



AGENDA

Board of Directors Meeting

5:30 PM - Wednesday, February 28, 2024

[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

Aaron Weisser, President	Jared Baker	Bernadette Wilson
Melissa Jacobsen, Vice President	Matthew Bullard	Beth Wythe
Beth Wythe, Secretary	Edson Knapp, MD	
Walter Partridge, Treasurer	Preston Simmons	

Page

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 - 11 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for January 24, 2024

[Board of Directors - Jan 24 2024 - Minutes - DRAFT](#)

- 12 - 15 7.2. Consideration to Approve January FY2024 Financials
[Balance Sheet - January 2024](#)
[Income Statement - January 2024](#)
[Cash Flow - January 2024](#)
- 16 - 295 7.3. Consideration to Approve the Annual Report to the Contract Administrator
[Report to the Contract Administrator 2024](#)
- 296 - 310 7.4. Consideration to Approve the South Peninsula Hospital Respiratory Protection Plan
[Respiratory Protection Plan, revised](#)
- 311 7.5. Consideration to Approve revised policy EMP-09, CEO Succession Plan, as recommended by the Governance Committee
[EMP-09, revised](#)
- 312 7.6. Consideration to Approve a Retirement Proclamation for Patti Russell after 34 Years of Service to South Peninsula Hospital
[Patricia Russell Proclamation](#)

8. PRESENTATIONS

- 8.1. Retirement Proclamation for Patti Russell

9. UNFINISHED BUSINESS

10. NEW BUSINESS

- 313 10.1. Consideration to Approve New Medical Staff Privileges for Acupuncture as Recommended by the Medical Executive Committee
[Acupuncture Privileges](#)
- 314 - 315 10.2. Consideration to Approve South Peninsula Hospital (SPH) Resolution 2024-03, A Resolution of the South Peninsula Hospital Board of Directors Approving the Use of \$250,000 of Operating Cash to Fund the Relocation and Colocation of the General Surgery Clinic and Functional Medicine Clinic within the Main Hospital Building
[SPH Resolution 24-03](#)
- 316 10.3. Consideration to Approve South SPH Resolution 2024-04, A Resolution of the South Peninsula Hospital Board of Directors Approving the Collective Bargaining Agreement Between South Peninsula Hospital, Inc. and the General Teamsters Local Union 959
[SPH Resolution 24-04](#)

- 317 - 318 10.4. Consideration to Approve South SPH Resolution 2024-05, A Resolution of the South Peninsula Hospital Board of Directors Approving the Use of Operating Cash to Lease Additional Clinic Space at 3726 Lake Street, Homer AK
[SPH Resolution 24-05](#)
- 319 - 320 10.5. Consideration to Approve South SPH Resolution 2024-06, A Resolution of the South Peninsula Hospital Board of Directors Approving the Use of Operating Cash to Fund the Lease of Olympus 3D Cameras and Power System
[SPH Resolution 24-06](#)
- 321 10.6. Consideration to Approve South SPH Resolution 2024-07, A Resolution of the South Peninsula Hospital Board of Directors Approving the Use of \$215,000 of Operating Cash to Fund the Relocation of the Education Department, Training Center and SART/SANE Offices
[SPH Resolution 24-07](#)

11. REPORTS

- 11.1. Chief Executive Officer
- 322 - 332 11.2. BOD Committee: Pension
[SPH Pension Policy Memo February 2024](#)
[PEN-002, updated](#)
[PEN-001 Employee Investment Policy, no recommended changes](#)
- 333 - 334 11.3. BOD Committee: Finance
[F-03 SPH Investment of Facility Funds, no recommended changes](#)
[F-05 SPH Operational Reserves, no recommended changes](#)
- 335 - 337 11.4. BOD Committee: Governance
[Board Governance Committee - Feb 22 2024 - Minutes](#)
- 11.5. BOD Committee: Education
- 11.6. Chief of Staff
- 11.7. Service Area Board Representative - 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

15.1. Medical Staff Dinner at Land's End, 3/6 at 6pm

338 - 344

15.2. Administrative Forms to be Completed
[Confidentiality Agreement, blank, fillable](#)
[2024 CMS Form, Blank, Fillable](#)
[Conflict of Interest Form](#)

15.3. Annual Board Calendar

16. ADJOURN TO EXECUTIVE SESSION

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, January 24, 2024
Conference Rooms 1&2 and via Zoom

The Board of Directors of the South Peninsula Hospital was called to order on Wednesday, January 24, 2024, at 5:30 PM, in the Conference Rooms 1&2 and Zoom.

1. CALL TO ORDER

President Aaron Weisser called the regular meeting to order at 5:30pm.

2. ROLL CALL

BOARD PRESENT: President Aaron Weisser, Melissa Jacobsen, Beth Wythe, Walter Partridge, Jared Baker, Matthew Bullard, Edson Knapp, Preston Simmons, Bernadette Wilson

BOARD EXCUSED: Matthew Hambrick

ALSO PRESENT: Ryan Smith, CEO; Angela Hinnegan, COO; Anna Hermanson, CFO; Rachael Kincaid, CNO; Christina Tuomi, CMO; Maura Jones, Executive Assistant, Joy Merriner (BDO)

**Due to the hybrid 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

Rachael Kincaid, CNO, shared two Living Our Values stories. Harrison Smith, Facilities Manager, heard someone go off the road in front of his house yesterday, and spent the evening pulling her car out of the ditch. Patti Russell is retiring after 34 years and today was her last day working in the Emergency Department.

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

New board members Matthew Bullard, Preston Simmons and Jared Baker introduced themselves to the group.

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

There were no comments from the audience.

6. APPROVAL OF THE AGENDA

Edson Knapp made a motion to approve the agenda. Treasurer Walter Partridge seconded the motion. Motion Carried.

7. APPROVAL OF THE CONSENT CALENDAR

Edson Knapp read the consent calendar into the record.

- 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for November 29, 2023.**
- 7.2. Consideration to Approve November and December FY2024 Financials**
- 7.3. Consideration to certify the medical staff appointments of Musaberk Goksel, MD, Kaitlin Peace, MD, Jacob Petrosky, MD and Richard Wood, MD, as recommended by the medical staff and approved by two members of the board on December 28, 2023 according to the Category 1 Credentialing Pathway.**
- 7.4. Consideration to Approve the 2024 Quality Assurance & Performance Improvement Plan for South Peninsula Hospital Long Term Care**
- 7.5. Consideration to Approve the 2024 Quality Assurance & Performance Improvement Plan for South Peninsula Hospital Home Health**
- 7.6. Consideration to Accept the Financial Audit for FY2023**
- 7.7. Consideration to Approve the South Peninsula Hospital Implementation Strategy for the 2023 Community Health Needs Assessment**

Edson Knapp made a motion to approve the consent calendar. Melissa Jacobsen seconded the motion. Motion Carried.

8. PRESENTATIONS

8.1. SPH Financial Audit Presentation

Joy Merriner from BDO gave a presentation on the financial audit for FY2022. BDO issued an unmodified, or clean opinion. She noted that the SPH finance team was a great team to work with. There were no audit adjustments, no uncorrected misstatements, and no internal control findings.

9. UNFINISHED BUSINESS

10. NEW BUSINESS

10.1. Election of Officers

The election of officers was conducted by secret ballot. The results of the election were:

- President - Aaron Weisser
- Vice President - Melissa Jacobsen
- Treasurer - Walter Partridge
- Secretary - Beth Wythe

10.2. Consideration to Approve South Peninsula Hospital Board Resolution 2024-01, A Resolution of the South Peninsula Hospital Board of Directors Approving the 2023 Discretionary Contribution for the Non-Union 403(b) Plan

Anna Hermanson, CFO, reported. SPH has a 403b plan for union employees and a 403b plan for non-union employees. Contributions for union employees are outlined in the Collective Bargaining Agreement. This resolution authorizes the annual contribution for the non-union employees. Mr. Partridge reported Finance Committee reviewed and approved this resolution at their meeting.

