Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda
Hospital Board
Regular Meeting

Thursday, July 30, 2026 | **5:30 PM** | **WERC building large conference room**

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

https://us06web.zoom.us/j/81858824545?pwd=bmxQT4TK0xaxuLCxZ4gfEjw0BR42z7.1
Webinar ID: 818 5882 4545
Passcode: 104377

1. **Call to Order/Roll Call**
   - **A.** Call to Order
   - **B.** Roll Call
2. **Approval of the Agenda**
   - **A.** Approval of the July 30, 2026, Hospital Board Meeting Agenda
   - **B.** Do any board members have a conflict of interest, or a potential conflict of interest, with respect to any item on today's agenda that should be disclosed?
3. **Approval of Board Minutes**
   - **A.** Approval of the June 25, 2026, Hospital Board Meeting Minutes
4. **Visitor Comments**
5. **Board Member Comments**
6. **Committee Reports**
   - **A.** Resource Committee
   - **B.** Long Term Care Quality Committee
   - **C.** Critical Access Hospital Quality Committee
7. **Reports**

A. Home Health
Ruby Shumway submitted a written report.

B. Imaging
Sonja Paul submitted a written report.

C. Lab
Violet Shimek submitted a written report.

D. Long Term Care
Helen Boggs submitted a written report.

E. Patient Financial Services
Carrie Lantiegne submitted a written report.

F. New Facility
Justin Wetzel with Arcadis submitted a written report.

G. Quality
Stephanie Romine submitted a written report.

H. Infection Prevention
Rachel Kandoll submitted a written report.

I. Executive Summary and Grants Update
CEO, Phil Hofstetter, submitted a written report.
Katie Bryson submitted Grants report.

J. Financial
CFO, Jason McCormick submitted a written report.

8. Old Business

A. Housing Update: assess more permanent housing needs for PMC discussion

9. New Business

A. Bylaws Revision
Proposed changes to Article VII (suggested addition "E" pg.8, in red), and Article VIII (pg. 10, suggested additional language in red). Spelling correction (pg.12, in red).

These suggestions were made public, read aloud, and reviewed at the last public board meeting held on June 25th, 2026. Per Article XI, the board may now vote to approve these changes as presented.

10. Next Meeting

A. Currently scheduled for August 27th, 2026, at 5:30pm at the Wellness, Education, and Resource Center (WERC) in the large conference room.

11. Executive Session

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

12. Adjournment

Petersburg Borough
Petersburg Medical Center

Meeting Minutes
Hospital Board
Regular Meeting

12 South Nordic Drive
Petersburg, AK 99833

Thursday, June 25, 2026 | **5:30 PM** | **Assembly Chambers**

1. Call to Order/Roll Call

A. Call to Order

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

B. Roll Call

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

ABSENT
Board Member Heather Conn
Board Member Joni Johnson

2. Approval of the Agenda

A. Approval of the June 25, 2026, Hospital Board Meeting Agenda

Motion made by Board Secretary Cushing to approve the June 25, 2026 Hospital Board Meeting Agenda with the amended addition of Foundation report under Committee Reports, Seconded by Board Member Stratman.
Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

Board President Cook inquired whether any board members had an actual or potential conflict of interest with respect to any item on the agenda requiring disclosure. No conflicts were reported, and the Board proceeded with the meeting.

3. Approval of Board Minutes

A. Approval of the May 28, 2026, Hospital Board Meeting Minutes

Motion made by Board Member Stratman to approve the May 28, 2026, Hospital Board Meeting Minutes. Seconded by Board Member Roberts. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

4. Visitor Comments

Roy Rountree from Bettisworth North commented that their team continues to be happy to work with PMC in designing New Facility and are available to take any questions anyone may have.

Tom Kowalski asked about the hospital's MRI shielding and expressed concern about local public health issues, including cancer rates. He encouraged the hospital board to review available information, investigate potential concerns, and identify opportunities for improvement where appropriate.

Jennifer Bryner expressed gratitude as a family member of someone who needed and received great care at PMC.

5. Board Member Comments

6. Committee Reports

A. Resource Committee

Vice President Cindi Lagoudakis reported seasonal increases in clinic visits, rehabilitation services, home health visits, and emergency room volumes. Long-term care census declined over the past year but is beginning to increase as new patient approvals and re-approvals are processed. The committee noted that Medicare reimbursements for the prior fiscal year remain pending and that depreciation associated with the WERC building will affect future Medicare reimbursements. Stronger-than-expected 340B revenue and increased patient volumes have contributed to a positive fiscal position.

Department heads continue to address unmet patient needs through equipment purchases and expanded testing capabilities. The committee also discussed higher-than-budgeted contract labor, increased maintenance expenses, and higher utility costs associated with the WERC building and MRI, while noting that the MRI is now generating revenue. Cash reserves remain strong, vendor payments are current, and audit work is ongoing, with a trial balance expected by the end of August. The committee also discussed a budget amendment to authorize additional expenditures and noted that total operating revenue has increased by more than 9% since FY2023.

The committee reported that three RHTP grant applications have been submitted, with award decisions anticipated in late July. Grant funding continues to play a significant role in hospital operations, supporting 3.5 full-time equivalent positions across 13 PMC positions in FY2026. The committee also noted that most previously awarded HRSA facility funding and State of Alaska Coronavirus project funding has now been expended.

B. Bylaws Committee
Proposed changes to Article VII (suggested addition "E" in red), and Article VIII (suggested additional language in red). *See attached*
Per Bylaws, suggested changes must be submitted in writing, see attached, and read, prior to being voted on at the next meeting.

Board President Cook read the proposed ByLaws updates that were included in the board packet, aloud. Board Vice President Lagoudakis noted a spelling correction needed in the title of Article XI. Board Member Stratman added that he attended the Bylaws Committee meeting and the meeting took place with our attorney present who suggested these additions and changes. These changes are now submitted to be reviewed and voted on at the next board meeting.

C. LTC Quality Committee

Board Member Stratman reported on the Long-Term Care Quality Committee meeting held on June 17. The committee reviewed and approved the Long-Term Care Facility Assessment. An update was provided that the fall prevention system has been fully installed in the Long-Term Care unit.

The committee also reviewed the facility room maintenance list. A draft list was discussed, and staff will make any necessary revisions; this action item was marked complete.

Survey readiness was discussed, including confirmation that disposable glove stations, hand sanitizer stations, and sharps containers have been addressed. The committee also discussed the active policy list currently being developed, which is expected to be presented at the next Quality Committee meeting.

Foundation:

Board Secretary Marlene reported on the PMC Foundation meeting held July 22. The primary focus of the meeting was preparation for the Pedal Paddle Battle scheduled for August 8.

The event begins at Scow Bay, with participants able to paddle a paddleboard, kayak, or canoe, or participate by bicycle, and concludes at Sandy Beach, where a picnic and prize drawings will be held. The event serves as the Foundation’s largest fundraiser supporting education scholarships for high school students and staff pursuing continuing education.

Sponsorship and participation opportunities are available through the PMC website.

7. Reports

A. Human Resources
Cindy Newman submitted a written report.

Cindy Newman provided the Human Resources report. Board Secretary Cushing inquired about the reference to “eight travelers on leave of absence,” and Cindy explained that these individuals are travel staff who have expressed an intention to

return to work within a defined timeframe. Rather than being terminated, they are placed on a leave of absence, typically with an expected return within a short period (e.g., 4–8 weeks), rather than an indefinite absence.

Secretary Cushing further clarified that her concern was whether this referred to staff who had experienced emergencies or illnesses; Cindy confirmed this was not the case and noted that travel staff often take brief personal time away and generally return to their assignments.

Board President Cook requested clarification on total employee numbers. Cindy explained that staffing levels fluctuate due to leaves of absence and variable staffing needs, as well as seasonal and as-needed positions. She estimated current staffing at approximately 197 employees, with numbers varying by pay period. She noted that reporting to the Department of Labor is based on a standardized pay period and methodology that results in normal fluctuations in reported totals.

B. New Facility
Justin Wetzel with Arcadis submitted a written report.

C. Quality
Stephanie Romine submitted a written report.

Board Member Stratman commented that a member of the public had great things to say about the Cedar Social Club program.

Board Vice President Lagoudakis requested additional information regarding the public quality dashboard referenced in the report. Stephanie explained that the dashboard is in the early stages of development, with the goal of providing monthly safety and overall quality metrics for the hospital. She noted there is potential for the information to be made available to the public once fully developed.

D. Infection Prevention
Rachel Kandoll submitted a written report.

E. Executive Summary
CEO Phil Hofstetter submitted a written report
K. Bryson submitted grants report
WERC Open House Flyer
Thank you Letter to Senator Murkowski

CEO, Phil Hofstetter, submitted his report and highlighted several key updates.

He noted a major milestone with the MRI service, which is now operational and has begun seeing patients this week. He explained that the MRI suite is a highly controlled environment, including a copper-lined, room-within-a-room design, with strict safety and workflow procedures required due to the magnetized equipment and regulated environment.

An open house for the WERC building is planned for July 14 from 3:00–6:00 p.m. to introduce the community to the new services and facilities. The event will showcase the MRI, education spaces including the public-facing computer lab and telehealth

pod, and conference rooms. The CEO will also provide a presentation outlining future planning and next phases of development.

He provided updates on capital projects, including the implementation of the Pyxis medication dispensing system in the Emergency Department and Acute Care units, which supports medication safety initiatives. A new chemistry analyzer is also being installed in the laboratory, improving testing capability and turnaround times, with additional in-house testing becoming available following required regulatory and pathology approvals.

The Direct Primary Care program is preparing for launch, offering a subscription-based primary care model to improve affordability and access for community members not covered by Medicare or Medicaid, in compliance with regulatory requirements.

He reported continued progress in facility improvements following the transition to the new campus, including the development of a second physical therapy and rehabilitation gym, made possible through repurposed space and facility support.

The CEO also noted a recent visit from Senator Lisa Murkowski, who toured the WERC building. He expressed appreciation for prior funding support that contributed to the development of the campus.

Youth programs are expanding under Katie Holmlund's leadership, with a focus on outdoor health and wellness programming and youth engagement beyond traditional childcare models.

Regarding operations, he reported stable census trends overall, with lower long-term care inpatient census, typical seasonal increases in Emergency Department volume, stable clinic activity, and a recent increase in home health encounters. Hofstetter also highlighted the successful continuation of the scope clinic this week, providing colonoscopy and endoscopy services locally, improving access to preventive care and reducing the need for patients to travel outside the community.

Board Secretary Cushing asked where a person should go if they want to sign up for Direct Primary Care or if they wanted more information about it. Hofstetter replied that both the business office and the clinic office were locations to get information.

Board Vice President Lagoudakis commented that the new rehabilitation space is much better, with more room to spread out and space to use equipment which is very exciting.

CEO, Phil Hofstetter, also noted that Katie Bryson has been working diligently on the proposals for the RHTP grants and as of right now we know of four that will be making it to the next step. Katie is keeping us updated as changes occur. Hofstetter commented on the hard work and effort involved in getting the proposals submitted.

Katie Bryson responded thanking the Petersburg Medical team as a whole for combined efforts from every department.

F. Financial
Jason McCormick submitted a written report.

CFO, Jason McCormick presented the monthly financial and statistical report. He noted that seasonal increases in activity are typical during the summer months, with clinic visits, rehabilitation services, home health, and emergency department volumes remaining strong. Radiology and laboratory services also continued to perform well, with laboratory volumes benefiting from the recent community health fair. Long-term care census increased slightly, while acute care and swing bed volumes remained consistent with expectations.

Financially, gross patient revenues were slightly below the monthly budget; however, net patient revenues exceeded budget due in part to favorable contractual allowance adjustments and strong 340B pharmacy revenues. Operating expenses were above budget, primarily due to contract labor, employee benefits, purchased services, and increased utility costs associated with the new facility. Despite these higher expenses, the organization reported positive monthly net income, supported by strong 340B performance, investment gains, and favorable reimbursement adjustments.

