



Petersburg Borough
Petersburg Medical Center

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes
Hospital Board
Regular Meeting



Wednesday, February 25, 2026

5:30 PM

Assembly Chambers

1. Call to Order/Roll Call

A. Call to Order

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

B. Roll Call

PRESENT

Board President Jerod Cook

Board Vice President Cindi Lagoudakis

Board Secretary Marlene Cushing

Board Member Heather Conn (joined later remotely)

Board Member Joe Stratman

Board Member Jim Roberts

Board Member Joni Johnson

2. Approval of the Agenda

A. Approval of the February 25, 2026, Hospital Board Agenda

Motion made by Board Member Johnson to approve February 25, 2026, Hospital Board Agenda, Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

3. Approval of Board Minutes

A. Approval of the January 29, 2026, Hospital Board Minutes

Motion made by Board Member Roberts to approve January 29, 2026, Hospital Board Minutes. Seconded by Board Vice President Lagoudakis.

Voting Yea: Board President Cook, Board Vice President Lagoudakis, Board Secretary Cushing, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

4. Visitor Comments

Roy Rountree commented that both he and Kate Incarnato from Bettisworth North, are on the call in case anyone has any questions for them regarding New Facility.

5. Board Member Comments

Board Member Johnson expressed her appreciation to recently retired Elizabeth Hart for her outstanding service and dedication throughout her career at Petersburg Medical Center. She shared that Elizabeth recently stepped in to assist with the scopes clinic, noting that this reflects her deep commitment to both the organization and the community. Johnson remarked that Elizabeth's dedication has been remarkable and that she will be greatly missed.

Board Vice President Lagoudakis congratulated Katie Holmlund on being recognized as one of Alaska's Top 40 Under 40 for her accomplishments and leadership with the Kinder Skog program.

6. Committee Reports

A. Resource

Vice President Lagoudakis reported that it is a busy time of year due to inpatient volumes, changes in the long-term care population, the Scopes Clinic, and Health Fair laboratory testing. Inpatient volumes are slightly lower than last year, and revenue is trending below budget. Long-term care revenue remains strong compared to budget, influenced in part by last year's cost rebasing. Clinic revenue is under budget but higher than the prior year. The MRI is not currently available for scheduling and is therefore not generating revenue, as the organization awaits the state's determination on the certificate of need. Efforts continue to address older outstanding accounts, with staff successfully collecting on some balances. Others have been written off, with additional clarification available if needed. Grant revenue has decreased this year, potentially reflecting national funding priorities and program changes. The organization plans to pursue grant opportunities to support telehealth, early childhood initiatives, behavioral health, and other programs through the Rural Health Transformation Program, though specific award amounts have not yet been determined. Expenses were slightly above budget this past month. Contract labor costs increased, while repairs and maintenance expenses remained consistent. The upcoming cost report will determine whether Medicare reimbursement adjustments are necessary. On a positive note, staff are collaborating with two other Alaska hospitals to develop joint RFPs aimed at securing better supply pricing and reducing overall costs. Financial reserves remain strong, with potential consideration of allocating a portion to longer-term investments. The balance sheet remains solid, days cash on hand increased from 123 to 134, and days in accounts receivable continue to decline while remaining within industry standards.

B. Long Term Care Quality

Board Secretary Cushing reported that the Long-Term Care Quality Committee met on the 18th, with most of the discussion focused on admission criteria for long-term care services. The committee reviewed how federal regulations ultimately determine whether an individual qualifies for placement in a long-term care unit, regardless of local demand or length of stay considerations. It was noted that the federal criteria do not always align with the needs observed by staff within the community. The committee discussed potential policy considerations and steps that could be explored to better support Petersburg Medical Center's ability to serve individuals in need of long-term care services while remaining compliant with regulatory requirements. During the discussion, Board Member Johnson inquired whether ongoing conversations are taking place regarding this matter. Jennifer Bryner confirmed that discussions are continuing.

