	(24,352,504)	(24,142,785)	(23,379,960)	(22,864,097)	Pension Liabilities:			2,058,932
16. Net property and equipment	31,371,697	31,432,165	28,074,326	21,614,923	36. Net Pension Liability	17,065,093	17,065,093	15,526,950
Assets Limited as to Use by Board								
17. Investments	3,926,629	3,909,369	3,668,961	3,488,823	37. OPEB Liability	-	-	15,526,950
18. Building fund	857,491	853,876	799,968	758,981	38. Total pension liabilities	17,065,093	17,065,093	15,526,950
19. Total Assets Limited as to Use	4,784,120	4,763,244	4,468,928	4,247,804	39. Total liabilities	23,409,813	24,042,435	23,207,029
Pension Assets:								
20. OPEB Asset	7,315,602	7,315,602	7,338,848	7,338,848	Deferred Inflows:			24,255,304
Deferred Outflows:								
21. Pension	2,218,751	2,218,751	2,428,790	2,428,790	40. Pension	291,347	291,347	413,688
22. Total assets	\$55,796,136	\$57,560,622	\$54,120,818	\$45,132,813	Net Position:			413,688
					41. Unrestricted	27,985,878	28,986,178	13,726,830
					42. Current year net income (loss)	4,109,099	4,240,662	16,773,270
					43. Total net position	32,094,976	33,226,840	20,463,820
					44. Total liabilities and fund balance	\$55,796,136	\$57,560,622	\$54,120,817
								\$45,132,813

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

PETERSBURG MEDICAL CENTER
Key Operational Indicators
For the month ended December 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	17.8%	35.4%	17.3%	17.6%	20.8%	24.7%							22.5%	16.6%	35.6%
2. Charity/Other Ded. As a % of Gross Revenue	1.1%	0.0%	2.4%	0.4%	2.7%	0.3%							1.1%	0.9%	24.1%
3. Bad Debt as a % of Gross Revenue	4.4%	1.5%	2.4%	-1.9%	-7.0%	3.4%							0.5%	1.2%	-61.2%
4. Operating Margin	4.2%	-7.6%	4.0%	8.7%	14.1%	-3.4%							3.8%	10.2%	-63.1%
5. Total Margin	37.6%	18.8%	29.1%	20.9%	22.0%	-6.0%							22.4%	38.0%	-41.2%
6. Days Cash on Hand (Including Investments)	98.5	108.0	109.1	122.1	124.3	123.9							124	117	6.2%
7. Days in A/R (Net)	64.4	72.2	67.4	57.2	53.0	36.5							36	59	-38.0%
8. Days in A/R (Gross)	82.3	83.4	76.6	67.4	65.2	52.5							52	83	-36.7%
9. Days in Accounts Payable	26	16	30	25	26	26							26	31	-14.9%

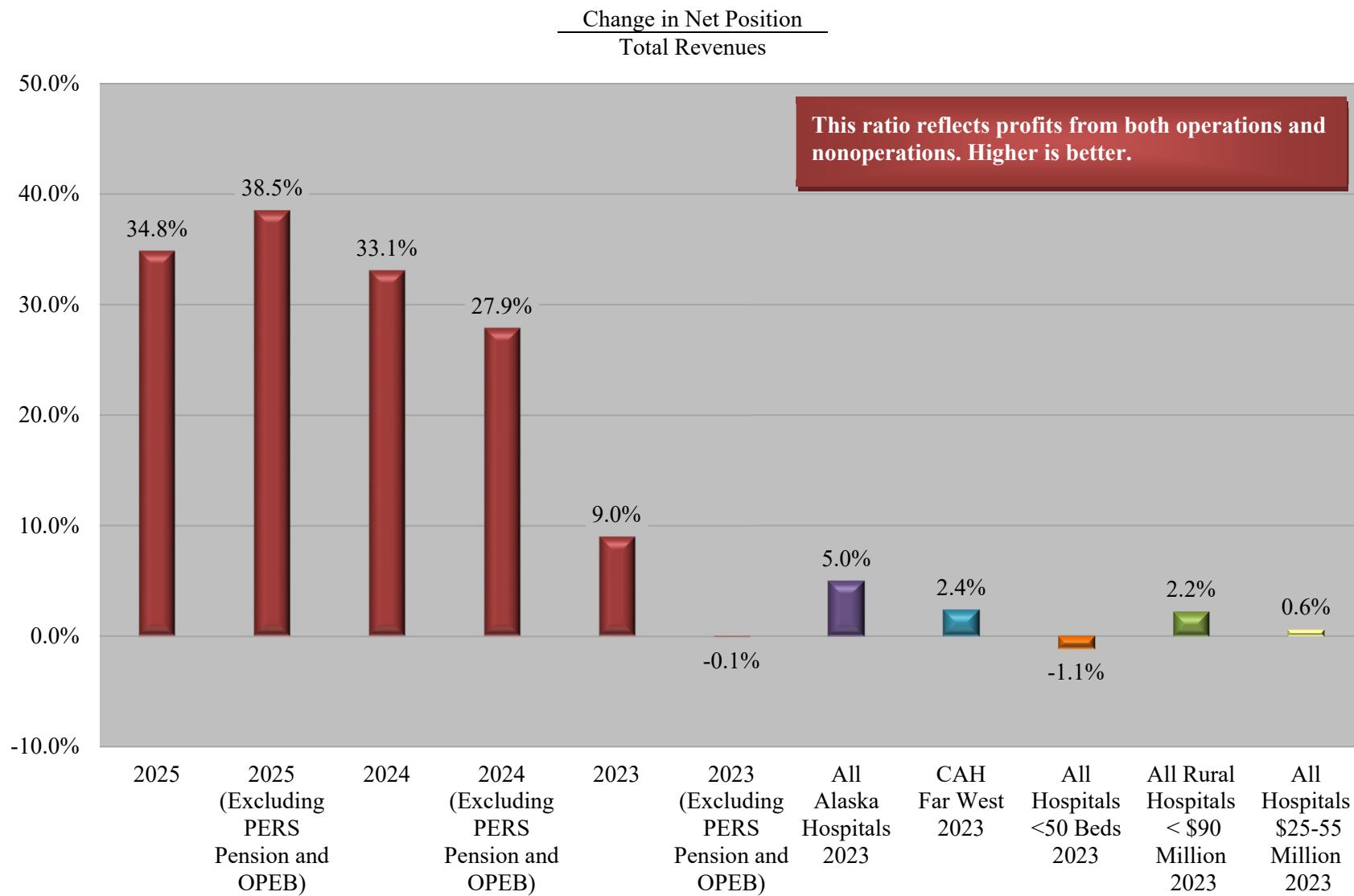
Petersburg Medical Center a Component Unit of the Petersburg Borough

