



**Petersburg**  
**MEDICAL CENTER**

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July 29, 2025

Annalisa Haynie  
Procurement Specialist  
Department of Health  
Division of Finance & Management Services

**RE: Request for Information #26-001 – Rural Health Transformation Projects**

Dear Ms. Haynie,

Thank you for this opportunity to provide input to the Department of Health to help shape Alaska's strategy for implementing the new Rural Health Transformation Projects (RHTP) funding. I hope you find our submission of the following RHTP-aligned scalable ideas and project concepts useful in developing Alaska's Rural Health Transformation Plan. From the vantage point of our community owned rural hospital, each item included would uphold RHTP expectations to improve healthcare access, outcomes, partnerships, strategies and effective use of new and emerging technologies. I strongly believe each recommended project supports the Department's goal to leverage this federal funding opportunity to generate transformational improvements in the full continuum of health care across Alaska.

I wish to thank the Division of Finance & Management Services and the Department of Health as a whole for supporting this process. The RHTP is emerging rapidly as an unprecedented opportunity to transform rural health systems in a moment when we have never needed that transformation more. I can only imagine the pace at which Department personnel are working to meet these deadlines, and to ensure Alaska puts forward a plan that truly reflects the challenges and potential of our diverse, resilient rural communities.



Our hospital is proud to be part of the vision you are building in developing and implementing this plan – thank you for affording us this meaningful opportunity to bring our ideas to you. Petersburg Medical Center’s response to this RFI strives to provide recommendations of projects with broad statewide viability and potential for impact, while giving specific examples of project applications in our service area that are immediately actionable in the current fiscal year if funding is available.

My team looks forward to answering any questions these proposals may raise or providing more context, detail, or other resources as needed. Thank you for your tireless work on behalf of Alaskans’ health and wellbeing!

Warmly,

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

**Attachment: Petersburg Medical Center Response to RFI #26-001 – RHTP**

**CC: [doh.procurement.proposals@alaska.gov](mailto:doh.procurement.proposals@alaska.gov)**

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### Organizational Background & Experience

Petersburg Medical Center (PMC) is an independent 501(c)3 non-profit Critical Access Hospital (CAH) serving the remote Southeast Alaska communities of Petersburg Borough, and one of Alaska's three remaining community-owned CAHs, unaffiliated with any larger healthcare system. PMC was established as a community hospital in 1917, in the three-story wooden home from which it operated for nearly 40 years. A designated CAH for over two decades, PMC provides the only emergency, primary, Long Term Care, Home Health, and other vital healthcare services in a 4,000-square mile service area – a HRSA-designated Health Professional Shortage Area accessible only by boat or plane – and is relied on by residents, visitors, the U.S. Coast Guard, and a significant seasonal workforce population alike for care.

PMC's healthcare services are provided through our Joy Janssen Primary Care Clinic, 12 inpatient hospital beds, and 24-hour Emergency Department; State-licensed Medicare-certified Home Health agency and Long Term Care Unit with a five-star rating from Medicare's Nursing Home Compare; school-based and outpatient behavioral health; chiropractic, rehabilitative, and preventative care; visiting specialties program through which PMC coordinates local care with out-of-town providers; full-service lab, imaging center with same-day diagnostic testing, on-site licensed drug and pharmacy compounding rooms; and a robust Community Wellness program providing nature-based outdoor childcare and summer camps, community- and school-based suicide and substance use prevention activities, falls prevention programming for older and disabled residents, and hospital staff wellbeing services. PMC provides our community with overnight observation stays and infusion services, such as chemotherapy, blood transfusions, and monoclonal antibodies, and in fall 2025 the hospital will open our service area's first local MRI service access. Given our region's seasonally fluctuating population it is no surprise that, calculated on a rolling multi-year basis, PMC serves unduplicated individuals far in excess of U.S. Census and Alaska Department of Labor estimates for our Borough's total population.

