AGENDA
Board of Directors Meeting
6:30 PM - Wednesday, June 24, 2026
Click link to join Zoom meeting
SPH Conference Rooms 1&2
Meeting ID: 878 0782 1015 Pwd: 931197
Phone Line: 669-900-9128 or 301-715-8592

Aaron Weisser, President		Jim Anderson		Matthew Bullard	
Preston Simmons Vice President		Ken Ciccoli		Kim Frost	
Mary E. "Beth" Wythe, Secretary		Edson Knapp, MD		Christopher Landess, MD	
Michael Dye, Treasurer		Bernadette Wilson			

Board Master Reports List

Mission: South Peninsula Hospital promotes community health and wellness by providing personalized, high quality, locally coordinated healthcare.
Vision: South Peninsula Hospital is the provider of choice with a dynamic team committed to service excellence.
Values: Compassion, Respect, Trust, Teamwork and Commitment

Page

1. CALL TO ORDER

2. ROLL CALL

3. REFLECT ON LIVING OUR VALUES

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

5 4.1. Rules for Participating in a Public Meeting
Rules for Participating in a Public Meeting

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

6. APPROVAL OF THE AGENDA

7. APPROVAL OF THE CONSENT CALENDAR

6 - 13 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for May 27, 2026
Board of Directors - May 27 2026 - Minutes - DRAFT

14 - 16 7.2. Consideration to Approve May FY26 Financials to include the Balance Sheet, Income Statement and Cash Flow Statement
Balance Sheet May FY2026
Income Statement May FY2026
Cash Flow May FY2026

17 - 19 7.3. Consideration to Approve the Board's Strategic Planning Process as Presented by the Strategic Planning Committee
SPH Board Strategic Planning Process

20 - 21 7.4. Consideration to Approve the Board of Directors Peer Review Questions and Process as Presented by the Governance Committee
Peer Review Process Memo

22 7.5. Consideration to Approve EMP-02 Corporate Compliance as Revised by the Governance Committee
EMP-02

23 7.6. Consideration to Approve EMP-09 CEO Emergency Succession Plan with no revisions
EMP-09

8. PRESENTATIONS

9. UNFINISHED BUSINESS

10. NEW BUSINESS

10.1. Consideration to Approve the 2026 Community Health Needs Assessment

24 10.2. Consideration to Approve SPH Resolution 2026-13, A Resolution of the South Peninsula Hospital Board of Directors Approving the Fiscal Year 2027 Operating Budget
SPH Resolution 26-13

25 - 48 10.3. Consideration to Approve the South Peninsula Hospital Emergency Operations Plan (EOP), Long Term Care EOP, Home Health EOP, Hospital and Long Term Care Hazard Vulnerability Assessment (HVA),

Home Health HVA and Hospital Safety Plan
EOP Revision 2026
LTC EOP
Home Health EOP
Hospital and LTC HVA 2026
Home Health HVA
Safety Plan 2026

49 - 52 10.4. Consideration to Approve the Balanced Scorecard Indicators for FY2027, as Proposed by Hospital Administration and Approved by the Board Quality-of-Care Committee
Proposed FY27 Balanced Scorecard

53 - 54 10.5. Consideration to Approve SPH Resolution 2026-14, A Resolution of the South Peninsula Hospital Board of Directors Supporting the Submission of Grant Applications Under the Alaska Rural Health Transformation Program and Requesting Kenai Peninsula Borough Assembly Approval of a Comprehensive Authorization Ordinance
SPH Resolution 26-14

11. REPORTS

55 - 59 11.1. Balanced Scorecard
Balanced Scorecard Q3 FY2026

11.2. Chief Executive Officer

11.3. BOD Committee: Finance & Pension

60 11.4. BOD Committee: Strategic Planning & Community Relations
70th Anniversary Sign Up Sheet

11.5. BOD Committee: Governance

11.6. BOD Committee: Quality

11.7. Chief of Staff

11.8. Board President Report (Executive Committee, Education Sessions & Generative Discussions)
- *Committee Assignments for Board Members Jim Anderson and Ken Ciccoli*

11.9. Service Area Board Representative - Brandy Zollars

12. DISCUSSION

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

14. COMMENTS FROM THE BOARD

(Announcements/Congratulations)

14.1. Chief Executive Officer

14.2. Board Members

15. INFORMATIONAL ITEMS

61 15.1. Board and Medical Staff Summer Social - July 31st
Board and Medical Staff Summer Social

15.2. AHHA Annual Conference: Please notify Maura Gibson if you plan to attend
September 15-16, 2026
Alyeska Resort, Girdwood

62 - 105 15.3. South Peninsula Hospital Audit Planning Document (BDO)
South Peninsula Hospital 2026 Audit Plan

106 15.4. Board Rounding Schedule
BOD Rounding 26-27

16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

17.1. Consideration to Approve Resolution 2026-15, Approving the Medical Staff Credentialing for June 2026

18. ADJOURNMENT

South Peninsula Hospital

MEMO

Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 ~ 907-235-0253, fax

To: Public Participants

From: Operating Board of Directors – South Peninsula Hospital

Re: Rules for Participating in a Public Meeting

The following has been adapted from the "Rules for Participating in a Public Meeting" used by Kenai Peninsula SAB of SPHI and reflects language from the Operating Agreement with the Kenai Peninsula Borough.

Each member of the public desiring to comment upon policies or proposed actions of the SPH Operating Board of Directors at tonight's meeting will be given an opportunity to speak within the following guidelines:

- *Comments are restricted to policies or proposed actions of the SPH Operating Board of Directors.*
- *Those who wish to speak will need to sign in on the sign in sheet being circulated. When the chair recognizes you to speak, you need to clearly give your name and the policy or proposed action you wish to address.*
- *Please be concise and courteous. There is a limit of 3 minutes per speaker; total time allotted for public comment is at the discretion of the chair.*
- *Please observe normal rules of decorum and avoid disparaging by name the reputation or character of any member of the Operating Board of directors, the administration or personnel of SPHI, or the public. You cannot mention or use names of individuals.*
- *The Operating Board Directors may ask you to respond to their questions following your comments. You could be asked to give further testimony in "Executive Session" if your comments are directly related to a member of personnel, or management of SPHI, or dealing with specific financial matters, either of which could be damaging to the character of an individual or the financial health of SPHI, however, you are under no obligation to answer any question put to you by the Operating Board Directors.*
- *If you have questions, you may direct them to the chair. Questions will not be addressed by the board during the public comment period, but may be addressed at a later time.*

These rules for participating in a public meeting were discussed and approved at the Board of Directors meeting on September 25, 2024.

MINUTES
Board of Directors Meeting

6:30 PM - Wednesday, May 27, 2026
Conference Rooms 1&2 and Zoom

The meeting of the Board of Directors of South Peninsula Hospital was called to order on Wednesday, May 27, 2026, at 6:30 PM, in the Conference Rooms 1&2 and Zoom.

1. CALL TO ORDER

The board went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting. The board when into Executive Session at 5:30pm. President Aaron Weisser called the regular meeting to order at 6:30pm.

2. ROLL CALL

BOARD PRESENT: **Aaron Weisser, Edson Knapp, Michael Dye, Bernadette Wilson, Preston Simmons, Matthew Bullard, Christopher Landess, Kim Frost, Jim Anderson, and Ken Ciccoli**

BOARD EXCUSED: **Beth Wythe**

ALSO PRESENT: **Ryan Smith (CEO), Anna Hermanson (CFO), Christina Tuomi (CMO), Sarah Roberts (Chief of Staff), Rachael Kincaid (COO), Amber Gall (CNO), Lynda Reed (Service Area Board), Scott Adams (Public Comment), Paula Kulhanek (Public Comment), John Kulhanek (Public Comment) and Brady Zollars (Public Comment)**

Only meeting participants who comment, report or give presentations are noted in the minutes. Others may be present on the room or on the virtual meeting.

A quorum was present.

3. REFLECT ON LIVING OUR VALUES

Amber Gall, CNO, shared a Living Our Values story. She read a note from a patient's family to the Acute Care team, expressing gratitude for the care provided to their family member at the end of their life.

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

4.1. Rules for Participating in a Public Meeting

5. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

Scott Adams spoke about a recent clinic visit. He spoke about the tests that were ordered, and how he was still dealing with health issues after 7 weeks. He expressed displeasure at receiving a $2300 bill for his clinic visit, while still feeling that his health problems were unresolved.

Paula Kulhanek spoke passionately about the need for a functioning TMS machine in Homer. She expressed appreciation for the hospital, and shared her mental health journey, and what an important difference TMS treatments were able to make in her life. She shared her personal experience with TMS and its impact on her life, highlighting the need for local access to this treatment.

John Kulhanek also spoke and urged the hospital board to prioritize the repair and return to service of the hospital's TMS machine, so the mental health treatment option can once again be made available locally in the community. He spoke about the positive impact these treatments have had for his spouse, and the burden of travel to complete a course of care over several weeks when the treatment is not available locally.

6. APPROVAL OF THE AGENDA

6.1.

Michael Dye made a motion to approve the agenda as written. Bernadette Wilson seconded the motion. Motion Carried.

7. APPROVAL OF THE CONSENT CALENDAR

Michael Dye read the consent calendar into the record.

7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for April 29, 2026

7.2. Consideration to Approve April FY2026 Financials

7.3. Consideration to Approve EMP-07 Use of Hospital Facilities & Equipment with no changes

7.4. Consideration to Approve the Update Long Term Care Facility Assessment

7.5. Consideration to Approve a Proclamation Honoring Storm Hansen on her Retirement after 25 Years of Service to South Peninsula Hospital

Michael Dye made a motion to approve the consent calendar as read. Bernadette Wilson seconded the motion. Motion Carried.

8. PRESENTATIONS

8.1. Storm Hansen Retirement Proclamation

Storm Hansen was not able to attend the meeting, so her proclamation will be presented to her at a later time.

9. UNFINISHED BUSINESS

There was no unfinished business.

10. NEW BUSINESS

10.1. Consideration to Approve South Peninsula Hospital Resolution 2026-11, A Resolution Authorizing the Obligation of $175,000 from the Plant Replacement and Expansion Fund (PREF) for Demolition of the Property Located at 324 West Fairview Avenue, Homer, Alaska (Parcel 17506105)

Anna Hermanson, CFO, gave a report. After the borough purchased the home at 324 Fairview Avenue on behalf of the hospital, they sent us a memo regarding what needed to happen with the property, which indicated we were required to demolish the home due to asbestos and other unsafe conditions. The borough is ready to move forward with the demolition project. They have requested we use the property tax revenue for this project. The goal is the use this property for staff parking. The borough will do the RFP and oversee this project.

Preston Simmons made a motion to approve South Peninsula Hospital Resolution 2026-11, A Resolution Authorizing the Obligation of $175,000 from the Plant Replacement and Expansion Fund (PREF) for Demolition of the Property Located at 324 West Fairview Avenue, Homer, Alaska (Parcel 17506105) Kim Frost seconded the motion.

Michael Dye made a motion to amend the motion to alter the funding source, at the request of the Kenai Peninsula Borough, by striking the words "Plant Replacement and Expansion Fund (PREF)" and replacing with "Service Area Operating Fund Balance." Edson Knapp seconded the motion. Motion Carried.

A roll call vote was held for the amended motion:

Jim Anderson – Yes
Matthew Bullard – Yes
Ken Ciccoli – Yes
Michael Dye – Yes
Kim Frost – Yes
Edson Knapp – Yes
Christopher Landess – Yes
Preston Simmons – Yes
Bernadette Wilson – Yes
Beth Wythe – Excused
Aaron Weisser – Yes

Motion passes.

11. REPORTS

11.1. Balanced Scorecard

The balances scorecard was provided in the board packet, but the data was unchanged from the previous month so it was not reviewed in detail. The Administration team is working on the updated balanced scorecard indicators for FY2027, which will be brought to the Quality Committee and board meeting in June.

11.2. Chief Executive Officer

Ryan Smith, CEO, reported. We received written notification that five of our applications for the Rural Health Transformation Program funds are advancing to the next level, including medication dispensing, infusion/pharmacy move, cardiopulmonary rehab renovations, robotic surgery and ambient listening AI (DAX) licenses for all providers. The other six projects were deferred, but none were declined. In addition, several projects we're involved with were advance, including the Moda Coordinated Care project, the AHHA proposal for strategic planning for rural hospitals, and the medical residency program with Petersburg and Cordova, which would involve taking residents as part of their rural rotations. Mr. Smith thanked Anna Hermanson, Miranda Weiss, Rachael Kincaid, Amber Gall, and everyone who has been putting in their time and effort to these applications.

11.3. BOD Committee: Finance & Pension

Michael Dye, committee chair, reported. He suggested alternative meeting dates/times for the Finance Committee meeting in June, and the board agreed on Monday, June 22nd at 8am. Mr. Dye extended the invitation to all board members to join, as the operating budget for FY2027 will be discussed in detail.

Mr. Dye also reported that the Finance and Pension Committee met on May 21st and heard a report on the pension plans from Acensus. There was one fund that has been on the watch list, JP Morgan mid cap, that we were asked to consider for removal. We had a lot of discussion and decided not to take action at this point, but will continue to reevaluate. The committee also reviewed the financial statements for April.

The committee also reviewed the financial statements for April. For the year, the top line revenue is right on track with the budget, and our bottom line net income is also strong. As we approach the end of the year, net from operations is a net loss of 5.3 versus the budget 5.3 million versus the budget of 2.07, but that does include depreciation, which is important, but with when you add that back cash flow to positive EBITDA net income.

11.4. BOD Committee: Strategic Planning & Community Relations

Kim Frost, co-chair, reported on the Strategic Planning meeting held on May 20, 2026, which consisted mostly of a generative discussion around outreach to young families. Most of the attendees of the community conversations are older, and we'd like to better reach out and communicate with the younger segment of our population. Some great ideas were generated, and the Administration team is looking at what is operationally feasible, so we hope to

have a report in the future. Our goal is to provide activities that add value for parents so they are willing to give some of their precious time.

11.5. BOD Committee: Governance
EMP-02 Corporate Compliance

Matt Bullard reported on the meeting of May 13, 2026. The committee discussed questions for individual board member assessments. Those are being finalized and will come to the board for approval next month. Additionally, the committee discussed committee assignments for new board members, and agreed that 6 months into their term they are ready for official committee assignments. Beth Wythe offered her home in Tutka Bay for a board and medical staff social event this summer, so please let Maura Gibson know your availability. The policy EMP-02 Corporate Compliance was included in the packet with minor edits for review.

11.6. BOD Committee: Quality

Preston Simmons, committee chair, reported on the meeting of May 13, 2026, though Ms. Wythe chaired that meeting in his absence. The Emergency Department Director gave a presentation on ED Quality, including some improvement projects from the department such as the registration process and improvements to the trauma rooms. The committee also reviewed the Long Term Care Facility Assessment, which came to the board for approval tonight. They completed a review of quality metrics, and there were no Serious Reportable Events or Near Misses for the month, but there were four open PDSAs for review.

11.7. Chief of Staff

Dr. Sarah Roberts left prior to this agenda item, so there was no Chief of Staff report.

11.8. Board President Report (Executive Committee, Education Sessions & Generative Discussions)

Aaron Weisser, Board President, stated there was no Executive Committee meeting this month. The Education Session prior to the board meeting was a detailed presentation on the Community Health Needs Assessment, which will be brought for approval next month. The board hopes to use those data points in developing strategic initiatives. The generative discussion was surrounding the medical staff peer review process.

11.9. Service Area Board Representative

Lynda Reed reported on behalf of the Service Area Board (SAB). The SAB met on May 14th and elected Francie Roberts as the new Chair and Brandy Zollars as Vice Chair. Helen Armstrong, who stepped down as president, plans to stay on the board until she relocates to Anchorage. The SAB also approved the resolution supporting the approval of the fourth amendment to the Operating Agreement between SPH and the Kenai Peninsula Borough.

12. DISCUSSION

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

Brandy Zollars shared that as a clinician in Homer, she agrees that TMS could be a vital resource for the community. With the right outreach and financing, it would provide a much-needed service, and agrees it's worth considering.

