



AGENDA

Board of Directors Meeting

5:30pm - Wednesday, December 7, 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

- 5 4.1. Rules for Participating in a Public Meeting
[Rules for Participating in a Public Meeting](#)

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

6. APPROVAL OF THE AGENDA

7. APPROVAL OF THE CONSENT CALENDAR

- 6 - 12 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of
Directors meeting minutes for October 26, 2022
[Board of Directors - Oct 26 2022 - Minutes - DRAFT](#)

- 13 - 16 7.2. Consideration to Approve October FY2023 Financials
[Balance Sheet - Oct FY23](#)
[Income Statement - - Oct FY23](#)
[Cash Flow Statement - - Oct FY23](#)
- 17 7.3. Consideration to Approve the Board of Directors Meeting Calendar for 2023
[Board Calendar of Meetings 2023](#)
- 18 7.4. Consideration to Confirm Christopher Landess, MD as Chief of Staff for 2023 and 2024 as elected by the Medical Staff.
[Memo](#)
- 19 - 34 7.5. Consideration to approve the SPH and Long Term Care Facility Corporate Compliance & Ethics Program as presented
[Memo](#)
[Corporate Compliance Program, revised 11-17-2022](#)

8. PRESENTATIONS

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 35 10.1. Election of 2023 Board Members
[Election Ballot](#)
- 36 - 47 10.2. Consideration to Approve an amendment to the South Peninsula Hospital Board of Directors Bylaws, Article III, Section 1 to change the number of board members from 11 members, to a range of 9 to 11 members, and to remove Article III, Section 4, which defined the Chief of the Medical Staff and Administrator as ex-officio members of the board.
[Memo](#)
[Bylaws, proposed revisions](#)
- 48 - 50 10.3. Consideration to Approve SPH Board Resolution 2022-16, A Resolution of the South Peninsula Hospital Board of Directors Approving the Combination of the Nuclear Medicine and the Pharmacy Renovation Projects and Expanding the Scope to Include Infusion
[SPH Resolution 2022-16](#)

11. REPORTS

- 11.1. Chief Executive Officer

- 51 - 68 11.2. BOD Committee: Pension
[Pension BDO Audit Report SPH 403\(b\) Union 2021](#)
- 69 11.3. BOD Committee: Finance
[Memorandum: Non Union Staff Wage Increases 23](#)
- 70 - 76 11.4. BOD Committee: Governance
[Conflict of Interest Form, revised](#)
[BOD Candidate Application, revised](#)
- 11.5. BOD Committee: Education
 Discussion: iProtean Video: Governance Essentials Part I: The Board's
 Overarching Duties and Responsibilities (*please view prior to the
 meeting*)
- 11.6. Chief of Staff
- 11.7. Service Area Board Representative
 Presenter: Willy Dunne

12. DISCUSSION

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

- 77 - 82 15.1. Patient Centered Care Quality Committee Minutes - October 2022
[Oct 2022 PCCQ Minutes](#)
- 83 - 88 15.2. Forms to Complete for January 2023 Meeting
[CMS Form](#)
[Confidentiality Agreement](#)
[Conflict of Interest Form](#)

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

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

Board of Directors Meeting

5:30 PM - Wednesday, October 26, 2022
CR 1&2 / Zoom

The Board of Directors of the South Peninsula Hospital was called to order on Wednesday, October 26, 2022, at 5:30 PM, in the CR 1&2 / Zoom.

1. CALL TO ORDER

President Kelly Cooper called the regular meeting to order at 5:30 p.m.

2. ROLL CALL

BOARD PRESENT: President Kelly Cooper, Keriann Baker, Matthew Hambrick, Vice President Melissa Jacobsen, Edson Knapp, Treasurer Walter Partridge, Aaron Weisser, Bernadette Wilson, Secretary Julie Woodworth, and Beth Wythe

BOARD EXCUSED: Todd Boling, DO

ALSO PRESENT: Ryan Smith, CEO; Angela Hinnegan, COO; Anna Hermanson, CFO; Rachael Kincaid, CNO; Christina Tuomi, CMO; Nyla Lightcap, Administrative Assistant

**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

Angela Hinnegan, COO, shared two stories. Melinda Peltier, an employee who used to work in the EVS department and is now a CNA on the Med/Surg floor greatly exemplified SPH values. As a new CNA, she was asked to work in OB during a high stress situation despite not having worked in that area before, and she was calm, helpful and really went above and beyond. Everyone was very thankful for her teamwork and commitment.

Ms. Hinnegan also shared that last week we were doing maintenance on the plumbing system and there was more flooding. At 4am the EVS team, Facilities staff and even a contractor working on our audio systems, all came in to help mitigate the flooding. Everyone was pleasant and helpful after what became a very long day. We have an amazing team.

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

There were no guests present on the Zoom meeting.

4.1. Rules for Participating in a Public Meeting

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

Lane Chesley was unable to attend, but sent a written comment. Ryan and Angela gave an excellent presentation to the KPB borough last night. He gave an update on the land trade - they are in the appraisal process. Mayor Navarre and Brandi stopped by the hospital this week and had a nice visit. Feel free to reach out to Mr. Chesley if you have any questions.

6. APPROVAL OF THE AGENDA

Secretary Julie Woodworth made a motion to approve the agenda. Treasurer Matthew Hambrick seconded the motion. Motion Carried.

7. APPROVAL OF THE CONSENT CALENDAR

Julie Woodworth read the consent calendar into the record.

7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for September 28, 2022.

7.2. Consideration to Approve Revised Board Policy SM-08, Committee Responsibilities, to more clearly define the timeline for bylaw and policy review.

7.3. Consideration to Approve Revised Board Policy SM-09, Board Terms and Officers, to clarify the Governance Committee facilitates the member election process, to reflect current practice.

7.4. First Reading: South Peninsula Hospital Board of Director Bylaws Amendment

Secretary Julie Woodworth made a motion to approve the consent calendar as read. Beth Wythe seconded the motion. Motion Carried.

8. PRESENTATIONS

8.1. Nuclear Medicine

Dr. Edson Knapp gave a presentation on nuclear medicine. It's an incredibly useful modality for patient care. It involves taking a tracer and attaching it to something in the body that is going to work in a certain way, then give it to the patient, then image their body a certain number of hours later. The molecules are so small that there is no possibility of allergic reaction. It allows us to look at systems and how they are functioning and see the action of cells in that part of the body, which can't be accomplished with any other modality. It would our surgeons to identify gall bladder problems better than ultrasounds, and help identify stress fractures better than x-rays. For breast cancer surgery, nuclear medicine is necessary, so it would open up that service line here in Homer. We can also do stress imaging with nuclear medicine and identify different cardiac issues as well.

Ms. Cooper asked about the funding required to obtain nuclear medicine. Mr. Smith responded. It will be a large project, and there has already been a lot of discussion on how to accomplish it. John Hedges at the borough is currently working on design fees, because we are looking to put the nuclear medicine into the pharmacy area, and move pharmacy and infusion into the shelled space. Ms. Wythe inquired if this was considered experimental by insurance companies, and Dr. Knapp said no, this would be standard care covered by insurance. Mr. Smith added this machine could also act as a back up CT scanner if the CT scanner were to be out of commission.

Dr. Knapp was asked to speak to the ability to generate revenue. He said the imaging studies would slowly pay for itself over time, however it would open up service lines and allow other revenue to stay at SPH instead of going elsewhere. Ms. Woodworth asked about risks involved. Dr. Knapp responded that the biggest risk would be underuse, though didn't think that would be the case. Dr. Knapp also stated that nuclear medicine is a very complex and regulated process. Ms. Wilson shared, from the patient's perspective, it would be excellent to have this service in Homer.

9. UNFINISHED BUSINESS

There was no unfinished business.

10. NEW BUSINESS

10.1. Consideration to Approve September 2022 Financials

Anna Hermanson, CFO, presented. September was right on budget, with very strong patient days. We had a large number of observation and swing bed patients as well. Outpatient was just below budget and Long Term Care was right on budget. Net operating revenues were close to budget. The operating margin was negative for the month of September due to high expenses. The unbudgeted inflation bonus was given to staff in the month of September and contract staffing was also higher than anticipated. The Patient Financial Services team had a great month bringing in cash, but overall operating cash did go down due to transferring 4.7 days to the borough per the operating agreement. The average daily census was very high for the month. Inpatient surgeries were very under budget. We will struggle to meet our inpatient surgery budget, as some of our surgeries are now being moved to outpatient due to insurance requirements. Long Term Care hit their budget of 23 residents.

Mr. Partridge reported that the Finance Committee didn't meet this month due to a scheduling error, so rather than reschedule the meeting, he and administration decided to have Ms. Hermanson give the finance report in tonight's board meeting. There were no actionable items on the agenda of the finance committee meeting.

Treasurer Matthew Hambrick made a motion to approve the September 2022 financials. Beth Wythe seconded the motion. Motion Carried.

10.2. Consideration to Delegate the Authority to Approve Medical Staff Reappointments Expiring on December 2, 2022 to the Officers of the Board.

Mr. Smith reported. Due to the dates of the board meeting in December, there would have been a gap in credentialing for certain providers up for reappointment, so we are asking the board to give the officers of the board the authority to act on behalf of the full board and approve the credentialing when they meet in November to set the next board meeting agenda.

Beth Wythe made a motion to Delegate the Authority to Approve Medical Staff Reappointments Expiring on December 2, 2022 to the Officers of the Board Secretary Julie Woodworth seconded the motion. Motion Carried.

11. REPORTS

11.1. Chief Executive Officer

Mr. Smith reported. He reviewed the presentation he gave to the borough assembly last night. We committed to provide a senior leadership succession plan in the operating agreement and are working on that, and so Ms. Hinnegan attended the assembly meeting as well and gave a portion of the presentation. Mr. Smith shared the slides from CMS's Care Compare website regarding timely and effective care. Overall, we are a 4 star hospital. We are focusing on making our sepsis care real time and fail safe. Dr. Tuomi and Ms. Kincaid reported on new measures being put in place to help with sepsis care. Dr. Knapp praised the work that's been done on sepsis and feels that we are giving much better care to our patients. Mr. Smith also spoke to the various pricing transparency laws at the state and federal level and how SPH is complying with them.

11.2. BOD Committee: Finance

Mr. Partridge had nothing further to report.

11.3. BOD Committee: Governance

Aaron Weisser, Governance Chair, reported. The Governance Committee is working on follow up tasks from the board retreat with Jamie Orlikoff. There was discussion about the definition of an independent board member and the makeup of the board in that regard. The committee is updating both the board member application and the yearly conflict of interest form to establish board member independence based on the IRS definition. The committee is also updating the board candidate application to allow for current board members seeking reappointment to answer questions more relevant to returning board members instead of the new applicant questions.

We are also proposing an update to the bylaws. We are eliminating section 4 of Members, which is the section that says the CEO and Chief of Staff are ex officio board members. The way the bylaws are currently written, they are both technically board members, which causes confusion about how many board members we have. Functionally it will not change our current practice. We are also proposing to change the number of board members to a range of 9 to 11 to give us some flexibility in replacing board members who resign.

11.4. BOD Committee: Education

Melissa Jacobsen, Education Chair, thanked everyone for great turnout at the retreat. She has been working with iPro staff on getting the portal setup so board members can expect can get an email to get your login and password set up. Education Committee will meet at a date to be determined to look at programs we might want to suggest to take part in. Ms. Wilson asked about the start date on the contract, and Administration will follow up.

11.5. Chief of Staff

Dr. Landess was unable to attend tonight.

11.6. Service Area Board Representative

Judith Lund reported on behalf of the Service Area Board (SAB). She thanked the hospital for all the hard work. The SAB had the borough attorney at their last meeting who explained how executive sessions work for advisory boards. Brandi Harbaugh gave a presentation on contracting with nonprofits and businesses. Derotha Ferraro gave a presentation on MAPP. Willy Dunne gave an update on Opioid Settlement Funds, and we hope to send a couple folks to the AHA Rural Healthcare Leadership Conference. We spoke about the printing of meeting packets. We hope to have the election of officers at the next meeting.

12. DISCUSSION

12.1. Board Self Evaluation

A self evaluation was done at the last meeting, and Mr. Weisser led the board in discussion surrounding the questions that got the lowest score. He framed the discussion with "Why did you score this low? What do you see as a way to correct the issue?"

The lowest scoring question was "I believe the board is more proactive than reactive and is focused on future development and growth." Both Mr. Weisser and Ms. Wythe feels the board is working towards becoming proactive, but has been reactive, particularly during the pandemic. Ms. Cooper agreed and noted that we need to move our focus forward and feels we are on our way to accomplishing this. Mr. Weisser feels the nuclear medicine conversation reflects this. Ms. Wilson added that sometimes being reactive is necessary. Mr. Partridge feels that we spend our time on what's going on at the hospital,

though tonight we spent more time on future issues and proactive improvement processes, instead of hearing reports on things have already happened. We need to leave room on the agenda to talk about future issues. Ms. Wythe brought up the idea of the longer quarterly meetings for strategic planning purposes.

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

There were no comments from the audience.

14. COMMENTS FROM THE BOARD

(Announcements/Congratulations)

14.1. Chief Executive Officer

Mr. Smith had no additional comments.

14.2. Board Members

Ms. Jacobsen thanked everyone for a good meeting. Ms. Wythe appreciated attending the Patient Centered Care Quality Committee. Ms. Cooper had the opportunity to bring Senator Murkowski to the hospital for a tour and the staff blew her away.

15. INFORMATIONAL ITEMS

15.1. AHA Rural Health Care Leadership Conference

<https://ruralconference.aha.org/>

Ms. Jones will be sending out an email about the AHA Rural Health Care Leadership Conference. Please respond with whether you plan to attend.

16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)

The board adjourned to executive session at 7:19pm.

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

The board came out of executive session at 7:46pm.

17.1. Credentialing

After review of the applicants' files in Executive Session, Ms. Woodworth moved to approve the following positions in the medical staff as requested and recommended by the Medical Executive Committee. Dr. Christina Tuomi recused herself from the room during the credentialing portion of the agenda. Beth Wythe seconded the motion. Motion carried.

