



**Petersburg Borough  
Petersburg Medical Center**

12 South Nordic Drive  
Petersburg, AK 99833

**Meeting Agenda  
Hospital Board  
Regular Meeting**



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Thursday, March 27, 2025

5:30 PM

Assembly Chambers

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

**A. Call to Order**

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

**B. Roll Call**

Board President Cook conducted 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

**ABSENT**

Board Member Kimberley Simbahon

**2. Approval of the Agenda**

Board Vice President Lagoudakis motions to approve the agenda as presented, Seconded by Board Member Roberts.

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

**3. Approval of Board Minutes**

**A. Approval of February 27, 2025 Hospital Board Minutes**

Motion made by Board Vice President Lagoudakis to approve February 27, 2025, Hospital Board Minutes with the added change of noting board member titles in current and future meeting Minutes, Seconded by Board Member Roberts.

Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing,

Board Vice President Lagoudakis, Board Member Stratman, and Board Member Roberts.

#### **4. Visitor Comments**

Roy Rountree from Bettisworth North introduced himself and mentioned how happy he was to see the WERC building projects moving forward. He stated he was waiting in the wings for future fundraising to keep moving forward with the design of the new building. He thanked everyone for being able to be at the meetings and thanked Justin for his work on the project.

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

None.

#### **6. Committee Reports**

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

Board Vice President Lagoudakis reported:

The team reviewed hospital metrics and observed a decrease in some patient days and services, likely due to February being a shorter month. Jason reported that home health is operating under budget, with revenues exceeding last year's figures. Payments to vendors are now up to date, and new facility work is progressing well. Sarah Wright is actively tracking multiple grants, and both Jason and Katie, our grant specialist, commended her efforts, along with the entire PMC team. The clinic's expenses in relation to Medicare reimbursements remain under review, as these issues take time to resolve. Joel is monitoring investments, and while market fluctuations have occurred, interest earnings are helping to offset dips, leaving overall investments in a strong position. Additionally, PMC has successfully transitioned to handling its own billing, which is expected to bring significant benefits.

##### **B. CAH**

Board Member Stratman reported:

The committee met on March 19th, during which the CEO provided an update, and the January meeting minutes were approved. The team reviewed several action items, including the digital formulary, HIPAA Security Officer role, and the active policy list. The CEO also went over the incident report. The Infection Control Officer discussed antibiotic use and ongoing plumbing issues in long-term care. Physical therapy provided an update on staffing schedules, highlighting a significant reduction in the waitlist, with patients being seen at a much higher rate. Radiology reported no significant dosage concerns, and the lab shared updates on tracking reasons for canceled tests.

##### **C. LTC**

Board Member Stratman reported:

The Long-term Care Committee met prior to the Critical Access Hospital Committee meeting at 1:30 PM on March 19th. The CEO provided a report, noting that the

committee will meet monthly, alternating between a larger group and a smaller group. The Medicaid situation at the federal level was discussed, though its impact on long-term care remains uncertain and is being monitored. The February minutes were approved, and several action items were reviewed, including the restorative program implementation. A significant discussion centered on the sewer line, with a written contingency plan in progress in case of failure, as well as ongoing staff mitigation due to the septic system's weakness. The committee also reviewed the active policy list, continued the polypharmacy reduction project, and examined incident reports. Infection control was revisited, and there was further discussion on plumbing issues. Long-term care provided updates on ordered items, and the activities department shared enthusiasm about a new hire. Additional topics included updates on the boiler and bathrooms in the long-term care facility.

Board Member Conn inquired about the plan and responsibility in the event of a sewer failure. CEO Hofstetter explained that the response would depend on the nature of the failure, noting that a significant sewer system failure could pose a risk to PMC. He emphasized that there is considerable risk involved and that the matter has been discussed with the project manager owner's representative for the new facility, Arcadis. In the case of a catastrophic failure, the hospital would need to consider the cost of a non-code upgrade, which could still be substantial. A full code-compliant upgrade would be significantly more expensive, as it would require replacing components and bringing the affected space up to current standards—an issue PMC avoids due to the age of the building. Hofstetter reiterated that any solution would likely be temporary, which is why the hospital is working toward the goal of constructing a new facility. He asked Justin with Arcadis, to provide further input.

Justin Wetzel with Arcadis, elaborated on the challenges of making sewer system repairs, noting that the impact would depend on the location of the failure. In areas where plumbing is embedded in concrete, such as corridors, temporary solutions could involve a pumping system if gravity drainage is not possible. However, implementing such a system inside the facility would be highly disruptive, requiring a lift station in the corridor that would surface-mount to an exterior location before reconnecting to the city sewer. He described the process as a "dramatic event" with significant logistical challenges. Board Member Conn then asked whether PMC would need to relocate residents. Justin confirmed that if the issue occurred in the long-term care area, relocation would be necessary due to the need for major structural access, particularly where plumbing is embedded in concrete.