The key contacts for this RFI response and projects proposed within are as follows:

**Philip Hofstetter, AuD**

Chief Executive Officer

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### Overview of Recommendations

PMC respectfully proposes the following ideas and potential projects for consideration. These are approaches we believe have considerable beneficial power and promise spanning outside of our region, and each could be adapted and applied in other communities, and/or scaled for statewide impact. Each recommendation summary submitted for consideration in the State's RHTP plan includes an application example of a demonstration or pilot project in PMC's operational context. We are ready to provide any additional information desired regarding projects' scope, budgets, deliverables, or research grounding.

## Petersburg Medical Center Response to RFI #26-001 – Rural Health Transformation Project

Please note, formal timelines for implementation are not included as they will vary based on which elements of the projects below might be selected as appropriately aligned with the Department's emerging Rural Health Transformation Plan to warrant investment. Broadly, however, PMC has only proposed project examples we know to be (a) shovel-ready, in the case of infrastructure opportunities; (b) already in progress or ready to pilot, in the case of programmatic/capacity opportunities; or (c) positioned for immediate assessment or evaluation, in the case of future planning/systems integration opportunities. In short, **any of these proposed projects could be actionable beginning in FY26 if funded.**

- **PROPOSED PROJECT 1: Rural Hospital Deferred Maintenance & Critical Infrastructure**

**Summary:** A healthcare system's functionality is intrinsically tied to the effective maintenance of healthcare facilities and operations. Alaska's Critical Access Hospitals sustain access to healthcare by keeping essential services in rural communities. With these communities hit particularly hard by inflation and cost volatility over the past five years, Alaska's independent Critical Access Hospitals have faced uphill battles in their efforts to fully fund capital projects required for urgently needed infrastructure improvements. This project proposes establishing robust Rural Health Infrastructure funding to immediately invest in modernizing facilities, ensuring rural communities have access to cost efficient, code compliant healthcare buildings with the capacity to engage current and future technologies. This project supports the critical rural health infrastructure necessary to improve access to hospitals, health care providers, and health care services today and into the future.

**PMC would apply this funding to support the completion of the final phases of a highly needed new Petersburg Health Campus.** Our existing hospital was found to be well beyond useful life a decade ago. Systems do not meet current codes, are no longer manufactured or supported, and require costly constant maintenance; made difficult when parts and expertise are no longer available for aging components. The building cannot support the increased technology demands essential for modern healthcare, and functional improvements are needed to comply with current guidelines on infection control, patient safety, patient privacy, food service, and sanitation. The New Petersburg Health Campus will comprise a fully funded Wellness Center (opening 2025, on schedule and under budget), a Medical Center, and a Long Term Care Facility, with phased completion of buildings pending full funding. The project is shovel-ready with the main hospital and state of the art Long Term Care buildings remaining, including Emergency Room, Primary Care Clinic, Physical Therapy, Lab, Imaging, Home Health, and Pharmacy, among other ancillary services. The updated campus will significantly increase PMC's energy efficiency, reducing operating costs into the future and ensuring access to critical services in the safest, most cost-effective environment available to rural Alaskans: their own home community. The land for this project has been developed through prior funding to shovel ready status, with proper local permitting, zoning established via ordinance, and strong community support. Construction of the Wellness Center has cycled an estimated 63% of all capital project funds invested in design, construction, and furnishing into Alaskan businesses and jobs.

**Total Estimated Project Cost: LTC Building - \$37m FY26-27; Main Hospital - \$39m FY28-30**

**RHTP Alignment:** This project is aligned most closely with **RHTP required activities #7 and #5** and

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promotes sustainable access to high quality rural health care services, as directed by **RHTP required activity #10** (to be determined by the CMS Administrator).

**Anticipated Impact:** Without timely investment to replace aging infrastructure, rural hospitals are significantly vulnerable to cost volatility, given the higher utility and maintenance expenses demanded by relying on systems far beyond their useful life. Given mounting, multidirectional pressure on these hospitals, the impact of investing in rural infrastructure is to ensure they will continue to exist and serve rural Alaskans who have the least access to other sources of healthcare.

