



South
Peninsula
Hospital

South Peninsula Hospital Report

Prepared for

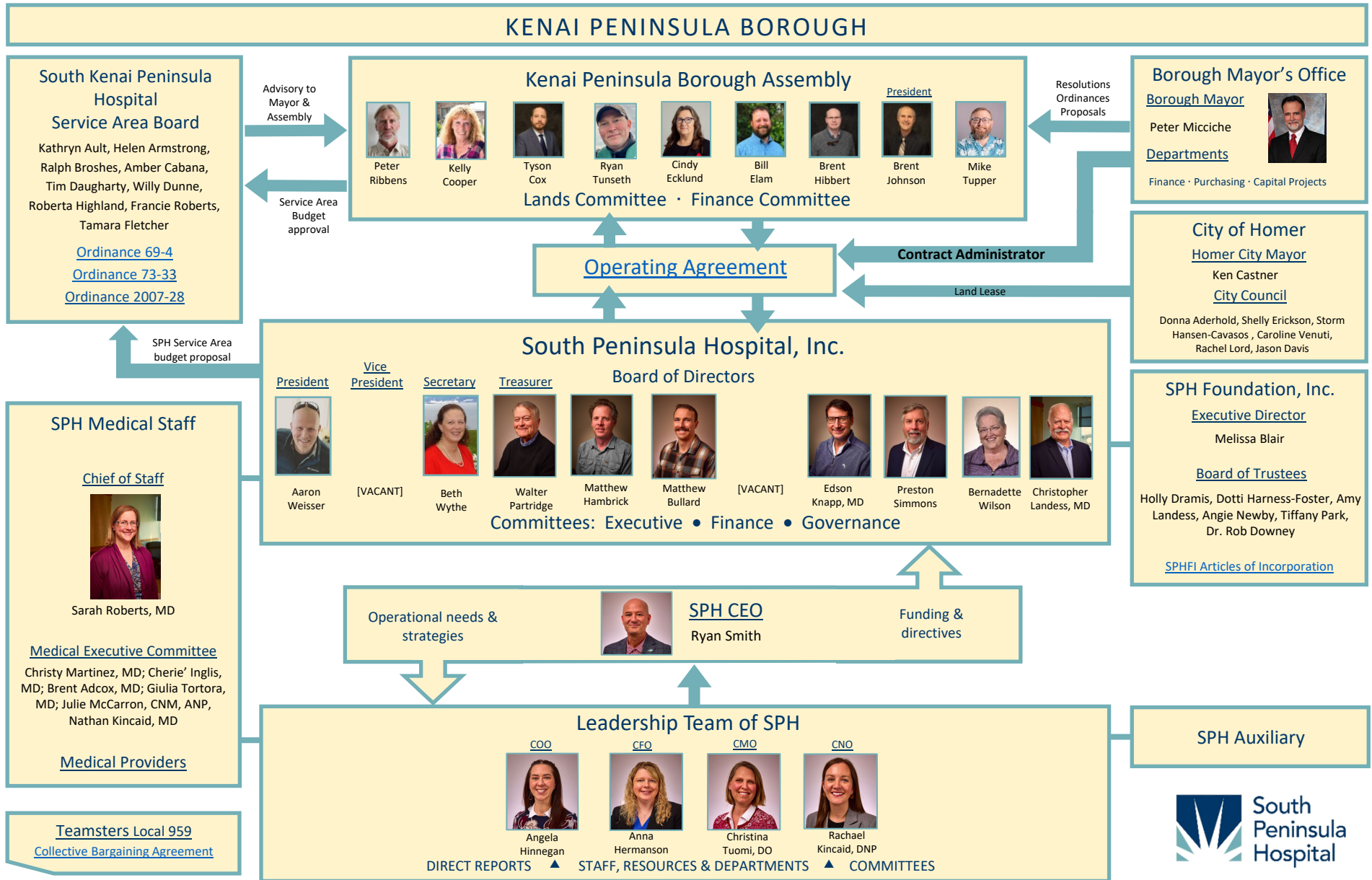
Kenai Peninsula Borough Assembly

August 6, 2024

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



SOUTH PENINSULA HOSPITAL OWNERSHIP AND GOVERNANCE



Questions or concerns with care? Call South Peninsula Hospital (907) 235-0389 or Alaska State Health Facilities Licensing & Certification (907) 334-2483

