



# AGENDA

## Board of Directors Meeting

6:00 PM - Wednesday, February 23, 2022

[Click link to join Zoom meeting](#)

Meeting ID: 878 0782 1015 Pwd: 931197

Phone Line: 669-900-9128 or 301-715-8592

Kelly Cooper, President		Keriann Baker		Aaron Weisser	
Melissa Jacobsen, Vice Pres.		M. Todd Boling, DO		Bernadette Wilson	
Julie Woodworth, Secretary		Matthew Hambrick		Beth Wythe	
Walter Partridge, Treasurer		Edson Knapp, MD		Ryan Smith, CEO	

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### 1. CALL TO ORDER

### 2. ROLL CALL

### 3. REFLECT ON LIVING OUR VALUES

### 4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

- 4
- 4.1. Rules for Participating in a Public Meeting  
[Rules for Participating in a Public Meeting](#)

### 5. APPROVAL OF THE AGENDA

### 6. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

### 7. APPROVAL OF THE CONSENT CALENDAR

- 5 - 11
- 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for January 26, 2022.  
[Board of Directors - Jan 26 2022 - Minutes - DRAFT](#)

- 12 - 15      7.2.    Consideration to Approve January 2022 Financials  
[Balance Sheet January FY22](#)  
[Income Statement January FY22](#)  
[Cash Flow Statement January FY22](#)

- 16 - 295      7.3.    Consideration to Approve the Annual Report to the Contract Administrator for Submission to the Kenai Peninsula Borough Mayor to Satisfy the Reporting Requirements of the Operating Agreement.  
[Annual Report to the Contract Administrator](#)

Supporting documentation for this agenda item was removed from the online packet due to file size.

## **8.      PRESENTATIONS**

## **9.      UNFINISHED BUSINESS**

## **10.     NEW BUSINESS**

- 296 - 303      10.1.    Consideration to Approve the New Policy, MSO-010 Medical Staff Health as developed and approved by the Medical Staff  
[Memo](#)  
[MSO-010 Medical Staff Health Policy](#)

- 304 - 309      10.2.    Consideration to Approved Revised Advanced Nurse Practitioner Privileges as recommended by the Medical Staff  
[Memo](#)  
[Advanced Nurse Practitioner Privileges, updated](#)

- 310            10.3.    Consideration to Approve SPH Resolution 2022-03, A Resolution of the South Peninsula Hospital Board of Directors Approving the 2021 Discretionary Contribution for the Non-Union 403b Plan  
[SPH Resolution 22-03](#)

## **11.     REPORTS**

- 311 - 314      11.1.    Chief Executive Officer  
[Balanced Scorecard 4th Quarter 2021](#)

- 315 - 325      11.2.    BOD Committee: Pension  
**Presenter:** Walter Partridge  
[Annual Pension Committee Report](#)  
[PEN-002 403b and 457 Plan Investments Fiduciary Responsibilities - NEW](#)  
[PEN-001 Employee Investment Policy](#)

- 11.3.    BOD Committee: Finance

**Presenter:** Walter Partridge

11.4. Service Area Board Representative

**Presenter:** Ralph Broshes

## **12. DISCUSSION**

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12.1. AHA Conference Follow up

[Memo](#)

12.2. Board of Directors Gratitude Video

**Presenter:** Edson Knapp, MD

## **13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER**

## **14. COMMENTS FROM THE BOARD**

(Announcements/Congratulations)

14.1. Chief Executive Officer

14.2. Board Members

## **15. INFORMATIONAL ITEMS**

## **16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)**

## **17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION**

17.1. Credentialing

## **18. ADJOURNMENT**

To: Public Participants  
From: Operating Board of Directors – South Peninsula Hospital  
Re: Rules for Participating in a Public Meeting

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The following has been adapted from the “Rules for Participating in a Public Meeting” used by Kenai Peninsula SAB of SPHI.

*Each member of the public desiring to speak on any issue before the SPH Operating Board of Directors at tonight’s meeting will be given an opportunity to speak to the following guidelines:*

- *Those who wish to speak will need to sign in on the sign in sheet being circulated. When the chair recognizes you to speak, you need to clearly give your name and the subject you wish to address.*
- *Please be concise and courteous, in time, so others present will have an opportunity to speak.*
- *Please observe normal rules of decorum and avoid disparaging by name the reputation or character of any member of the Operating Board of directors, the administration or personnel of SPHI, or the public. You cannot mention or use names of individuals.*
- *The Operating Board Directors may ask you to respond to their questions following your comments. You could be asked to give further testimony in “Executive Session” if your comments are directly related to a member of personnel, or management of SPHI, or dealing with specific financial matters, either of which could be damaging to the character of an individual or the financial health of SPHI, however, you are under no obligation to answer any question put to you by the Operating Board Directors.*
- *This is your opportunity to provide your support or opposition to matters that are within the areas of Operating Board of Directors governance. If you have questions, you may direct them to the chair.*

These rules for participating in a public meeting were discussed and approved at the Board Governance Committee meeting on February 24, 2013.



**MINUTES - DRAFT**  
**Board of Directors Meeting**  
**6:00 PM - Wednesday, January 26, 2022**  
Virtual Meeting Only

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The Board of Directors of the South Peninsula Hospital meeting was called to order on Wednesday, January 26, 2022, at 6:00 PM, via Zoom meeting.

**1. CALL TO ORDER**

**The BOD went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting. The board went into Executive Session at 5:15pm, and came out of Executive Session at 5:55pm.**

**President Kelly Cooper called the regular meeting to order at 7:00 p.m.**

**2. ROLL CALL**

**BOARD PRESENT:** President Kelly Cooper, Todd Boling, DO, Matthew Hambrick, Melissa Jacobsen, Edson Knapp, Walter Partridge, Aaron Weisser, Bernadette Wilson, Julie Woodworth, Beth Wythe, and CEO Ryan Smith

**BOARD EXCUSED:** Keriann Baker

**ALSO PRESENT:** Maura Jones, Executive Assistant, Angela Hinnegan, CFO, Derotha Ferraro, PR/Marketing Director, Lane Chesley KPB Assembly, Jake Kolipano, BDO

*\*Due to the Zoom meeting format, only meeting participants who comment, give report or give presentations are noted in the minutes. Others may be present on the virtual meeting.*

**A quorum was present.**

**3. REFLECT ON LIVING OUR VALUES**

Derotha Ferraro, PR/Marketing Director, shared a story about cards from the community. Stations were set up at various businesses around town, allowing for members of the community to write cards to health care professionals. These cards were delivered and are hanging on bulletin boards around the hospital. Ms. Ferraro read some of the cards at the meeting.

**4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS**

**4.1. Rules for Participating in a Public Meeting**

**5. APPROVAL OF THE AGENDA**

*Beth Wythe made a motion to approve the agenda as written. Julie Woodworth seconded the motion. Motion Carried.*

**6. APPROVAL OF THE CONSENT CALENDAR**

Melissa Jacobsen, Secretary, read the consent calendar into the record.

**6.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for December 1, 2021.**

**6.2. Consideration to Approve November FY 2022 and December FY 2022 Financials**

**6.3. Consideration to Approve Notice of Change of Officials and Notice of Reorganization**

**6.4. Consideration to Approve SPH Resolution 2022-02, A Resolution of the South Peninsula Hospital Board of Directors Approving the Capital Budget for RY 2023**

**6.5. Consideration to Accept the Financial Audit for FY 2021**

*Melissa Jacobsen made a motion to approve the consent calendar as read. Beth Wythe seconded the motion. Motion Carried.*

**7. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Lane Chesley, KPB Representative commented. He mentioned he was appreciative of the "Living Our Values" story and it was nice to hear the positive feedback. He requested that at the upcoming borough presentation, in addition to the financial picture, that there be focus on the organizational chart and management. He also asked the board and hospital to consider when meeting in person may be appropriate again.

**8. PRESENTATIONS**

**8.1. Presentation of the FY2021 Audit by Jake Kolipano of BDO**

Jake Kolipano of BDO gave a presentation on the audited financials. The auditors issued an unmodified, or clean, opinion. In addition, they completed a single audit, or compliance audit. They also issued a clean, unmodified report for the single audit. There were no misstatements and no weaknesses or deficiencies in internal controls identified. This is the highest level of audit one can receive.

**9. UNFINISHED BUSINESS**

**10. NEW BUSINESS**

**10.1. Election of Officers for 2022**

Ms. Wythe reported. The Governance Committee has proposed a slate of officers. Ms. Cooper noted that in Executive Session the Board discussed the slate of officers and allowed for any other nominations and discussion.

*Beth Wythe made a motion to approve the slate of officers proposed by the Governance Committee - Kelly Cooper as President, Melissa Jacobsen as Vice President, Julie Woodworth as Secretary and Walter Partridge as Treasurer. Melissa Jacobsen seconded the motion. Motion Carried.*

**10.2. Consideration to Approve Board Roster and Committee Assignments**

Ms. Wythe reported. Board members expressed their interest in committee assignments for 2022, and those committee assignments were solidified and were provided in the packet.

*Beth Wythe made a motion to approve the Board Roster and Committee Assignments, updated to reflect the officers elected at this meeting. Vice President Melissa Jacobsen seconded the motion. Motion Carried.*

**10.3. Consideration to Approve SPH Resolution 2022-01, A Resolution of the South Peninsula Hospital Board of Directors Approving Capital Repairs of the Property Located at 203 West Pioneer Avenue, Homer AK 99603**

Mr. Smith reported. The hospital acquired 203 W. Pioneer building and the inspection revealed some roof issues. We requested an informal estimate of the repair and negotiated a new price with the seller. We now need to take the work out to bid. We will fund the project half from the PREF funds and half from operating.

The board discussed if it was necessary to give some allowance to go over the amount in the resolution without having to come back to the Board with an additional request, but Mr. Partridge stated that the Finance Committee felt this amount was sufficient. If there are more funds needed, Hospital Administration can come back with an additional request.

*Melissa Jacobsen made a motion to approve SPH Resolution 2022-01, A Resolution of the South Peninsula Hospital Board of Directors Approving Capital Repairs of the Property Located at 203 West Pioneer Avenue, Homer AK 99603. Beth Wythe seconded the motion. There was a roll call vote.*

Melissa Jacobsen	Yes
Julie Woodworth	Yes
Walter Partridge	Yes
Keriann Baker	Excused
Todd Boling	Abstained, due to being the prior owner of the property
Matthew Hambrick	Excused
Edson Knapp	Yes
Aaron Weisser	Yes
Bernadette Wilson	Yes
Beth Wythe	Yes
Kelly Cooper	Yes

#### **10.4. Second Reading: Consideration to Amend Board of Directors Bylaws**

The amended Board of Directors bylaws were presented in the packet for a second reading. There were no questions or further discussion.

*Vice President Melissa Jacobsen made a motion to approve the Bylaws Amendments under Article 2 Meetings, Article 3 Members, Article 4 Officers, Article 6 Administrator and Article 7 Medical Staff. Beth Wythe seconded the motion. Motion Carried.*

### **11. REPORTS**

#### **11.1. BOD Committees: Pension/Finance**

Walter Partridge, Finance and Pension Chair, reported. The committee met in January. We reviewed the resolutions before the Board tonight. We went over the financials for November and December and reviewed the BDO audit. There was a comment we were overfunded on Pension, and that was planned, as we want to start de-risking the plan. The financial picture was not a strong month, but that is typical for November and December.

#### **11.2. Chief Executive Officer**

Mr. Smith reported. The Balanced Scorecard reflects new data, for fourth quarter 2021. Thank you to Sue Shover and the Quality team and others who have been working on the scorecard and submitting data. We completed our biannual employee and medical staff engagement survey, so those numbers have changed. Medical staff alignment was at the 78th percentile, but has gone down to 74. Engagement has gone up, but our resilience scores have gone down. Employee engagement scores went from the 51st percentile up to the 70th. We are close to our goal in both areas. Our financial indicators are not where we want them to be - the Omicron wave has caused staff shortages without adding an influx of patients. We still have provider relief funds that have not been applied yet, and we'll be looking at where to bring those onto the books. COVID vaccination rate has been added as an indicator on the scoreboard.

#### **11.3. BOD Committee: Governance**

Beth Wythe, Governance Committee Chair, reported. The Governance Committee met in January. We discussed the election process for officers. We also reviewed SM-08, and we'll be looking at that again next month. We discussed the plan for CEO evaluation, and the subcommittee will meet in February, after Ms. Cooper gets some additional documentation.

#### **11.4. BOD Committee: Education**

Ms. Woodworth thanked everyone who served on the Education Committee in 2021. She's looking forward to the Rural Health Leadership Conference in February.