**Sustainability Strategy:** Designated CAHs like PMC have a cost-based reimbursement structure under Medicare/Medicaid, including depreciation of capital – an important factor that supports financial viability for new facility investments. Through one-time capital investments in otherwise self-sustaining entities with no need for further State operational funds, this project has the power to retain the State's frontline providers in rural healthcare, expand rural capacity for effective use of new health technologies, and exponentially impact employment – including long-term recruitment and retention – at the community level, while fueling the vital economic engine of local ownership.

- **PROPOSED PROJECT 2: Rural Hospitals Primary Direct Care Payor Model Demonstration Project**  
**Summary:** In 2024 the State Legislature passed Senate Bill 45, authorizing direct health care arrangements to reduce barriers and costs for healthcare services, including primary direct care provided by facilities that bill insurance. This allows rural hospitals to pilot subscription models for care, adhering to CMS rules and insurance regulations, with the goal of reducing costs and improving access in the communities they serve – particularly increasing access to cost-saving preventative care, and particularly benefiting uninsured and underinsured individuals such as small business owners and fishermen. Funding a project to encourage rapid testing of primary direct billing models in rural communities will identify best practices and opportunities to scale statewide.

**PMC would use this funding to support the FY26 launch of a pilot project in direct primary care for Petersburg Borough.** Our hospital has been working since late FY25, internally and with external partners, to explore viability and establish parameters for a pilot project testing a local monthly fee payment model. The hospital will measure the model's efficacy at addressing the lower rates of engagement with ongoing primary and preventative care among self-pay patients over time, as well as cost effectiveness and pathways to sustainability, and engagement / satisfaction levels among community members struggling with rising cost of living coupled with high insurance premiums.

**Total Estimated Project Cost: \$300k per project year for planning, personnel, & research/evaluation**

**RHTP Alignment:** This project is aligned most closely with **RHTP required activity #9**.

**Anticipated Impact:** Rural Alaska is looking toward an evolving landscape for both individuals' health insurance coverage and the foundational payor sources that support continued operation of the rural health entities often providing the only care within a given geographic service area. Localized experimentation with alternative payor models will be most impactful with the coordination, shared learning, and meaningful evaluation made possible by a benchmarked state-led project.

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**Sustainability Strategy:** This project allows rural providers like PMC to work toward transforming and diversifying how healthcare is paid for, in order to maintain long-term operations; specifically after RHTP funds sunset in 2032. Piloting payor innovations with robust measurement and evaluation of different models – ideally shared among rural providers in a statewide learning collaborative – will identify the most promising models and considerations for rural Alaska, and the extent to which they are able to consistently provide predictable revenue while incentivizing uptake of preventive care.

- **PROPOSED PROJECT 3: Hybrid Telehealth Access Expansion Project**

**Summary:** Telehealth is an undeniably critical component of rural healthcare access in Alaska. As an early adopter and robust investor in telehealth innovation, PMC has identified elements vital for success at the patient, program, and institutional levels. Specifically, a hybrid onsite / telehealth approach that includes dedicated in-person support and integration in the local healthcare site's continuum care, opportunities for provider consultation and training as well as delivery of direct services, and periodic in-person access to the remote provider has been identified as increasing success in patient retention and sustained project engagement. Funding for rural providers to launch or expand hybrid telehealth models with these program components, purchase needed tech hardware, and invest in wifi/broadband infrastructure when necessary strongly supports RHTP goals.

**PMC would use this funding to support the expansion of our successful telepsychiatry model into a full Telehealth Department encompassing primary, behavioral, and specialty healthcare.** PMC's telepsychiatry project was launched with a federal grant in FY24, sustained with investment of State Opioid Settlement funds in FY25, and entering FY26 has been built into a community staple with full provider caseloads and multiple opportunities for expansion identified. The project is exceeding national average rates for patient wait time from referral to contact, patient wait time from referral to intake, and percentage of patients who remain engaged in care beyond two appointments. In FY25, PMC began offering integrative telemedicine to support management of complex and chronic conditions, to great response from our patients. In FY26, the hospital is exploring opportunities to fund expansion of this hybrid telemedicine project to other areas of specialty care. The vision for this expansion embraces and builds upon our successful tripart model for onsite support, telehealth access to medical experts, and periodic in-person care. Expansion could include additional virtual specialties such as telecardiology, as well as significantly improving rural behavioral health access. **Total Estimated Project Cost: \$750k per project year for two years to establish Telehealth Dept.**

**RHTP Alignment:** This project is aligned most closely with **RHTP required activities #3, #2, and #1**, and in communities working with behavioral telehealth, **required activity #8**.