Board Member Resignations



Jared Baker

Resigned July 2024
Moving out of state



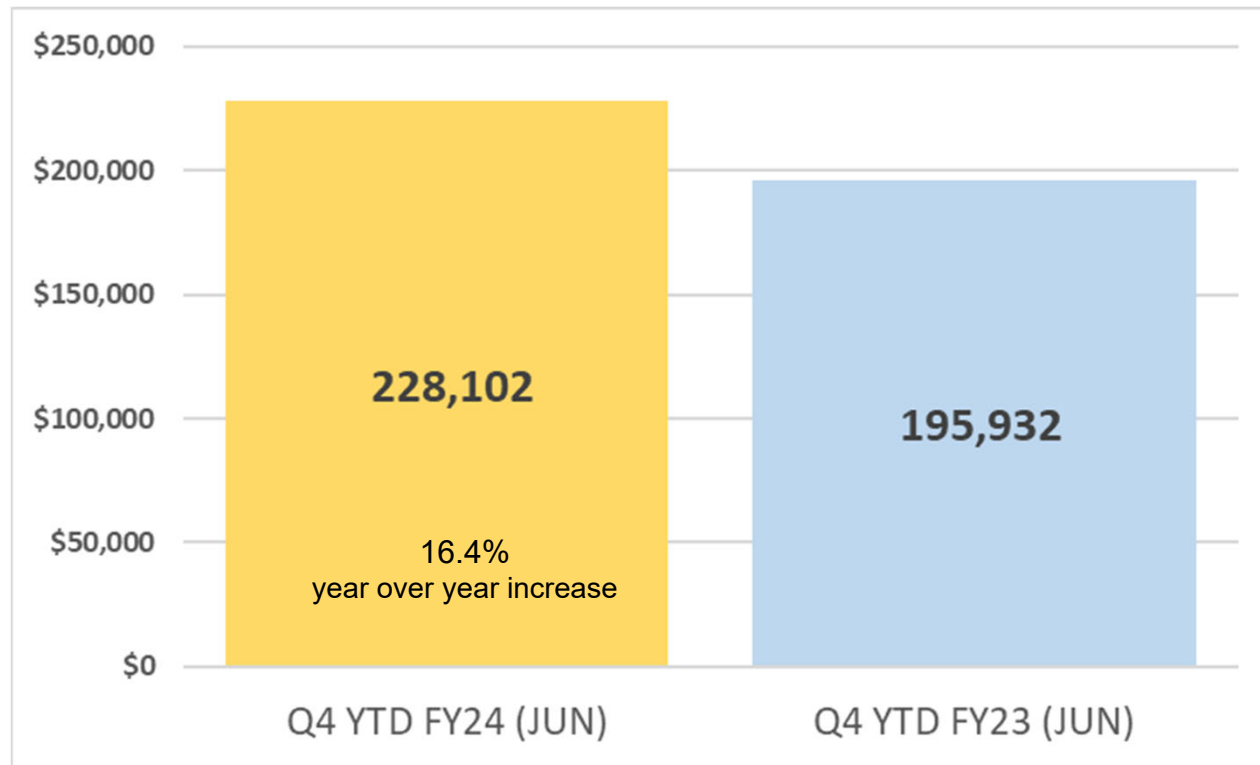
Melissa Jacobsen

Resigned July 2024
Accepted position as Homer City Manager



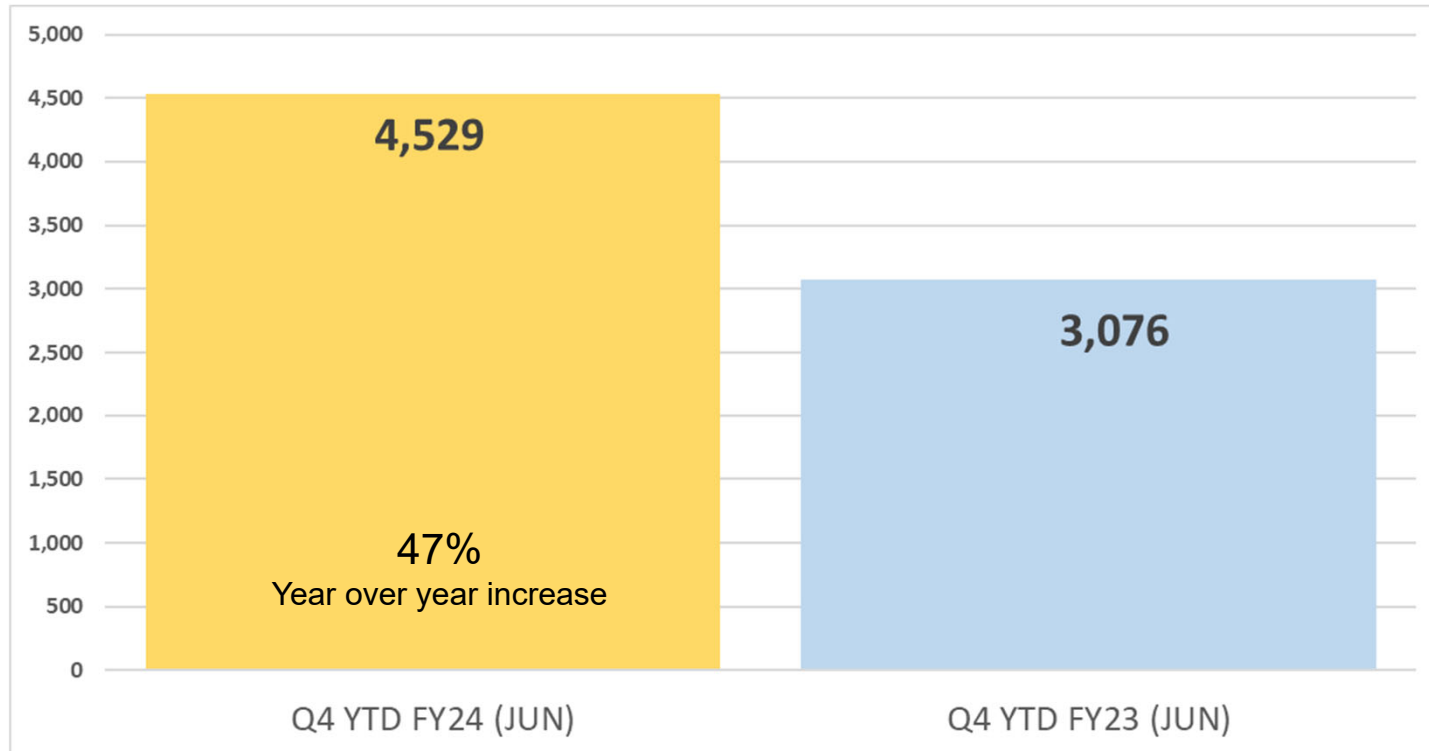
Gross Patient Revenue-Q4 YTD FY24

(in thousands)



