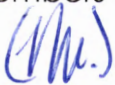


Kenai Peninsula Borough  
Office of the Borough Clerk

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**MEMORANDUM**

**TO:** Brent Johnson, Assembly President  
Kenai Peninsula Borough Assembly Members

**FROM:** Michele Turner, Acting Borough Clerk 

**DATE:** December 13, 2022

**RE:** Ordinance 2022-19-32: Deobligating Previously Appropriated Project Funds of \$1,522,530 and Appropriating \$659,783 of those Funds for the Expanded Scope of South Peninsula Hospital Nuclear Medicine/Pharmacy/Infusion Renovation Project (Mayor)

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Per KPB 22.40.050(F), the borough clerk, or the clerk's designee in his or her absence, has the authority to revise pending resolutions and ordinances prior to assembly action, by filling in any blanks in the legislation stating advisory board recommendations made concerning the legislation. This serves as our memorandum to advise the assembly of same.

Conforming to the advisory board's actions, the last Whereas clause has been updated to read:

**"WHEREAS,** at its meeting held on November 10, 2022, the Service Area Board recommended approval of the appropriation of the funding for the project;"

Thank you.

**SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD****VIRTUAL MEETING on ZOOM****Regular Meeting Minutes****November 10, 2022****Devony Lehner, Recording Secretary****1. – 2. Call to Order / Roll Call**

Chair Helen Armstrong called the meeting to order at 6:30 p.m. She requested a roll call.

Present: Helen Armstrong, Kathryn Ault, Willy Dunne, Roberta Highland, Judy Lund, Tim Whip, Amber Cabana, Ralph Broshes, Tim Daugharty

SPHI Staff: Ryan Smith, Angela Hinnegan, Anna Hermanson

**3. Introduction of Guests:**

- Mike Tupper (Kenai Peninsula Borough Assembly member)

**4. Approval of Agenda:**

Mr. Dunne noted that a report from him as the SAB's representative on the Facility Master Planning Committee should be a regular item on SAB agendas. There being no objections, this item was added to the agenda as item I under Reports, to be presented by Mr. Dunne.

**5. Comments from the Audience:****6. Approval of minutes, Regular SAB meeting of October 13, 2022**

**MOTION:** Ms. Highland moved/Ms. Lund seconded to approve the minutes of the SAB meeting of October 13, 2022, as presented.

**DISCUSSION:** No discussion.

**VOTE:** No objections.

**MOTION:** Passed unanimously.

**7. Election of Officers:**

**MOTION:** Mr. Dunne moved/Mr. Whip seconded that the following slate of SAB officers be elected:

- Chair – Helen Armstrong
- Vice-Chair – Roberta Highland
- Treasurer – Judy Lund
- Secretary – Kathryn Ault

**DISCUSSION:** No discussion.

**VOTE:** No objections.

**MOTION:** Passed unanimously.

34 **8. Presentation – no presentation**

35 **9. Reports:**

36 **A) Committee of the Whole – Devony Lehner, Recording Secretary**

37 Ms. Lehner provided the following summary of the Committee of the Whole meeting:

- 38 • The committee identified a slate of SAB officers to be nominated for election at the regular meeting.
- 39 • Ms. Highland led a review of the January 2022 version of the SAB member manual and encouraged
- 40 SAB members to comment or ask questions.
- 41 • Mike Tupper, Kenai Peninsula Borough Assembly member, expressed his pleasure at being assigned
- 42 as the liaison between the SAB and the assembly.
- 43 • Mr. Dunne asked Mr. Tupper whether there was an update on the land swap between the borough and
- 44 the city, and Mr. Tupper will look into that. Ms. Highland commented that the SAB appreciates
- 45 hearing a summary of the most recent assembly meeting, and Mr. Tupper agreed to start providing that
- 46 at next month's SAB meeting. Ms. Armstrong asked Mr. Tupper to alert her if something comes up
- 47 from the assembly that it would be useful for her to know, and Mr. Tupper agreed to do so.
- 48 • Ms. Highland mentioned that the two new buildings going up near the hospital are being built by Paul
- 49 Raymond and by the Ninilchik Traditional Council.
- 50 • Ms. Armstrong shared that, thanks to public input and the responsiveness of the hospital
- 51 administration, as of today the hospital has changed its mammogram policy. The public can now get
- 52 mammograms at the hospital without a doctor's referral.

