

## Kenai Peninsula Borough

**Project Reach\***

How many Alaskans will be served by the project?

10,000-24,999

**Populations Served\***

What populations will be served by your project? Select all that apply.

Alaska Native peoples  
 Alaskans with behavioral health and substance use disorders  
 Alaskans with complex care needs  
 Alaskans with or at risk of chronic disease  
 Children and youth  
 Elders and older Alaskans  
 Health care workforce  
 Pregnant and postpartum women  
 Rural Alaskans

**Serving Rural Alaskans\***

Please describe how your project will improve access, quality, or sustainability of health care for rural, remote or frontier communities.

South Peninsula Hospital (SPH) is owned by the Kenai Peninsula Borough and operated by South Peninsula Hospital, Inc., a locally governed 501(c)(3), and one of only three independent Critical Access Hospitals remaining in Alaska. SPH serves a population of 15,000 spread over 16 communities and hundreds of square miles. SPH will purchase and implement an automated medication dispensing system (AMDS) in the Hospital Pharmacy. This infrastructure investment is part of a larger effort to expand, upgrade and modernize the Pharmacy to meet updated national standards, increase efficiency, and fulfill growing needs. The work of the Pharmacy underpins all patient care at SPH—including Emergency Department, ambulatory and inpatient care, as well as outpatient Infusion services, and this project will position this vital department to provide continuous support as SPH grows healthcare services to meet rising needs.

This project directly advances Alaska's Rural Health Transformation Program priorities, particularly Initiative #6 Spark Technology and Innovation and Initiative #2 Healthcare Access. RHTP emphasizes deployment of technology-driven solutions to improve care quality, provider efficiency, and rural sustainability.

Implementation of this AMDS will:

1. **Improve healthcare quality:** By making drug dispensing more accurate and efficient, AMDS improves patient safety, reduces risk of adverse drug events, and supports swift delivery of medications to patients. The AMDS will be integrated in real-time into Epic EHR to ensure that medication orders are current and accurate.
2. **Improve healthcare access:** The AMDS will help SPH scale-up patient care, supporting SPH's overall plan to expand healthcare access in the region to meet growing needs and manage higher patient acuity.
3. **Support healthcare sustainability:** The AMDS will streamline workflows and reduce staff burden, supporting retention of staff and enabling nurses to spend more time with patients and less time retrieving medications. And the AMDS will reduce operational risk and regulatory exposure while supporting cost

containment through improved inventory control, all of which supports long-term sustainability of care in our rural region.

By modernizing pharmacy infrastructure, SPH strengthens both clinical quality and financial sustainability while ensuring rural residents can access advanced therapies close to home.

## *Project Overview*

### **Project Concept Opportunity\***

Briefly describe the problem or opportunity you want to address with this project.

SPH's medication distribution workflows rely heavily on manual processes and dated systems, which are labor-intensive and inefficient. Manual workflows increase risk of medication errors, consume valuable pharmacist and nursing time, and limit scalability as SPH seeks to expand infusion services and other areas of patient care to meet the rising needs.

According to the American Society of Health-System Pharmacists, 97% of hospitals in the U.S. use AMDS. But many rural hospitals are left out of this technological advancement. Alaska's RHTP identifies aging infrastructure, workforce shortages, and need for technology modernization as major rural health system challenges. This program presents a generational opportunity to modernize rural facilities to meet growing and changing healthcare demands, leverage opportunities provided by new technological developments, and implement facility and process improvements that support a strong, engaged, and sustainable workforce.

On the Kenai Peninsula, an aging population and high chronic disease burden are increasing demand for specialty medications and infusion therapies. Now is the time for SPH to proactively invest in its pharmacy infrastructure as its population ages and as it seeks to expand infusion services, which have seen a sharp increase in demand in the last five years. Implementation of the AMDS will help SPH meet rising infusion demand safely and efficiently.

### **Project Concept Approach\***

Please describe your proposed approach to the above problem or opportunity.