Financial Indicators

June 30, 2025

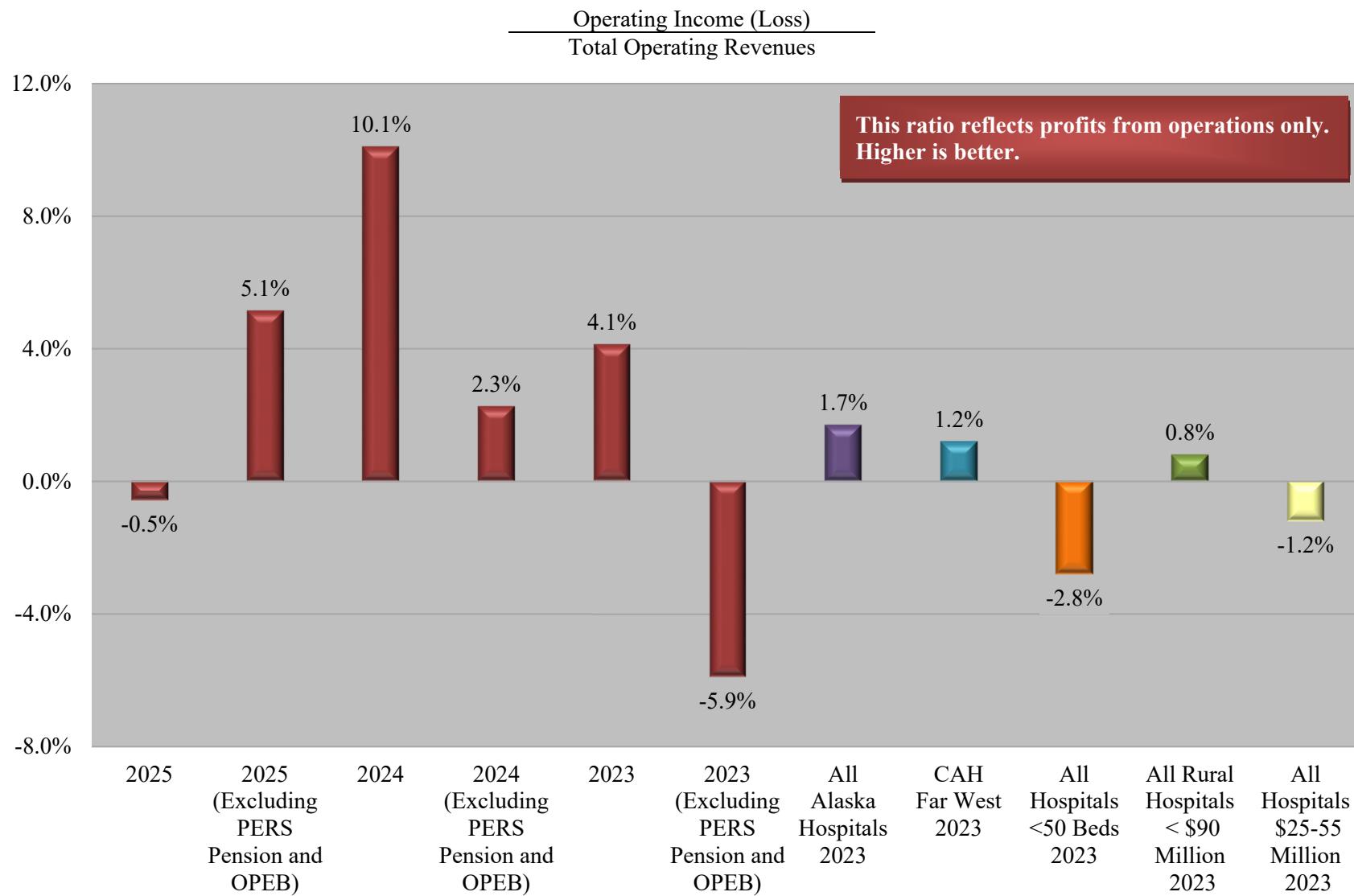
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Total Margin



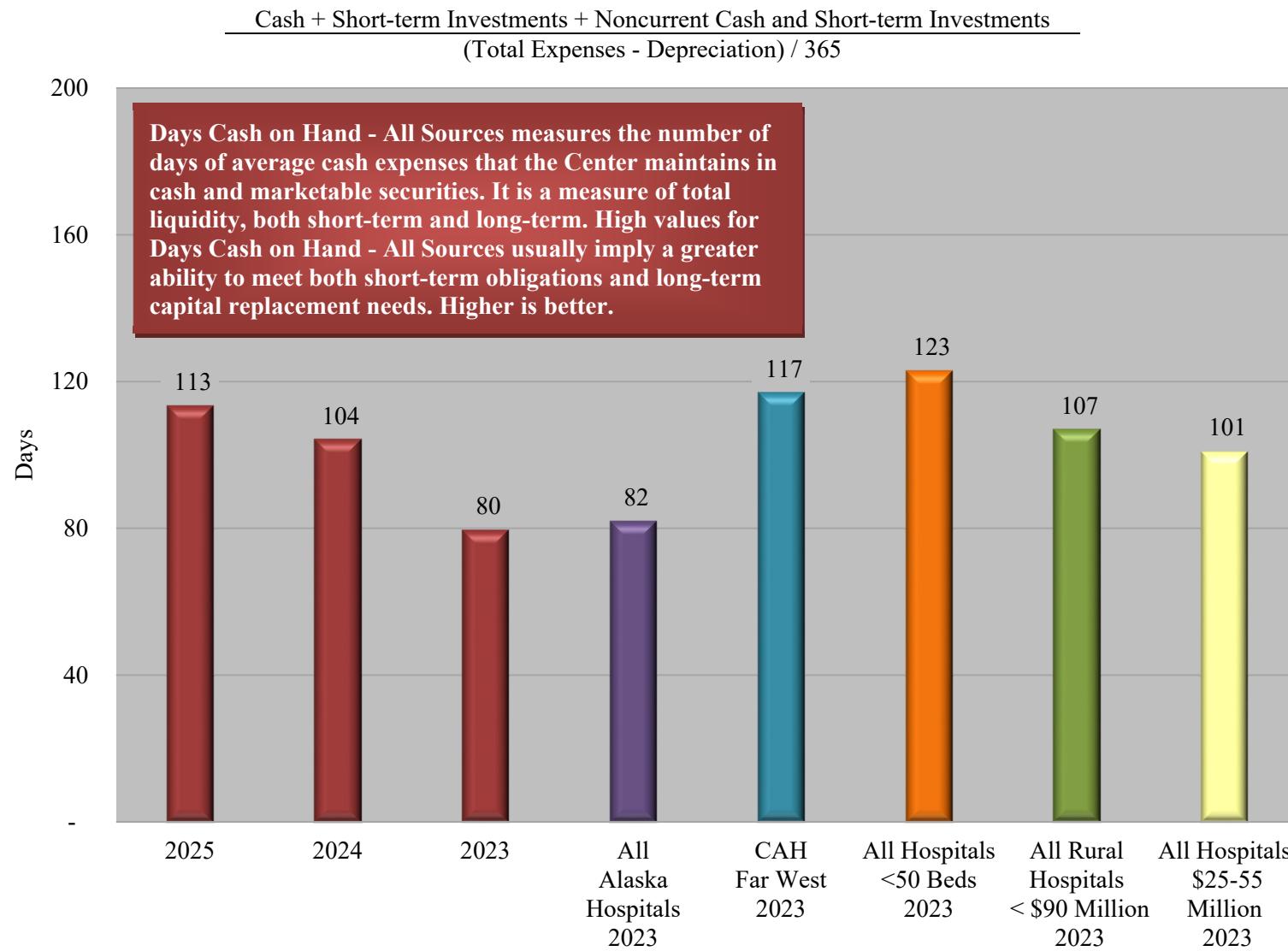
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Operating Margin