### **11.5. Service Area Board Representative**

Roberta Highland reported on behalf of the Service Area Board (SAB). She thanked all of the employees for their exceptional work during trying times. She asked if the capital budget would be included for the February 10th SAB meeting, and was informed it would be ready for the SAB meeting in February. At the January SAB meeting, Brandi Harbaugh, Borough Finance Director, attended and walked them through the budget procedure. They welcomed a new member, Tim Whip. There were presentations by Claudia Haines for Kachemak Bay Family Planning Clinic and Hannah Gustafson for MAPP. There was a presentation by an Addiction group as well. The SAB agreed to send new members Kathryn Ault and Willy Dunne to the AHA Rural Healthcare Leadership Conference in Phoenix.

### **12. DISCUSSION**

There were no discussion items.

### **13. COMMENTS**

(Announcements/Congratulations)

#### **13.1. Chief Executive Officer**

Mr. Smith welcomed Aaron to the board. He announced the retirement of Robbie Coffey after 33 years at South Peninsula Hospital. He commended Ms. Hinnegan and Anna Hermanson, Finance Director on the audit. He thanked everyone who worked very hard on the state surveys and the ensuing follow up, but especially Sue Shover. Long Term Care had an IDR meeting (Informal Dispute Resolution) with the state and it went very well. The state is recommending to CMS that the Immediate Jeopardy tags be removed.

#### **13.2. Board Members**

Melissa Jacobsen welcomed Mr. Weisser. She thanked the hospital staff for all their hard work. She expressed her condolences for the recent loss of an SPH employee.

Julie Woodworth congratulated Robbie Coffey on her retirement, and congratulated Ms. Hermanson and Ms. Hinnegan on the audit. She welcomed Mr. Weisser to the board.

Walter Partridge expressed that he really appreciates and is impressed with the staff at the hospital. He appreciates the staff reports. He welcomed Mr. Weisser to the board.

Todd Boling had to sign off the meeting.

Edson Knapp shared that 4 or 5 patients over the past couple of weeks have expressed appreciation for how personal the care is at SPH, how available physicians are, how quickly we can get folks in for care. It is completely

different from many other places. He welcomed Mr. Weisser to the board. He congratulated Ms. Hinnegan and Ms. Hermanson. He thanked Dr. Tuomi for taking on the role of CMO.

Aaron Weisser thanked everyone for the warm welcome. He said he had a great time in orientation and is looking forward to learning more.

Bernadette Wilson welcomed Mr. Weisser. She congratulated Dr. Tuomi on her new role as CMO and congratulated Ms. Hinnegan on the clean audit. She thanked the outgoing officers for their service.

Beth Wythe announced she was enjoying her retirement in Hawaii! She thanked everyone for helping the Governance Committee get through a lot of work in the past year, and she looks forward to working with Aaron as the new Governance Committee chair. She loved seeing the cards from the community members and thanked Ms. Ferraro for sharing. She congratulated MS. Hinnegan on the audit and thanked Dr. Tuomi for her leadership on the medical staff.

**14. INFORMATIONAL ITEMS**

**14.1. Annual Forms: Conflict of Interest, Board Information for CMS, Confidentiality Agreement**

Ms. Cooper asked all board members to complete the forms and return them to Ms. Jones by the end of the month.

**15. PUBLIC COMMENTS**

There were no further public comments.

**16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)**

There was no adjournment into Executive Session.

**17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION**

**17.1. Credentialing**

*After review of the applicants' files in Executive Session, Ms. Jacobsen moved to approve the following positions in the medical staff as requested and recommended by the Medical Executive Committee:*

Appointment

Daniel Davignon, DO; Radiology; Courtesy Staff

Moyukh Ghosh, MD; Cardiology; Courtesy Staff

Jason Savikko, DO; Radiology; Courtesy Staff

Lucy Fisher, MD; Psychiatry; Courtesy Staff

Reappointment

Abdelrahman Beltagy, MD; Telestroke; Telemedicine  
John B. Draper, MD; eICU; Telemedicine  
Sheila Smith, MD; Telestroke; Telemedicine  
Edson Knapp, MD; Radiology; Active Staff  
Mark Lorenz, MD; Otolaryngology; Courtesy Staff  
Julie McCarron, CNM; Midwifery; Active Staff  
Brian McCorison, CRNA; Anesthesia; Active Staff

**18. ADJOURNMENT**

Respectfully Submitted,

Accepted:

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Maura Jones, Executive Assistant

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Kelly Cooper, President

Minutes Approved:

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Melissa Jacobsen, Secretary



# South Peninsula Hospital

DRAFT-UNAUDITED

## BALANCE SHEET As of January 31, 2022

	As of January 31, 2022	As of Jan 31, 2021	As of December 31, 2021	CHANGE FROM 01/31/2021
<b>ASSETS</b>				
CURRENT ASSETS:				
1 CASH AND CASH EQUIVALENTS	18,661,997	17,378,856	20,763,226	1,283,141
2 EQUITY IN CENTRAL TREASURY	8,861,051	8,173,909	8,071,935	687,142
3 TOTAL CASH	27,523,048	25,552,765	28,835,161	1,970,283
4 PATIENT ACCOUNTS RECEIVABLE	30,795,970	28,280,606	29,855,492	2,515,364
5 LESS: ALLOWANCES & ADJ	(14,380,127)	(14,268,846)	(14,486,028)	(111,281)
6 NET PATIENT ACCT RECEIVABLE	16,415,843	14,011,760	15,369,464	2,404,083
7 PROPERTY TAXES RECV - KPB	228,352	312,588	276,890	(84,236)
8 LESS: ALLOW PROP TAX - KPB	(3,598)	(3,048)	(3,598)	(550)
9 NET PROPERTY TAX RECV - KPB	224,754	309,540	273,292	(84,786)
10 OTHER RECEIVABLES - SPH	446,462	326,796	137,746	119,666
11 INVENTORIES	1,829,575	1,486,655	1,787,607	342,920
12 NET PENSION ASSET- GASB	9,250,712	3,689,836	9,150,712	5,560,876
13 PREPAID EXPENSES	1,037,296	913,822	1,087,438	123,474
14 TOTAL CURRENT ASSETS	56,727,690	46,291,174	56,641,420	10,436,516
ASSETS WHOSE USE IS LIMITED				
15 PREF UNOBLIGATED	10,602,311	8,956,303	10,631,229	1,646,008
16 PREF OBLIGATED	2,164,876	1,545,744	2,999,908	619,132
17 OTHER RESTRICTED FUNDS	78,243	18,405,368	49,335	(18,327,125)
	12,845,430	28,907,415	13,680,471	(16,061,985)
PROPERTY AND EQUIPMENT:				
18 LAND AND LAND IMPROVEMENTS	4,111,915	3,816,772	4,105,746	295,143
19 BUILDINGS	67,101,465	64,911,000	66,984,391	2,190,465
20 EQUIPMENT	29,579,388	27,956,438	29,154,196	1,622,950
21 IMPROVEMENTS OTHER THAN BUILDINGS	273,640	213,357	269,769	60,283
22 CONSTRUCTION IN PROGRESS	393,790	682,725	750,619	(288,935)
23 LESS: ACCUMULATED DEPRECIATION	(59,878,982)	(56,222,015)	(59,547,409)	(3,656,967)
24 NET CAPITAL ASSETS	41,581,216	41,358,277	41,717,312	222,939
25 GOODWILL	22,000	34,000	23,000	(12,000)
26 TOTAL ASSETS	111,176,336	116,590,866	112,062,203	(5,414,530)
DEFERRED OUTFLOWS OF RESOURCES				
27 PENSION RELATED (GASB 68)	(568,607)	1,743,772	(568,607)	(2,312,379)
28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING	384,520	453,351	390,471	(68,831)
29 TOTAL DEFERRED OUTFLOWS OF RESOURCES	(184,087)	2,197,123	(178,136)	(2,381,210)
30 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	110,992,249	118,787,989	111,884,067	(7,795,740)

	As of January 31, 2022	As of Jan 31, 2021	As of December 31, 2021	CHANGE FROM 01/31/2021
<b>LIABILITIES &amp; FUND BALANCE</b>				
CURRENT LIABILITIES:				
31 ACCOUNTS AND CONTRACTS PAYABLE	1,810,031	1,342,711	1,236,374	467,320
32 ACCRUED LIABILITIES	7,260,523	7,830,228	7,998,147	(569,705)
33 DEFERRED CREDITS	1,944,997	1,324,719	2,462,344	620,278
35 CURRENT PORTIONS OF NOTES DUE	0	2,647,561	0	(2,647,561)
36 CURRENT PORTIONS OF BONDS PAYABLE	1,060,000	1,010,000	1,060,000	50,000
37 BOND INTEREST PAYABLE	154,542	177,113	113,274	(22,571)
38 DUE TO/(FROM) THIRD PARTY PAYERS	1,312,134	12,544,082	1,199,598	(11,231,948)
40 TOTAL CURRENT LIABILITIES	13,542,227	26,876,414	14,069,737	(13,334,187)
41 LONG-TERM LIABILITIES				
42 NOTES PAYABLE	0	3,881,070	0	(3,881,070)
43 BONDS PAYABLE NET OF CURRENT PORTION	10,250,000	11,955,000	10,250,000	(1,705,000)
44 PREMIUM ON BONDS PAYABLE	610,303	802,861	625,289	(192,558)
45 CAPITAL LEASE, NET OF CURRENT PORTION	26,531	35,127	26,531	(8,596)
46 TOTAL NONCURRENT LIABILITIES	10,886,834	16,674,058	10,901,820	(5,787,224)
	0	0	0	
47 TOTAL LIABILITIES	24,429,061	43,550,472	24,971,557	(19,121,411)
48 DEFERRED INFLOW OF RESOURCES	-	0	0	0
49 PROPERTY TAXES RECEIVED IN ADVANCE	0	0	0	0
<b>50 NET POSITION</b>				
51 INVESTED IN CAPITAL ASSETS	5,731,963	5,731,963	5,731,963	0
52 CONTRIBUTED CAPITAL - KPB	0	0	0	0
53 RESTRICTED	25,286	25,286	25,286	0
54 UNRESTRICTED FUND BALANCE - SPH	80,805,939	69,480,268	81,155,261	11,325,671
55 UNRESTRICTED FUND BALANCE - KPB	0	0	0	0
	-	-	-	
56 TOTAL LIAB & FUND BALANCE	110,992,249	118,787,989	111,884,067	(7,795,740)