As healthcare demands in our region rise, SPH is limited in meeting these needs by infrastructure, process, and workforce constraints. The goal of this project is to modernize infrastructure, streamline processes, and use staff time more efficiently to enable a scaling up of Pharmacy capacity in order to meet the healthcare challenges in our region. These challenges include the expanding needs of an aging population that requires higher level care close to home, the large growth in demand for infusion, and the need to manage higher patient acuity while also expanding services lines to include, for example, cardiopulmonary rehabilitation and expanded urology procedures.

An AMDS will position SPH to meet these challenges. Automated dispensing technology improves medication safety through barcode verification, real-time inventory management, controlled substance tracking, and standardized workflows. These capabilities are particularly critical in rural settings like ours where workforce shortages, supply chain disruptions, and limited redundancy increase operational risk.

Without improvements to medication distribution workflows, expanding infusion services could strain staffing capacity and increase operational risk. Or SPH might be forced to increase staffing to address growing

medication management needs, which would increase healthcare costs. This project addresses the opportunity to modernize medication management infrastructure to improve safety, efficiency, and readiness for expanded specialty services.

SPH will purchase and implement this AMDS and integrate it into its Epic EHR.

Key implementation components include:

#### Equipment Acquisition & Installation

1. Release an RFP to support the purchase and installation of AMDS
2. Configure controlled substance management features
3. Integrate barcode verification and inventory tracking systems

#### Pharmacy & Infusion Integration

1. Establish standardized medication preparation and dispensing protocols
2. Train staff and align workflows
3. Develop updated medication administration policies

#### Data & Inventory Optimization

1. Implement real-time inventory monitoring
2. Improve formulary management

This project is integral to strategies that address key findings of SPH's recent Community Health Needs Assessments, which are developed with MAPP, the regional health improvement coalition, including the need to reduce barriers to specialty care and to develop services targeted to promote senior health.

## Project Concept Preliminary Outcomes\*

What change would you expect to see if this project is successful and on what timescale?

Within 6–12 months of implementation, SPH anticipates the following outcomes:

1. Reallocation of an estimated 15% of pharmacist time to clinical care instead of clerical work. Pharmacy is expected to support approximately 10% annual growth in infusion services without a corresponding increase in staffing
2. Reduction in medication order-to-availability times by 25–40% across Emergency Department, inpatient, and infusion services.
3. Decrease in overall medication errors by 20–40%, with greater reductions for high-alert medications.
4. Reduction in medication overrides by 30–50% overall and 40–60% for controlled substances.
5. Achievement of 1–3% annual medication cost optimization and reduce expired medication waste by 25–50%.

Longer-term (12–24 months):

1. Strengthened financial sustainability through reduced waste and optimized staffing
2. Expanded ability to support oncology, chronic disease, and specialty infusion therapies locally
3. Reduced patient travel outside the Kenai Peninsula for infusion care

The Pharmacy and Quality Departments will track progress on these metrics through Epic and RLDatix occurrence reporting systems, analyze quarterly and adjust workflows as necessary.

This project supports RHTP goals of improving access, strengthening workforce capacity, modernizing rural infrastructure, and building financially sustainable health systems.

## Project Concept Sustainability\*

How will the change initiated by this project persist after the project ends?

Implementation of AMDS will create lasting operational and financial stability beyond the grant period. Based on industry benchmarks and internal modeling, we anticipate a 2–4% reduction in annual drug expenses through improved inventory optimization, fewer emergency purchases, and reduced waste; approximately \$150,000–\$250,000 per year. Improved charge capture and documentation accuracy are expected to increase medication-related revenue by 1–2%, generating an additional \$75,000–\$125,000 annually.

Better visibility into real-time inventory will reduce expired medication losses by 25–40%. Automation will also decrease manual inventory workload by an estimated 0.5–1.0 FTE, allowing staff to focus on clinical and revenue-generating services rather than adding new personnel.

As a rural frontier hospital, we face supply chain delays, weather-related transportation disruptions, and limited vendor access. Stockouts and rush orders carry disproportionate cost in our environment. Real-time inventory management strengthens purchasing accuracy and supply resilience, helping us avoid unnecessary freight and emergency expenses.

These recurring savings and revenue improvements exceed ongoing maintenance costs, ensuring the system remains financially sustainable and continues supporting long-term access to care in our community without additional grant funding.