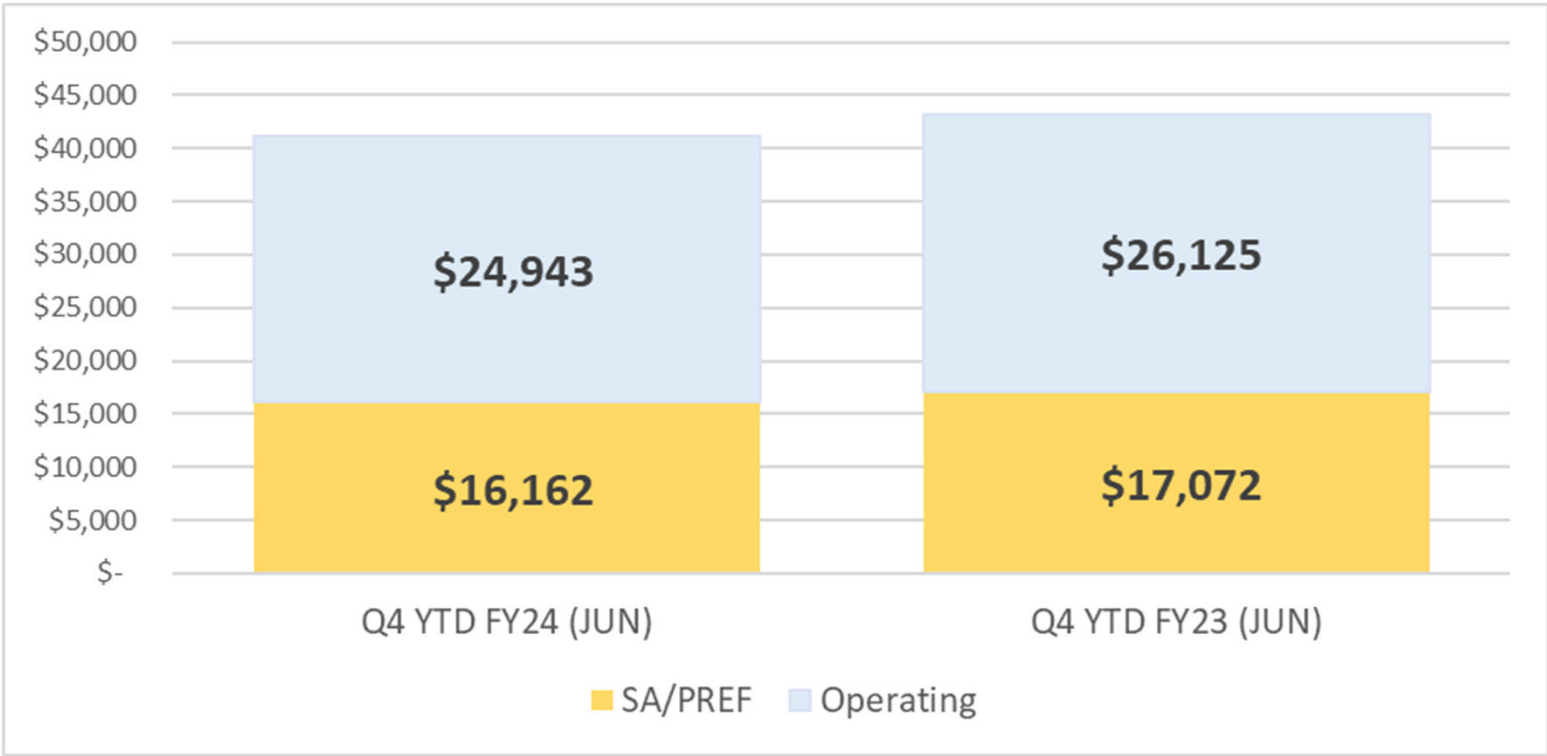
Net Income-Q4 YTD FY24

(in thousands)



Cash & Cash Equivalents-Q4 YTD FY24

(in thousands)