**INCOME STATEMENT**  
**As of January 31, 2022**  
**DRAFT-UNAUDITED**

		MONTH			YEAR TO DATE			
		01/31/22		01/31/21	01/31/22		01/31/21	
		Actual	Budget	Var B/(W)	Actual	Budget	Var B/(W)	Actual
<b>Patient Service Revenue</b>								
1	Inpatient	2,876,624	2,815,171	2.18%	2,474,184	21,266,869	19,151,265	11.05%
2	Outpatient	10,436,704	10,747,085	-2.89%	10,319,241	76,407,613	73,111,110	4.51%
3	Long Term Care	921,413	901,515	2.21%	571,158	5,602,570	6,132,898	-8.65%
4	Total Patient Services	14,234,741	14,463,771	-1.58%	13,364,583	103,277,052	98,395,273	4.96%
<b>Deductions from Revenue</b>								
5	Medicare	2,712,169	3,128,908	13.32%	3,153,132	21,242,261	21,285,577	0.20%
6	Medicaid	2,133,499	1,983,104	-7.58%	1,195,619	13,311,677	13,490,814	1.33%
7	Charity Care	26,386	222,718	88.15%	136,214	371,509	1,515,122	75.48%
8	Commercial and Admin	1,224,337	1,004,469	-21.89%	826,098	8,945,814	6,833,283	-30.92%
9	Bad Debt	5,214	294,645	98.23%	216,789	2,079,668	2,004,436	-3.75%
10	Total Deductions	6,101,605	6,633,844	8.02%	5,527,852	45,950,929	45,129,232	-1.82%
11	Net Patient Services	8,133,136	7,829,927	3.87%	7,836,731	57,326,123	53,266,041	7.62%
12	USAC and Other Revenue	62,129	51,378	20.93%	46,961	383,622	356,331	7.66%
13	Total Operating Revenues	8,195,265	7,881,305	3.98%	7,883,692	57,709,745	53,622,372	7.62%
<b>Operating Expenses</b>								
14	Salaries and Wages	4,001,794	4,219,604	5.16%	4,011,632	27,803,880	26,300,053	-5.72%
15	Employee Benefits	2,030,288	1,327,155	-52.98%	1,294,935	11,996,246	9,451,862	-26.92%
16	Supplies, Drugs and Food	1,098,733	835,012	-31.58%	888,959	7,355,546	5,791,211	-27.01%
17	Contract Staffing	510,427	118,270	-331.58%	296,601	2,584,482	820,258	-215.08%
18	Professional Fees	568,505	388,313	-46.40%	436,403	3,220,311	2,693,136	-19.57%
19	Utilities and Telephone	155,140	145,547	-6.59%	122,642	978,251	1,009,437	3.09%
20	Insurance (gen'l, prof liab, property)	57,975	55,169	-5.09%	46,587	415,836	382,621	-8.68%
21	Dues, Books, and Subscriptions	22,739	18,263	-24.51%	25,874	141,402	126,662	-11.64%
22	Software Maint/Support	204,993	147,288	-39.18%	112,722	1,068,916	1,021,511	-4.64%
23	Travel, Meetings, Education	48,895	61,233	20.15%	47,369	310,035	424,680	27.00%
24	Repairs and Maintenance	158,413	126,145	-25.58%	103,451	898,094	874,880	-2.65%
25	Leases and Rentals	99,265	76,704	-29.41%	54,165	531,418	531,981	0.11%
26	Other (Recruiting, Advertising, etc.)	82,034	80,442	-1.98%	52,721	655,943	557,904	-17.57%
27	Depreciation & Amortization	332,572	303,152	-9.70%	307,581	2,278,089	2,102,510	-8.35%
28	Total Operating Expenses	9,371,773	7,902,297	-18.60%	7,801,642	60,238,449	52,088,706	-15.65%
29	Gain (Loss) from Operations	(1,176,508)	(20,992)	5504.55%	82,050	(2,528,704)	1,533,666	-264.88%
<b>Non-Operating Revenues</b>								
30	General Property Taxes	55,305	38,118	45.09%	38,253	4,537,851	4,496,371	0.92%
31	Investment Income	(13,555)	20,315	-166.72%	22,895	(272)	140,892	-100.19%
32	Governmental Subsidies	500,000	127,397	292.47%	200,000	1,183,072	883,562	33.90%
33	Other Non Operating Revenue	0	0	100.00%	0	79,384	0	100.00%
34	Gifts & Contributions	406	0	0.00%	0	406	0	0.00%
35	Gain <Loss> on Disposal	0	(1,189)	-100.00%	0	0	(8,247)	-100.00%
36	SPH Auxiliary	1	0	0.00%	2	41	0	0.00%
37	Total Non-Operating Revenues	542,157	184,641	193.63%	261,150	5,800,482	5,512,578	5.22%
<b>Non-Operating Expenses</b>								
38	Insurance	0	0	0.00%	0	0	0	0.00%
39	Service Area Board	9,932	9,427	-5.36%	6,150	45,367	65,384	30.61%
40	Other Direct Expense	8,296	425	0.00%	21,817	25,201	2,945	0.00%
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%
42	Interest Expense	32,233	32,851	1.88%	36,489	225,631	227,839	0.97%
43	Total Non-Operating Expenses	50,461	42,703	-18.17%	64,456	296,199	296,168	-0.01%
<b>Grants</b>								
44	Grant Revenue	347,268	0	100.00%	0	1,174,689	0	100.00%
45	Grant Expense	13,784	25,479	0.00%	51	575,213	176,712	0.00%
46	Total Non-Operating Gains, net	333,484	(25,479)	-1408.86%	(51)	599,476	(176,712)	-439.24%
47	Income <Loss> Before Transfers	(351,328)	95,467	-468.01%	278,693	3,575,055	6,573,364	-45.61%
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%
49	Net Income	(351,328)	95,467	-468.01%	278,693	3,575,055	6,573,364	-45.61%



# South Peninsula Hospital

## Statement of Cash Flows As of January 31, 2022

### Cash Flow from Operations:

1	YTD Net Income	3,575,055
2	Add: Depreciation Expense	2,278,089
3	Adj: Inventory (increase) / decrease	(20,960)
4	Patient Receivable (increase) / decrease	(3,233,433)
5	Prepaid Expenses (increase) / decrease	(318,789)
6	Other Current assets (increase) / decrease	206,940
7	Accounts payable increase / (decrease)	(868,756)
8	Accrued Salaries increase / (decrease)	330,281
9	Net Pension Asset (increase) / decrease	(650,000)
10	Other current liability increase / (decrease)	2,223,445
11	Net Cash Flow from Operations	3,521,872

### Cash Flow from Investing:

12	Cash paid for the purchase of property/equip	(1,492,951)
13	Cash transferred to plant replacement fund	(3,275,405)
14	Proceeds from disposal of equipment	-
15	Net Cash Flow from Investing	(4,768,356)

### Cash Flow from Financing

16	Cash paid for Lease Payable	-
17	Cash paid for Debt Service	(907,884)
18	Net Cash from Financing	(907,884)
19	Net increase in Cash	\$ (2,154,368)
20	Beginning Cash as of July 1, 2021	\$ 29,677,416
21	Ending Cash as of January 31, 2021	\$ 27,523,048

To: Mayor Charlie Pierce  
From: Ryan Smith, CEO  
Date: February 18, 2022  
Re: Annual Report to the Contract Administrator

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Attached is South Peninsula Hospital's Annual Report to the Contract Administrator of the Operating Agreement.

To comply with the Annual Reporting Requirements, found on page 8 of the Operating Agreement, the following documents are included:

1. Hospital Assets Schedule (page 2)
2. Annual Project Lists – Capital Report June 2021 & Capital Report December 2021 (page 154)
3. Property Lease List (page 158)
4. Purchasing Policies List
  - Policy F-09 Capital Purchases (page 160)
  - Policy HW-092 Purchasing Authority (page 162)
5. Workers Compensation Overview and Claims Report (Risk Management Reporting) (page 166)
6. Change in Services (nothing to report)
7. Board Orientation/Education
  - Board Education Report (page 205)
  - Policy SM-10 Board Orientation and Continuing Education (page 206)
  - Policy SM-07 Board Member Orientation (page 208)
8. Performance Improvement Metrics
  - Care Compare Report (page 209)
  - Nursing Home Compare Report (page 233)
  - Balanced Scorecard (page 259)
9. Corporate Compliance Report
  - Annual Compliance Report (page 226)
  - Corporate Compliance & Ethics Policy (page 228)
  - Corporate Compliance & Ethics Program (page 230)



## MEMO

To: SPH Board of Directors  
From: Andrea Konik, Medical Staff Coordinator  
Date: February 2022  
Re: Medical Staff Health Policy

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The Medical Staff Health Policy provides guidelines for identification of impaired Medical Staff Members in order to provide assistance and rehabilitation. The policy was developed by the Medical Staff Coordinator with input from Horty Springer & Mattern, members of the Medical Executive Committee and the Chief Medical Officer.

Previously there was no guidance for assisting a Medical Staff member that may be experiencing an impairment. This policy also creates a standing Medical Staff Health Committee that will provide consistent support for any Medical Staff member that needs it.

The new Medical Staff Health Policy was approved by the Medical Executive Committee on January 12, 2022 and by the Medical Staff at the General Medical Staff meeting on February 9, 2022.

***Recommended Motion(s):***

***Consideration to approve the new Medical Staff Health Policy as presented.***

 <b>South Peninsula Hospital</b>	<b>SUBJECT:</b> Medical Staff Health	<b>POLICY #</b> MSO-010
		<b>Page 1 of 7</b>
<b>SCOPE:</b> Medical Staff <b>RESPONSIBLE DEPARTMENT:</b> Medical Staff; Administration; Board of Directors		<b>ORIGINAL DATE:</b> draft <b>REVISED:</b> N/A
<b>APPROVED BY:</b> draft		<b>EFFECTIVE:</b> draft

#### **PURPOSE:**

Guidelines for identification of impaired Medical Staff members in order to provide assistance & rehabilitation.

#### **DEFINITION(S):**

**Impaired Provider:** “A provider who is unable to practice medicine with reasonable skill and safety to patients because of physical or mental illness, including deterioration through the aging process or loss of motor skill, or excessive use or abuse of drugs, including alcohol,” per the American Medical Association.

#### **POLICY:**

- A. South Peninsula Hospital and its Medical Staff are committed to providing patients with quality care and are aware of their obligation to protect patients from harm. It is recognized that the delivery of quality care could potentially be compromised if a member of the medical staff is suffering from a physical, psychiatric, emotional, or substance abuse related illness or impairment.
- B. The focus outlined herein is identification of impairment, assistance, and rehabilitation, rather than discipline, with the goal being to aid members of the medical staff in retaining or regaining optimal professional functioning, consistent with protection of patients. If, at any time during the diagnosis, treatment, or rehabilitation phase it is determined that a medical staff member is unable to safely perform the privileges they have been granted, the matter will be forwarded to the medical staff leadership for appropriate corrective action in conjunction with the Medical Staff Bylaws. All state or federally mandated reporting requirements will be adhered to.
- C. Due to the nature of “impaired provider” (hereafter “medical staff member”) including a variety of problems from those associated with the aging process, to substance abuse, to physical or mental illness, the steps given will not be suitable in every circumstance. Specific needs and varying circumstances preclude a single inflexible mechanism for dealing with all impaired members of the medical staff. The number of incidents with the medical staff member, for example, and their seriousness may dictate a different response by the hospital. The individuals conducting the inquiry may vary depending on circumstances. Moreover, the risk of patient harm must be of paramount concern. Immediate action may be necessary.
- D. This policy may be amended by a majority vote of members of the Medical Executive Committee. No amendment shall be effective unless and until it has been approved by the Board.

#### **PROCEDURE:**

##### **A. Medical Staff Health Committee (MSHC)**

1. The MSHC will be a standing committee for physician and APP health and wellness issues. The Medical Staff Health Committee shall be deemed to be a medical review committee and shall be afforded all state and federal protections so long as the Committee functions within the parameters set forth by state and federal law. The composition and function shall be as follows:
  - a) Composition: The Committee shall be composed of three (3) Medical Staff members, plus the CMO or a designated Administrative Officer. One member will be an APP. The Chair and members shall be selected by the Chief of Staff, with the concurrence of the CEO.
  - b) Duties: The Committee shall:
    - 1) Support the approved Medical Staff Health Policy of South Peninsula Hospital (SPH) as outlined in the Medical Staff Bylaws.
    - 2) Perform in an advocacy/advisory role in identifying the impaired medical staff member.
    - 3) Provide a process that offers support and compassion to the affected medical staff member.
    - 4) Support applicable programs by referral of impaired medical staff members once appropriate steps have been taken at the hospital level.

- 5) Provide on-site intervention, support, counsel, and follow-up on acute episodes by an impaired medical staff member.
- 6) Meet on an as needed basis to review specific complaints to determine appropriate action, meeting with the subject medical staff member when necessary.

**B. Criteria/Mechanism for Reporting and Reviewing Potential Impairments:**

1. Members of the Medical Staff that have a concern that another member of the medical staff is impaired in any way that may affect their practice at SPH, shall provide a written report to the CEO, the Chief of Staff, any member of MEC, or the Medical Director of the appropriate Department. The report shall include a description of the incident(s) that led to the concern and must be factual in nature. Every effort shall be made to preserve the confidentiality of the medical staff member so referred, except as limited by law, ethical obligation, or when the safety of a patient is threatened. Examples of impairment may include, but not limited to, the following:
  - a) Physical disability/illness affecting the individual's ability to carry out Hospital duties effectively, responsibly, and safely.
  - b) Mental disability affecting the medical staff member's ability to carry out Hospital duties effectively and responsibly.
  - c) Substance abuse/misuse.
  - d) Disruptive or erratic behavior identified as being a dramatic change in the individual's demeanor or normal activity which affects their ability to provide quality patient care, or which affects the abilities of those around them.
2. The person receiving the report may immediately refer the report to the Chief of Staff for review. If they so choose, the person receiving the report may discuss the incident(s) with the individual who filed the report and review any additional relevant information for the purpose of determining whether the report is credible. If it is determined that the report is not credible, the issue will be closed and removed from their file. The individual about whom the report was made will be notified for the purposes of information but will not be told who submitted the report. If it is determined the report is credible, the Chief of Staff will refer the matter to the Medical Staff Health Committee. The Medical Staff Health Committee shall follow-up on any such referral in an expeditious manner. The individual about whom the report was made will be notified of such referral.
3. The PHC shall have the authority to meet with the individual(s) preparing the report and to review additional relevant information for the purpose of determining whether there is reason to believe the individual about whom the report has been made is or might be impaired. If it is determined that no impairment exists and that no additional follow-up with the affected medical staff member is needed, the affected medical staff member will be so notified. If it is determined that there is or might be an impairment or that additional follow-up is needed, the affected medical staff member will be so notified and a meeting with the Medical Staff Health Committee will be scheduled.
4. At the meeting, the medical staff member will be advised of the nature of the concern that he or she might be suffering from an impairment that affects his or her practice. The medical staff member should not be told who filed the initial report but should be advised of the nature of the concern. A summary of this meeting and its outcome will be documented by the Committee Chairman, signed by the medical staff member, and placed in the medical staff member's confidential peer review file.
5. If it is determined that a potential impairment exists, the MSHC will have any or all of the following options available to it:
  - Recommend that the medical staff member be referred to a Health Program, or other appropriate program, for evaluation and have the results of the evaluation made available to the Committee
  - Recommend that the medical staff member voluntarily take a Leave of Absence, during which time he or she would obtain appropriate evaluation and/or treatment necessary to address and resolve the impairment
  - Recommend that appropriate conditions or limitations be placed on the medical staff member's practice until appropriate evaluation and/or treatment has been completed
  - Recommend that the medical staff member voluntarily agree to refrain from exercising some or all privileges in the Hospital until appropriate evaluation and/or treatment has been completed or an accommodation has been made to ensure that the medical staff member is able to practice safely

and competently

- Recommend that some or all of the medical staff member's privileges be suspended if the medical staff member does not voluntarily agree to adhere to the Committee's recommendation
  - Such other recommendations as the Committee deems necessary or appropriate.
6. If the medical staff member agrees to abide by the recommendation of the MSHC, then a confidential report will be made to the CEO, the Chief of Staff, the Medical Executive Committee, and the Medical Director of the appropriate Department. If the medical staff member is unwilling to abide by the recommendation of the MSHC, the issue will be referred to the Medical Executive Committee or Board for formal investigation as outlined by the Bylaws of the Medical Staff.