C. Infection Prevention and Control Quality

Board Member Stratman reported that he attended Infection Prevention and Control Committee meetings on December 17, 2025, and February 18, 2026. He provided an update from the most recent meeting. Public Health shared a nationwide update on measles, noting an increase in cases across multiple states. An upcoming reproductive health clinic is also planned for early spring. The committee received an infection control update, including notification that an infection prevention specialist from the state will be touring the facility and providing recommendations. The committee reviewed the action item list and regular reports, including environment of care, hand hygiene, antibiotic stewardship, employee health and vaccination updates, environmental services, and other routine monitoring activities. Additional discussion included the recent Scopes Clinic and pediatric vaccination efforts.

7. Reports

A. Radiology

S. Paul submitted a written report.

An inquiry was made regarding staffing for MRI services. It was clarified that PMC plans to initially contract MRI technologist services while assessing operational needs. Over time, the goal is to train and cross-train existing staff in order to transition the service to a fully in-house model. Future staffing levels will be determined based on patient demand and service utilization. In the interim, PMC will continue to utilize contracted personnel. It was also confirmed that MRI technologists do not require a separate specialty certification beyond appropriate training and competency. PMC will follow industry best practices for MRI technologist training and competency validation.

B. Lab

V. Shimek submitted a written report.

Violet summarized her report, noting that the laboratory is fully staffed for the first time in many years. She reported that the lab has been supporting the community health fair by providing blood draw services over the past several weeks and will continue through next week. She stated that the process has been going well and expressed appreciation to the Dietary Department for providing snacks for participants each morning. Violet also reported that the CLIA survey was conducted in November 2025

by two surveyors. Minor findings were identified and corrected on site during the visit. She noted that PMC is planning to replace the current chemistry analyzer, as it has reached end of life, and expressed hope that the new equipment will be in place before the end of the year. The new analyzer will allow the lab to perform Vitamin D testing in-house, which is currently sent out. She further reported that the laboratory continues to work on improving the prior authorization process to make services more accessible and efficient for patients. In addition, the lab department meets regularly with HIM coding staff to help reduce insurance claim denials. Board Member Roberts inquired whether the new analyzer would be available through a lease-to-own arrangement, and Violet clarified that the purchase would be a capital acquisition.

C. Long Term Care

H. Boggs submitted a written report.

Helen summarized her report, noting that Long Term Care (LTC) has experienced several recent discharges, which have been emotionally difficult for staff. She reported that there are potential admissions pending; however, each requires confirmation of level-of-care eligibility as well as completion of the associated financial review process. She added that LTC staffing levels may adjust depending on resident census and the needs of the acute care side. Helen also shared that she and Jennifer will be traveling to Michigan to evaluate potential new equipment, including replacement hospital beds. The current LTC beds have been in service for many years and are in continuous daily use. She noted that many are beyond routine maintenance and are due for replacement. Board Member Roberts asked for clarification of the acronym DON, and Helen confirmed it stands for Director of Nursing. Board President Cook requested clarification regarding the recent survey results. He noted that the report reflected minor citations and also referenced that surveyors had inadvertently introduced COVID-19 into the LTC facility, resulting in one resident contracting the virus. Helen confirmed this was accurate and stated that after the surveyors reported illness, she worked with them remotely to complete the remaining survey requirements.

D. Patient Financial Services

C. Lantiegne submitted a written report.

Board Member Roberts inquired about the term, 'remote billing team'. CEO, Phil Hofstetter, clarified that the term refers to PMC's remote staff that are part of PMC's billing department.

E. New Facility

Justin Wetzel/ Arcadis submitted a written report.

