



**Petersburg Borough  
Petersburg Medical Center**

12 South Nordic Drive  
Petersburg, AK 99833

**Meeting Minutes  
Hospital Board  
Regular Meeting**



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Thursday, April 24, 2025

5:30 PM

Assembly Chambers

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**1. Call to Order/Roll Call**

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

Board President Cook conducted Roll Call:

**PRESENT**

Board President Jerod Cook  
Board Vice President Cindi Lagoudakis  
Board Member Kimberley Simbahon  
Board Member Joe Stratman  
Board Member Jim Roberts

**ABSENT**

Board Member Heather Conn  
Board Secretary Marlene Cushing

**2. Approval of the Agenda**

Board Vice President Cindi Lagoudakis motions to approve the agenda as presented, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

**3. Approval of Board Minutes**

A. Approval of March 27, 2025, Hospital Board Minutes.

Motion made by Board Member Stratman to approve March 27, 2025, Hospital Board Minutes, Seconded by Board Member Simbahon. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

**4. Visitor Comments**

Katie Holmlund, Youth Programs, Development and Advocacy Coordinator informed that an informational session will be held tomorrow at 6:00 PM in the Dorothy Ingle Conference

Room to share details about the upcoming summer camp programming. The team has developed over 1,200 hours of camp opportunities for youth. This event is open to current families, prospective participants, and community members. Attendees are encouraged to bring questions. For those unable to attend, she will also be available at the Early Childhood Fair.

Katie also recognizes Kaili Watkins for being honored with the Afterschool Superhero Award, one of only five recipients across the state. This award recognizes her outstanding contributions to youth through her work at PMC, as well as her roles as a dance instructor and active community member. Congratulations to Kaili for her well-deserved recognition and the positive impact she continues to make.

## **5. Board Member Comments**

None.

## **6. Committee Reports**

### **A. Resource**

Board Vice President Cindi Lagoudakis reported that Joel led the financial review for the Resource Committee meeting. March was a strong month financially, despite a dip in lab numbers, which was expected given that this is not a health fair year. Rehabilitation, physical therapy, and emergency room volumes have remained steady, and the facility continues to average about 14 patients in long-term care. There may be future reconciliation payments owed to Medicare, but the income statement remains strong overall. The addition of 340B revenue has also positively impacted finances by providing hospital rebates. A decrease in cash on the balance sheet reflects recent payments made into the PERS retirement system, which could now proceed following the State's resolution of technical issues.

Joel noted that the hospital's operating margin continues to be strong, and investments are being managed conservatively with ongoing monitoring. Regarding grants, there was one pullback, but thanks to Sarah's work, it is not expected that any refunds will be required. Katie, the Grant Specialist, reported that two small grants have been awarded, while the remainder are still pending. It was also noted that Representative Begich has assumed sponsorship of a \$3 million CDS request for Phase 3 facility funding, originally supported by Senator Murkowski. A decision on this grant is expected in 2026.

The new WERC Building is anticipated to open in the coming months, at which time the remaining \$2 million in HRSA grant funds will be used to complete payments. Additionally, some funds are available to continue hardening the new hospital site. Joel also attended a training conference, with expenses covered by AHHA, and Phil is scheduled to travel to Washington, D.C., soon. A full budget presentation is expected next month.

### **B. LTC**

None.

### **C. Infection Control**

Board Member Stratman reported on the Infection Prevention and Control Committee meeting held on April 16th. The committee received a public health update from the public health nurse, which included discussion on updated HIV recommendations that are being revised to better align with CDC guidelines. Measles was also discussed, as cases are rising nationwide. The committee explored potential response plans in the event of a measles outbreak in Petersburg. RSV booster distribution is ongoing. Minutes from the February meeting were reviewed and approved. The Infection Control Coordinator addressed concerns about potential allergens in the building and led a discussion on plumbing and waste mitigation, noting that plumbing continues to be a significant issue in the facility. An Environmental Care Rounds report was reviewed, including updates on cleaning projects and chemicals, with one related action item now closed. Two other action items—related to antibiotic stewardship and the salon chair—remain open. The head of the laboratory provided updates on water testing across the facility, reporting no issues. Respiratory illnesses currently circulating in the community were also noted. Blood cultures have shown no signs of contamination, indicating high-quality sample collection. Hand hygiene was another focus area, and the clinic will soon be distributing hand hygiene surveys. The meeting concluded with a vaccine update, which noted that COVID-19 vaccination rates in the community remain very low.