Melissa Jacobsen made a motion to approve South Peninsula Hospital Board Resolution 2024-01, A Resolution of the South Peninsula Hospital Board of Directors Approving the 2023 Discretionary Contribution for the Non-Union 403(b) Plan Edson Knapp seconded the motion. Motion Carried.

10.3. Consideration to Approve South Peninsula Hospital Board Resolution 2024-02, A Resolution of the South Peninsula Hospital Board of Directors Approving the Capital Budget for FY2025.

Ms. Hermanson reported. This resolution is a request to use our property tax revenues to fund capital projects. The pages attached to the resolution details all of the capital projects we would like to fund for the upcoming fiscal year. We also have extra money in a 491 fund at the borough that will cover what is above what we receive for tax monies. Mr. Partridge reported the Finance Committee reviewed and approved this resolution.

Melissa Jacobsen made a motion to approve South Peninsula Hospital Board Resolution 2024-02, A Resolution of the South Peninsula Hospital Board of Directors Approving the Capital Budget for FY2025. Edson Knapp seconded the motion. Motion Carried.

11. REPORTS

11.1. Chief Executive Officer

Ryan Smith gave a verbal report, and reviewed the balanced scorecard for Q4 2023. Some highlights of the report include:

- SPH achieved a 5-star rating on patient feedback on Care Compare. He thanked everyone who helped make this happen.
- Long Term Care has been a 5-star facility for some months now.
- MIPS score is now being affected by our cost for providing care. Previously we haven't hit the volumes to be counted in this measure. Going forward it will affect our reimbursement. Ms. Hermanson agreed to report further on this next meeting.
- We've put a lot of work into sepsis and stroke numbers. We're putting together a committee that looks at social determinants of health.
- We're going to stop looking at elective deliveries, as we consistently meet this measure.
- Outpatient departments are looking at the building access point, because we believe this is the bottleneck that affects the patient experience.
- The number of employee spots being filled with contract travelers has decreased.

As required in policy, Mr. Smith designated the person who would step in for him as an interim CEO in the case of an emergency as Angela Hinnegan, COO.

11.2. BOD Committee: Finance

Walter Partridge, Finance Chair, reported. The committee met last Thursday and discussed the two resolutions that came to the board tonight. Ms. Hermanson presented run charts for each financial indicator on the balanced scorecard, which was very helpful in understanding trends. We got a preview of the audit, which was presented tonight. Financials look good for this fiscal years so far.

11.3. BOD Committee: Governance

Aaron Weisser, Governance Chair, reported. The committee had a short meeting last Thursday. We performed our annual cursory review of bylaws and policies. We do an in-depth review of each every three years, on a rotating schedule. We are looking at dates and locations for an event with the medical staff. We discussed setting up a monthly consulting call with different experts, to give the board a continual opportunity to ask questions. The first call is scheduled for next Thursday with Jamie Orlikoff.

11.4. BOD Committee: Education

Melissa Jacobsen, Education Chair, reported. The committee met earlier this month and discussed the upcoming 2-day retreat. We talked about potential locations and topics.

11.5. Chief of Staff

Dr. Christopher Landess, Chief of Staff, reported the medical staff is in generally good spirits. There is a lot of medical staff recruiting happening, and a lot of positive momentum at SPH. He had no issues to report.

11.6. Service Area Board Representative

Helen Armstrong, Service Area Board (SAB) President, reported. The SAB is working on a budget with Ms. Hermanson and Brandi Harbaugh, KP Borough Finance Director. The board will take action on their version of the capital budget resolution at their February meeting. Ms. Armstrong reported she will be replacing Judith Lund as a member of the SPH Foundation.

12. DISCUSSION

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

There were no comments from the audience.

14. COMMENTS FROM THE BOARD

14.1. Chief Executive Officer

Mr. Smith had no additional comments.

14.2. Board Members

Ms. Jacobsen welcomed the new members to the board. Dr. Knap recognized Dr. Christy Martinez for giving excellent patient care, and shared a story when

she held a patient's hand and soothed them throughout an imaging procedure that could have caused anxiety and pain, but ended up going very smoothly. He congratulated Ms. Hermanson and her team on clean audit. Ms. Wilson welcomed the new members, offered congratulations on the clean audit, thanked the outgoing officers and incoming officers. Ms. Wythe welcomed the new board members, congratulated the staff on the clean audit, the 5 star patient rating, the 100% on the sepsis indicator. Mr. Partridge welcomed the new board members and congratulated the SPH staff on the 5 star rating. He also congratulated the team for the successful Certificate of Need. Mr. Simmons was pleased to be joining the board. He noted the balanced scorecard results were very impressive in terms of improvements. He added that his wife had a blood draw at the hospital this morning and had a great experience. Mr. Bullard thanked everyone for a great first meeting. Mr. Baker thanked everyone for the opportunity to serve and expressed how impressed he was with the staff. Mr. Weisser said he was proud to represent the hospital on the board of directors, and found it invigorating to speak on behalf of the high quality of work done at South Peninsula Hospital.

15. INFORMATIONAL ITEMS

15.1. Service Area Board Dates & Board Representatives

Dates were provided in the packet for the board members, with a request to sign up for a Service Area Board meeting in 2024.

16. ADJOURN TO EXECUTIVE SESSION

The board moved into executive session at 7:45pm.

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

The board moved back into open session at 9:08pm.

17.1. Credentialing

After review of the applicant's files through the secure online portal, Julie Woodworth moved to approve the following positions in the medical staff as requested and recommended by the Medical Executive Committee. Melissa Jacobsen seconded the motion. Motion carried.

Reappointments

Lucy Fisher, MD; Psychiatry
Edson Knapp, MD; Radiology
Julie McCarron, CNM; Midwifery
Brian McCorison, CRNA; Anesthesia
Abdelrahman Beltagly, MD; Telestroke
Sheila Smith, MD; Telestroke

Appointments

Ernst Hansch, MD; Teleradiology
Jasleen Tiwana, MD; Telecardiology

18. ADJOURNMENT

The meeting was adjourned at 9:10pm.

Respectfully Submitted,

Accepted:

Maura Jones, Executive Assistant

Aaron Weisser, President

Minutes Approved:

Mary Beth Wythe, Secretary



DRAFT-UNAUDITED

BALANCE SHEET
As of January 31, 2024

	As of January 31, 2024	As of January 31, 2023	As of December 31, 2023	CHANGE FROM January 31, 2023
ASSETS				
CURRENT ASSETS:				
1 CASH AND CASH EQUIVALENTS	28,001,757	23,523,135	27,196,552	4,478,622
2 EQUITY IN CENTRAL TREASURY	9,516,785	9,827,867	10,008,498	(311,082)
3 TOTAL CASH	<u>37,518,542</u>	<u>33,351,002</u>	<u>37,205,050</u>	<u>4,167,540</u>
4 PATIENT ACCOUNTS RECEIVABLE	33,614,721	29,752,952	32,671,557	3,861,769
5 LESS: ALLOWANCES & ADJ	(16,472,328)	(14,859,117)	(16,311,195)	(1,613,211)
6 NET PATIENT ACCT RECEIVABLE	<u>17,142,393</u>	<u>14,893,835</u>	<u>16,360,362</u>	<u>2,248,558</u>
7 PROPERTY TAXES RECV - KPB	235,079	188,957	286,350	46,122
8 LESS: ALLOW PROP TAX - KPB	(4,165)	(4,165)	(4,165)	0
9 NET PROPERTY TAX RECV - KPB	<u>230,914</u>	<u>184,792</u>	<u>282,185</u>	<u>46,122</u>
10 OTHER RECEIVABLES - SPH	298,962	1,387,379	224,661	(1,088,417)
11 INVENTORIES	2,062,159	1,971,057	2,080,979	91,102
12 NET PENSION ASSET- GASB	3,559,619	4,969,521	3,559,619	(1,409,902)
13 PREPAID EXPENSES	<u>1,154,298</u>	<u>1,063,378</u>	<u>1,179,457</u>	<u>90,920</u>
14 TOTAL CURRENT ASSETS	<u>61,966,887</u>	<u>57,820,964</u>	<u>60,892,313</u>	<u>4,145,923</u>
ASSETS WHOSE USE IS LIMITED				
15 PEF UNOBLIGATED	6,794,982	7,415,304	6,794,981	(620,322)
16 PEF OBLIGATED	2,123,724	1,531,135	2,172,324	592,589
17 OTHER RESTRICTED FUNDS	1,378,080	72,733	1,349,721	1,305,347
	<u>10,296,786</u>	<u>9,019,171</u>	<u>10,317,026</u>	<u>1,277,615</u>
PROPERTY AND EQUIPMENT:				
18 LAND AND LAND IMPROVEMENTS	4,124,558	4,114,693	4,124,558	9,865
19 BUILDINGS	64,663,171	67,588,920	64,663,171	(2,925,749)
20 EQUIPMENT	29,939,144	30,655,487	29,912,575	(716,343)
21 BUILDINGS INTANGIBLE ASSETS	2,871,299	2,456,899	2,871,299	414,400
22 EQUIPMENT INTANGIBLE ASSETS	851,479	462,427	851,479	389,052
23 SOFTWARE INTANGIBLE ASSETS	2,135,559	0	2,002,647	2,135,559
24 IMPROVEMENTS OTHER THAN BUILDINGS	512,155	273,935	512,155	238,220
25 CONSTRUCTION IN PROGRESS	2,629,274	1,321,868	2,085,211	1,307,406
26 LESS: ACCUMULATED DEPRECIATION FOR FIXED ASSETS	(59,778,806)	(63,893,545)	(59,449,708)	4,114,739
27 LESS: ACCUMULATED AMORTIZATION FOR LEASED ASSETS	(2,534,959)	(676,638)	(2,393,778)	(1,858,321)
28 NET CAPITAL ASSETS	<u>45,412,874</u>	<u>42,304,046</u>	<u>45,179,609</u>	<u>3,108,828</u>
29 GOODWILL	0	10,000	0	(10,000)
30 TOTAL ASSETS	<u>117,676,547</u>	<u>109,154,181</u>	<u>116,388,948</u>	<u>8,522,366</u>
DEFERRED OUTFLOWS OF RESOURCES				
31 PENSION RELATED (GASB 68)	5,789,464	4,530,917	5,789,464	1,258,547
32 UNAMORTIZED DEFERRED CHARGE ON REFUNDING	<u>260,751</u>	<u>315,305</u>	<u>260,751</u>	<u>(54,554)</u>
33 TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,050,215	4,846,222	6,050,215	1,203,993
34 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>123,726,762</u>	<u>114,000,403</u>	<u>122,439,163</u>	<u>9,726,359</u>

	As of January 31, 2024	As of January 31, 2023	As of December 31, 2023	CHANGE FROM January 31, 2023	
LIABILITIES & FUND BALANCE					
CURRENT LIABILITIES:					
35	ACCOUNTS AND CONTRACTS PAYABLE	2,130,481	1,358,524	1,750,787	771,957
36	ACCRUED LIABILITIES	8,441,722	7,165,117	7,605,626	1,276,605
37	DEFERRED CREDITS	1,338,598	(30,979)	1,338,892	1,369,577
38	CURRENT PORTION OF LEASE PAYABLE	765,061	398,862	767,405	366,199
39	CURRENT PORTION SOFTWARE INTANGIBLE PAYABLE	426,119	0	402,462	426,119
40	CURRENT PORTIONS OF NOTES DUE	0	0	0	0
41	CURRENT PORTIONS OF BONDS PAYABLE	1,145,000	1,820,000	1,145,000	(675,000)
42	BOND INTEREST PAYABLE	50,797	132,144	50,797	(81,347)
43	DUE TO/(FROM) THIRD PARTY PAYERS	940,709	1,288,761	940,709	(348,052)
44	TOTAL CURRENT LIABILITIES	<u>15,238,487</u>	<u>12,132,429</u>	<u>14,001,678</u>	<u>3,106,058</u>
LONG-TERM LIABILITIES					
45	NOTES PAYABLE	0	0	0	0
46	BONDS PAYABLE NET OF CURRENT PORTION	6,615,000	7,760,000	6,615,000	(1,145,000)
47	PREMIUM ON BONDS PAYABLE	340,402	450,203	340,402	(109,801)
48	CAPITAL LEASE, NET OF CURRENT PORTION	2,962,235	2,029,531	3,005,799	932,704
49	SOFTWARE INTANGIBLE LEASE, NET OF CURRENT PORTION	352,602	0	294,239	352,602
50	TOTAL NONCURRENT LIABILITIES	<u>10,270,239</u>	<u>10,239,734</u>	<u>10,255,440</u>	<u>30,505</u>
51	TOTAL LIABILITIES	25,508,726	22,372,163	24,257,118	3,136,563
52	DEFERRED INFLOW OF RESOURCES	0	0	0	0
53	PROPERTY TAXES RECEIVED IN ADVANCE	0	0	0	0
NET POSITION					
54	INVESTED IN CAPITAL ASSETS	5,731,963	5,731,963	5,731,963	0
55	CONTRIBUTED CAPITAL - KPB	0	0	0	0
56	RESTRICTED	25,286	25,286	25,286	0
57	UNRESTRICTED FUND BALANCE - SPH	92,460,787	85,870,991	92,424,796	6,589,796
58	UNRESTRICTED FUND BALANCE - KPB	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
59	TOTAL LIAB & FUND BALANCE	<u><u>123,726,762</u></u>	<u><u>114,000,403</u></u>	<u><u>122,439,163</u></u>	<u><u>9,726,359</u></u>

