



**Petersburg Borough**  
**Petersburg Medical Center**

12 South Nordic Drive  
Petersburg, AK 99833

**Meeting Minutes**  
**Hospital Board**  
**Regular Meeting**



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Thursday, April 30, 2026

5:30 PM

Assembly Chambers

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

A. Call to Order

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

B. Roll Call

PRESENT

Board Vice President Cindi Lagoudakis  
Board Secretary Marlene Cushing  
Board Member Joe Stratman  
Board Member Jim Roberts  
Board Member Joni Johnson

ABSENT

Board President Jerod Cook  
Board Member Heather Conn

**2. Approval of the Agenda**

A. Approval of the April 30, 2026, Hospital Board Agenda

Motion made by Board Member Roberts accept the April 30, 2026, Hospital Board Agenda, Seconded by Board Member Johnson. Voting Yea: Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

Motion made by Board Member Johnson to amend the agenda to revise New Business "A" to match the revised letter for policy provided as follows; 'Motion need for Petersburg Medical Center's Hospital Board of Directors to approve pre-designated individual(s); the Manager of Home Health, Chief Nursing Office, or additional approved designee if applicable, to assume the full responsibilities and obligations of the Home Health Agency Administrator, the CEO, in the event of the CEO's absence or inability to fulfill that role.' Motion was seconded by Board Secretary Cushing. Voting Yea: Board Vice President Lagoudakis, Board Secretary Cushing, Board Member

Stratman, Board Member Roberts, and Board Member Johnson. Agenda approved as amended.

### **3. Approval of Board Minutes**

#### **A. Approval of the March 26, 2026, Hospital Board Minutes**

Motion made by Board Member Johnson to approve the March 26, 2026, Hospital Board Minutes, Seconded by Board Member Roberts. Voting Yea: Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

### **4. Visitor Comments**

None.

### **5. Board Member Comments**

Board Secretary Cushing congratulates PMC in obtaining the Certificate of Need for the MRI.

Board Vice President Lagoudakis reported that Senator Stedman recently conducted a site visit in Sitka. She noted that several representatives have visited and toured PMC's current facility and the site for the new facility. Discussions about the need for a new facility have been going on for 15 years or more. Lagoudakis expressed that Senator Stedman would be very welcome to visit Petersburg to tour the existing facility and the site for the new build.

### **6. Committee Reports**

#### **A. Resource Committee**

Board Vice President Lagoudakis reported that with the exception of Long-Term Care, which experienced a significant census change over the past year, most service lines are seeing increased activity. Overall, PMC remains in a stable financial position. The cost report has been submitted, though the process is not yet finalized.

Changes to the Medicare pricing structure for the 340B program have resulted in reduced reimbursements. This program requires pharmaceutical companies to provide outpatient drugs at discounted prices to eligible entities, including critical access hospitals such as PMC.

While the balance sheet remains strong overall, expenses continue to be impacted by contract labor costs, operational demands associated with maintaining services, and increased winter utility costs. Increased outpatient service volumes have helped offset some of these pressures.

PMC is awaiting additional guidance on the Rural Health Transformation Program (RHTP), with more information expected by mid-May. Seven grant applications are currently pending through the program.

\*Board Member Stratman initially attended remotely but joined the meeting now in person due to technical difficulties.\*

## B. Infection Prevention Quality Committee

Board Member Stratman reported on the Infection Control Committee meeting held on April 15, 2026. Minutes from the previous meeting were approved, and no update was received from Public Health.

The committee discussed progress in the decontamination room and reviewed the action item list, including handrail discussions, outpatient antibiotic reports, mold testing, hand hygiene supplies, and the EVS checklist. Ongoing investigation follow-ups related to antibiotic stop times were also noted.

Additional topics included sterile processing room needs, magnetic doorstops, and improvements identified during food service area walkthroughs.

Reports were reviewed for Environment of Care, patient care conditions, hand hygiene, antibiotic stewardship, and employee health. The recent endoscopy clinic was also discussed, along with a report from Environmental Services.

The meeting concluded with a departmental roundtable to address various additional items.

## 7. Reports

### A. Pharmacy

Elise Kubo submitted a written report.

### B. Rehab Department

Brenna McMahon submitted a written report.

Board Member Johnson inquired about a time frame of when the second physical therapy gym would be ready and usable. Brenna reported that maintenance gave a time frame of about two months.

### C. Plant Maintenance

Wolf Brooks submitted a written report.

Wolf reported that the old morgue was removed from the main campus so that space can now be used for EVS materials, which frees up space in the new physical therapy rehab area.