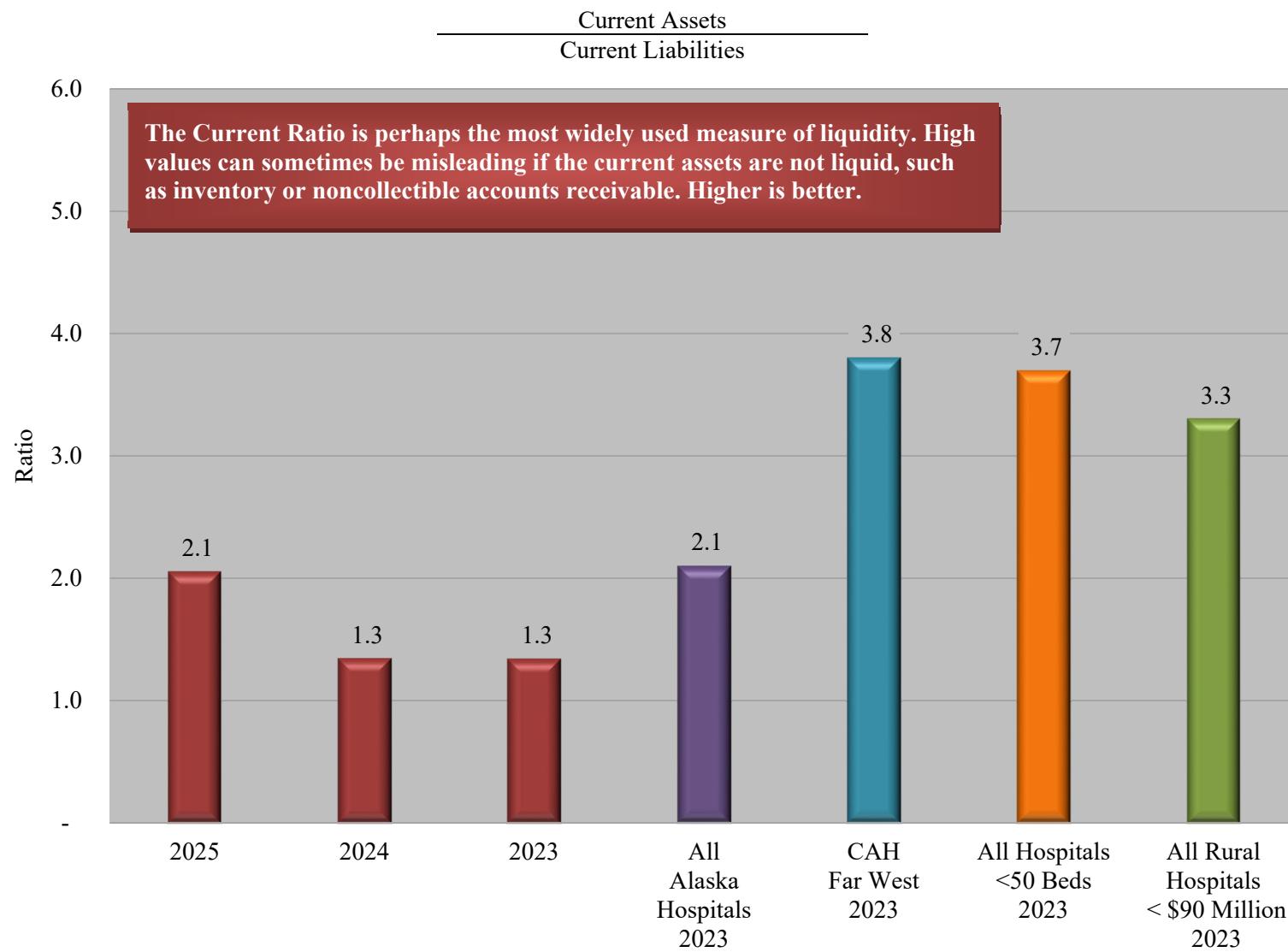
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Days Cash on Hand – All Sources



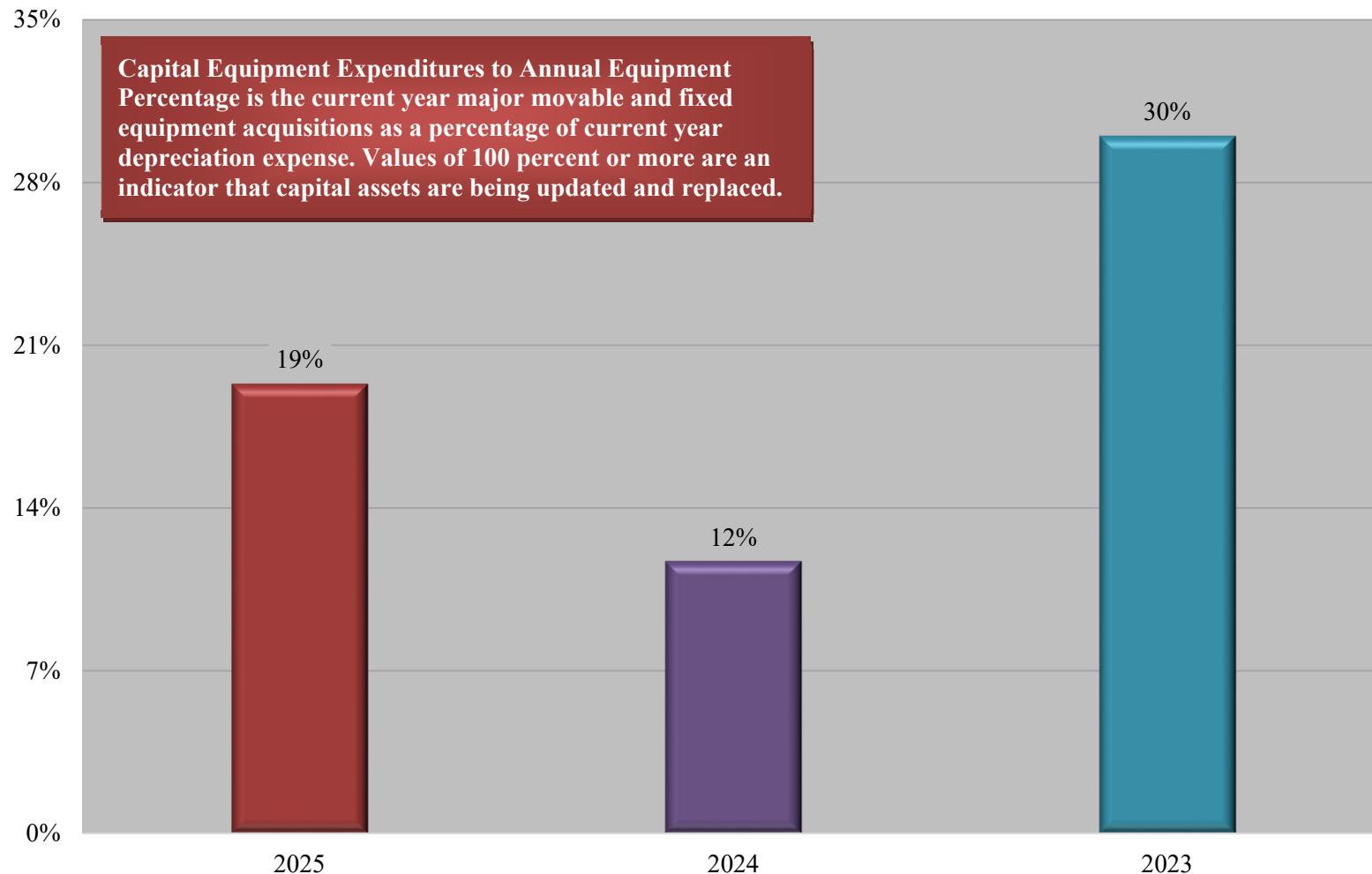
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Current Ratio



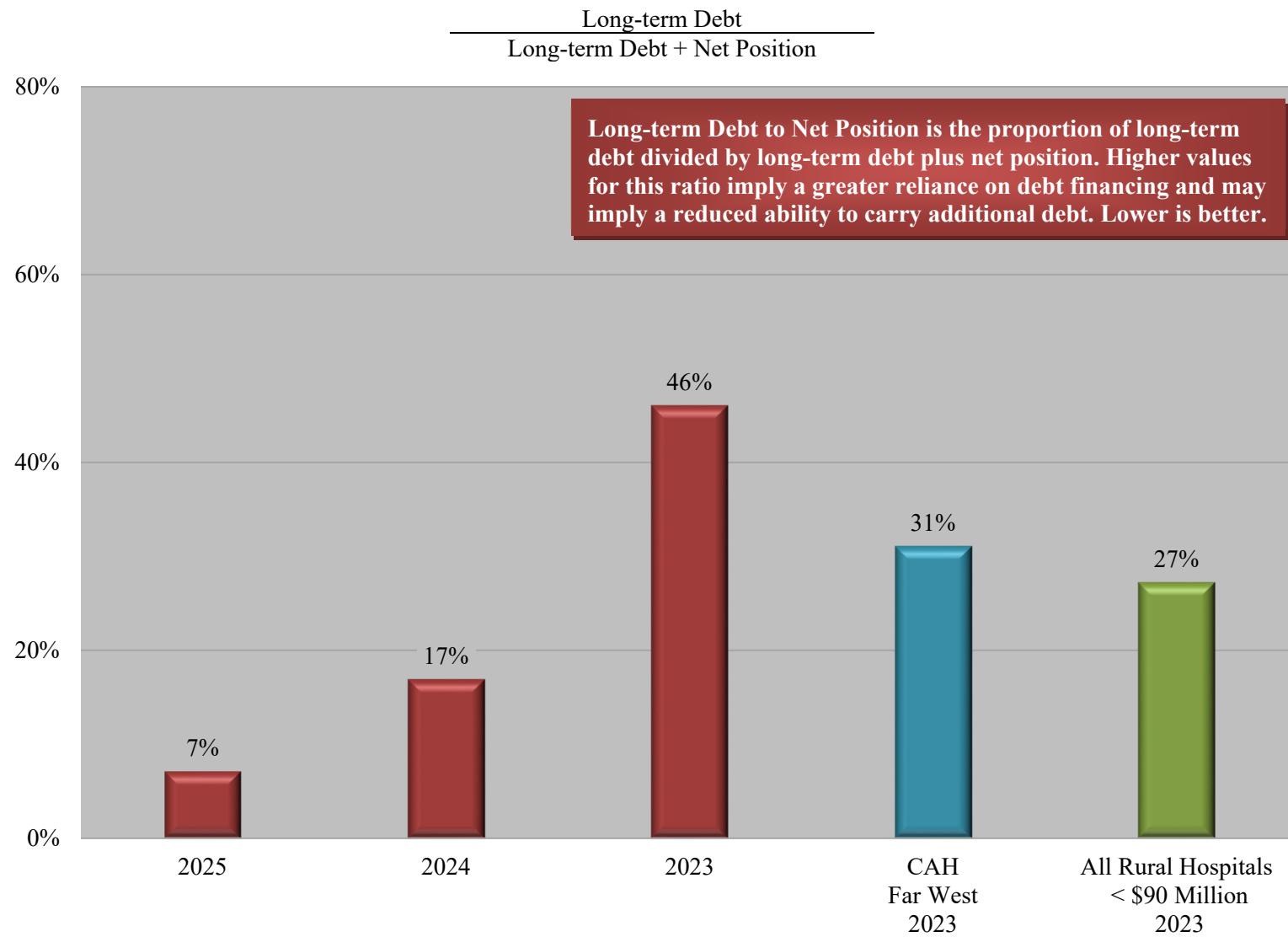
Capital Equipment Expenditures to Annual Equipment Percentage