Year-to-date, gross patient revenues, net patient revenues, and total revenues remained above budget. Although operating expenses exceeded budget, overall net income remained close to budget, and investment income significantly outperformed expectations. Non-operating revenues also remained strong due to grant funding associated with the new facility.

CFO, McCormick, reported that management continues to strategically allocate funds between operating and investment accounts to maximize returns while maintaining adequate liquidity. Financial indicators remained favorable, including reduced accounts receivable days, timely payment of accounts payable, and approximately 133 days cash on hand, reflecting the organization's strong financial position and ability to meet operational obligations.

8. Old Business

A. Housing Update

Cindy Newman reported that PMC currently rents 21 apartments throughout town, and we are continuing to look at alternative housing options.

9. New Business

A. Revised Budget Fiscal Year 2026
Action required.

Mr. McCormick reported that year-end expenditures are projected to total approximately $31.1 million, exceeding the approved budget of $30.1 million by approximately $1.0 million. The variance is primarily due to increased contract labor, employee benefits associated with bringing the business office in-house, higher repairs and maintenance costs, and other operating expenses.

He noted that these additional costs are more than offset by increased operating revenues, which are projected to exceed budget by approximately $1.5 million. Additional positive financial factors include a favorable Medicare cost report

settlement, improved long-term care volumes, recovery of approximately $360,000 in bad debt, stronger-than-expected 340B revenues, and increased grant funding.

Motion made by Board Member Stratman to amend the fiscal year 2026 budget by an additional $1.3 million dollars, Seconded by Board Secretary Cushing.
Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

B. Budget Presentation

CFO, Jason McCormick presented Operating and Capital Budget for Fiscal Year 2027.

C. Operating Budget
Action Required: Approval

Mr. McCormick presented the proposed FY2027 operating budget, noting that budget projections were developed using estimated FY2026 year-end results and input from department managers.

The proposed budget assumes stable reimbursement rates for Critical Access Hospital and Medicaid programs, as no confirmed reimbursement changes have been announced. A 3% Medicaid rate increase was included based on current guidance. The budget also incorporates a 5% Chargemaster increase, approximately $2 million in additional revenue from the new MRI service line, market-based wage adjustments, increased contract labor for MRI staffing, and approximately $1 million in known grant revenue. Grant funding related to the Rural Healthcare Transformation Program was not included and will be addressed through a future budget amendment if awarded.

Mr. McCormick reported that the proposed operating budget projects approximately $31 million in operating expenses and a positive net income of approximately $753,000. He noted that appropriations were budgeted approximately 2% above anticipated expenditures to provide operational flexibility while maintaining fiscal responsibility. He submitted the FY2027 Operating Budget for Board approval.

Motion made by Board Member Stratman to approve the FY2027 Operating Budget as presented, Seconded by Board Vice President Lagoudakis. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

Roll Call Vote:
Board President Jerod Cook-Yes
Board Vice President Cindi Lagoudakis-Yes
Board Secretary Marlene Cushing-Yes
Board Member Joe Stratman-Yes
Board Member Jim Roberts-Yes

ABSENT
Board Member Heather Conn
Board Member Joni Johnson

Motion passes.

D. Capital Budget
Action Required: Approval

CFO, Jason McCormick, presented the proposed FY2027 capital budget totaling approximately $1.85 million. Major planned purchases include a replacement CT scanner (budgeted at $700,000), hospital beds and related equipment (approximately $700,000 combined), information technology upgrades, replacement vehicles, and other equipment needs.

He explained that administration intends to seek Board approval at a later date to finance up to $1.4 million for the CT scanner and hospital bed purchases through a capital lease rather than using cash reserves. Financing is expected to provide a more favorable long-term financial outcome while preserving capital reserves for future needs.

During Board discussion, staff clarified that the vaccine refrigerator and colonoscope had already been purchased and were therefore removed from the capital budget.

In closing, Mr. McCormick highlighted the hospital's improved financial position, noting that cash on hand has increased from 62 days three years ago to approximately 133 days, reflecting improved patient volumes, operational efficiencies, and continued positive financial performance. He submitted the FY2027 Capital Budget for Board approval.

Motion made by Board Secretary Cushing to approve the FY2027 Capital Budget as presented, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts

Roll Call Vote:
Board President Jerod Cook-Yes
Board Vice President Cindi Lagoudakis-Yes
Board Secretary Marlene Cushing-Yes
Board Member Joe Stratman-Yes
Board Member Jim Roberts-Yes

ABSENT
Board Member Heather Conn
Board Member Joni Johnson

Motion passes.

10. Next Meeting

A. Currently scheduled for July 30th, 2026, at 5:30pm.

11. Executive Session

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

Motion made by Board Secretary Cushing to enter into Executive Session to consider medical staff appointment or reappointments, and to discuss any legal and financial concerns, seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

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

Motion made by Board Secretary Cushing to reappoint Claire Creutzfeldt, MD, Arielle Davis, MD, Jonathan Jo, MD, Rizwan Kalani, MD, Sandeep Khot, MD, Ryan Kiser, MD, George Leonard, MD, Hope Opara, MD, Corey Orton, MD, Brandon Roller, MD, Alison Seitz, MD, Breana Taylor, MD, David Tirschwell, MD, Natalie Weathered, MD, Jonathan Weinstein, PHD, and Vivian Yang, MD, to medical staff. Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, and Board Member Roberts.

12. Adjournment

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

Petersburg MEDICAL CENTER

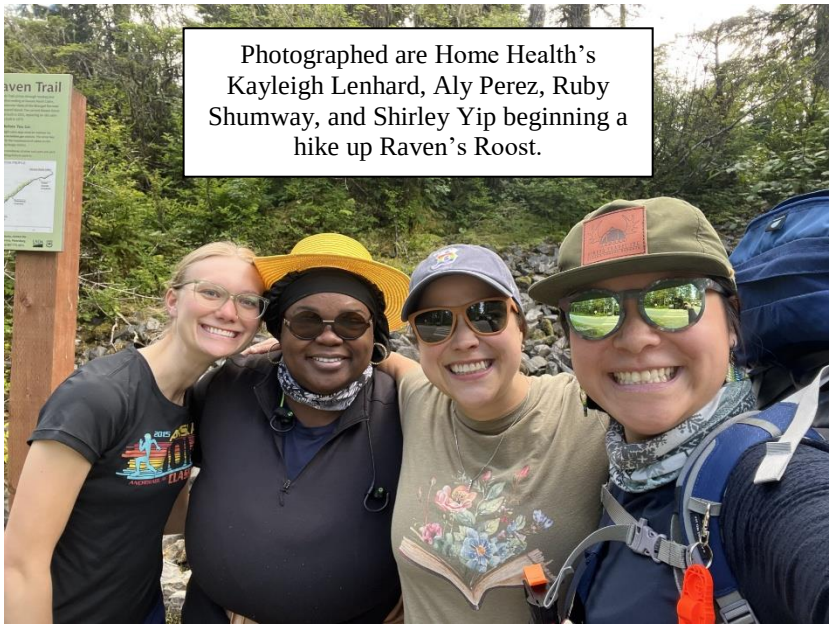
Home Health Report July 2026

Workforce Wellness

Home Health continues to navigate staffing changes while maintaining a strong, collaborative, and positive work environment. This month, we will be saying goodbye to our remote Billing Coordinator, Janine Iknokinok. We are grateful for her contributions and appreciate her willingness to assist with the transition of her responsibilities to Aly Perez in Home Health, as well as billing support staff Carrie and Rae in the Business Office. We are pleased to announce that Aly Perez has accepted a well-deserved promotion from Receptionist to Home Health Office Lead! Aly is eager to expand her knowledge and take on additional responsibilities, including billing support, and we are fortunate to have her as part of our team.

Several staff members have planned summer vacations, and we continue to prioritize work-life balance while ensuring uninterrupted patient care. During recent staff absences, Nichole Mattingly RN cross-trained in Home Health and provided coverage for patient visits. We anticipate utilizing her support for future vacation coverage and periods of increased census. Being able to fill this need from within the organization benefits both our patients and organization by providing high-quality care from a nurse who knows our community while reducing the need for temporary travel nurse contracts. As Community Based Services continue to grow, additional staffing needs may arise in the future. At this time, the availability of an as-needed RN provides an effective solution to meet current operational demands.

We are also pleased to support staff engagement outside of the workplace. Kayleigh RN has accepted a position as coach of the Petersburg High School cross country team! She will continue to work full-time with scheduling flexibility to accommodate team travel and practices. Petersburg is lucky to have a granddaughter of the locally famous running coach Jack Eddy to lead their team. Supporting employees in pursuing personal interests and community involvement contribute positively to staff satisfaction and retention.



Photographed are Home Health's Kayleigh Lenhard, Aly Perez, Ruby Shumway, and Shirley Yip beginning a hike up Raven's Roost.

For team building, four members from our office completed a hike up Raven's Roost together and camped overnight in the beautiful Forest Service cabin. Opportunities like these help strengthen relationships, improve morale, and support employee wellness.

Community Engagement

Home Health, the Cedar Social Club, and PMC's Community Wellness department collaborated on a community event with Kinder Skog participants centered around the theme of kindness. The event fostered social engagement, community involvement, and intergenerational connections for our adult day services participants – aligning closely with our mission and values.

Ryan Nelson, the new Cedar Social Club Activities Coordinator, is developing relationships with Petersburg Parks and Recreation to expand programming opportunities for seniors. Planned initiatives include monthly open houses to increase participation and additional outside and nature-based activities. Transportation remains a significant challenge, as participation is currently dependent on personal transportation or PIA services. Obtaining access to a dedicated van remains a priority and would greatly enhance program accessibility and functionality.

Patient Centered Care

Our team continues to develop role-specific orientation and training channels within Microsoft Teams. These resources support both new and existing employees, improve cross-training efforts, and help ensure continuity of care when staff members provide coverage across roles.

Brandy Boggs will be expanding the availability of remote educational sessions focused on asset planning and long-term care planning. After identifying common questions and concerns among community members, she plans to offer these sessions more frequently to improve access to information and support. In addition, Brandy's service area will expand in the coming months through implementation of the Senior In-Home Grant. This initiative will allow case management services to be extended to residents of Wrangell while continuing support for Petersburg residents.

Facility

Home Health continues to benefit from its relocation to the Fram campus. The move has improved collaboration with other departments and supports the interdisciplinary teamwork that is essential to patient care, particularly with the Rehab department.

One ongoing challenge involves communication between Matrixcare and PMC's Cerner electronic health record systems. We continue to experience intermittent issues with referral information transferring from Cerner to MatrixCare. These disruptions can delay care initiation and increase the risk of data-entry errors when demographic information must be entered manually. IT and Home Health are actively working with both vendors to resolve the issue. Because the problem occurs intermittently, determining the root cause has been challenging.

Financial Wellness

As noted above, Home Health was awarded the Senior In-Home Services grant, which will support Brandy Boggs' travel and lodging expenses as case management services expand into Wrangell. We also received approval for our third year of our Adult Day Services grant. This funding will continue to support personnel expenses, program supplies, facility rental costs at the PIA building, and participant scholarships, helping ensure the sustainability and accessibility of these valuable community services.