Appointments (Telemed/Telehealth*)

Vernier, Karen MD, Psychiatry/Telepsych, Telemedicine

Dixon, Jeffery MD, Cardiology/Echo Interp.,. Courtesy Staff

Appointments

Bendixen, Kira DO, Family Medicine, Active Staff
Mayfield, Emma DO, Family Medicine, Active Staff
Murphy, Erin MD, Emergency Medicine, Courtesy Staff

Reappointments

Godfrey, Paula MD, Emergency Medicine, Active Staff
Inglis, Cherie' MD, Family Medicine, Active Staff
Plymire, Rebecca PA-C, Family Medicine, Active Staff
Tuomi, Christina, DO, Family Medicine, Active Staff

18. ADJOURNMENT

The meeting was adjourned at 7:49pm.

Respectfully Submitted,

Accepted:

Maura Jones, Executive Assistant

Kelly Cooper, President

Minutes Approved:

Julie Woodworth, Secretary



DRAFT-UNAUDITED

BALANCE SHEET
As of October 31, 2022

	As of October 31, 2022	As of Oct 31, 2021	As of September 30, 2022	CHANGE FROM Oct 31, 2021
ASSETS				
CURRENT ASSETS:				
1 CASH AND CASH EQUIVALENTS	23,764,481	18,678,724	23,878,625	5,085,757
2 EQUITY IN CENTRAL TREASURY	9,939,223	8,825,941	9,195,847	1,113,282
3 TOTAL CASH	33,703,704	27,504,665	33,074,472	6,199,039
4 PATIENT ACCOUNTS RECEIVABLE	30,169,876	33,095,598	29,849,426	(2,925,722)
5 LESS: ALLOWANCES & ADJ	(14,480,298)	(15,646,182)	(14,571,124)	1,165,884
6 NET PATIENT ACCT RECEIVABLE	15,689,578	17,449,416	15,278,302	(1,759,838)
7 PROPERTY TAXES RECV - KPB	1,126,482	1,103,024	1,943,832	23,458
8 LESS: ALLOW PROP TAX - KPB	(4,165)	(3,599)	(4,165)	(566)
9 NET PROPERTY TAX RECV - KPB	1,122,317	1,099,425	1,939,667	22,892
10 OTHER RECEIVABLES - SPH	403,973	39,534	464,148	364,439
11 INVENTORIES	1,985,439	1,789,679	1,987,730	195,760
12 NET PENSION ASSET- GASB	4,858,772	9,050,712	4,831,084	(4,191,940)
13 PREPAID EXPENSES	945,665	847,950	971,190	97,715
14 TOTAL CURRENT ASSETS	58,709,448	57,781,381	58,546,593	928,067
ASSETS WHOSE USE IS LIMITED				
15 PREF UNOBLIGATED	6,873,094	10,646,914	7,216,301	(3,773,820)
16 PREF OBLIGATED	2,307,376	2,999,908	1,964,169	(692,532)
17 OTHER RESTRICTED FUNDS	46,530	34,517	46,527	12,013
	9,226,999	13,681,339	9,226,996	(4,454,340)
PROPERTY AND EQUIPMENT:				
18 LAND AND LAND IMPROVEMENTS	4,114,693	3,901,197	4,114,693	213,496
19 BUILDINGS	67,494,237	66,259,752	67,424,631	1,234,485
20 EQUIPMENT	30,423,111	29,007,004	30,349,300	1,416,107
21 BUILDINGS INTANGIBLE ASSETS	2,382,262	0	2,382,262	2,382,262
22 EQUIPMENT INTANGIBLE ASSETS	462,427	0	462,427	462,427
23 IMPROVEMENTS OTHER THAN BUILDINGS	273,935	213,357	343,540	60,578
24 CONSTRUCTION IN PROGRESS	889,608	836,447	776,040	53,161
25 LESS: ACCUMULATED DEPRECIATION FOR FIXED ASSETS	(62,884,450)	(58,938,482)	(62,547,049)	(3,945,968)
26 LESS: ACCUMULATED AMORTIZATION FOR LEASED ASSETS	(566,873)	0	(529,188)	(566,873)
27 NET CAPITAL ASSETS	42,588,950	41,279,275	42,776,656	1,309,675
28 GOODWILL	13,000	25,000	14,000	(12,000)
29 TOTAL ASSETS	110,538,397	112,766,995	110,564,245	(2,228,598)
DEFERRED OUTFLOWS OF RESOURCES				
30 PENSION RELATED (GASB 68)	4,530,917	(568,607)	4,530,917	5,099,524
31 UNAMORTIZED DEFERRED CHARGE ON REFUNDING	332,217	402,373	337,854	(70,156)
32 TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,863,134	(166,234)	4,868,771	5,029,368
33 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	115,401,531	112,600,761	115,433,016	2,800,770

	As of October 31, 2022	As of Oct 31, 2021	As of September 30, 2022	CHANGE FROM Oct 31, 2021
LIABILITIES & FUND BALANCE				
CURRENT LIABILITIES:				
34 ACCOUNTS AND CONTRACTS PAYABLE	971,876	1,564,847	1,135,887	(592,971)
35 ACCRUED LIABILITIES	8,288,742	7,980,211	8,978,297	308,531
36 DEFERRED CREDITS	24,183	37,939	54,821	(13,756)
37 CURRENT PORTION OF LEASE PAYABLE	384,340	0	385,206	384,340
38 CURRENT PORTIONS OF NOTES DUE	0	0	0	0
39 CURRENT PORTIONS OF BONDS PAYABLE	1,510,000	1,705,000	1,510,000	(195,000)
40 BOND INTEREST PAYABLE	61,635	78,012	89,383	(16,377)
41 DUE TO/(FROM) THIRD PARTY PAYERS	1,388,761	1,763,418	1,388,761	(374,657)
43 TOTAL CURRENT LIABILITIES	12,629,537	13,129,427	13,542,355	(499,890)
LONG-TERM LIABILITIES				
44 NOTES PAYABLE	0	0	0	0
45 BONDS PAYABLE NET OF CURRENT PORTION	8,740,000	10,250,000	8,740,000	(1,510,000)
46 PREMIUM ON BONDS PAYABLE	486,704	655,262	498,871	(168,558)
47 CAPITAL LEASE, NET OF CURRENT PORTION	2,064,576	26,531	2,095,819	2,038,045
48 TOTAL NONCURRENT LIABILITIES	11,291,280	10,931,793	11,334,690	359,487
49 TOTAL LIABILITIES	23,920,817	24,061,220	24,877,045	(140,403)
50 DEFERRED INFLOW OF RESOURCES	0	0	0	0
51 PROPERTY TAXES RECEIVED IN ADVANCE	0	0	0	0
NET POSITION				
52 INVESTED IN CAPITAL ASSETS	5,731,963	5,731,963	5,731,963	0
53 CONTRIBUTED CAPITAL - KPB	0	0	0	0
54 RESTRICTED	25,286	25,286	25,286	0
55 UNRESTRICTED FUND BALANCE - SPH	85,723,465	82,782,292	84,798,722	2,941,173
56 UNRESTRICTED FUND BALANCE - KPB	0	0	0	0
57 TOTAL LIAB & FUND BALANCE	115,401,531	112,600,761	115,433,016	2,800,770

INCOME STATEMENT
As of October 31, 2022
DRAFT-UNAUDITED

		MONTH			YEAR TO DATE				
		10/31/22		10/31/21	10/31/22		10/31/21		
		Actual	Budget	Var B/(W)	Actual	Budget	Var B/(W)	Actual	
Patient Service Revenue									
1	Inpatient	2,305,915	3,227,693	-28.56%	3,268,968	10,717,443	13,256,169	-19.15%	13,417,474
2	Outpatient	12,895,642	13,580,147	-5.04%	11,358,644	51,099,136	50,540,090	1.11%	46,054,050
3	Long Term Care	1,128,093	1,097,797	2.76%	715,567	4,319,108	4,391,188	-1.64%	3,108,293
4	Total Patient Services	16,329,650	17,905,637	-8.80%	15,343,179	66,135,687	68,187,447	-3.01%	62,579,817
Deductions from Revenue									
5	Medicare	3,211,688	4,452,011	27.86%	3,354,749	13,518,852	15,181,359	10.95%	13,379,996
6	Medicaid	2,017,142	3,159,861	36.16%	1,988,545	9,073,008	10,775,127	15.80%	7,633,761
7	Charity Care	86,656	188,985	54.15%	20,799	686,274	644,438	-6.49%	209,550
8	Commercial and Admin	1,829,485	1,772,596	-3.21%	2,147,603	6,096,805	6,044,554	-0.86%	5,182,198
9	Bad Debt	336,729	415,615	18.98%	165,618	1,094,046	1,417,247	22.80%	1,738,072
10	Total Deductions	7,481,700	9,989,068	25.10%	7,677,314	30,468,985	34,062,725	10.55%	28,143,577
11	Net Patient Services	8,847,950	7,916,569	11.76%	7,665,865	35,666,702	34,124,722	4.52%	34,436,240
12	USAC and Other Revenue	56,764	61,664	-7.95%	68,797	244,850	246,659	-0.73%	218,377
13	Total Operating Revenues	8,904,714	7,978,233	11.61%	7,734,662	35,911,552	34,371,381	4.48%	34,654,617
Operating Expenses									
14	Salaries and Wages	3,828,203	4,109,927	6.85%	3,964,276	16,780,389	16,116,170	-4.12%	15,276,723
15	Employee Benefits	1,956,339	2,076,469	5.79%	1,564,775	7,357,817	8,014,619	8.20%	6,163,006
16	Supplies, Drugs and Food	1,038,149	1,220,896	14.97%	1,115,987	4,301,062	4,543,535	5.34%	4,372,524
17	Contract Staffing	217,703	163,887	-32.84%	424,770	1,032,092	623,716	-65.47%	1,322,246
18	Professional Fees	496,952	478,638	-3.83%	486,508	2,081,690	1,688,442	-23.29%	1,743,651
19	Utilities and Telephone	156,035	107,816	-44.72%	135,213	561,783	431,778	-30.11%	529,812
20	Insurance (gen'l, prof liab, property)	77,441	57,339	-35.06%	61,883	257,019	265,250	3.10%	236,453
21	Dues, Books, and Subscriptions	19,264	20,521	6.13%	15,980	65,956	80,617	18.19%	74,223
22	Software Maint/Support	178,377	175,241	-1.79%	157,515	699,694	637,425	-9.77%	566,802
23	Travel, Meetings, Education	45,455	63,951	28.92%	42,730	181,711	239,835	24.23%	163,994
24	Repairs and Maintenance	182,263	130,863	-39.28%	96,770	589,158	484,016	-21.72%	388,827
25	Leases and Rentals	98,976	72,745	-36.06%	73,659	272,864	278,128	1.89%	279,003
26	Other (Recruiting, Advertising, etc.)	155,740	83,111	-87.39%	155,646	480,262	332,434	-44.47%	396,688
27	Depreciation & Amortization	338,400	345,888	2.16%	322,238	1,354,180	1,383,555	2.12%	1,294,373
28	Total Operating Expenses	8,789,297	9,107,292	3.49%	8,617,950	36,015,677	35,119,520	-2.55%	32,808,325
29	Gain (Loss) from Operations	115,417	(1,129,059)	110.22%	(883,288)	(104,125)	(748,139)	86.08%	1,846,292
Non-Operating Revenues									
30	General Property Taxes	823,155	629,638	30.73%	850,433	3,835,676	2,428,805	57.92%	3,652,608
31	Investment Income	23,890	9,750	145.03%	3,494	84,166	39,002	115.80%	13,445
32	Governmental Subsidies	0	0	0.00%	0	0	0	0.00%	0
33	Other Non Operating Revenue	0	0	100.00%	0	952	0	100.00%	79,384
34	Gifts & Contributions	0	0	0.00%	0	0	0	0.00%	0
35	Gain <Loss> on Disposal	0	0	0.00%	0	0	0	0.00%	0
36	SPH Auxiliary	2	6	-66.67%	1	6	23	-73.91%	7
37	Total Non-Operating Revenues	847,047	639,394	32.48%	853,928	3,920,800	2,467,830	58.88%	3,745,444
Non-Operating Expenses									
38	Insurance	0	0	0.00%	0	0	0	0.00%	0
39	Service Area Board	5,000	0	0.00%	9,141	32,920	9,798	0.00%	18,134
40	Other Direct Expense	541	3,600	84.97%	48	541	14,401	96.24%	16,242
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%	0
42	Interest Expense	39,085	28,432	-37.47%	32,233	157,181	113,726	-38.21%	128,932
43	Total Non-Operating Expenses	44,626	32,032	-39.32%	41,422	190,642	137,925	-38.22%	163,308
Grants									
44	Grant Revenue	9,430	29,167	0.00%	76,172	9,430	116,667	0.00%	671,481
45	Grant Expense	2,502	25,000	89.99%	1,205	10,006	100,000	89.99%	546,495
46	Total Non-Operating Gains, net	6,928	4,167	66.26%	74,967	(576)	16,667	103.46%	124,986
47	Income <Loss> Before Transfers	924,766	(517,530)	278.69%	4,185	3,625,457	1,598,433	126.81%	5,553,414
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%	0
49	Net Income	924,766	(517,530)	278.69%	4,185	3,625,457	1,598,433	126.81%	5,553,414

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Statement of Cash Flows
As of October 31, 2022

Cash Flow from Operations:

1	YTD Net Income	3,625,457
2	Add: Depreciation Expense	1,354,180
3	Adj: Inventory (increase) / decrease	77,065
4	Patient Receivable (increase) / decrease	828,632
5	Prepaid Expenses (increase) / decrease	(185,446)
6	Other Current assets (increase) / decrease	(797,505)
7	Accounts payable increase / (decrease)	(850,161)
8	Accrued Salaries increase / (decrease)	177,816
9	Net Pension Asset (increase) / decrease	(183,063)
10	Other current liability increase / (decrease)	(1,484,754)
11	Net Cash Flow from Operations	2,562,221

Cash Flow from Investing:

12	Cash paid for the purchase of property/equip	(632,585)
13	Cash transferred to plant replacement fund	(1,276,373)
14	Proceeds from disposal of equipment	-
15	Net Cash Flow from Investing	(1,908,958)

Cash Flow from Financing

16	Cash paid for Lease Payable	-
17	Cash paid for Debt Service	-
18	Net Cash from Financing	-
19	Net increase in Cash	\$ 653,263
20	Beginning Cash as of July 1, 2021	\$ 33,050,441
21	Ending Cash as of October 31, 2022	\$ 33,703,704

Board of Directors: Calendar of Meetings 2023

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Education Committee	<i>Called as needed</i>											
Governance Committee	1/19	2/16	3/16	4/20	5/18	6/22	7/20	8/17	9/21	10/19	11/30	NONE
Pension Committee		2/16			5/18			8/17			11/16	
Finance Committee 8:00am	1/19	2/16	3/16	4/20	5/18	6/22	7/20	8/17	9/21	10/19	11/16	NONE
Operating Board Meeting 6:00pm (open)	1/25	2/22	3/22	4/26	5/24	6/28	7/26	8/23	9/27	10/25	NONE	12/6

Rev: 11/29/2021

To: SPH Board of Directors
From: Andrea Konik, Medical Staff Coordinator
Date: December 2022
Re: Board Confirmation of 2023 & 2024 Chief of the Medical Staff

On November 9th, 2022 the Medical Staff held its Annual Meeting and Medical Executive Committee election for the 2023 and 2024 leadership positions.