Capital Equipment Expenditures
Equipment Depreciation Expense



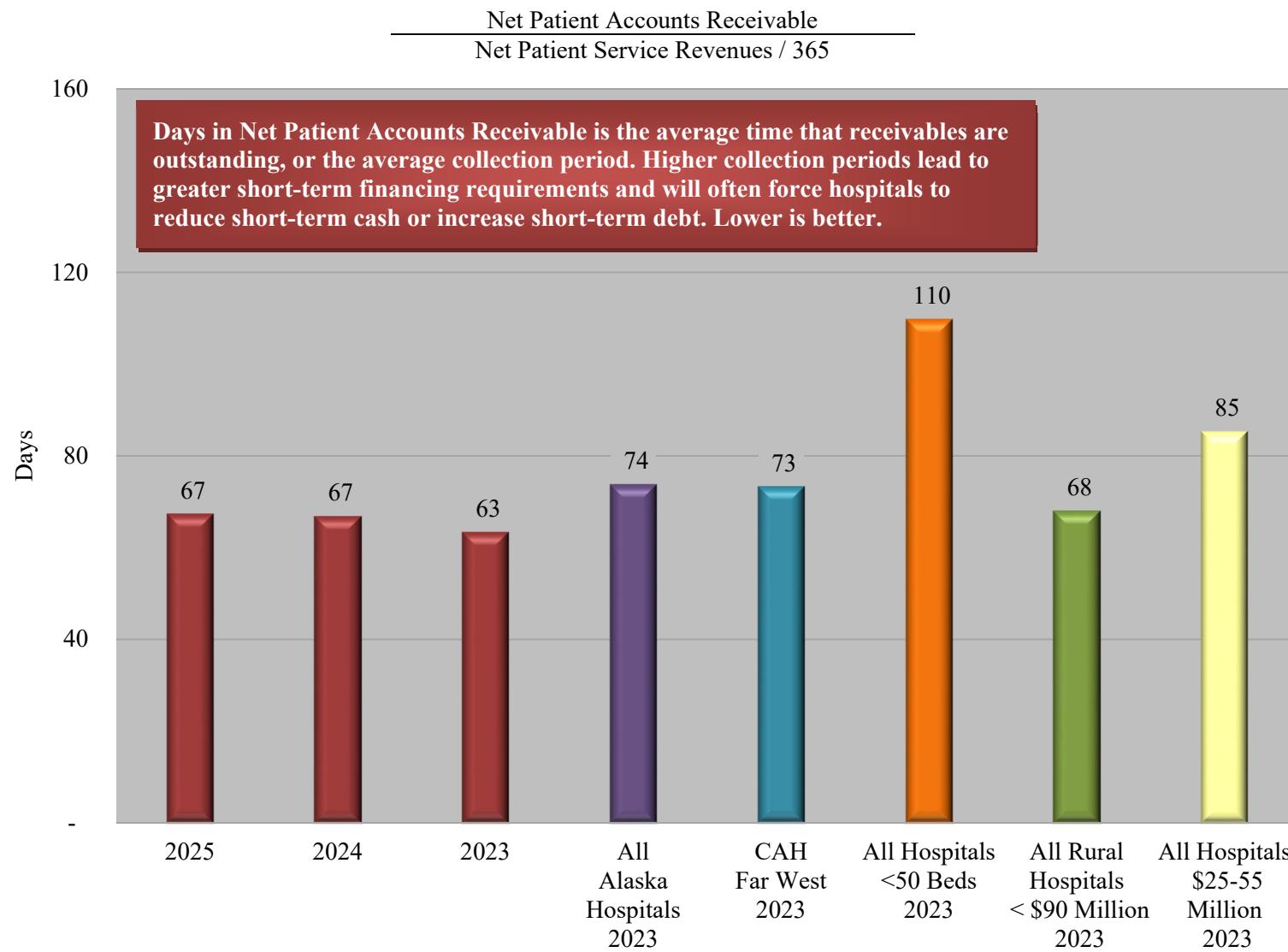
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Long Term Debt to Net Position