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

Petersburg MEDICAL CENTER

Imaging Report July 2026

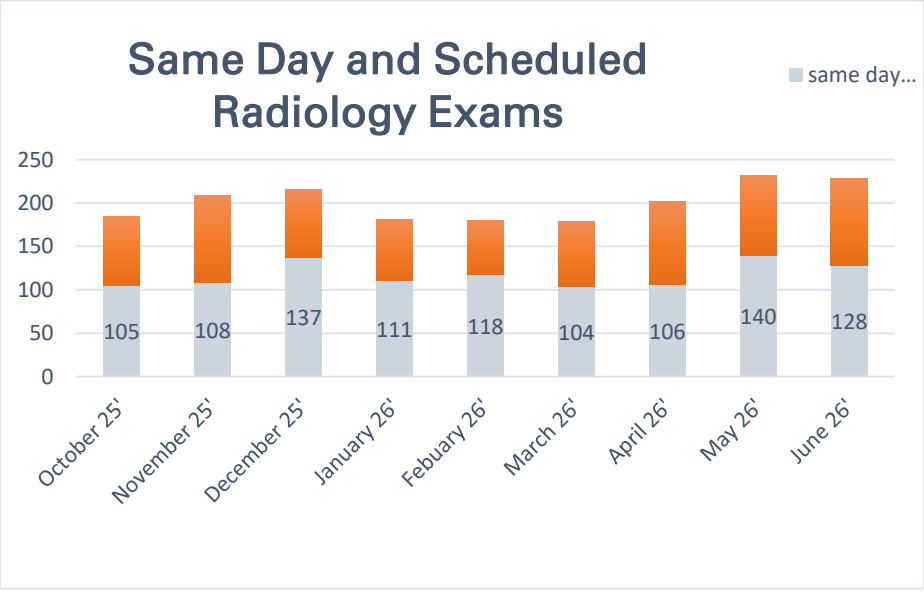
Workforce Wellness

Staff is currently at four full-time technologists. At present, two positions are being filled by contract technologists. One has been with us long term, and the other is the new contract technologist operating the MRI machine. Three technologists work day-to-day at the main campus and its modalities, with one technologist working full time in MRI. The three technologists at the main campus also rotate to MRI as needed to assist and observe. One full-time technologist position remains posted, and a full-time MRI technologist position will be posted soon. Our goal is to hire a permanent multi-modality technologist who can perform both MRI and CT exams, as well as a permanent technologist who can perform both CT and X-ray exams.

Community Engagement

In April, we hosted the high school physics class for a tour of the department during one class period. Students learned about the electromagnetic spectrum and had the opportunity to see our imaging equipment. We also hosted another high school student for a couple of afternoons to observe ultrasound and learn more about that modality. Leading up to the MRI go-live, I spoke live on KFSK and participated in a radio interview to discuss the new service. I also participated in Senator Murkowski's visit to the WERC building, including a tour of the MRI suite. In addition, our department participated in the WERC building open house. It has been great to see the community's excitement for PMC and the addition of MRI services.

Patient Centered Care



The annual Mammography Quality Standards Act (MQSA) inspection took place in May and went smoothly, with continued accreditation being granted. As part of an ongoing quality project, we continue to review statistics on exams performed. On average, more than 50% of our monthly patient care is provided

through same-day appointments. This demonstrates that patients are often able to have their imaging exams completed on the same day their providers order them, improving access to timely diagnostic services..

Facility

With patient care now provided in two locations, we are working to ensure that supplies are readily available at both sites. Although MRI currently requires fewer day-to-day supplies, we continue to improve the workflow for receiving, stocking, and maintaining supplies at the WERC building to support efficient operations.

Financial Wellness

Patient exam statistics remain consistent. Since the go-live of MRI services, we have performed 34 MRI exams. Launching MRI services has been a collaborative effort across multiple departments to ensure encounters are completed, coded, and billed appropriately. We have successfully received our first reimbursement payments. We have also made changes within the EMR to support a more streamlined workflow, and departments continue to work with Cerner to resolve remaining issues. MRI prior authorizations have proven to be time-consuming. Many insurance providers require prior authorization to establish medical necessity before payment will be approved for MRI exams. While these exams are generally less emergent than CT exams, patients are eager to have them completed, and the authorization process can add time before scheduling. CT exam prior authorizations also remain a challenge due to the urgency of many CT exams and the time required to obtain approval. VA authorizations continue to be the most difficult, often requiring multiple steps and several days to complete.

We continue to monitor Rural Health Transformation Program (RHTP) funding opportunities and how imaging equipment may qualify, particularly since the large equipment project was not approved at this time. We are planning for the purchase of a new CT scanner as part of this year's capital budget.

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

Petersburg MEDICAL CENTER

Laboratory Report July 2026

Workforce Wellness

The Laboratory is currently fully staffed, with no vacant FTEs. We are training a new uncertified technician who continues to make steady progress. She has also enrolled in an online program to earn her national ASCP certification as a Medical Laboratory Technician.

This summer, the Laboratory will welcome its first Phlebotomist Intern. The internship is designed to give recent high school graduates and early undergraduate students hands-on exposure to laboratory medicine and encourage interest in laboratory careers.

Community Engagement

Health Fair blood draws were held in the Dorothy Ingle Conference Room on February 17–19, February 24–26, and March 3–5. More than 480 community members participated, and over 80 had laboratory results that warranted follow-up with their healthcare provider. Thank you to the volunteer phlebotomists and PMC staff who helped with check-in and blood draws. Your support is greatly appreciated.

Patient Centered Care

The PMC Laboratory provides water quality testing for potable water, pools, and cannery sources in Petersburg and Wrangell. Every two years, the Alaska Department of Environmental Conservation (ADEC) conducts an inspection that includes reviewing testing and procedural documentation and observing personnel performing water microbiology testing. In April, the Lab passed its Water Microbiology Inspection with only three minor findings, all of which were corrected promptly.

Facility

The Lab's current chemistry instrument is aging and can no longer support operating system updates. It is also at capacity for onboard reagents, which limits our ability to add new chemistry tests. Over the next few months, the Lab will validate a new chemistry analyzer that will expand our in-house testing menu to include Vitamin D and Testosterone, as well as some Hepatitis testing. We hope to go live with the new instrument by November.

Financial Wellness

Staff from HIM and Lab continue to meet and review coding queries to help prevent insurance claim denials. These discussions have been highly educational for both departments and support our shared goal of staying ahead of reimbursement changes. This ongoing collaboration also helps reduce avoidable out-of-pocket costs for patients whenever possible.

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

Petersburg MEDICAL CENTER

Long Term Care Report – July 2026

Workforce Wellness

Nursing:

0800 – 1700 Mon-Fri: 1 LTC DON
0600 – 1830: 1 Staff Nurse
1800 – 0630: 1 Staff Nurse
0600 – 1830: 2 CNA
1800 – 0630: 2 CNA
0700 – 1900: 1 CNA (Sat-Sun)

Activities Current Schedule:

Activities Coordinator: Monday-Friday (0800-1700)
Activities Aide: Tue-Sat (1100-1900)
Activities Aide: Mon-Wed (0700-1500) and Sunday (0930-1530)
Activities Aide: Mon-Fri (0800-1100)
Activities Aide Youth Intern: Mon-Fri (1000-1400)
All activities staff are CNAs.

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

Community Engagement

LTC welcomes visitors, families, and community members as an important part of residents' lives. Volunteers regularly visit to provide meaningful activities such as playing music, leading bingo, singing with and for residents, reading aloud, and engaging in social interaction. Staff support residents in participating in the broader community as much as they choose. Residents have enjoyed activities such as Bingocize, attending their church of choice, volunteering at the Pilot, and other community-based opportunities. During the summer LTC has had picnics to allow residents and their families/friends to enjoy the outdoors together. Kinder Skog continues to come to LTC as well.

Patient Centered Care

Quality: PMC LTC and support team have been awarded the AHHA 2026 Innovation in Patient Safety & Quality Award. The awards committee were impressed by PMC's ability to achieve meaningful improvements in patient safety, quality of care, resident autonomy, and workforce stability through innovation, collaboration, and commitment to resident-centered care.

Survey

PMC LTC 2025 Survey took place July 28th-Aug 4th. We are currently in our survey window for 2026 survey. 2025 Citations included:

Federal:

1.) **CFR(s): 483.35(i)(1)-(4) Posted Nurse Staffing Information (F0732):** Based on observation and interview, the facility failed to post the daily total number, and the actual hours worked for resident care per shift worked by the Certified Nurse Assistants (CNA), Licensed Practical Nurses (LPN), and

Registered Nurses (RN). This failed practice provided inaccurate information to the residents and their families.

2.) **CFR(s): 483.80(a)(1)(2)(4)(e)(f) Infection Prevention & Control (F0880):** Based on record review, observation, and interview, the facility failed to ensure an infection control procedure was followed during resident cares for 1 resident (6), out of 9 sampled residents. Specifically, staff failed to perform a glove change and hand hygiene when going from a dirty task to a clean task. This failed practice had the potential to increase the development and transmission of communicable disease and infections

State:

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

Petersburg Medical Center Nursing home has a 4-Star rating on Nursing Home Compare as of June 24, 2026. Health inspection = 5/5 stars, Staffing = 1/5 stars, and Quality measures = 3/5 stars.

Facility

PMC has been working with VirtuSense to implement a new AI-supported fall prevention system to help improve resident safety. Super users have completed training and are ready to support staff as the system is rolled out. The system is scheduled to go live in July.
LTC also plans to replace resident beds and mattresses this year with updated equipment and technology. By combining these equipment upgrades with the new AI fall prevention system, we hope to reduce fall risk, improve resident safety, and support our ongoing quality improvement efforts.

Financial Wellness

As of today, the LTC census is 10 residents. The nursing department currently has 4 CNA travelers and 7 RN travelers. When staff call out sick for a shift, managers look at the census and current staffing then decide if the shift should be filled.

Due to lower census, I have reached out to Bartlett, Ketchikan Peace Health, and Island Care Services on POW to let them know that we have open beds and are accepting referrals.

Submitted by: Helen Boggs, RN

Petersburg MEDICAL CENTER

Patient Financial Services Report July 2026

Workforce Wellness

Patient Financial Services (PFS) includes 10 dedicated professionals who have done outstanding work, reducing accounts receivable to levels previous billing companies could not achieve. The team remains committed to PMC and works hard each day to maintain a strong, healthy revenue cycle.
Since October 2025, AR days have remained steady, ranging from mid 50s to the low 60s.

The PFS team reviews daily updates for in-network insurance billing, credentialing, claim status, and reimbursement rates.

The department currently has an opening for the Reception/Front Desk position, and the in-house team is covering those duties until the role is filled.

Community Engagement

The PFS Billing team has absorbed the Home Health (HH) claims billing process. Our billing team meets weekly with HH staff to discuss claims, reimbursement, and any issues that arise.

We continue partnering with other departments to resolve registration errors, billing denials, and Cerner-related issues where our team can assist.

Our team is closely monitoring MRI claims for issues and accurate reimbursement. Payments received to date have aligned with our contracts.

Patient Centered Care

Direct Primary Care enrollments and subscriptions will be processed and tracked by PFS staff. We will also be monitoring patient charges to ensure they fall within the program parameters.

PMC offers interest-free payment plans and financial assistance for patients who need help with outstanding balances. Patients with self-pay or out-of-network insurance may also receive a prompt-pay discount if payment is made within 30 days of the first statement. The PFS team supports these services and assists with AK Medicaid enrollments.

Facility

PFS continues to research patient engagement software to create a more streamlined, user-friendly experience. We are also evaluating contract management options to better track reimbursement rates under our contracts.

Our workspace meets our current needs, and all equipment is functioning properly.

Financial Wellness

Medical billing remains a critical component of the organization's financial performance, directly impacting revenue cycle management, cash flow, and overall financial stability. The team continues to evaluate and refine billing workflows to improve efficiency, accuracy, and collections. Cross training initiatives are underway to ensure staff proficiency in both insurance and self-pay processes, providing operational continuity during employee absences and minimizing disruptions to the revenue cycle.

Submitted by: Carrie Lantiegne

Petersburg MEDICAL CENTER

ARCADIS

New Facility Construction Report July 2026

Sitework

Completed to shovel-ready status and ready for Phase 3 (Long-Term Care); the SWPPP (Storm Water Pollution Prevention Plan) has been closed out.

WERC Building

Completed; successful open house allowed community access to the entire building.

New Long-Term Care/Hospital

Phase 1 – Sitework, completed.