The candidate receiving the majority of the vote was Christopher Landess, MD.

Per the Medical Staff Bylaws, Part I: Governance Manual, 4.3; 4.3.6:

The Chief of Staff nominee receiving the majority of the vote, must be confirmed by the Board, prior to assuming office. If the Board does not confirm the Chief of Staff nominee, the Board shall discuss this with the current MEC, and instruct the MEC to reconvene the election process.

Recommended Motion(s):

Consideration to Confirm Christopher Landess, MD as Chief of Staff for 2023 and 2024 as elected by the Medical Staff.

MEMO

To: SPH Board of Directors
From: Susan Shover, BSN, RN, CPHQ; Corporate Compliance Officer
Date: November 17, 2022
Re: SPH and LTC Facility Corporate Compliance & Ethics Program

The SPH and LTC Facility Corporate Compliance & Ethics Program is to be reviewed annually per CMS §483.85 (e).

South Peninsula Hospital (SPH) and its Long Term Care Facility (LTC) maintain a Compliance and Ethics Program to ensure quality of care and the prevention and detection of possible violations of SPH and LTC policies and procedures, criminal, civil, and administrative violations under the Social Security Act (“Act”). The Program also provides an appropriate setting for discussion of ethical issues and for protecting human dignity and patient/resident rights.

Minor changes to the Program were made since most information continues to be appropriate and up-to-date. Under the “Overview” section, Values and Behaviors was removed as that is not part of the Social Security Act but is covered internally through the Code of Conduct policy.

Under Standards and Staff Conduct, language was added to clarify the involvement of the Medical Executive Committee (MEC) should clinical ethical issues arise. The MEC was provided the opportunity for review and has approved the document with changes.

Additional clarifying language has been added throughout including for the Stark Law and Red Flags Rule, reporting and auditing/monitoring. All changes are indicated in red or blue-line changes. This document, along with other compliance policies and annual training, continue to provide a good foundation for South Peninsula Hospital’s Compliance and Ethics Program.

Recommended Motion: Consideration to Approve the SPH and LTC Facility Corporate Compliance & Ethics Program as presented.

SOUTH PENINSULA HOSPITAL AND LONG TERM CARE FACILITY

CORPORATE COMPLIANCE AND ETHICS PROGRAM



South
Peninsula
Hospital

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1. MISSION, VISION, VALUES

- a. Mission – South Peninsula Hospital promotes community health and wellness by providing personalized, high quality, locally coordinated healthcare.
- b. Vision - South Peninsula Hospital is the provider of choice with a dynamic and dedicated team committed to service excellence.
- c. Values
 - i. Compassion – We provide compassionate patient- and resident-centered quality care, and a safe and caring environment for all individuals
 - ii. Respect – We show respect for the dignity, beliefs, perspectives and abilities of everyone
 - iii. Trust – We are open, honest, fair and trustworthy
 - iv. Teamwork – We work together as a dynamic, collaborative team embracing change and speaking as one.
 - v. Commitment – We are responsible and accountable for supporting the vision, mission, values, strategies and processes of our organization.

2. OVERVIEW

South Peninsula Hospital (SPH) and its Long Term Care facility (LTC) shall maintain a Compliance and Ethics Program to ensure quality of care, and the prevention and detection of possible violations of SPH and LTC policies and procedures; Values and Behaviors; criminal, civil, and administrative violations under the Social Security Act (“Act”) by any staff member, individuals providing services under contractual agreements, and volunteers (non-SPH staff collectively referred to as agents). The program is also intended to provide an appropriate setting for discussion of ethical issues and to protect human dignity and patient rights. This Program is supported by the Corporate Compliance and Ethics Policy (HW-101).

3. STANDARDS & STAFF CONDUCT

- a. Ensuring Ethical Practices
Policies on Conflict of Interest, Code of Conduct and Medical Staff ~~and Allied Practitioners Rules and Regulations~~ Bylaws provides guidance for all Board Members, Employees and members of the Medical Staff on expectations for their conduct. These expectations include, but are not limited to:

- i. To the community, this organization is committed to the promotion of health and to using this organization's best efforts to satisfy the medical needs of the community while operating this organization in a fiscally responsible manner.
- ii. To this organization's patients and residents, this organization is committed to providing an appropriate quality of care, consistent with this organization's facilities and resources, which is responsive to patient needs and complies with government laws and resources that govern the operation of a tax-exempt organization. This organization is also committed to complying with such accreditation bodies as this organization may determine.
- iii. To this organization's employees, this organization will implement and maintain employment practices and programs that comply with all applicable federal and state laws.
- iv. To third-party payers, both private and public, this organization is committed to submitting statements for inpatient, outpatient and LTC services in a timely and accurate fashion and reporting all reimbursable costs to the Medicare, Medicaid, ~~Veteran's Administration program(s)~~ and to any other third party in a legally appropriate manner.
- v. To this organization's suppliers, this organization stresses a sense of responsibility that enables it to be a good customer. When this organization determines that is in its best interest to utilize a competitive bidding process, this organization is committed to a fair and equitable bidding process.
- vi. To all who do business with this organization, this organization shall conduct its business in a manner that is consistent with this organization's tax-exempt status and all other applicable laws and regulations.
- vii. To all parties we serve, SPH and LTC will support and demonstrate ~~live by~~ our Mission, Vision and Values.

b. Medical Executive Committee duties include ad hoc ethical consultations should clinical ethical issues or concerns arise. Refer to Medical Staff Bylaws 6.2.2 Duties.

b-c. Standards

Compliance and Ethics Standards include, but are not limited to:

- i. Medicare Regulations
 - 1. Must comply with Medicare regulations
 - 2. Meet standards for care
 - 3. Not bill Medicare for unnecessary care, services not rendered, or in violation of the Medicare/Medicaid bundling regulations

ii. Federal False Claims Act

1. This act makes it illegal to submit a false bill to a government agency (Medicare ~~and Medicaid are~~ is a government agencyiesy)
2. “Allows a citizen who has evidence of fraud to sue on behalf of the government. This “whistleblower” is protected from retaliation for reporting the fraud”.
3. For additional information, see HW-257, Reporting False or Fraudulent Claims – False Claim Acts

iii. Stark Law

1. Also called the Ethics in Patient Referrals Act
2. This act makes it illegal for certain physician referrals:
 - a. If the facility and/or the provider has a financial relationship with the referring physician
 - b. If the immediate family of the referring physician has a financial relationship with the facility or provider
 - c. Prohibits the “presenting or causing to be presented claims to Medicare (or billing another individual, entity, or third party payer) for those referred services.”
 - b.—

iv. Anti-Kickback Statute

1. Also known as The Medicare and Medicaid Patient Protection Act of 1987
2. Hospital staff or agents shall not knowingly and willfully solicit, offer to pay, actually pay or receive, any remuneration, directly, indirectly, overtly, covertly, in cash and/or in return for:
 - a. Referring an individual to a person for the furnishing, or arranging for the furnishing, of any item or service for which payment shall be made, in whole or in part, under any state or federal healthcare program
 - b. Purchasing, leasing, ordering, or arranging for, or recommending the purchasing, leasing, or ordering of any good(s), facility, service or item for which payment shall be made in whole or in part, under any federal or state healthcare program
 - c. Specific “safe harbors” are excluded from this prohibition. An example of a “safe harbor” agreement would be a volume purchasing and/or group purchasing discount agreement

v. Sections of the Social Security Act

1. Makes it illegal for hospitals to

- a. Pay physicians to limit services provided by Medicare or Medicaid patients
 - b. Offer gifts to patients with Medicare or Medicaid to gain their business.
- vi. Emergency Medical Treatment and Labor Act (EMTALA)
 - 1. Hospital staff or agents shall comply with all federal and state regulations and laws regarding the evaluation, admission and treatment of patients with emergency medical conditions and/or women in labor, regardless of the nature of the medical condition. Staff and agents shall utilize and follow all policies regarding medical screening examinations and treatment of patients with emergency medical conditions, including women in labor, policies regarding transfers or referrals of patients to other facilities or physicians for appropriate treatment. Staff and agents shall provide initial medical screening examinations to all potential patients presenting themselves to the hospital for examination and/or treatment without regard as to financial or insurance status.
- vii. Red Flags Rule
 - 1. [Requires certain entities to have written policies/procedures in place to protect patients from](#)~~Protects patients from~~ identify theft. [Refer to HW-170: Identity Theft Prevention policy for additional information.](#)
- viii. Section 501 (c)(3) – Federal and State Tax-Exempt Status
 - 1. This hospital is a not-for-profit entity that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. That tax-exempt status could be jeopardized if any of the tax-exempt benefits enjoyed by this hospital inure to the benefit of certain private individuals/[interest](#). All employees, consultants, and agents who contract with this hospital must do so in a manner that is consistent with this hospital's federal tax-exempt status.
- ix. HIPAA Regulations
 - 1. South Peninsula Hospital is considered a covered entity under the Health Insurance Portability and Accountability Act of 1996.
 - 2. SPH will comply with the HIPAA privacy rule, protect the confidentiality of Protected Health Information (PHI) and apply protections to how PHI may be used and disclosed.
 - 3. For more comprehensive information, the HW-151 HIPAA Compliance Policy may be accessed [here](#).

4. PROGRAM PLAN AND ADMINISTRATOR

- a. Adopting a Corporate Compliance and Ethics Program
- b. The Board will review its Corporate Compliance and Ethics Policy and Program and make any changes necessary at least annually or more often if necessary, CMS §483.85 (e). Appointing a Corporate Compliance Officer
 - i. The Board will appoint a Corporate Compliance Officer (CCO) and ensure that proper implementation of the Corporate Compliance and Ethics Program is a component of the CCO's annual performance review.
 - ii. The CCO appointed should be within the high-level personnel of the operating organization or director of major division in the organization.
- c. Functions of the Corporate Compliance Officer

These functions include, but are not limited to:

 - i. The CCO, or designee, shall also review and, when the CCO determines that it is reasonable to do so, disseminate to appropriate parties the monthly List of Excluded Individuals and Entities (LEIE) by the Inspector General's Office and of the Department of Health and Human Services that are published in the Federal Register from time to time. The CCO, or designee, will also regularly review and disseminate new statutes, regulations, pronouncements, or directives of the federal or state government, the government's fiscal intermediary, any third-party payors, or any hospital association or trade publication that might affect these Standards.
 - ii. The CCO, or designee, shall ~~also~~ monitor this hospital's continued compliance with the terms and conditions set forth in any settlement agreement that might be executed by this hospital with the federal or state government.
 - iii. The CCO, or designee, shall organize and facilitate a Compliance Committee meeting to review and approve any promotional and/or marketing programs considered from South Peninsula Hospital, LTC Facility and Ambulatory Clinics and Services. The committee make-up will be determined based on the issue or request, but will include at a minimum – the CCO and/or Risk Mitigation RNRegulatory Compliance Officer, the Director of Finance and Revenue Cycle Director, and Director of Finance or Chief Financial Officer, the Director of Public Relations along with the department manager/director presenting the request.
 - iv. The CCO, or designee, shall conduct an annual review of the SPH and LTC Facility's Corporate Compliance and Ethic Program and prepare a report to the Board of Directors as directed by the CEO. This report should be prepared to allow the Board time to act if

necessary and include the results of the report in the Annual Report to the Kenai Peninsula Borough Contract Administrator pursuant to Section 10 of the Operating Agreement.

5. REPORTING

- a. Any employee who makes a “good faith” report of a potential violation of a statute or regulation shall be protected from any form of retaliation, reprisal or adverse action for making such a report. Individuals may report criminal conduct by others within the organization to his or her immediate superiors or to the institution's Corporate Compliance Officer (CCO) who can be reached ~~anonymously~~ through the Occurrence Reporting System on the Staff Information Site (“SIS”), [email to quality@sphosp.org](mailto:email_to_quality@sphosp.org) or by calling the Confidential Compliance Line (907) 235-0389 or x 1389.
- ~~a-b.~~ Suspected violations can be reported anonymously through the occurrence reporting system or Compliance Line.
- ~~b-c.~~ The CCO or designee will communicate issues to the Chief Executive Officer ~~who will communicate with the~~ and Board of Directors, (“Compliance Committee”), as appropriate.
- ~~c-d.~~ In accordance with the provisions of the Deficit Reduction Act of 2005, all employees are hereby notified of their right to take any complaints or suspicions concerning violations of Medicare or Medicaid statutes or regulations directly to the Federal Government. Reports can be made to the Office of the Inspector General of the Department of Health and Human Services.
- ~~d-e.~~ Special protections are provided under the Federal and Alaska State False Claims Acts as related to reporting fraud, which can be found outlined in *HW-257 Reporting False or Fraudulent Claims - False Claims Act*.

Reporting Methods

By phone: 1-800-HHS-TIPS (1-800-447-8477)
By TTY: 1-800-377-4950
By Fax: 1-800-223-8164
By Mail: U.S. Department of Health and Human Services
Office of Inspector General
Attn: OIG HOTLINE OPERATIONS
PO Box 23489
Washington, DC 20026

6. EDUCATION/TRAINING

- a. Educating and Involving the Board of Directors
- i. The administration of SPH will ensure that all new Board members are oriented to the Corporate Compliance and Ethics Program and other associated hospital policies. It is imperative for all Board

members to understand and execute their duties in a manner consistent with governing laws, regulations and other program requirements.