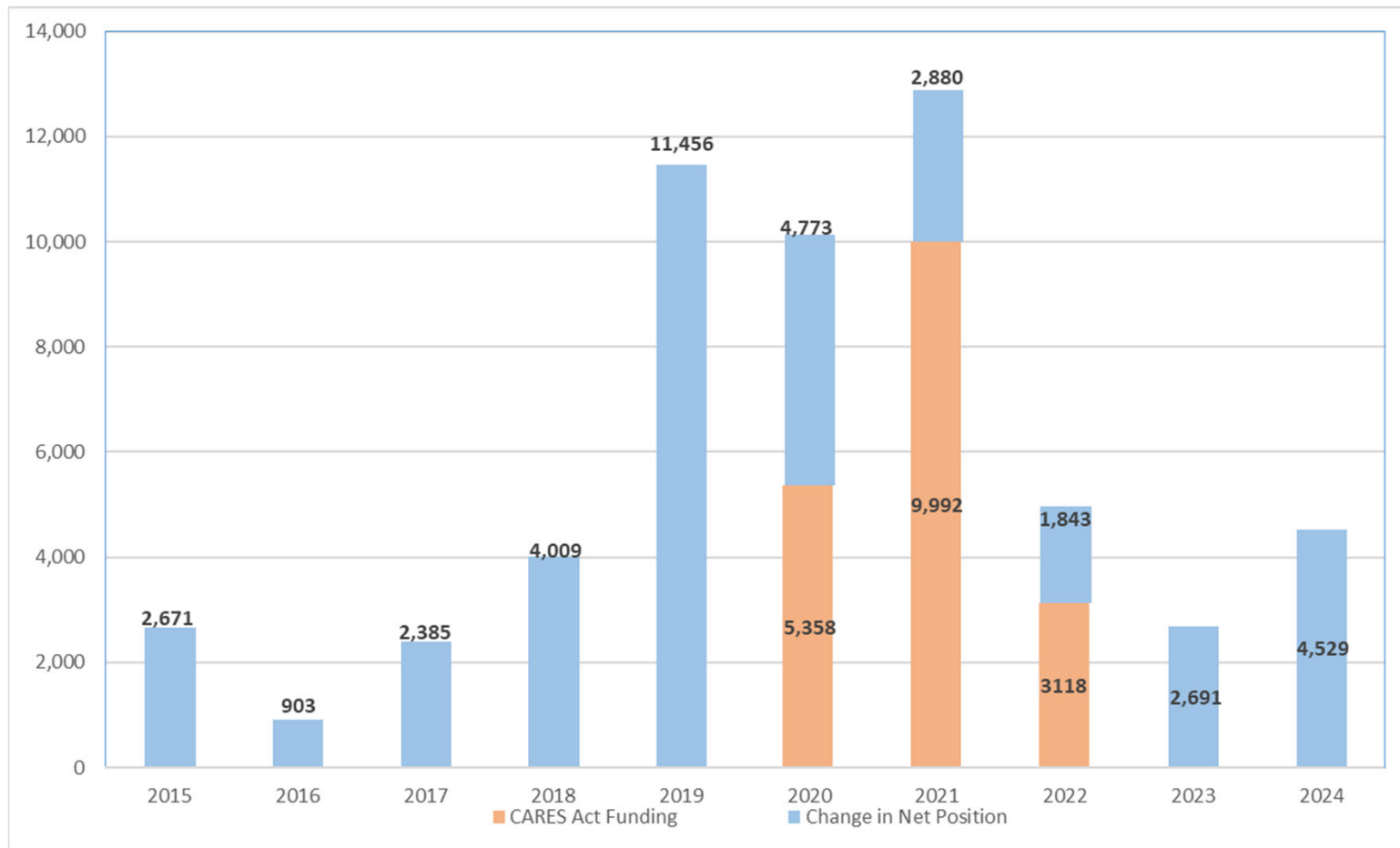


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