Phase 2 – WERC Building, completed.

Phase 3 – Long-Term Care (LTC) concept design and renderings complete, awaiting funds to advance the design.

Phase 4 – Hospital, awaiting funds to advance design.

Upcoming Activities

- Obtain funding to advance LTC and/or Hospital designs.
- Be postured for starting construction of LTC in the spring of 2027 if possible; that would mean design completed by January 2027.

Phase 3 Concept Renderings – Long Term Care Completed

Phase 4 Concept Renderings – Long Term Care & Hospital – Campus Completed

Phase 3 Concept Renderings – Long Term Care – East Deck & Service Entrance

Photo – Deck View – Looking East

Phase 3 & 4 Completed – LTC Upper Entry & Emergency Room Entrance – Looking West

Phase 3 & 4 Completed – Hospital – Looking East from WERC Building Drive

Submitted by: Justin Wetzel- Arcadis Project Manager

Petersburg MEDICAL CENTER

Quality Report July 2026

Workforce Wellness
Planned PTO from July 11th-28th.

Community Engagement
No new developments in this area.

Patient Centered Care
Midwest QIN/QIO/Mountain Pacific update-PMC managers and quality staff met to review clinical and non-clinical priorities for increasing structural program support and resource utilization. The development of action plans in cooperation with Mountain Pacific will occur in the coming months in these areas to continue improving staff support and patient care and outcomes.
Priority areas:

- LTC
  - Safety Events:
    - Skin integrity & pressure ulcer prevention
    - Falls prevention
- CAH
  - Infection Prevention & Control
    - Catheter-associated urinary tract infection
  - Adverse Drug Events
    - Safe use of opioids
  - Hospital Readmissions
    - Behavioral health/substance abuse focus

Facility
Continue collaboration with the IT department to assume and assist with required quality reporting and facility follow-up. There is an ongoing focus on report development for quality focus areas to provide timely, clinically relevant data for informed program decision making. An example of this is the progress being made in a pharmacist and provider-informed antibiotic stewardship report to demonstrate PMCs performance with prescribing and antibiotic usage for outpatients. PMC providers and staff will be able to compare performance to best practices and make program adjustments as necessary to maximize positive care outcomes.

Financial Wellness
No new developments in this area.

Submitted by: Stephanie Romine, RN

Petersburg MEDICAL CENTER

Infection Prevention Board Report July 2026

Workforce Wellness

I work as the Infection Preventionist for PMC.

Community Engagement

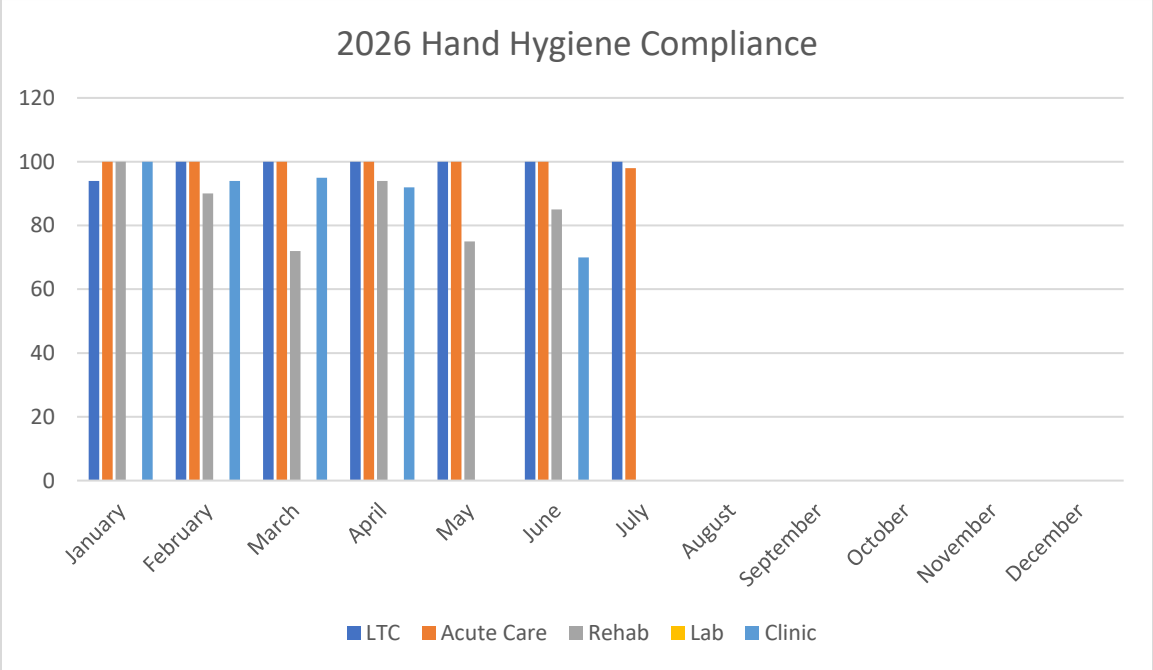
The past few months I have been working with PMC's Rehab department in developing a cleaning protocol for the nasopharyngeal scope that is being used in the FEEs clinic. This scope is owned by PMC and our current SLP is being trained to add this service to our community.

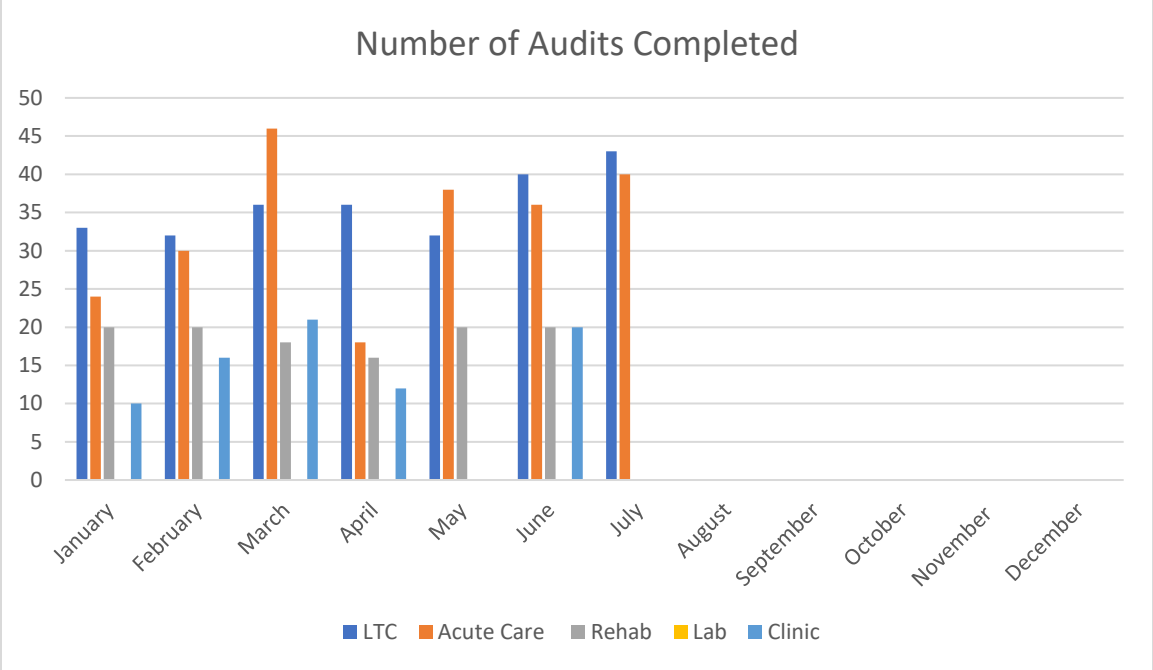
I work with many different departments at PMC to ensure compliance with regulations, including nursing, EVS, home health, physical therapy, clinic and lab. This month our Environment of Care focused on HIPPA compliance and updated signage at PMC.

I am working with the Nursing and Facilities departments to continue improving our Decontamination and Sterile Processing rooms.

Patient Centered Care

2026 PMC Hand Hygiene Report





LTC 2026 Infection Prevention Metrics

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

Facility

I 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. This remains a challenge.

Financial Wellness

No changes to this area.

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

Petersburg MEDICAL CENTER

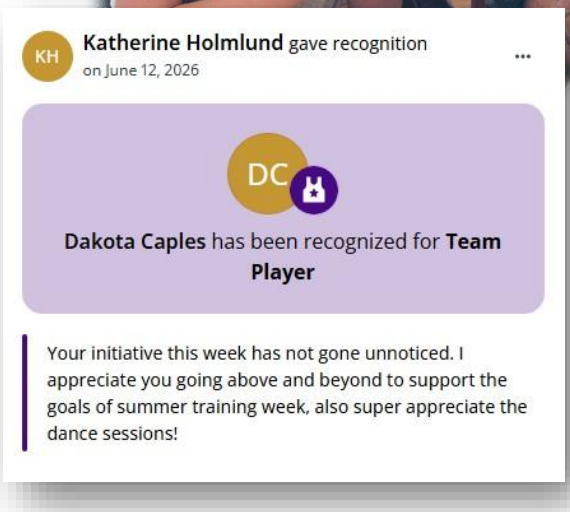
PMC Executive Summary July 2026

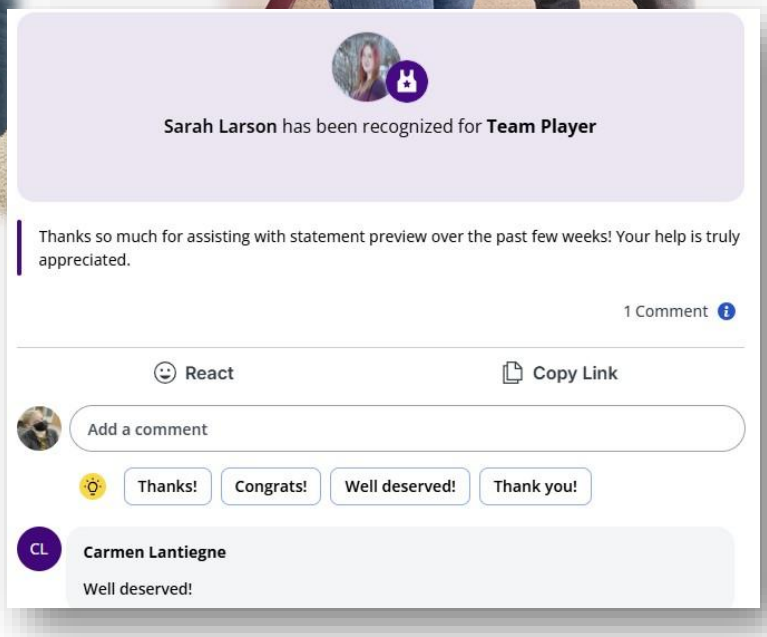
Mission Statement: Excellence in healthcare services and the promotion of wellness in our community.

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.*

- **July 13:** Conducted full scale fire drill and evacuation exercise
- **July 16:** CEO office hours open to employees
- **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.*

- **July 6:** Submitted written report for Borough Noon Assembly Meeting.
- **July 13:** Conference rooms and computer room at WERC building are available to reserve at no cost to community: **Facility Use - PETERSBURG MEDICAL CENTER**
- **July 13:** Community newsletter published: PMC Community Newsletter
- **July 14:** WERC building open house

- **July 17:** PMC Youth Programs put on free community performances.

- **July 19-28:** PMC Youth Programs in conjunction with Onward & Upward conducted 3rd annual Kayak Expedition.