14. COMMENTS FROM THE BOARD

(Announcements/Congratulations)

14.1. Chief Executive Officer

Ryan Smith announced that Dr. Brent Adcox has resigned, and is leaving the hospital on July 23rd. His family moved back to Texas and he had been commuting, but has decided to end his time at SPH. With his departure, Dr. Lars Matkin has agreed to join us full-time starting January 2027. We are also working on recruiting a spine surgeon from Anchorage to provide services here as well. Dr. Ian Lawrence, one of our full-time hospitalists, has also resigned, and Dr. Hans Wilhelm, who is currently located in Anchorage and provides occasional coverage, has expressed interest in joining the team full-time. We are also working on recruitment in OB, as Dr. Sadie Marden has resigned and Kathryn Ault, CNM is leaving for an opportunity on the east coast.

14.2. Board Members

Preston Simmons expressed appreciation for the presentation on the Community Health Needs Assessment. Jim Anderson shared that a family member was in the hospital recently and he was blown away by the warmth of all the hospital staff, from housekeeping to nurses. He appreciated that staff was so aware of visitors and everyone had a smile on their face. He also appreciates how the hospital makes an effort to solicit feedback and listens. Edson Knapp shared that he visited with a patient today who preferred SPH to Central Peninsula Hospital because here he felt truly heard. Kim Frost gave a shout out to Anna Hermanson for her Rising Star Award from the Healthcare Financial Management Association (HFMA). Bernadette Wilson praised the new registration process, and thanked Dr. Tuomi for the video on social media about the Urgent Care. She appreciated hearing about the RHTP funding. Michael Dye congratulated Ms. Hermanson on her award as well. Aaron Weisser shared he was very impressed with the new SPH website. He also shared that he visited the clinic and the ED with a family member and found the registration process seamless and easy.

15. INFORMATIONAL ITEMS

16. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

16.1. Consideration to Approve Resolution 2026-12, Approving the Medical Staff Credentialing for May 2026

Michael Dye made a motion to approve SPH Resolution 2026-12, Approving the Medical Staff Credentialing for May 2026, to include

The ratification of the initial appointment of the following providers, approved by board members Michael Dye and Mary E. Wythe on May 18, 2026 through the Category 1 pathway as defined in the Medical Staff Bylaws with an effective date of May 18, 2026:

Tracy Coe, MD	*Internal Medicine/Oncology*	*Part-time Active*
Frederick Freeman, MD	*ENT*	*Active*

The ratification of the reappointment of the following providers, approved by board members Michael Dye and Mary E. Wythe on May 18, 2026 through the Category 1 pathway as defined in the Medical Staff Bylaws, with an effective date of May 18, 2026:

Matthew Allison, MD	*Radiology*	*TeleRad-vRad*
Andre Duerinckx, MD	*Radiology*	*TeleRad-vRad*
Guillermo Jimenez, MD	*Radiology*	*TeleRad-vRad*
Jennifer Kujak, MD	*Radiology*	*TeleRad-vRad*
Sergey Shkurovich	*Radiology*	*TeleRad-vRad*

The initial appointment of:
the following providers with an effective date of May 31, 2026:

Michael Bloss, MD	*Radiology*	*TeleRad-vRad*
Yessar Hussain, MD	*Neurology*	*Intraop Neuro Monitoring*
Mark Keroles	*Neurology*	*Intraop Neuro Monitoring*
Jennifer Knutsen, MD	*Radiology*	*TeleRad-vRad*
Soran Mahmood, MD	*Radiology*	*TeleRad-vRad*
Trenton Overall, DO	*Neurology*	*TeleStroke-Prov*
Sidney Peters, MD	*Emergency Med*	*Part-time Active*
Surinder Rai, DO	*Radiology*	*TeleRad-vRad*
Benjamin Renshaw, MD	*Radiology*	*TeleRad-vRad*
Denise Sebasigari, DO	*Neurology*	*Intraop Neuro Monitoring*
Teresa Thompson, FNP	*Family Med/ENT*	*Active*
George Wu, MD	*Radiology*	*TeleRad-vRad*
Kara Zimmerman, PA-C	*Family Medicine*	*Active*

The reappointment of the following providers with an effective date of May 31, 2026:

Leah Basnett, MD	*Psychiatry*	*TelePsych-Providence*	*Sarah*
Godsey, CRNA	*Anesthesia*	*Part-time Active*	
Bruce Geryk, MD	*Neurology*	*TeleStroke-Providence*	
Jessica Jordan, PA-C	*Family Med/Ortho*	*Active*	
Meghana Kinariwala, MD	*Neurology*	*TeleStroke-Providence*	
Thomas Kramer, MD	*Cardiology*	*Part-time Active*	

Sadie Marden, MD	*OB/Gyn*	*Active*
Miranda Marsh, CRNA	*Anesthesia*	*Active*
Lee Pierson, MD	*Cardiology*	*Part-time Active*
Amin Rabiei, MD	*Neurology*	*TeleStroke-Providence*
Ian Wisecarver, MD	*Recon & Plastics*	*Active*

The following privilege modification requests:
Carrie Warren, FNP, I-FPPE Approval
Requested : Splinting & Casting, dropping Psych NP

Ian Lawrence, MD
Requested : Lumbar puncture, central line placement, & paracentesis.
Preston Simmons seconded the motion. Motion Carried.

17. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)
The board adjourned back into executive session at 7:24pm.

18. ADJOURNMENT
The meeting adjourned at 7:56pm.

Respectfully Submitted,

Maura Gibson, Executive Assistant

Accepted:

Aaron Weisser, President

Minutes Approved: 27/05/2026

Mary E. “Beth” Wythe, Secretary

South Peninsula Hospital

DRAFT-UNAUDITED

BALANCE SHEET
As of May 31, 2026

		Month Ending 05/31/2026	Month Ending 05/31/2025	Month Ending 04/30/2026	Change From Prior Year
	CURRENT ASSETS				
	CASH				
1	CASH AND CASH EQUIVALENTS	31,431,881	31,743,877	30,228,472	(311,996)
2	EQUITY IN CENTRAL TREASURY	8,564,105	7,678,426	8,577,003	885,679
3	TOTAL CASH	39,995,986	39,422,303	38,805,475	573,683
	NET PATIENT ACCOUNTS RECEIVABLE				
4	PATIENT RECEIVABLES	62,166,242	41,883,071	62,338,598	20,283,171
5	LESS ALLOWANCES AND ADJUSTMENTS	(30,156,156)	(19,033,666)	(30,556,944)	(11,122,490)
6	TOTAL NET PATIENT ACCOUNTS RECEIVABLE	32,010,086	22,849,405	31,781,654	9,160,681
	NET PROPERTY TAXES RECEIVABLE - KPB				
7	PROPERTY TAX RECEIVABLE	119,824	101,022	154,205	18,802
8	LESS ALLOWANCE PROPERTY TAX - KPB	4,165	(4,165)	(4,166)	0
9	TOTAL NET PROPERTY TAXES RECEIVABLE - KPB	115,659	96,857	150,039	18,802
10	OTHER RECEIVABLES	301,339	126,310	444,712	175,029
11	INVENTORY	2,909,126	2,547,070	2,900,417	362,056
12	NET PENSION ASSET	534,985	3,225,068	534,985	(2,690,083)
13	PREPAID EXPENSE	1,345,322	1,311,444	1,607,997	33,879
14	TOTAL CURRENT ASSETS	77,212,503	69,578,457	76,225,279	7,634,047
	ASSETS WHOSE USE IS LIMITED				
15	PREF UNOBLIGATED	4,648,323	6,257,886	4,648,322	(1,609,564)
16	PREF OBLIGATED	285,090	1,873,073	285,090	(1,587,982)
17	OTHER RESTRICTED FUNDS	37,065	816,939	36,770	(779,874)
	TOTAL ASSETS WHOSE USE IS LIMITED	4,970,478	8,947,898	4,970,182	(3,977,420)
18	**PROPERTY AND EQUIPMENT**				
19	LAND AND IMPROVEMENTS	4,943,992	4,345,572	4,943,991	598,418
20	BUILDING	71,416,237	66,745,021	71,347,395	4,671,218
21	EQUIPMENT	36,250,803	28,296,242	35,889,930	7,954,559
22	BUILDINGS INTANGIBLE ASSETS	3,482,362	4,257,906	3,482,363	(775,542)
23	EQUIPMENT INTANGIBLE ASSETS	1,750,896	1,343,211	1,750,895	407,684
24	SOFTWARE INTANGIBLE ASSETS	3,277,657	926,708	3,277,657	2,350,948
25	IMPROVEMENTS OTHER THAN BUILDINGS	1,545,029	1,449,244	1,545,029	95,786
26	CONSTRUCTION IN PROGRESS	2,400,480	5,945,430	2,613,830	(3,544,950)
27	LESS ACCUMULATED DEPRECIATION FOR FIXED ASSETS	(66,370,386)	(61,622,678)	(65,973,036)	(4,747,708)
28	LESS ACCUMULATED AMORTIZATION FOR LEASED ASSETS	(4,431,509)	(2,714,715)	(4,270,238)	(1,716,795)
	NET CAPITAL ASSETS	54,265,561	48,971,941	54,607,816	5,293,618
29	GOODWILL	0	0	0	0
30	TOTAL ASSETS	136,448,542	127,498,296	135,803,277	8,950,245
	DEFERRED OUTFLOW OF RESOURCES				
31	PENSION RELATED (GASB 68)	3,176,879	3,621,520	3,414,476	(444,639)
32	UNAMORTIZED DEFERRED CHARGE ON REFUNDING	106,831	167,876	111,918	(61,046)
33	TOTAL DEFERRED OUTFLOW OF RESOURCES	3,283,710	3,789,396	3,526,394	(505,685)
34	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	**139,732,252**	**131,287,692**	**139,329,671**	**8,444,560**
	TOTAL LIABILITIES AND FUND BALANCE				
	CURRENT LIABILITIES				
35	ACCOUNTS AND CONTRACTS PAYABLE	2,466,778	1,829,004	1,925,579	637,774
36	ACCRUED LIABILITIES	8,285,192	6,807,213	7,316,983	1,477,979
37	DEFERRED CREDITS	577,084	800,091	522,433	(223,007)
38	CURRENT PORTION OF LEASE PAYABLE	887,512	949,029	885,358	(61,516)
39	CURRENT PORTION OF SOFTWARE INTANGIBLE PAYABLE	1,040,726	199,887	1,037,315	840,839
40	CURRENT PORTION OF NOTES DUE	918,507	10,587	918,507	907,920
41	CURRENT PORTION OF BOND PAYABLE	1,315,000	1,250,000	1,315,000	65,000
42	BOND INTEREST PAYABLE	99,306	41,010	74,500	58,295
43	DUE TO/FROM THIRD PARTY PAYERS	(1,224,137)	1,176,864	(423,136)	(2,401,001)
44	COMPENSATED ABSENCES CURRENT	7,127,028	5,131,157	7,147,101	1,995,870
45	TOTAL CURRENT LIABILITIES	21,492,996	18,194,842	20,719,640	3,298,153
	LONG-TERM LIABILITIES				
46	NOTES PAYABLE	3,186,155	1,060,675	3,186,155	2,125,482
47	COMPENSATED ABSENCES NET OF CURRENT	3,317,917	0	3,660,417	3,317,916
48	BONDS PAYABLE NET OF CURRENT PORTION	2,855,000	4,170,000	2,855,000	(1,315,000)
49	PREMIUM ON BONDS PAYABLE	115,291	188,609	121,268	(73,318)
50	CAPITAL LEASE, NET OF CURRENT PORTION	2,626,707	3,737,358	2,695,511	(1,110,651)
51	SOFTWARE INTANGIBLE LEASE, NET OF CURRENT PORTION	595,109	60,879	688,501	534,230
	TOTAL NONCURRENT LIABILITIES	12,696,179	9,217,521	13,206,852	3,478,659
	TOTAL LIABILITIES	34,189,175	27,412,363	33,926,492	6,776,812
	PROPERTY TAXES RECEIVED IN ADVANCE	0	5	0	(5)
54	INVESTED IN CAPITAL ASSETS	54,372,392	49,139,817	54,719,734	5,232,572
55	RESTRICTED	572,050	4,042,007	571,755	(3,469,957)
56	UNRESTRICTED FUND BALANCE SPH	50,458,739	50,304,550	46,932,096	154,191
57	CHANGE IN FUND BALANCE	139,896	388,950	3,179,595	(249,053)
58	TOTAL UNRESTRICTED FUND BALANCE SPH	105,543,077	103,875,324	105,403,180	1,667,753
59	**TOTAL LIABILITIES AND FUND BALANCE**	**139,732,252**	**131,287,687**	**139,329,671**	**8,444,560**