**Anticipated Impact:** PMC's telepsychiatry pilot project established our service area's first consistent local access to direct psychiatric care for patients and integrated provider / prescriber psychiatric consultation. Within this and other areas of specialty care, the impact of meaningful telehealth access is difficult to overstate. Rural residents too often forego care when it requires lengthy, costly, logistically complicated travel; or delay that travel until a health condition has become more acute

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and expensive to treat. Access to specialized care in the communities where we live is vital.

**Sustainability Strategy:** Pilot projects will generally encounter roadblocks and PMC's telepsychiatry project was no exception. In our first 12 months, funder support for experimentation and strategic rethinking was essential. By 18 months, the project was stable, receiving consistent referrals, and providing services to patients and providers with positive result. At 24 months, it is close to self-sustaining through reimbursement for care, with opportunities for service expansion identified.

- **PROPOSED PROJECT 4: Traveling Specialties to Expand Chronic Disease Screening & Prevention**

**Summary:** Too often, rural Alaskans experience unusually high rates of preventable chronic disease burden and disproportionately low access to the screenings, monitoring, and treatment required to address chronic disease and reduce both costly late-stage interventions and overall mortality. A project supporting providers to engage regional, statewide, or out-of-state specialty care teams in establishing regular visiting clinics could transform community members' access to this care.

**PMC would use this funding toward establishing a renewed quarterly visiting clinic model to bridge the severe gap in access to comprehensive colorectal cancer (CRC) screening,** among other chronic disease specialties. Rural residents in Southeast Alaska, as in other regions, have limited or – in the case of Petersburg Borough – zero local access to colonoscopies. Currently residents of our service area must travel by air or water to access colonoscopies, or even to reach a mail facility that can guarantee a Cologuard test is delivered to the lab within the required timeframe for processing. These barriers reduce the number of residents who receive CRC screenings far below recommended levels, heightening their risk for advanced stage diagnosis and more severe outcomes. PMC has worked to close these gaps by attempting to contract with regional hub providers who have access to the requisite personnel to provide colonoscopies onsite. Unfortunately, no regional provider has had capacity to make more than one visit to our Borough in the past several years, and the waitlist for services has grown exponentially. The cost of provider travel to remote communities is rising and is not reimbursable through traditional billing. However, with recent advances in Cologuard test technology and with RHTP-driven short-term funding to explore and establish new partnerships with visiting clinic providers outside the region and develop local outreach and health education strategies, these barriers could be meaningfully addressed for our rural residents.

**Total Estimated Project Cost: \$160k per project year for case management & nonmedical clinic costs**

**RHTP Alignment:** This project is aligned most closely with **RHTP required activities #1, #2, and #7**, and promotes sustainable access to high quality rural health care services, as directed by **RHTP required activity #10** (to be determined by the CMS Administrator).

**Anticipated Impact:** The impact of a rural community going from zero local colonoscopy access to regular and consistent access cannot be overstated. Health education and recommendations for standards-aligned screening can be more meaningfully employed by rural providers, and rates of late-stage diagnosis and treatment can be reduced, with meaningful impacts on patient outcomes, family experiences, and on cost reductions in treatment of advanced disease.

**Sustainability Strategy:** Once the requisite external provider partnerships are established and a



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projected cost basis for clinics established, rural providers will be able to make an informed internal case proposal to cover travel costs associated with bringing otherwise billable services to their area.

- **PROPOSED PROJECT 5: Rural Resident Chronic Disease Prevention & Monitoring Project**

**Summary:** As described above, rural Alaskans experience unusually high rates of preventable chronic disease burden and disproportionately low access to monitoring and treatment services to address chronic disease and to reduce both costly late-stage interventions and overall mortality. Many rural communities do not have public infrastructure larger towns and cities have come to rely on, such as free blood pressure monitoring devices in drugstores and pharmacies. An RHTP project supporting providers to expand home monitoring for conditions such as hypertension would help address this.