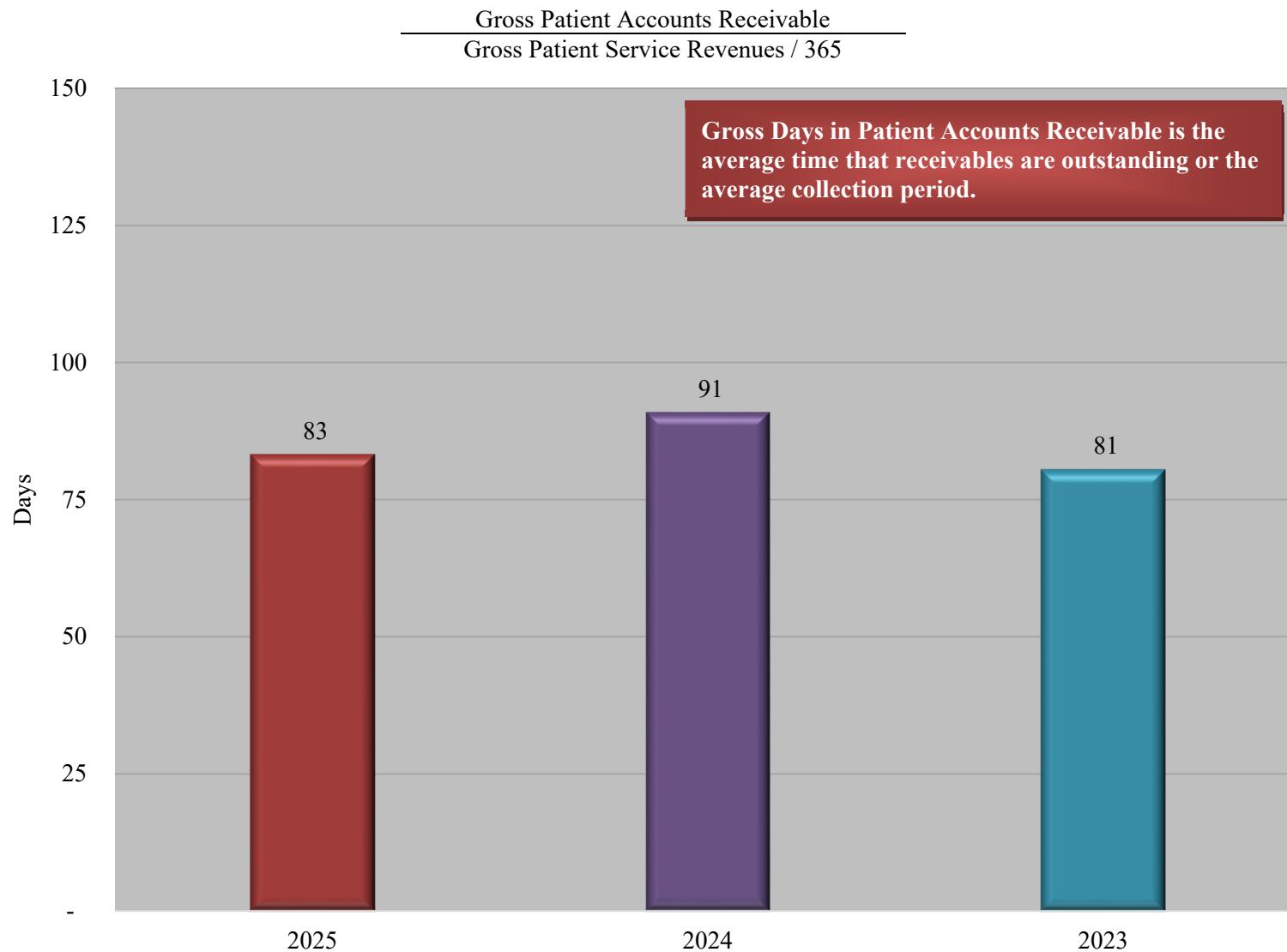


Petersburg Medical Center
a Component Unit of the Petersburg Borough

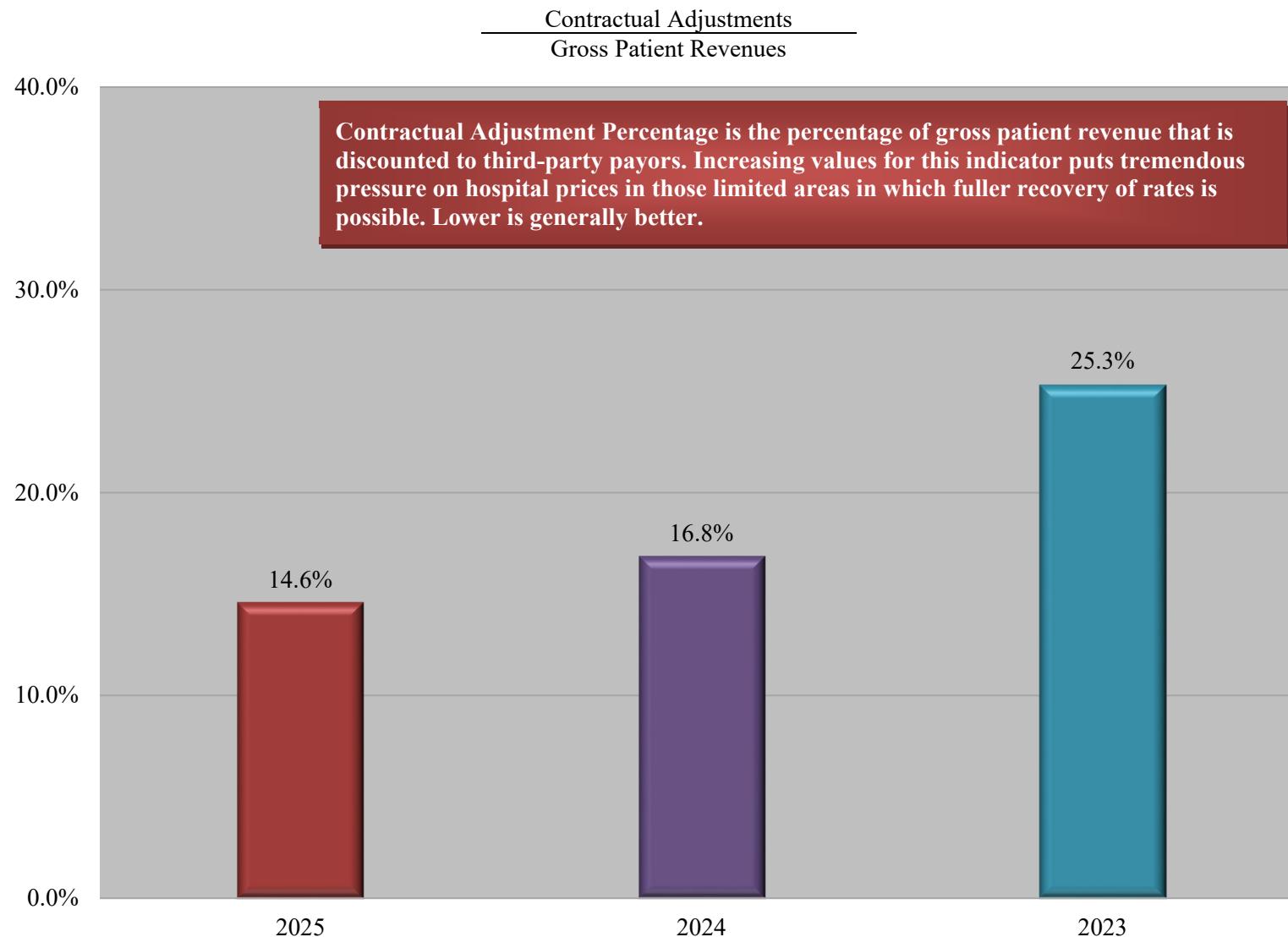
Days in Net Patient Accounts Receivable