South Peninsula Hospital

INCOME STATEMENT
As of May 31, 2026
DRAFT-UNAUDITED

		Month Ending 05/31/2026			Month Ending 05/31/2025	Year To Date 4/30/2026			Prior Year To Date 05/31/2025
		Actual	Budget FY26	Var B (W)	Actual	Actual	Budget FY26	Var B (W)	Actual
	PATIENT SERVICE REVENUE								
1	INPATIENT REVENUE	3,326,940	3,109,359	7.0%	2,909,679	35,963,955	35,757,624	0.6%	32,878,662
2	OUTPATIENT REVENUE	22,026,580	21,155,569	4.1%	18,505,416	221,884,559	216,256,932	2.6%	196,117,510
3	LONG TERM CARE	1,421,155	1,491,919	-4.7%	1,382,522	15,885,601	16,411,109	-3.2%	14,405,507
4	TOTAL PATIENT SERVICE REVENUE	26,774,675	25,756,847	4.0%	22,797,617	273,734,115	268,425,665	2.0%	243,401,679
	DEDUCTIONS FROM REVENUE								
5	MEDICARE	5,872,946	5,490,510	7.0%	5,053,944	62,185,994	55,301,639	12.5%	52,676,781
6	MEDICAID	2,728,094	3,029,373	-10.0%	2,582,540	31,170,281	30,512,519	2.2%	26,973,331
7	CHARITY CARE	493,226	260,690	89.2%	255,402	3,437,378	2,625,730	30.9%	2,422,937
8	COMMERICAL AND ADMIN	2,863,494	2,663,975	7.5%	2,513,017	27,321,871	26,832,139	1.8%	24,595,130
9	BAD DEBT	734,863	341,122	115.4%	286,874	4,817,787	3,435,865	40.2%	3,256,087
10	TOTAL DEDUCTIONS	12,692,623	11,785,670	7.7%	10,691,777	128,933,311	118,707,892	8.6%	109,924,266
11	NET PATIENT SERVICES	14,082,052	13,971,177	0.8%	12,105,840	144,800,804	149,717,773	-3.3%	133,477,413
12	USAC AND OTHER REVENUE	190,468	131,066	45.3%	77,598	1,352,762	1,441,736	-6.2%	785,729
13	TOTAL OPERATING REVENUE	14,272,520	14,102,243	1.2%	12,183,438	146,153,566	151,159,509	-3.3%	134,263,142
	TOTAL OPERATING EXPENSES								
14	SALARIES AND WAGES	6,427,468	6,052,646	6.2%	5,488,267	68,643,688	68,848,857	-0.3%	61,863,014
15	EMPLOYEE BENEFITS	3,187,271	3,345,499	-4.7%	2,675,882	34,369,305	34,605,924	-0.7%	27,981,566
16	SUPPLIES AND DRUGS	2,073,217	1,863,959	11.2%	1,333,100	19,033,202	19,471,044	-2.3%	16,025,859
17	CONTRACT STAFFING	352,030	146,589	140.2%	408,949	4,352,061	1,321,066	229.4%	2,715,316
18	PROFESSIONAL FEES	556,617	584,767	-4.8%	658,959	7,750,643	5,786,263	34.0%	6,349,372
19	UTILITIES AND TELEPHONE	205,292	201,605	1.8%	238,197	2,228,462	2,318,448	-3.9%	2,077,754
20	INSURANCE	114,509	99,193	15.4%	104,314	1,163,579	1,153,128	0.9%	1,043,270
21	DUES, BOOKS, AND SUBSCRIPTIONS	22,537	28,306	-20.4%	25,872	252,367	321,972	-21.6%	278,451
22	SOFTWARE MAINT/SUPPORT	206,368	217,796	-5.3%	239,665	2,149,935	2,202,533	-2.4%	2,051,409
23	TRAVEL, MEETINGS AND EDUCATION	77,008	109,724	-29.8%	57,929	832,878	1,124,808	-26.0%	723,407
24	REPAIRS AND MAINTENANCE	145,564	207,493	-29.9%	174,755	1,783,562	2,308,359	-22.7%	2,056,720
25	LEASES AND RENTALS	80,718	51,644	56.3%	8,485	587,101	626,243	-6.3%	505,691
26	OTHER (RECRUIT, ADVERT, ETC.)	212,859	214,901	-1.0%	205,573	2,010,068	2,363,917	-15.0%	1,997,697
27	DEPRECIATION AND AMORTIZATION	558,621	565,766	-1.3%	459,884	6,307,913	6,223,418	1.4%	5,233,440
28	TOTAL OPERATING EXPENSES	14,220,079	13,689,888	3.9%	12,079,831	151,464,764	148,675,980	1.9%	130,902,966
29	GAIN (LOSS) FROM OPERATIONS	52,441	412,355	-87.3%	103,607	(5,311,198)	2,483,529	-313.9%	3,360,176
	NON-OPERATING REVENUE								
30	GENERAL PROPERTY TAXES	39,195	0	0.0%	17,772	4,319,702	4,354,053	-0.8%	3,957,916
31	INVESTMENT INCOME	102,399	132,515	-22.7%	277,129	2,514,521	1,457,667	72.5%	1,729,789
32	GOVERNMENTAL SUBSIDIES	0	0	0.0%	0	0	0	0.0%	0
33	OTHER NON-OPERATING REVENUE	500	217	130.8%	5,290	6,712,460	2,384	281537.3%	6,591
34	GIFTS AND CONTRIBUTIONS	0	0	0.0%	0	0	0	0.0%	0
35	GAIN LOSS ON DISPOSAL	0	0	0.0%	0	(357,179)	0	0.0%	(75,873)
36	SPH AUXILIARY	1,265	793	59.5%	627	9,646	8,726	10.5%	7,528
37	TOTAL NON-OPERATING REVENUE	143,359	133,525	7.4%	300,818	13,199,150	5,822,830	126.7%	5,625,951
	NON-OPERATING EXPENSES								
38									
39	SERVICE AREA BOARD	0	0	0.0%	0	0	0	0.0%	0
40	OTHER DIRECT EXPENSE	1,916	9,500	-79.8%	317	2,102,893	104,500	1912.3%	90,985
41	ADMINISTRATIVE NON-RECURRING	0	0	0.0%	0	0	0	0.0%	0
42	INTEREST EXPENSE	53,987	60,785	-11.2%	58,776	778,539	668,643	16.4%	560,459
43	TOTAL NON-OPERATING EXPENSES	55,903	70,285	-20.5%	59,093	2,881,432	773,143	272.7%	651,444
	GRANTS								
44	GRANT REVENUE	0	139,880	-100.0%	14,072	1,186,702	1,538,680	-22.9%	850,857
45	GRANT EXPENSE	0	15,986	-100.0%	334	18,950	175,844	-89.2%	101,921
46	TOTAL NON-OPERATING GRANTS, NET	0	123,894	-100.0%	13,738	1,167,752	1,362,836	-14.3%	748,936
47	TOTAL INCOME (LOSS) BEFORE TRANSFERS	139,897	599,489	-76.7%	359,070	6,174,272	4,868,147	26.8%	9,639,836
48	OPERATING TRANSFERS	0	0	0.0%	0	0	0	0.0%	0
49	**NET INCOME**	**139,897**	**599,489**	**-76.7%**	**359,070**	**6,174,272**	**8,896,052**	**-30.6%**	**9,083,619**

Operating EBITDA Disclosure (Non-GAAP)							
GAIN (LOSS) FROM OPERATIONS	**52,441**	**412,355**		**103,607**	**(5,311,198)**	**2,483,529**	**3,360,176**
DEPRECIATION AND AMORTIZATION	558,621	565,766		459,884	6,307,913	6,223,418	5,233,440
OPERATING EBITDA	**611,062**	**978,121**		**563,491**	**996,715**	**8,706,947**	**8,593,616**

DRAFT-UNAUDITED

South Peninsula Hospital

Statement of Cash Flows

31-May-26

		2026
Cash Flows from (for) Operating Activities		
Receipts from patients and users	$	134,547,301
Payments to suppliers	$	(41,535,320)
Payments to employees	$	(100,024,693)
Other receipts	$	997,888
Net cash flows from operating activities	$	(6,014,824)
Cash Flows from Non-Capital Financing Activities		
Receipts from property taxes	$	4,279,940
Grant and other non-operating revenues (expenses)	$	5,786,965
Increase in Advances from Govermental Payers	$	3,001,883
Net cash flows from non-capital financing activities	$	13,068,788
Cash Flows for Capital and Related Financing Activities		
Purchase of capital assets	$	(8,381,514)
Bond principal paid	$	(1,250,000)
Payments on leases	$	(2,128,265)
Payments on subscription IT assets	$	1,394,584
Interest paid on capital debt	$	(753,386)
(Decrease) increase in advances from primary government	$	-
Note proceeds	$	-
Proceeds from sale of capital assets	$	(75,873)
Net cash flows for capital and related financing activities	$	(11,194,454)
Cash Flows for Investing Activities		
Increase (decrease) in restricted assets - unspent bond proceeds and other	$	-
Increase (decrease) in assets whose use is limited	$	3,176,385
Interest and dividends received	$	2,514,521
Net cash flows from investing activities	$	5,690,906
Net increase (decrease) in cash and cash equivalents	$	1,550,416
Cash, Cash Equivalents and Equity in Central Treasury, beginning of year	$	38,445,570
Cash, Cash Equivalents and Equity in Central Treasury, end of year	$	39,995,986

SPH Board of Directors Strategic Planning Process

Timeline Overview: 2026–2027 Planning Cycle

Year 1: Foundation Year (2026–2027)

Month	Activity	Participants	Deliverable
Apr–May 2026	Gather existing survey data (CHNA, Employee Experience, etc.; determine if new surveys needed	Administration, HR	Community, workforce, and medical staff insights compiled
May–Jun 2026	Environmental scan completed	Strategic Planning Committee	Summary report
Jun–Aug 2026	Facilities assessment and capital needs inventory:	Administration, Facilities	Facilities condition report
Aug. 2026	Identify, select, and secure strategic planning consultant for the April Retreat	Strategic Planning Committee	Signed agreement with timeline, deliverables, and facilitation plan outline.
Sep 2026	Pre-retreat preparation and materials distribution, Ide	Strategic Planning Committee	April retreat agenda and background materials
Jan 2027	Amend existing strategic plan to be valid through July 2027	Strategic Planning Committee to Full board	Amended document to Borough
Mar 2027	Interim CHNA update discussion (documents actions within 12 months)	Administration	Presentation/Generative full board discussion
Apr 2027	Full-day moderated strategic planning retreat	Administration, Board reps, key stakeholders	Final strategic priorities and facilities direction
May 2027	Plan development and refinement	Strategic Planning Committee	Near-final drafts
Jun 2027	Full Board adoption	Full Board	Adopted Strategic Plan 2027–2030; Facilities Plan 2027–2032
Jul 2027	Borough receives copy; public communication	Administration	Borough submission; community rollout

Year 2: First Annual Refresh (2027–2028)

Month	Activity	Participants	Deliverable
Jan–Mar 2028	Pre-refresh preparation and data synthesis	Strategic Planning Committee	April session materials
Apr 2028	Annual Strategic Refresh Session (half-day)	Administration, Committee reps	Proposed plan adjustments
May 2028	Committee refinement	Strategic Planning Committee	Refined annual priorities
Jun 2028	Board approval of annual refresh	Full Board	Adopted updates
Jul 2028	Borough receives updated copy	Administration	Borough submission

Year 3: Second Annual Refresh (2028–2029)

Month	Activity	Participants	Deliverable
Jan–Mar 2029	CHNA data available (Mar); pre-session synthesis	Administration; Strategic Planning Committee	April materials; CHNA baseline
Apr 2029	Annual Strategic Refresh Session (half-day)	Administration, Committee reps	Refresh adjustments informed by CHNA
May 2029	Committee refinement	Strategic Planning Committee	Refined priorities
Jun 2029	Board approval of annual refresh	Full Board	Adopted updates
Jul 2029	Borough receives updated copy	Administration	Borough submission

Year 4: New Cycle Begins (2029–2030)

Month	Activity	Participants	Deliverable
Jan–Mar 2030	Pre-retreat preparation	Strategic Planning Committee	Retreat materials
Apr 2030	Full-day moderated strategic planning retreat	Administration, Board reps, key stakeholders	New 3-Year Strategic Plan and updated Facilities Plan direction
May 2030	Plan development and refinement	Strategic Planning Committee	Near-final drafts
Jun 2030	Board adoption	Full Board	Strategic Plan 2030–2033; Facilities Plan 2030–2035
Jul 2030	Borough receives copy	Administration	Borough submission

Annual Planning Calendar (Ongoing, April Anchor)

Quarter	Focus	Key Activities
Q1 (Jan–Mar)	Finalization & Preparation	Committee/Board review; compile data; prepare April session; issue interim CHNA memo if applicable
April	Retreat/Refresh	Full-day (new-cycle years) or half-day (refresh years)
May	Refinement	Committee finalization of outputs
June	Approval	Board adoption/approval
July	Distribution	Borough submission; communications
Q3–Q4	Analysis & Light Touchpoints	Data collection; optional short working sessions as needed

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Success Metrics (Updated Targets)

Metric	Target
Annual retreat/refresh completed	April each year
Strategic plan adopted on schedule (full cycle years)	June
Annual refresh approved	June
Borough receives plan	July
Board progress review	Quarterly
CHNA integration	Within 12 months of data availability (document via interim memo if needed)

Roles and Responsibilities (unchanged from draft)

- Strategic Planning Committee: Oversees process; reviews/refines drafts; monitors progress; recommends adjustments.
- Full Board: Adopts plans; provides governance-level direction; reviews progress; approves significant modifications.
- Administration: Leads implementation; gathers/analyzes data (CHNA, surveys, scans); prepares materials; participates in retreats; reports progress.
- External Facilitator (recommended for full-cycle years): Facilitates full-day April retreat in new-cycle years; optional for half-day refreshes.

Notes

- Removes the October retreat and consolidates major Board time in April–June.
- The March interim memo preserves CHNA integration timing while aligning adoption to June and Borough submission to July.

South Peninsula Hospital

Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 (f)907-235-0253

MEMO

To: SPH Board of Directors

From: Governance Committee

Date: June 19, 2026

Re: Board of Directors Peer Review Process

The Governance Committee is proposing a process for board members to provide feedback on individual board member performance. The feedback will be requested through a questionnaire, and provided to the board member during a meeting with the Board President. Here are the proposed questions and a proposed schedule for the reviews:

Board Member Evaluation Questions

- Arrives at meetings well-prepared and engages in meaningful, respectful, substantive discussion.
- Offers valuable insights & keeps discussion and questions focused at the governance/policy level rather than administrative or operational details.
- Demonstrates an understanding of the healthcare needs and trends of our community and the connection of SPH mission, vision and values to meeting identified needs.
- In addition to responding to agenda items, proactively identifies and reports emerging issues or concerns relevant to the board's work.
- Takes identifiable steps towards continuing development of knowledge or understanding board duties and responsibilities.
- Shares and applies learning from continuing education or outside experience to board discussions and decisions.
- Meets the board and committee attendance requirements.
- Understands that the board speaks with one voice and publicly supports board decisions, as well as maintaining confidentiality as required
- Contributes unique competencies, expertise and experience to advance strategic thinking and direction
- Comments: Areas where you believe this board member could strengthen their contribution to the board, and/or areas where you believe this board member is a particularly strong contributor.

Ranking Criteria:

Level 5: This board member ***consistently*** demonstrates this governing quality. His/her governance in this area is ***outstanding***.

Level 4: This governing quality is ***regularly*** demonstrated by this board member. His/her governance is ***good*** in this area.

Level 3: This governance quality is ***generally*** exhibited by the board member, but with some inconsistency; his/her governance performance could be improved.

Level 2: This board member is ***very inconsistent*** in demonstrating this governing quality in his/her governance; his/her governance performance in this area ***needs improvement***.

Level 1: This board member's demonstration of governing quality is ***problematic for the board***; his/her governance is ***poor*** in this area, and unacceptable.

N/S: Not sure. I don't have enough information to make a valid judgment of this board member's demonstration of this governing quality.

Peer Review Schedule:

Name	Original Appointment	Review Quarter
Wilson	2006	3rd - July
Wythe	2020	3rd - July
Knapp	2020	3rd - July
Weiser	2022	4th - Sept
Landess	2024	4th - Sept
Bullard	2024	1st - Jan
Simmons	2024	1st - Jan
Dye	2024	1st - Jan
Frost	2025	2nd - Mar
Ciccoli	2026	2nd - Mar
Anderson	2026	2nd - Mar

South Peninsula Hospital	**SUBJECT:** Corporate Compliance	**POLICY #:** EMP-02 **Page 1** of **1**
Scope: Hospital-Wide **Approved by:** Board of Directors		**Original Date:** 10/22/03 **Effective:** 1/24/24
Revised: 5/08; 4/19; 5/26/21 **Reviewed:** 1/25/23; 1/24/24; 1/29/25; 1/28/26		**Revision Responsibility:** Operating Board of Directors

PURPOSE:
Guidelines for the development of the SPH Corporate Compliance Plan.

DEFINITION(S):
N/A

POLICY:
A. The CEO is prohibited from engaging in, or allowing employees or agents of the organization to engage in any act that would be judged by a reasonable person to be unethical, imprudent, or illegal, or that violates board policies and decisions.
B. The CEO will ensure that the hospital complies with all applicable federal, state, and local laws & regulations, both civil and criminal and to this end will prepare a Corporate Compliance Plan for board approval and will establish the necessary policies and procedures to implement this plan.

PROCEDURE:
1. The CEO will update and maintain the Corporate Compliance Plan/Program to reflect new laws, and adjust hospital-wide policies and procedures, if needed.
2. The CEO will prepare an annual Corporate Compliance report for the Board of Directors.
~~2.~~3. The CEO will notify the Board immediately upon becoming aware of any issues of non-compliance.
~~3.~~4. The Board President or designee will conduct an exit interview for the Corporate Compliance Officer. The interview will be compliance-focused and include the following two questions:
   A. Is your departure directly or indirectly related to safety or compliance concerns with the hospital?
   B. Are there any compliance-related issues you feel the Board needs to be aware of?

ADDITIONAL CONSIDERATIONS:
N/A

REFERENCE(S):
1. SPH Corporate Compliance and Ethics Program
2. SPH Hospital-Wide policy HW-101 Corporate Compliance

CONTRIBUTORS:
Board of Directors; Administration

South Peninsula Hospital	**SUBJECT:** CEO Emergency Succession Plan	**POLICY #:** EMP-09 **Page 1** of **1**
Scope: Executive Management Performance **Approved by:** Board of Directors		**Original Date:** 08/23/2007 **Effective:** 2/28/24
Revised: 11/17/2015; 11/2019 **Reviewed:** 1/25/23; 2/28/24; 1/29/25;1/28/26		**Revision Responsibility:** Operating Board of Directors

PURPOSE:
To ensure the continuous coverage of executive duties critical to the ongoing operations of South Peninsula Hospital.

DEFINITION(S):
N/A

POLICY:
The following procedure provides for the temporary appointment of an Acting Executive Director in the event of an unplanned and sudden absence of the Chief Executive Officer (CEO).

PROCEDURE:
1. Each year at the annual meeting of the South Peninsula Hospital Operating Board (the Board), the CEO will provide a recommendation for an Acting Executive Director for Board consideration. Upon approval by the Board, the agreed upon individual shall assume the role of Acting CEO in the event of an unplanned and sudden absence, or resignation/retirement of the CEO.
2. In the event of the separation of the agreed upon Acting Executive Director from South Peninsula Hospital, the CEO will present a substitute to the Board at the following Board meeting.
3. The Board will follow the established hiring procedures to replace the CEO if required.