- **July 30**: PMC Live on KFSK at 12:30
- **July 30:** Hospital Board Meeting open to the public

- **Ongoing:** Bingocize and Tai Chi Programs- Tai Chi has a Wednesday at noon class for beginners at the WERC building.
- **Ongoing:** Senior Resource and Planning Hour

- **Ongoing:** PMC is currently in the process of developing a new website designed to enhance usability and improve access to information for our patients and the community we serve.
- **Adult Day-** Cedar Social Club offered to eligible persons 60 and older, please call 772-5716 to learn more about this program.
- **Upcoming:** August 8th: Pedal/Paddle Battle

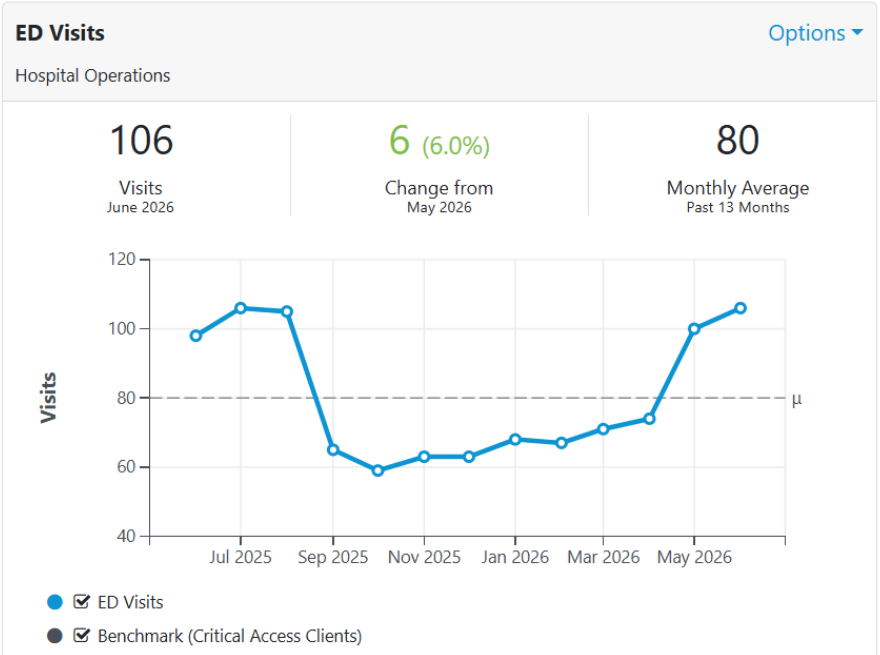
Patient Centered Care: *Goal: To provide high-quality, patient-centered care, and promote wellness for patients.*

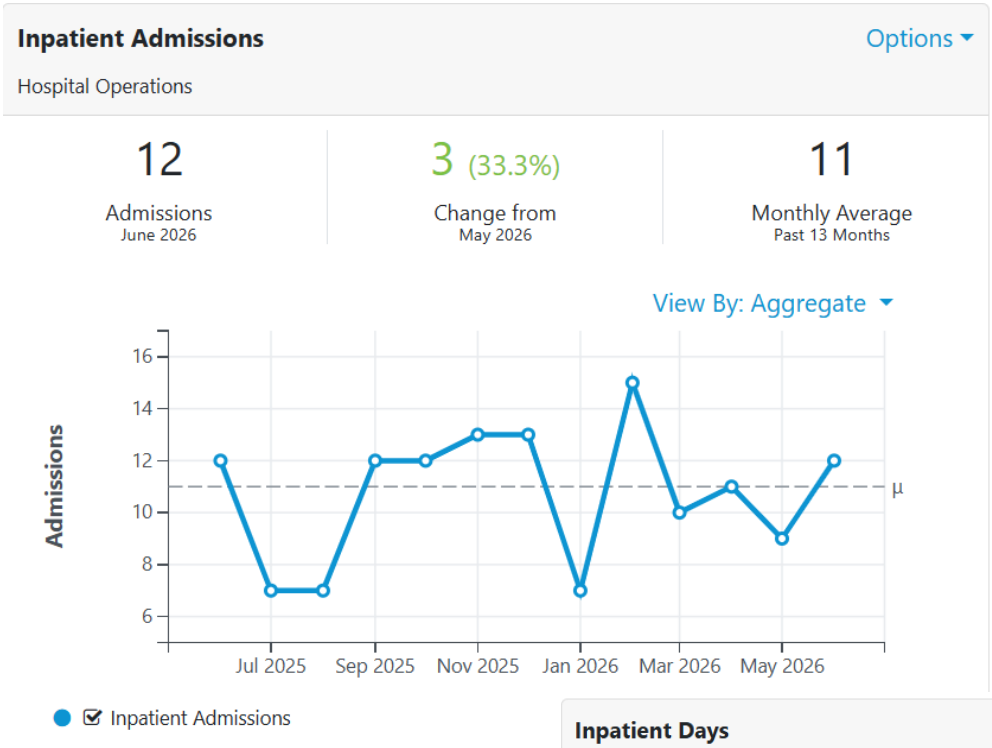
- **July 1:** Launched Direct Primary Care for patients

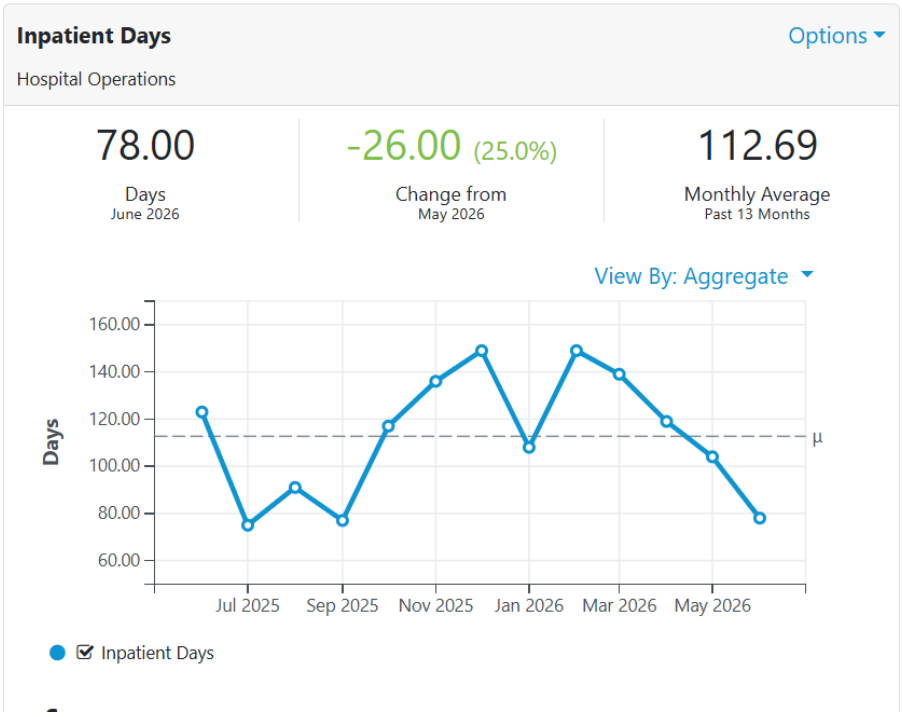
- **July:** MRI services available- As of July 15th, there have been over 30 MRIs conducted.
- **July:** Full Pyxis implementation

- **July 15:** Quality Meetings (LTC & Critical Access Hospital)
- **Joy Janssen Clinic** Access to Primary Care: We are currently staffed with 3 Physicians and 3 mid-level practitioners. Locums staffed as needed.
    - We are actively looking for a provider to fill the 4th position available.
    - As of July 17, 2026, average patient access across all present providers reflects a 6-day wait for the next available appointment and 13 days for the third next available
    - Locum coverage through August to cover provider PTO.
    - Same day acute care appointments remain consistently available.
    - Sports physicals available, call 772-4299 then press 0.
    - 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.

Summary







- **Audiology:** Phil Hofstetter continues to see patients in the Specialty Clinic. Call 772-5792 to schedule.
- **Psychiatry:** Dr. Sonkiss continues to provider ongoing services via telehealth and has a planned site visit for August.
- **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.

- **Scopes Clinic:** Dr. Taggart and CRNA Jenilyn Lo will have their next clinic in September.
- **Dermatology:** Cameron French will be conducting clinic Aug. 31st- Sept 4th
- **Endocrinology:** Dr. Harrison plans to host endocrinology clinic September 18th.
- **Orthopedic Clinic:** Discussions are ongoing to explore options for bringing ortho clinic specialty to Petersburg.
- **Cardiology-** Exploring options for cardiac testing locally, have started discussions regarding workflows.

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.*

- The WERC building Open House occurred on July 14th, 2026, from 3pm-6pm.
- Please see attached report submitted by J. Wetzel with Arcadis
- Art Proposals have been received and reviewed by art subcommittee.

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: 58
- See attached Grants Report by Katie Bryson.
- Max Kamp with our Continental Investors Services reported out at our Resource Committee Meeting held on 7/27/2026.

Submitted by: Phil Hofstetter, CEO

Petersburg MEDICAL CENTER

FISCAL YEAR 2027 GRANTS UPDATE

In FY27 to date, grants fund 2.5 FTE in staff time across 8 PMC positions.

3 Pending Congressional Funding Requests: $8,200,000

- **Senate Appropriations** **PMC Long Term Care Center Construction Request**
  Sen. Murkowski submitted a request for PMC's new LTC to LHHS Subcommittee.
  1 Award | **$2,700,000** total requested – *Decision anticipated 2026-2027*

- **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 2026-2027*

- **House Appropriations** **PMC New Health Campus Construction Design Request**
  Rep. Begich submitted a request for funding to House Appropriations Committee.
  1 Award | **$2,000,000** total requested – *Decision anticipated 2026-2027*

6 Pending State & Federal Funding Requests: $4,916,335

- **HRSA** **Rural Communities Opioid Response Program Impact grant**
  To launch a broad expansion of substance use prevention, treatment, & recovery.
  4 Years | **$2,913,600** over four years – *Decision expected August 2026*

- **State Health Department** **Tobacco Prevention & Control Health Systems Grant**
  Project to provide tobacco use/chronic disease Health Systems Change activities.
  3 Years | **$495,000** over three years – *Decision expected July 2026*

- **State of Alaska RHTP Funding** **Petersburg Telehealth Integration Project**
  Funds requested to develop infrastructure to support telehealth across services.
  1 Award | **$468,435** in Year 1 – *Decision expected July 2026*

- **State of Alaska RHTP Funding** **Home & Community Based Services Expansion**
  Launch multiyear expansion of service lines, equipment, staffing & regional reach.
  1 Award | **$423,579** in Year 1 – *Decision expected July 2026*

- **State of Alaska RHTP Funding** **Maternal & Early Childhood Health Planning**
  Funds requested to develop lactation consulting program & assess opportunities.
  1 Award | **$159,947** in Year 1 – *Decision July 2026*

- **State of Alaska RHTP Funding** **Integrated Behavioral Health Program**
  Establish & staff a PMC Behavioral Health Department with internship capacity.
  1 Award | **$455,774** in Year 1 – *Decision expected July 2026*

Updated 7/15/2027 *by Katie McKay Bryson (Director of Grants, Planning & Evaluation)*

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

7 Program & Personnel Grants Operating in FY27 — $671,887

** FY27 Grant contributions to PMC's Admin & Finance costs:* *$33,354*

- **Alaska Community Foundation** **Camps Initiative**
  Youth Programs project supporting the Summer 2026 ORCA Kayaking Camp.
  1 Award | **$20,000** (total single award)

- **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**
  Evidence-based falls prevention programs delivered in community settings.
  Year **4** of **4** | **$147,076** in FY27

- **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 **3** of **3** | **$191,030** in FY27

- **State Health Department** **Opioid Settlement Funds Grant**
  Sustain telepsychiatry access pilot program established by 2023 HRSA grant.
  Year **3** of **3** | **$142,828** in FY27

- **State Health Department** **Senior In-Home Services Grant**
  Proposed project to deliver case management services in Petersburg & Wrangell.
  Year **1** of **3** | **$63,993** in FY27

Updated 7/15/2026 by Katie McKay Bryson (Director of Grants, Planning & Evaluation)