Wolf reported that for the last three months the maintenance dept has been understaffed, however with two recent hires we will have a full staff that includes an electrician which will bring more of that work in-house.

Wolf also commented on concerns with aging facility, noting that a 5-ft section of cast iron pipe failed just this morning.

Board Vice President Lagoudakis noted her appreciation for Wolf's positive attitude and his report out on workforce wellness.

D. Environmental Services

Grazel Edfelt submitted a written report.

Wolf reported that staffing in EVS has remained mostly stable with just one position open currently. Grazel's report noted that staff have stayed busy with cleaning especially with the addition of the scopes clinics. They are also looking forward to some training changes with Ecolab tech.

E. Home Health

Ruby Shumway submitted a written report.

Board Member Johnson inquired about outreach case management and requested clarification on the scope of services. Ruby explained that outreach case management would allow PMC to provide services such as asset planning and assistance with accessing Medicare and Medicaid, extending beyond Petersburg to include Wrangell.

Board Vice President Lagoudakis asked whether personal care services provided in the home would be covered by insurance or require out-of-pocket payment. Ruby explained that, at present, Medicaid is the only payer that covers in-home personal care services. As a result, PMC is exploring the development of a separate business line, either within or adjacent to Home Health, to offer these services.

Ruby noted that existing CNA staff would be utilized, with the potential need for additional staffing. She stated that planning efforts are focused on determining affordability and developing a sustainable model for this service line. Although still in the planning phase, she emphasized that this represents a significant community need, as patients often express a desire for continued support after Home Health services conclude. She also noted the current shortage of caregivers in the community and the value of providing qualified, reliable individuals to meet this need.

F. New Facility

Justin Wetzel with Arcadis, submitted a written report.

Justin Wetzel from Arcadis commented that this reporting period focused on closing out the Stormwater Pollution Prevention Plan (SWPPP) with the Alaska Department of Environmental Conservation (ADEC). A total of five submittals were exchanged, with each iteration addressing outstanding items and moving closer to approval. Recently, confirmation was received indicating that all ADEC requirements have been satisfied, resolving an initial list of 38 items. Formal documentation from the State of Alaska is anticipated to officially close out this process.

All remaining work associated with the WERC building has been completed. This included the addition of electrical infrastructure and an uninterruptible power supply (UPS). No further updates are pending for this component.

Site work and the WERC building are now complete. Concept-level design for the long-term care facility and hospital has been advanced, including development of a preliminary site layout.

An application has been submitted to bring Bettisworth North on board for full design

development, and the project is currently in a holding pattern pending next steps. A budget reconciliation of the HRSA grant identified remaining funds within the design category. These funds are intended to support continued progress on the long-term care design to the extent feasible.

The overall replacement campus layout reflects the completed WERC building, along with planned future development under Phase 3 and Phase 4.

G. Quality

Stephanie Romine submitted a written report.

H. Infection Prevention

Rachel Kandoll submitted a written report.

I. Executive Summary

CEO, Phil Hofstetter, submitted a written report.

Katie Bryson submitted Grants Update report.

Recent engagement at the American Hospital Association Annual Meeting in Washington, D.C. provided valuable opportunities to connect with national healthcare leaders and policymakers. Discussions were largely centered on Rural Healthcare Transformation funding, with ongoing uncertainty regarding how these funds will be implemented at the state level. While limited policy direction is currently available—particularly related to Medicaid and eligibility considerations—federal and state leaders expressed a strong interest in maintaining open communication and understanding barriers as they arise.

Meetings with members of Alaska’s congressional delegation, including Nick Begich, Lisa Murkowski, and Dan Sullivan, were productive. There is clear interest in ensuring that the Rural Healthcare Transformation initiative is effectively implemented in Alaska, with an emphasis on ongoing dialogue to address challenges during the initial rollout.

At the state level, there has been notable legislative activity related to capital funding, particularly around deferred maintenance. Advocacy efforts continue to highlight the hospital’s aging infrastructure and the need for investment.

A significant milestone was achieved with state approval of the Certificate of Need, allowing the organization to move forward with implementation of MRI services. Preparations are underway, including contractor coordination and operational planning, with an anticipated lead time of approximately 30–45 days. This expansion represents an important enhancement to local service offerings.

Progress continues on the WERC building, which is nearing full operational status. Community spaces within the building, including conference and education rooms, are being equipped with necessary technology and are increasingly available for public use. Additional efforts are focused on final site improvements, including clearing winter debris and completing landscaping in preparation for a future community open house.

Recruitment efforts in behavioral health have been successful, with new leadership in place and plans to expand services in response to identified community needs. Continued investment in workforce development remains a priority.