**PMC would use this funding to support a pilot project to expand successful blood pressure screening and hypertension management through remote home monitoring** that the hospital first began pursuing funding for in 2024. This comprehensive project is designed to establish free-to-use devices for public blood pressure checks located throughout the community, with health education information and easy-to-use linkages to local providers posted. Increased case management and data capacity would support necessary expansion of patient services, while a lending library of home monitoring devices with provider interoperability will promote improved condition management.

**Total Estimated Project Cost: \$175,000 per project year for personnel, monitoring tech, materials**

**RHTP Alignment:** This project is aligned closely with **RHTP required activities #3 and #1.**

**Anticipated Impact:** High blood pressure is the most common cardiovascular disease, and the highest mortality risk, associated with heart failure, stroke, peripheral artery disease, chronic kidney diseases, cognitive disorders, and high cardiovascular mortality. Managing blood pressure is the most important factor in reducing cardiovascular risk.

**Sustainability Strategy:** This project would essentially provide launch funding to providers with documented need and readiness to implement. The seed funding for place-based tech purchases / improvements, staff training, health education materials development, systems integration, and quality testing/iterations covers short-term needs. Sustained operation of the hypertension home management program can be more easily supported by healthcare reimbursement once established.

- **PROPOSED PROJECT 6: Rural Health Networks – Planning, Development & Implementation**

**Summary:** Increasing health system consolidation is linked to reduced services and hospital closures in rural areas nationwide. Alaska's healthcare landscape is unique, with strong alliances between Tribal health system entities, FQHCs, Critical Access Hospitals, and other diverse provider types. For rural providers, interrelationship is non-negotiable – without healthy and active partnerships, we are all at increased risk. Rural Health Networks are a time-tested model supported by HRSA to identify locally-specific opportunities for innovation and collaboration, and develop and implement shared action plans, while maintaining institutional autonomy. Yet to manage such Rural Health Networks effectively, and to qualify for federal implementation funding, partners must front the cost



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of a 0.5 FTE or 1.0 FTE Network Director, depending on the size of the collaboration. A fund supporting the initial personnel costs needed to leverage additional Network funding could exponentially expand Rural Health Networks' viability and resources; reducing opportunity cost of implementation delays.

**PMC would use this funding to establish a Network Director for the newly formalized Alaska Independent CAH Network in FY26.** Alaska's three remaining independent, community-owned CAHs – PMC, South Peninsula Hospital, and Cordova Community Medical Center – have obtained federal funding to formally establish our Rural Health Network in FY26 to achieve more effective use of our collective resources, expand access to care, improve healthcare coordination and quality, and generate improved rural health outcomes in our service areas. Currently, PMC is providing the Project Director role for this one-year launch project and contributing in-kind time for our CEO to serve as interim Network Director. Beyond FY26, however, it is unrealistic for a CEO to perform this role, as it will require an increasing level of time and capacity relative to Network goals and projects. In order to sustain Network activities – which are anticipated to generate cost savings and beneficial shared outcomes initiatives across the three CAHs – a permanent half- or full-time position will be required. This position, when established, will render the Network eligible for future HRSA funding.

**Total Estimated Project Cost: \$185,000 per project year if FT position with ~40% fringe benefits**

**RHTP Alignment:** This project is aligned closely with **RHTP required activities #6 and #7.**

**Anticipated Impact:** With up-front investment, Rural Health Networks can become primary drivers of reduced costs and increased innovation regionally. The impact of providing short-term funding to establish half- or full-time Rural Health Network Director positions can have an outsized impact: ensuring that implementation plans developed by these Networks are not delayed by lack of institutional capacity among their membership and increasing the likelihood of Networks generating further federal funding to support far-reaching implementation and quality projects.

**Sustainability Strategy:** Bridging the funding gap for these critical positions between Network planning and implementation activities strongly increases the likelihood of future access to project grants, as well as to successfully generating sufficient cost savings to enable Networks to sustain the positions through member contributions.