- ii. All new Board members will be provided an orientation that will include:
 - 1. an overview of corporate compliance and ethics, including a brief review of current federal requirements;
 - 2. an overview of the essential components of the organization's Corporate Compliance and Ethics Program;
 - 3. may include examples of corporate compliance and ethics problems identified in other facilities; and
 - 4. a review of the hospital's current corporate compliance and ethics efforts.
- iii. Current Board members will be provided a brief review of the hospital's compliance program.

b. Screening, Educating and Monitoring Employees

- i. All current and potential employees will be screened against the LEIE published by the Office of the Inspector General, Department of Health and Human Services. This screening is conducted to identify any individuals who have been previously convicted of Medicare/Medicaid fraud or other health care related actions. After consultation with legal counsel, appropriate corrective action will be taken against any existing employees who appear on the listing. Potential employees who are on the list will not be offered a position.
- ii. A Corporate Compliance component will be maintained in the orientation for new employees and the annual review for current employees. All employees will be required to complete the training which will include the following:
 - 1. an overview of corporate compliance;
 - 2. specific information regarding the hospital's corporate compliance program, including identification of the CCO; and
 - 3. an explanation of the importance of employee participation in the program; including detailed information regarding how employees can report suspicions they have concerning the hospital's compliance with the law or federal reimbursement guidelines.
- iii. Following the corporate compliance orientation and education programs, all employees will be required to complete a simple examination or post-test concerning corporate compliance. The examination or post-test will be signed and retained in the employee's personnel file as evidence the hospital trains its employees in corporate compliance.
- iv. The Compliance and Ethics Program requirements, resources, policies and procedures will be disseminated to all staff in a

practical manner and will be modified to reflect the level of risk a staff member, or agent, possesses or may encounter in their current role, CMS §483.85 (c)(5).

- v. Compliance with SPH and LTC rules, policies and procedures as well as applicable laws and standards is included as a component of the job descriptions of all hospital employees.
- vi. Staff are required to obtain any role-specific training/education in order to maintain licensure specific to their positions.
- vii. Specialized training is offered per department to cover topics needed for staff to safely and competently carry out their job functions.
- viii. Annual performance reviews shall be conducted for employees to provide feedback on their performance per HW-268, Employee Performance Evaluations and LTC-143, Annual Performance Evaluations.

c. Educating and Monitoring Physicians

- i. The Chief Executive Officer and the Chief of Staff, or their designee(s), will conduct an orientation for all new members of the medical staff. The Compliance and Ethics Program will be included in the orientation. The physician orientation will include a summary of the issues covered in the employee orientation.
- ii. The Utilization Management staff reviews patient care documentation for evidence of medical necessity and level of care. This systematic and periodic review ensures the documentation provides evidence that:
 - 1. patient admission/observation and ongoing treatment is necessary;
 - 2. admissions into the ICU were in accordance with the admission and discharge criteria of the hospital; and
 - 3. The LTC facility utilizes Medicare criteria for Severity of illness/intensity of service to assure LTC admissions are appropriate clinically and a lower level of care under the continuum of care if not possible at time of admission.

7. AUDITING/MONITORING/ATTESTATION

SPH and LTC have taken reasonable steps to achieve compliance with its standards, i.e., by utilizing monitoring and auditing systems reasonably designed to detect criminal conduct by its staff including those providing services under a contractual arrangement, CMS §483.85 (c)(6).

a. Auditing

- i. Coding and billing audits ~~shall be conducted at least annually~~ are periodically conducted by regulatory bodies and/or external review.
- ii. Assessments and changes shall be documented clearly.

- iii. Periodic audits of the organization's functions, particularly with respect to laws on anti-kickback and referrals, shall be documented.
- iv. ~~Claims denials as well as code and DRG changes shall be evaluated~~Claim denials as well as any changes to coding regulations are reviewed and appropriate updates are made to the system to ensure compliance.

See Section 10 for examples of audit formats which may be used by the organization.

- b. Monitoring
 - i. Provides an ongoing system of internal, coding, billing, marketing and sale practices review and is conducted on a regular basis
 - ii. Focuses on compliance to the program and performance measures
 - iii. Substantiated compliance and ethics reports may be used to modify or improve processes or programs identified as vulnerable to compliance and ethics violations, CMS §483.85 (c)(8).
- c. Attestation
 - i. Periodic and annual reports will be filed as required by CMS and other government entities.

8. INVESTIGATION/REMEDATION

- a. Through its systematic reporting, monitoring and auditing systems, SPH and LTC shall investigate and remediate identified systematic and staff/agent problems.
- b. As the Corporate Compliance Officer (CCO) is made aware of potential violations of these Standards, the CCO may contact the hospital's CEO and/or President of the Board of Directors and, when necessary, the CCO is authorized to secure the opinions of outside legal counsel, outside consultants, and other experts in compliance issues. Any investigation of a suspected violation of these standards shall be done by the CCO under the direction of this hospital's outside legal counsel.
- c. After a violation is detected, reasonable steps are taken to respond appropriately and to prevent similar violations.

9. ENFORCEMENT/DISCIPLINE

- a. Should the investigation show a violation occurred, SPH and LTC reserve the right to discipline any employee at any level of discipline based upon the severity or frequency of the violation in alignment with the policy HW-095, Employee Corrective Action.

- b. Agents will be held accountable to this Plan. Any known violations will be reported to the Chief Executive Officer (CEO).

10. RECORD CREATION/RETENTION/AUDIT GUIDELINES/TEMPLATES

a. Record Creation.

- i. A permanent written record of any communication (verbal, written or electronic) reporting a real or potential compliance issue, shall be maintained.

b. Retention.

- i. Records shall be available upon request for any state or federal official requesting review.
- ii. All documentation related to the corporate compliance issues as outlined in this program shall be retained in alignment with the HW-152 – Records Management policy.

c. Audit Guidelines/Templates

i. Reviewing Contracts

- 1. All provider contract templates are reviewed by attorneys to ensure contracts meet federal and state laws.

- a. The criteria for evaluating physician contracts may include:

- i. Is the physician compensated for administrative services?
- ii. Annual compensation?
- iii. Is the agreement in writing?
- iv. Does the agreement specify the services covered?
- v. Does the agreement cover all the services to be provided by the individual or group?
- vi. Do the services contracted for exceed those that are reasonable and necessary for legitimate business purposes?
- vii. Is the agreement for a term of at least one year?
- viii. Is the compensation set in advance?
- ix. Is the compensation consistent with fair market value?
- x. Is the compensation determined in a manner that takes into account the volume or value of any referrals where other business is generated between the parties?

- xi. Is a service to be performed involving the counseling or promotion of a business or other activity that violates state or federal law?
 - xii. Is the agreement signed by both parties?
 - xiii. Is the agreement dated?
 - xiv. Is the compensation reflected on a 1099 or W-2?
 - b. The CEO~~er~~, Chief Operating Officer, or Chief Financial Officer will provide a report to the Board of Directors upon request that:
 - i. Identifies the contracts the organization maintains with its providers
 - ii. Provides evidence that each contract has been reviewed against the board's criteria;
 - iii. Documents those contracts that met the board's criteria; and
 - iv. Indicates those contracts for which there is a question concerning the attainment of criteria and which are being submitted to the board or a subcommittee of the board for its direct review.
- 2. Contract Administrator will review all non-provider contracts to ensure conformance with current regulations. HW-178, Contracts policy.
- ii. Monitoring Materials Management
 - a. South Peninsula Hospital and its LTC facility will maintain policies that ensure:
 - i. all suppliers and vendors abide by state and federal laws and standards; and
 - ii. recourse is available to suppliers or hospital personnel who suspect goods, services, devices, drugs, or other supplies are being provided, secured, or used in an illegal manner.
- iii. Auditing Financial Systems and Billing Practices
 - a. South Peninsula Hospital and LTC facility will participate in annual audit(s) by an independent auditing firm selected by the Kenai Peninsula Borough. The audit will review the accounting systems, financial position, retirement plan, internal controls and billing procedures of the hospital, and LTC as applicable, to ensure compliance with generally accepted accounting principles.
 - b. Other audits may be conducted on an as-needed

basis.

- iv. Coding and Billing Audits conducted for SPH and LTC Facility may:
 - a. Include review of:
 - i. Proper usage of ABN's.
 - ii. Misuse of provider identification numbers (NPI #'s)
 - iii. Unbundling/Bundling of Services, including spacing out services normally completed in one visit
 - iv. Duplicate billing
 - v. Proper use of coding modifiers
 - vi. Upcoding the level of service provided
 - vii. Accuracy of procedure codes
 - viii. Inconsistent coding among staff in a group
 - ix. Waiving of Medicare co-payments
 - x. Billing for CMS identified "never events"
 - xi. Revenue code accuracy
 - xii. Assure services delivered in LTC are appropriate for resident's level of care.

11. CONCLUSION

South Peninsula Hospital and LTC Facility will regularly review its performance in terms of both financial operations and clinical performance using a variety of indicators and general accepted benchmarks where available.

RESOURCES

- ~~Conditions of Participation for Critical Access Hospitals~~
- Conditions of Participation for Critical Access Hospitals (State Operations Manual)
- Federal Sentencing Guidelines, §8B2.1 – Effective Compliance and Ethics Program
- [Legal Information Institute, Cornell Law School. July 13, 2017. Retrieved from: https://www.law.cornell.edu/cfr/text/42/483.85](https://www.law.cornell.edu/cfr/text/42/483.85)
- [Physician Self-Referral; Centers for Medicare and Medicaid Services, Dec 01, 2021. Retrieved from: https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/index?redirect=/physicianselfreferral/](https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/index?redirect=/physicianselfreferral/)
- [Exemption Requirement-501\(c\)\(3\) Organizations. IRS; Feb 17, 2022. Retrieved from https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations.](https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations)
- Centers for Medicare & Medicaid Services, Health and Human Services Final Rule, published October 4, 2016 and amended on November 11, 2017 for Long Term Care Facilities (CMS) §483.85, Compliance and Ethics Program; §483.95 (f), Training Requirements – Compliance and Ethics

- Federal Register Compliance Program Guidance for Hospitals
- Federal Register Compliance Program Guidance for Nursing Facilities
- Office of Inspector General - <https://oig.hhs.gov/compliance/compliance-guidance/index.asp>
- [Contact Us: Office of Inspector General. Retrieved from https://oig.hhs.gov/about-oig/contact-us/](https://oig.hhs.gov/about-oig/contact-us/)
- HealthStream Annual Education – Corporate Compliance
- [HW-004, Conflict of Interest](#)
- HW-095, Employee Corrective Action
- [HW-101, Corporate Compliance Policy](#)
- [HW-106, Code of Conduct](#)
- EMP-02, Corporate Compliance (BOD policy)
- HW-151, HIPAA Compliance Policy
- HW-257, Reporting False or Fraudulent Claims – False Claim Acts
- [Kenai Peninsula Borough Operating Agreement for South Peninsula Hospital](#)
- [Medical Staff Bylaws, Part I: Governance, Section 6.2.2 Duties.](#)

Approvals by Board of Directors

Original: May 2008

Revisions: October 23, 2019, October 2021, [November 2022](#)

MEMO

Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 (f)907-235-0253

To: SPH Board of Directors
Re: Board Member Elections

A vote will be held to fill the four (4) open full term board seats. Four incumbents submitted applications to be considered for reappointment. No new candidates have submitted applications. The Board will vote on who will fill these four seats.

Votes will be held via secret paper ballot. Anyone who is attending via Zoom and will not be present in the room may send their vote via text message or email to Nyla Lightcap:

nlightcap@sphosp.org or 907-299-6952

The candidates for reappointment are:

Kelly Cooper (*I*)

Beth Wythe (*I*)

Walter Partridge (*I*)

Edson Knapp, MD (*I*)

To: SPH Board of Directors
From: BOD Governance Committee
Date: December 1, 2022
Re: Board Bylaws Amendment Proposal

At the October meeting, the Governance Committee continued the discussion started at the September Board Work Session regarding cleaning up the bylaws. The committee proposed two changes to the membership section of the bylaws.

The first will change the number of board officers from an exact number to a range. Instead of eleven members, the board will consist of nine to eleven members. This will allow for some flexibility in the number of board members, and the board will no longer be out of compliance if one member resigns.

The second change will remove the section that names the Chief of the Medical Staff and Administrator as ex-officio, non-voting members of the board. This will not change their participation in board meetings, at the invitation of the board, but they will not be counted as board members, which reflects current practice.

Section 1 of ARTICLE IX – AMENDMENTS asks for two readings of the change to be made prior to a vote and required 75% of the entire membership needed to ratify the amendment.

The amendment was first read at the October 26, 2022 board meeting. This is the second reading of the proposed amendment.

The full copy of the proposed revised are attached for review as well.

ARTICLE III - MEMBERS

Section 1.

The Hospital Board shall consist of nine (9) to eleven (11) members. No more than three (3) members may reside outside of the Hospital Service Area. No more than two (2) members may be physicians.

~~Section 4.~~

~~Ex-officio, non-voting members of this Hospital Board shall be the Chief of Medical Staff and the Administrator.~~

Proposed motion: Consideration to approve an amendment to the South Peninsula Hospital Board of Directors Bylaws, Article III Members, Section 1 to change the number of board members from 11 members, to a range of 9 to 11 members, and to remove Section 4 entirely, which established the Chief of the Medical Staff and Administrator as ex-officio members of the Board

**BYLAWS
SOUTH PENINSULA HOSPITAL, INC.**

ARTICLE I - NAME AND OBJECTIVES

Section 1.

The name of this corporation shall be South Peninsula Hospital, Inc., and its mailing address shall be 4300 Bartlett Street, Homer, Alaska 99603.

Section 2.

The name of the Board shall be the South Peninsula Hospital Board of Directors, and shall be referred to in these Bylaws as the Hospital Board.

Section 3.

The objective of the Hospital Board shall be to construct, maintain, and operate a hospital and authorized services in accordance with the laws and regulations of the State of Alaska and in fulfillment of our responsibility to the taxpayers and citizens of the South Kenai Peninsula Hospital Service Area. The Hospital Board shall be responsible for the control and operation of the Hospital and authorized services including the appointment of a qualified medical staff, the conservation and use of hospital monies, and the formulation of administrative policy.