Justin Wetzel, with Arcadis, summarized his report and noted that the SWPPP plan has been submitted to Alaska Department of Environmental Conservation, with the expectation that this will address all outstanding questions and close out that item. Regarding the WERC building, Justin reported that the UPS system has been fully connected and the power conditioner repaired. As of Monday, both systems were installed and functioning. He confirmed that all work associated with the WERC building under the base contract is now complete. Current efforts have shifted to the new hospital design, including the updated concept and site plan attached to the report. Justin noted that the materials include a square footage analysis comparing the

existing hospital, the original 35% design concept (single-building model), and the newly proposed concept. The revised concept features an expanded long-term care center with additional rooms and future build-out capacity. This analysis illustrates the progression of the project and the overall campus build-out from the initial design to the current concept. Board President Cook clarified that UPS stands for Uninterruptible Power Supply. Justin confirmed and explained that the system consists of a battery cabinet designed to maintain power during brief outages or brownouts, allowing time for the generator to come online and restore full power. He noted that UPS coverage has been installed for critical systems, including the MRI magnet, servers, and the public health vaccine refrigerator. The UPS functions as an interim power source during the lag between a power outage and generator activation. Board Member Roberts asked whether the UPS batteries are continuously in use or only during outages. Justin clarified that the system activates only when needed, ensuring uninterrupted power to critical components such as the MRI, servers, and vaccine refrigeration during a power interruption.

F. Quality

S. Romine submitted a written report.

G. Infection Prevention

R. Kandoll submitted a written report.

H. Executive Summary

CEO, P. Hofstetter submitted a written report.

K. Bryson submitted grants update.

CEO, Phil Hofstetter, reported that he attended the recent legislative fly-in in Juneau, where he met with several legislators and staff, including representatives from offices such as Bert Stedman and Cathy Giessel. Discussions focused on the organization's capital needs for a replacement facility. A one-page handout outlining project phases and funding needs was shared, and there was strong interest in the request. Significant discussion also centered on the Rural Health Transformation Program (RHTP) and how funds may be used to support innovative healthcare delivery models. Priority topics included direct primary care and alternative payer models, as well as improvements to health information interoperability. Leadership emphasized current challenges with electronic health record systems that do not interface effectively with other organizations, resulting in continued reliance on fax and manual processes. There was recognition among legislators that this issue may require broader state-level coordination and investment. Although RHTP funding does not currently support construction projects, advocacy efforts focused on exploring future opportunities and engaging federal partners. Overall, feedback from legislators was positive, though many questions remain regarding funding structure and eligibility. Participation also included meetings with the Alaska Hospital and Healthcare Association, where hospitals and state representatives discussed alignment on priorities and implementation of RHTP funding. The group reviewed regulatory requirements established by Centers for Medicare & Medicaid Services and emphasized the importance of collaboration and coordinated planning. The funding structure requires rapid implementation, with funds obligated within a limited timeframe and projects evaluated annually. This creates both opportunities and challenges, as innovation projects must demonstrate early success to receive continued funding. Additionally,

leadership attended a state Senate Health and Social Services hearing regarding RHTP oversight and administration by The Alaska Community Foundation. Discussion included the annual reapplication process and the need to balance accountability with the time required for meaningful healthcare transformation. The organization's grant team continues to work diligently on the Letter of Intent submission, which is due in early March. Funding decisions are expected later in the spring, and updates will be provided as information becomes available. An update was also provided on the MRI Certificate of Need process. A hearing was held in early February, and community participation was strong, with 29 individuals providing testimony. Feedback highlighted the importance of local access to imaging, reduced travel burden, and timely diagnosis. A decision is anticipated within the coming weeks. Several specialty service initiatives were highlighted. Visiting specialists continue to support patient care, including in-person psychiatric services and staff education. Additional specialty clinics, such as endoscopy, optometry, endocrinology, and dermatology, are scheduled or planned, reflecting ongoing efforts to expand access and reduce the need for patient travel. Recognition was also given to key departments across the organization. Facilities and nutrition services were acknowledged for their ongoing contributions to patient and staff care. The laboratory was recognized for maintaining high testing volumes and supporting clinical operations. Finally, leadership provided an update on the HRSA-funded rural health network collaboration with partner critical access hospitals, including South Peninsula Hospital and Cordova Community Medical Center. Current efforts focus on identifying shared services and scalable initiatives. Potential opportunities include centralized credentialing and medical staff functions, residency rotations, shared supply chain and group purchasing, and other collaborative models. The goal is to build successful pilot projects that may expand over time and strengthen rural healthcare delivery across participating communities.

