



## Petersburg Medical Center

103 Fram Street  
PO Box 589  
Petersburg, AK 99833

Phone: 907-772-4291  
Fax: 907-772-3085

June 24, 2021

Petersburg Borough Assembly  
PO Box 329  
Petersburg, Alaska 99833

Dear Assembly:

I am writing this letter in the wake of the presentation given by Dr. Elliot Bruhl, Senior VP and Chief Medical Officer for SEARHC, at the Assembly Meeting on June 7, 2021. It is my understanding through the public Assembly Meeting that the Mayor, through conversations with the City Manager, invited a SEARHC representative to come to Petersburg and give a presentation regarding what their organization purportedly could contribute to the future of health care delivery in Petersburg. Given the topic, it seems odd that no one from the Petersburg Medical Center (PMC) Hospital Board or Management was invited to this presentation to the Assembly.

The PMC Hospital Board has significant concerns that many of the key managerial functions vested in the PMC Hospital Board were completely bypassed and ignored. The PMC Hospital Board was not notified, consulted or invited to this meeting and presentation. We discovered that the invitation to address the Assembly was made by the Mayor through other means. We find it concerning for the following reasons:

- The Mayor invited a representative from SEARHC without following an established process that recognizes the PMC Hospital Board's role in this process.
- The invitation was made without any involvement or notice to the PMC Hospital Board following passage of an Assembly Resolution strongly supporting the PMC Hospital Board's role in this process toward moving the new hospital project forward.
- The only non-supportive Assembly Member was the Mayor.
- The amended agenda to allow the CEO of PMC to speak after SEARHC's presentation was fully supported by the Assembly except a no-vote by the Mayor.

The Borough Ordinances, as I understand them, clearly delineate the role of the PMC Hospital Board regarding decisions concerning health care and health care delivery in the Petersburg area.

The Petersburg Borough Code of Ordinances gives the PMC Hospital Board exclusive control over the PMC real property:

§3.50.060 (A). **Powers with respect to property.** The custody, management and maintenance of the hospital, hospital buildings and associated facilities, and of the real property on which the hospital, hospital buildings and associated facilities are situated, together with all other improvements to the real property and all personal property, including equipment, furnishings and supplies, are entrusted to the hospital board.

Likewise, the PMC Hospital Board must be consulted about the sale of any PMC assets:

§3.50.060 (B). **Powers with respect to property.** The board shall adopt, subject to assembly approval, procedures for competitive bidding, and exceptions thereto, for the purchase, sale, lease, and exchange of real property in the custody of the board. Any sale or exchange of real property, or any lease of real property for a term exceeding ten years, including extensions, must be approved by the assembly.

The Borough Assembly does not get involved unless the sale or exchange exceeds a ten year term.

The PMC Hospital Board has exclusive power and authority over the PMC property:

§3.50.060 (C). **Powers with respect to property.** The hospital board has full power and authority to buy, sell, lease, exchange, replace, transfer, operate, improve, maintain and repair equipment, furnishings, supplies and any other personal property for hospital purposes, as it deems advisable. The board shall adopt, subject to assembly approval, procedures for competitive bidding, and exceptions thereto, for purchases, sales, leases and exchanges of such personal property.

Similarly, the PMC Hospital Board has the exclusive power to operate PMC:

§3.50.070 (A). **Power to operate hospital.** The hospital board has full power and authority to operate the hospital and associated facilities, as it deems advisable in the best interests of the public's health, subject to the provisions of this Chapter and applicable State and Federal law.

In short, I do not see how any discussions with SEARHC proceed in any meaningful way without the active involvement of the PMC Hospital Board. Excluding the PMC Hospital Board appears to be contrary to the Borough Code of Ordinances and the recently adopted Assembly Resolution.

It is vital that the PMC Hospital Board work collaboratively and in full support with the Assembly and the community. Closed door conversations by the Mayor without including the PMC Hospital Board does not serve the community and allows outside entities to undermine the community. We believe that had the Mayor shared with us that he was having a SEARHC representative coming over or even asked us to have a SEARHC representative come to Petersburg this would have been a much better way to keep both the PMC Hospital Board and the Assembly working cooperatively as envisioned by the Borough Ordinances and the recently adopted Resolution. Usurping the established process sends a message of division and uncertainty to the community and to PMC staff (both current and future) wondering whether their jobs are secure and whether PMC is the place to work. It has a ripple effect to cause

employees to wonder if they need to start looking for a new job. This is a division we do not need and is unfair to those who work at PMC.

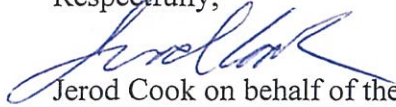
When I first became a Board Member a number of years ago SEARHC sent a representative to Petersburg who gave a presentation to the PMC Hospital Board very much like the one that Dr. Bruhl gave. Since then, SEARHC has provided a similar presentation to the PMC CEO in February of 2020; however there has not been follow up engagement with the PMC Hospital Board or any serious discussion with any serious proposal other than to say they are “available to own and operate the facility”. The PMC Hospital Board believes that operational control by an outside entity is disruptive to the health and safety of the community.

We gladly welcome SEARHC to serious discussions about a partnership that is mutually beneficial. PMC’s CEO met with SEARHC last year and provided a full report regarding what occurred in those discussions. In the most recent work session he provided similar information in his presentation of operational control. As our CEO stated, PMC and Petersburg need to define the partnership. In other words, PMC and the Assembly need to define the partnership acceptable to PMC and the Assembly as opposed to having SEARHC imposing its preferred model on Petersburg.

The PMC Hospital Board not only has a responsibility to the community but also its contract physicians and employees. Employee benefits, retirements for those that have been working at this facility (many upwards of 15 to 30 years) must be protected. The quality of care for this community needs to continue to be of the highest quality. The best way to ensure continuation of high-quality care for Petersburg is through local operational control. Conversations, partnerships, and proposals must be conducted through the PMC Hospital Board and presented to the Assembly if approved.

We are glad the Assembly recognized this issue and acknowledges the indispensable role of the PMC Hospital Board in making healthcare delivery decisions as envisioned by the Borough Ordinances. We continue to work through numerous avenues and rely heavily on the alignment of the Assembly and community. It is vital mixed messages are not sent to the community that exacerbate needless divisions.

Respectfully,



Jerod Cook on behalf of the PMC Board  
PMC Hospital Board Chair