



# Petersburg Medical Center

103 Fram Street  
PO Box 589  
Petersburg, AK 99833

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

## BOARD MEETING A g e n d a

DATE: Thursday, April 23<sup>rd</sup>, 2020  
TIME: 5:00 p.m.  
LOCATION: Zoom Conference Call

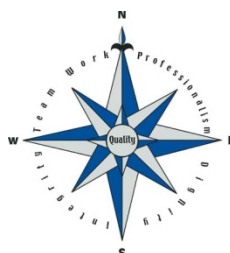
	<u>Lead</u>	<u>Handout</u>
I. CALL TO ORDER	<i>Chair</i>	<i>N/A</i>
II. APPROVAL OF THE AGENDA	<i>Chair</i>	<i>in packet</i>
III. APPROVAL OF BOARD MINUTES – January 23 <sup>rd</sup> , 2020	<i>Chair</i>	<i>in packet</i>
IV. VISITOR COMMENTS	<i>Chair</i>	<i>N/A</i>
V. BOARD MEMBER COMMENTS	<i>Chair</i>	<i>N/A</i>
VI. REPORTS		
A. Quality & Infection Prevention <i>Action required: Informational only</i>	<i>L. Bacom</i>	<i>at meeting</i>
B. Executive Summary <i>Action required: Informational only</i>	<i>P. Hofstetter</i>	<i>in packet</i>
C. Financial <i>Action required: Informational only</i>	<i>R. Tejera</i>	<i>in packet</i>
VII. UNFINISHED BUSINESS		
VIII. NEW BUSINESS		
IX. EXECUTIVE SESSION <i>By motion, the Board will enter into Executive Session for a legal update and for matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of Petersburg Medical Center.</i>		
X. NEXT MEETING		
XI. ADJOURNMENT		

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**Meeting:** Medical Center Board Meeting

**Date:** January 23<sup>rd</sup>, 2020 **Time:** 5:00 p.m.

**Board Members Present:** Joe Stratman, Cindi Lagoudakis, Jim Roberts, George Doyle, Marlene Cushing (telephonically), Jerod Cook, Kathi Riemer (telephonically)

**Board Members Absent:** None

**Staff Members Attending:** Phil Hofstetter, Chad Wright, Jill Dormer, Sarah Wright, Cindy Newman, Liz Bacom, Rocio Tejera, Devynn Johnson, Matt Pawuk, Carrie Lantiegne, Kelly Zweifel, Janet Kvernvik

**Visitors:** Max Mertz, Brian Varela, Bob Lynn, Joe Viechnicki, Cynthia Brandt (telephonically)

- I. **CALL TO ORDER:** Member Cook called the meeting to order at 4:59 p.m.
- II. **APPROVAL OF THE AGENDA:** The proposed amendments to the agenda included removing VIII. B. Amendment to PMC Bylaws from New Business and moving VIII. A FY2019 Audit Review before VI. Reports. Member Roberts made a motion to approve the amended agenda. Motion seconded by Member Doyle. Motion passed unanimously.
- III. **APPROVAL OF BOARD MINUTES:** Member Stratman made a motion to approve the minutes as presented from the board meeting on December 19<sup>th</sup>, 2019. Motion seconded by Member Roberts. Motion passed unanimously.
- IV. **VISITORS COMMENTS:** None
- V. **BOARD MEMBER COMMENTS:** Member Doyle thanked the staff for the work last night at the town hall. He noted that he felt there was great attendance and it was a well run meeting.
- VI. **NEW BUSINESS**
  - A. **FY 2019 Audit Review.** Max Mertz, CPA provided a brief background of his work history. He noted that the local, long-term staff are a strength. He reported the audit went very well and management was helpful. He noted that he works for the Board and with

management. He then reviewed his PowerPoint presentation (see copy). Specifically, he addressed the letter to the Board of Directors, adjustments that were made and several of his recommendations. He added that a lot of the conditions identified during the audit had been present for a number of years. Additionally, management started addressing conditions prior to the audit being conducted and he expects to see many of those conditions resolved at the next audit. Next, he reviewed the financial statements which included assets, liabilities and net assets. In closing he stated that no red flags were found. He added that management was not surprised by any of the findings and areas of improvement are being addressed.