ARTICLE II - MEETINGS

Section 1. Regular Meetings.

The Hospital Board shall hold regular meetings with a minimum of ten (10) meetings a year. Meetings shall be held at South Peninsula Hospital or such other place as may be designated, or virtually through telephonic or other electronic means

Section 2. Special Meetings.

Special meetings may be called by the President, Vice-President, Secretary, or Treasurer, at the request of the Administrator, Chief of Staff, or three Board members. Members shall be notified of special meetings, the time, place, date, and purpose of said meeting. Notice will be given verbally or by email. A minimum of five days' notice shall be given to members except in the event of an emergency. Notice will be provided to borough clerk and posted on SPHI website.

Section 3. Quorum.

A quorum for the transaction of business at any regular, special, or emergency meeting shall consist of a majority of the seated members of the Hospital Board, but a majority of those present

shall have the power to adjourn the meeting to a future time. Attendance may be in person through telephonic or other electronic means.

Section 4. Minutes.

All proceedings of meetings shall be permanently recorded in writing by the Secretary and distributed to the members of the Hospital Board and ex-officio members. Copies of minutes will be posted on the SPHI website.

Section 5. Reconsideration:

A member of the board of directors who voted with the prevailing side on any issue may move to reconsider the board's action at the same meeting or at the next regularly scheduled meeting. Notice of reconsideration can be made immediately or made within forty-eight hours from the time of the original action was taken by notifying the president or secretary of the board.

Section 6. Annual Meeting.

The annual meeting of the Board of South Peninsula Hospital, Inc. shall be held in January, at a time and place determined by the Board of Directors. The purpose of the annual meeting shall include election of officers and may include appointment of Board members.

ARTICLE III - MEMBERS

Section 1.

The Hospital Board shall consist of nine (9) to eleven (11) members. No more than three (3) members may reside outside of the Hospital Service Area. No more than two (2) members may be physicians.

Section 2.

Appointments to the Hospital Board shall be made by the Hospital Board with an affirmative vote of the majority of the Board. Term of office shall be three (3) years with appointments staggered so that at least three members' terms will expire each year on December 31. Members may be reappointed by an affirmative vote of the majority of the Board. Election shall be by secret ballot. Elections may be held by any electronic means that provides the required anonymity of the ballot.

Section 3.

Vacancies created by a member no longer able to serve shall be filled by the procedure described in Section 2 for the unexpired term. Any member appointed to fill a vacant seat shall serve the remainder of the term for the seat the member has been appointed to fill.

~~Section 4.~~

~~Ex-officio, non-voting members of this Hospital Board shall be the Chief of Medical Staff and the Administrator.~~

Section ~~5~~4.

Any Hospital Board member who is absent from two (2) consecutive regular meetings without prior notice may be replaced. In the event of sickness or circumstances beyond the control of the absent member, the absence may be excused by the President of the Board or the President's designee. Any Board member who misses over 50% of the Board meetings during a year may be replaced.

Section ~~6~~5.

Censure of, or removal from the Board of any member shall require a 75% affirmative vote of the Board members.

Section ~~7~~6.

No member shall commit the Hospital Board unless specifically appointed to do so by the Hospital Board, and the appointment recorded in the minutes of the meeting at which the appointment was made.

Section ~~8~~7.

Hospital Board members will receive a stipend according to a schedule adopted by the board and outlined in Board Policy SM-12 Board Member Stipends.

ARTICLE IV - OFFICERS

Section 1.

The officers of the Hospital Board shall be a President, Vice-President, Secretary, and Treasurer.

Section 2.

At the annual meeting in the month of January each year, the officers shall be elected, all of whom shall be from among its own membership, and shall hold office for a period of one year.

Section 3.

President. The President shall preside at all meetings of the Hospital Board. The President may be an appointed member to any committee and shall be an ex-officio member of each committee.

Section 4.

Vice-President. The Vice-President shall act as President in the absence of the President, and when so acting, shall have all of the power and authority of the President.

Section 5.

In the absence of the President and the Vice-President, the members present shall elect a presiding officer.

Section 6.

Secretary. The secretary shall be responsible for the minutes of the meeting, act as custodian of all records and reports, ensure posting of the agenda and minutes on the website, ensure that notification is provided to the Kenai Peninsula Borough for any changes to board membership or officer assignments, and other duties as set forth by the Hospital Board. These duties shall be performed in conjunction with SPH Hospital Staff assigned to assist the Board.

Section 7.

Treasurer. The Treasurer shall have charge and custody of, and be responsible to the Hospital Board for all funds, properties and securities of South Peninsula Hospital, Inc. in keeping with such directives as may be enacted by the Hospital Board.

ARTICLE V - COMMITTEES

Section 1.

The President shall appoint the number and types of committees consistent with the size and scope of activities of the hospital. The committees shall provide advice or recommendations to the Board as directed by the President. The President may appoint any person including, but not limited to, members of the Board to serve as a committee member. Only members of the Board will have voting rights on any Board committee. All appointments shall be made a part of the minutes of the meeting at which they are made.

Section 2.

Committee members shall serve without remuneration. Reimbursement for out-of-pocket expenses of committee members may be made only by hospital Board approval through the Finance Committee.

Section 3.

Committee reports, to be presented by the appropriate committee, shall be made a part of the minutes of the meeting at which they are presented. Substance of committee work will be fully disclosed to the full board.

ARTICLE VI - ADMINISTRATOR

Section 1.

The Administrator shall be selected by the Hospital Board to serve under its direction and be responsible for carrying out its policies. The Administrator shall have charge of and be responsible for the administration of the hospital.

Section 2.

The Administrator shall supervise all business affairs such as the records of financial transactions, collection of accounts and purchases, issuance of supplies, and to ensure that all funds are collected and expended to the best possible advantage. All books and records of account shall be maintained within the hospital facilities and shall be current at all times.

Section 3.

The Administrator shall prepare an annual budget showing the expected receipts and expenditures of the hospital.

Section 4.

The Administrator shall prepare and submit a written monthly report of all expenses and revenues of the hospital, preferably in advance of meetings. This report shall be included in the minutes of that meeting. Other special reports shall be prepared and submitted as required by the Hospital Board.

Section 5.

The Administrator shall appoint a Medical Director of the Long Term Care Facility. The Medical Director shall be responsible for the clinical quality of care in the Long Term Care Facility and shall report directly to the Administrator.

Section 6.

The Administrator shall serve as the liaison between the Hospital Board and the Medical Staff.

Section 7.

The Administrator shall provide a Collective Bargaining Agreement to the Hospital Board for approval.

Section 8.

The Administrator shall see that all physical properties are kept in a good state of repair and operating condition.

Section 9.

The Administrator shall perform any other duty that the Hospital Board may assign.

Section 10.

The Administrator shall be held accountable to the Hospital Board in total and not to individual Hospital Board members.

ARTICLE VII - MEDICAL STAFF

The Hospital Board will appoint a Medical Staff in accordance with these Bylaws, the Medical Staff Development Plan, and the Bylaws of the Medical Staff approved by the Hospital Board. The Medical Staff will operate as an integral part of the hospital corporation and will be responsible and accountable to the Hospital Board for the discharge of those responsibilities delegated to it by the Hospital Board from time to time. The delegation of responsibilities to the Medical Staff under these Bylaws or the Medical Staff Bylaws does not limit the inherent power of the Hospital Board to act directly in the interests of the Hospital.

Section 1.

The Hospital Board has authorized the creation of a Medical Staff to be known as the Medical Staff of South Peninsula Hospital. The membership of the Medical Staff will be comprised of all practitioners who are eligible under Alaska state law and otherwise satisfy requirements established by the Hospital Board Membership in this organization shall not be limited to physicians only. Membership in this organization is a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws. The Medical Staff organization, and its members will be responsible to the Hospital Board for the quality of patient care practiced under their direction and the Medical Staff will be responsible for the ethical and clinical practice of its members.

The Chief of Staff will be responsible for regular communication with the Hospital Board.

Section 2.

The Hospital Board delegates to the Medical Staff its responsibility to develop Bylaws, Rules and Regulations for the internal governance and operation of the Medical Staff. Neither will be effective until approved by the Hospital Board.

The following purposes and procedures will be incorporated into the Bylaws and Rules and Regulations of the Medical Staff:

1. The Bylaws and Rules and Regulations of the Medical Staff will state the purposes, functions and organization of the Medical Staff and will set forth the policies by which the Professional Staff exercises and accounts for its delegated authority and responsibilities.
2. The Medical Staff Bylaws will require adherence to an identified code of behavior within the Hospital. The Bylaws will state that the ability to work harmoniously and cooperatively with others is a basic requirement for initial appointment and reappointment. Such Bylaws will state that appointment and reappointment is subject to compliance with Medical Staff Bylaws and Hospital Board Bylaws.
3. The Medical Staff Bylaws or Rules and Regulations will clearly define a regular method of quality assessment if not established by Hospital Board policy.

Section 3.

The following tenets will be applicable to Medical Staff membership and clinical privileges:

1. The Hospital Board delegates to the Medical Staff the responsibility and authority to investigate and evaluate matters relating to Medical Staff membership, clinical privileges, behavior and disciplinary action, and will require that the Medical Staff adopt, and forward to the Hospital Board, specific written recommendations with appropriate supporting documentation that will allow the Hospital Board to take informed action when necessary.
2. Final actions on all matters relating to Medical Staff membership, clinical privileges, behavior and disciplinary action will generally be taken by the Hospital Board following consideration of Medical Staff recommendations. However, the Hospital Board has the right to directly review and act upon any action or failure to act by the Medical Staff if, in the opinion of the Hospital Board, the Medical Staff does not or is unable to carry out its duties and responsibilities as provided in the Medical Staff Bylaws.
3. In acting on matters involving granting and defining Medical Staff membership and in defining and granting clinical privileges, the Hospital Board, through the Medical Staff's recommendations, the supporting information on which such recommendations are based, and such criteria as are set forth in the Medical Staff Bylaws. No aspect of membership nor specific clinical privileges will be limited or denied to a practitioner on the basis of sex, race, age, color, disability, national origin, religion, or status as a veteran.
4. The terms and conditions of membership on the Medical Staff and exercise of clinical privileges will be specifically described in the notice of individual appointment or reappointment.
5. Subject to its authority to act directly, the Hospital Board will require that any adverse recommendations or requests for disciplinary action concerning a practitioner's Medical

Staff appointment, reappointment, clinical unit affiliation, Medical Staff category, admitting prerogatives or clinical privileges, will follow the requirements set forth in the Medical Staff Bylaws.

6. From time to time, the Hospital Board will establish professional liability insurance requirements that must be maintained by members of the Medical Staff as a condition of membership. Such requirements will be specific as to amount and kind of insurance and must be provided by a rated insurance company acceptable to the Hospital Board.

ARTICLE VIII - AUTHORIZATION OF INDEBTEDNESS

Section 1. Indebtedness.

It shall require seventy five percent (75%) of the entire Hospital Board to commit funds beyond current income, cash available, and appropriations of the current budget.

ARTICLE IX - AMENDMENTS

Section 1.

The Bylaws may be altered, amended, or repealed by the members at any regular or special meeting provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal and that said proposed alteration, amendment, or repeal shall be read at two meetings prior to a vote.

Section 2.

An affirmative vote of seventy-five percent (75%) of the entire membership shall be required to ratify amendments, alterations or repeals to these Bylaws.

Section 3.

These Bylaws shall be reviewed at the annual meeting.

ARTICLE X - ORDER OF BUSINESS

Section 1.

The order and conduct of business at all meetings of the Hospital Board shall be governed by Roberts Rules of Order Revised, except when provided otherwise in these Bylaws.

ARTICLE XI - INDEMNIFICATION

Section 1.

The corporation shall indemnify every person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2.

The corporation shall indemnify every person who has or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 3.

To the extent that a board member, director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2 hereof, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4.

Any indemnification under subsections 1 and 2 hereof (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the board member, director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections 1 and 2 hereof. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, or (b) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 5.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be applied by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in subsection 4 upon receipt of any undertaking by or on behalf of the board member, director, officer, employee or agent, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

Section 6.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any resolution adopted by the members after notice, both as to action in his official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be a board member, director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

- Adopted by the South Peninsula Hospital Board of Directors ~~January 26, 2022~~.
- Kelly Cooper, President
- ~~Melissa Jacobsen~~Julie Woodworth, Secretary

Introduced by:	Administration
Date:	December 7, 2022
Action:	
Vote:	Yes - X, No - X, Excused - 0

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2022-16**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE COMBINATION OF THE NUCLEAR MEDICINE AND THE
PHARMACY RENOVATION PROJECTS AND EXPANDING THE SCOPE TO
INCLUDE INFUSION**

WHEREAS, South Peninsula Hospital (the Hospital) through previous capital project appropriations and the ongoing master planning process has identified the nuclear medicine service line, the pharmacy renovation, and the infusion clinic as areas of service that are in immediate need for improvement.; and

WHEREAS, in response to the immediate need, the combining of these areas of work is either necessary and/or more effective in the execution of the projects; and

WHEREAS, approval of the requested funding will allow for the design and development of bid ready plans for the project, assistance with the certificate of need process through the Department of Health and Social Services, third party cost estimating, and other project related preliminary expenditures; and

WHEREAS, it is requested that the Kenai Peninsula Borough Assembly be authorized to sole source an award to Architects of Alaska, Inc. for the design services; and

WHEREAS, the estimated total cost of the design portion of the project is \$659,783, and

WHEREAS, South Peninsula Hospital Plant Replacement and Expansion funds of \$567,530 which have already been budgeted for Nuclear Medicine design and renovation must be de-obligated from the previously appropriated FY21 Nuclear Medicine Project; and

WHEREAS, South Peninsula Hospital Capital Project funds of \$400,000 which have already been budgeted for Nuclear Medicine design and renovations and must be de-obligated from the previously appropriated FY23 Nuclear Medicine Project; and

WHEREAS, South Peninsula Hospital Capital Project funds of \$555,000 which have already been budgeted for the Pharmacy Remodel must be de-obligated from the previously appropriated FY22 Pharmacy Remodel Project; and

WHEREAS, funding for the combined and expanded Nuclear Medicine/Pharmacy/Infusion Renovation Project will come from South Peninsula Hospital Capital Project funds previously appropriated and de-obligated from the Nuclear Medicine and Pharmacy projects; and

