

Introduced by: Administration
Date: June 28, 2023
Action: Approved
Vote: Y-7, N-0, Exc.-3, Abstain-1

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-21**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
TO SUPPORT AN INTERFUND LOAN TO SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA FROM THE KENAI PENINSULA BOROUGH GENERAL FUND FOR
ACQUISITION OF NEW ELECTRONIC MEDICAL RECORD SOFTWARE AND
AUTHORIZING REPAYMENT OF THE LOAN FROM SOUTH PENINSULA
HOSPITAL INC. OPERATING FUNDS**

WHEREAS, South Peninsula Hospital relies on multiple electronic medical records to operate its many service departments and CPSI is the primary electronic medical record used for the main hospital departments;

WHEREAS, CPSI has been used for 20+ years and the software does not offer many of the functionalities and integrations of other more widely used electronic medical records and there is a need for patients and staff to be able to access all records for the hospital and clinics in one system; and

WHEREAS, replacement of the EMR software will increase patient access and transferability to medical records as well as provide hospital employees with additional tools for better serving patients; and

WHEREAS, exhausting the existing Plant Replacement and Expansion Fund (PREF) for this expenditure would not leave the hospital in a position where they have the ability to respond to unforeseen capital needs over the next year and is not in the best interests of the service area; and

WHEREAS, the Kenai Peninsula Borough (Borough) General Fund will provide a 5-year loan with a fixed interest rate of 4.81% that compounds daily based on the current Alaska Industrial Development and Export Authority (AIDEA) 5-year lending rate, interest will begin accruing on the date of the first draw and payments will be due quarterly starting 90 days after the first draw; and

WHEREAS, providing the loan to SKPHSA will allow SPH to purchase the much needed EMR Software and retain adequate funding in operations and PREF to provide for operations and capital needs in the immediate future; and

WHEREAS, pursuant to KPB 5.08.025 it is in the best interests of the Borough and the South Kenai Peninsula Hospital Service Area taxpayers to approve a loan to the Service Area from the General Fund. The loan will not require an increase in the mill levy for repayment purposes due to the fact that SPHI will repay the loan from operating funds. The loan would have following terms and conditions:

1. Loan amount: \$7,000,000
2. Purpose: purchase of electronic medical records software and project implementation costs for capital improvement purposes.
3. Term of the loan: 60 months.
4. Rate of interest: 4.81%

5. Installment payment frequency: Quarterly, starting 90 days after the first draw.

WHEREAS, the South Peninsula Hospital Board of Directors supports the interfund loan up to \$7,000,000 to South Kenai Peninsula Hospital Service Area for acquisition of new Electronic Medical Records Software and authorizes repayment of the loan funds from South Peninsula Hospital operations; and

WHEREAS, the resolution to move forward with a note payable from the Kenai Peninsula Borough was discussed at Finance Committee on June 22, 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 supporting an interfund loan from Kenai Peninsula Borough General Fund to the South Kenai Peninsula Hospital Service Area for up to \$7,000,000 for the purchase of an electronic medical record software and project implementation costs for capital improvement purposes.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 28th DAY OF JUNE, 2023.

ATTEST:



Julie Woodworth, Board Secretary



Kelly Cooper, Board President