## **VII. REPORTS:**

**A. Home Health.** C. Axmaker was not in attendance but her written report (see copy) was available for review. It was noted that the search for a nurse continues. Additionally, it was noted CNA's have opportunities to grow in the medical field. There was conversation related to the billing software used for home health. It was explained that the software is completely different due to CMS regulations and requires specialized software. Different software for home health is being researched at this time.

**B. Human Resources.** C. Newman was available to answer questions related to her written report (see copy).

**C. Executive Summary.** P. Hofstetter highlighted a few items from his written report (see copy). He explained the chart on page 2 and the difference between skilled nursing, observation and inpatient. He noted the difficulty in staffing due to unknown levels of patients. He introduced and welcomed the new dietitian, Kelly Keyes-Zweifel. PMC will be providing services at the upcoming Project Connect event.

**D. Quality & Infection Prevention.** L. Bacom was available to answer questions related to her written report (see copy).

**E. Financial.** A Resource Committee meeting with the cost report preparer was scheduled for January 30<sup>th</sup> at 1:00 p.m. R. Tejera then reviewed the financials (see copy). She noted that the net operating revenue and operating expenses were overbudget by 15%. The total revenue was \$1.6 million revenue and total operating expenses were \$1.5 million. Investments performed very well for a gain of \$69,000. The net income for the month was nearly \$90,000 and year-to-date is \$270,000. There was a positive cash flow of \$104,000 for the month. The average revenue per day was \$52,000 and the average expense per day was \$50,000. There are 156 days cash-on-hand with investments. The net AR was 44 days. The spot vision screener was purchased from the capital list. So far \$245,000 has been spent of the \$524,000 approved capital budget. The pharmacy and other purchases from the capital list are still pending.

## **VIII. UNFINISHED BUSINESS**

**IX. EXECUTIVE SESSION:** Member Roberts made a motion that the Board enter into Executive Session to review medical staff appointments and reappointments and to discuss legal matters. Motion seconded by Member Stratman. Motion passed unanimously. Board entered Executive Session at 5:57 p.m. Member Roberts made a motion to come out of Executive Session. Motion seconded by Member Stratman. The Board came out of Executive Session at 6:09 p.m.

**X. MEDICAL STAFF – APPOINTMENTS AND REAPPOINTMENTS:** After coming out of Executive Session, Member Lagoudakis made a motion to reappoint America Gomez, PMHNP and to appoint Kira Phillips, Professional Counselor, Dmitriy Kazimirko, MD and James McGovern, MD to medical staff. Motion seconded by Member Roberts. Motion passed unanimously.

**XI. LEGAL MATTERS**

**XII. NEXT MEETING:** Next regularly scheduled meeting was set for Thursday, March 26, 2020 at 5:00 p.m. in the Dorothy Ingle Conference Room.

**XIII. ADJOURNMENT:** Member Lagoudakis made a motion to adjourn. Motion was seconded by Member Roberts. Motion passed unanimously. The meeting adjourned at 6:11 p.m.

Respectfully submitted,

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Marlene Cushing, Board Secretary



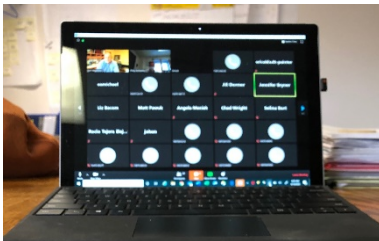
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## CEO Report:

*The following updates are not a comprehensive summary of activities due to the activation of the Emergency Preparedness Incident Command Center from the COVID-19 response since March 11<sup>th</sup>.*

Petersburg medical center has implemented its' Incident Command System in the afternoon of March 11<sup>th</sup> to allow PMC to direct resources, staff, and monitoring toward COVID-19 preparation. We are in the 6<sup>th</sup> operational period and as of this writing on day 40. The PMC Incident command briefings occur twice daily, 8:15 am and 4:45 pm. PMC is also represented in the branch operations of the Borough emergency operations center which occur on Monday, Wednesday and Friday at 10:30 am. In combination with Borough Incident command, School, Public Health Nurse and PMC report daily on

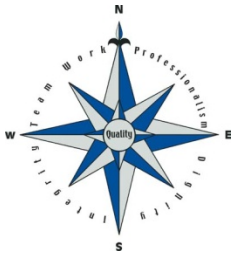


KFSK at 12:30 pm. Situational briefings are provided daily to staff and board members throughout the week by section chiefs, Borough and PHN with action items listed for each day.