WHEREAS, the South Peninsula Hospital Board of Directors approves of the use of \$659,783 from the combined Nuclear Medicine/Pharmacy/Infusion Renovation Project to award the design portion of this project to Architects Alaska.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:

1. That the South Peninsula Hospital Board of Directors approves the de-obligation and re-combination of the FY21 Nuclear Medicine Renovation Project (\$567,530), the FY23 Nuclear Medicine Renovation Project (\$400,000), and the FY22 Pharmacy Remodel Project (\$555,000) into the expanded Nuclear Medicine/Pharmacy/Infusion Renovation Project.
2. That the South Peninsula Hospital Board of Directors approves the award of \$659,783 of the Nuclear Medicine/Pharmacy/Infusion Renovation Project to Architects Alaska to create a design for this project.
3. That South Peninsula Hospital Board of Directors shall submit a request to the South Kenai Peninsula Borough Hospital Service Area Board with a recommendation to approve the de-obligation of South Peninsula Hospital Plant Replacement and Expansion funds in the amount of \$567,530 from the previously appropriated Nuclear Medicine Renovation Project 491.81210.21SHA.49999.
4. That South Peninsula Hospital Board of Directors shall submit a request to the South Kenai Peninsula Borough Hospital Service Area Board with a recommendation to approve the de-obligation of South Peninsula Hospital Capital Project funds in the amount of \$400,000 from previously appropriated Nuclear Medicine Renovation Project 491.81210.23SHB.49999.
5. That South Peninsula Hospital Board of Directors shall submit a request to the South Kenai Peninsula Borough Hospital Service Area Board with a recommendation to approve the de-obligation of South Peninsula Hospital Capital Project funds in the amount of \$555,000 from previously appropriated Pharmacy Remodel Project 491.81210.22SHA.49999.
6. That South Peninsula Hospital Board of Directors shall submit a request to the South Kenai Peninsula Borough Hospital Service Area Board with a recommendation to approve South Peninsula Hospital Capital Project funds in the amount of \$659,783 be appropriated from Sections 2 and 3 de-obligated project funds to account 491.81210.23SPH.49999 for the SPH Preliminary Design and Development for Nuclear Medicine, Pharmacy and Infusion Renovation Project.
7. That the South Peninsula Hospital Board of Directors shall request that the Borough Assembly de-obligate each of the following projects: FY21 Nuclear Medicine Renovation Project (\$567,530), the FY23 Nuclear Medicine Renovation Project (\$400,000), and the FY22 Pharmacy Remodel Project (\$555,000) and combine them into one expanded Nuclear Medicine/Pharmacy/Infusion Renovation Project.
8. That the South Peninsula Hospital Board of Directors shall request that the Borough Assembly approve the award of \$659,783 of the Nuclear Medicine/Pharmacy/Infusion Renovation Project to Architects Alaska to create a design for this project.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 7th DAY OF DECEMBER, 2022.

ATTEST:

Kelly Cooper, Board President

Julie Woodworth, Board Secretary

South Peninsula Hospital 403(b) Plan for Union Employees

Financial Statements and Supplemental Schedule

As of December 31, 2021 and 2020 and
for the Year Ended December 31, 2021

South Peninsula Hospital 403(b) Plan for Union Employees

Financial Statements and Supplemental Schedule
As of December 31, 2021 and 2020 and for
the Year Ended December 31, 2021

South Peninsula Hospital 403(b) Plan for Union Employees

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** All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because the schedules are not applicable and/or required.*



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

To the Plan Administrator
South Peninsula Hospital 403(b) Plan for Union Employees
Homer, Alaska

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of South Peninsula Hospital 403(b) Plan for Union Employees (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from qualified institutions as of December 31, 2021 and 2020, and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by qualified institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Matter – Supplemental Schedule Required by ERISA

The supplemental *Schedule H, Line 4i - Schedule of Assets (Held at End of Year)* as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by qualified institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

BDO USA, LLP

Anchorage, Alaska
August 19, 2022

Financial Statements

South Peninsula Hospital 403(b) Plan for Union Employees

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2021	2020
Assets		
Investments, at fair value	\$ 4,926,732	\$ 3,628,858
Receivables:		
Employer contributions	431,606	421,824
Notes receivable from participants	16,272	-
Total receivables	447,878	421,824
Total Assets	5,374,610	4,050,682
Liabilities		
Operating payables	-	5,306
Net Assets Available for Benefits	\$ 5,374,610	\$ 4,045,376

See accompanying notes to the financial statements.

South Peninsula Hospital 403(b) Plan for Union Employees

Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2021

Additions

Investment income:

Net appreciation in fair value of investments	\$ 374,493
Interest and dividends	112,068

Total investment Income	486,561
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Interest income on notes receivable from participants	441
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Contributions:

Participants	431,680
Employer	570,444
Rollover	80,346

Total contributions	1,082,470
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Total Additions	1,569,472
-----------------	-----------

Deductions:

Benefits paid to participants	226,510
Administrative expenses	13,728

Total Deductions	240,238
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Net increase	1,329,234
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Net Assets Available for Benefits, beginning of year	4,045,376
--	-----------

Net Assets Available for Benefits, end of year	\$ 5,374,610
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See accompanying notes to the financial statements.

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

1. Description of the Plan

The following description of South Peninsula Hospital 403(b) Plan for Union Employees (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan formed on March 1, 2015 covering employees of South Peninsula Hospital, Inc. (the Employer or Company), except for the excluded groups described below. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the applicable requirements of the Internal Revenue Code (IRC). The Plan was restated effective January 1, 2021.

All employees are eligible to participate in the Plan, except for employees who participate in a 457 plan sponsored by the Employer, employees who participate in another 403(b) plan sponsored by the Employer, and employees covered by collective bargaining agreements with unions who are covered by another plan sponsored by the Employer. Employees are immediately eligible to make employee deferrals to the Plan and to receive Employer matching contributions. To be eligible to participate in the Employer's nonelective contribution portion of the Plan, employees must attain age of 19 and complete a minimum of 6 months of service and 1,000 hours of service each year.

Plan Administration

The custodian and recordkeeper was Capital Bank and Trust Company through April 30, 2021 at which time Newport Trust Company became the custodian and recordkeeper of the Plan. The Board Pension Committee is responsible for the oversight of the Plan, determining the appropriateness of the Plan's investments, and monitoring investment performance.

Contributions

Participants may contribute on a pre-tax or after-tax basis, or a combination of the two. Participants may contribute up to the maximum amount as allowed by annual Internal Revenue Code limitations. Participants who attain age 50 before the end of Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Employer contributes a match of 100% of participant deferrals, up to 2% of eligible compensation, as defined in the Plan. In addition, the Employer makes nonelective contributions to eligible employees equal to 4% of eligible compensation. During the year ended December 31, 2021, the employer matching contributions were \$132,145 and the employer nonelective contributions were \$543,299.

Participant Accounts

Each participant's account is credited with participant's contribution, Employer contributions and an allocation of net plan investment earnings and losses. Allocations are based on each participant's earnings and participant's account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Employer matching and nonelective contributions are subject to vesting requirements based on years of continuous service. A participant is 100% vested after five years of credited service. Benefits of active employees are also fully vested upon attainment of normal retirement age, death or total disability.

Notes Receivable from Participants

During 2021, the Plan retroactively adopted a provision allowing loans to the Plan with an effective date of January 1, 2020. Participants may borrow from their account balances a minimum of \$1,000, up to a maximum equal to the lesser of (i) \$50,000 or (ii) 50% of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance of the participant's account. The Plan administrator determines a reasonable rate of interest by reviewing the interest rates charged for similar types of loans by other lenders. The interest rate is fixed for the duration of the loan. Principal and interest are paid through payroll deductions.

Payment of Benefits

In the event of death, disability, or severance from employment, a participant can elect to receive a distribution from the Plan, equal to the value of the participant's vested interest in his or her account in either a lump-sum amount, an installment payment over a specified period of time, or an annuity. In the event the participant's vested account balance is less than \$1,000 and the participant makes no election, the distribution is made regardless of participant consent in the form of a single lump-sum payment.

Forfeited Accounts

Forfeitures occur when participants terminate employment before becoming 100% vested in their Employer contributions. At December 31, 2021 and 2020, forfeited nonvested accounts totaled \$84,168 and \$22,510, respectively. These accounts are used to reduce Employer contributions or pay for Plan expenses. During the year ended December 31, 2021, \$2,981 and \$122,446 were used to pay Plan expenses and reduce Employer contributions, respectively, of which \$105,000 were used to reduce the 2021 employer contribution receivable.

2. Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the plan document. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2021 and 2020.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company, except for certain expenses that are charged to participant accounts, including loan, withdrawal fees, plan administrative fees, and investment management fees. Certain investment expenses which are charged within investments are presented net of the appreciation (depreciation) in fair value of investments. All other expenses of the Plan for the year ended December 31, 2021 were paid by the Company and are excluded from these financial statements.

3. Information Certified by Capital Bank and Trust Company and Newport Trust Company

The Plan Administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Capital Bank and Trust Company served as the custodian for the Plan as of December 31, 2020 and for the period January 1, 2021 through April 30, 2021. Beginning May 3, 2021 Newport Trust Company began serving as the Plan's custodian.

Accordingly, Capital Bank and Trust Company and Newport Trust Company, qualified institutions, have certified that the following investment information included in the accompanying financial statements and ERISA-required supplemental schedule is complete and accurate:

- (a) Total investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2021 and 2020;

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

- (b) Total investment income and interest income on notes receivable from participants as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2021; and
- (c) Investment information included in the Schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2021, as shown in the ERISA-required supplemental schedule.

At the request of the Plan administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements and ERISA-required supplemental schedule.

4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual Funds: Investments in mutual funds are carried at the net asset value (NAV) at which mutual fund shares are actively traded. These mutual funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed actively traded.

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

Money market fund: Consists of investments in an institutions money market fund that permits daily redemption, the fair value of which is based upon the quoted price in active markets provided by the financial institution managing this fund.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020.

*Investments at Fair Value as of
December 31, 2021*

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 4,837,889	\$ -	\$ -	\$ 4,837,889
Money Market Fund	88,843	-	-	88,843
Total Investments at Fair Value	\$ 4,926,732	\$ -	\$ -	\$ 4,926,732

*Investments at Fair Value as of
December 31, 2020*

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,628,858	\$ -	\$ -	\$ 3,628,858

5. Tax Status

The Plan has adopted a volume submitter 403(b) plan sponsored by Newport Group, Inc. which received a favorable opinion letter from the Internal Revenue Service (IRS) dated March 31, 2017 which states that the Plan as designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been restated since receiving the opinion letter, the Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC and, therefore, believes the Plan is qualified and tax exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

6. Plan Termination

Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination any benefits not fully vested will become 100% vested. Participant benefits will be distributed according to the Plan's provisions in the order provided by ERISA.

South Peninsula Hospital 403(b) Plan for Union Employees

Notes to Financial Statements

7. Related-Party Transactions and Party-in-Interest Transactions

The Plan held shares of mutual funds managed by American Funds Service Company (American Funds) while Capital Bank Trust Company was a custodian. These investment transactions with American Funds qualify as party in interest transactions as defined by ERISA. Such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA. Notes receivable from participants also qualify as exempt party-in-interest transactions.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Subsequent Events

The Plan has evaluated subsequent events August 19, 2022, the date the financial statements were available to be issued.

Supplemental Schedule

South Peninsula Hospital 403(b) Plan for Union Employees
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

Employer Identification Number (EIN): 92-0037099

Plan Number (PN): 004

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost **	(e) Current Value
Mutual Funds:				
	Vanguard	Instl Trgt Retirement 2025 Inst	\$	1,461,427
	Vanguard	Instl Trgt Retirement 2050 Inst		518,501
	Vanguard	Instl Trgt Retirement 2055 Inst		517,467
	Vanguard	Instl Trgt Retirement 2040 Inst		512,698
	Vanguard	Instl Trgt Retirement 2045 Inst		489,331
	Vanguard	Instl Trgt Retirement 2030 Inst		481,119
	Vanguard	Instl Trgt Retirement 2035 Inst		250,966
	Vanguard	Instl Trgt Retirement 2060 Inst		186,792
	Vanguard	Instl Trgt Retirement 2020 Inst		138,647
	Fidelity	500 Index		96,932
	Fidelity	Extended Market Index		83,966
	Vanguard	Target Retirement 2065 Inst		19,756
	American Funds	Capital World Bond R6		16,728
	Vanguard	Instl Trgt Retirement 2015 Inst		16,509
	American Funds	Smallcap World R6		8,770
	American Funds	American Balanced R6		8,590
	MFS	Growth R6		6,724
	American Funds	Capital World G/I R6		5,630
	Vanguard	Equity-Income Inv		5,490
	JP Morga	Mid Cap Value Fund Class R6		5,438
	Carillon Eagle	Mid Cap Growth - R6		2,642
	Vanguard	Strategic Equity Inv		1,614
	American Funds	Europacific Gr R6		1,076
	Fidelity	Inflation Protected Bond Index		1,076
Total Mutual Funds				4,837,889
Money Market Fund:				
	Vanguard	Federal Money Market Inv		88,843
*	Participant Loans	Interest rate of 5.25%, maturing in 1-5 years	-	16,272
Investments per Financial Statements and Form 5500				\$ 4,943,004

*Indicates party in interest to the Plan as defined by Section 3(14) of ERISA.

**The cost of participant directed investments is not required to be disclosed.

MEMORANDUM

November 10, 2022

SPH Board of Directors
From: Ryan Smith, CEO
Re: 2023 Non-Union Wage Increase and Retention bonus

SUMMARY

South Peninsula Hospital, Inc. strives to be the employer of choice on the Southern Kenai Peninsula and provide a desirable wage and benefits package to its staff. This memorandum is evidence of our intent to provide an annual increase to Non-Union Staff Wages as of the first pay date in 2023.

DETAIL

South Peninsula Hospital (SPH) staff are comprised of both Union and Non-Union employees. Union employee wages and benefits are governed by a Collective Bargaining Agreement between SPH and Teamsters Local 959. Per the bargaining agreement, all Union staff will received a wage increase as of January 1, 2023. Union staff members are also given an annual retention bonus in December of each year.

