



AGENDA

Board of Directors Meeting

5:30 PM - Wednesday, June 28, 2023

[Click link to join Zoom meeting](#)

SPH Conference Rooms 1&2

Meeting ID: 878 0782 1015 Pwd: 931197

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

Kelly Cooper President		Keriann Baker		Edson Knapp, MD	
Aaron Weisser Vice Pres.		M. Todd Boling, DO		Bernadette Wilson	
Julie Woodworth Secretary		Matthew Hambrick		Beth Wythe	
Walter Partridge Treasurer		Melissa Jacobsen		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 - 13 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for May 24, 2023.

[Board of Directors - May 24 2023 - Minutes - DRAFT](#)

- 14 - 17 7.2. Consideration to Approve May FY2023 Financials
[Balance Sheet - May 2023](#)
[Income Statement - May 20223](#)
[Cash Flows Statement - May 2023](#)
- 18 7.3. Consideration to Approve Policy EMP-06, Revised for Administrative Purposes to Correct the Name of Governing Documents
[EMP-06](#)
- 19 - 20 7.4. Consideration to Approve a Job Description for the Board President Position
[BOD President Job Description](#)

8. PRESENTATIONS

- 8.1. 2023 Community Health Needs Assessment
Presenter: Derotha Ferraro,
Marketing & Public Relations

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 21 - 765 10.1. Consideration to Adopt the 2023 Community Health Needs Assessment
[Memo - Community Health Needs Assessment](#)
[CHNA - Executive Summary 2023](#)
[CHNA - Public Health Assessment 2023](#)
[CHNA - Community Themes 2023](#)
[CHNA - Forces of Change 2023](#)
[CHNA - Health Status 2023](#)
- 766 - 767 10.2. Consideration to Approve SPH Resolution 2023-18, A Resolution of the South Peninsula Hospital Board of Directors Requesting a Third Amendment to the Kenai Peninsula Borough and South Peninsula Hospital Operating Agreement Amendment A to Include Updates to the Listed Medical Facilities
[SPH Resolution 23-18](#)
- 768 - 769 10.3. Consideration to Approve SPH Resolution 2023-19, A Resolution of the South Peninsula Hospital Board of Directors Approving an Increase to the Limitation on the Total Cumulative Annual Cost of Real Property Leases in Which SPH, Inc. is the Sole Lessee.
[SPH Resolution 23-19](#)
- 770 - 771 10.4. Consideration to Approve SPH Resolution 2023-20, A Resolution of the South Peninsula HOspital Board of Directors to Update Policy F-16 Budget

Modifications to Increase the Limit of Unbudgeted Purchases Requiring Board of Directors Approval from \$100,000 to \$200,000

[SPH Resolution 23-20](#)

[Policy F-16, revised](#)

- 772 - 773 10.5. Consideration to Approve SPH Resolution 2023-21, A Resolution of the South Peninsula Hospital Board of Directors to Support an Interfund Loan to South Kenai Peninsula Hospital Service Area from the Kenai Peninsula Borough General Fund for Acquisition of New Electronic Medical Record Software and Authorizing Repayment of the Loan from South Peninsula Hospital, Inc. Operating Funds

[SPH Resolution 23-21](#)

- 774 - 781 10.6. Consideration to Approve SPH Resolution 2023-22, A Resolution of the South Peninsula Hospital Board of Directors Approving the Fiscal Year 2024 Operating Budget

[SPH Resolution 23-22](#)

[FY24 Operating Budget Proposal](#)

11. REPORTS

- 782 - 785 11.1. Chief Executive Officer

[1Q 2023 Scorecard](#)

- 11.2. BOD Committee: Finance

- 786 - 788 11.3. BOD Committee: Governance

[Board Governance Committee - Jun 22 2023 - Minutes - DRAFT](#)

[EMP-05, revised](#)

- 11.4. BOD Committee: Education

- 11.5. Chief of Staff

- 11.6. Service Area Board Representative - Helen Armstrong

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

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, May 24, 2023
Conference Rooms 1&2 and Zoom

The Board of Directors of the South Peninsula Hospital was called to order on Wednesday, May 24, 2023, at 5:30 PM, in the Conference Rooms 1&2 and Zoom.

1. CALL TO ORDER

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

2. ROLL CALL

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

BOARD EXCUSED:

ALSO PRESENT: Rachael Kincaid, CNO; Rhoda Ostman, Nutrition Services Manager; Maura Jones, Executive Assistant; Angela Hinnegan, COO;

**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

Rachael Kincaid, CNO, shared the recent burnout survey that staff took and the task force meeting on concrete ways to improve wellness. Representatives from facilities around the state met in Anchorage to discuss results and action plans. Rhoda Ostman, Nutrition Services Manager, discussed the importance of joy in the workplace, and shared a story of singing butter. The number one reason employees get burnt out is the lack of breaks. If the cafeteria can help create joy with their aesthetics and the food they create, it will help draw employees there on their breaks. If the butter sings, there is hope.

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

Ms. Cooper welcomed members of the public.

4.1. Rules for Participating in a Public Meeting

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

There were no comments from the public.

6. APPROVAL OF THE AGENDA

Secretary Julie Woodworth made a motion to approve the agenda. Beth Wythe 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 April 26, 2023

7.2. Consideration to Approve April 2023 Financials

7.3. Consideration to Approve the SPH Quality Plan and LTC Facility QAPI Addendum

7.4. Consideration to Approve the SPH Hospital Hazard Vulnerability Analysis, SPH Hospital Emergency Operations Plan, SPH Long Term Care Hazard Vulnerability Analysis, SPH Long Term Care Emergency Operations Plan, and SPH Home Health Emergency Operations Plan

7.5. Consideration to Approve Long Term Care Infection Prevention Plan and Risk Assessment

7.6. Consideration to Approve Revised Policy EMP-03, Disruptive Conduct & Abusive Behavior, to Correct a Grammatical Error

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

8. PRESENTATIONS

There were no presentations.

9. UNFINISHED BUSINESS

There was no unfinished business.

10. NEW BUSINESS

10.1. Consideration to Amend the South Peninsula Hospital Board of Directors Bylaws, Article IV, Section 2, to Change the Term of Officers from One to Two Years

This was the second reading of the bylaws amendment to change the term of officers from one year to two years, proposed by the Governance Committee. There was no additional discussion.

Aaron Weisser made a motion to amend the South Peninsula Hospital Board of Directors Bylaws, Article IV, Section 2, to Change the Term of Officers from One to Two Years. Melissa Jacobsen seconded the motion. Motion Carried.

A roll call vote was conducted:

Aaron Weisser Yes

Julie Woodworth Yes

Walter Partridge Yes
Keriann Baker Yes
M. Todd Boling Yes
Matthew Hambrick Yes
Melissa Jacobsen Yes
Edson Knapp Yes
Bernadette Wilson Yes
Beth Wythe Yes
Kelly Cooper Yes

10.2. Consideration to Approve 2023-15, A Resolution of the South Peninsula Hospital Board of Directors Supporting the Hospital's Request for a Certificate of Need to Add the Service Line of Nuclear Medicine to South Peninsula Hospital, Relocate the Pharmacy and Expand and Relocate Infusion Services.

Angela Hinnegan, COO, reported. The administrative team is in the process of filling out the application for a Certificate of Need (CON) to develop the shelled space. This is an important step in the process of completing the already approved project that would add nuclear medicine and bring us into compliance with pharmacy regulations. Ryan Smith thanked Angela for all the work she has put into the CON application. This resolution would show the Board of Director's support for the CON.

Mr. Partridge added this was discussed and approved at Finance Committee.

Beth Wythe made a motion to approve SPH Resolution 2023-15, A Resolution of the South Peninsula Hospital Board of Directors Supporting the Hospital's Request for a Certificate of Need to Add the Service Line of Nuclear Medicine to South Peninsula Hospital, Relocate the Pharmacy and Expand and Relocate Infusion Services. Edson Knapp seconded the motion. Motion Carried.

A roll call vote was conducted:

Aaron Weisser Yes
Julie Woodworth Yes
Walter Partridge Yes
Keriann Baker Yes
M. Todd Boling Yes
Matthew Hambrick Yes
Melissa Jacobsen Yes
Edson Knapp Yes
Bernadette Wilson Yes
Beth Wythe Yes
Kelly Cooper Yes

10.3. Consideration to Approve SPH Resolution 2023-13, A Resolution of the South Peninsula Hospital Board of Directors Approving the Request of

\$613,020 of Plant Replacement and Expansion Funds to Support Upgrades to the Generator Annunciator and Switch Gear

This resolution was discussed and approved at last month's Finance Committee meeting, but was pulled from the April board meeting agenda because the borough notified us at the last minute that they did not see Davis-Bacon wages were addressed in the quote. After consulting with the contractor, they had already taken this into consideration so there was no change to the quote. We did add some language around sole sourcing. This will approve this necessary project to bring us into regulatory compliance, which must be completed by January 2024 per CMS.

Beth Wythe made a motion to approve SPH Resolution 2023-13, A Resolution of the South Peninsula Hospital Board of Directors Approving the Request of \$613,020 of Plant Replacement and Expansion Funds to Support Upgrades to the Generator Annunciator and Switch Gear. Edson Knapp seconded the motion. Motion Carried.