53 **B) South Peninsula Hospital CEO – Ryan Smith, CEO**

54 Mr. Smith shared the quarterly report that he had recently presented to the borough assembly. The  
55 following summary outlines that report. (The report itself is included with informational items in the  
56 December 8, 2022, SAB meeting packet.)

- 57 • A summary of the first quarter financials was shared. For the first quarter of FY 2023, Gross Patient  
58 Revenue was slightly higher than in the prior year and Net Income was slightly lower. One reason for  
59 the decrease in net income was that during the first quarter of FY 2023, SPH paid a \$2500 inflationary  
60 bonus to all its employees. Charity Care & Bad Debt were lower than last year, Cash & Cash  
61 Equivalents for both this year and the prior year were about \$42 million.
- 62 • A summary of 10-year financial results was shared, including (a) Salaries, Wages, & Benefits—which  
63 have been high during COVID; (b) Change in Net Position—which was affected by the CARES Act  
64 and other pandemic funding; (c) Cash & Equivalents versus Long-Term Bonds, Leases & Notes  
65 Payable—for SPH, the ratio of *cash and equivalents* to *long-term debt* has gone from about 0.4 to 1,  
66 cash to debt in 2014, to over 4.5 to 1, cash to debt in FY 2023; this indicates that investments in  
67 hospital upgrades is appropriate at this time; and (d) South Kenai Peninsula Hospital Service Area and  
68 Plant Replacement Cash held at KPB—this graphic showed Service Area cash held by the borough  
69 and amounts of both obligated and unobligated Plant Replacement and Expansion Funds (PREF).
- 70 • Patient Satisfaction and Health Outcomes were summarized. These reflect the quality of care at SPH  
71 and patient satisfaction. SPH is rated as a 4-star hospital (there are no 5-star rated hospitals in Alaska).  
72 A number of methods are used nationally to extract rating values for quality of services and patient  
73 satisfaction.
- 74 • Alaska's Health Care Price Transparency Law was summarized. SPH is required by federal and state  
75 law to display in a consumer-friendly format specified shoppable services provided by the hospital.  
76 Failure to do so can lead to federal penalties. A variety of screenshots from the hospital's pricing  
77 website were shared.
- 78 • The Rotary Health Fair was mentioned; SPH and its volunteers did an amazing job. Around 900 labs



were drawn at the hospital before the fair.

- Retirements were highlighted, Marilyn Shroyer retired after 43 years.

In response to Mr. Dunne's question about salaries, wages, and benefits, Mr. Smith noted that the hospital's current collective bargaining agreement with employees runs through December 2023. Next year, the hospital will start negotiating a new 4-year contract. SPH is already seeing inflationary costs affecting negotiations between West Coast hospitals and nurses. Observed increases are daunting.

### **C) South Peninsula Hospital CFO – Ms. Anna Hermanson, interim CFO**

Ms. Hermanson provided a financial report, including the following updates:

- SPH is at about 85 days cash-on-hand at the end of the quarter, compared to 92 days at the end of the previous month. Reduction was in part due to a transfer of 4.7 days cash to the borough in September because end-of-FY22 cash-on-hand exceeded 90 days; payment of the inflationary bonus also reduced cash. PFS Collections brought in \$10.6 million in September, higher than their \$9.3 million average.
- Looking at patient accounts receivable, SPH is at 52 days on average to collect AR; the target is 55 days, so the team performed well.
- Lines 15 and 16 of the balance sheet show the PREF increase due to the cash transfer to the borough.
- Medicare paid more to SPH than actual Medicare costs, so the state is likely to recoup those funds from SPH.
- Revenue was at \$16.4 million, compared to \$16.7 budgeted. The end of September was very busy; patient days were 8 percent above budget, with an average daily census of 15.5, including ops. That didn't translate into revenue—high-end patient revenue is generated by surgeries, for example, and inpatient surgeries were down significantly and below budget because some surgeons went moose hunting. The number of swing med days was high, and those are not high revenue generators. In other words, SPH was busy providing care, just not high-revenue-generating care.
- In September, ER was 20 percent above budget; infusion was 42 percent above budget—nearly record numbers for infusion during September; imaging and some of the clinics were down.
- Long Term Care was at budget, meeting its target for average daily census of 23 patients.
- The Medicaid deduction is shown at \$2.9 million, which is where the \$500,000 of dish funds (disproportionate share hospital funds) is recorded on the statement.
- Net Patient Services revenue was \$8.8 million.
- Net operations loss was \$1.1 million. In particular, salaries and wages were above budget due to the inflationary bonus paid in September (which totaled \$1 million). That bonus was very well received by everyone and much appreciated, it definitely made the staff feel appreciated and happy to work here and support the community.
- General property taxes of \$1.4 million were collected for SPH in September; year-to-date tax income is at 3 million, with about a million left to come in for the year.
- Net income for the month of September was \$246,000, about \$500,000 below budget.