ADDITIONAL CONSIDERATION(S):
N/A

REFERENCE(S):
Operating Agreement for South Peninsula Hospital with Kenai Peninsula Borough, 2020

CONTRIBUTOR(S):
Board of Directors

Introduced by: Administration
Date:
Action:
Vote:

SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2026-13

A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS APPROVING THE FISCAL YEAR 2027 OPERATING BUDGET

WHEREAS, Administration uses a systematic, fiscally responsible process for developing the South Peninsula Hospital, Inc., FY 2027 Operating Budget, which includes participation of department directors, managers and administration; and identification of strategic growth need; and

WHEREAS, the FY 2027 Operating Budget is critical to the mission and vision of South Peninsula Hospital, Inc and ensures resources are sufficient to execute priorities within the Strategic Plan including employee engagement, patient and resident experience, clinical & service excellence, medical staff alignment, and financial position; and

WHEREAS, the budget is representative of a significant push in patient volumes in the clinics, surgery, imaging, rehab and ancillary services. The budget includes estimated an overall 6% price increase to the charge master in order to stay ahead of the increasing cost of operations; and

WHEREAS, The FY2027 budget is based on the best information available at the time of preparation and leaves a zero percent operating margin. SPH will continue to apply sound business judgment to staffing and to variable operating expenses in an effort to maintain financial viability; and

WHEREAS, the FY 2027 Operating Budget was approved by the Finance Committee on June 22, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL, INC., TO APPROVE THE FISCAL YEAR 2027 OPERATING BUDGET.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL, INC. ON THIS 24TH DAY OF JUNE, 2026.

ATTEST:

_____
Aaron Weisser, President

_____
Mary E. Wythe, Secretary

Emergency Operations Plan (EOP)

~~Updated: 04/09/2025~~2026

Table of Contents

Introduction (E-0001)

The South Peninsula Hospital (SPH) Emergency Operations Plan (EOP) provides a structured framework to guide the hospital's response to emergencies, ensuring compliance with CMS regulations (§485.625, Condition of Participation for Critical Access Hospitals) with guidance based on the Hospital Incident Command System (HICS). The EOP complies with Federal, State, and local emergency preparedness requirements and is designed to support preparedness for various emergencies with a coordinated response. The SPH EOP and all accompanying policies are reviewed and updated annually by the Hospital Incident Management Team (HIMT).

Purpose & Scope (E-0004, E-0006, E-0007, E-0009)

The EOP encompasses all SPH facilities, including the main hospital, Long-Term Care (LTC), Home Health (HH), and outpatient clinics. Addenda are maintained from independently licensed LTC and HH facilities. The plan applies to all SPH employees, medical staff, volunteers, and students.

SPH offers full-spectrum healthcare services, including vulnerable populations throughout the lifespan. Persons at risk include anyone receiving healthcare during an emergency. SPH strives to continue normal operations throughout an emergency, scaling up or down as needed. Department heads are responsible for delegation and succession planning within their areas.

SPH cooperates with local, tribal, regional, State, and Federal emergency preparedness officials' efforts to maintain an integrated response during a disaster or emergency. SPH also participates in the Alaska Hospital & Healthcare Association (AHHA) mutual aid agreement.

The EOP is based on a hazard vulnerability analysis (HVA) risk assessment, utilizing an all-hazards approach and input from facility and community assessments.

Strategies for addressing specific emergency events are available to staff. Incident Response Guides and Annexes are available in Policy Manager and the N drive.

Objectives of the EOP include:

- Maintaining patient care, facility safety during emergencies, and continuity of services.
- Adapting a scalable response to various emergency levels.
- Defining roles and responsibilities for hospital staff.
- Integrating SPH's response with community emergency services.
- Implementing post-incident recovery measures for a smooth transition to normal operations.

Policies & Procedures (E-0009, E-0015, E-0022, E-0023, E-0025, E-0026)

SPH maintains policies and procedures based on the EOP, risk assessment, and communication plan. The documents are reviewed annually and include the provision of subsistence needs for staff and patients, whether they evacuate or shelter in place, include, but are not limited to:

- It is the policy of SPH to shelter in place its patients, residents, on-duty staff, and volunteers during an emergency when possible. The provision of subsistence needs is described above. The Incident Command team addresses surge capacity through decisions such as scaling down non-essential visits and scaling up staffing as indicated.
- Arrangements are in place with other providers to receive patients in an emergency to maintain continuity of services to SPH patients (HW-076, AHHA Mutual Aid Agreement).
- Safe evacuation from SPH includes consideration of care needs, staff responsibilities, transportation, identification of evacuation location, and primary and alternate means of communication with external sources of assistance (EM-107).
- When indicated, SPH will provide care at an alternate care site under a CMS 1135 waiver (EM-100).
- The medical documentation process during an emergency preserves patient information, protects confidentiality, and maintains the availability of records (EM-106).
- Alternate Sources of Energy:
    - Maintain safe temperatures: generator backup and portable devices
    - Maintain emergency lighting: generator backup and portable devices
    - Maintain fire detection, extinguishing, and alarms: generator backup and fire watch
    - Maintain sewage and waste disposal: In the absence of everyday operations for managing sewage, biohazardous waste, and/or other hazardous materials during an emergency, the Facilities Branch Director assumes responsibility for waste management.

- Supplies:
    - Food: A week's food supply is available on-site to serve staff, patients, residents, and volunteers. In addition, dehydrated disaster food is available in the shelled space disaster storage area (EM-103) to feed 120 people three meals/day for 96 hours.
    - Medical supplies: SPH has at least a 96-hour inventory of medical and surgical supplies, with an additional supply of high-use items, such as saline, PPE, etc. (Critical Resource Supply List).
    - Pharmaceutical supplies: The pharmacy has at least a 96-hour supply of medication and medication supplies housed in the facility and available to the Pharmacists if needed (EM-104).
- The Logistics Section:
    - Contacts vendors that provide essential resources and supplies (HICS 258 Resource Directory)

    - In conjunction with the Medical Staff Office (MSO-001), manages the use of credentialing volunteers with disaster privileges in an emergency, including State or federally designated healthcare professionals
- The Planning Section tracks staff, patients, and residents who shelter in place or evacuate during an emergency (EM-102).

SPH maintains emergency and standby power systems by the Health Care Facilities Code, as follows:

- Two emergency generators for backup power are located on the main hospital campus. These generators are inspected and tested as follows:
    - Daily: visual inspection
    - Monthly: life safety test
    - Annually: load test
    - As needed: when indicated by Preventive Maintenance (PM) program
- The generators are powered by onsite diesel fuel and serviced by a local provider through a memorandum of agreement (MOA).

Communication Plan (E-0013, E-0018, E-0020, E-0029, E-0030, E-0032, E-0034)

SPH maintains an emergency preparedness communication plan (EM-105) that complies with Federal, State, and local laws. This plan includes:

- Names and contact info for staff, entities providing services under arrangement, medical staff, other hospitals, and volunteers.
- A process for tracking on-duty staff, patients, and residents who shelter in place.
- Contact information for Federal, State, tribal, regional, and local emergency preparedness staff.
- Primary and alternate means for communicating with staff, Federal, State, tribal, regional, and local emergency management agencies. This includes:
    - Internal Alerts: VoIP phone system, email, text messages, and overhead paging.
    - External Coordination: Liaison with emergency response agencies, government officials, and the media.
    - Patient & Family Communication: Call centers, website updates, social media, and briefings.
    - Backup Communication Systems: Satellite phones, HAM radios, and redundant digital communication platforms.
- A method for sharing information and medical documentation for patients and residents under SPH’s care, as necessary to maintain continuity of care.
- A means to release patient and resident information during an evacuation.
- A means of providing information about patients' and residents' general condition and location under SPH’s care by HIPAA.
- A means of providing information about SPH’s occupancy, needs, and ability to assist an authority having jurisdiction.

Plan Activation & Command Structure

SPH follows a tiered activation system, collaborating with local emergency agencies and participating in a unified command structure when indicated.

- **HICS Level 1:** Situational awareness and monitoring
- **HICS Level 2:** Manageable operational disruptions requiring departmental coordination
- **HICS Level 3:** Significant disruptions necessitating full activation and external support

HICS LEVEL	IMPACT	DEFINITION	HICS TEAM	NOTIFICATIONS
1	**Minor**	An actual situation with an unusual impact on operations. The incident is typically limited to one department, and external agencies may or may not be involved. EXAMPLES: 5 ED patients from a single incident, temporary and contained physical plant disruption	Incident Commander Operations Chief Emergency Response Manager Public Information Officer Section Chiefs as needed	Impacted department staff, including the Medical Director Management Team External agencies as needed
2	**Moderate**	This is an actual situation with a moderate impact on operations. The incident typically involves multiple departments and external agencies, and resources are required for support. Evacuation may or may not be indicated. EXAMPLE: mission-critical physical plant disruption or utility failure	Incident Commander Operations Chief Emergency Response Manager Public Information Officer Liaison Officer Section Chiefs as needed	Impacted department staff, including the Medical Director Management Team External agencies as needed
3	**Full Scale**	This is an actual situation with a significant impact on operations. The incident involves most	Incident Commander	All Staff External agencies

		departments, extensive external agency involvement, and evacuations with multiple resources required for support. EXAMPLE: regional disaster	Emergency Response Manager Public Information Officer Liaison Officer Section Chiefs	

Roles & Responsibilities

Incident Commander (IC)

The Chief Executive Officer (CEO) or designee assumes the role of Incident Commander (IC). The IC is responsible for emergency response, ensuring safety and continuity of care. Responsibilities include:

- Activating and leading the Incident Command team.
- Assigning command staff and section chiefs.
- Coordinating with emergency agencies and stakeholders.
- Approving and implementing response strategies.
- Appointing a Liaison Officer as needed, in order to collaborate and communicate with external agencies.

Public Information Officer (PIO)

The PIO manages internal and external communications. Responsibilities include:

- Serving as the primary spokesperson.
- Coordinating press releases and public updates.
- Monitoring media coverage and public perception.

Safety Officer

The Safety Officer ensures a safe environment. Responsibilities include:

- Identifying and mitigating hazards.
- Ensuring compliance with safety regulations.
- Advising the IC on safety concerns.
- Monitoring staff adherence to personal protective equipment (PPE) use.

Planning Section Chief

The Planning Section Chief manages the planning cycle and information tracking. Responsibilities include:

- Developing and updating the Incident Action Plan (IAP).
- Tracking resource deployment and hospital capacity.
- Conducting assessments and forecasting future needs.
- Managing documentation and post-incident reviews.

Operations Section Chief

The Operations Section Chief directs hospital response activities. Responsibilities include:

- Managing patient care, facility security, and medical operations.
- Assigning staff for emergency response.
- Coordinating with emergency responders for patient transport.
- Overseeing triage, treatment, and patient flow.

Logistics Section Chief

The Logistics Section Chief ensures necessary resources are available. Responsibilities include:

- Procuring medical supplies, food, water, and critical resources.
- Maintaining backup utilities and transportation options.
- Coordinating IT and communication systems.
- Supporting facility infrastructure during prolonged incidents.

Finance Section Chief

The Finance Section Chief oversees financial management. Responsibilities include:

- Tracking response costs and financial documentation.
- Managing procurement and contractual agreements.
- Coordinating insurance claims and federal reimbursement efforts.
- Documenting personnel time and resource expenditures.

Evaluation, Training & Drills (E-0036, E-0037, E-0039)

SPH conducts initial emergency preparedness during orientation, and SPH tests its EOP with training twice a year. Training may include tabletop exercises, functional drills, full-scale exercises, and community-wide collaboration. Training and real-life emergencies are debriefed and reviewed, and the EOP is updated as indicated.

Appendices

- **Hazard Vulnerability Assessment**
- **AHHA Mutual Aid Agreements**
- **LTC Emergency Operations Plan**
- **Home Health Emergency Operations Plan**

South Peninsula Hospital	**SUBJECT:** LTC Emergency Operations Plan	**POLICY #** LTC-500 **Page 1** of **5**
SCOPE: Long Term Care **RESPONSIBLE DEPARTMENT:** Long Term Care		**ORIGINAL DATE:** 5/28/2020 **REVISED:** 11/16/21; 12/16/22; 12/31/24; 5/28/25; 10/2/25
APPROVED BY: LTC Nursing Director; LTC Medical Director; LTC Administrator; Chief Executive Officer; Chief Medical Officer; Board of Directors		**EFFECTIVE:**10/2/25

PURPOSE:
Emergency response guidelines, outlining program components of the Emergency Operations Plan, including staff roles & responsibilities.

DEFINITION(S):
Appendix Z (CMS): Describes LTC EOP requirements
CMS: Centers for Medicare and Medicaid Services
EOP: Emergency Operations Plan
HICS: Hospital Incident Command System
(HSPD)-5: Homeland Security Presidential Directive
NIMS: National Incident Management System

POLICY:
A. This policy pertains to South Peninsula Hospital - Long Term Care (LTC hereafter) and all employees, visitors, and residents. LTC is a co-located facility which takes its emergency operations plan guidance and scope from the South Peninsula Hospital Emergency Operations Plan (EOP hereafter), as an integrated facility under CMS regulation: **E025 Arrangement with Other Facilities CFR(s): 483.73(b)(7)**
B. This policy serves as an annex to the comprehensive South Peninsula Hospital Emergency Operations Plan (EOP). This LTC policy addresses requirements that are specific to a nursing home as well as the unique needs of our resident population.
C. Emergency preparedness and its associated processes are the responsibility of the South Peninsula Hospital EOP Coordinator, Facilities Director. South Peninsula Hospital Long Term Care is an independently licensed LTC and is co-located within the physical building (campus) of South Peninsula Hospital. Where there is language-conflict between the EOP document and this LTC policy, *this policy document will have precedence* unless (a) specifically overruled as a result of decisions made during an Incident Command activation or (b) in conflict with the overarching EOP. The hospital utilizes Hospital Incident Command Structure (HICS), a command structure based on principles of the Incident Command System (ICS) as described by the National Incident Management System (NIMS).
D. When LTC is notified of an internal or external emergency impacting our operations as a long-term care unit, we will begin immediate preparations to protect and possibly shelter in place the residents on census. While LTC will take direction from the Hospital Incident Command/delegated Incident Commander, LTC will begin the following preparations.
E. <u>Residents</u>
1. On average there are 25-28 residents on census. All residents in LTC are at high risk in the event of an emergency requiring an Incident Command response, due to the nature of the LTC environment and residents who have many of the following conditions and diagnoses:
    - Geriatric
    - Frail
    - Generalized Debility
    - Alzheimer's and Alzheimer's related Dementia
    - Immobility/Non-ambulatory
    - Assistive Device Dependent
    - Oxygen and other Therapy-dependence
    - Disease-progression Processes
    - Bed-bound
    - Wheel-chair Dependent

2. In response to the unique needs of the residents, LTC has developed and will maintain two distinct processes to aid in the emergency preparedness awareness of residents, their families and/or guardians:
   a) Resident Family Brochure as required by: **E007 Program Patient Population CFR(s): 483.73(a)(3)** and **E035 LTC and ICF/IID Sharing Plan with Patients CFR(s): 483.73(c)(8)**
   [(c) The [LTC facility and ICF/IID] must develop and maintain an emergency preparedness communication plan that complies with Federal, State and local laws and must be reviewed and updated at least annually.
   b) The communication plan must include all of the following: (8) A method for sharing information from the emergency plan, that the facility has determined is appropriate, with residents [or clients] and their families or representatives.
      1) Provides that families and residents are aware of the emergency preparedness practices at SPH-LTC Long Term Care
      2) Establishes the procedure for LTC to contact families if an event impacts the care of their family member of guardianship responsibility in our care at LTC
      3) Describes mitigating processes underway in LTC to ensure that care is sustainable including redundancies for the following resources:
         - Water
         - Power
         - Food
         - Communication
   c) LTC Individualized Resident EOP:
      - Establishes a primary and secondary contact for residents in care at SPH-LTC
      - Describes the intent to utilize shelter-in-place processes unless otherwise necessary to evacuate

F. **Shelter In Place & Evacuation**

The primary reference for Shelter in Place and Evacuation procedures are found in the Shelter in Place and Code Green Evacuation Annex of the South Peninsula Hospital EOP. Contained within these annexes are information and processes specific to LTC regarding shelter in place and evacuation procedures.