## Project Concept Key Risks or Uncertainties\*

What potential risks do you anticipate, and what is your plan to mitigate them?

Any project in rural Alaska that depends on the delivery of equipment is subject to supply chain uncertainties, delivery delays, and weather interruptions. SPH is ready to release an RFP for an AMDS system immediately. Additional risks include the challenges of workflow change and ongoing service costs. To address these challenges, SPH will carry out robust staff training and phased implementation of AMDS. SPH will engage its Information Technology Department and Epic consultants as needed to ensure smooth integration with EHR. Operational efficiencies will more than defray ongoing service costs.

## Project Partnerships\*

Do you have key partners identified for this project?

No, partners are not needed for this project.

## *Readiness & Scope Snapshot*

### Stage of Development\*

Please assess the current stage of your proposed project. Your answer does not commit your LOI to a specific funding pathway but rather informs understanding of the project's development stage.

**RHTP funding is available for all pathways.**

**Concept Formation:** The project is taking shape, but key elements are still being developed. Scope, partners,

budget and workplan details have not yet been established. Funding at this stage would support refining the project concept, early coordination, and building administrative readiness to prepare for a full project application.

**Defined Approach:** The project has a defined approach that aligns with RHTP goals. The scope and deliverables are partially defined, there is a general sense of the budget, partners have been identified, and roles are generally understood. Some administrative, staffing, and evaluation infrastructure capacity is in place. Early thought has been given to long-term sustainability and scalability. Funding at this stage supports critical planning efforts to strengthen and refine a detailed project workplan to prepare for implementation.

**Ready to Launch:** The project has a complete plan aligned with RHTP goals, with clear scope, objectives, budget, milestones, and deliverables. Partners are committed, roles and responsibilities are clearly defined, and staffing, resources, and infrastructure are in place. The approach is supported by data collection, evaluation, and monitoring systems. Project sustainability is built into the design. Funding at this stage supports immediate execution of projects that advance rural health transformation goals.

Ready to Launch

### RHTP Initiative Areas\*

RHTP funding supports projects aligned with Alaska's six RHTP initiatives. Funded projects may work across more than one initiative. Based on your current project approach, select all that apply.

Health Care Access  
Strengthen Workforce

### RHTP Allowable Uses\*

RHTP projects must align with and advance Alaska's goals and six RHTP initiatives and strengthen access, quality, coordination, and sustainability of health care, particularly in rural and remote communities. Federal law allows RHTP funds to be used for the activities listed below in support of these initiatives. Based on your current project concept, select all that may apply. (Note: for more information on the RHTP allowable uses, see the Alaska Department of Health RHTP webpage).

Capital expenditures and infrastructure  
Innovative care

### Estimated Project Duration\*

Based on your project concept, how long do you anticipate needing to complete the proposed work?

12 months

### Project Duration\*

Please explain if your project has multiple phases, dependencies, or other nuances to the project duration.

We estimate that this project will take less than 12 months to complete.

### Estimated Funding Range for First Year of Funding\*

While RHTP is a five-year initiative, funding will be awarded annually. For the project scope you outlined, what resources do you anticipate needing for this funding round's project period?

\$50,000-\$250,000

### Future Funding Needs\*

Please describe future funding needs for this project (beyond this project period). If you are unsure of future funding needs, please indicate that below. If you do not have funding needs beyond this project period, please write "N/A."

N/A

### Potential Support Needs\*

In addition to grant awards, RHTP will include opportunities for grantee learning and support. To gauge potential offerings, what potential support might you be interested in?

None at this time

## *Acknowledgements & Certifications*

### Acknowledgements & Certifications\*

I understand that submission of this Registration & LOI does not guarantee funding and may result in an invitation to submit a Full Proposal, a request for refinement, or deferral to a future cycle.

I certify that:

- No funds received under this award will be used for lobbying activities.
- I will not attempt to influence government officials on decisions related to this award or other legislative or administrative matters using awarded funds.
- Awarded funds will not be used for religious proselytizing or activities intended to promote or discourage adherence to a particular religious faith.

Yes

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