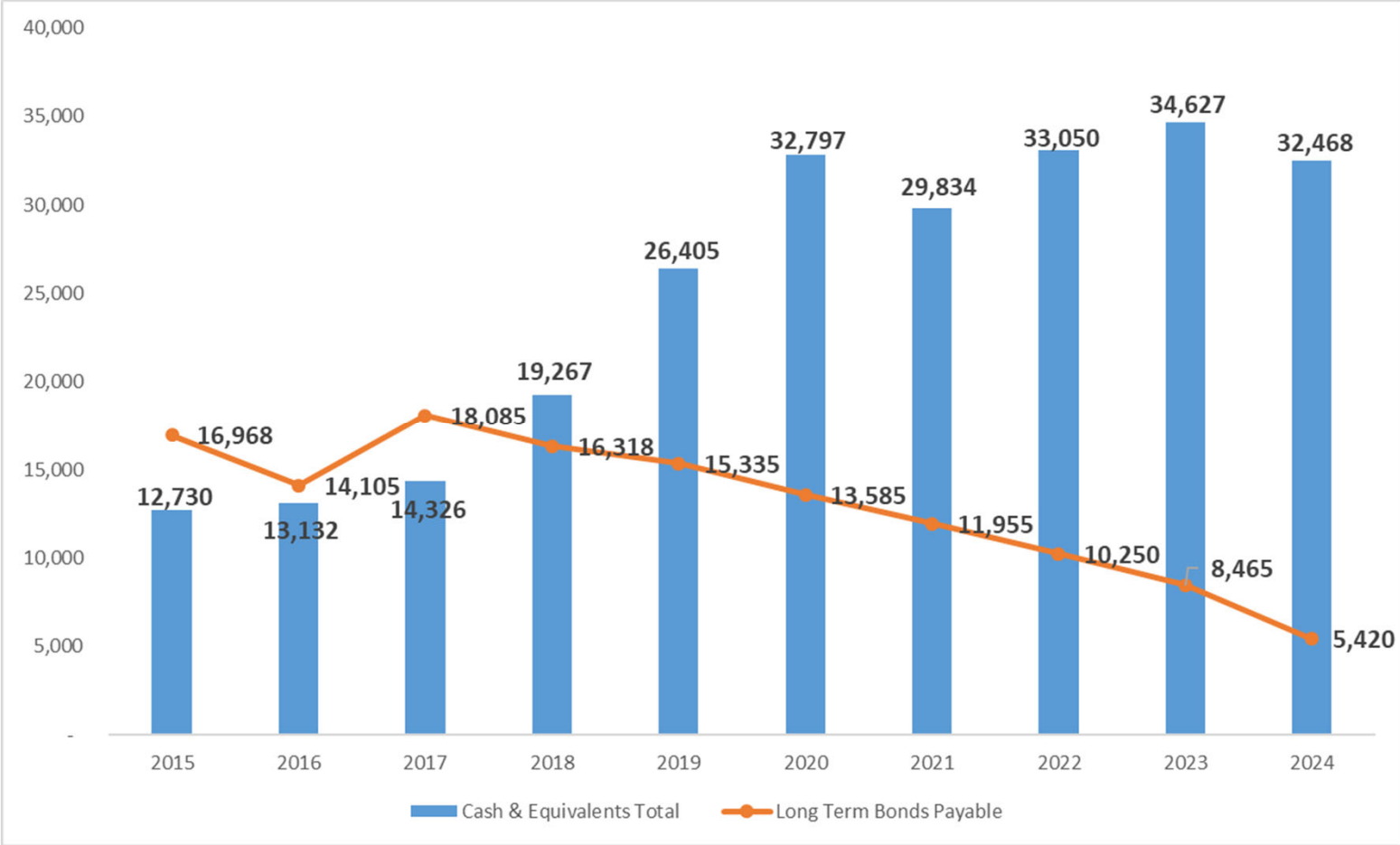
Change in Net Position