In response to a question from Ms. Armstrong, SPH staff confirmed that Christmas bonuses have in the past been given as Homer Bucks. Use of Homer Bucks is greatly appreciated by the Homer Chamber of Commerce because of how that supports local businesses. Additional businesses have wanted to join the Chamber so that they too could offer Homer Bucks and attract business from the community.

### **D) SPHI Board of Directors – Beth Wythe**

Ms. Wythe was not present.

### **E) SAB Representative to October 26, 2022, Board of Directors Meeting – Judy Lund**

Ms. Lund found the presentation on nuclear medicine absolutely fascinating—the difference in

information obtained from x-rays versus nuclear medicine was mind boggling. X-rays take a picture looking into the body, while nuclear medicine takes a picture looking out using just a tiny bit of material, and it shows a whole variety of different things. She hopes SPH can become up-to-date in offering nuclear medicine. The BOD also talked about hospital efforts related to managing sepsis.

**F) Kenai Peninsula Borough Assembly Representative – Mike Tupper**

Mr. Tupper had nothing to add at that time but would be prepared to summarize assembly business at the next meeting.

**G) SAB Treasurer – Judith Lund**

Fiscal year 2023 is just beginning, and the SAB will soon be catching up on the budget.

**H) SAB Chair – Helen Armstrong**

Ms. Armstrong emphasized her thanks to everybody for doing an awesome job while she was out after her heart surgery. She also expressed appreciation for the meeting she had with Ms. Hinnegan and Ms. Hermanson last week about the proposed resolution and other topics. It was a really good meeting.

**I) Facility Master Planning (FMP) Steering Committee – Willy Dunne**

The FMP steering committee met earlier today; it's been meeting for 6 or 8 months now. Some of the draft ideas about facilities and parking are now on paper, including construction of a medical office building and reconfiguring some of the existing hospital space to expand surgery to meet 10-year needs. The general idea is to locate parking expansion on the west side of Woodard Creek—on the east side of Karen Hornaday Park where a gravel overflow parking area is now located. Today, John Hedges from the borough provided a summary of key findings and an overview of goals, as well as ideas on working together to present these to the assembly and to voters; the focus was on high level planning rather than specifics. In general, the final product will reflect an expansion of the campus and consolidation of all external clinics into one office space attached to the hospital—separate from, but attached to, the hospital. The current idea is to locate that on the west side. Expanding Long-Term Care was also discussed, reflecting the 10-year growth needs of the hospital; Long-Term Care is predicted to increase by 46 percent, one of the biggest increases in needs. LTC currently has 28 beds, a 45 percent increase would be over 40 beds.

A representative from the borough's planning department attended today's meeting, as did BOD President Kelly Cooper and KPB Assembly Member Lane Chesley. Mr. Dunne put some things on the radar, like electric vehicle chargers for employees and maybe incorporating solar panels into any new construction. The hospital has a tremendous site for solar collection, with over 180 degrees to collect solar energy—more than that in the summertime.

The committee also discussed some of the upgrades that will be needed sooner rather than later, like the pharmacy and parking. Immediate needs may be addressed before major expansion construction.