Hofstetter emphasized that addressing a catastrophic sewer failure would require seeking funding from the borough, which underscores the importance of securing new facility funding to prevent such situations. He acknowledged that while the hospital is managing with its current infrastructure, the timeline for addressing these issues is becoming increasingly urgent. Board Member Conn inquired about potential relocation options in the event of a crisis and whether the State would intervene if the borough declared an emergency. Hofstetter clarified that while PMC is not currently in a crisis, in a worst-case scenario, an emergency evacuation plan would involve temporarily relocating residents to Mountain View Manor. However, this would only be a short-term solution, as an alternative site or long-term care facility would be necessary for permanent placement. He stressed that such a situation would be devastating for the community's care and could threaten PMC's viability.

D. Infection Control

Board Member Stratman will report out at next board meeting after IC has met.

## 7. Reports

A. Information Technology/ EHR

J. Dormer provided written report.

Board Member Conn asked about PMC IT involvement at Mountain View Manor. J. Dormer shared that they assisted in implementing a more efficient payroll system, replacing the previous paper-based process. Additionally, IT evaluated the facility's Wi-Fi infrastructure, which previously had only a single access point on the first floor, resulting in poor connectivity. This lack of coverage hindered telehealth services and resident Internet access. Dormer explained that IT guided the facility through improvements based on the successful Wi-Fi setup in PMC's long-term care unit, which was then mirrored to enhance connectivity.

B. Materials Management

M. Randrup provided written report.

Board President Cook asked for clarification on the values in report. M. Randrup explained that the pre-perpetual count value represents the inventory count before conducting a physical count of items in the warehouse. The perpetual count reflects the recorded inventory value in the system. Meanwhile, non-perpetual items are not tracked as inventory, and their dollar amounts are indicated separately.

C. Medical Records

K. Randrup provided written report.

D. Nursing

J. Bryner provided written report.

E. Activities

A. Neidiffer provided written report.

F. New Facility

J. Wetzel Arcadis provided written report.

Justin Wetzel with Arcadis provided an update on the construction progress, noting that site work has resumed with final grading material being brought in, landscaping underway, and concrete pours completed for sidewalks and the service yard. The concrete for light poles has also been poured, and work around the entry drive continues, with most exterior work expected to be completed by the end of April. On the building exterior, additional layers of rock wool insulation are being added, and metal siding installation is about 75% complete. Inside the building, the elevator installation is finished, and both the elevator and fire alarm system have been

successfully tested and certified by the State. Interior work continues, including electrical and mechanical trim-out, as well as flooring installation.

Regarding the MRI addition, the steel structure is in place, and offsite fabrication of the copper shield cap is in progress, with installation planned for May. The chiller units and power conditioner, provided by Siemens along with the MRI magnet, are expected to arrive by the end of June.

For the hospital design, progress remains paused at the 35% schematic design phase. A Phase 5 wetlands permit has been submitted to the U.S. Army Corps of Engineers, with public notification issued. The permitting process and budget considerations are ongoing.

Looking ahead to April, work will continue on exterior siding, additional concrete pours, flooring, and fire alarm trim-out. The MRI addition framing has begun, with further work planned. In May, a substantial completion walkthrough with the design team and engineers is scheduled for May 1st, during which a punch list will be generated to assess conformance with construction drawings. The MRI addition will take longer to complete, but substantial completion is targeted for July 1st. No changes have been made to the budget, and no change orders have been issued to date.

Board Member Roberts inquired if the low hanging light in the conference room had been addressed. J. Wetzel reported that it had.

Board Vice President Lagoudakis emphasized PMC's commitment to being a good neighbor and inquired about the potential impact of lighting around the WERC building on nearby residential homes. J. Wetzel assured that the lights will be down casting and equipped with shrouds to ensure necessary areas are safely illuminated without affecting surrounding properties. He also commented that other exterior lighting is low intensity.

#### G. Quality & Infection Prevention

S. Romine and R. Kandoll provided written reports.

Board Member Stratman shared positive feedback about PMC's Tai Chi Quan program, which helps with balance. He noted that the current 10 AM schedule is challenging for those with jobs and suggested offering a session during the lunch hour. Board Vice President Lagoudakis added that recording the Zoom class for viewing could be another option to increase accessibility.

#### H. Executive Summary

CEO P. Hofstetter provided written report.