**C. Immediate Action Response:**

1. This section applies if a potential Health Issue is reported that raises immediate concerns because either:
  - a) The medical staff member is providing services at SPH at that time.
  - b) The medical staff member is expected to provide services in the very near future such that there would not be time to meet prior to the medical staff member's provision of services.
2. By way of example and not limitation, this section applies if a medical staff member seems disoriented or displays erratic behavior while rounding on patients or is suspected of being under the influence of drugs or alcohol while working.
3. Assessment of Immediate Threat and Related Testing of a Medical Staff Member:
  - a) If a report suggests that a medical staff member may have a Health Issue that poses an immediate threat to patients, the medical staff member, or others, a Medical Staff Officer, or the CEO or designee, shall immediately and personally assess the medical staff member.
  - b) The Chief of Staff or the CEO may require the medical staff member to submit to a blood or urine test, or other appropriate physical or cognitive testing, to determine his or her ability to safely practice.
  - c) Failure of the medical staff member to undergo such testing upon request will result in the precautionary suspension of less than fourteen (14) days of the medical staff member's clinical privileges pending review of the matter.
4. Interim Safeguards to Protect Patients and Others: If the individual who assesses the medical staff member believes the medical staff member may have a Health Issue and that action is necessary to protect patients, the medical staff member, or others, the medical staff member should be asked to voluntarily refrain from exercising his or her clinical privileges or agree to conditions on his or her practice while the matter is being reviewed. Such a request may be made to the medical staff member either before or after any tests or evaluations regarding the medical staff member have been completed.
  - a) Agreement to Voluntarily Refrain: If the medical staff member agrees to voluntarily refrain from exercising his or her privileges, the Chief of Staff or CEO may assign the medical staff member's patients to another individual with appropriate clinical privileges or to the appropriate medical staff member on the Emergency Department call roster. Affected patients will be informed that the medical staff member is unable to proceed with their care due to an emergency situation. Any wishes expressed by patients regarding a covering medical staff member will be respected to the extent possible. The medical staff member's agreement to voluntarily refrain is not reportable to the National Practitioner's Data Bank (NPDB) or state licensing board. Such agreements should be documented in a letter or other correspondence to the medical staff member that is maintained in the medical staff member's Confidential File.
  - b) Other Action: If the medical staff member will not agree to: (i) voluntarily refrain from exercising his or her privileges; or (ii) conditions on his or her practice that are deemed necessary, an individual authorized by the Medical Staff Bylaws to impose a precautionary suspension will consider whether a precautionary suspension or some other measure is necessary as a safeguard while the Health Issue is assessed.

D. Self-Referral: Any medical staff member shall have the right to refer themselves to the MSHC for assistance. Such referrals can be accomplished through contacting any member of the MEC.

E. Reinstatement:

1. Upon sufficient proof that the individual has successfully completed evaluation and/or treatment necessary to address and resolve the impairment, the MSHC may recommend that the individual's clinical privileges be reinstated. In making this recommendation, patient care interests must be considered as paramount.
  2. Prior to making a recommendation for reinstatement, the MSHC must obtain a letter from the medical staff member overseeing the evaluation and/or treatment program. The letter must address the following:
    - The nature of the individual's condition
    - Whether the individual is participating in rehabilitation or treatment program and a description of the program
    - Whether the individual is in compliance with all of the terms of the program
    - To what extent the individual's behavior and conduct need to be monitored
    - Whether the individual is rehabilitated
    - Whether an after-care program has been recommended to the individual and, if so, a description of the after-care program
    - Whether the individual has the ability to perform the clinical privileges currently granted to him/her; and
    - Whether the individual is capable of resuming medical practice and providing continuous, competent care to patients.
  3. Before recommending reinstatement, the Medical Staff Health Committee may request a second opinion on the above issues from a medical staff member of its choice.
  4. Assuming that all of the information received indicates that the individual is capable of resuming care of patients, the following additional precautions should be taken before the individual's clinical privileges are reinstated:
    - The individual must identify at least one medical staff member who is willing to assume responsibility for the care of his or her patients in the event of the individual's inability or unavailability
    - The individual shall be required to provide periodic reports to the MSHC from his or her attending medical staff member, for a period of time specified by the Committee, stating that the individual is continuing rehabilitation or treatment, as appropriate, and that his or her ability to treat and care for patients in the Hospital is not impaired. Additional conditions may also be recommended for the individual's reinstatement.
  5. The recommendation to reinstate an individual's clinical privileges must be recommended by the Medical Executive Committee in consultation with the CEO, with final approval by the Board of Directors.
  6. The individual's exercise of clinical privileges in the Hospital shall be monitored by the appropriate Medical Director or by a medical staff member appointed by the Medical Director. The MSHC, in consultation with the CEO, shall recommend the nature of that monitoring.
  7. If the individual is suffering from an impairment relating to substance abuse, the individual must, as condition of reinstatement, agree to submit to random alcohol or drug screening tests at the request of the Chief of Staff, the CEO, the Medical Director of the respective department, or any member of the MEC.
  8. In the event of any apparent or actual conflict between this policy and the Bylaws or other policies of the Hospital or its Medical Staff, including the investigations, hearing and appeal sections of those Bylaws and policies, the provisions of this policy shall control.
- F. Commencement of an Investigation:
1. South Peninsula Hospital and the Medical Staff believe that issues of impairment can best be dealt with by the MSHC to the extent possible. If, however, the MSHC makes a recommendation, including a recommendation for an evaluation or a restriction or limitation on privileges, and the medical staff member refuses to abide by the recommendation, the matter shall be referred for formal investigation pursuant to the Medical Staff Bylaws.
- G. Documentation and Confidentiality:

1. All deliberations, communications, and information gathered by the Chief of Staff, CEO and the PHC and any other Medical Staff committee discussing any allegations of impairment or actual impairment are peer review in nature and confidential and not subject to discovery.
2. To the greatest extent reasonably possible under the circumstances, the situations, evaluations, and outcomes described in this policy shall be conducted as part of the peer review and quality improvement functions of the Medical Staff and Hospital. The participants shall maintain the confidentiality of the information learned and the identity of the affected medical staff member and other participants in the process.
3. To the greatest extent reasonably possible under the circumstances, the identity of persons reporting situations or behavior that may indicate the need to apply this policy shall be kept confidential.
4. Meeting minutes will be taken and will be kept in a confidential file since the nature, investigation and review of matters of impairment may cause significant harm to the medical staff member if inadvertently discussed outside the committee. Strictest confidentiality must be maintained and only individuals who are directly dealing with this process should relay any information regarding the proceedings and discussion and action thereof.
5. The original report and a description of any recommendations made by the MSHC should be included in the individual's confidential file. If, however, the review reveals that there was no merit to the report, the report should be destroyed. If the review reveals that there may be some merit to the report, but not enough to warrant immediate action, the report shall be included in the individual's confidential file and the individual's activities and practice shall be monitored until the next reappointment cycle. The individual shall have an opportunity to provide a written response to the concern about the potential impairment and this shall also be included in his or her file.
6. The Chief of Staff shall inform the individual who filed the report that follow-up action was taken, but details of the review and outcomes will not be disclosed.
7. Throughout this process, all parties should avoid speculation, conclusions, gossip, and any discussions of this matter with anyone other than those described in this policy.
8. If at any time it becomes apparent that the matter cannot be handled internally, or jeopardizes the safety of the individual or others, the Chief of Staff or the CEO may contact law enforcement authorities or other governmental agencies.
9. All requests for information concerning the impaired medical staff member shall be forwarded to the Chief of Staff for response.

**ADDITIONAL CONSIDERATION(S):**

**A. Additional Provisions Governing the Review of Health Issues:**

1. **Verbal Communications:**  
Telephone and in-person conversations should take place in private at appropriate times and locations to minimize the risk of breach of confidentiality (e.g., conversations should not be held in hallways or other public areas).
2. **Email:**  
Hospital email may be used to communicate between individuals participating in the health review process, including with the medical staff member in question. All emails should be encrypted and include a standard convention, such as "Confidential Peer Review Communications" in the subject line. Email should not be sent to non-hospital accounts unless the email merely directs recipients to check their SPH email.
3. **Health Issues Identified During Credentialing Process:**  
A Health Issue that is identified during the credentialing process shall be addressed pursuant to the Medical Staff Bylaws. The Credentials Committee may request assistance from the PHC in assessing the Health Issue if that would be helpful. If a determination is made by the Credentials Committee that the medical staff member is qualified for appointment and privileges but has a

Health Issue that should be monitored or treated, the matter shall be referred to the PHC for ongoing monitoring or oversight of treatment pursuant to this policy.

4. Immediate Referrals to MEC:
5. Nothing in this policy precludes immediate referral to the MEC or the elimination of any particular step in the policy if necessary, to effectively address a medical staff member's Health Issue. Similarly, nothing in this policy precludes referral of a matter to the MEC if a medical staff member fails to abide by this policy or any agreement (e.g., conditions of continued practice).
6. No Recordings During Collegial Meetings:  
Medical staff members may not create an audio or video recording of any meeting. If a recording is made in violation of this rule, the recording shall be destroyed. In their discretion, the CEO or Chief of Staff may require that smart phones, tablets, and similar devices be left outside the meeting room. In exceptional circumstances, Medical Staff Leaders or SPH personnel may record a meeting if necessary to prepare accurate minutes or an interview summary. Once the document is prepared, however, any such recording shall also be destroyed.
7. Identity of Individual Who Reports a Health Issue ("the Reporter"):
  - a) Since this policy does not involve disciplinary action or "restrictions" of privileges, the specific identify of an individual reporting a concern or otherwise providing information about a matter generally will not be disclosed to the medical staff member.
  - b) Exceptions:
    - 1) § Consent:  
The PHC may, in its discretion, disclose the identity of the reporter to the medical staff member if the reporter specifically consents to the disclosure, with the reporter being reassured that he or she will be protected from retaliation.
    - 2) § Medical Staff Hearing:  
The identity of the reporter shall be disclosed to the medical staff member if information provided by the reporter is used to support an adverse professional review action that results in a Medical Staff hearing.
8. Medical Staff Member Guessing the Identity of Reporter:  
This section does not prohibit notifying a medical staff member about a Health Issue concern that has been raised even if the description of the concern would allow the medical staff member to guess the identity of the reporter (e.g., where the reporter and the medical staff member were the only two people present when an incident occurred). In such case, SPH will not confirm the identity of the reporter and will pay particular attention to reminding the medical staff member to avoid any action that could be perceived as retaliation.
9. Supervising and Advance Practice Professionals:  
Except as set forth below, an appropriate supervising or collaborating physician shall be notified if a concern is reviewed pursuant to this policy involving an Advance Practice Professional with whom the physician has a supervisory or collaborative relationship. The disclosure to the supervising or collaborating physician will be limited to a general statement that a Health Issue is currently being reviewed and that additional information will be forthcoming once the medical staff member has signed an appropriate authorization. The supervising or collaborating physician shall maintain in a confidential manner all information related to reviews under this policy. Notification to the supervising or collaborating physician as described in this section is not required, or may be delayed, if the individual or committee conducting the review determines that notification would be inconsistent with a fair and effective review.
10. Educational Materials:  
The PHC will recommend educational materials that address the medical staff member Health Issues and emphasize prevention, identification, diagnosis, and treatment of Health Issues. This policy and any educational materials approved by the MEC will be made available to medical staff members and SPH personnel. In addition, the MEC will periodically include information regarding illness and impairment recognition issues in CME activities.
11. Substantial Compliance:

While every effort will be made to comply with all provisions of this policy, substantial compliance is required. Technical or minor deviations from the procedures set forth within this policy do not invalidate any review or action taken.