PETERSBURG MEDICAL CENTER

FINANCIAL REPORTING PACKAGE

For the month ended June 30, 2026

PETERSBURG MEDICAL CENTER

Key Volume Indicators

FISCAL YEAR 2026

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior YTD	% Change
1. Clinic Visits	793	878	983	1,016	758	749	790	774	802	965	811	873	10,192	10,143	0.5%
Primary Clinic	*768*	*865*	*851*	*984*	*736*	*720*	*771*	*750*	*789*	*834*	*793*	*848*	*9,709*	*9,722*	*-0.1%*
Specialty Clinics	*25*	*13*	*132*	*32*	*22*	*29*	*19*	*24*	*13*	*131*	*18*	*25*	*483*	*421*	*14.7%*
2. Radiology Procedures	253	251	242	256	208	222	223	203	206	232	236	260	2,792	2,725	2.5%
MRI												*9*	*9*		
3. Lab Tests (excluding QC)	1,937	1,913	2,550	2,270	2,244	2,209	2,170	1,896	1,982	1,909	1,889	2,084	25,053	22,193	12.9%
Health Fair									*1,153*	*612*			*1,765*	-	
4. Rehab Services Units	883	1,086	730	1,178	1,548	973	1,025	970	1,154	1,398	1,577	1,605	14,127	12,891	9.6%
Physical	*651*	*764*	*582*	*860*	*604*	*618*	*621*	*531*	*631*	*1,164*	*1,241*	*1,191*	*9,458*	*10,197*	*-7.2%*
Occupational	*154*	*237*	*56*	*206*	*860*	*271*	*309*	*367*	*463*	*152*	*274*	*356*	*3,705*	*2,405*	*54.1%*
Speech	*78*	*85*	*92*	*112*	*84*	*84*	*95*	*72*	*60*	*82*	*62*	*58*	*964*	*304*	*217.1%*
5. Home Health Visits	284	296	221	287	166	202	176	169	261	179	257	319	2,817	2,288	23.1%
Nursing Visits	*149*	*151*	*141*	*179*	*120*	*138*	*113*	*91*	*137*	*111*	*153*	*189*	*1,672*		
PT/OT Visits	*135*	*145*	*80*	*108*	*46*	*64*	*63*	*78*	*124*	*68*	*104*	*130*	*1,145*		
6. Emergency Room Visits	102	105	65	56	64	61	68	67	68	77	100	104	937	907	3%
7. Observation Days	3	8	4	2	2	4	3	3	6	5	4	8	51	62	-18%
Hospital Inpatient															
8. Patient Days - Acute	12	20	36	21	36	25	17	41	32	17	24	26	307	373	-17.7%
9. Patient Days - Swing Bed (SNF)	54	69	41	67	67	89	53	80	74	59	45	21	719	827	-13.1%
10. Patient Days - Swing Bed (ICF)	8			26	30	34	38	28	31	30	31	30	286	374	-23.5%
11. Patient Days - Total	74	89	77	114	133	148	108	149	137	106	100	77	1,312	1,574	-16.6%
12. Average Daily Census - Acute	0.4	0.6	1.2	0.7	1.2	0.8	0.5	1.5	1.0	0.6	0.8	0.9	0.8	1.0	-17.1%
13. Average Daily Census - Swing Bed (SNF)	1.7	2.2	1.3	2.2	2.2	2.9	1.7	2.6	2.4	1.9	1.0	1.0	1.9	2.3	-14.7%
14. Average Daily Census - Swing Bed (ICF)	0.3			0.8	1.0	1.1	1.2	1.0	1.0	1.0	1.0	1.0	0.8	1.0	-23.4%
15. Average Daily Census - Total	2.4	2.9	2.5	3.7	4.4	4.8	3.5	5.0	4.4	3.5	3.2	2.5	3.6	4.3	-17.3%
16. Percentage of Occupancy	19.9%	23.9%	21.0%	30.6%	36.3%	39.8%	29.0%	42.0%	36.8%	28.9%	26.9%	21.2%	29.7%	35.9%	-17.3%
Long Term Care															
17. LTC Days	426.0	403.0	420.0	434.0	406.0	361.0	396.0	297.0	279.0	281	307	306	4,316	4,939	-12.6%
18. Average Daily Census	13.7	13.0	14.0	14.0	13.5	11.6	12.8	10.6	9.0	9.4	9.9	10.2	11.8	13.5	-12.7%
19. Percentage of Occupancy	91.6%	86.7%	93.3%	93.3%	90.2%	77.6%	85.2%	70.7%	60.0%	62.4%	66.0%	68.0%	78.8%	90.2%	

PETERSBURG MEDICAL CENTER

Statement of Revenues and Expenses

For the month ended June 30, 2026

Month Actual	Month Budget	$ Variance	% Variance			YTD Actual	YTD Budget	$ Variance	% Variance	Prior YTD	% Variance
					Gross Patient Revenue:						
$460,420	$551,647	($91,227)	-16.5%	1.	Inpatient	$6,706,919	$6,711,703	($4,784)	-0.1%	$7,224,074	-7.2%
1,302,630	996,511	306,119	30.7%	2.	Outpatient	12,478,937	12,124,218	354,719	2.9%	10,807,636	15.5%
554,778	608,233	(53,455)	-8.8%	3.	Long Term Care	7,945,434	7,400,163	545,271	7.4%	7,385,166	7.6%
470,248	479,137	(8,889)	-1.9%	4.	Clinic	5,471,162	5,829,506	(358,344)	-6.1%	5,548,127	-1.4%
59,777	46,015	13,762	29.9%	5.	Home Health	645,837	559,851	85,986	15.4%	547,712	17.9%
2,847,853	2,681,543	166,310	6.2%	6.	**Total gross patient revenue**	33,248,289	32,625,442	622,847	1.9%	31,512,715	5.5%
					Deductions from Revenue:						
569,061	484,431	(84,630)	-17.5%	7.	Contractual adjustments	6,444,426	5,893,907	(550,518)	-9.3%	5,389,236	-19.6%
0	0	0	n/a	8.	Prior year settlements	0	0	0	n/a	(454,791)	100.0%
39,652	34,991	(4,661)	-13.3%	9.	Bad debt expense	70,168	425,726	355,558	83.5%	392,883	-82.1%
27,472	19,191	(8,281)	-43.1%	10.	Charity and other deductions	363,887	233,492	(130,396)	-55.8%	291,546	-24.8%
636,185	538,613	(97,572)	-18.1%		**Total revenue deductions**	6,878,481	6,553,125	(325,356)	-5.0%	5,618,875	-22.4%
2,211,668	2,142,930	68,738	3.2%	11.	**Net patient revenue**	26,369,808	26,072,317	297,491	1.1%	25,893,840	1.8%
					Other Revenue					-	
66,963	45,205	21,758	48.1%	12.	340b Revenue	812,154	549,996	262,158	47.7%	-	n/a
201,070	100,855	100,215	99.4%	13.	Inkind Service - PERS/USAC	1,925,708	1,227,070	698,638	56.9%	1,150,981	67.3%
59,832	51,954	7,879	15.2%	14.	Grant revenue	793,323	632,104	161,219	25.5%	852,333	-6.9%
0	0	0	n/a	15.	Federal & State Relief	0	0	0	n/a	1,961,273	-100.0%
32,216	25,310	6,906	27.3%	16.	Other revenue	477,247	307,939	169,308	55.0%	339,651	-40.5%
360,081	223,324	136,757	61.2%	17.	**Total other operating revenue**	4,008,431	2,717,109	1,291,322	47.5%	4,304,238	6.9%
2,571,749	2,366,254	205,495	8.7%	18.	**Total operating revenue**	30,378,239	28,789,426	1,588,813	5.5%	30,198,078	0.6%
					Expenses:						
1,247,666	1,124,261	(123,405)	-11.0%	19.	Salaries and wages	13,813,134	13,678,509	(134,626)	-1.0%	12,559,561	-10.0%
189,641	155,498	(34,143)	-22.0%	20.	Contract labor	2,331,509	1,891,893	(439,616)	-23.2%	2,035,415	-14.5%
482,236	407,592	(74,644)	-18.3%	21.	Employee benefits	5,433,379	4,959,042	(474,338)	-9.6%	4,759,212	-14.2%
155,618	159,323	3,705	2.3%	22.	Supplies	1,928,619	1,938,428	9,810	0.5%	1,866,291	-3.3%
91,542	77,138	(14,404)	-18.7%	23.	Purchased services	1,028,278	938,518	(89,760)	-9.6%	1,953,645	47.4%
41,699	49,523	7,824	15.8%	24.	Repairs and maintenance	700,867	602,534	(98,333)	-16.3%	618,461	-13.3%
46,764	34,505	(12,259)	-35.5%	25.	Minor equipment	379,355	419,811	40,456	9.6%	400,915	5.4%
32,244	36,171	3,927	10.9%	26.	Rentals and leases	396,905	440,081	43,176	9.8%	366,978	-8.2%
149,153	106,889	(42,263)	-39.5%	27.	Utilities	1,767,750	1,300,488	(467,263)	-35.9%	1,039,954	-70.0%
6,402	8,591	2,190	25.5%	28.	Training and travel	126,207	104,527	(21,680)	-20.7%	128,045	1.4%
28,288	18,479	(9,809)	-53.1%	29.	Insurance	278,566	224,822	(53,744)	-23.9%	210,443	-32.4%
33,061	27,739	(5,323)	-19.2%	30.	Other operating expense	448,820	337,488	(111,332)	-33.0%	354,598	-26.6%
2,504,313	2,205,710	(298,603)	-13.5%	31.	**Total expenses**	28,633,391	26,836,142	(1,797,249)	-6.7%	26,293,519	-8.9%
67,436	160,543	(93,108)	58.0%	32.	**Income (loss) from operations**	1,744,848	1,953,284	(208,436)	10.7%	3,904,560	55.3%
					Nonoperating Gains(Losses):						
40,339	18,575	21,764	117.2%	33.	Investment income	839,191	225,993	613,198	271.3%	452,613	-85.4%
(7,876)	(20,738)	12,861	62.0%	34.	Interest expense	(107,886)	(252,310)	144,424	57.2%	(129,741)	16.8%
0	0	0	n/a	35.	Gain (loss) on disposal of assets	0	0	0	0.0%	-	0.0%
205,664	84,561	121,103	143.2%	36.	Other non-operating revenue	4,945,411	1,028,829	3,916,582	-380.7%	13,349,481	63.0%
60,050	(240,464)	300,514	-125.0%	37.	Depreciation & Amortization	(2,272,223)	(2,925,642)	653,419	22.3%	(1,081,004)	-110.2%
298,177	(158,066)	456,243	-288.6%	38.	**Net nonoperating gains (losses)**	3,404,493	(1,923,130)	5,327,624	-277.0%	12,591,349	-73.0%
$365,613	$2,477	$363,135	14657.3%	39.	**Change in Net Position (Bottom Line)**	$5,149,341	$30,153	$5,119,188	16977.1%	$16,495,909	-68.8%

