

Introduced by: Mayor  
Date: 05/19/20  
Hearing: 06/02/20  
Action: Enacted as Amended  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2020-26**

**AN ORDINANCE PROVIDING FOR AN EXCEPTION TO THE  
OPERATING AGREEMENT BETWEEN THE KENAI PENINSULA BOROUGH  
AND CENTRAL PENINSULA GENERAL HOSPITAL, INC. TO ALLOW CASH IN  
EXCESS OF 90 DAYS TO BE RETAINED BY CENTRAL PENINSULA GENERAL  
HOSPITAL, INC. AS OF JUNE 30, 2020 DUE TO THE COVID-19 PANDEMIC**

**WHEREAS,** the Borough Mayor issued a Disaster Emergency Declaration on March 16, 2020, due to the current and imminent impacts of the COVID-19 Pandemic in the areas of the borough outside of the cities; and

**WHEREAS,** the Assembly adopted Resolution 2020-026 on March 17, 2020 extending the disaster emergency for 90 days; and

**WHEREAS,** the COVID-19 Pandemic has resulted in seventeen mandates issued by the State of Alaska, some of which have severely restricted hospital operations, adversely impacting finances and cash flow for Central Peninsula General Hospital, Inc. (CPGH, Inc.); and

**WHEREAS,** CPGH, Inc. estimates it will have cash exceeding 90 days' cash on hand as of June 30, 2020 due to the receipt of Medicare payments from the Advance and Accelerated Payment Program administered by the Centers for Medicare and Medicare Services (CMS) in the amount of \$17,958,796; and

**WHEREAS,** the advanced payments received by CPGH, Inc. from CMS on April 20, 2020 are slated for repayment 120 days following disbursement which will begin in mid-August 2020; and

**WHEREAS,** when CMS begins withholding claims payments in August to repay the advanced payment CPGH, Inc. received, it will reduce cash flow to CPGH, Inc. and increase cash out flow; and

**WHEREAS,** the current operating agreement between the borough and CPGH, Inc., requires cash in excess of 90 days operating cash on hand be transferred to the borough for deposit into the Plant Replacement and Expansion Fund; and

**WHEREAS,** given the current COVID-19 situation the administration proposes that CPGH, Inc. be allowed to retain the cash in excess of 90 days operating cash on hand on June 30, 2020 in order to sustain repayment to CMS and maintain cash for daily operations and that the Mayor may approve similar requests after thorough review while the COVID-19 Pandemic remains in effect;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That CPGH, Inc. is authorized to retain 135 days' operating cash on hand on June 30, 2020 to fund the required repayment of advanced Medicare payments to CMS until CPGH, Inc. has repaid those funds to CMS.

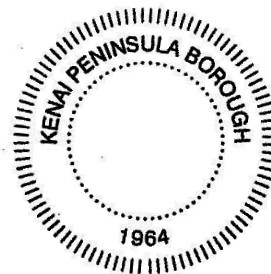
**SECTION 2.** That this ordinance takes effect immediately upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF JUNE, 2020.**

  
\_\_\_\_\_  
Kelly Cooper, Assembly President

ATTEST:

  
\_\_\_\_\_  
Johni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Blakeley, Carpenter, Cox, Dunne, Hibbert, Johnson, Smalley, Cooper  
No: None  
Absent: None