(in thousands)



Cash & Equivalents versus Long-Term Bonds

(in thousands)



Master Facility Planning: 2022-2023

Stakeholders: City of Homer, Kenai Peninsula Borough, SPH

- Need to expand, add services, improve infrastructure
- Need to acquire contiguous properties
- State DHSS approved Certificate of Need for added nuclear medicine, expanded infusion and pharmacy renovations
- Old bond debt retiring to offset new debt



SPH Bond Proposition Request 2024

Bond Package Proposal: General Intent & Allocation

Infrastructure Improvements	\$5,500,000
Nuclear Medicine/ Pharmacy/Infusion Clinic	\$10,000,000
Facility Expansion	\$10,000,000
Property Acquisition	\$13,000,000
TOTAL:	\$38,500,000



SPH Major Capital Project Needs

Project Description	Estimated Amount	Project Description	Estimated Amount
Nuclear Medicine/ Pharmacy/Infusion (Bonds)	\$10.0 Million	Elevator Replacements	\$2.0 Million
Facility Expansion (Bonds)	\$10.0 Million	Electrical Panel and Communications Room Replacement	\$700 Thousand
Adjacent Property Acquisition (Bonds)	\$13.0 Million	Hot Water Tank Replacement	\$500 Thousand
Infrastructure Improvements (Bonds)	\$5.5 Million	Refurbishment/Renovation of Central Core	TBD
Generator / Boiler Replacement (Leg Funds)	\$5.0 Million	Cafeteria Expansion	TBD
Epic Implementation (KPB Loan)	\$7.0 Million	Ancillary Expansion	TBD
1999 Roof Replacement	\$1.0 Million	Surgical Services Expansion	TBD
Air Handler Replacements	\$4.0 Million		

1) Infrastructure Improvements



2) New and Expanded Services: Nuclear Medicine, expanded Infusion Clinic, updated/relocated Pharmacy