It is the intention of management to apply a wage increase of 3% for non-union staff members. It is also the intention of management to pay non-union staff an annual retention bonus in the amounts of \$1,000 for managers and providers, \$750 to Supervisors, and \$500 to staff multiplied by their compensated hours as a percentage of 2080 hours over the 26 pay periods prior to payment. Compensated hours may not exceed 2,080 hours total (1.0). These incentives are meant to ensure parity among healthcare staff within the organization as well as to remain competitive with other facilities in the State of Alaska.

The aforementioned wage increase will go into effect for the first pay date of 2023, January 6th for which the pay period begins on December 18, 2022. The retention bonus will be paid during the first or second pay date of December 2022, based on payroll's ability to complete the special payout.

South Peninsula Hospital, Inc.
Board of Directors
Conflict of Interest Questionnaire

Name: _____ Title: _____

Please circle one answer for each of the following questions:

- | | | |
|--|-----|----|
| 1. Are you a voting member of the SPHI Board? | Yes | No |
| 2. Were you employed by SPH during the year ended _____? | Yes | No |
| 3. If you answered yes to question 2, did that compensation exceed \$10,000 during the organization's tax year? | Yes | No |
| 4. Did you receive any expense reimbursements from SPHI during the year ended _____? | Yes | No |
| 5. If you answered "yes" to question 4, did total expense reimbursements exceed \$10,000 for the year ended _____? | Yes | No |
| 6. Were you an officer or employee of any <i>related organization</i> ¹ during the year ended _____? | Yes | No |
| 7. If you answered "yes" to question 6, please list the related organization(s) here:

_____ | | |
| 8. Were you or a <i>family member</i> ² involved in any <i>direct or indirect transactions</i> ³ with SPHI during the organization's tax year? | Yes | No |
| 9. If you answered "yes" to question 8, please describe the transactions below:

_____ | | |
| 10. Are you aware of any conflicts of interest or the appearance of any conflicts of interest? | Yes | No |
| 11. If you answered "yes" to question 10, please describe the conflict below:

_____ | | |

¹ *Related organizations* are organizations that stand in a parent/subsidiary relationship, brother/sister relationship, or supporting/supported organization relationship.

² *Family members* include spouse; brother or sister (by whole or half-blood); spouses of brothers or sisters (by whole or half-blood); ancestors, children (including legally adopted); grandchildren, great grandchildren, and spouses of children, grandchildren and great grandchildren.

³ *Direct or indirect transactions* which are reportable on Form 990, Schedule L includes loans, *excess benefit transactions*⁴, grants assistance or business transactions

⁴ *Excess benefit transactions* are those in which remuneration to an individual or business exceeds the value of the services provided.

Signature _____ Date _____

Conflict of Interest Definitions

1. OUTSIDE INTERESTS

- To hold directly or indirectly, a position or a material financial interest in any outside concern from which the individual has reason to believe the hospital secures goods or services (including the services of buying or selling stocks, bonds, or other securities) or that provides services competitive with the hospital.
- To compete, directly or indirectly, with the hospital in the purchase or sale of property or property rights, interests or services.

2. INVESTMENTS

- With respect to yourself or your immediate family, all investments, other than publicly traded securities, that might be within the category of “a material financial interest”.

3. OUTSIDE ACTIVITIES

- To render directive, managerial, or consultative services to any outside concern that does business with, or competes with, the services of the hospital or to render other services in competition with the hospital.

4. GIFTS, GRATUITIES AND ENTERTAINMENT

- To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the hospital – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his/her duties. This does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship and not related to any particular transaction or activity of the hospital.

5. INSIDE INFORMATION

- Using or disclosing information relating to the hospital’s business for personal profit or advantage of the individual or his immediate family. Full disclosure of any situation in doubt should be made so as to permit an impartial and objective determination. It should be particularly noted that disclosure relates not only to yourself but also to your immediate family.

Candidate Questionnaire

To help us select the best possible candidates for membership on the Board, we ask that you provide some demographic information, then review the information below and answer a few questions. The information you provide will be used by members of the Governance Committee to guide their interview with you and help them present information to the Board in support of your nomination. Once the Governance Committee has had an opportunity to review your application, you will be contacted to schedule an interview. A copy of the Board member responsibilities is attached.

Name: _____
Last First Middle Initial Suffix

Nickname: _____

Business or Employer Name: _____

Occupation: _____

Home Address: _____

Business Address: _____

Home: _____ Work: _____ Cell: _____

FAX: _____ E-Mail: _____

How long have you lived in the area?: _____

An “independent” board member is one who does not receive more than \$10,000 per year from South Peninsula Hospital in compensation or other payments AND does not have a family member who receives more than \$10,000 per year from South Peninsula Hospital. Family members include spouse; brother or sister (by whole or half-blood); spouses of brothers or sisters (by whole or half-blood); ancestors, children (including legally adopted); grandchildren, great grandchildren, and spouses of children, grandchildren and great grandchildren. If you are elected as a board member of South Peninsula Hospital, do you qualify as an independent board member? YES: ☐ NO: ☐

*Note: answering “No” to this question does not disqualify you from serving on the board

Through our strategic planning process, the Board has identified its Stakeholders, Mission, Vision, Values, and Goals.

Key Stakeholders:

Service Area Residents

Medical Staff

Service Area Board

Kenai Peninsula Borough Administration and Assembly

City of Homer

Employees

Mission

South Peninsula Hospital promotes community health and wellness by providing personalized, high quality, locally coordinated health care.

Vision

South Peninsula Hospital is the healthcare provider of choice with a dynamic and dedicated team committed to service excellence.

Core Values

Compassion – We provide compassionate patient- and resident-centered quality care, and a safe and caring environment for all individuals.

Teamwork – We work together as a dynamic, collaborative team embracing change and speaking as one.

Commitment – We are responsible and accountable for supporting the vision, mission, values, strategies and processes of our organization.

Respect – We show respect for the dignity, beliefs, perspectives and abilities of everyone.

Trust – We are open, honest, fair and trustworthy.

Key Goals

- Maintain and enhance the reputation of SPH by focusing on services and clinical excellence
- Continuously improve organizational performance throughout the hospital
- Maintain, improve and develop new strategic Physician/Hospital partnerships
- Provide services that increase utilization of SPH as a first choice medical facility and service point in the Service Area
- Assure positive financial performance, cost justified rates and appropriate reimbursement strategies
- Assure appropriate management of Human Resources
- Provide for cost effective technology, information management and equipment usage
- Provide a facility and campus with resources and space to best support organizational goals

Are you a current board member seeking to renew for a new term? ☐ YES ☐ NO

If yes, please answer the following and submit ONLY pages 1 & 2 of this questionnaire.

If no, please skip the two questions below and complete pages 3-5.

1. Are there any changes in either your capacity for or commitment to board service at SPH?

2. What committees have you participated with as a board member at SPH?

10. Continuing education is an important part of participation on the Board.
Normally the hospital holds an annual retreat which focuses on Board development and education. The retreat usually is held over a weekend in the fall or winter. Do you see any problems with making the commitment to participate in the Board retreat?

11. Please describe the strengths or special skills that you believe you could contribute to the success of the Board.

12. Please describe those areas that might be considered weaknesses or areas that you would like to improve to help you be a more effective member of the Board.

13. As a requirement of the Centers for Medicare and Medicaid services, all Board members must submit their name, date of birth, social security number and certify that they have not been involved in any fraud regarding these services. Will you be willing to submit this information?

Avoiding conflicts of interest or the appearance of a conflict of interest is critical to maintaining the community's confidence in the Board of Directors. A copy of the Board Policy on conflict of interest and a conflict of interest questionnaire is attached. Please review the policy and complete the questionnaire. Return the questionnaire along with the information requested above.

South Peninsula Hospital
Patient Centered Care Quality Committee
October 19, 2022

DATE OF MEETING: October 19, 2022

MEMBERS PRESENT:

x	Shover, Susan (<i>Quality Management Director, CMTE Co-Chair</i>)	x	Wilson, Bernadette (<i>Board of Directors, CMTE Co-Chair</i>)
x	Wythe, Beth (<i>Board of Directors</i>)		(<i>Board of Directors Alternate</i>)

x	Ansell, Tracy (<i>QM Admin Asst. / Scribe.</i>)	x	Herrmann, Justin (<i>Mgr. EVS</i>)	x	Rider, Joyce (<i>AC Quality RN</i>)
x	Banks, Bonita (<i>Risk Mitigation RN</i>)	x	Kincaid, Rachael (<i>CNO</i>)	x	Smith, Harrison (<i>Facilities Manager</i>)
	Bartilson, James (<i>Dir. of Info. Services</i>)	E	Kinnard, Penny (<i>Mgr. HIM</i>)		Stuart, Ivy (<i>Dir. Home Health</i>)
x	Burdick, Joelle (<i>OB Director</i>)	E	Konik, Andrea (<i>Med Staff Coordinator</i>)		Stearns, Linda (<i>RN Coordinator</i>)
x	Caldwell, Craig (<i>ER Director</i>)	x	Lautenschlager, Brent (<i>Dir. Imaging</i>)	x	Tuomi, Christina (<i>CMO</i>)
	Dahmann, Dee (<i>Spec. Serv. Cl. Manager</i>)		Lewald, Anna (<i>I.P. Nurse</i>)	x	Tupper, Mike (<i>Quality Support Spec.</i>)
E	Deaver, Nancy (<i>Pt. Access Super.</i>)	x	Martin, Katie (<i>Asst. LTC Director</i>)		
x	Gall, Amber (<i>Dir Of Surgical Serv.</i>)	x	Miller, Laura (<i>Dir. Lab</i>)		
	Gallios, Kelly (<i>HMC Manager</i>)	x	Nollar, Jane (<i>AC Director</i>)		x = Present
	Greear, Vince (<i>Mgr. Pharmacy</i>)	x	Northrop, Karen (<i>Mgr. Rehab Services.</i>)		
	Harville, Joshua (<i>Safety & Security Mgr.</i>)	x	Ostman, Rhoda (<i>Nutritional Serv. Mgr.</i>)		

OTHERS (NONMEMBERS) PRESENT: Respiratory Therapy Supervisor Stephen Goetz

SUBMITTED BY:

Susan Shover and/or Bernadette Wilson, Co-chairs

	Discussion	Action	Follow Up
I. Call to Order	Quality Director Susan Shover called the meeting to order at 12:33 pm.		CLOSED

	Discussion	Action	Follow Up
II. Approval of Minutes/	Board Member Beth Wythe motioned to approve the July 2022 minutes and Quality Specialist Mike Tupper seconded the motion.	APPROVED	CLOSED
III. Agenda	Quality Director Susan Shover requested to make a small change to the October agenda, fixing the quarter to Q3 2022. Beth Wythe motioned to accept the correction Bonita Banks second.		
IV. Living Our Values Commitment	There were no “Living Our Values” comments. Quality Management Director Susan Shover introduced board member Beth Wythe and welcomed her to the committee.		CLOSED
V. New Business	<p>A. Quality Week Susan Shover informed the committee about Quality Week. The Quality team has been working hard, preparing for a fun week with prizes for staff who complete a word search and/or a quality quiz and submit for a daily drawing. There has been positive responses from the staff all over the organization.</p> <p>B. Go-Live-RLDatix Mike Tupper announced the new RLDatix system will be replacing the current occurrence reporting system, starting tomorrow. Most of the managers have had training for the new system. Mike will be available to train onsite as requested. Staff will still go to the SIS link, as usual to access the new occurrence report system. Quality is planning to round and assist people and assure everyone is comfortable with the new platform. We are counting on Managers with 24/7 departments to help make sure the night shifts know what to expect and how to use the new system. An all staff email will go out to everyone, to help spread the word. Tests occurrences, put through the system, are welcome, to help staff be more comfortable with the change.</p> <p>C. Level 4 Trauma Re-verification ED Director Craig Caldwell reported on the Trauma Level IV Re-verification inspection. The re-verification team found areas of needed improvement. Documentation and process improvement these next 6-8 months will be the focus prior to a revisit. The certification of Trauma Level IV is voluntary and not a requirement for our facility but SPH is striving to achieve for providing a higher level of patient care.</p>		<p>CLOSED</p> <p>OPEN</p> <p>OPEN</p>

	Discussion	Action	Follow Up
VI. Balanced Scorecard	<p>A. Input of 2023 Balanced Scorecard indicators The SPH balance scorecard indicators was explained. SPH utilizes different indicators to measure the quality of care for the organization. A new scorecard will be presented in January 2023. The committee is encouraged to share ideas for new indicators that could benefit the quality of care.</p> <p>It was explained how SPH is working toward concurrent review and working toward reporting in that manner on the BSC. CNO Rachael Kincaid and her team continue to work on a method of viewing real time data specifically for sepsis care. In addition, a new hospitalist program is currently underway. As part of Press Ganey indicators, they will be able to monitor the physician component of the ratings.</p> <p>B. Overall Indicators – 2nd Quarter 2022</p> <p>i. MIPS (Merit-Based Incentive Payment System) An update from Health Information Analyst Molly Kerce on what to expect with the new changes in the MIPS program was received and explained by Mike Tupper. The new indicators are more complicated with the current EMR. Molly is actively working with the HMC managers and providers on the EMR challenges, to meet the agency state requirements of the program. Most of the measures are family care related with documentation being a huge component.</p>		<p>OPEN</p> <p>ONGOING</p>
	<p>C. Quality of Care</p> <p>i. Sepsis - The Quality Department continues to complete chart abstractions and transmit sepsis core measures to CMS. The Sepsis graph was shown to the committee, An explanation was provided that the information is a lookback of Q1-2022 data. Rachael Kincaid has been actively reviewing sepsis cases concurrently to provide immediate feedback. The Sepsis Steering Committee meets every two weeks and continues to look at cases for opportunities of process improvement.</p>		ONGOING