PMC has progressively increased its' preparation for surge, infection control, and separation of LTC residents and staff. We have had 2 positive cases with 1 of those cases recovered. There are 81 tests that were sent out and 7 pending at the time of this report. Following the first positive case additional personnel were sent to work at home. There are ~ 40 staff working at home, many fulltime. Meetings are completed telephonically or on Zoom video. Departments are requested to create social distancing pathways, establish at least two teams (if possible) that are not on the premises at the same time and do not cross pathways. Healthcare workers are at high risk for COVID exposure and extra measures are necessary. The CDC and state guidelines change dramatically sometimes on a daily basis as the information on the disease and strategies evolve with new information.



The state approved and sent two Abbott ID point of care tests to PMC to increase the capacity to test. The testing is rapid with a 100% specificity but with a lower (~70%) sensitivity. This means a positive is confirmed but a negative will have to be sent to a commercial lab to confirm. We are still advocating aggressively to obtain increased testing capacity. Education of the newest changes and infection control protocols for the community are a challenge but the KFSK show, social media and combined Borough media outlets assist in the getting information updated.



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The reductions of routine services to the community continues upwards of 35%. This is concerning yet PMC staff continue to innovate with keeping asymptomatic patient flow to a minimum in the clinic and patients with symptoms outside triaging for the respiratory clinic. The overflow or alternative site area at the school gym is being prepared in the event there is a COVID surge that overflows from the hospital. Rooms were built with the assistance of the Borough Emergency Operations Center. Each operational period has objectives, actions items and considerable documentation that is submitted to



FEMA and is listed on the intranet site each week.

Rocio will have a financial update; however, PMC continues to incur a ratio of high expenses and low revenue in its' preparation for COVID. There have been some advanced payments from CMS and under certain programs through the COVID federal response programs. Given the length of this emergency PMC will need to continue to be very aggressive in recouping costs, grants and loans as needed.

Lastly, PMC is fortunate to have an incredibly hard working and amazing team that has stepped up in

this time of crisis.

04/17/20 02:02 PM

PETERSBURG MEDICAL CENTER  
 BALANCE SHEET  
 FOR THE MONTH ENDING: 03/31/20

	Current Year	Prior Year	Net Change
<b>CURRENT ASSETS</b>			
CASH AND CASH EQUIVALENTS	4,350,723	4,394,927	(44,204)
ACCOUNTS RECEIVABLE NET	1,977,852	3,079,851	(1,101,999)
INVENTORY	265,754	232,995	32,759
PREPAID EXPENSES	143,451	305,712	(162,260)
OTHER RECEIVABLES	23,637	(437,660)	461,298
	-----	-----	-----
TOTAL CURRENT ASSETS	6,761,420	7,575,826	(814,406)
	-----	-----	-----
<b>PROPERTY PLANT &amp; EQUIPMENT</b>			
PLANT PROPERTY & EQUIPMENT	22,467,260	21,746,458	720,802
ACCUMULATED DEPRECIATION	(18,135,667)	(17,438,672)	(696,995)
	-----	-----	-----
NET PROPERTY & EQUIPMENT	4,331,593	4,307,785	23,807
	-----	-----	-----
<b>RESTRICTED ASSETS</b>			
INVESTMENTS	2,213,891	2,416,994	(203,103)
BUILDING FUND	465,858	506,041	(40,182)
PENSION ASSETS	2,883,764	1,121,322	1,762,442
	-----	-----	-----
TOTAL ASSETS	16,656,526	15,927,969	728,557
	=====	=====	=====
<b>LIABILITIES &amp; FUND BALANCE</b>			
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE	776,303	263,128	513,174
SALARIES & WAGES PAYABLE	253,899	176,215	77,684
ACCRUED PTO & EXTENDED SICK	830,738	645,334	185,403
PAYROLL TAXES & OTHER PAYABLE	74,107	122,247	(48,139)
DUE TO MEDICARE	270,633	272,000	(1,366)
CAPITAL LEASE	124,895	122,233	2,661
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TOTAL CURRENT LIABILITIES	2,330,577	1,601,159	729,417
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<b>LONG TERM LIABILITIES</b>			
CAPITAL LEASES	62,323	188,317	(125,993)
	-----	-----	-----
TOTAL LONG TERM LIABILITIES	62,323	188,317	(125,993)
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<b>PENSION LIABILITIES</b>			
DEFERRED INFLOW	1,185,483	1,854,148	(668,665)
NET PENSION LIABILITY	13,960,423	11,926,974	2,033,449
	-----	-----	-----
TOTAL PENSION LIABILITIES	15,145,906	13,781,122	1,364,784
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<b>FUND BALANCE</b>			
FUND BALANCE BEGINNING	(99,888)	542,125	(642,014)
NET INCOME (LOSS) YTD	(782,391)	(184,755)	(597,635)
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FUND BALANCE END	(882,279)	357,370	(1,239,650)