A roll call vote was conducted:

Aaron Weisser	Yes
Julie Woodworth	Yes
Walter Partridge	Yes
Keriann Baker	Yes
M. Todd Boling	Yes
Matthew Hambrick	Yes
Melissa Jacobsen	Yes
Edson Knapp	Yes
Bernadette Wilson	Yes
Beth Wythe	Yes
Kelly Cooper	Yes

10.4. Consideration to Approve SPH Resolution 2023-16, A Resolution of the South Peninsula Hospital Board of Directors Approving a Plan Amendment for the 403b Plans to Adhere to the Requirements of the Secure Act and the Coronavirus Aid, Relief, and Economic Security Act

Ms. Hinnegan reported. This resolution will make required regulatory updates to the 403b plan in order to adhere to the requirements of the Secure Act and the Coronavirus Aid, Relief, and Economic Security Act. A similar resolution was passed for the 457 plan earlier this year. Mr. Partridge noted this was reviewed and approved by the Pension Committee at its May meeting.

Beth Wythe made a motion to approve SPH Resolution 2023-16, A Resolution of the South Peninsula Hospital Board of Directors Approving a Plan Amendment for the 403b Plans to Adhere to the Requirements of the Secure Act and the Coronavirus Aid, Relief, and Economic Security Act. Melissa Jacobsen seconded the motion. Motion Carried.

10.5. Consideration to Approve SPH Resolution 2023-17, A Resolution of the South Peninsula Hospital Board of Directors Supporting the Issuance of Bonds to support the addition of the Nuclear Medicine Service Line and expansion of Pharmacy and Infusion Into Shelled Space and the Purchase of a New Electronic Medical Record.

Ryan Smith, CEO reported. With the cost estimate of the CON project and other infrastructure projects starting to come in, we realized there would not be enough unobligated PREF funds to complete all of the necessary projects, and so we discussed the possibility of going out to bond this year. We suggested the CON project, as well as a new Electronic Health Record (EHR.) We have very tight deadlines in order to get this done in 2023, so we have already asked for the support of the Service Area Board, and we are now asking for the Board of Director's support so that if we are able to find a sponsor and move forward, we will have all the necessary requirements.

Mr. Partridge noted this was discussed at length in Finance Committee and approved. There was some discussion surround the history of the hospital going out for bonds, as well as some discussion of the EHR.

Beth Wythe made a motion to approve SPH Resolution 2023-17, A Resolution of the South Peninsula Hospital Board of Directors Supporting the Issuance of Bonds to support the addition of the Nuclear Medicine Service Line and expansion of Pharmacy and Infusion Into Shelled Space and the Purchase of a New Electronic Medical Record. Vice President Melissa Jacobsen seconded the motion. Motion Carried.

A roll call vote was conducted:

<i>Aaron Weisser</i>	<i>Yes</i>
<i>Julie Woodworth</i>	<i>Yes</i>
<i>Walter Partridge</i>	<i>Yes</i>
<i>Keriann Baker</i>	<i>Yes</i>
<i>M. Todd Boling</i>	<i>Yes</i>
<i>Matthew Hambrick</i>	<i>Yes</i>
<i>Melissa Jacobsen</i>	<i>Yes</i>
<i>Edson Knapp</i>	<i>Yes</i>
<i>Bernadette Wilson</i>	<i>Yes</i>
<i>Beth Wythe</i>	<i>Yes</i>
<i>Kelly Cooper</i>	<i>Yes</i>

11. REPORTS

11.1. Chief Executive Officer

Ryan Smith, CEO, gave a verbal report. Some of the highlights include:

- Long Term Care had a very successful survey with only two minor tags
- Lots of recruitment to include:
 - Susan Jackson, FNP - General Surgery Outpatient Clinic
 - Pam Williams, DO - OB/Gyn Clinic

- Tiffany Park - Imaging Director
- Switched insurance TPA from Premera to Moda. Biggest concern is that Providence is not network with Moda. In talks with Providence to see if we have other options.
- Conducting a survey on cultural health for the leadership group, and are asking board members to complete the survey as well.

11.2. BOD Committee: Pension

Walter Partridge reported. The committee met last Thursday and reviewed the report on results of 1st quarter for all the accounts. We had a positive quarter, which was a nice change. 5% pretty much across the board. We paid a \$10mil premium to the company taking over about 70 vested and retired employees in the DBP. The \$10 million may adjust because there's a final true up. We also talked about the pension resolution that came before the board today.

11.3. BOD Committee: Finance

Walter Partridge reported. The committee met last Thursday and discussed the board resolutions on the agenda tonight. We reviewed the finances, and we performed better than budgeted. The margin was -4.5%, but we'd budgeted for -12%. The income was on target, and expenses were above target and we had some high deductions due to Medicare true ups. We are still under 55 days A/R and up to 87 days cash on hand.

11.4. BOD Committee: Governance

Aaron Weisser reported. The committee met las week. We are working on a job description for the board president position. We decided to put aside the discussion of meeting rules and Robert's Rules or Order until we can discuss it further with Jamie Orlikoff. We've started on plans for a Doctor's Dinner, and are trying to find a good location. Policy review continues on a 3-year schedule. We're reviewing the CEO spending authority policy, but because it's a finance policy we've asked the finance committee to make recommendations.

11.5. BOD Committee: Education

Melissa Jacobsen reported. The education committee hasn't met since the last board meeting. We are scheduling an upcoming meeting to discuss iProtean and the retreat for the fall. We're going to stop having iProtean modules assigned until the September meeting.

11.6. Service Area Board Representative - Helen Armstrong

Helen Armstrong reported. The Service Area Board met on May 11th and discussed a resolution that parallels the one passed tonight regarding the bonds. We'll be meeting on June 8th specifically to take action on that resolution. We are expecting three members to let their terms lapse this fall, so will be looking for new members.

12. DISCUSSION

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

14.2. Board Members

Bernadette Wilson expressed gratitude for the care she received at SPH as a patient. Beth Wythe congratulated Long Term Care on the survey and thanked Ms. Hinnegan for her work on the Certificate of Need. She also thanked Ms. Ostman for her story about creating joy. Dr. Boling thanked Administration for their improvements for the General Surgery Clinic. Walter Partridge congratulated Long Term Care and thanked the directors for their reports. Aaron Weisser was impressed with the care he received at one of the clinics this week. Dr. Knapp expressed gratitude for the leadership team.

15. INFORMATIONAL ITEMS

16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)

The board adjourned to executive session at 6:42pm.

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

17.1. Credentialing

After review of the applicant's files through the secure online portal, Julie Woodworth moved to certify the email vote of 2/20/23, approving the following positions in the medical staff as requested and recommended by the Medical Executive Committee. Matthew Hambrick seconded the motion. Motion carried.

Reappointments (Telemed)

Anscheutz, Richard MD; Cardiology/Echo Interp; Courtesy Staff
Farooq, Mohammed MD; Telestroke/Neurology; Telemedicine
Lee, Mimi MD; Telestroke/Neurology; Telemedicine

Reappointments

Boling, M. Todd DO; General Surgery; Active Staff

Appointments (Telemed)

Krueger, William MD; Radiology (RCI); Courtesy Staff

Appointments

Housley, Jaclyn FNP; Family Med (Peak); Courtesy Staff
Williams, Pamela DO; OB/GYN; Courtesy Staff

18. ADJOURNMENT

The meeting was adjourned at 7:29pm

Respectfully Submitted,

Accepted:

Maura Jones, Executive Assistant

Kelly Cooper, President

Minutes Approved:

