

Introduced by: Administration  
Date: 8/23/2023  
Action: Approved  
Vote: Yes -7; No-0; Exc- 4

**SOUTH PENINSULA HOSPITAL  
BOARD RESOLUTION  
2023-24**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS  
APPROVING THE USE OF OPERATING CASH TO FUND THE CAPITAL LEASE OF  
THE STRYKER MAKO SMARTROBOTICS SYSTEM**

**WHEREAS**, South Peninsula Hospital’s Orthopedic 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 orthopedic throughput, quality, and patient experience with the use of the Stryker Mako SmartRobotics Total Joint Arthroplasty System; and

**WHEREAS**, South Peninsula Hospital has performed approximately 48% of Total Knee Replacements (Total Joint Arthroplasty) for residents of the Southern Kenai Peninsula over the past five years; and

**WHEREAS**, a growing number of surgical patients are leaving the service area to have their Total Joint Arthroplasty performed with a robotic system due to improved outcome and patient satisfaction; and

**WHEREAS**, the 2023 Community Health Needs Assessment highlights a need for broader healthcare services to support our aging demographic and a projected increase in Total Joint Arthroplasty procedures; and

**WHEREAS**, South Peninsula Hospital has been offered an option to enter into a 7-year Capital Lease of the Stryker Mako SmartRobotics System through an implant purchase commitment with Stryker. At the end of that Capital Lease commitment period, the title to the Mako SmartRobotics System shall transfer to South Peninsula Hospital for \$1; and

**WHEREAS**, the cost of the Stryker Mako SmartRobotics System with discounts is \$675,000 and the implicit lending rate in the capital purchase commitment master agreement is based on the Bloomberg SOFR Swap rate (approximately prime plus 2%); and

**WHEREAS**, the projected increase in market share for Total Joint Arthroplasty Surgeries and the associated net income from these procedures shall pay for the Stryker Mako SmartRobotics System from Operating Cash; and

**WHEREAS**, the South Peninsula Hospital Board Finance Committee reviewed and approved this resolution at their meeting on August 17, 2023.

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

1. That the South Peninsula Hospital Board of Directors approves the use of Operating Cash to fund the 7-year embedded Capital lease for a Stryker Mako SmartRobotics System through an Implant Purchase Commitment Master Agreement with Stryker.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 23rd DAY OF AUGUST, 2023.**

ATTEST:

DocuSigned by:  
*Julie Woodworth*  
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Julie Woodworth, Board Secretary

DocuSigned by:  
*Kelly Cooper*  
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Kelly Cooper, Board President