TOTAL LIAB & FUND BALANCE

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16,656,526	15,927,969	728,557
=====	=====	=====



PETERSBURG MEDICAL CENTER  
 OPERATING/INCOME STATEMENT  
 FOR THE 9 MONTHS ENDING 03/31/20

04/17/20 02:02 PM

	----- S I N G L E M O N T H -----				----- Y E A R T O D A T E -----			
	ACTUAL	BUDGET	\$ VARIANCE	% VAR	ACTUAL	BUDGET	\$ VARIANCE	% VAR
OPERATING REVENUES								
INPATIENT	361,961	315,000	46,961	14	3,446,373	2,835,000	611,373	21
LONG TERM CARE	326,011	350,000	(23,988)	(6)	2,913,011	3,150,000	(236,988)	(7)
ANCILLARY SERVICES	434,438	666,666	(232,227)	(34)	6,131,795	5,999,994	131,801	2
PHYSICIAN SERVICES	185,201	225,000	(39,798)	(17)	2,262,384	2,025,000	237,384	11
HOME HEALTH	25,699	41,667	(15,967)	(38)	230,815	375,003	(144,187)	(38)
OTHER OPERATING REVENUE	73,568	62,500	11,068	17	1,257,266	562,500	694,766	123
GROSS OPERATING REVENUE	1,406,880	1,660,833	(253,952)	(15)	16,241,646	14,947,497	1,294,149	8
DEDUCTIONS FROM REVENUE								
ADJUSTMENTS & ALLOWANCES	(524,945)	(269,583)	(255,362)	(94)	(2,622,072)	(2,426,247)	(195,825)	(8)
NET OPERATING REVENUE	881,935	1,391,250	(509,314)	(36)	13,619,574	12,521,250	1,098,324	8
EXPENSES								
SALARIES & WAGES								
SALARIES & WAGES	711,995	580,833	(131,162)	(22)	5,695,114	5,227,497	(467,617)	(8)
NON PRODUCTIVE WAGES	143,346	127,500	(15,846)	(12)	1,272,880	1,147,500	(125,380)	(10)
CONTRACT AGENCY SERVICES	50,485	58,333	7,847	13	655,554	524,997	(130,557)	(24)
EMPLOYEE BENEFITS								
PERS	194,700	158,333	(36,367)	(22)	1,638,977	1,424,997	(213,980)	(15)
HEALTH INSURANCE	91,958	87,500	(4,458)	(5)	806,872	787,500	(19,372)	(2)
WORKERS COMP	9,442	10,000	557	5	91,915	90,000	(1,915)	(2)
UNEMPLOYMENT	0	0	0	0	5,990	0	(5,990)	0
FICA & MEDICARE	16,211	15,000	(1,211)	(8)	140,944	135,000	(5,944)	(4)
EMPLOYEE BENEFITS OTHER	63	0	(63)	0	25,174	0	(25,174)	0
DRUG FOOD & SUPPLIES								
SUPPLIES	79,024	47,500	(31,524)	(66)	515,571	427,500	(88,071)	(20)
FOOD	8,014	7,500	(514)	(6)	89,988	67,500	(22,488)	(33)
PHARMACY	25,384	41,666	16,281	39	450,853	374,994	(75,859)	(20)
OTHER EXPENSES								
MINOR EQUIPMENT	3,372	8,333	4,960	59	26,750	74,997	48,246	64
EQUIPMENT SERVICE AGREEME	18,178	14,172	(4,006)	(28)	167,142	127,548	(39,594)	(31)
HARDWARE & SOFTWARE	18,255	24,166	5,910	24	205,844	217,494	11,649	5
UTILITIES	52,965	50,000	(2,965)	(5)	465,852	450,000	(15,852)	(3)
REPAIRS & MAINTENANCE	17,008	8,333	(8,675)	(104)	79,692	74,997	(4,695)	(6)
CORPORATE HOUSING	10,530	14,583	4,053	27	101,497	131,247	29,749	22
PURCHASE SERVICES	70,753	46,666	(24,087)	(51)	924,973	419,994	(504,979)	(120)
OTHER OPERATING EXPENSE	7,184	1,250	(5,934)	(474)	116,734	11,250	(105,484)	(937)
TRAVEL & EDUCATION	17,691	10,833	(6,858)	(63)	98,567	97,497	(1,070)	(1)
DUES & FEES	5,140	4,583	(557)	(12)	53,704	41,247	(12,457)	(30)
FREIGHT	5,159	2,500	(2,659)	(106)	33,371	22,500	(10,871)	(48)
DEPRECIATION	55,805	62,500	6,694	10	524,120	562,500	38,379	6
INSURANCE	8,180	9,166	985	10	71,040	82,494	11,453	13
RECRUITMENT & RELOCATION	0	0	0	0	890	0	(890)	0
TOTAL OPERATING EXPENSE	1,620,856	1,391,250	(229,606)	(16)	14,260,021	12,521,250	(1,738,771)	(13)
OPERATING GAIN (LOSS)	(738,921)	0	(738,921)	0	(640,446)	0	(640,446)	0
NON-OPERATING REVENUE	(214,435)	8,334	(222,769)	(673)	(141,944)	74,998	(216,942)	(289)