- **PROPOSED PROJECT 7: Regional Expansion of Rural Home & Community Services Coverage**

**Summary:** Alaska's population of older adults has long held one of the country's highest rates of growth, with high current and even higher projected need for specialized Long Term Care, Home Health, and Home & Community-Based Services healthcare statewide. However, there are stark divides between rural and urban communities' access to these essential services, and capacity to contend with regulatory requirements designed for road-system based providers. Entire regions of rural Alaska have insufficient access to Home Health care, Adult Day Services, hospice care, and more. Given that each community has unique place-based challenges and opportunities, a flexible fund for statewide improvement in rural access to these services is a strategic use of RHTP funds; as is robust State investment in care coordination systems interoperability to reduce existing barriers

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to timely care management and case planning among rural older adults and disabled individuals.

**PMC would use this funding to expand access to our Home Health program and other critical services for older adults and those with disabilities to areas in our region without local Home Health Services.** According to Department of Labor's 2025 estimates, a quarter of Petersburg Borough's population is age 65+, with the relative population of 65+ year old residents projected to remain at 25% through 2035. Southeast has one of the highest populations of older adults nationwide and has been among the fastest growing in the country for the past decade. A rapid increase in service availability is essential to meet the needs of this population, make it possible for older adults to live as long as possible in their own homes, reduce the level of burden on family caregivers, and prevent unnecessary or accelerated transfers into higher-cost, less locally available institutionalized care. It is critical that rural Alaskans have the same level of access to home- and community-based services. **Total Estimated Project Cost: \$750k/year for personnel, travel, outreach to establish region coverage**

**RHTP Alignment:** This project is aligned most closely with **RHTP required activities #7 and #2** and promotes sustainable access to high quality rural health care services, as directed by **RHTP required activity #10** (to be determined by the CMS Administrator).

**Anticipated Impact:** Robust availability of Home Health and Home & Community-Based services reduces the pressure on Alaska's assisted living and long term care facilities, and help to sustain family caregivers in their challenging but vital roles. However, Alaska's need for these services far outstrips current availability, particularly in rural areas. Targeted RHTP expansion grants for projects contributing to shared outcomes strengthening this system of care could have considerable impact.

**Sustainability Strategy:** The sustainability of this project is linked to the State's goals for cost reimbursement of Home Health and similar services, in combination with some services' eligibility under traditional billing mechanisms. Bridging the gap to successfully launch and stabilize services to the point of reimbursement is a worthy investment of RHTP funding with long-term potential.

Additional projects would strongly benefit Alaska's rural health systems of care – specifically funding for demonstration projects in **community-based collective bargaining / risk pooling for insurance costs, interoperability of schools, health services and payors** (eg EHR, telehealth, & billing), and **rural ambulatory surgery centers**; as well as establishing a **rural health workforce professional development and recruitment fund** – particularly one that amplifies “grow your own” pathways, like those PMC and many of our rural partners strive to invest in. PMC would gladly submit proposals expanding on these ideas and opportunities in alignment with the final State RHTP Plan, but will refrain from further project proposals in this RFI submission in consideration of the Department's request for limited length.

### Implementation Considerations

#### *Key Partners*

The key partners PMC anticipates working with in implementation of any application of the proposed projects above include, but are not limited to, the following:

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- **Petersburg Borough (Local Government)**

The Borough is a vital partner and has demonstrated strong support for the new Petersburg Health Campus infrastructure development project through passage of multiple resolutions over the last several years. The Borough provided land for the Campus at no cost, and continues to advocate for funding and provide in kind support as possible. Our local government's backing ensures alignment with community development goals and lends public support.

- **State of Alaska Department of Health**

The State is a vital partner far beyond its role as the conduit for RHTP funds. As the body responsible for Alaska's RHTP Plan, our goals, priorities, and outcomes are linked. PMC looks forward to continued partnership with the Department to ensure that projects align with the state's Rural Health Transformation Plan and eligibility criteria, as well as all other requisite regulations and credentialing. The State's role includes providing technical assistance, coordinating policy support, reviewing opportunities for regulatory flexibility to promote new care models or payment models, and potential co-design of projects such as the proposed value-based payment pilot or other best practice-based innovations.