12. Reports to Medical Executive Committee and Board of Directors:

The PHC will prepare reports at least annually that provide de-identified information regarding the review of Health Issues as set forth in this policy. These reports should be disseminated to the MEC and Board for the purposes of reinforcing the primary objectives outlined in this policy and permitting appropriate oversight.

- B. Medical staff members that are employed by SPH will have access to Family and Medical leave as applicable.

**REFERENCE(S):**

1. Alaska Peer Review Statute: §18.23.030 Confidentiality of records of review organizations.
2. HW-168 Family and Medical Leave Act

**CONTRIBUTOR(S):**

Medical Staff Office; Horthy Springer & Mattern, Medical Executive Committee





## MEMO

To: SPH Board of Directors  
From: Andrea Konik, Medical Staff Coordinator  
Date: February 2022  
Re: Approval of Revised Advanced Nurse Practitioner Privileges

---

The attached South Peninsula Hospital (SPH) Advanced Nurse Practitioner Privileges were updated by the Medical Staff Office with input from William Bell, MD and the SPH Credentials Committee. These privileges were approved by the Medical Executive Committee on February 9, 2022.

The revised privilege form for Advanced Nurse Practitioners delineates what special procedures and privileges can be requested in an outpatient setting and what procedures are specific to an inpatient setting within our organization. The form has also been updated to require that consult notes by community Advanced Nurse Practitioners have a co-signature of the attending SPH provider.

***Recommended Motion(s):***

***Consideration to Approve the Advanced Nurse Practitioner Privileges Delineation Form as presented.***

## **South Peninsula Hospital Privileges for Advanced Nurse Practitioners\***

Name: \_\_\_\_\_ Date: \_\_\_\_\_

<input type="checkbox"/> <b>Requesting Advanced Nurse Practitioner Privileges, Inpatient Core Privileges (Category A)</b>
<input type="checkbox"/> <b>Requesting Advanced Nurse Practitioner, Outpatient Core Privileges (Category B; for providers working in South Peninsula Hospital Clinics)</b>
<input type="checkbox"/> <b>Or Requested with the following modification(s):</b>
<input type="checkbox"/> <b>Requesting Advanced Nurse Practitioner, Community Privileges (Category B; for providers NOT working in South Peninsula Hospital Clinics)</b>
<input type="checkbox"/> <b>Or Requested with the following modification(s):</b>

*(completed by the South Peninsula Hospital Credentials Committee/Board of Directors)*

<input type="checkbox"/> <b>Recommended</b>	<input type="checkbox"/> <b>Not Recommended</b>
<input type="checkbox"/> <b>Or Recommended with the following modification(s) and reason(s):</b>	

In order to be eligible for core privileges as an Advanced Nurse Practitioner, an applicant must meet the following minimum threshold criteria:

**Education:** Graduate of a fully accredited training program leading to a graduate degree in nursing as an Advanced Nurse Practitioner.

**Licensure:** Current Alaska License as an RN and ANP. Current DEA license if planning to prescribe.

**Certification:** Certification as an ANP by national certifying body acceptable to the State of Alaska Board of Nursing.

**Collaborative Agreement:** ANPs applying for inpatient privileges must have a valid Collaborative Agreement with an Active Staff physician(s) in good standing at South Peninsula Hospital with privileges in the clinical area(s) being requested.

***\*Certified Nurse Midwives (CNMs) and Certified Registered Nurse Anesthetists (CRNAs) have separate privilege request forms with separate criteria and privileges. Please refer to the applicable forms for CNMs and CRNAs.***

Name: \_\_\_\_\_  
Date: \_\_\_\_\_

South Peninsula Hospital  
Advanced Nurse Practitioner Privileges

## ADVANCED NURSE PRACTITIONER – INPATIENT CORE PRIVILEGES

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**Privileges Included in the ANP Inpatient Core:** Privileges to admit, evaluate, diagnose, and provide non-surgical treatment to patients. Privileges include prescription of pharmacological interventions and evaluation and management of medical conditions with physician supervision.

### CORE PROCEDURES LIST

This is not intended to be an all-encompassing procedures list. It defines the types of activities/procedures/privileges that the majority of practitioners in this specialty perform at this organization and inherent activities/procedures/privileges requiring similar skill sets and techniques.

***To the applicant: If you wish to exclude any procedures, please strike through the procedures that you do not wish to request, and then initial and date.***

- Dictate admission H&P, write admission orders, order appropriate diagnostic tests for inpatients
- Obtain patient history and perform physical examination
- Order physician consultations after the patient is seen and evaluated by the collaborative/supervising physician.
- Record pertinent patient data on patient charts
- Write progress notes
- Identify and prescribe pharmacological and non-pharmacological interventions as permitted by scope of DEA license
- Dictate transfer and discharge summaries and write discharge orders
- Evaluate and manage medical conditions under supervision and co-sign of collaborative/supervising physician
- Provide patient education
- Order diagnostic testing and consultations for ancillary services

Name: \_\_\_\_\_  
Date: \_\_\_\_\_

South Peninsula Hospital  
Advanced Nurse Practitioner Privileges

### ADVANCED NURSE PRACTITIONER – OUTPATIENT (CLINIC) CORE PRIVILEGES

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**Privileges Included in the ANP Outpatient Core:** On an outpatient basis, to manage the primary health care of individuals and families and to formulate and record ongoing assessment of patients, medical, physical and psychosocial status. Privileges to consult on an as-requested basis for inpatients at South Peninsula Hospital when requested by the admitting physician are included. The core privileges in this specialty include the procedures on the below procedures list and such other procedures that are extensions of the same techniques and skills.

#### CORE PROCEDURES LIST

This is not intended to be an all-encompassing procedures list. It defines the types of activities/procedures/privileges that the majority of practitioners in this specialty perform at this organization and inherent activities/procedures/privileges requiring similar skill sets and techniques.

***To the applicant: If you wish to exclude any procedures, please strike through the procedures that you do not wish to request, and then initial and date.***

- Obtains and documents relevant health and medical history
- Performs a physical examination based on age and history
- Conducts preventive screening procedures based on age and history
- Identifies medical risks, health risks and needs
- Identify and prescribe pharmacological and non-pharmacological and non-pharmacological interventions as permitted by scope of DEA license
- Updates and records change in health status
- Identifies and prescribes non-pharmacological interventions
- Develops patient education plan
- Orders and interprets diagnostic tests
- Provides relevant patient education

### ADVANCED NURSE PRACTITIONER – COMMUNITY PRIVILEGES

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**Privileges Included in ANP Community Privileges:** Privileges to consult on an as-requested basis for inpatients of South Peninsula Hospital admitted by an medical staff member with admitting privileges, for the purpose of providing continuity of care and to facilitate discharge planning on patients to be followed in the community. This category does **not** include active management of inpatient care or ~~writing inpatient orders.~~ Consult notes can be written with the co-signature of the attending provider. ~~without co-signature of the admitting physician.~~ ANPs with Community Privileges will be able to attend continuing education offerings at South Peninsula Hospital.

Name: \_\_\_\_\_  
 Date: \_\_\_\_\_

South Peninsula Hospital  
 Advanced Nurse Practitioner Privileges

### SPECIAL PROCEDURE REQUESTS

To be eligible to apply for a special procedure privilege listed below, the applicant must demonstrate successful completion of an approved and recognized course or acceptable supervised training other acceptable experience; and provide documentation of competence in performing that procedure consistent with the criteria set forth in the Medical Staff Bylaws, Rules and Regulations and policies governing the exercise of specific privileges.

Request ed	# performed in last 2 yrs	SPECIAL REQUESTS	App- roved
<b>Inpatient/Outpatient</b>			
		Apply splints and casts	
		Minor surgical: <ul style="list-style-type: none"> <li>• I&amp;D of superficial abscess</li> <li>• Remove superficial foreign bodies</li> <li>• Excise or biopsy skin lesions</li> <li>• Aspirate superficial bursa</li> </ul>	
		PICC Line Management	
		Central Line Management	
		Ordering Blood Products and Transfusions	
		Psychiatry NP Privileges to include: <ul style="list-style-type: none"> <li>- Manage the mental health care of individuals and families.</li> <li>- Formulate and record ongoing assessment of patient's medical, physical, and psychosocial status.</li> <li>- Identify symptoms of psychiatric illness and analyze data to determine if a psychiatric illness is present</li> <li>- Formulate a treatment plan.</li> <li>- Implement the treatment plan with modalities including psychotherapy, patient education, and case management as indicated</li> <li>- Serve as liaison role to other health care providers, health care team members, and family members to facilitate communication to optimize patient recovery.</li> <li>- Evaluate and document patient's progress.</li> </ul>	
<b>Inpatient Only</b>			
		Assist in surgery	
		Lumbar Puncture	
		Ventilation/Respiratory Management	
		Peripheral Arterial Puncture and Line Placement	
		Elective Intubation	
		Chest Tube Management, to Include Removal	
		Elective Cardioversion/Defibrillation	

Name: \_\_\_\_\_  
Date: \_\_\_\_\_

South Peninsula Hospital  
Advanced Nurse Practitioner Privileges

**Acknowledgement of Practitioner**

I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform, and that I wish to exercise at **South Peninsula Hospital**, and I will provide documentation, as required, to support the granting of these privileges. I know of no health condition that with reasonable accommodation would impair my ability to competently perform these requested privileges, and;

I understand that:

(a) In exercising any clinical privileges granted, I am constrained by Hospital Bylaws, applicable Hospital policies, Rules and Regulations of the Allied Practitioner Staff, the Allied Practitioner Manual and rules applicable generally and any applicable to the particular situation.

(b) Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such a situation my actions are governed by the applicable section of the Rules and Regulations of the Allied Practitioner Staff or related documents.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Medical Staff Approval                      Yes \_\_\_\_\_      No \_\_\_\_\_      Date \_\_\_\_\_

Board of Directors Approval              Yes \_\_\_\_\_      No \_\_\_\_\_      Date \_\_\_\_\_

Introduced by:  
Date:  
Action:  
Vote:

Administration  
January 20, 2022  
  
Yes - X, No - X, Excused - X

**SOUTH PENINSULA HOSPITAL  
BOARD RESOLUTION  
2022-03**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS  
APPROVING THE 2021 DISCRETIONARY CONTRIBUTION FOR THE NON-UNION 403(b)  
PLAN**

**WHEREAS** South Peninsula Hospital offers a defined contributions plan to its Non-Union employees;  
and

**WHEREAS** Non-Union employees receive a 4% match to their 403b contributions as their payroll  
deferral elections are made each pay period; and

**WHEREAS** South Peninsula Hospital has approved an additional 2% match of eligible compensation in  
recent years at the end of the plan year; and

**WHEREAS** Board Policy F-17 allows for a discretionary contribution not to exceed 4% of annual  
eligible compensation per IRS guidelines; and

**WHEREAS** in November 2020, the South Peninsula Hospital Board of Directors approved Resolution  
2020-20 changing the calculation methodology of the discretionary contribution to a flat percentage (%)  
of eligible compensation without regard for years of service and age; and

**WHEREAS** it is the recommendation of management that the South Peninsula Hospital Board of  
Directors approve a discretionary contribution in an amount equal to 2% of Non-Union employee's  
eligible compensation, and

**WHEREAS** this resolution was reviewed by the Pension Committee and Board Finance Committee at  
their meetings on February 17, 2022.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH  
PENINSULA HOSPITAL TO APPROVE THE DISCRETIONARY CONTRIBUTION FOR  
NON-UNION EMPLOYEES 403(b) PLAN FOR THE PLAN YEAR 2021 IN AN AMOUNT  
EQUAL TO 2% OF ELIGIBLE COMPENSATION.**

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA  
HOSPITAL THIS 23<sup>RD</sup> DAY OF FEBRUARY 2022.**

\_\_\_\_\_  
Kelly Cooper, Board President

ATTEST:

\_\_\_\_\_  
Julie Woodworth, Secretary

**South Peninsula Hospital**  
**Hospital Board of Trustees Balanced Scorecard Report**  
**Fourth Quarter Calendar 2021 (Oct, Nov, Dec)**