Julie Woodworth, Secretary

DRAFT



South Peninsula Hospital

DRAFT-UNAUDITED

BALANCE SHEET As of May 31, 2023

	As of May 31, 2023	As of May 31, 2022	As of April 30, 2023	CHANGE FROM May 31, 2022
ASSETS				
CURRENT ASSETS:				
1 CASH AND CASH EQUIVALENTS	25,333,334	25,693,669	25,368,795	(360,335)
2 EQUITY IN CENTRAL TREASURY	8,347,613	6,907,568	8,331,964	1,440,045
3 TOTAL CASH	<u>33,680,947</u>	<u>32,601,237</u>	<u>33,700,759</u>	<u>1,079,710</u>
4 PATIENT ACCOUNTS RECEIVABLE	30,250,113	29,505,043	31,194,515	745,070
5 LESS: ALLOWANCES & ADJ	(15,375,533)	(13,790,072)	(15,047,554)	(1,585,461)
6 NET PATIENT ACCT RECEIVABLE	<u>14,874,580</u>	<u>15,714,971</u>	<u>16,146,961</u>	<u>(840,391)</u>
7 PROPERTY TAXES RECV - KPB	105,476	105,105	110,208	371
8 LESS: ALLOW PROP TAX - KPB	(4,165)	(3,599)	(4,165)	(566)
9 NET PROPERTY TAX RECV - KPB	<u>101,311</u>	<u>101,506</u>	<u>106,043</u>	<u>(195)</u>
10 OTHER RECEIVABLES - SPH	428,809	365,241	336,149	63,568
11 INVENTORIES	1,892,655	1,772,989	1,905,167	119,666
12 NET PENSION ASSET- GASB	5,052,584	9,650,712	5,024,897	(4,598,128)
13 PREPAID EXPENSES	<u>780,325</u>	<u>776,344</u>	<u>830,411</u>	<u>3,981</u>
14 TOTAL CURRENT ASSETS	<u>56,811,211</u>	<u>60,983,000</u>	<u>58,050,387</u>	<u>(4,171,789)</u>
ASSETS WHOSE USE IS LIMITED				
15 PREF UNOBLIGATED	6,634,037	5,746,208	6,556,828	887,829
16 PREF OBLIGATED	2,347,446	2,236,342	2,347,446	111,103
17 OTHER RESTRICTED FUNDS	46,409	311,802	50,434	(265,393)
	<u>9,027,891</u>	<u>8,294,352</u>	<u>8,954,708</u>	<u>733,539</u>
PROPERTY AND EQUIPMENT:				
18 LAND AND LAND IMPROVEMENTS	4,114,693	4,114,693	4,114,693	0
19 BUILDINGS	63,059,362	67,298,990	63,059,362	(4,239,628)
20 EQUIPMENT	27,516,737	29,875,032	27,257,835	(2,358,295)
21 BUILDINGS INTANGIBLE ASSETS	2,456,899	0	2,456,899	2,456,899
22 EQUIPMENT INTANGIBLE ASSETS	462,427	0	462,427	462,427
23 IMPROVEMENTS OTHER THAN BUILDINGS	309,171	273,639	309,171	35,532
24 CONSTRUCTION IN PROGRESS	1,356,454	620,758	1,506,279	735,696
25 LESS: ACCUMULATED DEPRECIATION FOR FIXED ASSETS	(57,024,950)	(61,197,022)	(56,678,505)	4,172,072
26 LESS: ACCUMULATED AMORTIZATION FOR LEASED ASSETS	(824,623)	0	(787,627)	(824,623)
27 NET CAPITAL ASSETS	<u>41,426,170</u>	<u>40,986,090</u>	<u>41,700,534</u>	<u>440,080</u>
28 GOODWILL	6,000	18,000	7,000	(12,000)
29 TOTAL ASSETS	<u>107,271,272</u>	<u>110,281,442</u>	<u>108,712,629</u>	<u>(3,010,170)</u>
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	<u>292,756</u>	<u>360,717</u>	<u>298,393</u>	<u>(67,961)</u>
32 TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,823,673	(207,890)	4,829,310	5,031,563
33 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>112,094,945</u>	<u>110,073,552</u>	<u>113,541,939</u>	<u>2,021,393</u>

	<u>As of May 31, 2023</u>	<u>As of May 31, 2022</u>	<u>As of April 30, 2023</u>	<u>CHANGE FROM May 31, 2022</u>	
LIABILITIES & FUND BALANCE					
CURRENT LIABILITIES:					
34	ACCOUNTS AND CONTRACTS PAYABLE	1,286,244	2,226,244	1,725,362	(940,000)
35	ACCRUED LIABILITIES	7,273,493	8,504,528	8,103,685	(1,231,035)
36	DEFERRED CREDITS	(38,606)	37,005	9,937	(75,611)
37	CURRENT PORTION OF LEASE PAYABLE	403,847	0	402,561	403,847
38	CURRENT PORTIONS OF NOTES DUE	0	0	0	0
39	CURRENT PORTIONS OF BONDS PAYABLE	1,850,000	1,510,000	1,850,000	340,000
40	BOND INTEREST PAYABLE	65,254	69,631	47,918	(4,377)
41	DUE TO/(FROM) THIRD PARTY PAYERS	913,761	1,080,294	788,761	(166,533)
43	TOTAL CURRENT LIABILITIES	<u>11,753,993</u>	<u>13,427,702</u>	<u>12,928,224</u>	<u>(1,673,709)</u>
LONG-TERM LIABILITIES					
44	NOTES PAYABLE	0	0	0	0
45	BONDS PAYABLE NET OF CURRENT PORTION	6,615,000	8,740,000	6,615,000	(2,125,000)
46	PREMIUM ON BONDS PAYABLE	401,535	550,359	413,702	(148,824)
47	CAPITAL LEASE, NET OF CURRENT PORTION	1,895,116	26,531	1,928,987	1,868,585
48	TOTAL NONCURRENT LIABILITIES	<u>8,911,651</u>	<u>9,316,890</u>	<u>8,957,689</u>	<u>(405,239)</u>
49	TOTAL LIABILITIES	20,665,644	22,744,592	21,885,913	(2,078,948)
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	85,672,052	81,571,711	85,898,777	4,100,341
56	UNRESTRICTED FUND BALANCE - KPB	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
57	TOTAL LIAB & FUND BALANCE	<u><u>112,094,945</u></u>	<u><u>110,073,552</u></u>	<u><u>113,541,939</u></u>	<u><u>2,021,393</u></u>

	MONTH			YEAR TO DATE					
	05/31/23		05/31/22	05/31/23		05/31/22			
	Actual	Budget		Actual	Budget	Var B/(W)	Actual		
Patient Service Revenue									
1	Inpatient	2,380,601	3,493,689	-31.86%	3,390,835	27,435,387	35,822,227	-23.41%	32,794,005
2	Outpatient	13,800,451	12,735,094	8.37%	11,909,240	138,746,623	134,645,084	3.05%	121,280,406
3	Long Term Care	1,197,111	1,097,797	9.05%	1,006,471	11,788,492	12,075,766	-2.38%	9,591,218
4	Total Patient Services	17,378,163	17,326,580	0.30%	16,306,546	177,970,502	182,543,077	-2.50%	163,665,629
Deductions from Revenue									
5	Medicare	4,112,968	3,505,438	-17.33%	3,437,610	35,332,085	37,062,179	4.67%	33,423,523
6	Medicaid	2,394,248	2,488,021	3.77%	1,982,032	23,936,756	26,305,267	9.00%	22,164,404
7	Charity Care	337,069	148,804	-126.52%	(209,698)	1,796,422	1,573,265	-14.18%	175,511
8	Commercial and Admin	1,492,694	1,395,713	-6.95%	1,195,589	16,484,159	14,756,540	-11.71%	14,140,359
9	Bad Debt	300,640	327,248	8.13%	492,546	2,485,182	3,459,917	28.17%	3,027,972
10	Total Deductions	8,637,619	7,865,224	-9.82%	6,898,079	80,034,604	83,157,168	3.76%	72,931,769
11	Net Patient Services	8,740,544	9,461,356	-7.62%	9,408,467	97,935,898	99,385,909	-1.46%	90,733,860
12	USAC and Other Revenue	69,772	61,665	13.15%	58,310	697,509	678,314	2.83%	616,510
13	Total Operating Revenues	8,810,316	9,523,021	-7.48%	9,466,777	98,633,407	100,064,223	-1.43%	91,350,370
Operating Expenses									
14	Salaries and Wages	4,202,956	4,266,640	1.49%	3,962,419	46,847,177	46,018,035	-1.80%	43,099,293
15	Employee Benefits	1,955,258	1,998,633	2.17%	1,582,679	20,786,359	23,870,609	12.92%	19,022,173
16	Supplies, Drugs and Food	1,075,721	1,166,269	7.76%	1,145,789	11,267,807	12,468,432	9.63%	11,748,728
17	Contract Staffing	303,221	189,353	-60.14%	370,607	2,799,092	1,823,913	-53.47%	4,233,137
18	Professional Fees	471,171	461,205	-2.16%	582,588	5,919,564	4,760,498	-24.35%	5,324,734
19	Utilities and Telephone	146,168	130,857	-11.70%	107,158	1,619,032	1,581,122	-2.40%	1,523,122
20	Insurance (gen'l, prof liab, property)	69,026	43,115	-60.10%	14,396	664,211	677,239	1.92%	598,955
21	Dues, Books, and Subscriptions	18,297	19,357	5.48%	21,174	205,379	230,337	10.84%	215,457
22	Software Maint/Support	156,463	180,284	13.21%	138,727	1,849,021	1,889,119	2.12%	1,694,547
23	Travel, Meetings, Education	71,500	68,524	-4.34%	53,034	557,964	666,499	16.28%	500,837
24	Repairs and Maintenance	154,526	122,010	-26.65%	142,142	1,698,882	1,433,215	-18.54%	1,448,450
25	Leases and Rentals	69,048	60,621	-13.90%	60,605	706,885	745,715	5.21%	799,456
26	Other (Recruiting, Advertising, etc.)	127,451	83,108	-53.36%	93,644	1,523,816	914,233	-66.68%	1,050,326
27	Depreciation & Amortization	347,448	345,890	-0.45%	337,125	3,736,283	3,804,780	1.80%	3,621,120
28	Total Operating Expenses	9,168,254	9,135,866	-0.35%	8,612,087	100,181,472	100,883,746	0.70%	94,880,335
29	Gain (Loss) from Operations	(357,938)	387,155	192.45%	854,690	(1,548,065)	(819,523)	-88.90%	(3,529,965)
Non-Operating Revenues									
30	General Property Taxes	8,897	14,966	-40.55%	12,018	4,894,983	4,633,005	5.65%	4,666,947
31	Investment Income	146,610	9,750	1403.69%	(66,846)	483,118	107,254	350.44%	(134,189)
32	Governmental Subsidies	0	0	0.00%	0	0	0	0.00%	3,118,212
33	Other Non Operating Revenue	2,496	0	100.00%	0	8,070	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	6,572	0	0.00%	0
36	SPH Auxiliary	607	6	10016.67%	1	3,825	64	5876.56%	44
37	Total Non-Operating Revenues	158,610	24,722	541.57%	(54,827)	5,396,568	4,740,323	13.84%	7,730,398
Non-Operating Expenses									
38	Insurance	0	0	0.00%	0	0	0	0.00%	0
39	Service Area Board	8,323	16,467	49.46%	31,862	99,668	88,594	0.00%	105,072
40	Other Direct Expense	193	3,600	94.64%	0	20,119	39,602	49.20%	41,939
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%	0
42	Interest Expense	38,498	28,432	-35.40%	32,233	427,494	312,745	-36.69%	354,563
43	Total Non-Operating Expenses	47,014	48,499	3.06%	64,095	547,281	440,941	-24.12%	501,574
Grants									
44	Grant Revenue	22,120	29,167	0.00%	47,660	300,318	320,833	0.00%	1,250,469
45	Grant Expense	2,502	25,000	89.99%	0	27,517	275,000	89.99%	606,495
46	Total Non-Operating Gains, net	19,618	4,167	370.79%	47,660	272,801	45,833	-495.21%	643,974
47	Income <Loss> Before Transfers	(226,724)	367,545	161.69%	783,428	3,574,023	3,525,692	1.37%	4,342,833
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%	0
49	Net Income	(226,724)	367,545	-161.69%	783,428	3,574,023	3,525,692	-1.43%	4,342,833