Gross Days in Patient Accounts Receivable

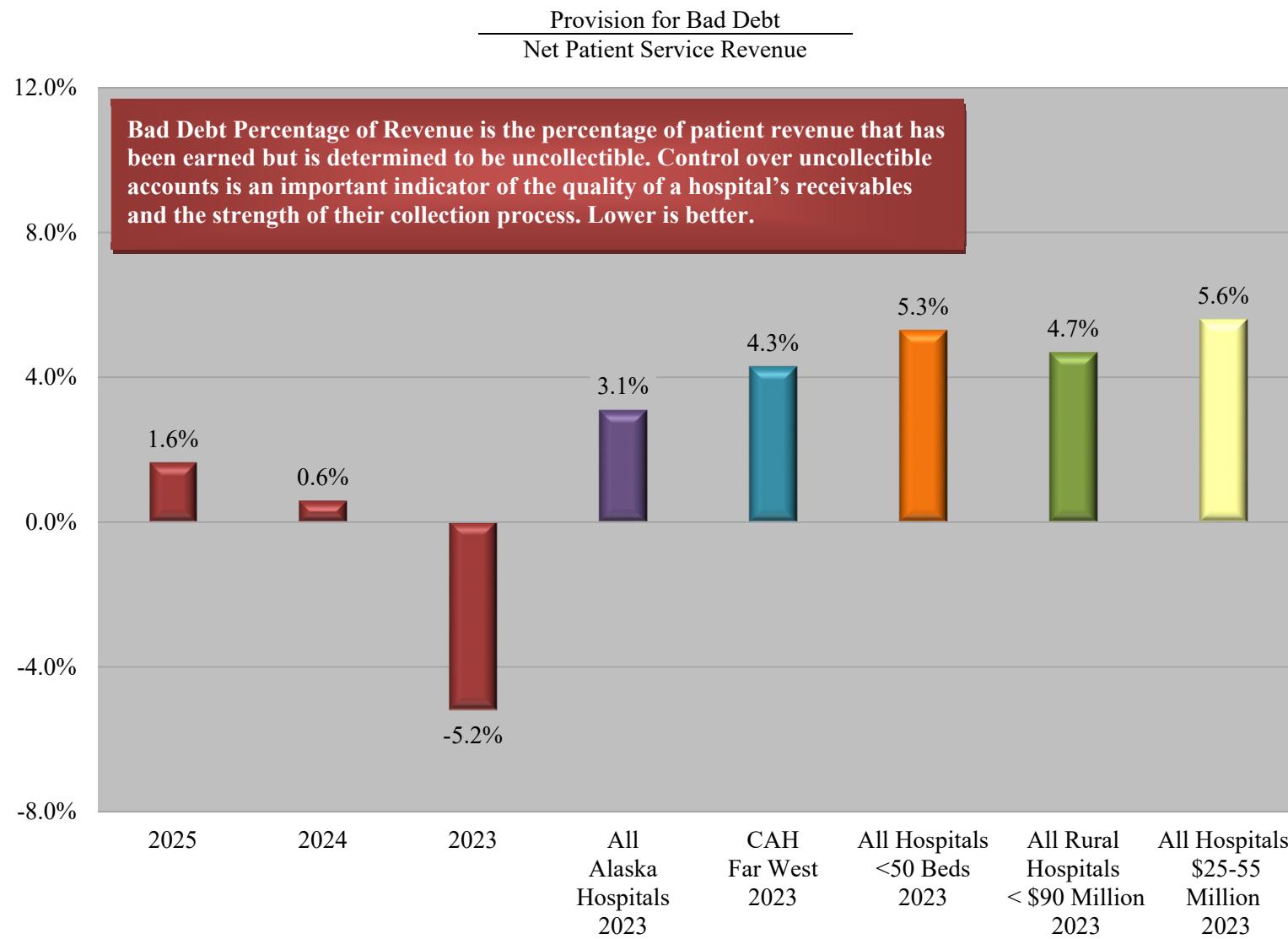


Contractual Adjustment Percentage



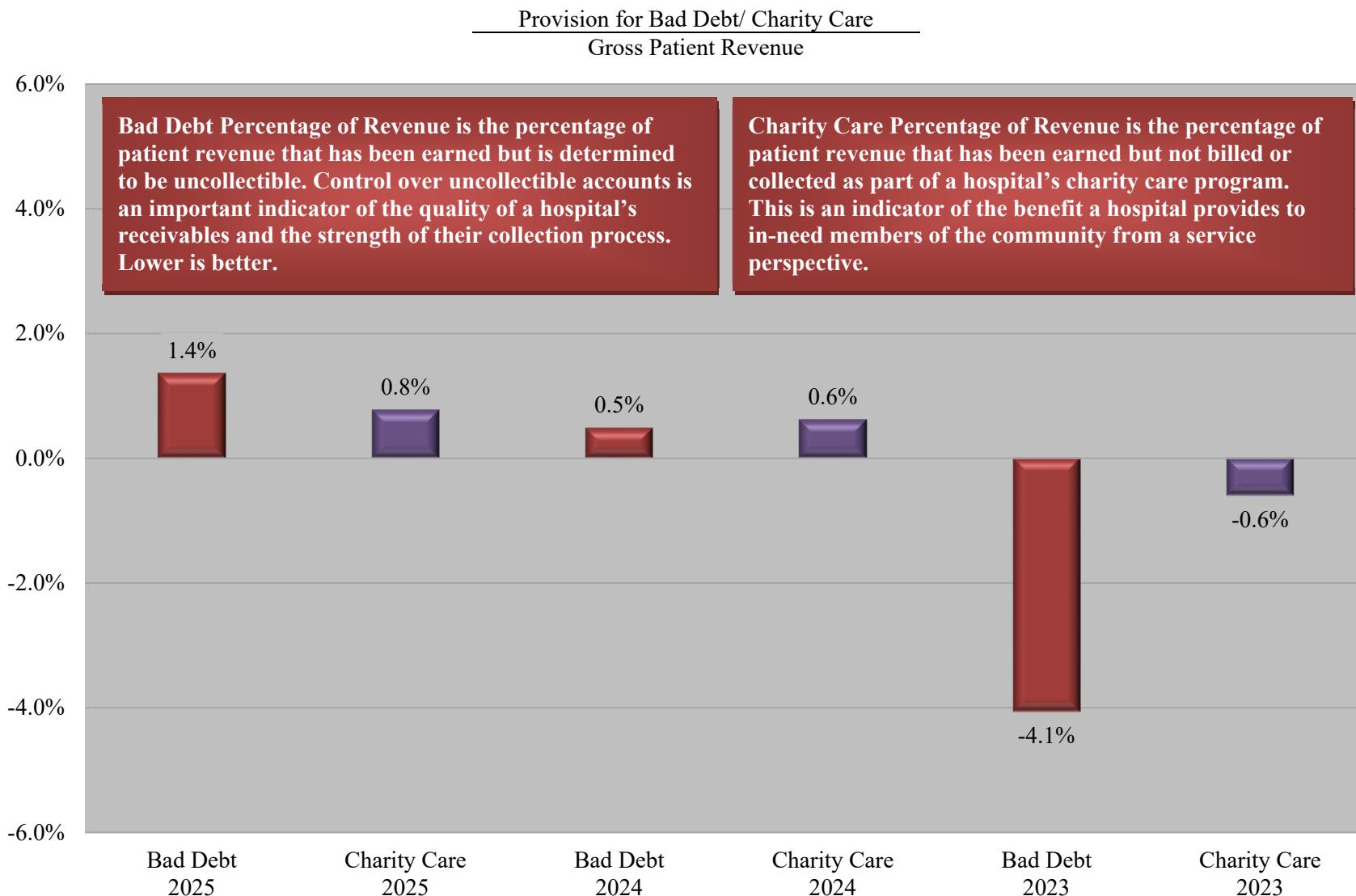
Petersburg Medical Center
a Component Unit of the Petersburg Borough