Overall Indicators	Currently Reported	Target	n	Note
Medicare.gov Care Compare Overall Star Rating (Hospital)	N/A	5		Too few outcome measures calculated
Medicare.gov Care Compare Patient Survey Star Rating (Hospital)	4	5		* Updated 2/15/2022
Medicare.gov Care Compare Overall Star Rating (Nursing Home)	5	5		
The Chartis Group - iVantage Health Analytics Index Rank	70.9	75		
2018 - 82.1 2019 - 34.6 2020-74.7				
Clinical and Service Excellence (Publicly Reported on Care Compare)	4th Q 2021	Target	n	Note: Target = National Average; n=Sample Size/Denominator
<b>Appropriate care for severe sepsis and septic shock</b>	69%	>57%		Q3-2020 - Q1-2021 * Updated 2/15/2022
Measures the percentage of patients who received appropriate care for severe sepsis and septic shock				Q3-2020: 75%; Q4-2020: 67%; Q1-2021: 67%; Q2-2021: 75%; Q3-2021: 50%
<b>Elective Deliveries</b>	N/A	<3%		Q3-2020 - Q4-2020
% of deliveries induced <39 weeks gestation without medical cause.				# inductions <39week gestation/# of deliveries <39 weeks gestation - exceptions
Quality and Patient Safety	4th Q 2021	Target	n	Note
<b>Patient Fall Rate AC / injurious fall rate</b>	1.8 / 0	0	1086	# of patient falls / # patient days x 1000
Measures the number of patient falls per 1,000 patient days				n = IP, observations and swing bed patient days.
<b>Resident Fall Rate LTC / injurious fall rate</b>	3.9 / 0.6	2	1541	# of resident falls / # resident days x 1000
Measures the number of resident falls per 1,000 patient days				
<b>Medication Errors that Reached the Patient / Resident</b>	0	0		
Measures the number of reported medication errors causing patient harm or death.				Classified according to the National Coordinating Council for Medication Error Reporting and Prevention/CMS
<b>Never Events</b>	0	0		
Measures the number of errors in medical care that are clearly identifiable, preventable and serious in their consequences as defined by CMS and NQF				
<b>COVID-19 Vaccination Rate</b>	71%	100%		
Total number of staff fully vaccinated (1 or 2 dose initial series complete). Vaccination rate includes students/volunteers, contractors, and travelers				Q1-2021: 55%; Q2-2021: 60%; Q3-2021: 68%



Quality and Patient Safety	4th Q 2021	Target	n	Note
<b>All Cause Readmission Measures</b>	<b>2%</b>	<b>&lt;15%</b>	<b>1086</b>	
Subsequent inpatient admission which occurs within 30 days of the discharge date				# of patients with unplanned readmission within 30 days of discharge - exclusions/Eligible discharges.
<b>Outpatient Clinic Quality</b>	<b>38.77</b>	<b>40</b>		
Merit-Based Incentive Payment System (MIPS) Cross-departmental Quality Score				
<b>CT/MRI Criteria Met for Patient Stroke</b>	<b>100%</b>	<b>&gt;72%</b>		Q2-2021 (most recent evaluated period)
Percentage of patients who came to ED w/Stroke symptoms and received CT/MRI within 45 minutes of arrival.				Numerator = CT/MRI within 45 min; documented last known well. Denominator = Patients with Stroke
<b>Medical Staff Alignment</b>	<b>4th Q 2021</b>	<b>Target</b>	<b>n</b>	<b>Note</b>
<b>Provider Satisfaction Percentile</b>	<b>74th</b>	<b>75th</b>		
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.				Result of provider survey 2021
<b>Employee Engagement</b>	<b>4th Q 2021</b>	<b>Target</b>	<b>n</b>	<b>Note : Comparison to national CAHPS database</b>
<b>Employee Satisfaction Percentile</b>	<b>70th</b>	<b>75th</b>		
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results Measured as a percentile.				Result of employee survey 2021
<b>Patient Satisfaction Through Press Ganey</b>	<b>4th Q 2021</b>	<b>Target</b>	<b>n</b>	<b>Note : Comparison to national CAHPS database</b>
<b>Inpatient Percentile</b>	<b>67th</b>	<b>75th</b>	<b>42</b>	
Measures the satisfaction of inpatient patient respondents. Measures as a percentile.				Q2-2021: 41st, n=37 Q3-2021: 55th, n=32
<b>Outpatient Percentile</b>	<b>28th</b>	<b>75th</b>	<b>289</b>	
Measures the satisfaction of outpatient patient respondents. Measures as a percentile.				Q2-2021: 38th, n=260 Q3-2021: 43th, n=228
<b>Emergency Department Percentile</b>	<b>98th</b>	<b>75th</b>	<b>48</b>	
Measures the satisfaction of emergency patient respondents. Measures as a percentile.				Q2-2021: 97th, n=59 Q3-2021: 85th, n=86
<b>Medical Practice Percentile</b>	<b>81st</b>	<b>75th</b>	<b>475</b>	
Measures the satisfaction of patient respondents at SPH Clinics. Measures as a percentile.				Q3-2021: 63rd, n=510 Q4-2021: 79th, n=494
<b>Ambulatory Surgery Percentile</b>	<b>16th</b>	<b>75th</b>	<b>44</b>	
Measures the satisfaction of ambulatory surgery patient respondents. Measures as a percentile.				Q2-2021: 86th, n=66 Q3-2021: 17th, n=65
<b>Home Health Care Percentile</b>	<b>24th</b>	<b>75th</b>	<b>29</b>	*Running 12 months due to low quarterly returns
Measures the satisfaction of Home Health Care clients (or family) respondents. Measures as a percentile.				Q2-2021: 19th, n=30 Q3-2021: 39th, n=28

Patient Satisfaction Through Press Ganey	4th Q 2021	Target	n	Note : Comparison to national CAHPS database
<b>HCAHPS</b>	<b>80th</b>	<b>75th</b>	40	
Hospital Consumer Assessment of Healthcare Providers and Services Hospital Rating 0-10 Press Ganey National Ranking				Q2-2021: 16th, n=37 Q3-2021: 56th, n=32
<b>Workforce</b>	4th Q 2021	Target	n	Note
<b>Turnover: All Employees</b>	<b>2.08%</b>	<b>3.75%</b>	<b>21</b>	
Percentage of all employees separated from the hospital for any reason				11 Terminations/527 Total Employees
<b>Turnover: Voluntary All Employees</b>	<b>1.89%</b>	<b>3.50%</b>	<b>17</b>	
Measures the percentage of voluntary staff separations from the hospital				10 Voluntary Terminations/527 Total Employees
<b>First Year Total Turnover</b>	<b>3.0%</b>	<b>5%</b>	<b>7</b>	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.				3 New Staff Terminated in Q4/100 Total New Hires from 1/1/2021-12/31/2021
<b>Information System Solutions</b>	4th Q 2021	Target	n	Note:
<b>Promoting Interoperability (PI) Compliance</b>				Points assigned based on satisfaction of measures
<b>Eligible hospital (EH): hospital-based measures for inpatient and observation stays.</b>	<b>65</b>	<b>&gt;50</b>		CMS score 50 and above = pass
e-Prescribing: Electronic Prescribing (Rx)	<b>7</b>	<b>10</b>		
Health Information Exchange: Support Electronic Referral Loops by receiving and incorporating health information	<b>10</b>	<b>20</b>		
HIE: Support Electronic Referral Loops by sending health information (Summary of Care sent)	<b>4</b>	<b>20</b>		
Provider to patient exchange: Provide patients electronic access to their health information (timely access via the patient portal)	<b>34</b>	<b>40</b>		
Public Health & Clinical Data Exchange	<b>10</b>	<b>10</b>		
<b>MIPS Promoting Interoperability Score</b>	<b>100%</b>	<b>75%</b>		
PI score for Providers ( <i>tracking is Athena - OP Clinic services</i> )				Scoring tabulated as a running, annual score. **Promoting Interoperability (PI) score not yet calculated for 2021.**
<b>EMR (Electronic Medical Record) Adoption</b>	<b>5</b>	<b>5</b>		
Health Information Management & Systems Society (HIMSS) Electronic Medical Record Adoption Model (EMRAM) stage.				The current US average is 2.4 out of a possible 7.0 stages. Stage 6 and 7 require site visit validation.
<b>IT Security Awareness Training Complete Rate</b>	<b>94%</b>	<b>100%</b>		
% of employees who have completed assigned training				

Financial Health	4th Q 2021	Target	n	Note
<b>Operating Margin</b>	<b>-18.20%</b>	<b>0.1%</b>		
Measures the surplus (deficit) of operating income over operating expenses as a percentage of net patient service revenue for the quarter.				Target is based on budgeted operating margin for the period.
<b>Adjusted Patient Discharges</b>	<b>954.16</b>	<b>910.52</b>		
Measures the number of patients discharged, adjusted by inpatient revenues for the quarter divided by ( <i>inpatient + outpatient revenues</i> ).				Long-term care revenues and discharges are not included in this measure.
<b>Net Revenue Growth</b>	<b>8.7%</b>	<b>11.6%</b>		
Measures the percentage increase (decrease) in net patient revenue for the quarter compared to the same period in the prior year.				Target is based on budgeted net patient service revenue for the period compared to net patient service revenue for the same period in prior year.
<b>Full Time Equivalents (FTEs) per Adjusted Occupied Bed</b>	<b>8.55</b>	<b>9.39</b>		
Measures the average number of staff FTEs per adjusted occupied bed for the quarter.				Target is based on budgeted paid hours (FTE) divided by (budg gross patient revenue/budg gross inpatient rev) X budgeted average daily census for the quarter.
<b>Net Days in Accounts Receivable</b>	<b>62.6</b>	<b>55</b>		
Measures the rate of speed with which the hospital is paid for health care services.				
<b>Cash on Hand</b>	<b>83</b>	<b>90</b>		
Measure the actual unrestricted cash on hand (excluding PREF and Service Area) that the hospital has to meet daily operating expenses.				Cash available for operations based average daily operating expenses during the quarter less depreciation for the quarter.
<b>Uncompensated Care as a Percentage of Gross Revenue</b>	<b>1.6%</b>	<b>3-4.7%</b>		
Measures bad debt & charity write offs as a percentage of gross patient service revenue				Target is based on industry standards
<b>Surgical Case Growth</b>	<b>-12.2%</b>	<b>-1.0%</b>		
Measures the increase (decrease) in surgical cases for the quarter compared to the same period in the prior year.				Target is based on budgeted surgeries above actual from same quarter prior year
<b>Intense Market Focus to Expand Market Share</b>	4th Q 2021	Target	n	Note
<b>Outpatient Revenue Growth</b>	<b>5%</b>	<b>6%</b>		
Measures percentage increase (decrease) in outpatient revenue for the quarter, compared to the same period in the prior year.				Target is based on budgeted outpatient revenue for the period compared to outpatient revenue for the same period in the prior year.

\* Updated 2/15/2022

To: SPH Board of Directors

From: Pension Committee


Date: 02/17/2022

Re: Annual Pension Committee Report of Fund Activity

- A. The Board Policy F-07-Pension Plan Investment specifies that "A report of fund activity will be made to the Board no later than the end of the first quarter of each calendar year."
- a. In the November Pension Committee meeting the Pension Trustees reviewed and adopted a revised PEN-001 Employee Investment Policy associated with the Defined Benefit Plan of South Peninsula Hospital. In synopsis, the revision included verbiage and asset allocation percentages that described the plan to begin de-risking the investments within the Plan while assuring the ability to meet future obligations to participants in the plan. The adopted PEN-001 policy is attached for the Board's information.
  - b. Newport has begun moving actual assets to the target allocations of 50% Equities, 47% Fixed, and 3% Cash or equivalent.
  - c. In addition, the Trustees agreed to begin working with Newport Investment Services, to develop and adopt an Employee Investment Policy associated with the South Peninsula Hospital 403(b) Plans. It was determined several years ago that such a Policy was not required, but the Trustee Committee agreed that it was prudent to develop such a policy. The proposed new policy is being submitted to the Pension Committee in the February Pension Committee meeting. Assuming the Committee approves the Policy, it will be included for your information with this report. If it is not adopted in February, it will be adopted not later than the May 19, 2022 Pension Committee meeting.

Board Action Required: None. For your information only.