CEO P. Hofstetter provided an update on key initiatives and developments. He highlighted improvements to the employee forum, which was expanded to three sessions across two days, resulting in record attendance of 80 employees. Feedback was generally favorable, and there are plans to hold two all-staff meetings annually. A follow-up session was conducted after the annual manager retreat to review action items, ensuring progress is being documented and addressed. Monthly office hours continue to gain popularity, providing direct engagement opportunities for staff.

Hofstetter also discussed recent media engagements, including PMC Live radio appearances covering Medicaid cuts, the CNA program, the PMC store's logo refresh, and the success of grant-funded programs like Bingocise and Tai Chi Quan. While these programs are currently secure, there is concern over potential federal funding cuts.

On patient-centered care, PMC has prioritized improving clinic access. Same-day urgent care appointments remain available, and the average wait time for primary care visits is now four days, with the third-next-available appointment metric at eight days—both within industry standards. Digital informational signage has been introduced in clinics to streamline communication, funded through a state tobacco-free grant.

Legislatively, Hofstetter expressed support for SB 133, a bill addressing prior authorization challenges. The bill, developed with input from the Alaska Healthcare and Hospital Association, aims to reduce administrative burdens and prevent delays in patient care caused by insurance hurdles. Feedback on the bill has been positive, and efforts continue to advance it through the legislative process.

CEO P. Hofstetter also provided updates on legislative advocacy, patient care trends, and financial improvements.

He reiterated support for SB 56, which aims to expand the behavioral health operating budget. Given the growing demand for behavioral health services across the state, he emphasized the importance of securing funding to improve accessibility.

Regarding patient care, PMC has seen sustained high volumes across inpatient, swing bed, acute care, and long-term care units. This trend aligns with statewide reports indicating limited bed availability in Alaska. Hofstetter noted that continued monitoring of these trends is essential for planning and resource allocation.

He also commended the team working on PMC's new facility, highlighting the remarkable achievement of being under budget and ahead of schedule despite challenges related to costs and funding in rural Alaska.

On financial matters, Hofstetter expressed enthusiasm about bringing the revenue cycle management in-house. Historically, PMC has relied on third-party vendors to manage accounts receivable, leading to fluctuations in efficiency. With the transition, patients will now receive billing-related communications directly from local PMC staff rather than outsourced vendors. This change is expected to improve response times, billing accuracy, and overall patient experience while enhancing financial stability. He credited the financial team for their efforts in making this transition possible and invited further questions on the topic.

Board Secretary Cushing acknowledged the dedication of PMC's nursing staff, highlighting their commitment to providing high-quality care despite working long and demanding hours. She emphasized their compassion and understanding, recognizing their efforts in ensuring that patients receive the best possible care under challenging circumstances.

Board Vice President Lagoudakis noted that bringing the revenue cycle in-house is expected to save PMC approximately \$40,000 per month. CEO P.

Hofstetter elaborated that even with the cost of hiring additional billing staff, the change will result in savings. He noted that third-party billers take a percentage of collected revenue, which adds up to a substantial amount over time. Bringing billing in-house allows PMC to retain more of its revenue while improving efficiency and localizing patient billing interactions.

**I. Financials**

J. McCormick submitted report.

J. McCormick expanded on his report, noting that February's shorter length affected some financial variances. He highlighted that the check to Premera Blue Cross was successfully cashed, a positive sign given ongoing negotiation. Regarding PERS, he mentioned software issues on their end that have delayed fund processing, but PMC is moving forward as quickly as the system allows.

Additionally, PMC has submitted for an Employee Retention Tax Credit of approximately \$3.5 million, though receiving those funds could take a few years.

McCormick also noted that Joel in Finance is actively meeting with department managers to review and refine budgets, with more detailed budget planning underway. He concluded by commending the purchasing and materials department for their strong and responsible financial management.

**8. Old Business**

None.

**9. New Business**

None.

**10. Next Meeting**

A. Scheduled for April 24th, 2025 at 5:30pm.

**11. Executive Session**

By motion the Board will enter into Executive Session to discuss legal matters.

Motion made by Board Member Roberts to enter into Executive Session to discuss legal matters, Seconded by Board Vice President Lagoudakis.

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

Reconvened after Executive Session.

General comment from CEO P. Hofstetter regarding the difficulty in negotiating with health insurance companies and the desire for transparency. Member Roberts inquired as to whether or not PMC had received correspondence from specific company which Hofstetter confirmed PMC had not.

## **12. Adjournment**

Motion made by Board Secretary Cushing to adjourn, Seconded by Board Member Roberts.

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

Meeting adjourned at 6:30pm.