

Introduced by: Administration  
Date: July 22, 2015  
Action: Approved  
Vote: Yes - 5 , No - 0 , Excused - 3

**SOUTH PENINSULA HOSPITAL  
BOARD RESOLUTION  
2015-11**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL  
BOARD OF DIRECTORS OPPOSING KPB ORDINANCE 2015-20 AND REQUESTING THE KENAI  
PENINSULA BOROUGH ASSEMBLY'S OPPOSITION**

**WHEREAS**, South Kenai Peninsula Hospital Service Area was created by voter approval in 1969 with a north boundary line at Sterling Highway milepost 119, just south of Clam Gulch; and

**WHEREAS**, The Kenai Peninsula Borough Mayor and Assembly authorized \$200,000 in February, 2015, for a health care task force to explore the best possible scenario for health care funding and powers in the borough, specifically to consider adopting hospital powers on a borough wide basis with a borough wide service area; and

**WHEREAS**, The Kenai Peninsula Borough's Health Care Task Force work is still in progress. Sufficient time should be provided to this group to conduct their work, and the findings be considered; and

**WHEREAS**, An accurate projection of the loss of tax revenue to the Kenai Peninsula Borough if the boundary is changed as proposed is not available, but would definitely be greater than \$122,000; and

**WHEREAS**, The proposed ordinance 2015-20 recommends the Kenai Peninsula Borough consider the financial needs of the hospitals when adjusting service area boundaries; and

**WHEREAS**, The South Kenai Peninsula Hospital FY 2015 Capital Equipment Budget was \$898,000; and

**WHEREAS**, South Peninsula Hospital, Inc. relies on the capital equipment budget to offer state of the art equipment to provide quality care close to home; and

**WHEREAS**, Changing the boundary as proposed in this ordinance would reduce available tax funds for capital purchases by at least 8.5%; and

**WHEREAS**, South Peninsula Hospital is already facing a declining tax base due to a rapidly aging community, resulting in a loss of taxes due to increased properties with tax exemptions; and

**WHEREAS**, South Peninsula Hospital, Inc. is a strategic partner with the Ninilchik Village Tribe Community Health Clinic, which provides services to residents of the tribal boundaries, north from the Kasilof River to Homer in the south; and

**WHEREAS**, the majority of the patient population seen at the Ninilchik Clinic are not tribal members, with a payer mix of 34% Medicare & Medicaid, 31% commercial insurance, 24% Indian health services, and 11% other; and

**WHEREAS**, the patients using the clinic are connected to care at South Peninsula Hospital through ancillary services such as lab, imaging and physical therapy;

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

SECTION 1: The South Peninsula Hospital Board of Directors opposes Ordinance 2015-20 and

SECTION 2: The South Peninsula Hospital Board of Directors respectfully requests the Kenai Peninsula Borough Assembly oppose this ordinance until an exact financial impact is determined and the findings of the KPB Health Care Task Force are considered.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 22<sup>nd</sup> DAY of JULY, 2015.**

ATTEST:

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Tom Clark, Board President

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Bernadette Wilson, Secretary