- **Tribal Government, Public Health, & Local Community Organizations**

The Public Health Nursing (PHN) office in Petersburg is co-located with PMC in our new WERC building, symbolizing our long standing and intentional integration with the income-based public health services our community relies on. Our year-long 2025 Community Health Needs Assessment process included PHN staff alongside PMC, and our staff routinely plan and strategize improvements in outreach and service goals. PHN is a vital partner in implementing community health programs such as vaccinations, health education, and maternal-child health outreach on the new Health Campus. PMC also enjoys deep partnerships with local community organizations including the School District (with whom we deliver school-based health and behavioral health services, as well as courses and internships in the health professions). We partner with the local assisted living facility and Parks & Recreation Department to provide evidence-based fall prevention activities; and with the local Tribal government (Petersburg Indian Association) to provide Adult Day Services and transportation for Elders and those with mobility challenges. PMC also anchors the community's wellness coalition (SHARE), which includes nearly all the area's non-profits, service providers, and emergency services personnel.

- **Federal Agencies & Other Funders**

Federal and philanthropic partners have been critical in funding short-term or initial pilot programs testing several of the proposals we hope to expand if selected for investment. These funding agencies and their technical assistance providers are key stakeholders in project implementation and shared outcomes, spanning the US Treasury, HRSA, Administration for Community Living, and statewide funders including Rasmuson Foundation, Alaska Community Foundation, Alaska Children's Trust, Mental Health Trust Authority, and more. PMC coordinates data collection and monitoring/compliance reporting across all funders.

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- **Cordova Community Medical Center & South Peninsula Hospital**

Our partners in the newly forming Alaska Independent CAH Network (AKICN), collaboration between our three hospitals is critical to increasing cost effectiveness; expanding best practices, quality improvement, and robust incorporation of new technologies; and amplifying workforce recruitment, retention, and training efforts. The independent CAHs' ongoing and deepening collaborative initiative, currently supported through a FY26 HRSA Rural Health Network Development & Planning grant, will ensure the project's foundation is broad, not merely localized, leveraging peer-to-peer support and shared learning across multiple sites.

- **National Peers & Partner Institutions**

Through PMC's federal grants, team members across multiple departments engage regularly with nationwide technical assistance and learning communities. PMC has established partnerships outside the state for both workforce development (medical residency rotation, etc.) and for services (such as our newly formalized telestroke response project with University of Washington / Harborview, and our well-established school-based audiology screening partnership with University of Arkansas faculty). Partnerships like this must be expanded and relied on to strengthen our local offerings and inform project scalability.

### *Organizational Capacity & Readiness*

As an independent non-profit Critical Access Hospital, PMC has been serving the rural Southeast Alaska communities in and around Petersburg Borough since 1917. A mature healthcare provider, PMC relies on our experienced Finance & Accounting team to successfully steward nine active FY26 Federal, State, and philanthropic grants funding the hospital's current programmatic and capital projects. PMC's reporting is timely and comprehensive; current and prior grant-funded project objectives were achieved; and our financial management is proficient, demonstrated by our history of independent audits without findings.

PMC is experienced in launching, managing, and scaling novel efforts to meet emergent needs and opportunities. Over the past five years, PMC successfully managed two major outbreaks of COVID in a high-vulnerability population, including Petersburg's Long Term Care and Assisted Living facilities, and treated patients without pause during periods of pandemic-related staff attrition, preventing severe outcomes for our remote service area. Our team's capacity for effective project management and successful partnership to innovate in healthcare provision is well documented. In 2019, PMC's then five-year-old Medication Assisted Treatment (MAT) program received the Golden Stethoscope award for substance use disorder treatment. This program was subsequently expanded through a FY24 HRSA Rural Communities Opioid Response grant award and a FY25 Alaska Opioid Settlement grant award to pilot telepsychiatry access in the Borough. With over a decade of strong results and steady expansion, this integrated primary / behavioral health project uses the hybrid telehealth model proposed in this letter to serve community members from age 12 through residency in our Long Term Care program, meeting them where they are with what they need.