Statement of Cash Flows
As of May 31, 2023

Cash Flow from Operations:


1	YTD Net Income	3,574,023
2	Add: Depreciation Expense	3,736,283
3	Adj: Inventory (increase) / decrease	169,849
4	Patient Receivable (increase) / decrease	1,643,630
5	Prepaid Expenses (increase) / decrease	(20,106)
6	Other Current assets (increase) / decrease	198,665
7	Accounts payable increase / (decrease)	(516,286)
8	Accrued Salaries increase / (decrease)	(837,433)
9	Net Pension Asset (increase) / decrease	(376,875)
10	Other current liability increase / (decrease)	(1,353,567)
11	Net Cash Flow from Operations	6,218,183

Cash Flow from Investing:

12	Cash paid for the purchase of property/equip	(2,102,657)
13	Cash transferred to plant replacement fund	(1,276,373)
14	Proceeds from disposal of equipment	6,572
15	Net Cash Flow from Investing	(3,372,458)

Cash Flow from Financing

16	Cash paid for Lease Payable	-
17	Cash paid for Debt Service	(2,215,219)
18	Net Cash from Financing	(2,215,219)
19	Net increase in Cash	\$ 630,506
20	Beginning Cash as of July 1, 2022	\$ 33,050,441
21	Ending Cash as of May 31, 2023	\$ 33,680,947

	SUBJECT: Environmental Responsibility	POLICY #: EMP-06
		Page 1 of 1
Scope: Executive Leadership Approved by: Board of Directors		Original Date: 10/22/03 Effective: 6/23/2021
Revised: 8/28/19 Reviewed: 1/25/23		Revision Responsibility: Board of Directors

PURPOSE:

Statement of SPH environmental protection responsibility.

DEFINITION(S):

N/A

POLICY:

A. All operations of South Peninsula Hospital will be conducted in accordance with applicable Federal, State, and local regulations governing protection of the environment and all relevant sections of the ~~Sublease~~ ~~and~~ Operating Agreement.

PROCEDURE:

N/A

ADDITIONAL CONSIDERATIONS:

N/A

REFERENCE(S):

1. Hospital Policy HW-027 Environmental Responsibility

CONTRIBUTORS:

Board of Directors

South Peninsula Hospital Board of Directors

Board President Job Description

Role of the Chair

The board chair is the leader of the board. The board chair is responsible for:

- Ensuring the integrity and effectiveness of the board's governance role and processes
- Presiding at meetings of the board
- Representing the board within the hospital
- Maintaining effective relationships with board members, management and stakeholders

Responsibilities

Board Governance

The board chair ensures the board meets its obligations and fulfills its governance responsibilities according to its own governance policies, bylaws and operating agreement with the Kenai Peninsula Borough, while overseeing the quality of the board's governance processes.

Presiding Officer

The chair is the presiding officer at board meetings and the chair is responsible for:

- Setting agendas and consulting with the CEO to develop the agenda at least 5 days prior to a meeting
- Ensuring that meetings are conducted according to applicable legislation, hospital bylaws, and the hospital's governance policies
- Facilitating the business of the board, including preserving order at meetings
- Encouraging input and ensuring that both sides of a debate or discussion are heard
- Encouraging equal participation among all members
- Facilitating decision-making
- Ensuring relevant information is made available in a timely manner and that external advisors are available to assist as required
- Ruling on procedural matters during meetings

Representation

- The chair is the official spokesperson for the board, except in regards to communications with media. All media inquiries should be directed to the PR/Marketing Director who is the official spokesperson for the hospital. (See BOD Policy SM-03).
- The chair represents the hospital in the community and to its various stakeholders.
- The chair represents the board within the hospital, attending and participating in events as required.
- The chair represents the board in dealings with government and regulatory authorities.

Relationships

The board chair facilitates the relationship between the board and the CEO.

- The chair works with the CEO to ensure he or she understands board expectations.

Other Duties

- The chair performs such other duties as directed by the board from time to time.

Skills and Qualifications

The board chair will possess the following personal qualities, skills, and experience:

- Proven leadership skills
- Good strategic and facilitation skills
- Ability to act impartially and without bias
- Ability to communicate effectively
- The time to build strong relationships between the hospital and stakeholders
- A trusted advisor relationship with CEO and other board members

To: SPH Board of Directors
From: Derotha Ferraro, PR & Marketing Director
Date: June 23, 2023
Re: Community Health Needs Assessment

Attached you will find South Peninsula Hospital's 2023 Community Health Needs Assessment (CHNA). A CHNA is required every three years by IRS code 501(r) as part of our non-profit hospital status. As in many past years, this CHNA was conducted in cooperation with MAPP of the Southern Kenai Peninsula, the local health coalition. This report is five individual documents: Executive Summary, Health Status, Community Themes, Forces of Change and Public Health Assessment.

Recommended Motion/Second to Adopt the 2023 Community Health Needs Assessment as presented, and immediately publish on the hospital website and make available to the public through hospital administration, marketing and community education.

The SPH Management Team will develop and present an Implementation Strategy to the Board of Directors later this fall to include a detailed response to the findings within.

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-18**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL
BOARD OF DIRECTORS REQUESTING A THIRD AMENDMENT TO THE KENAI PENINSULA
BOROUGH AND SOUTH PENINSULA HOSPITAL OPERATING AGREEMENT AMENDMENT A TO
INCLUDE UPDATES TO THE LISTED MEDICAL FACILITIES**

WHEREAS, , the Kenai Peninsula Borough (“Borough”) has entered into an Operating Agreement, effective January 1, 2020, with South Peninsula Hospital, Inc. (“SPHI”) for operation of the South Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the South Kenai Peninsula Hospital Service Area (SKPHSA) residents; and

WHEREAS, Exhibit A of the operating agreement describes the property that SPHI operates and manages on behalf of the Borough; and

WHEREAS, South Peninsula Hospital has updated some of its footprint through lease amendments and building expansions and the square footage of the following properties has changed:

- Kenai Peninsula Borough owned property at 4136 Bartlett St square footage has increased from 4,904 square feet to 10,520 square feet
- Leased Property at 4201 Bartlett St square footage has increased from 3,780 square feet of office space to 5,500 square feet and has increased 3,225 square feet of basement office space to 5,500 square feet of basement office space

WHEREAS, it would be appropriate to list the above referenced acquired property in the operating agreement to clarify that such properties are operated and managed by SPHI; and

WHEREAS, Ordinance 2021-19-17 authorized a first amendment to the operating agreement;

WHEREAS, Ordinance 2021-19-20 authorized a second amendment to the operating agreement;

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

1. That the South Peninsula Hospital, Inc. Board of Directors requests, supports, and hereby approves a third amendment to the Operating Agreement between the Kenai Peninsula Borough and South Peninsula Hospital, Inc. to update Exhibit A to the Operating Agreement in a form substantively similar to the accompanying Third Amendment to the Operating Agreement for South Peninsula Hospital document.
2. That the South Peninsula Hospital, Inc. Board of Directors will forward this resolution to the KP Administration as support of updating the Operating Agreement between South Peninsula Hospital and the Kenai Peninsula Borough.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS
28th DAY of JUNE, 2023.**

ATTEST:

Kelly Cooper, Board President

Julie Woodworth, Secretary

Introduced by: Administration
Date: 6/28/2023
Action:
Vote: Yes -; No-0; Exc-

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION 2023-19**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING AN INCREASE TO THE LIMITATION
ON THE TOTAL CUMULATIVE ANNUAL COST OF REAL PROPERTY LEASES
IN WHICH SPH, INC. IS THE SOLE LESSEE**

WHEREAS, the Kenai Peninsula Borough ("Borough") owns and provides for the operation of South Peninsula Hospital ("Hospital") through the South Kenai Peninsula Hospital Service Area, ("Service Area"); and

WHEREAS, the Borough has entered into an operating agreement with South Peninsula Hospital, Inc. ("SPHI") for the lease and operation of the Hospital and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

WHEREAS, under the Operating Agreement, Section 14, Paragraph (b), the total cumulative annual cost of such leases shall not exceed \$550,000 without prior approval of by the Borough Assembly by resolution of any increases above that limitation; and

WHEREAS, the total cumulative annual costs for leases where SPHI is the sole lessee will be \$405,985 in FY24; and

WHEREAS, SPHI continues to grow and anticipates additional space needs in FY24, which will likely bring the total annual costs for leases near the maximum limitation under the operating agreement; and

WHEREAS, SPHI is requesting the annual lease maximum be increased to \$650,000; and

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

1. That South Peninsula Hospital finds that it is the best interest of the Borough's Service Area and the residents that SPH serves to approve an increase in the total cumulative annual cost of real property leases in which South Peninsula Hospital, Inc. (SPHI) is the sole lessee under the Operating Agreement, Section 14, Paragraph (b).