1. Early or Temporary Discharge:
   Under the following circumstances, and as requested through HICS, residents may be temporarily sent home with family, when possible. This may occur if the following conditions are met:
   a) It is determined by HICS and the LTC DON that this would be in the best interest of the resident *and* the Medical Director concurs; *and*
   b) It is safe for the resident and family to leave the facility (versus sheltering in place), and the family can meet the needs of the resident for the projected duration of the event; *and*
   c) If HICS has indicated a short-term need to open available beds in the facility for critically wounded individuals; *and*
   d) Resident medications can be provided for the resident for the projected duration of the event, to the extent that the LTC Pyxis/pharmacy is stocked.
2. Shelter in Place:
   a) If the physical plant and hospital and LTC infrastructure are not affected by the event, all efforts will be made to avoid disruption in the resident's normal routine.
   b) If the physical plant and/or infrastructure have been compromised by the event, but Incident Command has not issued an evacuation order, all residents may be moved to the day room of LTC. This provides for access to food items as necessary and provides an immediate means of egress out the building should it become necessary to evacuate as well as an alternate route of egress if required. A toilet facility is also available: adjacent to LTC room 9 and behind the LTC nurses station. Further, this area provides adequate space for any family that happens to be in the facility when an emergency is declared. This location allows for more efficient use of staff serving residents during an emergency.
3. Evacuation:
   a) Residents will not be moved from the unit, unless this is ordered by Incident Command or there is an immediate threat to life or well-being that precedes the activation of Incident Command. If evacuation is to take place, it will be conducted as defined in the South Peninsula Hospital - Long Term Care, EOP.

b) Residents evacuated from the unit will be accompanied, at all times, by a LTC Caregiver or designated caregiver assigned by Hospital Incident Command. This Caregiver will be responsible for maintaining communication with the LTC Evacuation Branch Unit Leader and ensuring that the resident's location is updated as movement occurs. This Caregiver is also responsible for maintaining the accuracy and security of the resident's medical record once movement begins. The responsibilities continue until care of the resident/patient is transferred to another authorized Caregiver/facility or the event has concluded. All information will be shared with Hospital Incident Command through the LTC Evacuation Branch Leader.

c) Locations for evacuation will be determined by Hospital Incident Command or another *Authority having Jurisdiction* if necessary. Potential locations include locations outside of LTC. South Peninsula Hospital maintains agreements with other pre-determined facilities as outlined by the Mutual Aid Agreement/Memorandum of Understanding section of this policy and the SPH EOP.

G. **Transportation**

1. LTC may utilize the following resources for transportation:
   - LTC wheelchair accessible van
   - Other hospital-owned vehicles as available
   - Private vehicles as appropriate
   - For those residents unable to sit or be moved in the usual manner, an ambulance will be requested
2. Prior to transportation:
   - The resident will be moved in their bed to the safest space in the LTC facility or moved to the acute care hospital, if it is safe and expeditious to do so
   - One LTC staff member will be assigned to wait with the resident until the form of transportation arrives.
   - If it becomes unsafe to wait any longer, the staff member will evacuate the resident and themselves, by any means necessary, to an immediate safe location.

H. **Staff Roles**

1. LTC Director of Nursing (Any member of LTC Support Staff if DON is not available) provides for and/or delegates as necessary:
   a) Ensures the immediate and continued safety of residents, visitors and staff
   b) Assesses and determines the impact on the LTC facility
   c) Clearly defines actions/duties of staff and ensures follow-through
   d) Notifies residents and family members of event and status of the facility
   e) Ensures the continuity of essential cares and services for residents
   f) Cancels non-essential services in order to utilize available staff for essential resident care
   g) Maintains direct communication with Hospital Incident Command (HIC)
2. Staff Nurses, CNAs, and Activities Staff:
   Takes direction from Director of Nursing or their designee to assist as needed to maintain resident safety and provide essential care as indicated to the residents
3. LTC Administrator:
   Assists the Director of Nursing or their designee and/or takes direction from Hospital Incident Command as directed to maintain resident safety and staff safety and ensure essential services are provided.

I. **Communication**

1. LTC utilizes the SPH EOP Communication Plan as the primary resource in processes and considerations for event-based communications. Contained within the plan are methods and processes for redundant communication, primary stakeholder contact information, communication with staff, and other extraordinary communication needs. Below are additional elements specific to the processes of LTC in regard to communication. *Note:* State, Federal, and municipal contacts are maintained in the SPH EOP Plan.
2. LTC Officials Contact Information:
   - Health Facilities Licensing and Certification: 907-334-2483
   - Long Term Care State Ombudsman's Office: 800-730-6393
   - Resident Next of Kin and/or Guardians (resource = LTC Resident EOP Contact Sheet)

3. Other emergency calls are made in accord with the HICS/Incident Commander and under incident command structure would include the appropriate emergency response officials such as Emergency Management, Police, State Trooper, Fire, EMS, and other respondent organizations; locally, state and national and follow the SPH EOP.
4. Caregiver Contact Information:
   LTC leadership maintains the contact information of caregivers assigned to the facility in digital and paper format. This is updated periodically as well as when a caregiver begins or ends employment. Furthermore, staff are regularly encouraged to inform their leadership of any changes to their contact information.
5. Patient/Resident/Family Contact Information:
   LTC utilizes the "LTC Individualized Resident EOP" for collecting primary and secondary contact information of families and guardians of residents.
6. Facility communication (Ascom phones, HillRom call system):
   a. Emergency generator power should restore function to communication devices immediately.
   b. In the event of prolonged downtime, a bell system will be implemented for residents, along with increased staff rounding, to ensure alternate means of communication. For more information on SPH LTC tool kit, see Downtime policy LTC-099.

J. **Continuity Of Operations:**

1. LTC will follow the mandates as developed in **E015 Subsistence Needs for Staff and Patients** CFR(s): 483.73(b)(1)[(b) Policies and procedures. [Facilities] must develop and implement emergency preparedness policies and procedures, based on the emergency plan set forth in paragraph (a)of this section, risk assessment at paragraph(a)(1) of this section, and the communication plan at paragraph (c) of this section.
2. The policies and procedures will be reviewed and updated at least annually and at a minimum, the policies and procedures will address the following variables.
   a) The provision of subsistence needs for staff and patients whether they evacuate or shelter in place, include, but are not limited to the following:
      - Food, water, medical and pharmaceutical supplies
      - Alternate sources of energy to maintain the following:
   b) Temperatures to protect patient health and safety and for the safe and sanitary storage of provisions.
   c) Emergency lighting.
   d) Fire detection, extinguishing, and alarm systems.
   e) Sewage and waste disposal.
3. LTC utilizes the South Peninsula Hospital EOP/Continuity of Operations plans for business continuity and continued provision of care processes. Considerations specific to the sustainment of care for LTC residents and caregivers are contained within this section.

K. **Essential Resources**

1. Potable Water: SPH has an MOU with a local water truck service and will hook up to the hospital building's water system to provide potable water in an emergency. We also maintain twelve (12) 55Gallon barrels of potable water with pumps in inventory that can be easily relocated to areas within the facility.
2. Food: A 4-day supply of food is available on site in Nutrition Services to serve residents, patients, and staff. In addition, dehydrated emergency food is available to feed 120 persons, three meals a day for four days. LTC in specific maintains a smaller stock of food in the resident kitchen.
3. Diesel Fuel: Stored in a 10,000 gallon fuel tank, that at a minimum is kept half full. The Fuel is used to fuel the two electric generators, as well as the three dual fuel boilers if the natural gas supply is interrupted.
4. Generators: Two emergency generators will supply emergency power during a power outage. Each generator is capable of supplying energy to the facility, using the other as a back-up. The generators are connected to selected circuits and specifically identified outlets.
5. Medication: This is available from both the LTC Pyxis machine and from the in-house pharmacy, or a local pharmacy in town.
6. Oxygen: The facility has two redundant oxygen generating machines, as well as an additional 100 H cylinder bottles of compressed oxygen on site. LTC also has portable oxygen concentrators available.
7. Power: The facility is equipped with two emergency generators and these are connected to selected

circuits and specifically identified outlets.

8. Providers: The Medical Staff Bylaws of SPH and Long Term Care specifically allow for the credentialing of providers in the event of a community disaster. LTC will follow the guidance set by the SPH Medical Staff Office and the Bylaws of the SPH-LTC Medical Staff.
9. Sewage Treatment: Sewage processes for SPH-LTC are monitored by the Facilities department and operated by the City of Homer. SPH has a back-up Emergency Sewage Disposal Policy. Modifications to internal Long Term Care processes regarding sewage management will be at the discretion of Facilities as a component of Incident Command or other leadership decision-making process.
10. Medical Records: LTC through its Hospital EOP maintains requirements found at E018 Procedures for Tracking of Staff and Patients CFR(s): 483.73(b)(2).
    If the Point, Click, Care EMR system becomes inoperable, there are processes in place which define specific paper documents to be used to maintain an ongoing record.
    a) A stand-alone down-time EMR device on a uniform power source (UPS)
    b) Per the evacuation processes outlined within this policy an assigned Caregiver will be responsible for maintaining the accuracy and security of their patient/resident's medical record.
    c) At a minimum a hand carried paper-record will be maintained for each resident/patient.

L. 1135 Hospital Waivers

As needed for natural and other human-made disasters, LTC recognizes Waivers Declared by the Secretary as outlined in **E026 Roles Under a Waiver Declared by Secretary CFR(s): 483.73(b)(8)** is contained within the Hospital EOP.

M. Mutual Aid Agreements And Memorandums Of Understanding:

1. Mutual Aid Agreement with Alaska State Hospital and Nursing Home Association (ASHNHA)
2. Internal transfer agreements (TBA) **E025 Arrangement with Other Facilities CFR(s): 483.73(b)(7)**

PROCEDURE:
N/A

ADDITIONAL CONSIDERATION(S):
N/A

REFERENCE(S):
South Peninsula Hospital Emergency Operations Plan

CONTRIBUTOR(S):
LTC Director; LTC Administrator; SPH Security & Emergency Response Manager

Home Health Emergency Operations Plan

Policy

South Peninsula Hospital Home Health will follow the hospital-wide emergency operations plan put in place by South Peninsula Hospital.

The Agency Administrator/Director of Home Health, ~~Clinical Supervisor~~RN Coordinator and staff implement the Home Health emergency operations plan, as appropriate.

Purpose

To describe the Agency's approach to responding to internal and external emergencies that would suddenly and significantly affect the need for services, plans for patients or the ability to provide such services. An emergency is defined as a natural or man-made disaster that significantly:

Disrupts the Agency's environment, e.g., damage to the Agency's building and grounds due to natural disasters such as: strong winds, ice/snow storms, flooding, earthquake explosion, fire or bomb.

Disrupts care and services, e.g., loss of utilities (power, water or telephone), floods, snow/ice storms, hazardous chemical spills, accidents and multiple staff illnesses. Results in a sudden, significant change or increase in demand for Agency services, e.g., terrorism attack, bio terrorism attack, communicable disease outbreak and community mass casualty event.

Reference

The Joint Commission CAMHC Standards: EM.01.01.01 - .03.01.03; Medicare CoP #s: 484.102; CHAP Standards: CI.5b, CI.5c, CII.3b, CII.3c, HHI.5b; ACHC Standards: HH7-3A.01, HH7-3B.01, HH7-3C.01;

Related Documents

"*Hazard Vulnerability Analysis,*" "*Annual Evaluation of Hazard Vulnerability Analysis,*" "*Annual Emergency Operations Plan Evaluation*" forms

Procedure

1. Hazard Vulnerability Analysis (HVA) will be conducted and evaluated annually. The Hazard Vulnerability Analysis is an "all hazards" integrated approach to planning that focuses on Agency capacities and capabilities that are critical to preparedness planning for a full spectrum of emergencies or disasters in Agency's location, considering the particular types of hazards which may most likely occur in Agency's area.

Created: 10.27.2017
Reviewed: 01.17.2019; 10.18.2020; 07.29.2021; 02-14-2023
Updated: 1/3/25; 1/2/26

2. The Agency will coordinate efforts with area emergency management agencies, to mitigate, prepare, respond and recover from high priority emergencies that impact the community, e.g., local health department, law enforcement and office of emergency management.

3. Mitigation activities (designed to reduce the risk of and potential damage from an emergency) will be undertaken in an effort to lessen the severity and impact of a potential emergency. Such activities include:

   - Developing an individual emergency preparedness plan for each patient as part of the comprehensive assessment.
   - Individual patient preparation: prioritizing patients who might require care/service during emergency and advanced planning for extra supplies/equipment.
   - Communication systems, including back-up systems.
   - Conducting the Hazard Vulnerability Analysis.
   - Maintenance of Agency fire detection equipment, e.g., smoke detectors.
   - Maintenance of Agency fire suppression equipment, e.g., fire extinguishers.
   - Maintenance of Agency information systems, including process for back-up of computer files.
   - Assisting patients and families to develop a home emergency plan.
   - Educating patients and families about self-care, sources of alternate care in the community and Agency role during an emergency.
   - Providing staff with information about developing their family's emergency response plan before an emergency.
   - Working collaboratively with South Peninsula Hospital (SPH) to plan for disasters and emergency situations.

4. Preparation activities will be undertaken to build capacity. Resources that may be used during an emergency include: ambulance transport, hospitals, National Guard, Red Cross, law enforcement, fire departments, and state troopers, other home care organizations, suppliers and vendors. Other preparation activities include:

   - Staff orientation and ongoing training.
   - Maintenance of back-up supplies, e.g., flashlights and patient medical supplies.

5. The Home Health Agency will work as a part of South Peninsula Hospital's emergency response plan. Agency Staff will actively participate in the development, annual reviews and updates of SPH's integrated emergency response plan.

6. The Agency's location for responding to and recovering from emergencies is the Agency office at 4201 Bartlett Street.

7. Emergency response procedures: In the event of interruption of patient services due to an emergency, the Home Health Director and/or RN Coordinator~~Clinical Supervisor~~ will immediately implement the emergency operations plan and will be responsible for triaging patients based on needs, severity of illness and availability of staff.

8. The Agency Administrator/Home Health Director and/or Operations Specialist ~~Clinical Supervisor~~ is responsible for contacting and tracking on-duty staff when emergency measures are implemented. This task may be delegated as appropriate. State or Local officials will be notified by the Administrator/Home Health Director or Operations Specialist~~Clinical Supervisor~~ if unable to contact any on-duty staff. For employees in city limits contact Homer Police Department at (907)235-3150 and for employee out of city limits notify State Troopers at (907)235-8239.

   - The Home Health Agency will keep an updated staff roster with primary and secondary means of communication including employee's residential addresses. This will be updated as warranted and verified annually.

9. The Agency Administrator/Home Health Director, and/or Operations Specialist ~~Clinical Supervisor~~ will inform the appropriate state and local emergency preparedness officials by telephone about patients in need of evacuation from their homes at any time due to an emergency situation based on the patient's medical and/or psychiatric condition and home environment. For patients in city limits contact Homer Police at (907) 235-3150, for patients outside of city limits contact State Troopers at (907)235-8239. The Agency will comply with HIPPA Privacy Regulations as appropriate when communicating such information.

10. The Agency will maintain at all times a current list of patients who might need evacuation on an ongoing basis, staff will evaluate/assess such factors as transportation, evacuation and patient's medical and/or psychiatric condition and home environment.

11. Those patients who must have home visits performed will be considered as top priority patients and every effort will be made by staff to perform home visits during the emergency. At the time of admission, each patient's acuity level is determined per the Disaster Code on the start of care assessment.

    Level 1 patients are high priority patients and whose care cannot be interrupted.
    Level 2 patient are those that may go without visits for 48-72 hours.
    Level 3 patients are those that may go without visits for greater than 72 hours.
    Level 4 patients are those that reside at an Assisted Living Facility (ALF) and will follow the emergency plan of the ALF.
    The Agency will use their software system to report the patient's level and will have access to pull a report that lists all patient's Disaster Code. Administrative person on-call maintains current lists. The Home Health Director will be responsible for assigning available staff for completing those visits. Efforts will be made to attempt to contact the remaining patients by telephone to ascertain needs for services, if any.