	Discussion	Action	Follow Up
	<p>D. Patient Safety Mike Tupper briefly touched upon each of the patient safety topics below.</p> <ul style="list-style-type: none"> i. AC Falls – Acute Care Director Jane Nollar updated the committee on Acute Care falls data. The fall rate in quarter three was greatly reduced from the previous quarter, putting AC within the national average for hospitalized patients. AC continues to work toward better methods of fall prevention. ii. LTC Falls – Long Term Care Director Katie Martin reported the LTC Dashboard goal for falls has been updated to match CMS standards of “Falls with Major Injury”. 		ONGOING
	<p>E. Patient Satisfaction reported through Press-Ganey Mike Tupper spoke about the outpatient Press Ganey ranking while sharing the Balanced Scorecard on the screen.</p> <ul style="list-style-type: none"> i. Medical Practice – <i>(See above Balance Scorecard indicators - MIPS report)</i> ii. Ambulatory Surgery – Surgical Services Director Amber Gall reported the OR continues to work on better Press Ganey scores. The focus has been on increasing the “n” value by taking time, talking with their patients, to help them see why their input is so important. Improvements are noticed in the scores but the percentile rate still needs work. Amber continues to share Press Ganey comments and scores with her staff. iii. Outpatient Outpatient category encompasses many different departments but central registration is currently the biggest focus. Issues with outpatient services transmission of orders, continues to be a topic in need of improvement. 		ONGOING

	Discussion	Action	Follow Up
	<p>F. Consumer Assessment of Healthcare Providers and Services</p> <p>i. Both CAHPS surveys over goal! Mike Tupper reviewed the HCAHPS and HHCAHPS score. Both scores look good for the most part. Home Health scores were low due to the low numbers of patient's participation. The reporting for HH continues to be a rolling 12 months due to the low numbers of respondents/patients compared to other organizations.</p>		
	<p>G. Information Systems</p> <p>i. Security Awareness Training The IT Security Awareness scores were reviewed. SPH continues to pay attention to the internet security rate to keep up with regulatory compliance.</p>		ONGOING
VII. Departmental Reporting	A. Seaworthy Functional Medicine	TABLED	ANNUAL REPORTING
	<p>B. Imaging Imaging Director Brent Lautenschlager shared what Imaging has been working on. The response to patients with stroke symptoms is currently sitting at 100% compliance, completing CT scans timely. The Imaging department has also been tracking recall rates for mammograms and reviewing whether they are requesting more than needed. Overall, they measure close to standard.</p>		ANNUAL REPORTING
	<p>C. Laboratory Lab Director Laura Miller reported on the Laboratory Quality Dashboard, explaining the different items the Lab tracks and monitors. Outside the dashboard, the Lab has been paying close attention to the Press Caney comments.</p> <p>The Lab recently had an unplanned survey due to a complaint about their blood bank process. A citation was given for the patient identification method used. They came</p>		ANNUAL REPORTING

	Discussion	Action	Follow Up
	up with a new process using best practice by having a second person checking to make sure the patient is identified at the bedside. The state approved their plan.		
	D. Patient Financial Services	TABLED	ANNUAL REPORTING
	E. Respiratory Therapy Respiratory Therapy (RT) Supervisor Stephen Goetz reported the RT department has received a new pulmonary machine. He has been working on process improvements for the department along with training.		ANNUAL REPORTING
	F. Surgery Director of Surgical Services Amber Gall reported she has spent some time with Quality Specialist Mike Tupper, to help set up more provider specific data. The department has also replaced their surgical count board and now have a better count process. They have also worked on improving patient scheduling,		ANNUAL REPORTING
VIII. Pending Business	No Pending Business.		
IX. Informational Items	No information items.		
XI. Adjourn Executive Session	The meeting was adjourned to executive session at 1:30 pm.		
Note:	Next Meeting: January 18, 2023		



Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 ~ 907-235-0253 fax

Dear Board Member,

In order for South Peninsula Hospital to bill the Centers for Medicare and Medicaid Services for the services we provide, all individuals with managing control (board members) must supply CMS with personal information. This information is only used for the purposes of CMS and is kept secure and confidential in the Administration office.

The main purpose of 855 form is to make it possible to enforce Medicare and Medicaid exclusion provisions of 42 U.S.C. § 1320a-7. It provides for mandatory exclusion from participation in Medicare and Medicaid for certain offenses and permissive exclusion for other offenses and events.

Please fill out the form below and return to Administration.

Thank you,

Governance Committee

Excerpted from CMS-855A

Ownership Interest and/or Managing Control Information

First Name **M.I.** **Last Name** **Jr., Sr., etc.**

Social Security Number **Date of Birth** **State/Country of Birth**

Has the individual listed above, under any current or former name or business identity, ever had an adverse legal action listed on the following page imposed against him/her?

☐ YES – Continue Below ☐ NO – Skip Section Below and Sign

If YES, report each adverse legal action, when it occurred, the Federal or State agency or the court/administrative body that imposed the action, and the resolution, if any.

Attach a copy of the adverse legal action documentation and resolution.

Adverse Legal Action	Date	Taken By	Resolution
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Signature

I affirm that the above is true and correct to the best of my knowledge: _____

SECTION 3: ADVERSE LEGAL ACTIONS/CONVICTIONS

This section captures information on adverse legal actions, such as convictions, exclusions, revocations, and suspensions. All applicable adverse legal actions must be reported, regardless of whether any records were expunged or any appeals are pending. If you are uncertain as to whether an action falls within one of the adverse legal action categories or whether a name reported on this application has an adverse legal action, query the Healthcare Integrity and Protection Data Bank. For information on how to access the Data Bank, call 1-800-767-6732 or visit www.npdb-hipdb.com. There is a charge for using this service.

Convictions

1. The provider, supplier, or any owner of the provider or supplier was, within the last 10 years preceding enrollment or revalidation of enrollment, convicted of a Federal or State felony offense that CMS has determined to be detrimental to the best interests of the program and its beneficiaries. Offenses include: Felony crimes against persons and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; financial crimes, such as extortion, embezzlement, income tax evasion, insurance fraud and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; any felony that placed the Medicare program or its beneficiaries at immediate risk (such as a malpractice suit that results in a conviction of criminal neglect or misconduct); and any felonies that would result in a mandatory exclusion under Section 1128(a) of the Act.
2. Any misdemeanor conviction, under Federal or State law, related to: (a) the delivery of an item or service under Medicare or a State health care program, or (b) the abuse or neglect of a patient in connection with the delivery of a health care item or service.
3. Any misdemeanor conviction, under Federal or State law, related to theft, fraud, embezzlement, breach of fiduciary duty, or other financial misconduct in connection with the delivery of a health care item or service.
4. Any felony or misdemeanor conviction, under Federal or State law, relating to the interference with or obstruction of any investigation into any criminal offense described in 42 C.F.R. Section 1001.101 or 1001.201.
5. Any felony or misdemeanor conviction, under Federal or State law, relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

Exclusions, Revocations or Suspensions

1. Any revocation or suspension of a license to provide health care by any State licensing authority. This includes the surrender of such a license while a formal disciplinary proceeding was pending before a State licensing authority.
2. Any revocation or suspension of accreditation.
3. Any suspension or exclusion from participation in, or any sanction imposed by, a Federal or State health care program, or any debarment from participation in any Federal Executive Branch procurement or non-procurement program.
4. Any current Medicare payment suspension under any Medicare billing number.
5. Any Medicare revocation of any Medicare billing number.

MEDICARE SUPPLIER ENROLLMENT APPLICATION PRIVACY ACT STATEMENT

The Centers for Medicare and Medicaid Services (CMS) is authorized to collect the information requested on this form by Sections 1124(a)(1), 1124A(a)(3), 1128, 1814, 1815, 1833(e), and 1842(r) of the Social Security Act [42 U.S.C. §§ 1320a-3(a)(1), 1320a-7, 1395f, 1395g, 1395(l)(e), and 1395u(r)] and Section 31001(1) of the Debt Collection Improvement Act [31 U.S.C. § 7701(c)].

The purpose of collecting this information is to determine or verify the eligibility of individuals and organizations to enroll in the Medicare program as suppliers of goods and services to Medicare beneficiaries and to assist in the administration of the Medicare program. This information will also be used to ensure that no payments will be made to providers who are excluded from participation in the Medicare program. All information on this form is required, with the exception of those sections marked as “optional” on the form. Without this information, the ability to make payments will be delayed or denied.

The information collected will be entered into the Provider Enrollment, Chain and Ownership System (PECOS). The information in this application will be disclosed according to the routine uses described below.

Information from these systems may be disclosed under specific circumstances to:

1. CMS contractors to carry out Medicare functions, collating or analyzing data, or to detect fraud or abuse;
2. A congressional office from the record of an individual health care provider in response to an inquiry from the congressional office at the written request of that individual health care practitioner;
3. The Railroad Retirement Board to administer provisions of the Railroad Retirement or Social Security Acts;
4. Peer Review Organizations in connection with the review of claims, or in connection with studies or other review activities, conducted pursuant to Part B of Title XVIII of the Social Security Act;
5. To the Department of Justice or an adjudicative body when the agency, an agency employee, or the United States Government is a party to litigation and the use of the information is compatible with the purpose for which the agency collected the information;
6. To the Department of Justice for investigating and prosecuting violations of the Social Security Act, to which criminal penalties are attached;
7. To the American Medical Association (AMA), for the purpose of attempting to identify medical doctors when the Unique Physician Identification Number Registry is unable to establish identity after matching contractor submitted data to the data extract provided by the AMA;
8. An individual or organization for a research, evaluation, or epidemiological project related to the prevention of disease or disability, or to the restoration or maintenance of health;
9. Other Federal agencies that administer a Federal health care benefit program to enumerate/enroll providers of medical services or to detect fraud or abuse;
10. State Licensing Boards for review of unethical practices or non-professional conduct;
11. States for the purpose of administration of health care programs; and/or
12. Insurance companies, self insurers, health maintenance organizations, multiple employer trusts, and other health care groups providing health care claims processing, when a link to Medicare or Medicaid claims is established, and data are used solely to process supplier's health care claims.

The enrolling supplier should be aware that the Computer Matching and Privacy Protection Act of 1988 (P.L. 100-503) amended the Privacy Act, 5 U.S.C. § 552a, to permit the government to verify information through computer matching.

Protection of Proprietary Information

Privileged or confidential commercial or financial information collected in this form is protected from public disclosure by Federal law 5 U.S.C. § 552(b)(4) and Executive Order 12600.

Protection of Confidential Commercial and/or Sensitive Personal Information

If any information within this application (or attachments thereto) constitutes a trade secret or privileged or confidential information (as such terms are interpreted under the Freedom of Information Act and applicable case law), or is of a highly sensitive personal nature such that disclosure would constitute a clearly unwarranted invasion of the personal privacy of one or more persons, then such information will be protected from release by CMS under 5 U.S.C. §§ 552(b)(4) and/or (b)(6), respectively.



Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 ~ 907-235-0253 fax

CONFIDENTIALITY AGREEMENT

I, _____, do hereby agree to keep all information obtained regarding patients and/or physicians confidential. I hereby agree not to discuss any information obtained during the course of this job with persons outside the hospital. I release South Peninsula Hospital and its representatives any liability arising from a breach of confidentiality caused by myself.

Signature

Date

Guidelines for Practicing Confidentiality

- Patients should not be discussed at breaks or meal times.
- Patients should not be discussed with health care workers not directly involved in their care.
- Medical and nursing records should not be left at any location where they can be seen by unauthorized personnel.
- Patients must give permission for information (such as diagnosis) to be revealed to anyone. A patient may withdraw permission at any time.
- Patients should not be discussed where information can be overheard by visitors.
- When a patient is your neighbor or friend, you should be particularly careful not to reveal any information to mutual friends.
- No information about patients should be revealed to reporters, press, or media.
- Interviews with confused or disoriented patients are not permitted without family and/or physician's permission.

South Peninsula Hospital, Inc.
Board of Directors
Conflict of Interest Questionnaire

Name: _____ Title: _____

Please circle one answer for each of the following questions:

1. Are you a voting member of the SPHI Board? ☐ Yes ☐ No
2. Were you or a family member² employed by SPH during the year ended December 31, 2022? ☐ Yes ☐ No
3. If you answered yes to question 2, did that compensation exceed \$10,000 during the organization's tax year? ☐ Yes ☐ No
4. Did you receive any expense reimbursements from SPHI during the year ended December 31, 2022? ☐ Yes ☐ No
5. If you answered "yes" to question 4, did total expense reimbursements exceed \$10,000 for the year ended ☐ Yes ☐ No
6. Were you an officer or employee of any *related organization*¹ during the year ended ☐ Yes ☐ No
7. If you answered "yes" to question 6, please list the related organization(s) here:

8. Were you or a *family member* involved in any *direct or indirect transactions*³ with SPHI during the organization's tax year? ☐ Yes ☐ No
9. If you answered "yes" to question 8, please describe the transactions below:

10. Are you aware of any conflicts of interest or the appearance of any conflicts of interest? ☐ Yes ☐ No
11. If you answered "yes" to question 10, please describe the conflict below:

¹ *Related organizations* are organizations that stand in a parent/subsidiary relationship, brother/sister relationship, or supporting/supported organization relationship.

² *Family members* include spouse; brother or sister (by whole or half-blood); spouses of brothers or sisters (by whole or half-blood); ancestors, children (including legally adopted); grandchildren, great grandchildren, and spouses of children, grandchildren and great grandchildren.

³ *Direct or indirect transactions* which are reportable on Form 990, Schedule L includes loans, *excess benefit transactions*⁴, grants assistance or business transactions

⁴ *Excess benefit transactions* are those in which remuneration to an individual or business exceeds the value of the services provided.

Signature

Date

Conflict of Interest Definitions

1. OUTSIDE INTERESTS

- To hold directly or indirectly, a position or a material financial interest in any outside concern from which the individual has reason to believe the hospital secures goods or services (including the services of buying or selling stocks, bonds, or other securities) or that provides services competitive with the hospital.
- To compete, directly or indirectly, with the hospital in the purchase or sale of property or property rights, interests or services.

2. INVESTMENTS

- With respect to yourself or your immediate family, all investments, other than publicly traded securities, that might be within the category of “a material financial interest”.

3. OUTSIDE ACTIVITIES

- To render directive, managerial, or consultative services to any outside concern that does business with, or competes with, the services of the hospital or to render other services in competition with the hospital.

4. GIFTS, GRATUITIES AND ENTERTAINMENT

- To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the hospital – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his/her duties. This does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship and not related to any particular transaction or activity of the hospital.

5. INSIDE INFORMATION

- Using or disclosing information relating to the hospital’s business for personal profit or advantage of the individual or his immediate family. Full disclosure of any situation in doubt should be made so as to permit an impartial and objective determination. It should be particularly noted that disclosure relates not only to yourself but also to your immediate family.