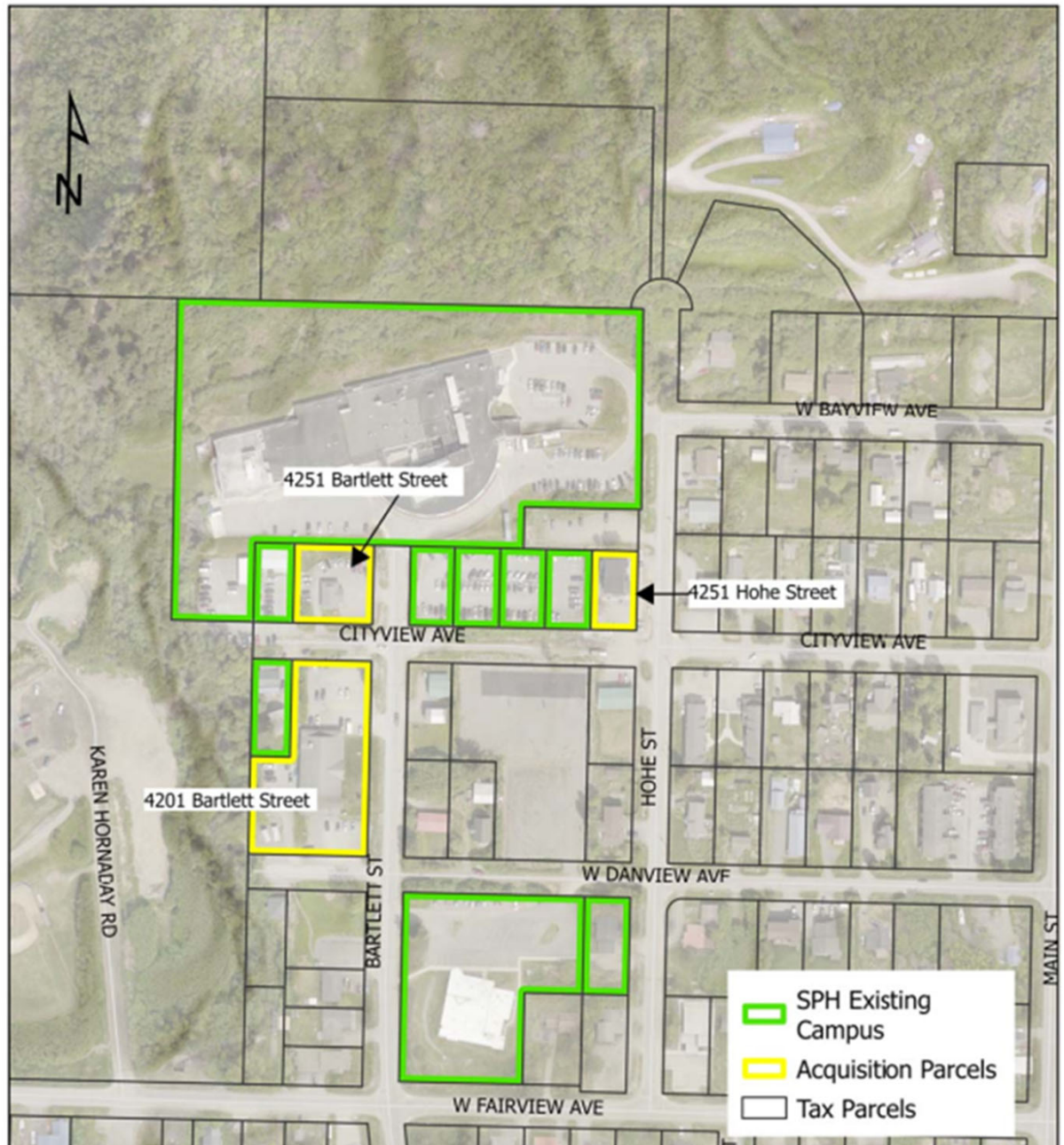


Proposed location for expanded Infusion Clinic and Pharmacy Department
Already shelled in but unused area beneath the current hospital patient rooms



3) Purchase Already Leased Contiguous Properties

- Millions in lease savings
- Investing in assets
- Control of a contiguous footprint for campus improvements and reconfiguration of use





4) Facility Expansion

- Create a building for new generator and power plant
- Reconfigure parking
- Fill in vacated spaces