NET GAIN (LOSS)	(953,356)	8,334	(961,690)	(539)	(782,391)	74,998	(857,389)	(143)
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**Petersburg Medical Center**  
**Statement of Cash Flow**  
**Fiscal Year 2020**  
**March 31, 2020**

Beginning Days Cash on Hand - Operating	7/1/2019	108.5	
Beginning Days Cash on Hand - With Investments	7/1/2019	184.7	
Fiscal Year 2020 Beginning Operating Cash		\$ 5,044,237	
Fiscal Year 2020 Beginning Investments		\$ 3,003,675	
Fiscal Year 2020 Total Beginning Cash		\$ 8,047,912	125,415
Sources and Applications of Funds			-
YTD Net Profit (Loss)	(782,391)		(40,747)
Increase in Depreciation	524,120		(62,908)
Decrease in Accounts Receivable	125,415		53,538
Decrease in Other Assets	53,538		(601,137)
Increase in Inventory	(40,747)		524,120
Pension Assets	-		323,926
Decrease in Investments	323,926		-
Decrease in CPSI EMR Payable	-		322,207
Increase in Accrued Vacation & Sick	111,161		
Increase in Prepaid Expenses	(62,908)		97,297
Increase in Capital Assets	(601,137)		(92,355)
Increase in Accounts Payable	97,297		111,161
Decrease Salaries & Wages Payable	(92,355)		1,068
Increase in Payroll Taxes & Other Payables	1,068		(257,447)
Decrease Due to Medicare	(257,447)		-
Decrease in Capital Leases	(93,050)		(93,050)
Decrease in Note Payable	-		-
Deferred Inflow	-		-
Net Pension Liability	-		-
---			(250,548)
Net Change In Cash		(693,510)	(531,842)
Fiscal Year 2020 Ending Operating Cash		\$ 4,350,727	(1,015,716)
Fiscal Year 2020 Ending Investment Cash		\$ 2,679,749	
Fiscal Year 2020 Total Ending Cash		\$ 7,030,476	
Ending Days Cash on Hand - Operating	3/31/2020	90.1	
Ending Days Cash on Hand - With Investments	3/31/2020	145.7	
YTD Operating Expenses		14,260,021	
YTD Non cash expenses		(1,084,612)	
Net Operating Expenses		13,175,409	
Days YTD		273	
YTD Expenses Per Day		48,262	
YTD Net Revenue Per Day		49,889	
Gross AR Days		82	
Net AR Days		44	

