



Petersburg Borough Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Hospital Board Regular Meeting



Thursday, December 04, 2025

5:30 PM

Assembly Chambers

1. Call to Order/Roll Call

A. Call to Order

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

B. Roll Call

PRESENT

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

2. Approval of the Agenda

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

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

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

3. Approval of Board Minutes

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

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

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

4. Visitor Comments

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

5. Board Member Comments

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

6. Committee Reports

A. Resource

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

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

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

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

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

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

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

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

B. Long Term Care Quality

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

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

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

C. Critical Access Hospital Quality

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

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

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

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

D. Joint Conference

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

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

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

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

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

The meeting adjourned at 1:27 p.m.

E. New Facility Steering Committee

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

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

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

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

7. Reports

A. New Facility

Justin Wetzel provided a written report.

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

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

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

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

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

B. Quality

Stephanie Romine provided a written report.

C. Infection Prevention

Rachel Kandoll provided a written report.

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

D. Executive Summary

CEO Phil Hofstetter provided a written report.

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

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

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

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

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

E. Financial

CFO Jason McCormick provided a written report.

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

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

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

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

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

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

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

8. New Business

A. Election of Officers

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

Nominations from the floor:

Election:
President-
Vice President-
Secretary-

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

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

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

9. Old Business

A. Committee Appointments

Board will review current appointments and update committees as agreed.

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

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

Joint Conference Committee: Jerod Cook

Foundation Committee: Marlene Cushing

Community Engagement Committee: Marlene Cushing and Joni Johnson

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

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

Kinder Skog Advisory Committee: Cindi Lagoudakis and Joni Johnson

10. Next Meeting

A. Hospital Board Meeting

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

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

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

11. Executive Session

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

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

Reconvened post Executive Session.

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

12. Adjournment

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

Meeting adjourned at approximately 6:25pm.