One concept Mr. Dunne highlighted, which was mentioned by John Hedges, was having 5-year capital improvement plans in the budget; these 5-year plans could be reviewed and updated annually. They could be brought to the Service Area Board and the borough assembly even before review of the annual budget, because annual budgets are often driven by immediate capital needs. He liked the concept of looking forward and having capital plans reviewed before the budget. He also appreciates the borough's proposal to look at these more closely ahead of budget time.

Mr. Smith added that the FMP steering committee has been working with Architects Alaska on six goals. The contractor has now developed a report of their findings, which Mr. Hedges summarized today. But the devil is in the details, and over time, Mr. Hedges will operationalize the "giant elephant" 10-year

plan into bite-sized chunks so that the hospital can start really working on some things. “We have a lot of work cut out for us.”

Mr. Dunne added that there will be a final draft, but that won’t necessarily be released to the public right away. First, everybody on the steering committee and all the other players, including the SAB, would have a chance to provide input. Mr. Smith hopes the final report will be available in the next couple of months.

In response to a question, Mr. Smith explained that the SPH has been working with the city for several years in looking at options for creating hospital parking across Woodard Creek, which would involve using city land. There’s a lot of “emotive content” there to unpack, but the goal would be actually to improve Karen Hornaday Park, for example, road access, sewer and water, and other amenities. There’s a lot yet to be worked out, but considering the “art of the possible,” where else could parking be expanded? The hospital campus can’t expand to the north, south, or east, so on the west offers the only opportunity to expand parking. Ongoing discussions also include what would happen to buildings such as the Homer Medical Clinic when their functions move elsewhere. SPH also has buildings that it would want to raze (for example, a 4-plex), and their services would be moved into vacated buildings.

Mr. Dunne added that the city administration has been very open to negotiations. Ms. Ault has heard the comment that whatever is planned, “Don’t touch Karen Hornaday.” Mr. Dunne noted that the FMP steering committee is sensitive to the need to ensure that the public understands and accepts proposed ideas. He mentioned that he’d brought up the idea of creating wildlife-friendly bridges across Woodard Creek Canyon. Improving trails is also something that the public would like to see.

## **10. Unfinished Business:**

### **A) All Things Recovery update – Willy Dunne**

Mr. Dunne noted that this is an ongoing discussion rather than unfinished business. It will be discussed again in January, as far as funding for ATR. He’s had discussions with Ms. Highland and Ms. Armstrong about goals to accomplish and measurable outcomes. This will be discussed in more detail at next month’s meeting, and there will be a related presentation from the Mat-Su Opioid Task Force. Mr. Dunne reiterated that he’s a volunteer with All Things Recovery and is involved with some of its work groups. Some of these groups did outreach at the Rotary Health Fair, which was really good. The Mat-Su OTF has identified some concrete and specific goals, so it will be useful to hear from Michael Carson, its director, and to learn what they’re doing; we can talk about that next month in more detail.

### **B) MAPP (Mobilizing for Action through Planning and Partnerships) – Roberta Highland**

Ms. Highland wanted to follow up on the presentation Ms. Ferraro gave on MAPP at last month’s Committee of the Whole meeting. Ms. Highland asked if there were any comments or ideas or suggestions, and mentioned that it made sense to discuss these before MAPP funding is considered at the January meeting; MAPP will give a presentation at the January meeting.

Mr. Daugharty asked whether a city grant was awarded to administer this year’s community health needs assessment (CHNA). Mr. Dunne reported that the city used a “Healthy and Equitable Communities” grant it had received in order to hire a Pennsylvania contractor for \$30,000 to do this year’s CHNA. Mr. Daugharty asked if that meant that MAPP would not need funding to accomplish this year’s CHNA. Ms. Highland noted that years ago, MAPP realized that doing the CHNA took all its time and energy, and there were many other directions and focuses that MAPP wanted to work on. MAPP realized that it could not do all things, so since then, it has continued doing the general work that it’s been doing for years. She noted that these are the kinds of questions that Ms. Ferraro would be better able to answer.