Operationally, patient volumes remain stable overall, though long-term care census levels continue to be lower. One notable change was a significant increase in laboratory testing volume during March due to the health fair labs.

Specialty services continue to expand, including the ongoing success of the scopes clinic, which has helped reduce patient waitlists. Additional clinics are scheduled, with continued focus on improving access to care.

Legislative monitoring remains active, and Chief of Nursing, Jennifer Bryner, was asked to explain a proposed bill that would mandate nurse-to-patient ratios. Jennifer explained that while intended to address staffing concerns, such requirements may not be well-suited to rural healthcare settings and could introduce operational and financial challenges. Advocacy efforts emphasize the importance of flexible, patient-centered staffing models tailored to community needs.

Additional organizational initiatives include progress toward launching a new website to improve communication and access to information.

Katie Bryson was asked to share where things are at with the Rural Health Transformation funding process. Katie reported that seven proposals have been submitted by PMC, with funding decisions anticipated by mid-May.

Finally, Board Secretary Cushing reminded everyone that Petersburg Medical Center is seeking community engagement through a call for contemporary art submissions for the WERC building.

#### J. Financial

CFO, Jason McCormick submitted a written report.

CFO Jason McCormick reported that operational volumes began trending upward in March, as is typical during the transition from winter into spring and early summer.

Primary care visits increased slightly, with year-to-date volumes up 2.5% over the prior year. Radiology remained consistent, laboratory testing declined slightly, and rehabilitation services performed strongly in March. Home health visits continued significant growth, up 22% year-to-date following successful rebuilding efforts.

Emergency department visits remained stable and are up 1% year-to-date. Observation days decreased 26%, likely due to more patients being admitted rather than placed in observation status. Acute care days totaled 241 year-to-date compared to 261 last year, which is expected to result in favorable Medicare cost report reconciliation.

Swing bed days and long-term care volumes are both down 7% year-to-date. Leadership noted that current long-term care trends are manageable during this rebasing year.

March gross patient revenue totaled \$2.6 million compared to a \$2.7 million budget, with most variance related to long-term care. Total operating revenue was \$2.5 million against a \$2.4 million budget. Salaries and wages exceeded budget by approximately

\$81,000, resulting in a positive operating margin of approximately \$157,000 for the month.

340B pharmacy revenues remained favorable; however, leadership noted concerns regarding new Medicare reimbursement reductions for certain high-cost medications, with additional reductions expected in 2027.

Investment balances declined temporarily due to market volatility and geopolitical instability, contributing to a net negative change in performance of \$286,000. Leadership emphasized this reflected unrealized investment fluctuations rather than operational losses. Supply chain disruptions related to global events have remained minimal.

Cash and investments remain stable, including approximately \$2 million in operating cash, \$2 million in short-term government securities, and \$4.8 million in long-term investments. Days cash on hand stands at 114 days, with anticipated Employee Retention Credit (ERC) funds expected to further strengthen cash reserves.

Accounts receivable performance continues to improve significantly, with net AR days at 45 and gross AR days at 58, reflecting strong efforts by the business office and collections teams.

Additional priorities include completion of the FY2027 budget, coordination with the school district regarding coverage agreements, and finalization of MRI chargemaster and Medicare enrollment requirements following Certificate of Need approval.

Jason concluded by recognizing the organization's continued collaboration, operational progress, and strong teamwork across departments.

## **8. Old Business**

- A. PMC continues to utilize 22 local rentals in Petersburg to house traveling staff across departments. With the new fiscal year upcoming, efforts to collaborate with the Borough and explore funding options to alleviate Petersburg's housing difficulties will continue.

## **9. New Business**

- A. Home Health Designee  
Motion made by Board Member Stratman to approve pre-designated individual(s); the Manager of Home Health, Chief Nursing Office, or additional approved designee if applicable, to assume the full responsibilities and obligations of the Home Health Agency Administrator, the CEO, in the event of the CEO's absence or inability to fulfill that role. Seconded by Board Member Johnson. Voting Yea: Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, and Board Member Johnson.
- B. CEO Designee  
Motion made by Board Member Stratman to appoint Chief Nursing Officer, or another

approved designee if applicable, to serve as the administrator for Petersburg Medical Center in the event Phil Hofstetter is absent or unable to fulfill that role. Seconded by Board Member Roberts. Voting Yea: Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, Board Member Johnson

#### **10. Next Meeting**

A. Currently scheduled for Thursday, May 28, 2026, at 5:30pm.

#### **11. Adjournment**

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