	MONTH			YEAR TO DATE					
	01/31/24		01/31/23	01/31/24		01/31/23			
	Actual	Budget	Var B/(W)	Actual	Actual	Budget	Var B/(W)	Actual	
Patient Service Revenue									
1	Inpatient	3,589,268	2,840,306	26.37%	2,370,022	20,984,716	19,072,474	10.03%	17,911,447
2	Outpatient	14,433,945	13,904,901	3.80%	12,234,909	103,293,447	95,319,348	8.37%	88,190,851
3	Long Term Care	1,125,327	1,182,413	-4.83%	1,115,097	7,553,400	8,276,889	-8.74%	7,452,895
4	Total Patient Services	19,148,540	17,927,620	6.81%	15,720,028	131,831,563	122,668,711	7.47%	113,555,193
Deductions from Revenue									
5	Medicare	4,902,999	3,215,726	-52.47%	2,432,353	29,393,345	24,011,590	-22.41%	21,737,999
6	Medicaid	2,511,637	2,023,923	-24.10%	2,535,062	15,498,841	15,112,483	-2.56%	16,077,996
7	Charity Care	63,553	178,863	64.47%	63,064	1,258,763	1,335,553	5.75%	1,099,254
8	Commercial and Admin	1,234,009	1,421,215	13.17%	1,309,283	11,791,269	10,612,106	-11.11%	10,520,820
9	Bad Debt	134,007	237,957	43.68%	114,293	2,152,132	1,776,810	-21.12%	1,569,068
10	Total Deductions	8,846,205	7,077,684	-24.99%	6,454,055	60,094,350	52,848,542	-13.71%	51,005,137
11	Net Patient Services	10,302,335	10,849,936	-5.05%	9,265,973	71,737,213	69,820,169	2.75%	62,550,056
12	USAC and Other Revenue	86,842	76,689	13.24%	59,250	603,259	536,825	12.38%	434,401
13	Total Operating Revenues	10,389,177	10,926,625	-4.92%	9,325,223	72,340,472	70,356,994	2.82%	62,984,457
Operating Expenses									
14	Salaries and Wages	5,014,096	5,240,848	4.33%	4,520,383	34,032,161	34,053,863	0.06%	29,895,708
15	Employee Benefits	2,288,587	2,608,051	12.25%	1,898,181	13,688,988	15,190,886	9.89%	13,624,251
16	Supplies, Drugs and Food	1,030,523	1,269,869	18.85%	886,077	8,289,718	8,385,744	1.15%	7,213,211
17	Contract Staffing	296,196	131,218	-125.73%	157,600	1,533,402	793,293	-93.30%	1,694,166
18	Professional Fees	712,124	616,746	-15.46%	576,340	4,095,530	3,918,151	-4.53%	3,817,864
19	Utilities and Telephone	173,235	297,265	41.72%	170,243	1,201,603	1,049,412	-14.50%	1,012,377
20	Insurance (gen'l, prof liab, property)	72,361	63,285	-14.34%	61,255	499,888	501,891	0.40%	443,283
21	Dues, Books, and Subscriptions	25,170	21,879	-15.04%	21,744	123,780	160,186	22.73%	131,091
22	Software Maint/Support	124,074	207,636	40.24%	150,807	846,752	1,242,265	31.84%	1,156,640
23	Travel, Meetings, Education	63,039	105,426	40.21%	59,488	389,003	607,411	35.96%	325,652
24	Repairs and Maintenance	199,446	162,979	-22.38%	126,246	1,356,436	1,099,309	-23.39%	1,036,263
25	Leases and Rentals	84,908	80,989	-4.84%	66,704	482,573	539,744	10.59%	457,813
26	Other (Recruiting, Advertising, etc.)	354,323	155,594	-127.72%	157,161	1,663,940	1,089,091	-52.78%	920,425
27	Depreciation & Amortization	418,832	345,139	-21.35%	337,928	2,888,238	2,415,970	-19.55%	2,366,272
28	Total Operating Expenses	10,856,914	11,306,924	3.98%	9,190,157	71,092,012	71,047,216	-0.06%	64,095,016
29	Gain (Loss) from Operations	(467,737)	(380,299)	-22.99%	135,066	1,248,460	(690,222)	280.88%	(1,110,559)
Non-Operating Revenues									
30	General Property Taxes	55,888	45,539	22.73%	57,335	4,982,681	4,374,521	13.90%	4,793,359
31	Investment Income	122,991	34,521	256.28%	127,020	655,498	241,645	171.26%	192,572
32	Governmental Subsidies	0	0	0.00%	0	0	0	0.00%	0
33	Other Non Operating Revenue	9,213	419	100.00%	0	13,510	2,936	100.00%	2,937
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%	6,572
36	SPH Auxiliary	1,074	375	186.40%	1,454	3,734	2,625	42.25%	1,737
37	Total Non-Operating Revenues	189,166	80,854	133.96%	185,809	5,655,423	4,621,727	22.37%	4,997,177
Non-Operating Expenses									
38	Insurance	0	0	0.00%	0	0	0	0.00%	0
39	Service Area Board	0	3,222	100.00%	12,975	2,902	13,877	0.00%	55,872
40	Other Direct Expense	16,097	6,056	-165.80%	7,383	23,378	42,395	44.86%	9,604
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%	0
42	Interest Expense	19,769	34,394	42.52%	38,530	235,673	240,759	2.11%	272,588
43	Total Non-Operating Expenses	35,866	43,672	17.87%	58,888	261,953	297,031	11.81%	338,064
Grants									
44	Grant Revenue	350,427	67,216	0.00%	20,325	907,805	470,514	0.00%	241,915
45	Grant Expense	0	2,501	100.00%	2,501	0	17,507	100.00%	17,510
46	Total Non-Operating Gains, net	350,427	64,715	441.49%	17,824	907,805	453,007	-100.40%	224,405
47	Income <Loss> Before Transfers	35,990	(278,402)	112.93%	279,811	7,549,735	4,087,481	84.70%	3,772,959
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%	0
49	Net Income	35,990	(278,402)	-112.93%	279,811	7,549,735	4,087,481	84.70%	3,772,959



Statement of Cash Flows
As of January 31, 2024

Cash Flow from Operations:

1	YTD Net Income	7,549,735
2	Add: Depreciation Expense	2,888,238
3	Adj: Inventory (increase) / decrease	67,874
4	Patient Receivable (increase) / decrease	(2,109,206)
5	Prepaid Expenses (increase) / decrease	(417,069)
6	Other Current assets (increase) / decrease	(73,238)
7	Accounts payable increase / (decrease)	905,775
8	Accrued Salaries increase / (decrease)	106,260
9	Net Pension Asset (increase) / decrease	-
10	Other current liability increase / (decrease)	615,623
11	Net Cash Flow from Operations	9,533,992

Cash Flow from Investing:

12	Cash paid for the purchase of property/equip	(5,261,815)
13	Cash transferred to plant replacement fund	(711,889)
14	Proceeds from disposal of equipment	-
15	Net Cash Flow from Investing	(5,973,704)

Cash Flow from Financing

16	Cash (paid) / received for Lease Payable	36,112
17	Cash paid for Debt Service	(705,000)
18	Net Cash from Financing	(668,888)
19	Net increase in Cash	\$ 2,891,400
20	Beginning Cash as of July 1, 2023	\$ 34,627,142
21	Ending Cash as of January 31, 2004	\$ 37,518,542

To: Mayor Peter Micciche
From: Ryan Smith, CEO
Date: February 18, 2024
Re: Annual Report to the Contract Administrator

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

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

1. Annual Project Lists (*p. 2*)
2. Hospital Assets Schedule (*p. 3*)
3. Property Lease List (*p. 164*)
4. Purchasing Policies List
 - Policy F-09 Capital Purchases (*p.165*)
 - Policy HW-092 Purchasing Authority (*p.167*)
5. Workers Compensation Overview and Claims Report (Risk Management Reporting) (*p. 171*)
6. Change in Services (nothing to report)
7. Board Orientation/Education
 - Board Education Report (*p. 215*)
 - Policy SM-10 Board Orientation and Continuing Education (*p. 216*)
 - Policy SM-07 Board Member Orientation (*p. 218*)
8. Performance Improvement Metrics
 - Care Compare Report (*p. 219*)
 - Nursing Home Compare Report (*p. 238*)
 - Balanced Scorecard (*p. 258*)
9. Corporate Compliance Report
 - Annual Compliance Report (*p. 263*)
 - Corporate Compliance & Ethics Policy (*p. 265*)
 - Corporate Compliance & Ethics Program (*p. 266*)

The contents of the annual report to the contract administrator have been removed from the online board packet due to file size constraints.