## **7. Reports**

- A. Rehab
  - B. McMahon provided a written report.
- B. Plant Maintenance
  - W. Brooks provided a written report.

Board Member Stratman inquired about the timeline for the upcoming water shut-off required for part replacement. W. Brooks responded that the schedule cannot be finalized until the necessary part is received; as of now, they are still awaiting its arrival. Once the part is on hand, an updated timeline will be provided. In response to further questions, Wolf noted that the water is expected to be off for approximately six hours. During this time, fire watch walk-throughs will occur every 30 minutes to maintain safety compliance. Additional support resources will be brought in to help manage the process and address any potential issues to ensure everything proceeds smoothly. Board President Cook asked about contingency plans in the event of complications. Wolf assured the board that he and Chris have been reviewing various scenarios, including unlikely ones, and are actively preparing for all possibilities. A detailed action plan will be completed and in place prior to the shut-off.

- C. Environmental Services
  - G. Edfelt provided a written report.
- D. Home Health
  - L. Holder provided a written report.
- E. New Facility
  - J. Wetzel with Arcadis provided a written report.

Board President Cook expressed appreciation for the photo included in Justin's report. Board Vice President Lagoudakis raised a question regarding the potential for delays on the Phase 5 wetlands permit, citing recent interruptions experienced with other agencies. In response, Mike Kruse of Arcadis stated that there have been no indications of any delays, and the current timeline remains accurate.

- F. Quality & Infection Prevention  
S. Romine and R. Kandoll provided written reports.
- G. Executive Summary  
CEO, P. Hofstetter provided a written report.

CEO, P. Hofstetter provided a number of updates. He participated in a KFSK radio segment earlier in the day, where the recent measles update from Infection Preventionist Rachel Kandoll was discussed. The situation is being actively monitored, with updates to follow as new information becomes available. He also referenced a recent community needs assessment, noting that Katie will provide a more detailed report. The CEO echoed earlier congratulations extended to Kaili for receiving her award and highlighted upcoming youth programs, including the information session scheduled for tomorrow at 6:00 p.m. in the Dorothy Ingle Conference Room, and the Early Childhood Fair on Saturday at the elementary school from 10:00 a.m. to noon, where hearing screenings and other services will be offered. In addition, a teach on speech and language development for children up to 4.5 years old will be presented by the contracted Speech Language Pathologist at Good Beginnings from 9:00–10:00 a.m. on Saturday.

CEO Hofstetter reported that patient volumes remain high in acute care, inpatient, and long-term care areas—particularly for swing beds, which are at levels not seen in recent years. The clinic is maintaining appointment access, with next-available appointments in primary care averaging six days, which is within the typical standard of 10 days. Preparations are underway for the summer season, including an expected increase in volume due to cruise ship traffic. Visiting specialists continue to provide valuable services, with Optometrist Dr. Kapp seeing patients in April and scheduled to return around Mayfest. Dermatologist Cameron French is expected in June, and telepsychiatry services are ongoing, currently offered once a month. Dr. Sonkiss will visit in June to provide training and patient care onsite.

Regarding facilities, the CEO noted that planning and transition efforts for the new WERC building are well underway. Departments are preparing not only to move but also to adapt workflows due to the spatial separation between the WERC building and the main hospital. Cleaning and decluttering efforts are in progress to facilitate the move and to better utilize available space in the current facility. Public Health will move to the WERC building, allowing Home Health to relocate onto the main campus. These changes are expected to alleviate congestion and improve function, even though the idea of a new hospital has not yet been realized. The transition will also serve as a "soft opening" to identify lessons learned and explore opportunities such as digitizing paperwork.