Mr. Dunne provided the following background: The Service Area Board originally proposed funding for MAPP as a mechanism to perform the Community Health Needs Assessment. This process is in



conjunction with the hospital, which is required to do this by the IRS. The second Community Health Needs Assessment was done in 2013, the third in 2016. So MAPP actually did three. [Recording Secretary's note: "Mobilizing for Action through Planning and Partnership" is a national model developed by the National Association of County and City Health Officials in collaboration with the Centers for Disease Control and Prevention.<sup>1</sup>] Mr. Dunne continued that in 2020, SPH contracted with Agnew-Beck, an Anchorage consultant, to accomplish the 2020 CHNA, which SPH paid for out of its operations budget. So the SAB money originally was earmarked or intended for providing the CHNA. After completing the CHNAs, MAPP developed Community Health Improvement Plans (CHIPs)<sup>2</sup> laying out strategic goals and tasks to address community health needs identified in the assessment.

Mr. Tupper asked whether now that MAPP is no longer doing the CHNAs it has any deliverables. Ms. Highland responded that Ms. Ferraro would be better able to explain this, but it's her understanding that every year, MAPP and its partners decide on a direction and focus, and then they pursue that focus [implement strategies based on that focus]. Then they re-evaluate and decide on another focus [see graphic in footnote below]. She added that stakeholders involved in MAPP have expressed to her that they benefit greatly from the partnership, on which Ms. Ferraro gave a very inclusive report last month. She then asked Ms. Lehner to note any questions asked at this meeting so that Ms. Ferraro could respond to them. Ms. Lehner mentioned that she had recorded all the presentations at October's Committee of the Whole meeting, including Ms. Ferraro's, and is separating them so that each can be individually uploaded to YouTube. Ms. Lund added that MAPP will also be making a presentation in January.

Mr. Tupper agreed that it's nice that people feel like MAPP is useful to them, but he wondered if there's a way to measure outputs so that SAB can track what MAPP is producing with the grant money it receives from the SAB. Ms. Hermanson pointed out that that information was part of the report that Ms. Ferraro gave at the October Committee of the Whole meeting, as well as in the report that Hannah Gustafson, MAPP coordinator, gave at SAB's regular September meeting. Ms. Armstrong added that some of these discussions will be appropriate when SAB considers MAPP's request for another grant. Ms. Highland reiterated that it would be beneficial to get any questions answered before the January meeting so that SAB members would have answers before considering grant approval. Ms. Lund asked if MAPP is scheduled to be at the December meeting to answer questions, and Ms. Highland answered that that's something SAB could request.

Mr. Daugharty asked whether SAB puts out an RFP related to funds it provides [to entities like MAPP]. Ms. Highland answered that SAB awards **grants**; interested parties request funds from the SAB. She added that a few years ago, SAB developed a grant application process for applicants to follow.

1 The MAPP (Mobilizing for Action through Planning and Partnership) tool was developed by the National Association of County and City Health Officials in collaboration with the Centers for Disease Control and Prevention. ...The MAPP work group vision is "Communities achieving improved health and quality of life by mobilizing partnerships and taking strategic action." MAPP is targeted to communities, and its goal is to equip them with a structured framework for planning health programs. The MAPP process is centered on community organizing and partnership development and includes four assessments: assessing community themes and strengths, assessing the local public health system, assessing the community's health status, and assessing the forces of change. Next, MAPP involves the identification of strategic issues, the formulation of goals and strategies, and a continuous cycle of planning, implementation, and evaluation [downloaded on 11/29/22 from <https://www.ncbi.nlm.nih.gov/books/NBK221247/#ddd00231>].

A 4-page MAPP factsheet including the graphic at right can be downloaded at <https://www.naccho.org/uploads/downloadable-resources/Programs/Public-Health-Infrastructure/MAPP-factsheet-system-partners.pdf>.

2 A community health improvement plan (or CHIP) is a long-term, systematic effort to address public health problems based on the results of community health assessment activities and the community health improvement process. A plan is typically updated every three to five years [downloaded on 12/3/22 from <https://www.cdc.gov/publichealthgateway/ci/ia/plan.html>].