PROCLAMATION

A PROCLAMATION RECOGNIZING PATRICIA RUSSELL FOR OVER 34 YEARS OF SERVICE TO SOUTH PENINSULA HOSPITAL

WHEREAS, after 34 years at South Peninsula Hospital, Patti Russell retired January 24, 2024; and

WHEREAS, Patti is retiring from the role of Emergency Department Technician, where she is known by her teammates for being dedicated and reliable; and

WHEREAS, Patti has served her colleagues in the role of Shop Steward under the guidance of Teamsters Local 959; and

WHEREAS, Patti is known by her patients as being thoughtful and compassionate, always ready to comfort with a reassuring word or a hand to hold; and

WHEREAS, “Working with Patti is like finding an extra arm you didn’t even know you had;” and

WHEREAS, South Peninsula Hospital staff appreciate Patti’s attention to detail and anticipation of needs, always keeping the patient’s best interest in mind;

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

THAT PATRICIA RUSSELL IS RECOGNIZED BY THE BOARD OF DIRECTORS FOR HER THIRTY FOUR YEARS OF SERVICE TO SOUTH PENINSULA HOSPITAL

PROCLAIMED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 28TH DAY OF FEBRUARY 2024

Ryan Smith, Administrator

Aaron Weisser, Board President



Medical Staff Office
4300 Bartlett Street
Homer, AK 99603
(907) 235-0849
medstaffoffice@sphosp.org

South Peninsula Hospital Clinical Privileges

Physician/APP Acupuncturist

I. Scope

The scope of privileges for Physicians/APP’s performing acupuncture includes evaluation, diagnosis, treatment, and the provision of consultation on patients with multiple pathologies. Physicians performing acupuncture are expected to establish diagnoses that are within the traditional framework of Western medicine through an appropriate work-up. After appropriate work up and diagnosis, a Physician/APP may perform acupuncture techniques to the extent for which they hold training and certification.

II. Diagnosis

- Mental Health conditions such as depression, anxiety, and mild PTSD
- Musculoskeletal Pain(arthritis, back pain, sciatica, muscle spasm/somatic dysfunction)
- Neurologic Pain (headache syndromes, postoperative pain)
- Pain Syndromes (fibromyalgia, chronic regional pain syndrome)

III. Procedure based privileges/Training

- Physician/APP must hold appropriate certification in the acupuncture modality which they practice.
 - Example - Battlefield Acupuncture or Auricular Therapy

Approved:

DocuSigned by:

 6DB0658CD1F3455...
 Christy Martinez, MD
 Credentials Committee Chair
 1/18/2024
 Date

DocuSigned by:

 C16D3A95D31C469...
 Chris Landess, MD
 Chief of Staff
 Medical Executive Committee
 1/18/2024
 Date

 SPH Board of Directors

 Date

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2024-03**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE USE OF \$250,000 OF OPERATING CASH TO FUND THE
RELOCATION AND CO-LOCATION OF THE GENERAL SURGERY CLINIC AND
FUNCTIONAL MEDICINE CLINIC WITHIN THE MAIN HOSPITAL BUILDING**

WHEREAS, South Peninsula Hospital’s General Surgery and Functional Medicine clinics are an important component of our mission to provide high quality, locally coordinated care; and

WHEREAS, South Peninsula Hospital recently completed master facility planning and item number two from that study was to Co-locate physician offices; and

WHEREAS, South Peninsula Hospital has recently initiated opening a daycare to assist with staff recruitment and retention and that daycare will displace the Functional Medicine Clinic; and

WHEREAS, relocating multiple services will be necessary to add the daycare and an opportunity arose to Co-locate both General Surgery and Functional Medicine within the main hospital building to align with item number two from the Master Facility Plan; and

WHEREAS, relocating the General Surgery Clinic within the main hospital building will allow additional clinic procedures to be performed safely in a clinic setting; and

WHEREAS, there is a need to remodel space where Health Information Management and Clinical Informatics offices were located to relocate these clinics within the main hospital building; and

WHEREAS, the estimated cost to remodel the space is \$250,000 due to the age of this 1985 wing to bring it up to today’s standards to provide clinical services in this space; and

WHEREAS, the South Peninsula Hospital Board Finance Committee reviewed and approved this resolution at their meeting on February 22, 2024.

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 use of Operating Cash to fund the remodel of hospital space to relocate and Co-locate the General Surgery Clinic and Functional Medicine clinic within the main hospital building.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF FEBRUARY, 2024.

ATTEST:

Aaron Weisser, Board President

Beth Wythe, Board Secretary

Introduced by: Administration
Date: February 28, 2024
Action:
Vote: Yes - , No - 0, Excused -

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2024-04**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SOUTH
PENINSULA HOSPITAL, INC. AND THE GENERAL TEAMSTERS LOCAL UNION 959**

WHEREAS South Peninsula Hospital and the General Teamsters Local Union 959 have agreed to enter into a Collective Bargaining Agreement; and

WHEREAS negotiations for this Agreement have come to a close; and

WHEREAS South Peninsula Hospital wishes to promote employee satisfaction, fair wages, and job security while ensuring long-term fiscal health; and

WHEREAS the members of the General Teamsters Local Union 959 are also voting to ratify this Agreement; and

WHEREAS the financial implications of the agreement were reviewed and approved by the South Peninsula Hospital Board of Directors at its Finance Committee meeting February 28, 2024;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL TO APPROVE THE COLLECTIVE BARGAINING AGREEMENT BETWEEN SOUTH PENINSULA HOSPITAL, INC. AND THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, GENERAL TEAMSTERS LOCAL 959, STATE OF ALASKA.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 28th DAY OF FEBRUARY, 2024.

Aaron Weisser, Board President

ATTEST:

Beth Wythe, Secretary

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2024-05**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE USE OF OPERATING CASH TO LEASE ADDITIONAL CLINIC
SPACE AT 3726 LAKE STREET, HOMER, AK**

WHEREAS, South Peninsula Hospital’s Service Area population continues to grow along with the demand for services; and

WHEREAS, South Peninsula Hospital is adding additional providers and specialties, thus requiring the addition of clinical space; and

WHEREAS, South Peninsula Hospital has recently been provided an opportunity to lease 4,400 square feet of space at 3726 Lake Street, Homer, AK; and

WHEREAS, this space provides ample space for the Physical Therapy service line, has excellent space for patient parking, with easy access to the building; and

WHEREAS, relocating Physical Therapy allows the hospital to meet the growing demand in the community for Obstetrics and Gynecology by bringing on an additional provider while also working towards item number 2 from the Master Facility Plan to co-locate physicians by bringing the OBGYNs and Certified Nurse Midwives into one location within the main hospital building; and

WHEREAS, the estimated cost to lease the additional space is \$99,999 per year, or \$399,996 over four years of the lease term; and

WHEREAS, the Operating Agreement with the Kenai Peninsula Borough allows South Peninsula Hospital to get approval for any leases exceeding \$100,000 annually, thus the approval of this lease is within the approval limits of South Peninsula Hospital; and

WHEREAS, South Peninsula Hospital’s internal policy HW-092 Purchasing Authority requires any property leases exceeding \$10,000 or one year be approved by the Board of Directors, and

WHEREAS, the South Peninsula Hospital Board Finance Committee reviewed and approved this resolution at their meeting on February 22, 2024.

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 lease of additional clinic space at 3726 Lake Street, Homer, AK.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF FEBRUARY, 2024.