2. That the South Peninsula Hospital Board of Directors approve an increase of the total cumulative annual cost to the revised limitation of \$650,000 for real property leases in which SPHI is the sole lessee under the Operating Agreement, Section 14, Paragraph (b).

3. That the South Peninsula Hospital Board of Directors requests amendments to Section 10(d) and 14(b) of the Operating Agreement, to state that the annual reported Property Lease List will include a category of contract labor housing leases, but that those leases will not count toward the annual cap under 14(b).

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 28th DAY of JUNE, 2023.

ATTEST:

Kelly Cooper, Board President

Julie Woodworth, Board Secretary

Introduced by: Administration
Date: 6/28/2023
Action:
Vote: Yes -, No -, Exc -

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-20**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
TO UPDATE POLICY F-16 BUDGET MODIFICATIONS TO INCREASE THE LIMIT
OF UNBUDGETED PURCHASES REQUIRING BOARD OF DIRECTORS APPROVAL
FROM \$100,000 TO \$200,000**

WHEREAS, South Peninsula Hospital Board of Directors Policy F-16 defines the spending authority limits where the threshold for CEO approval is set for unbudgeted purchases; and

WHEREAS, the current limit for the CEO to sign for unbudgeted capital and operating expenses is currently set at \$100,000; and

WHEREAS, Inflation has led to increased costs of capital purchases and operational expenses; and

WHEREAS, the SPH Board of Directors would like to increase the CEO approval authority of unbudgeted purchases to \$200,000 for both capital and operating expenses and amend Policy F-16 to require any unbudgeted capital or operational expenses exceeding \$200,000 to require SPH Board of Directors approval; and

WHEREAS, the resolution to increase the unbudgeted purchasing approval limit was discussed at Finance Committee on June 22, 2023.

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


1. That the South Peninsula Hospital Board of Directors approves updating policy F-16 Budget Modifications to increase the limit from \$100,000 to \$200,000 for unbudgeted capital and operating purchases.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF JUNE, 2023.

ATTEST:

Kelly Cooper, Board President

Julie Woodworth, Board Secretary

	SUBJECT: Budget Modifications	POLICY #: F-16
		Page 1 of 1
Scope: Finance Approved by: Board of Directors		Original Date: 7/23/08 Effective: 9/29/21
Revised: 1/22/20 Reviewed: <u>9/29/21</u> <u>6/28/2023</u>		Revision Responsibility: Board of Directors

PURPOSE:

Requirements for budget approval based on spending levels.

DEFINITION(S):

N/A

POLICY:

A. Capital Budget

1. It will be the policy of the Board of Directors of South Peninsula Hospital (SPH) that any unbudgeted capital assets equal to or exceeding \$~~100,000~~200,000 individually or projects which exceed \$~~100,000~~200,000 in total must be approved by the Board.
2. The Board will receive a list of all capital asset purchases including all unbudgeted capital, on a monthly basis.

B. Operating Budget

1. It will be the policy of the Board of Directors of SPH that any operating budget modifications in excess of \$~~100,000~~200,000 be approved by the Board.
2. Adoption of budget modifications to the operating budget will be by resolution with a roll call vote.
3. Request to amend the operating budget will identify the need and account involved.

PROCEDURE:

N/A

ADDITIONAL CONSIDERATION(S):

N/A

REFERENCE(S):

1. South Peninsula Hospital's Values & Behaviors as adopted by the Board of Directors

CONTRIBUTOR(S):

Board of Directors

Introduced by: Administration
Date: 6/28/2023
Action:
Vote: Yes -, No -, Exc -

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-21**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
TO SUPPORT AN INTERFUND LOAN TO SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA FROM THE KENAI PENINSULA BOROUGH GENERAL FUND FOR
ACQUISITION OF NEW ELECTRONIC MEDICAL RECORD SOFTWARE AND
AUTHORIZING REPAYMENT OF THE LOAN FROM SOUTH PENINSULA
HOSPITAL INC. OPERATING FUNDS**

WHEREAS, South Peninsula Hospital relies on multiple electronic medical records to operate its many service departments and CPSI is the primary electronic medical record used for the main hospital departments;

WHEREAS, CPSI has been used for 20+ years and the software does not offer many of the functionalities and integrations of other more widely used electronic medical records and there is a need for patients and staff to be able to access all records for the hospital and clinics in one system; and

WHEREAS, replacement of the EMR software will increase patient access and transferability to medical records as well as provide hospital employees with additional tools for better serving patients; and

WHEREAS, exhausting the existing Plant Replacement and Expansion Fund (PREF) for this expenditure would not leave the hospital in a position where they have the ability to respond to unforeseen capital needs over the next year and is not in the best interests of the service area; and

WHEREAS, the Kenai Peninsula Borough (Borough) General Fund will provide a 5-year loan with a fixed interest rate of 4.81% that compounds daily based on the current Alaska Industrial Development and Export Authority (AIDEA) 5-year lending rate, interest will begin accruing on the date of the first draw and payments will be due quarterly starting 90 days after the first draw; and

WHEREAS, providing the loan to SKPHSA will allow SPH to purchase the much needed EMR Software and retain adequate funding in operations and PREF to provide for operations and capital needs in the immediate future; and

WHEREAS, pursuant to KPB 5.08.025 it is in the best interests of the Borough and the South Kenai Peninsula Hospital Service Area taxpayers to approve a loan to the Service Area from the General Fund. The loan will not require an increase in the mill levy for repayment purposes due to the fact that SPHI will repay the loan from operating funds. The loan would have following terms and conditions:

1. Loan amount: \$7,000,000
2. Purpose: purchase of electronic medical records software and project implementation costs for capital improvement purposes.
3. Term of the loan: 60 months.
4. Rate of interest: 4.81%

5. Installment payment frequency: Quarterly, starting 90 days after the first draw.

WHEREAS, the South Peninsula Hospital Board of Directors supports the interfund loan up to \$7,000,000 to South Kenai Peninsula Hospital Service Area for acquisition of new Electronic Medical Records Software and authorizes repayment of the loan funds from South Peninsula Hospital operations; and

WHEREAS, the resolution to move forward with a note payable from the Kenai Peninsula Borough was discussed at Finance Committee on June 22, 2023.

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

1. That the South Peninsula Hospital Board of Directors approves supporting an interfund loan from Kenai Peninsula Borough General Fund to the South Kenai Peninsula Hospital Service Area for up to \$7,000,000 for the purchase of an electronic medical record software and project implementation costs for capital improvement purposes.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF JUNE, 2023.

ATTEST:

Kelly Cooper, Board President

Julie Woodworth, Board Secretary

Introduced by: Administration
Date: 06/28/2023
Action:
Vote: Yes – , No – 0, Excused-

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-22**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE FISCAL YEAR 2024 OPERATING BUDGET**

WHEREAS, Administration uses a systematic, fiscally responsible process for developing the South Peninsula Hospital, Inc., FY 2024 Operating Budget, which includes participation of department directors, managers and administration; and identification of strategic growth need; and

WHEREAS, the FY 2024 Operating Budget is critical to the mission and vision of South Peninsula Hospital, Inc; and

WHEREAS, the FY 2024 Operating Budget was approved by the Finance Committee on June 22, 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL, INC., TO APPROVE THE FISCAL YEAR 2024 OPERATING BUDGET.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL, INC. THIS WEDNESDAY, JUNE 28th, 2023.