PMC is governed by a Board elected annually by the community we serve, and as its CEO, I am proud to serve our broader healthcare community as the current Chair of the Alaska Hospital & Healthcare

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Association Board and an Alaska HIE Board member, advocating for the needs and potential of rural healthcare providers. The proposals we include here reflect not only the interests of Petersburg Medical Center, our Borough, or our Southeast region, because I have been privileged in my career to serve rural communities throughout this state and understand well how inextricably linked our survival is as rural providers – much less our ability to excel within the unique restrictions and possibilities of our regions. I benefit from my experience developing the Uqalaqtiq audiology program, serving as Director of Audiology in Nome, and supervising thirty departments across the Bering Strait region as Norton Sound Health Corporation's Vice President of Hospital Services, in addition to my current role. The geographies and cultures of our region are specific, and each community knows its own needs best – but across decades and across roles, I have seen firsthand how investing in place-based, community-driven health services innovations pays off, notably in the ever-expanding area of telemedicine.

PMC's leadership and the teams involved in implementation of these proposed projects are experienced in transparent management of complex financial streams (including subcontracts, private/public medical billing, and grants), as well as the local, regional and statewide partnership to achieve shared outcomes. PMC is prepared and more than ready to support the success of the Department's RHTP goals.

### *Risks, Barriers, & Mitigation Strategies*

There are clear and routine potential barriers inherent in these proposals, largely by the nature of being located in rural and remote communities. Costs are highly volatile. Recruitment of healthcare professionals and access to sufficient housing are both issues that long predate the current moment, indeed informing the need for this program as a whole. Concerns about outmigration and workforce destabilization through funding shifts tend to become reality in rural communities first. We are highly interdependent, so what happens to other industries, other providers, other infrastructure in our rural communities happens to us as well.

PMC is experienced in navigating and mitigating these barriers, risks, and realities. Our financial position is solid. As a designated CAH, PMC has a cost-based reimbursement structure under Medicare/Medicaid, which includes depreciation of capital; an important factor that supports financial viability for necessary infrastructure investments. PMC has demonstrated that our team can manage large grant-funded projects effectively, on time, and under budget, as in the construction of the first building on Petersburg's new health campus, the Wellness, Education, and Resource Center (WERC) which will open to the public at the end of this summer. Our workplace satisfaction far exceeds national averages, and our compensation structure is regularly reviewed and shown to be highly competitive based on the annual AHHA provider survey. Across multiple departments, the PMC team is already engaged in innovation- and partnership-forward projects and initiatives – including piloting some of the goals we hope to accelerate through RHTP investment – preparing us to launch with not only the speed required, but the knowledge and earned experience as well.

It is also worth noting that there is no neutral ground where we stand: refraining from robust investment in this moment is far from without risk. As the Department understands, rural healthcare

## **Petersburg Medical Center Response to RFI #26-001 – Rural Health Transformation Project**

and the providers who deliver it across Alaska are standing at a precipice. We must also ask ourselves as we consider each project or possibility what the opportunity cost might be if we do not act. While PMC and other providers like us stand ready and able in this moment, not one of us is fully insulated from the changes in our financial position, staffing, and services that may be coming.

Overall, we believe the risks are known, manageable, and far outweighed by the benefits of these proposed projects. Our proactive mitigation strategies combined with long-established relationships with our key partners at all levels gives us confidence that PMC's recommendations for the Rural Health Transformation Project can be implemented successfully. The projects summarized above embody our shared commitment that through overdue investments in modernized infrastructure, cutting-edge technology, collaborative partnerships, and sustainable operations Alaska can ensure high-quality healthcare for our rural residents, now and for generations to come. As components within the State's Rural Health Transformation Plan, I believe these projects have the potential to transform healthcare delivery in our community and region, but also to serve as a blueprint for rural health innovation across Alaska and even nationally, in line with the vision of the RHTP.

Thank you for your consideration of our recommendations, and your work on behalf of this transformational vision for Alaska's rural health systems, providers, and beneficiaries.