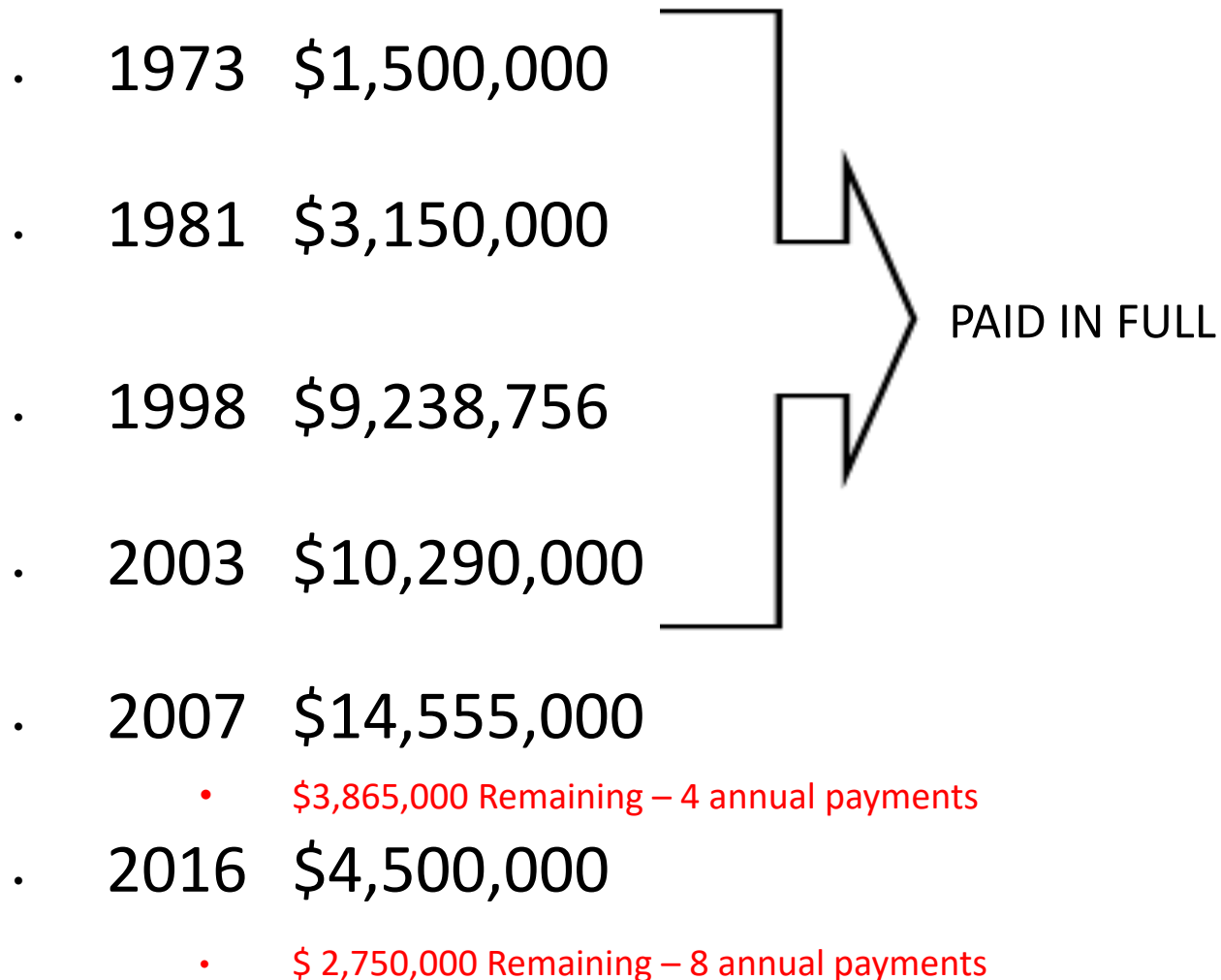
South Kenai Peninsula Hospital Service Area Mill Levy

Year	Fund 601 (bond)	Fund 602	Total Mill Rate	Total Tax Paid on \$400,000 value home	
2021	1.12	1.18	2.30	\$920	
2022	1.12	1.12	2.24	\$896	
2023	1.12	1.12	2.24	\$896	← 2023
2024	1.00	1.12	2.12	\$848	
2025 proposed	0.45	1.12	1.57	\$628	
2026 projection	0.45	1.79	2.24	\$896	← Same Mill
2027 projection	0.45	1.79	2.24	\$896	
2028 projection	0.45	1.79	2.24	\$896	
2029 projection	0.12	1.79	1.91	\$764	← Starts Reducing
2030 projection	0.12	1.79	1.91	\$764	
2031 projection	0.12	1.79	1.91	\$764	
2032 projection	0.12	1.79	1.91	\$764	
2033 projection	0.00	1.79	1.79	\$716	

If 38.5 million in general obligation bond passes, it will be an increase: \$67 per \$100,000.



Bond History for South Peninsula Hospital



Why support the bond?

- Cheapest form of financing: General Obligation Bonds
- Local investors keeps local control
- Investment in future
- Meets needs of aging community
- Debt is retiring to offset new costs
- Spreads costs over decades
- Each time we bond we improve / expand care for community
- Need a vibrant, sustainable hospital for quality of life in service area

SPH needs a capital partner - if not our own community, then who?

[Yes on 1 For Local Healthcare](#)