Walter Partridge  
Chair-SPH Pension Committee

 <div>South Peninsula Hospital</div>	<b>SUBJECT:</b> 403b and 457 Plan Investments Fiduciary Responsibilities	<b>POLICY #:</b> PEN-XXX
		<b>Page 1 of 5</b>
<b>Scope:</b> Finance <b>Approved by:</b> SPH Administration, SPH Pension Committee		<b>Original Date:</b> 2/1/2022 <b>Effective:</b> 3/1/2022
<b>Revised:</b> N/A <b>Reviewed:</b> N/A		<b>Revision Responsibility:</b> Pension Committee

## PURPOSE:

Objectives and guidelines for the Investment Plan established for the sole and exclusive benefit of its participants and beneficiaries to set aside money for retirement.

## DEFINITION(S):

N/A

## POLICY:

- A. By and through the authority granted and delegated by the Board of Directors of South Peninsula Hospital ("the Board") to the Pension/Finance Committee ("the Committee") of the South Peninsula Hospital 403(b) Plan for Non-Union Employees and South Peninsula Hospital 403(b) Plan for Employees ("the Policy"). This policy shall apply to all fiduciaries of the Plan.
- B. The Committee is charged by the Operating Board of South Peninsula Hospital, Inc. and delegated with the overall responsibility of managing Plan assets for the sole and exclusive benefit of the participants and beneficiaries (collectively the "Participants") in the Plan, per the Employee Retirement Income Security Act (ERISA) as amended. The general purpose of this Policy is to outline a philosophy and approach to guide and assist the Committee in discharging its fiduciary responsibilities to supervise, monitor and evaluate the Plan's Investment Options as defined herein. Specifically, the Policy is intended to provide:
  1. Investment objectives, guidelines, and procedures for the management of Plan assets, subject to the terms of the Plan documents and ERISA.
  2. Guidance for the Consultant, Investment Managers, and other Retirement Plan Service providers (as defined under "Responsibilities and Delegation of Authority") is discharging their duties to the Plan and the Committee regarding the management of plan assets.
  3. Guidelines for management of the Plan in accordance with fiduciary prudence and due diligence requirements and all applicable laws, rules and regulations that may apply to Plan assets.
  4. An indication of the asset classes and investment styles the Committee has chosen to include as Designated Investment Alternatives for Participants.
  5. A description of the quantitative and qualitative measures that the Committee has chosen, with assistance from the Consultant, to assess Fund Managers.
  6. Participants with the ability to invest in a broad range of Investment Options, to allow them to exercise control and diversify their accounts.
- C. The Committee has chosen to comply with ERISA Section 404(c), and its interpretive regulations. These regulations, to the extent that they are met, relieve the Committee of certain fiduciary liabilities, including responsibility for the investment decisions made by Participants to the extent that they exercise meaningful control over their accounts. The Committee is responsible for monitoring overall compliance with the Plan documents and satisfying the requirements of 404(c).
- D. The primary investment objective of the Committee, consistent with Section 404(c), is therefore to offer Participants a broad range of diversified Investment Alternatives that are appropriate for the accumulation of retirement income benefits with assets that are subject to participant investment direction.
- E. Responsibilities and Delegation of Authority:
  1. The ultimate responsibility for the proper supervision of the Plan's Investment Options and Alternatives will rest with the Committee, with the assistance of advisors and other third parties, as described below:
    - a) Committee—The Committee has been delegated by the Board as the Named Fiduciary of the Plan and will have the exclusive authority to establish, execute, interpret, and modify this Policy for the Plan. The Committee shall be solely responsible for the selection and retention of outside professionals to the Plan, which may include, but are not limited to, consultants, investment managers, and

managers, plan administrators, record keepers, custodians, trustees, attorneys, accountants, and clerical staff, using any method that the Committee deems to be prudent under the circumstances. The Committee is responsible for reviewing investment objectives, policies and guidelines; reviewing performance of the Investment Options and compliance with the policies; and reporting to the Board or appropriate committee on a regular basis.

- b) Consultant—The Consultant assists the Committee in tasks deemed appropriate by the Committee. These duties are separately enumerated in an investment consulting agreement. The Committee intends for the Consultant to serve as a non-discretionary investment manager as set forth and acknowledged in such separate agreement. Any Consultant so engaged shall have demonstrated competencies in understanding and working with the basic tenets of Modern Portfolio Theory, a large and broadly accepted body of empirical and theoretical knowledge about the behavior of capital markets.
  - c) Investment Managers or Fund Managers (the “Manager”)— Investment managers as defined and qualified under ERISA to whom the fiduciaries delegate responsibility for investing and managing plan assets in accordance with applicable law. Managers have discretion to buy, sell or hold securities and to alter asset allocation within the parameters established by law and subject to the fiduciary standards under ERISA and, to the extent consistent with ERISA, the terms of the Investment Company Prospectus, trust documents and investment guidelines of the fund.
  - d) Plan Administrator—The Plan Administrators are responsible for administrative decisions with regard to the Plan, including for example the calculation of employee eligibility and vesting, facilitating distributions, and carrying out all governmental regulations including required filings and plan notices. The Plan Administrators may function in gathering, collecting, or distributing reports or other information to Participants and to the Committee and other Plan fiduciaries for their review in carrying out their duties. The Plan Administrators, including both internal and independent outside administrative services firms who are not specifically named as fiduciaries are acting solely in a directed capacity, to administer and carry out those functions necessary and deemed prudent by the Committee.
  - e) Retirement Plan Service Provider (the “RPS Provider”)— The RPS Provider may provide various services including, but not limited to, administration, recordkeeping, custody and trustee services, compliance testing and support, employee education and communication, plan sponsor reporting, participant statements and access to Fund Managers.
2. An RPS Provider will be designated and delegated the responsibility to provide educational materials to the Participants on a regular basis, to assist them in understanding the various characteristics of each Investment Alternative available to them under the Plan, and the basic principles of investing, asset allocation and diversification. An RPS Provider will be designated and delegated the responsibility to provide Participants with quarterly information as required under ERISA Section 404a–5, as amended. An RPS Provider will be designated and delegated the responsibility to provide Participants with required QDIA notices in accordance with applicable regulations.
  3. Effective communication between the Committee, Investment Managers, Consultants and all other service providers engaged to provide service to the Plan is required. All parties will communicate unusual, notable or extraordinary events to the Committee.
  4. Under no circumstances will the performance of the Committee or Consultant’s duties pursuant to this Policy be construed as rendering individualized investment advice to a Participant. The Participants have the exclusive responsibility for determining the suitability of any Investment Option offered under the Plan to their individual accounts and are responsible for their decisions to invest in any Investment Option offered under the Plan.

#### F. Investment Options Under the Plan:

1. It is anticipated that Participants in the Plan will have control and direction of their individual accounts. The Committee recognizes that asset allocation is a key determination of the return, risk, and liquidity characteristics of an investment portfolio. Moreover, the Committee recognizes the Participants may have disparate levels of investment knowledge, experience, and motivation. Therefore, in conjunction with the Consultant, the Committee has determined which broad tiers of Investment Alternatives will be provided to Participants under the Plan and has made available specific Investment Options solely in the interest of Participants. These Investment Options present a broad range of investments, which when combined may diversify portfolios for the benefit of mitigating market risks and may

accommodate the different and unique needs of individual Participants. Moreover, the Committee will review the fees and expenses for each Investment Option and Investment Alternatives to determine reasonableness and may take into account any opportunity to use such fees and expenses to offset Plan recordkeeping, administrative, and other costs.

- Tier 1 – Asset Allocation Portfolios: This Alternative will consist of professional managed portfolios, such as target date funds, applying generally accepted investment theories, and are diversified so as to provide long-term appreciation, capital preservation, and mitigation of large losses. Such Investment Alternatives may be structured to vary based on a participant's age or target date, risk tolerances across a range, or based on the target risk appropriate for Participants as a whole. The Committee will designate a *Qualified Default Investment Alternative (QDIA)* from this Tier as a "default" Investment Alternative for those participants who do not make an investment election for their accounts, and it is intended for the QDIA to satisfy the ERISA Section 404c-5 and regulations issued by the Department of Labor. The Committee has designated a target date series as the Plan's QDIA.
- Tier 2 – Designated Investment Alternatives (DIA): To the extent permitted by the Plan, and to allow Participants to exercise control over the individual investment accounts, the Committee has approved Designated Investment Alternatives as a core menu based on the availability of suitable Fund Managers and which may consist of, but will not be limited to, the determination of their own investor profiles. Participants will be given sufficient information as necessary for them to understand the DIA and to make reasonable, informed investment decisions. The DIA may include a combination of passive/market indexing as well as active managers.

G. The Committee and the Consultant will review this Policy periodically. The Consultant reserves the right to modify the Policy at any time, and from time to time, as it deems necessary and appropriate. Any change to this Policy will be subject to mutual consent of the Committee and the Consultant. Adoption and acknowledgement of this Policy will be notated in the respective Committee meeting minutes for the purposes of documentation and records.

## PROCEDURE:

### A. Fund Manager Selection and Monitoring

1. All investment decisions will be made informed by the guidelines of quality, marketability and diversification outlined in the Prospectus or other pertinent documents and will be in compliance with any controlling state and/or federal statutes or other guidelines. The Designated Investment Alternatives shall be determined with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and aims.
2. Active Managers:  
In selecting and monitoring Active Managers, the Committee will consider the following criteria:
  - a) Quantitative Measures:
    - *Style Consistency* – Does the Manager exhibit consistent style attributes over rolling 36-month periods?
    - *Risk-Adjusted Returns* – On a risk-adjusted basis, has the Manager outperformed its benchmark or peer group over the last 24 months?
    - *Performance Consistency* – Has the Manager outperformed its benchmark or peer group in at least half of the last 24 months? Also known as "batting average", this is an indicator of the consistency of Manager out-performance compared to its benchmark or average peer. A batting average of greater than 0.50 or 50% indicates that the Manager has outperformed its benchmark or peer group in a majority of time periods.
    - *Expense ratio* – Is the annual expense ratio reasonable for its peer group?
  - b) Qualitative Measures:
    - *Stability of Management* – Has the current portfolio manager or portfolio management team managed the fund for at least three (3) years? Have any changes occurred to the firm's ownership, control, or management? Is the firm subject to any regulatory action, investigation, or litigation by a government agency?
    - *Consistent Philosophy* – Is the manager continuing to adhere to the stated investment

philosophy and objectives?

- *Investment Process* – Is the manager continuing to successfully follow and implement the stated investment process?

3. Passive (Index) Managers:

In selecting and monitoring Passive (or Index) Manager, the Company will consider the following criteria:

a) Quantitative Measures:

- *Tracking* – Does the Manager track within a reasonable range to the benchmark, as measured by tracking error, R-squared, and/or relative return?
- *Expense Ratio* – Is the Manager's annual expense ratio reasonable for its peer group?

b) Qualitative Measures:

- *Investment Process* - Is the Manager continuing to successfully follow and implement the investment process? Is the current Manager efficient at managing cash flows and transaction-related expenses?

4. Target Date Fund Selection:

In selecting the Target Date Fund Series, the Committee will consider the following criteria:

a) Investment Methodology:

- *Portfolio Construction* – Are the allocation and the diversification across and within asset classes/investment styles (including nontraditional asset classes) appropriate and consistent with the target date and risk level?
- *Manager Selection* – Are underlying Managers selected utilizing an objective, best-in-class, clearly defined manager selection and monitoring process, or is there a bias towards proprietary Managers? Insofar as any bias may exist in the selection of underlying managers, what is the quality of the Manager level holdings and are competitive returns achieved across asset classes and styles?
- *Risk Management* – Are the asset class weightings appropriate given the Manager's target and does an appropriate balance exist between maximizing long-term growth and managing risks?
- *Glide Path* – Is the glide path appropriate for and consistent with Plan terms?

b) Organizational Strengths:

- *Manager Experience* - How long has the firm and Manager been managing asset allocation funds, what are the assets under management and are the resources available sufficient to effectively execute the process?

c) Expenses

- *Expenses* – Are the annual expense ratios reasonable given the investment strategy?

d) Performance

- *Risk-Adjusted Returns* – Over the past 24 months on average, has the series outperformed the appropriate benchmarks or peer groups on a risk-adjusted basis?
- *Performance Consistency* – Has the series outperformed the appropriate benchmarks or peer groups in at least half of the last 24 months?

5. Target Date Fund Monitoring:

In monitoring the Target Date Fund Series, the Consultant will consider the following criteria:

- *Risk-Adjusted Performance for the Most Conservative Fund* – Over the past 60 months on average, has the fund outperformed the appropriate benchmarks or peer groups on a risk-adjusted basis?
- *Risk-Adjusted Performance for the Most Aggressive Fund* – Over the past 60 months on average, has the fund outperformed the appropriate benchmarks or peer groups on a risk-adjusted basis?
- *Expenses* – Is the series average annual expense ratio reasonable given the investment strategy? Or are expenses below the median for the peer group?
- *Risk Management and Glide Path Stability* – Are the asset class weightings appropriate given the Manager's target and does an appropriate balance exist between maximizing long-term growth and managing risk? Have there been any dramatic shifts in the target weightings in recent history?
- *Manager and Organizational Stability* – Have there been any material changes to the team and its leadership that may adversely impact future competitiveness of the series?