ATTEST:

Aaron Weisser, Board President

Beth Wythe, Board Secretary

Introduced by: Administration
Date:
Action:
Vote:

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2024-06**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE USE OF OPERATING CASH TO FUND THE LEASE OF
OLYMPUS 3D CAMERAS AND POWER SYSTEM**

WHEREAS, South Peninsula Hospital’s Surgery Department is an important component of our mission to provide high quality, locally coordinated care; and

WHEREAS, South Peninsula Hospital has demonstrated that it can safely and effectively provide the highest quality healthcare through the use of advanced technology such as advanced imaging and wishes to improve surgery throughput, quality, and patient experience with the use of the Olympus 3D Camera System including updated visualization and an updated power system; and

WHEREAS, South Peninsula Hospital has recently added an additional full time Orthopedic Surgeon and will be adding soon an additional General Surgeon and an Aesthetics and Reconstructive Surgery service line and the addition of new providers allows us to add new procedures that require upgraded equipment; and

WHEREAS, the new surgical camera and power system will dramatically improve patient outcomes by allowing surgeons to see the abdominal cavity in 3D, the current system only provides flat 2D images. The 3D system allows surgeon to see behind structures, spot bleeding, aid in sewing the abdomen, and stapling in the bowel.; and

WHEREAS, the 2023 Community Health Needs Assessment highlights a need for broader healthcare services to support our aging demographic with more complex health needs; and

WHEREAS, there are already several patients waiting for procedures that could be completed with the addition of this equipment, and the equipment will be used across multiple surgical specialties improving patient safety, decreasing surgical time, and improving recovery; and

WHEREAS, South Peninsula Hospital has been offered an option to enter into a contract where no payments are required for 6 months and after 6 months the facility will have the option to lease the device for 5 years at \$7,922.57 per month or purchase the equipment at \$455,779.08; and

WHEREAS, the facility intends to lease the equipment for 5 years and intends to budget for this in the FY25 operating budget; and

WHEREAS, South Peninsula Hospital policy HW-092 Purchasing Authority requires any leases over \$100,000 be approved by the Board of Directors; and

WHEREAS, the South Peninsula Hospital Board Finance Committee reviewed and approved this resolution at their meeting on February 22, 2024.

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 use of Operating Cash to lease the Olympus 3D Camera & Power System.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF February, 2024.

ATTEST:

Aaron Weisser, Board President

Beth Wythe, Board Secretary

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2024-07**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE USE OF \$215,000 OF OPERATING CASH TO FUND THE
RELOCATION OF THE EDUCATION DEPARTMENT, TRAINING CENTER, AND
SART/SANE OFFICES**

WHEREAS, South Peninsula Hospital’s Education Department, Training Center, and SART SANE services are an important component of our mission to provide high quality, locally coordinated health care; and

WHEREAS, South Peninsula Hospital has recently initiated opening a daycare to assist with staff recruitment and retention and that daycare will displace several departments, including the current Training Center; and

WHEREAS, additional space was required to relocate the displaced services in order to open the daycare and an opportunity arose to lease space at 4014 Lake Street; and

WHEREAS, it was necessary to remodel this space to contain offices and a training center; and

WHEREAS, the estimated cost to remodel the space is \$215,000 to cover demolition, construction, electrical, and plumbing; and

WHEREAS, the cost of the remodel exceeds CEO signing authority and requires approval of the Board of Directors; and

WHEREAS, the South Peninsula Hospital Board Finance Committee reviewed and approved this resolution at their meeting on February 22, 2024.

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 use of Operating Cash to fund the remodel of 4014 Lake Street for relocation of the Training Center, Education Department, and SART/SANE Departments.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF FEBRUARY, 2024.

ATTEST:

Aaron Weisser, Board President

Beth Wythe, Board Secretary

To: SPH Board of Directors

From: Pension Committee

Date: 02/22/2024

Re: Annual Pension Committee Report of Fund Activity

A. The Board Policy F-07-Pension Plan Investment specifies that "A report of fund activity will be made to the Board no later than the end of the first quarter of each calendar year.

a. 2023 has not been a particularly stellar year for returns on the aggregate plans of SPH, with an overall return of 9%. However, it is considerably improved from the -16% returns of 2022. The return is matched by the benchmarks of the overall market used by the Committee to indicate performance relative to the market. See the attached "Retirement Plan Summary" for information.

b. Neither Newport, nor the Committee, has been provided information that suggests changes to the index fund strategies within the Plans. We continue to monitor and take a long term view of the market at this point.

c. Within the Defined Benefit Plan, with the advice and counsel of Newport, the Committee recommended two de-risk initiatives that were identified to and authorized by the SPH Board of Directors in Resolution 23-07 and Resolution 23-28.

i. Resolution 23-07 - A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS APPROVING A PARTIAL ANNUITY PLACEMENT BUYOUT OF THE SOUTH PENINSULA HOSPITAL EMPLOYEES' PENSION PLAN AND TRUST, was one authorizing completion and fund transfers to the selected Pension Annuity firm identified in the process in which three annuity services providers, recommended by the Newport Group, were interviewed. The firm of Dietrich and Associates were selected to place the retiree and deferred vested beneficiary plan assets with insurance carriers. This effort was completed in May 2023 with the transfer of \$10,166,809.15. This impacted around 67 current retirees, 74 deferred vested (former employees), or their beneficiaries. It did not impact current employees remaining in the Defined Benefit Plan.

ii. Resolution 2023-28, A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS AUTHORIZING ADMINISTRATION TO TAKE ACTIONS TO DE-RISK THE SOUTH PENINSULA HOSPITAL EMPLOYEES PENSION PLAN AND

UPDATE POLICY PEN-001 EMPLOYEE INVESTMENT POLICY was one informing the Board of an update to PEN-01 to move towards a 95% Fixed 5% Equity Liability Driven Investment (LDI) Strategy. This LDI strategy involves allocation of plan assets for the purposes of achieving a long-term rate of return that exceeds the growth rate of liabilities; and matching the market value and risk of the Plan's assets with the Plan's liabilities.

Board Action Required: None. For your information only.

Walter Partridge

Chair-SPH Pension Committee

PURPOSE:

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

DEFINITION(S):

N/A

POLICY:

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

competencies in understanding and working with the basic tenets of Modern Portfolio Theory, a large and broadly accepted body of empirical and theoretical knowledge about the behavior of capital markets.

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

F. Investment Options Under the Plan:

1. It is anticipated that Participants in the Plan will have control and direction of their individual accounts. The Committee recognizes that asset allocation is a key determination of the return, risk, and liquidity characteristics of an investment portfolio. Moreover, the Committee recognizes the Participants may have disparate levels of investment knowledge, experience, and motivation. Therefore, in conjunction with the Consultant, the Committee has determined which broad tiers of Investment Alternatives will be provided to Participants under the Plan and has made available specific Investment Options solely in the interest of Participants. These Investment Options present a broad range of investments, which when combined may diversify portfolios for the benefit of mitigating market risks and may accommodate the different and unique needs of individual Participants. Moreover, the Committee will review the fees and expenses for each Investment Option and Investment Alternatives to determine reasonableness and may take into account any opportunity to use such fees and expenses to offset Plan recordkeeping, administrative, and other costs.
 - Tier 1 – Asset Allocation Portfolios: This Alternative will consist of professional managed portfolios, such as target date funds, applying generally accepted investment theories, and are diversified so

as to provide long-term appreciation, capital preservation, and mitigation of large losses. Such Investment Alternatives may be structured to vary based on a participant's age or target date, risk tolerances across a range, or based on the target risk appropriate for Participants as a whole. The Committee will designate a *Qualified Default Investment Alternative (QDIA)* from this Tier as a "default" Investment Alternative for those participants who do not make an investment election for their accounts, and it is intended for the QDIA to satisfy the ERISA Section 404c-5 and regulations issued by the Department of Labor. The Committee has designated a target date series as the Plan's QDIA.

- Tier 2 – Designated Investment Alternatives (DIA): To the extent permitted by the Plan, and to allow Participants to exercise control over the individual investment accounts, the Committee has approved Designated Investment Alternatives as a core menu based on the availability of suitable Fund Managers and which may consist of, but will not be limited to, the determination of their own investor profiles. Participants will be given sufficient information as necessary for them to understand the DIA and to make reasonable, informed investment decisions. The DIA may include a combination of passive/market indexing as well as active managers.