Kelly Cooper, Board President

ATTEST:

Julie Woodworth, Secretary



SOUTH PENINSULA HOSPITAL OPERATING BUDGET FISCAL YEAR 2024

In Review

Abstract

\$212m gross revenue, \$120m net patient revenue, \$920k other revenue, \$121.5m operating expense, \$(372.8)k operating margin (0.31%)

Accounting & Finance Team
South Peninsula Hospital

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Summary of Proposal

Budget Proposal

The FY 2023 South Peninsula Hospital budget proposed is the following:

A	Gross Revenue	\$212,035,008
B	Deductions	\$ 91,798,754
A-B=C	Net Patient Revenue	\$120,236,254
+	Other Operating Revenue	\$ 920,273
C+	Total Operating Revenue	\$121,156,527
D	Total Operating Expenses	\$121,529,349
(C+)-D=E	Operating Margin	\$ -372,822 (0.31%)
F	Total Margin	\$ 4,860,935 4.04%

Monthly Service Statistics

Service Production Proposed

The FY 2023 South Peninsula Hospital budget uses monthly averages shown below:

Service	FY 2021	FY 2022	FY 2023	FY 2024	# Variance	% Variance
IP Surgery	16.8	15.4	10	17	7	70%
ADC (Acute & Swing)	9.2	10.6	9.2	9.2	0	0%
Swing Bed	79	85.2	109	109	0	0%
OP Visits	7,814	9,220	7,623	8,316	693	9%
Clinic Visits	2,402	2,687	3,059	3,541	482	16%
OP Surgeries	110	110	120	120	0	0%
LTC Patients	17.5	19.0	22.9	25.0	2.1	9%

Discussion of Statistics

The service production statistics in the preceding table are monthly averages for FY23 through the month of May. FY24 projected numbers are assumed to see increases in inpatient surgeries with the recent increase in cases, an increase in clinic visits with the recent addition of providers in Family Practice, and an increase in ancillary outpatient services including imaging and rehab. Patient days are assumed to remain flat from FY23 volumes. LTC days are anticipated to remain at their current census of 25.

Revenue

	FY2021 Actual	FY2022 Actual	FY2023 Annualized	FY2024 Budget	% Diff from Projected
Inpatient	28,328,773	36,792,314	29,929,320	31,936,435	6.71%
Outpatient	117,018,357	134,629,773	151,359,608	165,909,620	9.61%
LTC	7,614,567	10,335,758	12,860,137	14,188,953	10.33%
Total Revenue	152,961,698	181,757,845	194,149,065	212,035,008	9.21%

Revenue growth is expected to increase with the following assumptions: implementation of a 6% Chargemaster increase for Hospital inpatient and outpatient charges and increase in volumes for specified service lines (see Monthly Service Statistics above).

Deductions

The FY24 budget assumes no change in current payer mix, it does take into account changes in Medicare and Medicaid reimbursement, which increased for Inpatient and Long Term Care on a per diem basis and decreased as a percentage of charges for outpatient care. Medicare rates compare rates prior to April when the updated Medicare Rates took effect to what we can expect beginning in FY24. Commercial and Blue Cross allowances are budgeted with no change to reimbursement.

	FY23 Payer Mix	FY24 Payer Mix
Medicare	40%	40%
Medicaid	25%	25%
Commercial	16%	16%
Blue Cross	15%	15%
Self-Pay	4%	4%

Reimbursement	FY23 Inpatient Per Diem	FY24 Inpatient Per Diem	FY23 Long Term Care Per Diem	FY24 Long Term Care Per Diem	FY23 Outpatient % of Charges	FY24 Outpatient % of Charges
Medicaid	\$5,829	\$6,883	\$1,102	\$1,486	47.7%	39.7%
Medicare	\$4,884	\$5,269			51%	49%

Budgeted Deductions	FY2021 Actual	FY2022 Actual	FY2023 Projected	FY2024 Budget
Medicare	31,768,778	37,850,168	38,544,069	41,708,511
Medicaid	19,054,608	24,401,597	26,112,804	26,250,622
Charity Care	1,266,505	226,294	1,959,720	2,319,877
Other Adjustments	11,943,302	15,888,764	17,982,648	18,433,397
Bad Debt	3,332,151	3,568,225	2,711,079	3,086,347
Total Deductions	67,365,344	81,935,048	87,310,320	91,798,754

Expenses

Overall operating expenses are expected to increase 14% over annualized FY2023 projections. Annualized projected expenses are based upon operations for the period July 2022 through May 2023. Salaries & Wages increases include inflationary increases as well as an increase in FTE staffing. The budget shows a shift with a reduction in contract staffing and an increase in employed staff including several family practice physicians. The opening of a new daycare is included in the operating expenses which includes \$487,888 in expense total spread across multiple categories. Of this, \$391,888 is expected to be funded through non-operating grant funding. FY2024 budget increases/decreases from FY2022 projections are shown below.

	FY2021 Actuals	FY2022 Actuals	FY2023 Annualized	FY2024 Budget	Variance %
SALARY & WAGES	39,927,639	42,224,603	48,337,035	58,854,718	21.76%
EMPLOYEE BENEFITS	14,611,588	20,387,790	22,674,111	25,277,409	11.48%
OTHER OP EXPENSE	894,307	1,206,696	1,661,792	1,866,454	12.32%
SUPPLIES DRUGS & FOOD	9,732,515	12,827,053	12,286,034	14,100,261	14.77%
CONTRACT STAFFING	3,362,632	4,632,073	3,053,348	1,410,489	-53.81%
PROFESSIONAL FEES	4,989,523	5,969,099	6,457,224	6,719,037	4.05%
UTILITIES & TELEPHONE	1,618,910	1,673,321	1,765,594	1,829,341	3.61%
INSURANCE	632,594	654,419	724,583	877,739	21.14%
DUES BOOKS SUBSCRIPTIONS	243,641	232,497	223,877	266,055	18.84%
SOFTWARE MAINT/SUPPORT	1,484,150	1,893,549	2,016,645	2,239,142	11.03%
TRAVEL MEETINGS EDUCATION	365,068	552,167	608,499	1,089,737	79.09%
REPAIRS & MAINTENANCE	1,658,843	1,635,573	1,852,251	1,969,130	6.31%
LEASE & RENTALS	892,139	807,717	771,022	888,175	15.19%
DEPRECIATION & AMORTIZATION	3,555,630	3,959,363	4,075,913	4,141,663	1.61%
Total OPERATING EXPENSES	83,969,179	98,655,922	106,507,929	121,529,349	14.10%

Full Time Equivalent (FTE)

Total FY2024 budgeted FTEs is 528.94 across all departments, is a 7.9% increase in staffing from FY2023 (490.11 FTE). The majority of this staffing increase is based upon the assumption that key clinical and nursing positions will be filled, adds additional family practice physicians and support staff, and factors in that contract labor will be significantly reduced (-54%).

Non-Operating Revenue/Expense

	FY2021 Actuals	FY2022 Actuals	FY2023 Annualized	FY2024 Budget
Non-Operating Revenue	13,953,628	7,732,034	5,887,108	4,967,580
Service Area Board Exp.	113,593	91,649	108,718	25,000

Our Non-Operating Revenues and Expenses include the assumption that no further COVID related funding will occur. While we are still working on FEMA funding, the receipt of such funding is uncertain and hence it has not been budgeted. The non-operating revenue includes grant \$391,888 of grant funding to start a facility daycare for employees. The expenses for this are include as operating expenses, which is why there is a net operating loss. That loss is entirely attributed to the cost of operating and starting the daycare, which is to be funded by non-operating revenue. The Service Area Board Expense has been reduced as the historic funding of grants to organizations is to be funded through SPH operations in FY24 and the expenses are now included in the other operating expense category.

FY2023 Budget Summary

A	Gross Revenue	\$212,035,008
B	Deductions	\$ 91,798,754
A-B=C	Net Patient Revenue	\$120,236,254
+	Other Operating Revenue	\$ 920,273
C+	Total Operating Revenue	\$121,156,527
D	Total Operating Expenses	\$121,529,349
(C+)-D=E	Operating Margin	\$ -372,822 (0.31%)
F	Total Margin	\$ 4,860,935 4.04%

The Budget Summary is representative of a significant push in patient volumes both for Long Term Care and outpatient care, fully maximizing our capacity in surgery, ancillaries, and outpatient clinics. We have estimated an overall 6% price increase to our charge master in order to stay ahead of the increasing cost of operations.

Conclusion

While there is some uncertainty around expected volume increases as healthcare rebounds from impacts of the COVID 19 pandemic, the FY2024 budget is based on the best information we have. We will continue to apply sound business judgment to staffing and to variable operating expenses in an effort to maintain financial viability.

We expect to see modest volume increases in many areas, and modest price increases are planned to cover increasing costs. SPH has also successfully recruited several contract laborers this year and expects that trend to continue resulting in lower contract staffing expenses and lower recruiting costs.

Operating margin is expected to be nearly break even, at -0.31%.