12. In the event that staff is not able to perform home visits as a result of the emergency, patients will be instructed to use local emergency shelters.

13. During an emergency, staff will primarily communicate by telephone or cellular

phone. When no internal or external means of communication exists, available staff should report to the command structure at the Agency as soon as feasible for assignment. The Home Health Director and RN Coordinator~~Clinical Supervisor~~ are ultimately responsible for assuring continuation of service.

14. Patient care providers who will be assigned and report to the Home Health Director during an emergency include nurses, therapists, and home health aides.
Ancillary staff members (assistant, biller, etc.) are to report to the command structure at the Agency office to the Home Health Director or RN Coordinator~~Clinical Supervisor~~ for assignments.

15. During an emergency, the following activities will be managed:
    - The Administrator/Home Health Director or RN Coordinator~~Clinical Supervisor~~ will provide information by telephone (or in person, if no telephone service exists) about the Agency's needs and capability to provide any assistance to SPH's Incident Command Center or the authority having local jurisdiction during the emergency.
    - Patient care-related activities, including patient communication, scheduling, curtailing admissions, modifying or discontinuing services, control of patient information (by administration), coordinating home visits at an alternate care site in the community (if applicable) and patient transfer or referral will be managed by the Agency Administrator/Home Health Director and/or RN Coordinator~~Clinical Supervisor~~.
    - Patients will be responsible for replenishing their own medications and related supplies. If communication systems are in operation, nursing staff will assist patients by telephone and work with patients' retail pharmacies to get needed medications dispensed in order that patient/family can obtain.
    - The Agency will work with supply vendors, local home medical equipment companies, local hospital and/or local medical clinics to replenish medical supplies and non-medical supplies.
    - Agency staff are responsible for providing their own transportation and housing.
    - Staff will be identified by name/ID badges.
    - The Administrator/Home Health Director, RN Coordinator~~Clinical Supervisor~~ and clinical and ancillary staff will manage logistics related to critical pharmaceuticals, equipment and supplies. If the Hospital Wide plan is implemented these needs will go through the Logistics Chief.

16. To access medical records in the event of an emergency that disrupts access to the EHR contact our software provider Kinnser at (877)399-6538 or agency staff or contractor out of the affected area. Back up documentation will be on paper and scanned into the EHR when able.

17. Recovery strategies include those activities undertaken after an emergency to restore the Agency to normal function. The Agency Administrator/Home Health Director and/or RN Coordinator~~Clinical Supervisor~~ will initiate the recovery phase as soon as possible following the emergency. Activities will include:
    - Restoring Agency site.
    - Restoring normal operating hours.

- The Administrator/Home Health Director and/or RN Coordinator~~Clinical Supervisor~~ will decide if Agency has capacity and ability to accept new referrals.
- If new referrals are accepted, the clinician will develop an individual emergency preparedness plan for each patient and determine the acuity level, which determines and directs care for each patient.
- Re-establishing normal business operating procedures.
- Re-establishing full staffing and scheduling.
- Resuming normal patient care visits and services.
- Testing communication systems and implementing.
- Testing information systems (computer) and implementing.
- Ascertaining current inventory and returning to pre-emergency inventory levels for supplies and equipment.

The Agency Administrator/Home Health Director and/or RN Coordinator~~Clinical Supervisor~~ is responsible for terminating the recovery phase.

18. If a hospital wide emergency occurs and the hospital's command structure is implemented, staff should follow the hospital wide emergency preparedness plan for assignment.

19. All new staff will be oriented and trained to the emergency operations plan. Ongoing staff education and training will occur annually as part of an exercise or in response to an actual emergency.

20. The plan will be tested and evaluated annually by the Home Health agency, either in response to an actual emergency or in a planned exercise. The planned exercise will focus on the Agency's response to an emergency that would likely affect the Agency's ability to continue to serve patients in the event of an emergency.

21. Exercises will incorporate likely disaster scenarios that allow the Agency to assess its handling of communications, resources and assets, staff and patients.

22. Exercises will review and confirm:
    - Staff communication procedures and content.
    - Assigned staff roles related to essential response functions.
    - How Agency will communicate with patients during an emergency.
    - Communication with key community partners, e.g., local hospital, health department, law enforcement, pharmacies, ambulance transport, etc.
    - Business continuity and recovery strategies for restoring Agency's capabilities to provide care after an emergency.
    - Exercises must sufficiently stress Agency's plan to identify weaknesses.
    - Exercises must activate and test:
        - Patient acuity assignment and tracking procedures to validate the ability to identify and locate high risk patients.
        - Key care processes consistent with planned response activities: management of medication, medical equipment and supplies,

instructions for self-evacuation, medical record documentation and coordination of information with alternative care site.

- Leaders, managers and staff will evaluate each emergency response exercise and all responses to actual emergencies.
- Evaluation will include the identification of deficiencies and opportunities for improvement.
- The plan will be modified based on the evaluation of deficiencies and opportunities for improvement.
- Future planned exercises will reflect modifications and any interim measures described in the plan

South Peninsula Hospital and South Peninsula Long Term Care Hazard Vulnerability Assessment - January 2026

Emergency Management

	EVENT	PROBABILITY	SEVERITY = (MAGNITUDE - MITGATION)					RISK
			HUMAN IMPACT	PROPERTY IMPACT	BUSINESS IMPACT	INTERNAL RESPONSE	EXTERNAL RESPONSE	
		Likelihood this will occur	Possibility of death or injury	Physical losses and damages	Interuption of services	Time, effectiveness, resources	Community/Mutual Aid staff and supplies	* Relative threat
	SCORE	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = Low 2 = Moderate 3 = High	0 = N/A 1 = High 2 = Moderate 3 = Low	0 = N/A 1 =High 2 = Moderate 3 = Low	0 - 100%
1	Earthquake	3	3	3	3	2	1	40%
2	Winter Blizzard / Ice Storm	3	1	1	2	3	3	33%
3	Pandemic Influenza	3	3	1	3	2	1	33%
4	Epidemic	3	3	1	3	1	1	30%
5	Patient Surge	3	2	1	2	1	3	30%
6	Workplace Violence	3	3	1	1	2	1	27%
7	Critical Supply Shortage	3	2	1	3	1	1	27%
8	Information Systems Interruption	3	1	2	2	1	2	27%
9	Fire, Internal	2	3	3	3	1	1	24%
10	Volcano	3	1	2	2	1	1	23%
11	Mass Casualty Incident	2	3	2	3	1	1	22%
12	Active Shooter	2	3	1	3	2	1	22%
13	Elevator Failure	2	2	2	2	1	2	20%
14	Landslide	2	2	3	2	1	1	20%
15	Gale Force Winds	2	2	2	2	1	1	18%
16	Wildfire	2	1	2	2	2	1	18%
17	Steam Failure	1	2	3	2	2	2	12%
18	Substantial Structural Damage	1	3	3	3	1	1	12%
19	HVAC Failure	1	2	2	2	2	3	12%
20	Water Supply Failure/Disruption	1	3	3	3	1	1	12%
21	Generator Failure	1	2	3	3	1	2	12%
22	Electrical Power Failure	1	3	3	2	1	2	12%
23	Bomb Threat	1	3	2	2	2	2	12%
24	96 Hrs W/out External Supplies	1	3	2	3	1	1	11%
25	Facility Evacuation	1	3	2	3	1	1	11%
26	Terrorism, Biological	1	3	1	2	3	1	11%
27	Terrorism, Nuclear, Radiological	1	3	2	2	2	1	11%
28	Tsunami / Seiche	1	1	1	2	1	1	11%
29	Natural Gas Pipeline Incident	1	3	3	2	1	1	11%
30	Flood, Internal	1	2	2	2	2	2	11%
31	Mass Fatality	1	2	2	2	2	2	11%
32	Terrorism, Chemical	1	3	2	2	2	1	11%
33	Hostage Situation, Internal	1	3	2	2	2	1	11%
34	Labor Action	1	2	2	2	2	2	11%
35	VIP Patient	2	1	1	1	1	1	11%
36	Nurse Call System Failure	2	1	1	2	1	0	11%
37	Communications Interruption	1	2	2	2	2	1	10%
38	Flood, External	1	2	2	2	2	1	10%
39	Smoke or Fumes, Internal	1	2	2	2	2	1	10%
40	Fire Alarm Failure	1	2	2	3	1	1	10%
41	Mass Casualty Incident/HazMat	1	2	2	2	2	1	10%
42	HazMat Spill/ Exposure, Internal	1	2	2	2	2	1	10%
43	Civil Disturbance	1	3	2	1	2	1	10%
44	HazMat Incident, External	1	2	2	1	2	2	10%
45	Barricaded Person	1	1	1	2	2	2	9%
46	Medical Vacuum Failure	1	2	2	3	1	0	9%
47	Sewer Failure	1	2	2	2	1	1	9%
48	Medical Gas Failure	1	2	1	3	1	1	9%
49	Fuel Oil Shortage	1	2	2	2	1	1	9%
50	Forensic Admission	2	1	0	1	1	1	9%
51	Cold Wave	1	0	1	1	2	3	8%
52	Heat Wave	1	1	1	1	2	2	8%
53	Drought	1	1	2	2	1	1	8%
54	Radiological Spill/Exposure	1	1	1	1	2	1	7%

Hazard Vulnerability Assessment January 2026~~5~~

Type of Emergency	Probability			Level of Vulnerability Level of Disruption			Preparedness Level			Total Score
	High	Mod	Low	High	Mod	Low	Poor	Fair	Good	
	3	2	1	3	2	1	3	2	1	
Weather:										
Ice/Snow Storm	3				2			2		**12**
Strong Winds		2			2			2		**8**
Landslide			1		2		3			**6**
Tsunami			1	3				2		**6**
Utility Failure:										
Electrical	3			3					1	**9**
Water			1	3			3			**9**
Sewer			1		2			2		**4**
Communication		2		3				2		**12**
Information Systems		2		3				2		**12**
Natural Gas Pipeline			1	3			3			**9**
Hazardous Materials:										
Internal Exposure			1		2			2		**4**
External Exposure			1		2			2		**4**
Security:										
Bomb Threat			1	3				2		**6**
Hostage Situation			1	3				2		**6**
Workplace Violence			1	3				2		**6**
Terrorism:										
Explosion			1	3			3			**9**
Biological			1	3			3			**9**
Nuclear			1	3			3			**9**
Community Mass Casualty:										
Trauma			1			1		2		**2**
Medical or Infectious		2			2			2		**8**
Other:										
Multiple Staff Illness	3			3			3			**27**
COVID-19		2			2				1	**4**
Flood: Internal			1		2				1	**2**
Flood: External		2			2			2		**8**
Drought			1			1	3			**3**
Fuel Shortage (Gas)			1		2			2		**4**
Fire: Internal			1		2				1	**2**
Fire: External		2			2			2		**8**
Supply/Equip Shortage			1	3				2		**6**
Building Damage			1			1		2		**2**
Earthquake	3			3					1	**9**
Volcano		2			2			2		**8**

SOUTH PENINSULA HOSPITAL
SAFETY PLAN
April 30, 2026

PURPOSE

South Peninsula Hospital is committed to proactively minimizing risk to patients, residents, employees and visitors from known hazards or risks in the physical environment. This safety plan describes the framework used to manage safety risks and improve safety performance to help reduce injuries and illness. Proper use of this Safety Plan supports our values of respect, compassion and commitment.

OBJECTIVES

1. Establishing, supporting, and maintaining a Safety Plan that is based on monitoring and evaluation of organizational experience, relevant laws, regulations, and best practices.
2. Provide a safe environment through ongoing assessments that identify conditions or practices related to the buildings, grounds, equipment, occupants, and internal physical systems that are potential safety risks.
3. Identify opportunities to improve safety performance.
4. Improve staff performance through regular safety education and training.

SCOPE

The Safety Plan applies to all South Peninsula Hospital employees and covers all hospital areas, including off-site locations.

RESPONSIBILITY

Operating Board of Directors

1. Endeavors to provide a safe environment for patients, residents, staff, and visitors by requiring and supporting the establishment and maintenance of an effective Safety Plan.

Chief Executive Officer

1. Has overall responsibility for safety management of the facility.
2. Ensures compliance with federal, state and local regulatory safety requirements, and that required records and reports are maintained.
3. Oversees the approval of all policies, plans, procedures and codes related to the safety of the facility and its occupants.
4. Appoints the Safety Officer.

Safety Officer

1. Works with appropriate staff to implement recommendations for improvement and monitors the effectiveness of those improvements.

2. As a designee of the CEO, has authority to take appropriate and immediate actions when an emergency situation threatens personal safety, health, the environment and/or damage to properties.

Facilities Director

1. Serves as the hospital Safety Officer unless otherwise assigned by the Chief Executive Officer.
2. Ensures compliance; maintaining records and reports required by regulatory agencies.
3. Provides facility safety education for employees.

Employee Safety Committee

1. Is comprised of bargaining unit employees and supervisory employees, per the Collective Bargaining Agreement (8.07).
2. Identifies and monitors trends in accidents/incidents, unsafe practices, or conditions.
3. Utilizes subcommittees and work groups, as needed, to accomplish a more in-depth review of selected areas.
4. Reports findings and recommendations/action plans to the Senior Leadership Team.

Directors and Department Managers

1. Ensure employees complete new hire orientation and department specific orientation, with on-going education/training as needed.
2. Investigate incidents and hazardous conditions within their department to provide corrective or preventive action.
3. Set standards for safe use of equipment within their department.
4. Ensure department participation in organization-wide safety processes and exercises.

Hospital Employees/Supervisory Personnel

1. Maintain a safe environment through inspection, prompt reporting, and correction of unsafe conditions.
2. Follow all safety rules, policies and procedures.
3. Participate in safety/emergency preparedness training and exercises.
4. Complete all mandatory and/or assigned safety education and training.

SAFETY PLAN

Reporting and Evaluation

Employee injury and illnesses are reported to and tracked by Human Resources and Employee Health. Safety issues related to the buildings, equipment and utilities are reported to the Facilities and Biomedical departments. Infection prevention concerns are reported to the Infection Prevention Nurse. All conditions that pose a threat to the safety of patients, residents, staff, and visitors or property should be reported through the occurrence reporting system.

Incident and injury reports are reviewed to identify trends, determine root cause(s) and suggest corrective actions to prevent recurrences. Environmental Safety Rounds are conducted regularly and monitored by the Facilities department.

Grounds and Equipment

The maintenance and supervision of grounds, equipment, lighting, vehicles, fork lift, snow removal, etc. is accomplished through monitoring and preventive maintenance programs, which are managed by the Facilities department and contract services as needed.

Product Alerts and Safety Recalls

Product safety alerts, hazard notices and recalls are directed to the appropriate department. BioMed responds to medical equipment, and Pharmacy responds to medications. Supply issues are the responsibility of the Purchasing department, and food recalls are handled through Nutrition Services.

Education

Education, both upon hire and annually, includes electrical and equipment safety, hazard communication, hospital code response and emergency preparedness, respiratory protection, bloodborne pathogens, handling of regulated medical waste and sharps safety, personal safety and security, fire safety, as well as procedures for reporting hospital wide incidents and injuries/illnesses. They will also receive job specific safety training within their department, including safety risks, safe use of equipment and chemicals, department specific emergency response and proper use of personal protective equipment.

South Peninsula Hospital
Hospital Board of Directors Balanced Scorecard Report
Proposed for FY 2027

Overall Indicators	Previous Year	Current	Staff Rec	Target	Note
Care Compare Overall Hospital Star Rating	N/A	N/A	5	5	Mortality, Safety of Care, Readmission, Patient Experience, Timely & Effective Care
Care Compare Overall Nursing Home Star Rating	5	5	5	5	Staffing, Health Inspections, Quality Measures
Care Compare Home Health Quality Rating	2.5-3	2.5	4	5	Activities of Daily Living, Symptoms, Harm, Hospitalization, Value of Care

Clinical & Service Excellence

Using evidence-based practices, South Peninsula Hospital is dedicated to achieving consistent and demonstrated excellence in clinical quality and safety.