The certificate of need for the MRI is still pending, with additional questions from the State requiring resubmission. Meanwhile, advocacy efforts for capital funding continue.

CEO Hofstetter will be traveling to Washington, D.C., in the coming weeks to meet with delegation and discuss infrastructure and funding needs.

Financial operations remain a focus, with Jason continuing to monitor efforts around billing, accounts receivable, and the 340B program, which is functioning well. While some progress is being seen in managing AR days and claim workflows, concerns remain regarding future funding for behavioral health programs. The loss of state-funded school-based behavioral health support presents a challenge, and the organization is currently working with the school district to determine how to sustain services moving forward. The CEO expressed cautious optimism about recent financial performance but noted that the grant environment remains difficult, particularly for new programs.

Board Vice President Cindi Lagoudakis inquired about the status of the certificate of need resubmission and whether the State's questions were routine. CEO Hofstetter responded that while this is relatively new territory for him, PMC's relationship with the State is positive, and he believes their requests reflect a genuine desire for PMC's success. He confirmed that the team is addressing the questions and will proceed with resubmission. Lagoudakis also asked whether representatives have been invited to tour PMC's facilities; Hofstetter confirmed that invitations have been extended, including to any legislators visiting during Mayfest.

#### H. Financial

J. McCormick provided a written report.

J McCormick reported strong financial performance for the month. There were 29 acute care days and 133 swing bed days, contributing to a year-to-date total of 922 swing bed days—278 of which were due to patients unable to be placed in long-term care or discharged, impacting the cost report. Gross revenues were \$2.6 million, exceeding the \$2.3 million budget, with net revenue at \$2 million. A Medicare desk review resulted in a positive adjustment of \$450,000, significantly improving financials. PMC also qualified for the Employee Retention Tax Credit, with a pending reimbursement of \$2.9 million. Although the funds could take up to two years to arrive, the expense for the assisting firm has been accounted for. Expenses for the month were \$2.6 million against a \$2 million budget, largely due to the consulting fee. Despite this, the bottom line for the month showed a \$4 million surplus, with a year-to-date positive margin of \$12.8 million. PMC is preparing an interim rate review, anticipating a repayment of \$200–225K due to prior Medicare adjustments. Overall, the cost report is expected to be near break-even. Cash flow remains strong, and insourcing the business office is showing promising early results. Budget planning for FY2026 is underway, with the goal of adoption by June.

### 8. Old Business

None.

### 9. New Business

A. Community Needs Assessment  
Presentation by K. Bryson

Board discussion to approve or, amend and approve, implementation strategies

K. Byrson presented findings from Community Needs Assessment and implementations strategies for adoption by the Board. Strategies presented below:

**STRATEGY 1**

Increase availability of comprehensive healthcare services for our rural community.

**STRATEGY 2**

Reduce barriers our community faces in accessing existing healthcare services.

**STRATEGY 3**

Reduce the impact of rising costs on our community's access to health-related needs.

**STRATEGY 4**

Support increased community behavioral health capacity and access to behavioral health services.

**STRATEGY 5**

Address and advocate for the health needs of our increasing Elder / older adult population.

Motion made by Board Member Stratman for PMC Board to adopt the implementation strategies to meet the needs identified in the Community Needs Assessment presented today on April 24th, 2025, Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

**10. Next Meeting**

Currently scheduled for May 29th, 2025, at 5:30pm.

**11. Executive Session**

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

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

Reconvened after Executive Session.

Motion to reappoint Eric Young, Radiology, Akshay Gupta, Radiology, and to appoint Whitney Wood, MD made by Board Vice President Lagoudakis, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

**12. Adjournment**

Motion to adjourn made by Board Member Simbahon, Seconded by Board Vice President Lagoudakis.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Member Simbahon, Board Member Stratman, and Board Member Roberts.

Meeting adjourned at 6:45pm.