Mr. Dunne added that MAPP differs from Kachemak Bay Family Planning Clinic in that it is the hospital that applies for the grant, and then the hospital contracts with a private vendor—currently G Squared, whose Principal is Hannah Gustafson—to carry out its objectives. The contractor gets paid through the borough, which gives the money to the hospital, which then pays G Squared; SAB is not actually contracting directly with G Squared. MAPP is a project of the hospital, so that \$45,000 grant is awarded to the hospital. The hospital pays that money to G Squared to carry out the program. Mr. Smith added that the hospital is just a conduit for the Service Area. Mr. Dunne then clarified that over a certain dollar amount, the borough would require an RFP if it were contracting G Squared, but because the SAB funding is considered a grant, it doesn't go through the RFP process. He noted that there have been several different MAPP contractors over the years; Ms. Gustafson has coordinated MAPP for 4 or 5 years. Ms. Lehner mentioned that Megan Murphy was the first MAPP coordinator. She did it for several years.

Ms. Hermanson had on her laptop a copy of MAPP's September 8, 2022, report and presentation, which was presented to SAB at its September 8 meeting and begins on page 8 of SAB's September 8 packet. She read aloud some of the topics covered in that report, including names of everyone involved and overall priorities for the coming fiscal year—which will focus on data collection and report generation for the community health needs assessment, as well as offering community meetings in person again and establishing a good format for hybrid meetings. The report also shows budget and program details.

Ms. Highland then asked for the wishes of the board on discussing MAPP at the December meeting or waiting until January. She suggested that because the January meeting already has a large agenda, answering questions about MAPP would make more sense at the December meeting. Mr. Dunne wanted it made clear to G Squared (and the hospital) that reports for MAPP and All Things Recovery should be treated separately and submitted as two different products; otherwise it gets confusing because both projects are handled by the same contractor. Ms. Highland noted that SAB will know the amounts being requested at its January meeting, and she again asked if the board would like Ms. Ferraro to attend the December meeting. Mr. Dunne agreed that there's still some ambiguity and some questions, as well as a need to be clear on what kind of measurable outcomes and deliverables SAB could expect. Ms. Cabana also agreed that having Ms. Ferraro present would be a good idea.

#### **C) Memorandum of Understanding (MOU) with SPH, Inc. for printing of SKPHSAB meeting packets – Helen Armstrong**

Ms. Armstrong introduced the draft MOU between SAB and SPH for printing services, which SPH would provide to SAB at a cost of 15 cents per page for black and white copies and 25 cents per page for color, whether pages were printed single- or double-sided.

**MOTION:** Mr. Daugharty moved/Ms. Highland seconded to approve the MOU with SPH, Inc. for printing of SKPHSAB meeting packets.

**DISCUSSION:** Ms. Lehner noted that she had found one typo, shown below—"documents" is duplicated in the sentence, so the first use of the word is crossed out. She asked to whom to send the corrected version, and Ms. Hermanson answered to send it to her. There was no further discussion.

#### **Roles and responsibilities**

- SKPH Service Area Board is responsible for supplying documents to SPH
- Executive Administrative Assistant printing requests, documents, and instructions with a minimum of 3 days' notice



**VOTE:** No objections.

**MOTION:** Passed unanimously.

**11. New Business:**

**A) South Kenai Peninsula Hospital SAB Resolution 2022-09 Approving the Combination of Nuclear Medicine and Pharmacy Renovation Projects and Expanding the Scope to include the Infusion Clinic**

Ms. Armstrong introduced SAB Resolution 2022-09 and read the title to the board. She noted that this resolution has not yet gone to the BOD because its next meeting will not be until December. The language in the resolution reflects anticipation of BOD approval.

**MOTION:** Ms. Highland moved/Ms. Lund seconded that SAB adopt Resolution 2022-09 Approving the Combination of Nuclear Medicine and Pharmacy Renovation Projects and Expanding the Scope to include the Infusion Clinic

**DISCUSSION:** Mr. Dunne noted that in fiscal year 2022, \$555,000 was obligated for the pharmacy remodel; he asked whether any of that work was begun, and Mr. Smith answered no; those funds are still obligated in Service Area funds. Mr. Dunne also asked for clarification on the full amount requested for nuclear medicine. Ms. Hermanson explained that in the overall budget, the two projects were split out, and some of them were to be covered by Service Area funds and some by PREF monies so that all the needed capital items could be funded. None of these monies were spent. Now the hospital needs to move these three things, and it makes sense to do them together spacewise. It makes sense to move nuclear medicine into the pharmacy, which is right across the hallway from imaging, and then to relocate the pharmacy down into the shell space and put infusion next to it. Right now, during chemotherapy treatments, nurses are having to transport material down the hill to patients because immunocompromised patients were moved out of the hospital during COVID. It makes more sense in terms of best practices for infusion patients to be in the hospital and near the pharmacy.