Quality of Care / Patient Safety	Previous Year	Q3 FY26	Staff Rec	Target	Note
Severe Sepsis & Septic Shock Care				100%	***CMS Hospital Compare: Q4FY26 73% (7/1/24-6/30/25) Nat. Avg: 64% AK Avg: 59%***
Percentage *of patients who received appropriate care for **SEVERE** sepsis and/or septic shock.*	64%	**83%**	100%	Previous 75%	{Q3FY26 83% (5/6), {Q2FY26 86% (6/7), {Q1FY26 42% (3/7), {Q4FY25 40% (2/5)}, Q3FY25 83% (5/6)}, Q2FY25 57% (4/7)}, Q1FY25 100% (9/9)}
Stroke Care				100%	***CMS Hospital Compare: Q4FY26 82% (7/1/24-6/30/25) Nat. Avg: 69% AK Avg: 66%***
Percentage of patients who receive CT/MRI within 45 minutes of arrival to ED w/stroke symptoms.	60%	**NA**	100%	Previous 75%	{Q3FY26 NA (0/0), {Q2FY26 100% (1/1), {Q1FY26 50% (1/2), {Q4FY25 50% (1/2)}, Q3FY25 NA (0/0)}, Q2FY25 TBD,} Q1FY25 82% (9/11)}
Median Emergency Room Time				< 122min	***CMS Hospital Compare: Q4FY26 136min (7/1/24-6/30/25) Nat. Avg: 122min AK Avg: 130min***
Average minutes spent in department before leaving the Emergency Department **excluding** patients transferred to another facility or psychiatric care/mental health patients.	145	**143**	122	Previous 180min	Q3FY26 143, Q2FY26 133, Q1FY26 142, Q4FY25 162, Q3FY25 174, Q2FY25 181, Q1FY25 194
ER Admission Rate					
Measures the percentage of ER patients admitted.			REMOVE		
Colonoscopy Follow-up				100%	***CMS Hospital Compare: Q4FY26 100% (1/1/24-12/31/24) Nat. Avg: 93% AK Avg: 87%***
Percentage of patients receiving appropriate recommendation for follow-up screening colonoscopy.	100%	**100%**	100.00%	Previous 75%	
Patient Fall Rate (AC)				< 5	**# of patient falls / # patient days x 1000**
Measures the number of patient falls per 1,000 patient days.	3.77	**5.88**	<5		Q3 FY26: 5.88 (5falls/849 pt days); Q2 FY26: 2.74 (3 falls/1092 pt days); Q1 FY26: 3.58 (4 falls/1116 pt days); Q4 FY25: 3.37 (4 falls/1187 pt days)
Medication Errors				0	
Number of patient medication errors that reach the patient. *(Level C on the NCC MERP Index)*	31		Level C / 6 per quarter	Previous Level E-0	0
NQF's Serious Reportable Events				0	

A patient safety event that is serious, harmful and preventable.	**5**		**0**		
UTI rate (LTC)				**< 1.6%**	***CMS Hospital Compare: Q4FY26 0 (1/1/25-12/31/25)*** ***Nat. Avg: 1.6% AK Avg: 3%***
Percentage of long-stay residents with a urinary tract infection		**0**	**<1.6**		
Independent Oral Medication (HH)				**> 75%**	***CMS Care Compare: Q4FY26 71.7% (7/1/24-6/30/25)*** ***Nat. Avg: 87.8% AK Avg: 83% Goal reflects patient population served by SPH HH***
Percentage of home health patients demonstrating improvement with ability to take oral medications more independently.	68.60%	**72%**	**>75%**		Q3FY26 72% N:25, Q2FY26 66.7% N:30, Q1FY26 70.7% N:41, Q4FY25 71.4% N:21, Q3FY25 68% N:31, Q2FY25 73.5%: N:34
Primary Care MIPS Pathways					
CMS Merit-Based Incentive Payment System *(MIPS)* for outpatient clinics.			**TBD- data unavailable**		Special focuses: cervical cancer screening, specialist referrals, high blood pressure, hemoglobin A1c, medication reconciliation, fall risk

Patient & Resident Experience

Patient Satisfaction Through Press Ganey (PG)		**Q3 FY26**	**Staff Rec**	**Target**	**4/8/2026**
Inpatient Percentile				**75th**	9 or 10 best hospital; Survey Responses: 97 NA Care Compare (7/1/24-6/30/25)
Measures the overall satisfaction of inpatient pts. respondents.		**71**	**75th**		Q3 FY26 71st:75.00 N:28; Q2 FY26 99th:93.94 N:33; Q1 FY26 94th:85.71 N:28; Q4 FY25 56th:71.88 N:32; Q3FY25 N:34; Q2FY25 N:28; Q1FY25 N:42
Ambulatory Surgery (AS) Percentile				**75th**	9 or 10 best hospital; Survey Responses: __
Measures the overall satisfaction of AS pts. respondents.		**15**	**75th**		Q3 FY26 15th:83.33; Q2 FY26 10th:81.48; Q1 FY26 94th:96.00 <- fully switched to OASCAHPS; Q4 FY25 25th:82.35
Home Health (HH) Percentile				**75th**	9 or 10 best hospital; Survey Responses:
Measures the overall satisfaction of HH pts. respondents.		**72**	**75th**		Q3 FY26 72nd:93.48; Q2 FY26 67th:92.00; Q1 FY26 64th:90.91; Q4 FY25 71st:91.67
Outpatient Percentile				**75th**	Mean Score: __ Survey Responses: __
Measures the overall satisfaction of outpatient pts. respondents.		**46**	**75th**		Q3 FY26 46th:95.12; Q2 FY26 27th:94.34; Q1 FY26 7th:92.51; Q4 FY25 34th:94.48
Emergency Department Percentile				**75th**	Mean Score: __ Survey Responses: __
Measures the overall satisfaction of emergency pts. respondents.		**90**	**75th**		Q3 FY26 90th:93.28; Q2 FY26 86th:92.46; Q1 FY26 79th:91.67; Q4 FY25 92nd:93.86
Medical Practice Percentile				**75th**	Mean Score: __ Survey Responses: __
Measures the overall satisfaction of pts. respondents at SPH Clinics.		**35**	**75th**		Q3 FY26 35th:93.82; Q2 FY26 37th:93.68; Q1 FY26 51st:94.18; Q4 FY25 59th:94.44

Medical Staff Alignment

South Peninsula Hospital desires to be an employer and/or provider of choice for medical staff practitioners by fostering an atmosphere of continuous collaboration.

Provider Alignment		**2024**	**Staff Rec**	**Target**	**Note**
Provider Satisfaction Percentile				**75th**	
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.		**85th**	**75th**		Result of provider survey 2024

Employee Engagement

South Peninsula Hospital desires to be an employer of choice that offers our staff an opportunity to make positive impact in our community.

Staff Alignment		2024	Staff Rec	Target	Note
Employee Satisfaction Percentile				**75th**	
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results Measured as a percentile.		**60th**	**75th**		Result of employee survey 2024
Workforce		**Q3 FY26**	**Staff Rec**	**Target**	**Note**
Turnover: All Employees				**< 5%**	
Percentage of all employees separated from the hospital for any reason		**4%**	**<5%**		25 Terminations / 708 Total Employees
Turnover: Voluntary All Employees				**< 4.75%**	
Measures the percentage of voluntary staff separations from the hospital		**2%**	**<4.75%**		15 Voluntary Terminations / 708 Total Employees
First Year Total Turnover				**< 7%**	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.		**6%**	**<7%**		10 New Staff Terminated 163 Total New Hires from 03/31/2025-03/31/2026
Contract Utilization				**< 20**	
Measure average number of contract staff utilized.		**26**	**<20**		MLT, MRI, OT, RT, HIS, CNA, RN
Information System Solutions		**Q3 FY26**	**Staff Rec**	**Target**	**Note**
Phishing Test Pass Rate				**> 95%**	
% of Phishing test emails that were not failed.		96%	**>95%**		____ Test phishing emails sent; ___ fails.

Financial Health

SPH is financially positioned to support our dedication to the Mission, Vision and Values, and our continued investment in our employees, medical staff, physical plant and equipment.

Financial Health		Q3 FY26	Staff Rec	Target	Note
Outpatient Revenue Growth		**12.6%**	**No Change**	**19%**	
Measures percentage increase (decrease) in outpatient revenue for the quarter, compared to the same period in the prior year.			**Budget**		Target is based on budgeted outpatient revenue for the period compared to outpatient revenue for the same period prior year.
Operating Margin		**-12.7%**	**No Change**	**2%**	
Measures the surplus (deficit) of operating income over operating expenses as a percentage of net patient service revenue for the quarter.			**Budget**		Target is based on budgeted operating margin for the period.

Adjusted Patient Discharges		846	No Change	995	**Total Discharges: # 109 *(Acute, OB, Swing, ICU)***
Measures the number of patient discharges adjusted by inpatient revenues for the quarter, divided by (inpatient + outpatient revenues).			**Budget**		LTC Revenue & discharges not included, Target is same Q Prior Year Target Discharges: 161
Net Revenue Growth		9%	No Change	12%	
Measures the percentage increase *(decrease)* in net patient revenue for the quarter compared to the same period in the prior year.			**Budget**		Target is based on budgeted net patient service revenue for the period compared to net patient service revenue for the same period in prior year.
FTE vs Budget		614	No Change	621	
FTE is calculated based on hours paid + Contract FTE			**Budget**		Actual FTE + Contract FTE based on hours paid compared to budgeted FTE for the quarter.
Overtime as a Percentage of Hours Worked					
Measures overtime hours as a percentage of regular hours worked indicative of understaffing or schedulig inefficiencies			**REMOVE**	no issues and no change in measure	
Net Days in Accounts Receivable		83	No Change	55	
Measures the rate of speed with which the hospital is paid for health care services.			**55**		Target is based on industry target.
Cash on Hand		61	90	90	**72 Total Days Cash on Hand, Operating +Unobligated PREF**
Measure the actual unrestricted cash on hand (including Unobligated PREF and excluding Service Area) that the hospital has to meet daily operating expenses.		*Change to Include Unobligated PREF*			Cash available for operations based on average daily operating expenses during the quarter less depreciation for the quarter.
Uncompensated Care as a Percentage of Gross Revenue		1.6%	4-7%	2-3%	
Measures bad debt & charity write offs as a percentage of gross patient service revenue	*Increase due to ACA & Medicaid Changes*				Target is based on industry standards & SPH Payer Mix Budgeted total is 2.4% Expected range of 2-3%
Surgical Case Growth		-6%	No Change	15%	
Measures the increase *(decrease)* in surgical cases for the quarter compared to the same period in the prior year.			**Budget**		Target is based on budgeted surgeries above actual from same quarter prior yr.
Average Age of Plant		13.2	Update annually	10	
Measures the financial age of the fixed assets of the hospital calculated by dividing accumlated depreciation by annualized depreciation for the year.			**No Change**		Target is based on hospital optimal age of plant for a critical access hospital.

Introduced by: Administration
Date:
Action:
Vote:

SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2026-14

A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS SUPPORTING THE SUBMISSION OF GRANT APPLICATIONS UNDER THE ALASKA RURAL HEALTH TRANSFORMATION PROGRAM AND REQUESTING KENAI PENINSULA BOROUGH ASSEMBLY APPROVAL OF A COMPREHENSIVE AUTHORIZATION ORDINANCE

WHEREAS, South Peninsula Hospital, Inc. ("SPH") operates South Peninsula Hospital pursuant to an Operating Agreement with the Kenai Peninsula Borough for the benefit of the South Kenai Peninsula Hospital Service Area; and

WHEREAS, the Alaska Department of Health, in partnership with the Centers for Medicare and Medicaid Services, has established the Alaska Rural Health Transformation Program ("RHTP"), a federal initiative providing grant funding to eligible rural health organizations to advance health system transformation, infrastructure modernization, digital health capabilities, specialty care access, and long-term financial sustainability; and

WHEREAS, SPH Administration identified the RHTP as a strategically significant and time-limited funding opportunity aligned with SPH's mission to provide high-quality, accessible health care services to residents and visitors of the South Kenai Peninsula; and

WHEREAS, SPH submitted Letters of Interest under the RHTP for projects that would expand access to care, modernize facilities and technology, improve clinical efficiency, and enhance specialty services within the South Kenai Peninsula Hospital Service Area; and

WHEREAS, the projects included in SPH's RHTP applications consist of: (1) facility-wide implementation of DAX AI clinical documentation technology; (2) an automated medication dispensing system; (3) renovation and equipment for a cardiopulmonary rehabilitation and therapy space; (4) development of a pharmacy and infusion center pursuant to Certificate of Need requirements; and (5) acquisition and implementation of a surgical robotic system, with a combined estimated project value of approximately Fifteen Million Six Hundred Thousand Dollars ($15,600,000); and

WHEREAS, grant applications under the RHTP are subject to a submission deadline of June 22, 2026, with an expenditure deadline of June 30, 2027, requiring SPH to be positioned to implement awarded projects without delay upon grant notification; and

WHEREAS, the Operating Agreement between SPH and the Kenai Peninsula Borough contains provisions that may require Borough Assembly approval for certain capital improvements, equipment acquisitions, and new or expanded services that could result from RHTP grant awards; and

WHEREAS, SPH Administration has provided notice to the Kenai Peninsula Borough regarding its intent to pursue RHTP grant funding and has shared a draft comprehensive authorization ordinance for consideration by the Kenai Peninsula Borough Assembly; and

WHEREAS, the Operating Board has reviewed the proposed RHTP projects, the estimated grant request, and the draft omnibus authorization ordinance, and finds that the proposed projects are consistent with the mission and strategic priorities of SPH and within the authorized purposes of the South Kenai Peninsula Hospital Service Area; and

WHEREAS, no Kenai Peninsula Borough general fund obligation is created by the proposed RHTP grant applications or the authorization ordinance, as all project costs are anticipated to be funded exclusively through RHTP grant proceeds;

NOW, THEREFORE, BE IT RESOLVED BY THE OPERATING BOARD OF SOUTH PENINSULA HOSPITAL, INC. THAT:

1. The Operating Board ratifies and approves the submission by SPH Administration of Letters of Interest and full grant applications to the Alaska Department of Health under the Alaska Rural Health Transformation Program, including applications for: (a) facility-wide implementation of DAX AI clinical documentation technology; (b) an automated medication dispensing system; (c) renovation and equipment for a cardiopulmonary rehabilitation and therapy space; (d) development of a pharmacy and infusion center; and (e) acquisition and implementation of a surgical robotic system, with a total grant request not to exceed Fifteen Million Six Hundred Thousand Dollars ($15,600,000).
2. The Operating Board supports and requests that the Kenai Peninsula Borough Assembly approve a comprehensive omnibus ordinance authorizing SPH to accept and implement any and all RHTP grant awards without the need for project-by-project Borough Assembly approval, subject to the conditions and reporting requirements contained in such ordinance.
3. Hospital administration is authorized to take all actions necessary and appropriate to complete and submit RHTP grant applications, respond to requests from the Alaska Department of Health or federal agencies, and cooperate fully with the Kenai Peninsula Borough in the preparation and presentation of the authorization ordinance to the Borough Assembly.
4. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED BY THE OPERATING BOARD OF SOUTH PENINSULA HOSPITAL, INC. AT ITS MEETING HELD ON THIS 24th DAY OF JUNE, 2026.

ATTEST:

_____
Aaron Weisser, Board President

_____
Mary E. Wythe, Board Secretary

South Peninsula Hospital
Hospital Board of Directors Balanced Scorecard Report
3rd Quarter FY 2026 *(January, February, March)*

Overall Indicators	Q3 FY26	Target	Note
Care Compare Overall Hospital Star Rating	N/A	5	Mortality, Safety of Care, Readmission, Patient Experience, Timely & Effective Care
Care Compare Overall Nursing Home Star Rating	5	5	Staffing, Health Inspections, Quality Measures
Care Compare Home Health Quality Rating	3	5	Activities of Daily Living, Symptoms, Harm, Hospitalization, Value of Care

Clinical & Service Excellence

Using evidence-based practices, South Peninsula Hospital is dedicated to achieving consistent and demonstrated excellence in clinical quality and safety.