FY24 South Peninsula Hospital Operating Budget

Description	FY21 Actuals	FY22 Actuals	FY23 Annualized	FY24 Budget	Variance	Variance %	
PATIENT SERVICE REVENUE							
INPATIENT	28,328,773	36,792,314	29,929,320	31,936,435	2,007,115	6.71%	
OUTPATIENT	117,018,357	134,629,773	151,359,608	165,909,620	14,550,013	9.61%	
LONG TERM CARE	7,614,567	10,335,758	12,860,137	14,188,953	1,328,816	10.33%	
Total PATIENT SERVICE REVENUE	152,961,698	181,757,845	194,149,065	212,035,008	17,885,943	9.21%	
DEDUCTIONS FROM REVENUE							
MEDICARE	31,768,778	37,850,168	38,544,069	41,708,511	3,164,442	8.21%	
MEDICAID	19,054,608	24,401,597	26,112,804	26,250,622	137,818	0.53%	
CHARITY CARE	1,266,505	226,294	1,959,720	2,319,877	360,157	18.38%	
OTHER ADJUSTMENTS	11,943,302	15,888,764	17,982,648	18,433,397	450,749	2.51%	
BAD DEBT	3,332,151	3,568,225	2,711,079	3,086,347	375,268	13.84%	
Total DEDUCTIONS FROM REVENUE	67,365,344	81,935,048	87,310,320	91,798,754	4,488,434	5.14%	
NET PATIENT SERVICES							
	85,596,354	99,822,797	106,838,745	120,236,254	13,397,509	12.54%	
OTHER REVENUE	635,047	675,410	760,871	920,273	159,402	20.95%	
TOTAL OPERATING REVENUES	86,231,400	100,498,207	107,599,616	121,156,527	13,556,911	12.60%	
OPERATING EXPENSES							
SALARY & WAGES	39,927,639	42,224,603	48,337,035	58,854,718	10,517,683	21.76%	
EMPLOYEE BENEFITS	14,611,588	20,387,790	22,674,111	25,277,409	2,603,298	11.48%	
OTHER OP EXPENSE	894,307	1,206,696	1,661,792	1,866,454	204,662	12.32%	
SUPPLIES DRUGS & FOOD	9,732,515	12,827,053	12,286,034	14,100,261	1,814,226	14.77%	
CONTRACT STAFFING	3,362,632	4,632,073	3,053,348	1,410,489	-1,642,858	-53.81%	
PROFESSIONAL FEES	4,989,523	5,969,099	6,457,224	6,719,037	261,813	4.05%	
UTILITIES & TELEPHONE	1,618,910	1,673,321	1,765,594	1,829,341	63,747	3.61%	
INSURANCE	632,594	654,419	724,583	877,739	153,156	21.14%	
DUES BOOKS SUBSCRIPTIONS	243,641	232,497	223,877	266,055	42,178	18.84%	
SOFTWARE MAINT/SUPPORT	1,484,150	1,893,549	2,016,645	2,239,142	222,497	11.03%	
TRAVEL MEETINGS EDUCATION	365,068	552,167	608,499	1,089,737	481,238	79.09%	
REPAIRS & MAINTENANCE	1,658,843	1,635,573	1,852,251	1,969,130	116,878	6.31%	
LEASE & RENTALS	892,139	807,717	771,022	888,175	117,153	15.19%	
DEPRECIATION & AMORTIZATION	3,555,630	3,959,363	4,075,913	4,141,663	65,749	1.61%	
Total OPERATING EXPENSES	83,969,179	98,655,922	106,507,929	121,529,349	15,021,420	14.10%	
GAIN (LOSS) FROM OPERATIONS	2,262,222	1,842,285	1,091,687	-372,822	-1,464,509	-134.15%	-0.31%
NON-OPERATING REVENUES							
GENERAL PROPERTY TAXES	4,691,422	4,689,619	5,339,975	4,543,798	-796,177	-14.91%	
INVESTMENT INCOME	72,520	-155,227	526,996	414,249	-112,748	-21.39%	
GOVERNMENTAL SUBSIDIES	2,531,187	3,118,212	0	0	0	0.00%	
OTHER NON OPERATING REVENUE	6,623,389	79,384	8,797	5,033	-3,764	-42.79%	
GIFTS & CONTRIBUTIONS	50	0	0	0	0	0.00%	
GAIN (LOSS) ON DISPOSAL	31,999	0	7,169	0	-7,169	-100.00%	
SPH AUXILIARY	3,061	46	4,171	4,500	329	7.90%	
Total NON-OPERATING REVENUES	13,953,628	7,732,034	5,887,108	4,967,580	-919,528	-15.62%	
NON-OPERATING EXPENSES							
SERVICE AREA BOARD	113,593	91,649	108,718	25,000	-83,718	-77.00%	
OTHER NON OP EXP	4,346	54,346	21,943	72,677	50,735	231.22%	
INTEREST EXPENSE	493,738	510,804	466,296	412,729	-53,567	-11.49%	
Total NON-OPERATING EXPENSES	611,678	656,799	596,956	510,406	-86,550	-14.50%	
GRANTS							
GRANT REVENUE	1,279,294	1,368,226	327,615	806,596	478,981	146.20%	
GRANT EXPENSE	72,458	609,596	30,012	30,012	0	0.00%	
TOTAL NON-OPERATING GAINS, NET	1,206,835	758,631	297,603	776,584	478,981	160.95%	
NET INCOME	16,811,008	9,676,150	6,679,442	4,860,935	-1,818,507	-27.23%	4.04%

South Peninsula Hospital
Hospital Board of Trustees Balanced Scorecard Report
1st Quarter Calendar 2023 (Jan, Feb, Mar)

Overall Indicators	Q 2023	Target	n	Note
Medicare Care Compare Overall Hospital Star Rating	N/A	5		There are too few measures or measure groups reported to calculate.
Medicare Care Compare Overall Hospital Survey Star Rating	4	5		
Medicare Care Compare Overall Nursing Home Star Rating	5	5		
Medicare Merit Based Incentive Payment System Total Score	32.61	25		2019-- 60.6; 2020--75.2; 2021--81.34
Quality of Care / Patient Safety	1Q 2023	Target	n	Note
Severe Sepsis & Septic Shock Care	100%	>75%	58	(Care Compare : 24 cases - 71%, 4/1/21-3/31/22)
Sepsis (% of patients who received appropriate care for sepsis and/or septic shock.)				# of cases passing/total # of cases-exceptions (58 cases reviewed: 27 pass, 0 fail, 31 exclusions)
Stroke Care	71%	> 95%	21	(Care Compare N/A, 4/1/21-3/31/22)
Percentage of patients who came to ED w/Stroke symptoms and received CT/MRI within 45 minutes of arrival.				Numerator = CT/MRI within 45 min & documented last known well. Denominator = Patients with Stroke presenting within 2 hours of symptoms. (15- pass, 6- failed, 0- excluded)
Median Emergency Room Time	193 min	180 min	1195	Target (minutes) (Care Compare: 158 min, 4/1/21-3/31/22)
Average time spent in department before leaving.				Average throughput time of all ED visits
Readmission	6.7%	< 15%	209	(Care Compare 15.8%, 7/1/18-6/30/21)
The readmission measures are estimates of the rate of unplanned readmission to an acute care hospital in 30 days after discharged from a hospitalization. Patients may have had an unplanned readmission for any reason.				% of patients with unplanned readmission to (IP/Obs) within 30 days of discharge - exclusions/Eligible admissions- (14 readmits/total admits*100)
Elective Deliveries	0%	0%	25	(Care Compare 0%, 22 patients 4/1/21-3/31/22)
Percentage of mothers whose deliveries were scheduled too early (1-2 weeks early), when a scheduled delivery wasn't medically necessary.				# of non-medically indicated deliveries before 39 weeks gestation / total deliveries.
Provider Quality Score (Group)	17.61	15 pts		Scoring tabulated as a running, annual score.
CMS Merit-Based Incentive Payment System (MIPS) for providers				Target to be adjusted Quarterly as appropriate
Patient Fall Rate AC	9.93	< 5	906	# of patient falls / # patient days x 1000
Measures the number of patient falls per 1,000 patient days				n = IP, observations and swing bed patient days. Note: AC had 9 falls - 4 without injury, 5 with minor injuries, 8 were same patient.
Medication Errors	0	0		
Measures the number of reported medication errors causing patient harm or death.				Reported errors classified as type E-I by the National Coordinating Council for Med Error Reporting and Prevention/CMS
Never Events	0	0		
Unexpected occurrence involving death/serious physiological or psychological injury, or the risk thereof.				

Home Health (HH)	1Q 2023	Target	n	Note
Improvement in Breathing	TBD	> 80%		
Percentage of home health quality episodes patient became less short of breath.				Pts. w/ quality episode indicating reduced shortness of breath/ Total pts. w/ quality episode ending w/ d/c during the reporting period – Exemptions.
Correct Medication Administration	TBD	> 75%		
Percentage of home health quality episodes patients improved taking oral medication correctly.				Pts. w/ quality episode indicating an improved ability to take their meds correctly. Total pts. w/ quality episode ending w/ d/c the reporting period – Exemptions.
Nursing Home	1Q 2023	Target	n	Note
Fall with Major Injury	0	< 3%		
Res. w/ look back assessment(s) that indicate 1 or more falls resulting major w/injury. (fx/dislocation, head injury w/ altered consciousness, subdural hematoma.)				Res. with a lookback scan assessment indicating a Major Fall/ Total pts w/ a lookback scan assessment – Exemptions
Urinary Tract Infections (UTI)	0	< 3%		
Residents w/ look back scan asses(s) that indicates (UTI) within the last 30 days.				Res. with a lookback scan assessment indicating a UTI within the last 30 days/ Total pts with a lookback scan – Exemptions.
Consumer Assessment of Healthcare Providers and Services	1Q 2023	Target	n	Note: Measures as a % ranking across PG clients.
HCAHPS Percentile	88th	75th	25	
Measures the 1-10 ranking received by inpatient client (or family) respondents.				Q4 -2022, n = 63 Q -2023, n = 25
HHAHPS Percentile	99th	75th	33	*Running 12 months due to low quarterly returns
Measures the 1-10 ranking received by Home Health Care client (or family) respondents.				Q3 -2022, 88th n = 38 Q4 -2022, 87 n = 33
Patient Satisfaction Through Press Ganey (PG)	1Q 2023	Target	n	Note: % ranking across PG clients.
Inpatient Percentile	84th	75th	25	
Measures the satisfaction of inpatient pts. respondents.				Q3 -2022: 87th, n = 49 Q4 -2022: 69th, n = 43
Outpatient Percentile	24th	75th	271	
Measures the satisfaction of outpatient pts. respondents.				Q3 -2022: 14th, n = 255 Q4 -2022: 12th, n = 252
Emergency Department Percentile	89th	75th	59	
Measures the satisfaction of emergency pts. respondents.				Q3 -2022: 83rd, n = 94 Q4 -2022: 96th, n = 43
Medical Practice Percentile	63rd	75th	358	
Measures the satisfaction of pts. respondents at SPH Clinics.				Q3 -2022: 49th, n = 466 Q4 -2022: 58th, n = 454
Ambulatory Surgery (AS) Percentile	69th	75th	75	
Measures the satisfaction of AS pts. respondents.				Q3 -2022: 20th, n = 57 Q4 -2022: 69th, n = 74
Home Health Care Percentile (HHC)	96	75th	33	*Running 12 months due to low quarterly returns
Measures the satisfaction of HHC clients (or family) respondents.				Q4 -2022, n = 33 Q1 -2023, n = 33