Doing all of these things requires a certificate of need; this necessitates paying for a design and getting a certified cost estimate in order to submit a certificate of need request. Mr. Smith confirmed that additional obligated funds will later be brought back into the process after there's a design. Ms. Hermanson clarified that the design process is needed before construction estimates can be developed. Mr. Smith added that design fees are usually 10-15 percent of the total project cost. He listed numerous functional and logistical concerns and structural and cost constraints that, when considered together, led to identifying this as the best approach to address needs related to nuclear medicine, infusion therapy, and the pharmacy remodel. Other pots of money that are still out there will be combined later to cover the roughly \$6 million cost for constructing the whole project to get nuclear medicine upstairs, the pharmacy down here, and immunocompromised patients back into the hospital—the shell space is a prime location for infusion, where patients can enjoy views and be right next to the pharmacy. John Hedges and Brandi Harbaugh helped draft how SPH could put the monies together to achieve the design piece needed to get a certified cost estimate and submit a certificate of need. The certificate of need has a cost trigger, which Ms. Hermanson thought was about \$1.5 million. Below that amount, no certificate of need is required. Mr. Smith clarified that because SPH did not request a certificate of need when it conducted a major expansion a while ago, it made an agreement with the state that it would request a certificate of need for any future work done in the shell space, regardless of cost. The current arrangement is in that context.

Mr. Whip then asked whether this plan fits into the master plan discussed earlier. Mr. Smith confirmed that it does, while at the same time noting that the hospital has been working with Dr. Knapp

for the last 3 years in trying to bring nuclear medicine here. Discussions about nuclear medicine began before the hospital got involved in the master facility planning process, but the hospital has never been able to find a spot for it. So a location for nuclear medicine was rolled into the facility master planning process, along with requirements for the pharmacy and infusion. So Mr. Dunne confirmed with Mr. Smith that \$650,000 is for planning, and then another amount will be needed for actual construction and to move facilities. Mr. Smith confirmed that although total project costs are expected to be about \$6 million, that won't be known until SPH pays the design fees to get certified cost estimates, and then that estimate can be submitted to the state as part of the certificate of need.

**VOTE:** Ms. Armstrong called for a voice vote. The following SAB members voted YES to approve SKPHSAB Resolution 2022-09: Ralph Broshes, Amber Cabana, Tim Daugharty, Tim Whip, Judy Lund, Roberta Highland, Willy Dunne, Helen Armstrong, and Katherine Ault; there were no NO votes.

**MOTION:** Passed unanimously. Ms. Armstrong reiterated that the approved resolution is contingent upon approval by the Finance Committee and the Board of Directors.

#### 12. Informational Items included in the Packet:

- Approved minutes of the September 28, 2022, BOD meeting
- SIM (Sequential Intercept Model) Mapping Workshop

#### 13. Comments from the Audience – there were no comments

#### 14. Comments from Board/Staff:

- Board members discussed how and when members wanting printed copies of the packet could pick them up from the hospital. The best solution is to pick them up when arriving for the actual meeting.
- Board members expressed interest in hearing Dr. Knapp provide an overview on nuclear medicine. *[Secretary Lehner's addendum: an excerpt from the SAB minutes of March 10, 2022, summarizing the presentation on nuclear medicine made at that meeting by Dr. Knapp is included in informational items included in the packet for the December 8, 2022, SAB meeting.]*

#### 15. Future Agenda Items / Reminders:

- November/December BOD meeting – Willy Dunne
- Continuation of MAPP discussion.
- Presentation by Mr. Michael Carson, Chair, Mat-Su Opioid Task Force

#### 16. Adjournment:

The meeting was adjourned at 7:54 pm.  
Respectfully submitted,

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Devony Lehner, SAB Recording Secretary

Minutes Approved: \_\_\_\_\_, 2022