I. Financials

CFO, J. McCormick submitted a written report.

Jason McCormick reported that rehabilitation services increased slightly for the month. Home health visits totaled 176, which is consistent with recent averages. Emergency department visits remained steady for the winter season, and observation days were also consistent. QCare days were slightly lower, while swing bed utilization remained solid at 53 days. Nursing home days totaled 396, reflecting typical winter census levels. Inpatient and outpatient revenues were both slightly below budget, with outpatient variance primarily related to MRI services not yet being available as anticipated in the budget. Long-term care revenue was above budget, supported by maintaining a full census during a rebasing year, which will influence future Medicaid rates. Clinic revenues were slightly under budget, while home health remained stable. The business office continues to make strong progress in collections, significantly reducing accounts receivable. Some previously reserved accounts were successfully collected, resulting in a positive adjustment to bad debt. Gross days in accounts receivable have improved from approximately 100 days to 60, with internal tracking showing continued improvement. Other revenues, including the 340B program, were slightly lower than budget due to decreased volumes and recent federal policy changes affecting select medications. Despite this, the program continues to generate positive net revenue. Grant revenues related to federal and state relief programs were not reflected this month, as those programs have concluded. Total expenses were

approximately \$40,000 above budget, largely due to higher utility costs during colder weather, employee benefits, and contract labor needed to support staffing. Investment performance remained strong and continues to support overall financial stability. While operating results reflected a modest loss for the month, this is expected to be adjusted through the interim Medicare rate review, as current costs and volumes indicate potential reimbursement adjustments. As a critical access hospital, Medicare cost-based reimbursement plays a key role in maintaining long-term financial stability. Year-to-date financial results remain positive, supported in part by grant-funded capital projects. The balance sheet reflects a strong cash position, including operating cash, short-term investments, and long-term investment reserves. Key financial indicators continue to show improvement. Days cash on hand increased to 134, reflecting sustained financial recovery following the pandemic. Days in accounts receivable remain within industry standards and continue to improve, while accounts payable metrics are stable. The finance team is also evaluating group purchasing organization options to ensure competitive pricing and reviewing Medicare clinic reimbursement structures. Preparations for the upcoming annual budget process are underway, with a goal of presenting the proposed budget by late spring. Overall, the organization continues to demonstrate strong service delivery and positive financial outcomes.

8. Old Business

- A. See attached signed Board Resolution 2026-01 approved at last Board meeting.

9. New Business

- A. PMC Staff Housing Report

Report included to support interest in topic from last Assembly/Hospital Work session. In 2025, Petersburg Medical Center's total housing expenses were \$357,971. This total includes rentals, fuel, utilities, repairs, and maintenance. In 2025, the average number of apartments PMC rented was 22. See attached report for more details on past expenses and rentals and corresponding LTC and Inpatient occupancy. CEO, Phil Hofstetter commented that this report reflects the amount of housing or apartments that PMC rents in the community for locums, nurses, and any traveling staff.

10. Next Meeting

- A. Currently scheduled for Thursday, March 26, 2026, at 5:30pm.

CEO, Phil Hofstetter, commented he will be out of town on this date, but will be attending virtually. Board Member Conn noted she would be out of country. Board President Cook noted there was a chance he would be absent, however that still allows for a quorum and the date of Thursday, March 26, 2026, at 5:30pm was confirmed as the date for next Hospital Board Meeting.

11. Executive Session

- A. By motion the Board will enter into Executive Session to consider medica staff appointments/reappointments, and any legal concerns.

Motion made by Board Member Roberts to enter into Executive Session to consider medical staff appointments/reappointments, and any legal concerns, 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.

Post Executive Session, a motion was made by Board Secretary Cushing to reappoint; Kowalski, Catherine, RP Pharmacist, McWhorter, Valerie MD, Correspondence Pathologist, and Wolgamot, Gregory, MD Pathologist to Medical Staff, 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

12. Adjournment

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

Meeting adjourned at 6:30PM.