Bad Debt Percentage of Revenue

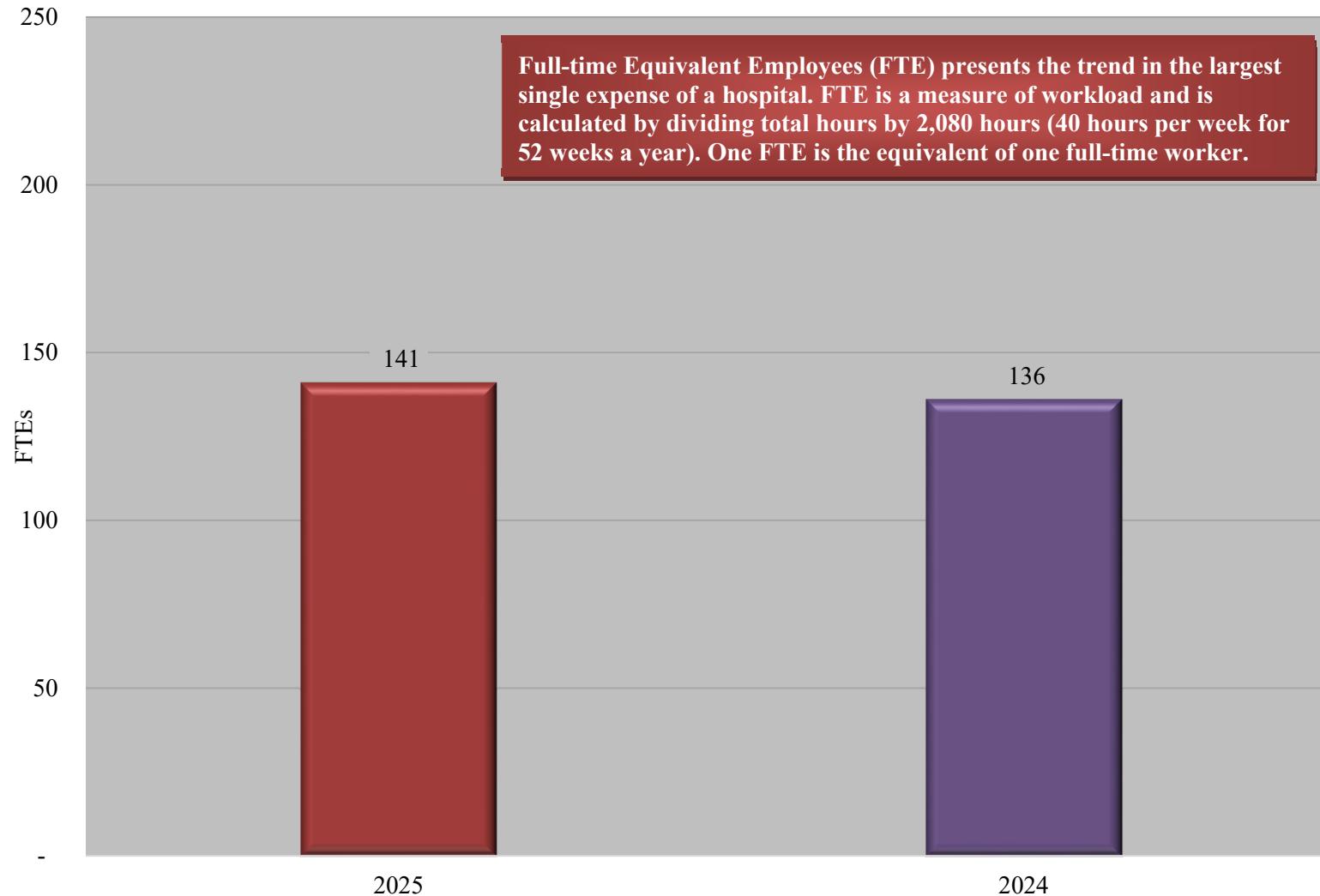


Petersburg Medical Center
a Component Unit of the Petersburg Borough

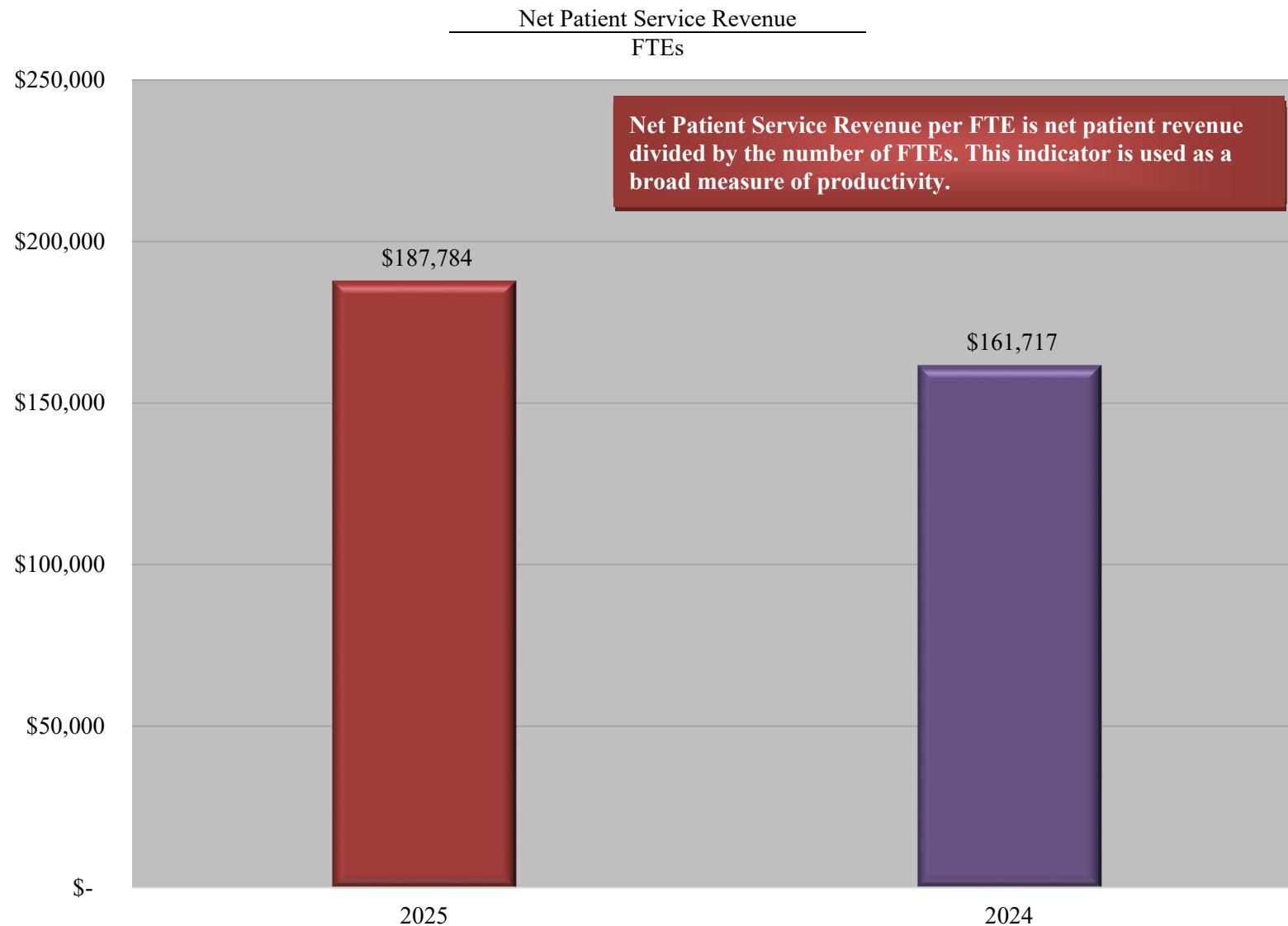
Bad Debt and Charity Percentage of Revenue



Full-time Equivalent Employees (FTE)

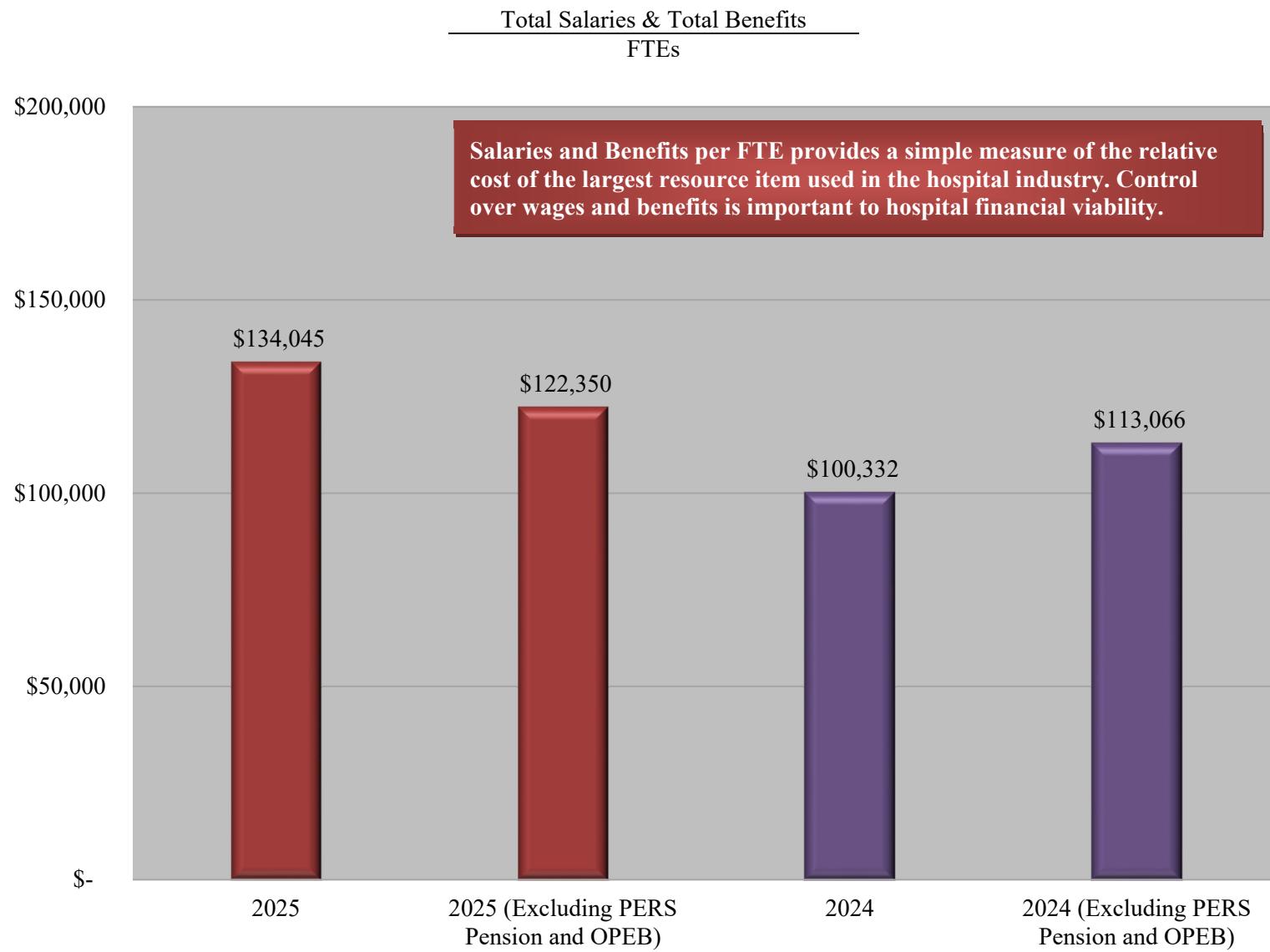


Net Patient Service Revenue per FTE



Petersburg Medical Center
a Component Unit of the Petersburg Borough

Salaries and Benefits per FTE



**Petersburg Medical Center
Petersburg, Alaska**

BOARD RESOLUTION # 2026-01

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

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

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

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

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

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

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

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

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

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

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

Jerod Cook, Board Chair

ATTEST:

**Philip Hofstetter, CEO
Petersburg Medical Center**

**Petersburg Medical Center
Petersburg, Alaska**

Board Resolution #2021-01

**A Resolution Supporting the Planning for a New Hospital Facility in Petersburg
to be Completed in Phases**

WHEREAS, the Petersburg Borough Assembly (the "Assembly") and the Petersburg Medical Center Board ("PMC Board") recognize the need for quality health care for the residents of Petersburg; and

WHEREAS, the Assembly and the PMC Board recognize the substantive changes in health care delivery, health care regulations, privacy concerns, treatment processes, equipment, communications and procedures; and

WHEREAS, the current health care facility for Petersburg Medical Center is nearing forty (40) years of age and its infrastructure can no longer be remodeled to accommodate necessary upgrades, making the existing facility in need of replacement; and

WHEREAS, existing Petersburg Medical Center departments are in need of more space to meet the needs of the patients and staff, accommodate technological upgrades, and accommodate more modern medical equipment; and

WHEREAS, the Assembly has stated that the cost of building a new facility exceeds the Borough's ability to finance or bond for the building project making it imperative that the building project be completed in phases as external sources of funding become available; and

WHEREAS, the PMC Board supports the concept of building a new hospital in phases; and

WHEREAS, the Assembly has agreed to provide 1 of 3 sites to Petersburg Medical Center as part of the planning for construction of a new hospital; and

WHEREAS, the Assembly supports Petersburg Medical Center moving forward with the geotechnical work so that a specific site can be designated by the Borough to Petersburg Medical Center for the planning for a new hospital; and

WHEREAS, the Assembly has passed a Resolution in support of the PMC Board moving forward with Phase 2 of the building process to bring the selected site for the new hospital building to shovel ready status;

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

1. Thanks the Assembly for its Resolution Supporting the PMC Board and Petersburg Medical Center in the Planning for a New Hospital Facility in Petersburg to be Completed in Phases; and
2. Seeks to engage with the public and develop a plan for a new facility that will meet the needs of Petersburg Borough residents for health care services into the future; and
3. Will continue to participate with the Assembly in the planning for a new facility; and
4. Supports the manager and staff working with the Petersburg Medical Center Chief Executive Officer and potential contractors in connection with planning for a new facility; and
5. Will continue to seek external financing for the new facility; and
6. Will continue to keep the Assembly updated on the status of the new building project.

Passed and approved by the Petersburg Medical Center Board this 23 day of

September, 2021.



Jerod Cook, Board Chair

ATTEST:



Philip Hofstetter, CEO
Petersburg Medical Center

**PETERSBURG BOROUGH
RESOLUTION # 2026-01**

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

WHEREAS, the Petersburg Borough Assembly ("Assembly") recognizes the ongoing importance of ensuring reliable access to high-quality, safe, and sustainable health care services for Petersburg Borough residents and visitors;

WHEREAS, in 2021, the Assembly adopted Resolution #2021-04, a copy of which is attached hereto as Exhibit A, expressing its support for Petersburg Medical Center ("PMC") in the initial planning for new health care facilities to be developed in phases ("Project");

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

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

WHEREAS, the Assembly continues to support PMC as it proceeds with subsequent phases of Project development; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE PETERSBURG BOROUGH ASSEMBLY THAT:

- 1) The Assembly reaffirms and continues its support for the PMC in the phased development, construction, and completion of a health care facility intended to serve the health care needs of Petersburg Borough residents and visitors;
- 2) The Assembly approves and supports PMC's development and construction of the Workforce, Education, Resource Center's (WERC) hospital administrative, support, and outpatient services building and MRI suite as part of the Project and supports PMC's pursuit of all related regulatory approvals;
- 3) The Assembly affirms its support for PMC's ongoing compliance with and participation in the state of Alaska CON process related to the Project;
- 4) The Assembly supports continued public engagement, transparency, and communication with the community regarding the progress and development of the Project; and
- 5) The Assembly supports the Borough Manager and staff working collaboratively with PMC leadership and contractors in connection with planning, construction, and regulatory compliance activities pertaining to the Project.

PETERSBURG BOROUGH
RESOLUTION # 2026-01

PASSED AND APPROVED by the Petersburg Borough Assembly on January 20, 2026.



Bob Lynn, Mayor

ATTEST:



Rebecca Regula, Borough Clerk

Exhibit A
(to Resolution #2026-01)
Petersburg Borough, Petersburg, Alaska
RESOLUTION #2021-04

**A RESOLUTION SUPPORTING THE PETERSBURG HOSPITAL BOARD AND
 PETERSBURG MEDICAL CENTER IN THE PLANNING FOR A NEW HOSPITAL FACILITY
 IN PETERSBURG TO BE COMPLETED IN PHASES**

WHEREAS, the Petersburg Borough Assembly recognizes the need for quality health care for Petersburg residents; and

WHEREAS, the Assembly recognizes the health care industry's substantive changes in health care regulations, privacy concerns, treatment processes, equipment, communications and procedures; and

WHEREAS, our current health care facility, Petersburg Medical Center, is reaching forty (40) years of age and infrastructure can no longer be remodeled to accommodate the necessary upgrades, making the existing facility obsolete and in need of replacement; and

WHEREAS, there are safety concerns with structural deficiencies and age of equipment; and

WHEREAS, PMC departments are in need of more space to meet the needs of their patients and staff; and

WHEREAS, the cost of a new facility far exceeds the Boroughs ability to finance or bond for the project, making it imperative that the project be completed in phases as external sources of funding are available; and

WHEREAS, the Assembly support the concept and planning association with building a new hospital, but would like PMC to proceed in phases; and

WHEREAS, the Assembly has agreed to provide 1 of 3 sites to PMC as part of the planning for construction of a new hospital; and

WHEREAS, the Assembly supports PMC moving forward with the geotechnical work so that a specific site can be designated by the Borough to PMC for the planning for a new hospital; and

WHEREAS, the Assembly supports the Hospital Board in moving forward with phase 2 to bring the selected site to shovel ready status.

THEREFORE BE IT RESOLVED, the Petersburg Borough Assembly:

- 1) Supports the efforts of the Petersburg Hospital Board and PMC in their endeavor to engage the public and develop a plan for a new facility that will meet the needs of Petersburg Borough residents for health care services well into the future; and
- 2) Supports the continual need for public dialogue and participation in the planning for a new facility, and
- 3) Wishes to participate with the Hospital Board and CEO in the planning for a new facility, and

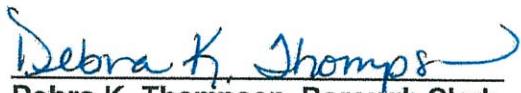
- 4) Supports the manager and staff working with the Hospital CEO and potential contractors in connection with planning for a new facility, and
- 5) Supports the Board in its effort to seek external financing for the facility; and
- 6) Lends its support in the search for external sources of funding.

Passed and Approved by the Petersburg Borough Assembly on May 17, 2021.



Mark Jensen, Mayor

ATTEST:



Debra K. Thompson, Borough Clerk