PETERSBURG MEDICAL CENTER

Balance Sheet

For the month ended June 30, 2026

ASSETS	June 2026	May 2025	June 2025	June 2025
Current Assets:				
1. Cash	3,303,586	3,289,265	1,544,710	1,544,710
2. Cash - insurance advances	0	0	0	0
3. Investments	2,179,349	2,172,696	2,097,227	2,097,227
4. Total cash	5,482,935	5,461,961	3,641,937	3,641,937
MRI				
5. Patient receivables	5,609,759	5,169,791	7,548,114	7,548,114
6. Allowance for contractuals & bad debt	(2,054,829)	(1,918,453)	(2,615,075)	(2,615,075)
7. Net patient receivables	3,554,930	3,251,338	4,933,039	4,933,039
8. Other receivables	1,168,585	1,189,061	2,701,066	2,701,066
9. Inventories	364,181	379,513	364,788	364,788
10. Prepaid Expenses	194,600	208,750	169,095	169,095
11. Total current assets	10,765,231	10,490,623	11,809,926	11,809,926
Property and Equipment:				
12. Assets in service	49,600,808	28,801,577	28,677,563	28,677,563
13. Assets in progress	6,950,452	27,525,906	22,776,724	22,776,724
14. Total property and equipment	56,551,260	56,327,483	51,454,287	51,454,287
15. Less: accumulated depreciation	(25,652,183)	(25,712,233)	(23,379,960)	(23,379,960)
16. Net propery and equipment	30,899,077	30,615,249	28,074,326	28,074,326
Assets Limited as to Use by Board				
17. Investments	4,299,542	4,269,633	3,668,961	3,668,961
18. Building fund	939,312	933,048	799,968	799,968
19. Total Assets Limited as to Use	5,238,854	5,202,681	4,468,928	4,468,928
Pension Assets:				
20. OPEB Asset	7,315,602	7,315,602	7,338,848	7,338,848
Deferred Outflows:				
21. Pension	2,218,751	2,218,751	2,428,790	2,428,790
22. Total assets	**$56,437,515**	**$55,842,907**	**$54,120,818**	**$54,120,818**

LIABILITIES & FUND BALANCE	June 2026	May 2025	June 2025	June 2025
Current Liabilities:				
23. Accounts Payable - Trade	$940,397	$827,277	$1,299,834	$1,299,836
24. Accounts Payable - New Facility	212,774	202,188	831,368	831,368
25. Accrued Payroll	386,120	295,809	319,625	319,625
26. Payroll taxes and other payables	186,073	136,922	143,596	143,596
27. Accrued PTO and extended sick	1,197,948	1,196,919	1,196,902	1,196,902
28. Deferred revenue	160,810	157,631	131,961	131,961
29. Due to Medicare	17,786	17,786	1,466,833	1,466,833
30. Due to Medicare - Advance	0	0	0	0
31. Due to Blue Cross - Advance	0	0	0	0
32. Other current liabilities	3,803	4,418	3,323	3,323
33. Current portion of long-term debt	395,397	400,596	459,791	459,791
34. Total current liabilities	3,501,108	3,239,547	5,853,233	5,853,235
Long-Term Debt:				
35. Capital leases payable	1,431,448	1,464,013	1,826,846	1,826,846
Pension Liabilities:				
36. Net Pension Liability	17,065,093	17,065,093	15,526,950	15,526,950
37. OPEB Liablity	-	-	-	-
38. Total pension liabilities	17,065,093	17,065,093	15,526,950	15,526,950
39. Total liabilities	21,997,650	21,768,653	23,207,029	23,207,031
Deferred Inflows:				
40. Pension	291,347	291,347	413,688	413,688
Net Position:				
41. Unrestricted	28,999,178	28,999,178	13,726,830	13,726,830
42. Current year net income (loss)	5,149,341	4,783,729	16,773,270	16,773,270
43. Total net position	34,148,518	33,782,907	30,500,100	30,500,099
44. Total liabilities and fund balance	**$56,437,515**	**$55,842,907**	**$54,120,817**	**$54,120,818**

****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 June 30, 2026

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD	Prior Year	% Change
1. Contractual Adj. as a % of Gross Revenue	17.8%	35.4%	17.3%	17.6%	20.8%	24.7%	27.1%	13.3%	13.4%	17.5%	6.3%	20.0%	19.4%	16.6%	16.8%
2. Charity/Other Ded. As a % of Gross Revenue	1.1%	0.0%	2.4%	0.4%	2.7%	0.3%	0.7%	0.4%	2.9%	0.9%	0.5%	1.0%	1.1%	0.9%	21.6%
3. Bad Debt as a % of Gross Revenue	4.4%	1.5%	2.4%	-1.9%	-7.0%	3.4%	-3.1%	-0.4%	0.4%	-1.9%	3.0%	1.4%	0.2%	1.2%	-82.4%
4. Operating Margin	4.2%	-7.6%	4.0%	8.7%	14.1%	-3.4%	-4.8%	11.3%	6.2%	14.7%	12.9%	2.6%	5.7%	10.2%	-43.7%
5. Total Margin	37.6%	18.8%	29.1%	20.9%	22.0%	-6.0%	-2.2%	16.8%	-13.8%	12.9%	6.9%	12.7%	15.2%	38.0%	-59.9%
6. Days Cash on Hand (Including Investments)	98.5	108.0	109.1	114.7	114.0	114.4	123.5	120.2	114.3	132.5	133.1	134.5	118	117	0.8%
7. Days in A/R (Net)	64.4	72.2	67.4	57.2	53.0	50.5	48.8	50.9	45.1	38.9	42.7	46.1	53	59	-9.7%
8. Days in A/R (Gross)	82.3	83.4	76.6	67.4	65.2	63.7	60.0	61.6	58.7	52.4	58.1	60.9	66	83	-20.5%
9. Days in Accounts Payable	26	16	30	25	26	26	29	29	27	24	21	24	25	31	-18.4%

PETERSBURG MEDICAL CENTER

BYLAWS OF THE HOSPITAL BOARD

DEFINITIONS

1. The term "Hospital" shall mean the Petersburg Medical Center.

2. The term "President" shall refer to the then acting President of the Board as further defined in Article IV of these Bylaws.

3. The term “Medical Staff” shall refer to the organized Medical Staff as further defined in Article VII of these Bylaws.

4. The term "Board" shall refer to the Board of Directors of the Hospital as defined in Article II of these Bylaws.

5. The term “Chief Executive Officer” or “CEO” shall refer to the Chief Executive Officer of the Hospital as defined in Article VI of these Bylaws.

6. The term “Medical Director” refers to the Medical Director of the Hospital who works closely with the executive management team of the Hospital to implement strategies that enhance patient care and improve the practice of medicine within the Hospital.

ARTICLE 1
NAME AND PURPOSE

The Petersburg Medical Center is referred to in these Bylaws as the "Hospital." The Hospital is operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Internal Revenue Law) (the “Code”) and is owned by the Petersburg Borough and is a component of the Petersburg Borough. The governing body of the Hospital is the Petersburg Medical Center Board, referred to in these articles as the "Board."

The purpose of the Hospital is:

1) To provide quality health care services to the residents and visitors of Petersburg and the surrounding area within the available resources

without regard to race, creed, age, sex, handicap, socioeconomic status, or national origin.

2) To promote and improve health in the community through education, preventive medicine, and quality health care.

3) To take actions and make choices that will best ensure the financial stability of the Hospital into the future, and thereby ensure the availability of health care services today and tomorrow.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. POWERS. The Board shall be the governing body of the Hospital, overseeing the management of its business and affairs, including management of patient care, in a manner consistent with those powers granted to it by the Charter of the Petersburg Borough, the Petersburg Municipal Code, these Bylaws, and other applicable law reasonably incident and necessary for the management of the Hospital.

SECTION 2. MEMBERSHIP. Membership of the Board is in accordance with the Charter of the Petersburg Borough and the Petersburg Municipal Code. As such, Board members must be a qualified Petersburg Borough voter and have resided in the borough for a period of one year prior to taking office. The Board shall be composed of no more than seven (7) voting members. Each member shall serve a three-year term, and the terms must be staggered to allow for the uninterrupted continuation of Board functions. Notwithstanding anything in Article II to the contrary, membership, qualifications, and appointment of members of the Board shall be controlled and governed by the laws of Alaska as it presently exists or may hereafter be amended from time to time.

SECTION 3. VACANCIES. In the event of vacancy on the Board prior to a regularly scheduled election, the Board will follow Borough Charter Section 3.04.060 to fill the vacancy.

SECTION 4. QUALIFICATIONS. No Board member shall be an employee of the Hospital during any part of his/her term of office, or have served as an employee of the Hospital within the preceding twelve (12) month period.

SECTION 5. ABSENCES/ATTENDANCE. A vacancy is created on the Board for any of the reasons stated in Borough Charter Section 3.50.020 (B) and Borough Charter Section 2.04 (A) and (B).

ARTICLE III
MEETINGS

SECTION 1. AUTHORITY ON PROCEDURE. The latest available edition of ROBERTS RULES OFORDER, REVISED, shall apply to all questions of procedure not specified in these Bylaws.

SECTION 2. REGULAR MEETING. Regular meetings shall be held monthly, or no fewer than ten (10) times per year, at a time and place designated by the Board after the installation of officers. Regular meetings may be suspended or postponed by the President or by a quorum of the Board.

SECTION 3. SPECIAL MEETINGS. Special meetings may be called by the President of the Board or by a quorum of the Board. No less than three (3) days' notice shall be given to allow for notification of the Board and public advertising in accordance with Alaska law.

SECTION 4. QUORUM. Four Board members, attending in person, telephonically, or electronically, shall constitute a quorum for the transaction of all business of the Board.

ARTICLE IV
OFFICERS

SECTION 1. OFFICERS. The officers of the Board shall be the President, Vice-President, and Secretary.

SECTION 2. ELECTION OF OFFICERS. Election of officers shall be held annually, at the first meeting following the general municipal election. Nominations shall be made from the floor, followed by the election. A majority vote of all members of the Board shall be necessary to elect. The terms shall begin upon adjournment of the meeting at which the election is held.

SECTION 3. PRESIDENT. The President shall preside at all meetings of the Board and shall exercise and discharge other powers and responsibilities as may be required by the Board, by these Bylaws, or by the Medical Staff Bylaws. The President's responsibilities may include, but are not limited to making recommendations to the Board, from time-to-time, as the President determines appropriate, on policies and matters that the President believes require Board action, as well as attending meetings of the Board and Medical Staff unless the President appoints a designee. The President will also serve as liaison among the Board, the Medical Staff, and the Hospital.

SECTION 4. VICE-PRESIDENT. The Vice-President shall, in the absence or refusal to act of the President, perform the duties of the President, and shall perform all such other duties as may be required by the Board, by these Bylaws, or by the Medical Staff Bylaws.

SECTION 5. SECRETARY. The Secretary of the Board shall keep an accurate record of all meetings of the Board; shall conduct all correspondence of the Board as directed; shall file all documents and correspondence belonging to the Board; shall keep these Bylaws and the Medical Staff Bylaws current for reference; and shall conduct an election of a President pro-tem in the event that the President and vice- President are absent from or otherwise unable to participate in a meeting of the Board. The secretary may receive assistance from Hospital staff in carrying out these duties and responsibilities.

SECTION 6. TERM OF OFFICE. The term of office for all officers shall be one year. Officers shall be eligible for re-election to the same or other positions as officers.

SECTION 7. REMOVAL OF OFFICERS. Any officer may be removed with cause by a two-thirds majority vote of the Board for any of the reasons enumerated in the Borough Charter Section 2.04 (B).

ARTICLE V
COMMITTEES Of THE BOARD

SECTION 1. COMMITTEES GENERALLY. Committees of the Board may be standing or special. Each committee shall exercise such power and carry out such functions as are designated by these Bylaws or are delegated by the Board. Except as otherwise specified in this Article V, each committee shall adhere to the following procedures:

A. Meetings. The President of the Board or committee chair shall determine the schedule that each committee shall be required to meet. Reasonable notice of the meetings of any committee shall be given to the committee members and to the President and any such other individuals as may be designated by the Board from time to time, each of whom shall have the right to attend and participate in the deliberations of the committee except as otherwise expressly noted in these Bylaws. The President of the Board or the committee chair may invite to any committee meeting such individuals as they may select who may be helpful to the deliberations of the committee.

B. Minutes. Each committee shall record minutes of its deliberations, recommendations, and conclusions and shall deliver a draft copy of such minutes to the Secretary, the President, and such other individuals

designated by the Board from time to time for review and comment prior to completion.

C. Quorum. Subject to the provisions otherwise identified in these Bylaws, a majority of the members of each committee shall constitute a quorum for the transaction of business.