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

PROCEDURE:

A. Fund Manager Selection and Monitoring

1. All investment decisions will be made informed by the guidelines of quality, marketability and diversification outlined in the Prospectus or other pertinent documents and will be in compliance with any controlling state and/or federal statutes or other guidelines. The Designated Investment Alternatives shall be determined with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and aims.

2. Active Managers:

In selecting and monitoring Active Managers, the Committee will consider the following criteria:

- a) Quantitative Measures:

- *Style Consistency* – Does the Manager exhibit consistent style attributes over rolling 36-month periods?
- *Risk-Adjusted Returns* – On a risk-adjusted basis, has the Manager outperformed its benchmark or peer group over the last 24 months?
- *Performance Consistency* – Has the Manager outperformed its benchmark or peer group in at least half of the last 24 months? Also known as "batting average", this is an indicator of the consistency of Manager out-performance compared to its benchmark or average peer. A batting average of greater than 0.50 or 50% indicates that the Manager has outperformed its benchmark or peer group in a majority of time periods.
- *Expense ratio* – Is the annual expense ratio reasonable for its peer group?

- b) Qualitative Measures:

- *Stability of Management* – Has the current portfolio manager or portfolio management team managed the fund for at least three (3) years? Have any changes occurred to the firm's ownership, control, or management? Is the firm subject to any regulatory action, investigation, or litigation by a government agency?
- *Consistent Philosophy* – Is the manager continuing to adhere to the stated investment philosophy and objectives?
- *Investment Process* – Is the manager continuing to successfully follow and implement the stated investment process?

3. Passive (Index) Managers:

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

a) Quantitative Measures:

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

b) Qualitative Measures:

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

4. Target Date Fund Selection:

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

a) Investment Methodology:

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

b) Organizational Strengths:

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

c) Expenses

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

d) Performance

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

5. Target Date Fund Monitoring:

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

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

B. Watchlist and Replacement:

To ensure that each Manager continues to meet the criteria, the Consultant will prepare a quarterly report detailing each Manager's performance within the context of the requirements of this Policy and any other

criteria that the Consultant and the Committee deem appropriate.

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

C. Investment Manager Reporting and Review:

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

ADDITIONAL CONSIDERATION(S):


N/A

REFERENCE(S):

N/A

CONTRIBUTOR(S):

Pension Committee

	SUBJECT: Employee Investment Policy	POLICY #: PEN-001
		Page 1 of 4
SCOPE: Pension Plan RESPONSIBLE DEPARTMENT: Administration		ORIGINAL DATE: 5/28/97 REVISED: 9/2/01; 4/29/09; 6/23/10; 10/23/13; 2/19/14; 3/26/14; 10/18/19; 5/20/21; 12/3/21; 11/29/23
APPROVED BY: Pension Plan Trustee Committee		EFFECTIVE: 11/29/23

PURPOSE:

Guidelines for management of employee pension trust.

DEFINITIONS:

N/A

POLICY:

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

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

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

INVESTMENT POLICY:

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

INVESTMENT GOALS:

1. To attain a rate of return that compares favorably relative to standard market indices over a market cycle
2. To generate sufficient asset growth in real terms to meet future benefit obligations. Asset growth within the plan should reduce the long-term capital required from the plan sponsor.
3. Exceed the rate of inflation as measured by the Consumer Price Index by at least 3% per annum.
4. Improve and stabilize the funded status of the Plan. Accordingly, plan assets may be allocated for the purposes of:
5. Achieving a long-term rate of return that exceeds the growth rate of liabilities; and
6. Matching the market value and risk of the Plan’s assets with the Plan’s liabilities.

INVESTMENT STRATEGY:

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

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

The primary strategy used to reduce risk and enhance returns is diversification. Diversification in equities is most easily and economically achieved through the use of index mutual funds. The Fund's investments are spread between three (3) major asset classes:

- Equities
- Fixed Income
- Cash Equivalents

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

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

INVESTMENT OBJECTIVES:

A. Fixed Income:

1. The fixed account should provide a competitive return with the lowest level of risk. This can be achieved through a fixed account that guarantees a minimum interest rate and pays current rates.
2. The Plan shall be allowed to hold fixed-income mutual funds with an average bond quality of A or better.

B. Cash/Cash Equivalents:

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

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

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

1. U.S. Equities:

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

2. International Equities:

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

INVESTMENT GUIDELINES:

1. Allowable Investments

All or any part of the pension assets may be placed in investment vehicles that are not listed under prohibited transactions. All companies offering investments should have nationally recognized ratings such as Standard & Poor's, A.S. Best, Morningstar, and Duff & Phelps etc.

2. Prohibited Transactions

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

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

ELIGIBLE ASSETS:

Fixed Income

Government & Corporate Bonds

U.S. Equities

Large Cap Mid Cap

Small Cap

International Equities Developed Countries / EAFE Emerging Markets

Cash & Cash Equivalents

ASSET ALLOCATION:

Allowable Range	Target	Minimum	Maximum
Equities	5%	3%	55%
Large Cap	5%	3%	50%
Mid Cap	0%	0%	25%
Small Cap	0%	0%	25%
International	0%	0%	25%
Fixed Income	95%	45%	97%
Total Return Bond	7%	5%	75%
Short Term Bonds	3%	0%	15%
Long Term Bonds	82%	0%	85%
Cash Alternatives	3%	0%	10%

ASSET REBALANCING:

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

Each year the Plan’s trustees will meet to discuss the asset allocation to determine how much of the fund to invest in fixed income, U.S., and international equities. The following factors will be taken into consideration:

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

COMMUNICATION AND CONTROL PROCEDURES:

1. Control:

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

- Managing the Plan’s assets under its care, custody, and/or control in accordance with investment policy goals, objectives and guidelines set forth herein, or expressed in separate written agreements when deviation is deemed prudent and desirable by the Plan.

- Exercising investment discretion (including holding cash equivalents as an alternative) with the investment policy goals, objectives and guidelines set forth herein.
- Utilize the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as they pertain to fiduciary duties and responsibilities.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire investment policy set forth herein, and as modified in the future.

2. **Communications:**

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

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

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

PROCEDURE:

N/A

ADDITIONAL CONSIDERATIONS:


N/A

REFERENCES:

N/A

CONTRIBUTOR(S)

Pension Committee; Chief Financial Officer

	SUBJECT: Investment of Facility Funds	POLICY #: F-03
		Page 1 of 1
Scope: Finance Approved by: Board of Directors		Original Date: 10/22/03 Effective: 7/28/21
Revised: 1/22/20 Reviewed: 1/25/23		Revision Responsibility: Board of Directors

PURPOSE:

Guidelines for the management of South Peninsula Hospital’s operating funds.

DEFINITION(S):

N/A

POLICY:

- A. The hospital’s operating funds will be invested and managed to ensure safety of principal, maintaining sufficient liquidity to meet cash flow requirements, and achieving a reasonable market rate of return.
- B. The Chief Executive Officer (CEO), in consultation with the Chief Financial Officer (CFO), shall establish written procedures for the operation of the investment program consistent with this policy. The CEO shall be responsible for all transactions undertaken and shall establish a system of controls to regulate investment activities.
- C. Hospital funds shall be invested in accordance with the Title 5.10.040 of the Kenai Peninsula Borough Code “Authorized Investments”:
 - 1. US Treasury Securities – 5 years
 - 2. Other obligations of the US Government, its agencies and instrumentalities – 5 years
 - 3. Certificates of deposit at FDIC insured banks, collateralized – 3 years
 - 4. Deposits at banks, to the extent that the deposits are insured by the FDIC, and portions in excess of FDIC limits collateralized – 3 years
 - 5. Money market mutual funds with portfolios consisting entirely of instruments specified in 1, 2, and 3 above
 - 6. Other investments as defined by borough code
- D. The hospital may place all or a part of the funds with the Kenai Peninsula Borough, which has the same investment strategy. Excess funds greater than 90 days operating cash will be transferred to the Kenai Peninsula Borough in accordance with the Operating Agreement.
- E. If funds are maintained separately from the Kenai Peninsula Borough funds, the CEO shall submit annually to the Hospital Finance Committee an investment report that summarizes the portfolio in terms of investment securities, maturities, risk categories, returns, and other features.