B. Watchlist and Replacement:

To ensure that each Manager continues to meet the criteria, the Consultant will prepare a quarterly report



detailing each Manager's performance within the context of the requirements of this Policy and any other criteria that the Consultant and the Committee deem appropriate.

- *Active Managers & Passive (Index) Managers* – Active Managers who fail to meet two (2) or more of the seven (7) criteria set forth above or Passive (Index) Managers who fail either the Tracking or Investment Process criteria, shall be placed on a Watchlist for monitoring for up to eight (8) quarters. If, during that period, the Manager is not able to bring such variances within guidelines, the Consultant will communicate any deficiencies and remedies to the Committee, as appropriate.
- *Target Date Fund Series* – failing two (2) or more of the five (5) criteria set forth above, or that fail the "Manager and Organizational Stability" criteria shall place the Target Date Fund Series on a Watchlist for monitoring for up to eight (8) quarters. If, during that period, the Manager is not able to bring such variances within guidelines, Consultant will communicate any deficiencies and remedies to the Committee, as appropriate.

**C. Investment Manager Reporting and Review:**

1. Performance reports will be compiled by the Consultant at least quarterly and communicated to the Committee for review. The investment performance of each Investment Option will be measured against commonly accepted class and style-specific benchmarks and peer group universes as noted in the Policy.
2. The Plan Administrator may make recommendations after considering the criteria set forth in section B, to replace individual investment offerings or funds which are underperforming compared to its peer group or Index. That recommendation will be reported to the Committee.
3. Committee will review recommendations of the Consultant and Plan Administrator and approve or deny Investment Option changes by a roll call vote.
4. Committee meetings will be scheduled on a regular basis, but may meet more or less frequently in its discretion if circumstances warrant, to review and discuss:
  - Any significant changes with any Plan Service Providers or Managers
  - Important developments within the economy and the securities markets, and their potential effect on Plan investments and assets
  - Each Manager's net investment performance, risk and style characteristics relative to the stated policies and objectives and according to the selection and evaluation criteria contained within this Policy
  - Plan and Manager fees and expenses to evaluate reasonableness and necessity
  - Exceptions or changes to this Policy

**ADDITIONAL CONSIDERATION(S):**


N/A

**REFERENCE(S):**

N/A

**CONTRIBUTOR(S):**

Pension Committee

 South Peninsula Hospital	<b>SUBJECT:</b> Employee Investment Policy	<b>POLICY #:</b> PEN-001
		<b>Page 1 of 5</b>
<b>SCOPE:</b> Pension Plan <b>RESPONSIBLE DEPARTMENT:</b> Administration		<b>ORIGINAL DATE:</b> 5/28/97 <b>REVISED:</b> 9/2/01; 4/29/09; 6/23/10; 10/23/13; 2/19/14; 3/26/14; 10/18/19; 5/20/21; 12/3/21
<b>APPROVED BY:</b> Pension Plan Trustee Committee		<b>EFFECTIVE:</b> 12/3/21

**PURPOSE:**

Guidelines for management of employee pension trust.

**DEFINITIONS:**

N/A

**POLICY:**

South Peninsula Hospital sponsors a Defined Benefit Plan for the exclusive benefit of the participants. The name of the plan is The South Peninsula Hospital Employee Pension Plan (Plan). The Plan Trustees shall fulfill their fiduciary responsibility solely for the plan participants and their beneficiaries while controlling administrative costs at a reasonable level. Plan contributions and assets must be sufficient to meet the obligations of the plan as they come due.

**INVESTMENT POWERS AND DUTIES OF THE TRUSTEES:** Section 7.2 of the South Peninsula Hospital Employee Pension Plan authorizes the Plan Trustees to invest the funds of the plan. This Section of the plan states,

*"The Trustee shall invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer."*

**INVESTMENT POLICY:**

1. Invest the Plan's assets with the objective to maintain and increase the purchasing power of those assets relative to inflation.
2. Purchase assets of a type and in a manner that a normal investment manager of prudence and caution would purchase. This includes limiting the fees associated with "churning" the investments.
3. Emphasize continuity of performance over volatility and short-term performance.

**INVESTMENT GOALS:**

1. To attain a rate of return that compares favorably relative to standard market indices over a market cycle
2. To generate sufficient asset growth in real terms to meet future benefit obligations. Asset growth within the plan should reduce the long-term capital required from the plan sponsor.
3. Exceed the rate of inflation as measured by the Consumer Price Index by at least 3% per annum.

**INVESTMENT STRATEGY:**

Capital preservation and managed risk are an integral part of the hospital's investment strategy. Capital preservation during periods of declining markets should be emphasized versus maximizing

performance during expanding market periods. High risks should be avoided, while moderate risks should be assumed in order to achieve the goals of exceeding inflation.

The primary strategy used to reduce risk and enhance returns is diversification. Diversification in equities

is most easily and economically achieved through the use of index mutual funds. The Fund's investments are spread between three (3) major asset classes:

- Equities
- Fixed Income
- Cash Equivalents

This diversification not only reduces the possibility of major losses but enables the Plan to share in the gains made in each of the assets' classes.

South Peninsula Hospital will at all times seek to minimize the risk to the Plan by selecting investments and investment strategies that will maintain the plan assets at a level sufficient to cover current and future plan payouts while simultaneously keeping PGBC premiums and monthly cash contributions to the plan at a minimum.

## **INVESTMENT OBJECTIVES:**

### **A. Fixed Income:**

1. The fixed account should provide a competitive return with the lowest level of risk. This can be achieved through a fixed account that guarantees a minimum interest rate and pays current rates.
2. All fixed income securities held in the portfolio shall have a Moody's, Standard & Poor's and/or Fitch's credit quality rating of no less than "Baa." The U.S. Treasury and government agencies, which are unrated securities, are qualified for inclusion in the portfolio. If a bond falls below Baa or equivalent and the Investment Manager in consultation with the Trustees demonstrates the Plan will benefit by holding the bond to maturity rather than selling at a loss, then the bond may be retained.
3. The exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 10% of the market value of the fixed income portfolio.
4. Holdings of individual issues shall be large enough (round lots) for easy liquidation.
5. The Plan shall be allowed to hold fixed-income mutual funds with an average bond quality of A or better.

### **B. Cash/Cash Equivalents:**

1. Cash equivalent reserves shall consist of cash instruments having a quality rating of A-1, P-1 or higher. Eurodollar certificates of deposit, time deposits, and repurchase agreements are also acceptable investment vehicles.
2. Any idle cash not invested by the investment managers shall be invested daily through an automatic interest-bearing sweep vehicle managed by the custodian.

### **C. Long Term Objectives – Five Years and Beyond – Equities:**

Index mutual funds shall normally be used to achieve adequate diversification and minimize management costs. If investments are made in equities other than through mutual funds, such equity investments will be reasonably diversified in the most efficient manner in order to:

#### **1. U.S. Equities:**

- Equity holdings in any one company should not exceed more than 5% unless the specific stock is equal to more than 5% of its benchmark index of the market value of the Plan's equity portfolio.
- No more than 25% of the market value of the portfolio shall be invested in any one economic sector.

#### **2. International Equities:**

- Equity holdings in any one company shall not exceed more than 5% unless the specific stock is equal to more than 5% of its benchmark index of the international equity portfolio.
- No more than 25% of the portfolio shall be invested in one industry category.
- Allocations to any specific country shall not be excessive relative to a broadly diversified international equity manager peer group. It is expected that the non-U.S. equity portfolio will have no more than 40% in any one country.

## **INVESTMENT GUIDELINES:**

### **1. Allowable Investments**

All or any part of the pension assets may be placed in investment vehicles that are not listed under prohibited transactions. All companies offering investments should have nationally

recognized ratings such as Standard & Poor's, A.S. Best, Morningstar, and Duff& Phelps etc.

2. Prohibited Transactions

There shall be no investments or transactions specifically prohibited by the Employee Retirement Income Security Retirement Act of 1974 or amendments thereto. In addition, investment activity in the following is prohibited without prior written permission of the Board of Directors of the South Peninsula Hospital, Inc.:

- Stock Options, Futures, or Commodities
- Coin or Gold Futures
- Volatile Derivative Investments
- Stock Loans
- Margin Purchase or Borrowing Money
- Direct Ownership of Letter Stock
- Any Municipal or other Tax Exempt Securities

**ELIGIBLE ASSETS:**

U.S. Fixed Income

Government & Corporate Bonds Baa rated or better

U.S. Equities

Large Cap  
Mid Cap  
Small Cap

International Equities

Developed Countries / EAFE  
Emerging Markets

Cash & Cash Equivalents

**ASSET ALLOCATION:**

Allowable Range	Target	Minimum	Maximum
<b>Equities</b>	<b>50.0%</b>	<b>40.0%</b>	<b>40.0%</b>
Large Cap Funds	7.0%	6.0%	6.0%
Large Cap Value	10.0%	8.0%	8.0%
Large Cap Growth	6.0%	5.0%	5.0%
Mid Cap Funds	8.0%	6.0%	6.0%
Small Cap Funds	5.0%	4.0%	4.0%
International Equities	11.0%	9.0%	9.0%
Emerging Market Equities	3.0%	2.0%	2.0%
<b>Fixed Income</b>	<b>47.0%</b>	<b>58.0%</b>	<b>58.0%</b>
Total Return Bond	38.0%	42.0%	42.0%
Short Term Bond	9.0%	16.0%	16.0%
<b>Cash Alternatives</b>	<b>3.0%</b>	<b>2.0%</b>	<b>2.0%</b>

**ASSET REBALANCING:**

The Plan's strategic asset allocation will be reviewed annually during the first quarter of the calendar year, and rebalanced if any of the asset classes vary as much as plus or minus 10 percent, depending on market conditions.

Each year the Plan's trustees will meet to discuss the asset allocation to determine how much of the fund to

invest in fixed income, U.S., and international equities. The following factors will be taken into consideration:

- The long term average rate of return being sought
- The amount of risk to which the portfolio should be exposed
- The probability of preserving principal
- The probability of earning enough to offset inflation; and
- The probability of earning, in upcoming years, the target rate of return.

## **COMMUNICATION AND CONTROL PROCEDURES:**

### **1. Control:**

If an investment manager is used, the duties and responsibilities of each investment manager retained by the Trustees include:

- Managing the Plan's assets under its care, custody, and/or control in accordance with investment policy goals, objectives and guidelines set forth herein, or expressed in separate written agreements when deviation is deemed prudent and desirable by the Plan.
- Exercising investment discretion (including holding cash equivalents as an alternative) with the investment policy goals, objectives and guidelines set forth herein.
- Promptly voting all proxies and related actions in a manner consistent with the long term interests and objectives of the Plan set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as they pertain to fiduciary duties and responsibilities.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire investment policy set forth herein, and as modified in the future.

### **2. Communications:**

If an investment manager is not used, the Plan Administrator will provide quarterly reports to the Trustees and Board of Directors, South Peninsula Hospital, Inc. on asset allocation percentages, gains or losses, and total account value.

If an investment manager is used, the following specific communications shall be required by the Trustees to monitor the investment activities:

- Promptly informing the Plan in writing regarding all significant and/or material matters and changes pertaining to the investment of Plans' assets, including, but not limited to:
  - Investment Strategy
  - Portfolio structure
  - Tactical approaches
  - Ownership
  - Organizational Structure
  - Financial condition
  - Professional staff
  - Recommendations for guideline changes
  - All legal, material and SEC and other regulatory agency proceedings affecting the firm
- Quarterly reports will be provided by the investment manager including allocation percentages, growth, and total account value. Information about the funds' holdings should also be provided.
- A semi-annual investment performance report will be provided, with a more comprehensive review annually, to determine the continued feasibility of achieving the investment goals and objectives and the appropriateness of the Investment Policy. The reports will compare overall investment performance to the appropriate indices:

EAFE Index  
Consumer Price Index

**PROCEDURE:**

N/A

**ADDITIONAL CONSIDERATIONS:**

N/A

**REFERENCES:**

N/A

**CONTRIBUTOR(S)**

Pension Committee; Chief Financial Officer



## MEMO

Administration  
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To: SPH Board of Directors  
From: Kelly Cooper, Board President  
Date: February 18, 2022  
Re: Discussion Topic

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The discussion topic for our board meeting will be the AHA conference we attended in Phoenix. Please be prepared to name two topics presented at the conference that you believe our board should be including in our work this year.