Provider and Staff Alignment	1Q 2023	Target	n	Note
Provider Satisfaction Percentile	74th	75th		
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.				Result of provider survey 2021
Employee Satisfaction Percentile	70th	75th		
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results Measured as a percentile.				Result of employee survey 2021
Workforce	1Q 2023	Target	n	Note
Turnover: All Employees	3.67%	< 5%	572	
Percentage of all employees separated from the hospital for any reason				21 Terminations/ 572 Total Employees
Turnover: Voluntary All Employees	2.62%	< 4.75%	572	
Measures the percentage of voluntary staff separations from the hospital				15 Voluntary Terminations/ 572 Total Employees
First Year Total Turnover	10.19%	< 7%	108	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.				11 New Staff Terminated in Q3/ 108 Total New Hires from - 4/1/2022-3/31/2023
Travel Nursing Utilization	26	< 20		
Measure total travel staff utilized in a previous quarter (Internal & External)				01-2023 - External: 15 / Internal: 11, Total: 26
Information System Solutions	1Q 2023	Target	n	Note
Eligible Hospital (EH) Promoting Interoperability: hospital-based measures for inpatient and observation stays.	76	> 60	377	CMS score 60 and above = pass
e-Prescribing: Electronic Prescribing (<i>Rx</i>)	8	10	377	311 of 377
Health Information Exchange: Support Electronic Referral Loops by receiving and incorporating health information	15	15	1	1 of 1
HIE: Suppt. Electronic Referral Loops by sending health info. (<i>Sum.of Care sent</i>)	5	15	179	53 of 179
Provider to patient exchange: Provide patients electronic access to their health information (<i>timely access via the patient portal</i>)	23	25	204	188 of 204
Public Health & Clinical Data Exchange	25	25	4	4 of 4
Eligible Provider (EP) - Promoting Interoperability (Group)	N/A	10 pts		Target quarterly for annual score
Merit Based Incentive Payment System Promoting Interoperability score (<i>MIPS tracking is in Athena</i>)				Promoting Interoperability for Providers: N/A * Athena hasn't calculated our score yet
Electronic Medical Record (EMR) Adoption Stage	5	5		
Health Information Management & Systems Society (<i>HIMSS</i>) Electronic Medical Record Adoption Model (<i>EMRAM</i>) stage.				The current US average is 2.4 out of a possible 7.0 stages. Stage 6 and 7 require site visit validation.
IT Security Awareness Training Complete Rate	88%	97%		
% of employees who have completed assigned security training				1669 videos training sent, 1469 completed.
Phishing Test Pass Rate	99.6%	97%		
% of Phishing test emails that were not failed.				3924 test phishing emails sent out to staff. 15 of the email links were clicked, causing 15 potential security risks.

Financial Health	1Q 2023	Target	n	Note
Operating Margin	1.78%	-0.7%		
Measures the surplus (deficit) of operating income over operating expenses as a percentage of net patient service revenue for the quarter.				Target is based on budgeted operating margin for the period.
Adjusted Patient Discharges	907.12	987.09		
Measures the number of patients discharged, adjusted by inpatient revenues for the quarter divided by (<i>inpatient + outpatient revenues</i>).				Total Discharges: # (<i>Acute, OB, Swing, ICU</i>) LTC Revenue & discharges not included
Net Revenue Growth	7.0%	14.2%		
Measures the percentage increase (<i>decrease</i>) in net patient revenue for the quarter compared to the same period in the prior year.				Target is based on budgeted net patient service revenue for the period compared to net patient service revenue for the same period in prior year.
Full Time Equivalents (FTEs) per Adjusted Occupied Bed	7.63	9.02		
Measures the average number of staff FTEs per adjusted occupied bed for the quarter.				Target is based on budgeted paid hours (<i>FTE</i>) divided by (<i>budget gross patient revenue/budget gross inpatient rev</i>) X budgeted average daily census for the quarter.
Net Days in Accounts Receivable	50.0	55		
Measures the rate of speed with which the hospital is paid for health care services.				
Cash on Hand	83	90		# Represents days
Measure the actual unrestricted cash on hand (excluding PREF and Service Area) that the hospital has to meet daily operating expenses.				Cash available for operations based average daily operating expenses during the quarter less depreciation for the quarter.
Uncompensated Care as a Percentage of Gross Revenue	2.40%	2.5-5.3%		
Measures bad debt & charity write offs as a percentage of gross patient service revenue				Target is based on industry standards & SPH Payer Mix Budgeted total is 2.9% Expected range of 2.5-3.5%
Average Age of Plant	15.9 yrs	8 yrs		
Average age of assets used to provide services				The average age of plant is calculated based on accumulated depreciation, divided by depreciation expense.
Intense Market Focus to Expand Market Share	1Q 2023	Target	n	Note
Outpatient Revenue Growth	13.9%	16%		
Measures percentage increase (decrease) in outpatient revenue for the quarter, compared to the same period in the prior year.				Target is based on budgeted outpatient revenue for the period compared to outpatient revenue for the same period in the prior year.
Surgical Case Growth	9.0%	12.2%		
Measures the increase (<i>decrease</i>) in surgical cases for the quarter compared to the same period in the prior year.				Target is based on budgeted surgeries above actual from same quarter prior year.



MINUTES

Board Governance Committee Meeting

11:00 AM - Thursday, June 22, 2023
Zoom

The Board Governance Committee of the South Peninsula Hospital was called to order on Thursday, June 22, 2023, at 11:00 AM, via Zoom, with the following members present:

PRESENT: Chair Aaron Weisser, Beth Wythe, Bernadette Wilson, Melissa Jacobsen and Maura Jones (Executive Assistant)

EXCUSED: Todd Boling

1. CALL TO ORDER / REVIEW OF AGENDA & MINUTES

2. ITEMS

2.1. Board President Job Description

Aaron provided a final copy of the Board President Job Description, which included feedback from Ryan and Derotha on how to phrase the piece about representation in the community. The committee approved this version, and asked that it be moved to the full board on this month's consent agenda.

2.2. Policy Review

Policies EMP-05 and EMP-06 were presented for review.

Policy EMP-05 was revised to better reflect the board's role in hiring and terminations of executives, changing the language to require notification within 48 hours instead of advance notice.

Policy EMP-06 was revised to change the term Sublease and Operating Agreement, to the current term, Operating Agreement.


2.3. Doctor's Dinner

There is a nice venue next to the Tickled Pear with availability this summer. It would be nice if the Tickled Pear could cater as well. Maura will move forward with possible dates and will reach out to Aaron as needed for help or questions. Date/time would likely be a weekday around 6:30pm to accommodate medical staff schedules.

3. DISCUSSION

4. ADJOURNMENT

The meeting was adjourned at 11:29am.

 South Peninsula Hospital	SUBJECT: Hiring or Terminating Individuals in Key Positions	POLICY #: EMP-05
		Page 1 of 1
Scope: Executive Leadership Approved by: Board of Directors	Original Date: 10/22/03 Effective: 6/23/2021	
Revised: 11/20/19 Reviewed: 1/25/23	Revision Responsibility: Board of Directors	

PURPOSE:

Requirements for [hiring or](#) termination of executive leadership personnel.

DEFINITION(S):

N/A

POLICY:

- A. The CEO will [notify the board in writing within 48 hours of hiring or terminating individuals in chief executive positions. ~~not terminate or hire individuals in the positions of the Chief Financial Officer or Chief Nursing Officer without first advising the Board of the planned action.~~](#)
- B. The borough must be notified within 14 days of any changes in [these positions or the Chief Executive Officer, Chief Financial Officer or Chief Nursing Officer position](#) in accordance with section 17 (e) of the Operating Agreement.

PROCEDURE:

N/A

ADDITIONAL CONSIDERATIONS:

N/A

REFERENCE(S):

1. Operating Agreement for South Peninsula Hospital with Kenai Peninsula Borough, 2020

CONTRIBUTORS:

Board of Directors