PROCEDURE:

N/A

ADDITIONAL CONSIDERATIONS:


N/A

REFERENCE(S):

- 1. Operating Agreement, 2020
- 2. KPB Code Title 5.10.040 “Authorized Investments”

CONTRIBUTORS:

Board of Directors

	SUBJECT: Operational Reserves	POLICY #: F-05
		Page 1 of 1
Scope: Finance Approved by: Board of Directors		Original Date: 10/22/03 Effective: 7/28/21
Revised: 1/22/20 Reviewed: 1/25/23		Revision Responsibility: Board of Directors

PURPOSE:

Guidelines for the maintenance of operational reserve funds.

DEFINITION(S):

N/A

POLICY:

- A. Cash or cash equivalents goal is to maintain an amount equal to a maximum of 90 days operating expenses to ensure adequate funding of day-to-day operations. These funds are used to cover operating expenses when unexpected events affect cash flow.
- B. Cash in excess of 90 days operating expenses will be transferred to the Plant Replacement and Expansion Fund maintained at the Kenai Peninsula Borough in accordance with the 2020 Operating Agreement.

PROCEDURE:

N/A

ADDITIONAL CONSIDERATIONS:

N/A

REFERENCE(S):

- 1. Operating Agreement, 2020

CONTRIBUTORS:

Board of Directors



MINUTES

Board Governance Committee Meeting

11:00 AM - Thursday, February 22, 2024
Zoom

The Board Governance Committee of the South Peninsula Hospital was called to order on Thursday, February 22, 2024, at 11:00 AM, via Zoom, with the following members present:

PRESENT: Chair Beth Wythe, Bernadette Wilson, Aaron Weisser, Matthew Bullard and Maura Jones (Executive Assistant).

1. CALL TO ORDER / REVIEW OF AGENDA & MINUTES

The meeting was called to order at 11:02am.

Minutes from January 18, 2023 meeting

The minutes and agenda were approved.

2. PENDING BUSINESS

Doctor's Dinner

- The event will be Wed, 3/6 @ 6pm @ Land's End. Land's End will provide an appetizer buffet and drinks.
- No agenda – this is a time for medical staff and board members to chat and get to know each other.
- The committee decided not to invite spouses to this event, but perhaps consider inviting families/spouses to the next Doctors Dinner and hold it at an outside venue.

EMP-09: CEO Succession Planning

This policy was presented for review at the January board meeting under the Governance report. The committee had some further discussion about how the policy had evolved into an Emergency Succession Planning policy, and whether long-term succession planning should also be included in this or another policy. The committee agreed that long-term succession planning was a function of Administration, and did not need to be put in policy.

The committee approved the policy as revised, changing the title to "CEO Emergency Succession Plan" and requested it be put on the consent agenda of next week's board meeting.

Policy Review

The committee looked at the schedule of policies currently out for review. Quality policies are awaiting feedback from Quality & Medical Staff Office.

Finance Committee will be reviewing the finance policies in their meetings. The committee agreed that if the Finance Committee has no recommendations for revisions, those policies can go straight to the board under the Finance Committee report. If Finance does have recommended revisions, those will be forwarded to the next Governance Committee meeting for further consideration.

Aaron reported that Finance Committee reviewed F-03 and F-05 at their meeting earlier this morning, and had no recommended changes. The committee requested those be put on the agenda for next week's board of directors meeting.

CONSULTATION UPDATE

Aaron Weisser reported on the outcome of the consultative call with Jamie Orlikoff, board governance expert.

- Board should establish a more comprehensive Conflict of Interest policy, laying out the process by which the Board established a conflict of interest.
- When a conflict of interest is established, that board member should recuse themselves and be dismissed from the room for any reports, discussion, or votes surrounding the established conflict of interest. Any privileged materials related to the conflict of interest should also not be provided to the board member with the established conflict.
- Non-independent board members should not vote on any audits, and should not participate in any discussions/votes regarding CEO compensation.
- Currently Aaron, Beth, and Dr. Knapp are non-independent board members. Any member of the medical staff joining the board would be non-independent.
- What is the board's role in assuring the integrity of the medical staff peer review process? The board should ensure there is a whistle-blower mechanism, and that the medical staff is aware of that mechanism.

Committee requested the open board seat be placed on the Executive Session agenda for discussion. Aaron will reach out to Dr. Tuomi to discuss the whistle blower provision, and make sure that is included in the revision of the peer review process.

2. NEW BUSINESS

CEO Evaluation Process

The committee reviewed the method and materials used last year for CEO Evaluation. Maura will send out the same electronic evaluation form to medical staff, board and senior leaders within a week. When the time comes to collect the data and review CEO compensation, a committee or independent board members will be formed.

Development of comprehensive conflict of interest policy

- *Beth will work on an updated conflict of interest policy based on materials Melissa sent her, and will bring it back to the committee for further review.*

Bylaws Review Subcommittee

The Governance Committee will conduct an in-depth review of the Bylaws this year. Matt Bullard and Bernie Wilson agreed to complete the review, one article per month.

3. DISCUSSION

4. ADJOURNMENT
Adjourned at 12:08



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.



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.

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, 2023? 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, 2023? 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.

	SUBJECT: Conflict of Interest	POLICY #: SM-01
		Page 1 of 1
Scope: Board of Directors Approved by: Board of Directors		Original Date: 9/24/03 Effective: 8/25/21
Revised: 5/28/08; 11/16/11; 3/4/19; 8/25/21 Reviewed: N/A		Revision Responsibility: Board of Directors

PURPOSE:

Compliance requirements for Board members to report potential or actual conflicts of interest.

DEFINITION(S):

N/A

POLICY:

- A. Board service carries with it a requirement of loyalty and fidelity to the hospital. It is the responsibility of the members of the board to govern the hospital’s affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the hospital.
- B. Any duality of interest or possible conflict of interest can best be handled through full disclosure of such interest, together with abstention from any vote where the interest is involved.

PROCEDURE:

1. The board has identified potential conflict of interest situations in the “Conflict of Interest Questionnaire.” Candidates for appointment shall complete the questionnaire prior to appointment. Responses to the questionnaire will be considered by the board when evaluating candidates.
2. Any duality of interest or possible conflict of interest on the part of board members will be disclosed to the other members of the board and made a matter of record, annually or when the interest becomes a matter of board action. Members will file a Conflict of Interest Questionnaire at the Annual Meeting each January.
3. Any board member having a duality of interest or possible conflict of interest on any matter will not vote or use his/her personal influence on the matter. He/she will not be counted in determining the quorum for the vote and must leave the room prior to the vote. The minutes of the meeting will reflect that a disclosure was made, the abstention from voting, and the quorum situation.
4. The foregoing requirements will not be construed as preventing the board member from stating his/her position in the matter, nor from answering pertinent questions of other board members, since his/her knowledge may be of assistance.

ADDITIONAL CONSIDERATIONS:

N/A

REFERENCE(S):

1. IRS Form 990

CONTRIBUTORS:

Governance Committee, Board of Directors