D. Rules. Each committee may adopt rules for its own operations and that of its subcommittees consistent with these Bylaws or the policies of the Board. The Board must approve any such rules before they become effective.

SECTION 2. APPOINTMENT TO COMMITTEES. The chair and members of each committee, except as otherwise provided in these Bylaws, shall be appointed annually by the President and confirmed by a majority of the Board.

SECTION 3. STANDING COMMITTEES. Standing committees shall consist of the Quality Improvement Committee, Joint Conference Committee, and the Resource Committee.

A. QUALITY IMPROVEMENT COMMITTEE. The Quality Improvement Committee shall review and report on matters of patient care and safety of patients, staff, and Hospital visitors. This committee shall identify, assess, and recommend solutions of Hospital-wide problems concerning the standard of care provided by the Hospital's employees, agents, independent contractors, and Medical Staff. The committee shall review and report on systems of performance evaluation for all clinical and administrative staff; membership by individuals on the Medical Staff; scope of privileges held by members of the Medical Staff and others; and litigation and claims related to malpractice, non-feasance or misfeasance by employees, agents, independent contractors, and members of the Medical Staff. The committee shall include, at a minimum, one member of the Board, the CEO, the director of nursing, the medical records director, and one member of the Medical Staff. The committee shall meet at least ten (10) times per year, and shall report to the Board as requested by the President.

B. RESOURCE COMMITTEE. The Resource Committee shall review and make recommendations to the Board with respect to the financial and strategic planning needs and activities of the Hospital. These include, but are not limited to, debt structure; purchase, sale or encumbrancing of real property; financial feasibility of projects; adoption of the annual budget; policies of the Hospital on bad debts; donated services; insurance held by the Hospital;

reports of the auditors; and other matters that might affect the financial condition and future direction of the Hospital.

C. JOINT CONFERENCE COMMITTEE. The Joint Conference Committee shall act as an intermediary between the Board and the Medical Staff. It shall consist of the President of the Board, the CEO, and the Chief of Medical Staff. In the absence of the President, another officer of the Board shall represent the Board.

The chair of the committee shall alternate annually between the President, who shall serve in even-numbered years, and the Chief of the Medical Staff, who shall serve in odd-numbered years. An alternate chair may be appointed by mutual agreement of the President and the Chief of the Medical Staff.

The Joint Conference Committee shall hear grievances and make recommendations to the Board and to the Medical Staff. It shall review proposed amendments to the Medical Staff Bylaws and rules and regulations. The committee shall meet quarterly or at the request of the President or the Chief of the Medical Staff, and shall report to the Board as requested by the President.

SECTION 4. SPECIAL COMMITTEES. Special committees may be designated by the President with the approval of a majority of the Board. A special committee shall limit its activities to the task for which it is appointed. Upon completion of the task for which it was appointed, a special committee shall be dissolved without further Board action.

SECTION 5. AUXILARY AND ASSOCIATED ORGANIZATIONS. The Board may authorize the formation of auxiliary and associated organizations to assist in the fulfillment of the purposes of the Hospital. Each such organization shall exercise such power and carry out such functions as are designated by these Bylaws or delegated by the Board. Each organization shall keep regular minutes of its proceedings and shall report to the Board when requested to do so.

ARTICLE VI
Chief Executive Officer (CEO)

SECTION 1. SELECTION, AUTHORITY, AND EVALUATION OF CEO. The Board shall select and employ a competent and experienced CEO who shall be its direct executive representative in the management of the Hospital.

The CEO shall have the general supervision, administration and direction of all the Hospital's activities and departments, in accordance with the Petersburg Municipal Code and subject to the direction of the Board. The CEO shall perform all the duties

commonly incident to his/her office and authorized by the Petersburg Municipal Code. The CEO shall act as the Board's duly authorized representative in all matters in which the Board has not formally designated some other person for that specific purpose.

The Board shall evaluate the performance of the CEO annually based on mutually agreed upon goals and objectives. This evaluation shall be performed in an executive session of the Board and a written record of the evaluation shall be made part of the personal and confidential file of the CEO.

SECTION 2. RESPONSIBILITIES AND DUTIES. Responsibility and duties of the CEO shall include, but not be limited to:

A. Responsibility for carrying out all policies established by the Board;

B. Preparation and submission to the Board for approval of a plan or organization of the personnel and others concerned with the operation of the Hospital;

C. Preparation of an annual budget showing the expected revenue and expenses of the Hospital;

D. Selection, employment, control and discharge of all employees, including the development and maintenance of personnel policies and practices of the Hospital;

E. Responsibility for the repair and operating condition of all physical properties;

F. Supervision of all business affairs of the Hospital and ensuring that all funds are collected and expended to the best possible advantage to the Hospital;

G. Working with the Medical Staff and with all those concerned with providing professional services to the Hospital so that the best possible care may be rendered to all patients;

H. Preparation of periodic reports to the Board reflecting the activities of the Hospital, and the preparation of any special reports as may be requested by the Board;

I. Attendance at all meetings of the Board;

J. Performance of any other duty assigned by the Board or that may be necessary in the interests of the Hospital;

K. The CEO shall be responsible for establishing policies for services provided by individual volunteers.

ARTICLE VII
MEDICAL STAFF

SECTION ONE. ORGANIZATION, APPOINTMENTS AND HEARINGS.

A. The Medical Staff shall be organized into a responsible administrative unit, and be a self-governing body, having its own Bylaws, rules, policies and regulations, subject to approval by the Board. It shall be comprised of physicians who are graduates of recognized medical schools.

B. The Medical Staff shall be responsible to the Board for the scientific work and the clinical work of the Hospital and it shall respond to the Board when called upon to advise the Board regarding professional problems and policies.

C. The Medical Staff shall make recommendations to the Board on individuals who apply for appointment to the Medical Staff, allied health professional staff, and dependent practitioner staff, and the Board shall consider the Medical Staff's recommendations in deciding whether the applicant should be appointed. Any differences in recommendations concerning Medical Staff appointments, reappointments, terminations of appointments, and the granting and revision of clinical privileges shall be resolved within a reasonable period of time by the Board and the Medical Staff. Each appointee to the Medical Staff shall have the appropriate authority to care for their patients subject to such limitations and restrictions as are contained in these Bylaws and in the policies, Bylaws, rules and regulations for the Medical Staff, and, further subject to any limitations which may be attached to his or her appointment. Final authority and responsibility governing the Medical Staff shall reside with the Board.

D. The Board shall specify the authority and responsibility for selection of Medical Staff officers, section chairmen, and any other positions deemed appropriate by the Board.

E. The Medical Staff shall recommend to the Board the appointment of the medical and surgical privileges for each member of the Medical Staff annually.

SECTION TWO. MEDICAL CARE AND ITS VALUATION.

A. The Board shall assign to the Medical Staff reasonable authority for ensuring appropriate professional care of the Hospital's patients. The Medical Staff is responsible for the review/revision of policies and procedures that affect the Medical Staff as warranted. The period between reviews shall not exceed three (3) years.

B. The Medical Staff shall conduct an ongoing review and appraisal of the quality of professional care rendered in the Hospital and shall report such activities and the results to the Board.

C. The Board may refer specific matters to the Medical Staff for their consideration and recommendations concerning:

    1. Appointments, reappointments and other changes in staff status;

    2. Granting of clinical privileges;

    3. Disciplinary actions; and

    4. All matters relating to professional competency.

D. The Board shall ensure the Medical Staff contributes to the quality of care by coordinating their work with that of other leaders and those responsible for governing the organization. The Board shall also:

    1. Ensure all Medical Staff members responsible for assessing, caring for, or treating patients are clinically competent and that clinical care rendered is appropriate; and

    2. Ensure the Medical Staff contributes to the organization's planning, budgeting, safety management, and overall performance improvement activities.

SECTION THREE. The Board shall invite the Chief of the Medical Staff or its designee to its regularly scheduled meetings, The Chief of the Medical Staff or designee as spokesman for the Medical Executive Committee ("MEC") will be required to present the activities carried out and the recommendations made by the Medical Staff and MEC during the preceding month, as appropriate. These recommendations may include:

A. The structure of the Medical Staff

B. The mechanism used to review credentials and to delineate individual clinical privileges.

C. Individuals for appointment to the Medical Staff.

D. Delineated clinical privileges for each eligible individual.

E. The Medical Staff's participation in organization-wide performance improvement activities.

F. The mechanism by which appointment on the Medical Staff may be terminated.

G. The mechanism for the fair-hearing process.

SECTION FOUR. The Medical Staff shall adopt policies, Bylaws, rules and regulations and amendments as may be appropriate, setting forth its organization and governing its conduct. These policies, Bylaws, rules and regulations and any amendments thereto are subject to the approval of the Board.

SECTION FIVE. FAIR HEARING. The Board of Directors shall require that any adverse recommendation made by the Medical Executive Committee or any adverse action taken by the Board with respect to a practitioner's Medical Staff appointment, reappointment, category, admitting prerogatives, or clinical privileges, shall, except under circumstances for which specific provision is made in the Medical Staff Bylaws, be accomplished in accordance with the fair hearing provisions of the Medical Staff Bylaws, then in effect. These fair hearing provisions shall provide for procedures to assure fair treatment and afford opportunity for the presentation of all pertinent information. For the purpose of this Section, an "adverse recommendation" of the Medical Executive Committee and "adverse action" of the Board of Directors shall be as defined in these fair hearing provisions.

ARTICLE VIII
INDEMNIFICATION

To the extent permitted by the Charter of the Petersburg Borough and the Petersburg Municipal Code, the Hospital shall indemnify, defend and hold harmless the CEO, the Chief of the Medical Staff , and any Board Member who was or is made a party, or is threatened to be made a party, to any threatened, pending or completed action, lawsuit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was an officer, representative, employee or agent of the Hospital, or is or was serving as an officer, representative, employee or agent of the Hospital in any matter, including a peer review proceeding or in any proceeding relating to the discipline or licensure of a Medical Staff member, against all expenses, attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by that person in connection with the action, suit or proceeding, if he or she acted in good

faith and in a manner he or she reasonably believed to be in the best interest of the Hospital, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The determination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of a *nolo contendere* or equivalent, shall not, by itself, create a presumption that the person did not act in good faith or in a manner which he or she did not reasonably believe to be in the best interests of the Hospital and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Except as otherwise set forth in this Article VIII, the Hospital may not indemnify an CEO, Chief of Medical Staff, or Board Member (i) in connection with any proceeding by or in the right of the Hospital in which the individual is or has been adjudged liable to the Hospital; or (ii) in connection with any other proceeding charging that the individual derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the individual was adjudged liable on the basis that the individual derived an improper personal benefit. Notwithstanding the foregoing, the Hospital shall indemnify any CEO, Chief of the Medical Staff, or Board Member to the extent properly ordered to do so by a court of competent jurisdiction.

ARTICLE IX
CONFLICT OF INTEREST

A Board member shall be considered to have a conflict of interest if he or she has an existing or potential financial interest which impairs or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his or her responsibilities to the Hospital. All Board members shall disclose to the Board any possible conflict of interest at the earliest practical time.

A Board member shall recuse himself or herself from voting or otherwise participating in any matter under consideration at a Board or committee meeting in which he or she has a conflict of interest. The minutes of each meeting shall reflect any recusals. A Board member who is uncertain whether a conflict of interest exist in any matter shall disclose the possible conflict and request the Board or committee to resolve the question by majority vote without his or her participation.

ARTICLE X
DISSOLUTION OF HOSPITAL

If the Hospital Board is dissolved and/or the operations of the Hospital cease, the assets of the Hospital will revert back to the Borough or such other governmental entity identified by the Borough for a public purpose, or to such other nonprofit corporation

identified by the Borough for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE XI
~~ADMENDMENTS~~
AMENDMENTS

These Bylaws may be amended or have additional articles or sections added at any regular meeting of the Board by four votes, provided the amendment or additions have been submitted in writing and read at the previous regular meeting.