Quality of Care / Patient Safety	Q3 FY26	Target	Note
Severe Sepsis & Septic Shock Care	86%	> 75%	***CMS Hospital Compare: 80%*** ***Nat. Avg: 64%***
Percentage *of patients who received appropriate care for sepsis and/or septic shock.*			Passed 6 of 7 cases
Stroke Care	N/A	> 75%	***CMS Hospital Compare: 79%*** ***Nat. Avg: 69%***
Percentage of patients who receive CT/MRI within 45 minutes of arrival to ED w/stroke symptoms.			0 CMS reportable stroke; 2 Excluded LKW cases met criteria to pass
Median Emergency Room Time	143	< 122min	***CMS Hospital Compare: 139 min*** ***Nat. Avg: 122 min***
Average minutes spent in department before leaving the Emergency Department **excluding** patients transferred to another facility or psychiatric care/mental health patients.			Average throughput time of ED visits (CMS allows for certain exclusions).
ER Admission Rate	7.98%		
Measures the percentage of ER patients admitted.			1303 visits, 104 admits; Q2 FY26: 7.81%
Colonoscopy Follow-up	100%	> 75%	***CMS Hospital Compare: 100%*** ***Nat. Avg: 93%***
Percentage of patients receiving appropriate recommendation for follow-up screening colonoscopy.			
Patient Fall Rate (AC)	6.3	< 5	**# of patient falls / # patient days x 1000**
Measures the number of patient falls per 1,000 patient days.			5 falls, 1 with injury; 789 pt days
Medication Errors	0	0	

Number of patient medication errors that cause harm. *(Level E on the NCC MERP Index)*			*(Tracking through occurrence reporting system.)*
Never Events	**0**	**0**	
Unexpected occurrence involving serious injury or death.			
Independent Ambulation (HH)	**70%**	**> 75%**	***N:27 Nat. Avg: 88%***
Percentage of home health patients demonstrating improvement with ability to ambulate more independently.			*(Tracked through OASIS Reporting.)* 100% improved or unchanged
Independent Oral Medication (HH)	**72%**	**> 75%**	***N: 25 Nat. Avg: 87.5%***
Percentage of home health patients demonstrating improvement with ability to take oral medications more independently.			*(Tracked through OASIS Reporting.)* 100% improved or unchanged
Primary Care MIPS Pathways	**TBD**	**> 75%**	***Data from Athena and Epic submitted to CMS- awaiting prliminary results. Last score 75%.***
CMS Merit-Based Incentive Payment System *(MIPS)* for outpatient clinics.			Special focuses: cervical cancer screening, specialist referrals, high blood pressure, hemoglobin A1c, medication reconciliation, fall risk

Patient & Resident Experience

Patient Satisfaction Through Press Ganey (PG)	Q3 FY26	Target	4/8/2026
Inpatient Percentile	**71st**	**75th**	9 or 10 best hospital/definitely recommend; Survey Responses: 28
Measures the overall satisfaction of inpatient pts. respondents.			Q2 FY26 99th: Q1 FY26 94th: Q4 FY25 63rd: Q3 FY25 90th
Outpatient Percentile	**46th**	**75th**	Mean Score: 95.12 Survey Responses: 497
Measures the overall satisfaction of outpatient pts. respondents.			Q2 FY26 27th:Q1 FY26 7th: Q4 FY25 34th: Q3 FY25 31st
Emergency Department Percentile	**90th**	**75th**	Mean Score: 93.28 Survey Responses: 72
Measures the overall satisfaction of emergency pts. respondents.			Q2 FY26 86th: Q1 FY26 79th: Q4 FY25 92nd: Q3 FY25 71st
Medical Practice Percentile	**35th**	**75th**	Mean Score: 93.82 Survey Responses: 396
Measures the overall satisfaction of pts. respondents at SPH Clinics.			Q2 FY26 37th: Q1 FY26 51st: Q4 FY25 59th: Q3 FY25 55th
Ambulatory Surgery (AS) Percentile	**15th**	**75th**	9 or 10 best hospital/definitely recommend; Survey Responses: 72
Measures the overall satisfaction of AS pts. respondents.			Q2 FY26 10th: Q1 FY26 94th: Q4 FY25 25th: Q3 FY25 87th
Home Health (HH) Percentile	**72nd**	**75th**	9 or 10 best hospital/definitely recommend; Survey Responses: 46
Measures the overall satisfaction of HH pts. respondents.			Q2 FY26 67th: Q1 FY26 64th: Q4 FY25 43rd: Q3 FY25 60th

Medical Staff Alignment

South Peninsula Hospital desires to be an employer and/or provider of choice for medical staff practitioners by fostering an atmosphere of continuous collaboration.

Provider Alignment	2024	Target	Note
Provider Satisfaction Percentile	**85th**	**75th**	
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.			Result of provider survey 2024

Employee Engagement

South Peninsula Hospital desires to be an employer of choice that offers our staff an opportunity to make positive impact in our community.

Staff Alignment	2024	Target	Note
Employee Satisfaction Percentile	**60th**	**75th**	
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results Measured as a percentile.			Result of employee survey 2024
Workforce	**Q3 FY26**	**Target**	**Note**
Turnover: All Employees	**3.50%**	**< 5%**	
Percentage of all employees separated from the hospital for any reason			25 Terminations / 708 Total Employees
Turnover: Voluntary All Employees	**2.10%**	**< 4.75%**	
Measures the percentage of voluntary staff separations from the hospital			15 Voluntary Terminations / 708 Total Employees
First Year Total Turnover	**6.10%**	**< 7%**	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.			10 New Staff Terminated 163 Total New Hires from 03/31/2025-03/31/2026
Contract Utilization	**26**	**< 20**	
Measure average number of contract staff utilized.			MLT, MRI, OT, RT, HIS, CNA, RN
Information System Solutions	**Q3 FY26**	**Target**	**Note**

IT Security Awareness Training Complete Rate	**92%**	**> 95%**	
% of employees who have completed assigned security training			2063 Training videos sent; 1890 were completed.
Phishing Test Pass Rate	**96%**	**> 95%**	
% of Phishing test emails that were not failed.			4137 Test phishing emails sent; 149 fails.

Financial Health

SPH is financially positioned to support our dedication to the Mission, Vision and Values, and our continued investment in our employees, medical staff, physical plant and equipment.

Financial Health	Q3 FY26	Target	Note
Operating Margin	**-12.7%**	**2%**	
Measures the surplus (deficit) of operating income over operating expenses as a percentage of net patient service revenue for the quarter.			Target is based on budgeted operating margin for the period.
Adjusted Patient Discharges	**846**	**995**	**Total Discharges: # 109 *(Acute, OB, Swing, ICU)***
Measures the number of patient discharges adjusted by inpatient revenues for the quarter.			Adjusted Patient Days = [Inpatient Days(Excludes Nursery)] X [Gross Patient Revenue/Gross Inpatient Revenue] Target Discharges 161
Net Revenue Growth	**9%**	**12%**	
Measures the percentage increase *(decrease)* in net patient revenue for the quarter compared to the same period in the prior year.			Target is based on budgeted net patient service revenue for the period compared to net patient service revenue for the same period in prior yr.
FTE vs Budget	**614**	**621**	
FTE is calculated based on hours paid + Contract FTE			Target is based on budget
Overtime as a Percentage of Hours Worked	**3%**	**<5%**	
Measures overtime hours as a percentage of regular hours worked indicative of understaffing or schedulig inefficiencies			Target is based on industry standard
Net Days in Accounts Receivable	**83**	**55**	
Measures the rate of speed with which the hospital is paid for health care services.			Target is based on industry standard
Cash on Hand	**61**	**90**	**72 Total Days Cash on Hand, Operating +Unobligated PREF**

Measure the actual unrestricted cash on hand (excluding PREF and Service Area) that the hospital has to meet daily operating expenses.			Cash available for operations based average daily operating expenses during the quarter less depreciation for the quarter.
Uncompensated Care as a Percentage of Gross Revenue	**1.6%**	**2-3%**	
Measures bad debt & charity write offs as a percentage of gross patient service revenue			Target is based on industry standards & SPH Payer Mix Budgeted total is 2.4% Expected range of 2-3%
Average Age of Plant	**13.2**	**10**	
Average age of assets used to provide services			Target is based on hospital optimal age of plant for a critical access hospital
Intense Market Focus to Expand Market Share	**Q3 FY26**	**Target**	**Note**
Outpatient Revenue Growth	**13%**	**19%**	
Measures percentage increase (decrease) in outpatient revenue for the quarter, compared to the same period in the prior year.			Target is based on budgeted outpatient revenue for the period compared to outpatient revenue for the same period prior yr.
Surgical Case Growth	**-6%**	**15%**	
Measures the increase *(decrease)* in surgical cases for the quarter compared to the same period in the prior year.			Target is based on budgeted surgeries above actual from same quarter prior yr.

South Peninsula Hospital

MEMO

Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 (f)907-235-0253

Re: SPH 70th Anniversary Party!

SPH is hosting a 70th Anniversary Celebration for the community on Thursday, July 2nd from 4-7pm. If you are available, please sign up for one of the following roles/times.

Host = posted near the entrance of the party to shake hands and welcome folks to the celebration

Poster = working at the poster stations and sharing the Strategic Plan materials

July 2nd TIME:	Host 1	Host 2	Posters 1	Posters 2
4-5pm				
5-6pm				
6-7pm				


TUTKA BAY
BOARD
&
MEDICAL STAFF
SUMMER SOCIAL
FRIDAY | 31ST JULY
The SPH Board of Directors invites you and your family for a fun afternoon across the bay hosted by Beth & John Wythe.
SHUTTLES TO TUTKA BAY BEGIN AT 3P.
RETURN TO THE HOMER HARBOR PRN.
SPECIFICS TO FOLLOW.
RSVP BY RESPONDING TO THIS INVITATION

REPORT TO BOARD OF DIRECTORS

SOUTH PENINSULA HOSPITAL

2026 AUDIT PLAN
YEAR ENDING JUNE 30, 2026

South Peninsula Hospital

BDO

Welcome

June 9, 2026

Board of Directors

South Peninsula Hospital

We look forward to discussing with you the current year audit plan for South Peninsula Hospital (the Hospital). This report provides an overview of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

We are pleased to be of service to the Hospital, are committed to executing a quality audit, and look forward to discussing our audit plan, as well as other matters that may be of interest to you

Respectfully,

BDO USA

Copy to: Ryan Smith, CEO

Anna Hermanson, CFO

Your Client Service Executive Team

JOY MERRINER
Assurance Practice Leader, Principal
907-770-2257 / jmerriner@bdo.com

MICHELLE KIESE
Assurance Director
907-646-7335 / mkiese@bdo.com

REBECCA RIVERA
Assurance Experienced Manager
907-770-2244 / rrivera@bdo.com

OLJANNA KIND
Engagement Experienced Senior
907 770-2268 / okind@bdo.com

Contents

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of the Hospital, and is not intended and should not be used by anyone other than these specified parties.

Executive Summary

Executive Summary

Audit timeline

- We will perform our interim procedures during the month of July and our year-end procedures during the months of August and September.

Audit strategy, including significant risks identified

- Our audit strategy, including significant risks identified, for the 2026 audit is outlined in the "Areas of Significant Risk" on page 11.

Planned involvement of persons not employed by BDO USA, P.C.

- We plan to use the work of persons not employed by BDO USA, P.C. in selected areas of our 2026 audit. Refer to the "Planned Use of Persons Not Employed by BDO USA, P.C." on page 12.

Other topics of interest

- We have provided you with a list of the Government Accounting Standards Update on page 20 which includes GASB Statements that are effective for the year ending June 30, 2026, and the GASB Statements that are effective for upcoming year ends.

Inquiries of Those Charged with Governance

- We have provided you with a list of topics on page 14 related to matters relevant to the audit that we will discuss during our inquiries of Those Charged with Governance.

Audit Timeline

The following represents our anticipated schedule regarding our audit of the annual financial statements of the Hospital:

	Jun	Jul	Aug	Sep	Oct
Planning	✓				
Interim Fieldwork		✓			
Year-End Fieldwork			✓	✓	
Release Report on Financial Statements					✓

Audit Overview & Strategy

Overview

Our audit strategy follows a risk-based approach, so that our audit work, including the nature, timing and extent of audit procedures planned, is focused on the areas of the financial statements where the risk of material misstatement is assessed to be significant as well as other areas of the financial statements where we have identified risks of material misstatement.

In preparation for our audit, we have discussed with management significant matters including, but not limited to, market conditions, activities, and changes to the Hospital's business, systems, accounting principles and controls, and obtained management's view of potential audit risk in order to update our understanding of the Hospital. This is important to our identification and assessment of risks of material misstatement to the financial statements and related disclosures.

Key components of our audit objectives and strategy are highlighted within this report.

We will continue to update the resulting assessment throughout the audit. We will communicate to you any significant changes to the planned audit strategy or the significant risks initially identified and communicated herein, and the reason for such changes, as applicable, when we present the results of our audit upon completion.

Terms of the Audit and Independence

AUDITOR'S RESPONSIBILITY

BDO USA, P.C., as your auditor, is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework. We are also responsible for expressing an in relation to opinion on the schedule of expenditures of federal awards (SEFA) that has been prepared by management, with your oversight, is prepared in accordance with *Government Auditing Standards*. Our audit will be conducted in accordance with standards for financial audits contained in the *Government Auditing Standards* (GAS or Yellow Book) issued by the Comptroller General of the United States. Our audit will also be performed in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) for forming and expressing an opinion on compliance.

The audits do not relieve you of your responsibilities and do not relieve management of their responsibilities.

INDEPENDENCE

- Our engagement letter to you dated June 2, 2026, describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* regarding independence and the performance of our services. This letter also stipulates the responsibilities of the Hospital with respect to independence as agreed to by the Hospital. Please refer to that letter for further information.

TERMS OF THE AUDIT

Our establishment and understanding of the terms of the audit engagement have been documented in our annual engagement letter, which is attached to this report, and includes the objectives of the audit along with the responsibilities of both the auditor and of management for your reference.

- We will plan and perform the audit of the financial statements for the year ending June 30, 2026, in accordance with *Government Auditing Standards*.
- We will plan and perform the audit of the SEFA for the year ending June 30, 2026, in accordance with GAS and will issue an in relation to opinion.
- We will perform tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit.
- We will consider the Hospital's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with GAS and the Uniform Guidance.

Determining Our Planned Audit Strategy

We focus on areas with higher risk of material misstatement to the financial statements, whether due to error or fraud.

In addition, *Government Auditing Standards* require that we also plan and perform the audit to obtain reasonable assurance about whether the Hospital has complied with applicable laws, regulations and the terms and conditions of the federal awards that may have a direct and material effect on each of Hospital's major federal programs.

Our audit strategy includes consideration of the following:

- Prior year audit results including discussions with management and those charged with governance regarding the Hospital's operations and risks.
- Inherent risk within the Hospital (i.e., the susceptibility of the financial statements to material error or fraud) without regard to the effect of controls.
- A continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting the Hospital.
- Recent developments within the industry, regulatory environment, and general economic conditions.
- Recently issued and effective accounting and financial reporting guidance.
- The Hospital's significant and critical accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions.
- The control environment, risk management and monitoring activities, and the possibility that internal controls may fail to prevent or detect a material misstatement due to error or fraud. In connection with our audit, we will obtain a sufficient understanding of the Hospital's internal control to plan the audit of the financial statements. However, such understanding is required for the purposes of determining our audit procedures and not to provide any assurance concerning such internal control.
- The use of information systems and service organizations in the financial reporting process and overall IT environment.
- Extent to which we plan to use others, outside the core engagement team, to perform certain planned audit procedures or evaluate audit results related to significant risks that may require specialized skills or knowledge.
- We will consider the Hospital's internal control over financial reporting as a basis for designing audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the Hospital's effectiveness of internal control.
- Internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

We will communicate to you any significant changes to the planned audit strategy, or to the significant risks initially identified, that may occur during the audit due to the results of audit procedures or in response to external factors, such as changes in the economic environment.

Areas of Significant Risk

Our areas of significant risk, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations, are as follows.

- Contractual Allowance - A presumed risk related to revenue recognition from the contractual allowances and its impact on revenue recognized.
- Management Override of Controls – Management can override controls. This risk is presumed for all audit clients.

Planned Use of Persons Not Employed by BDO USA, P.C.

We plan to use the work of persons not employed by BDO USA, P.C. in the 2026 audit. The table below represents the names, locations, and planned responsibilities.

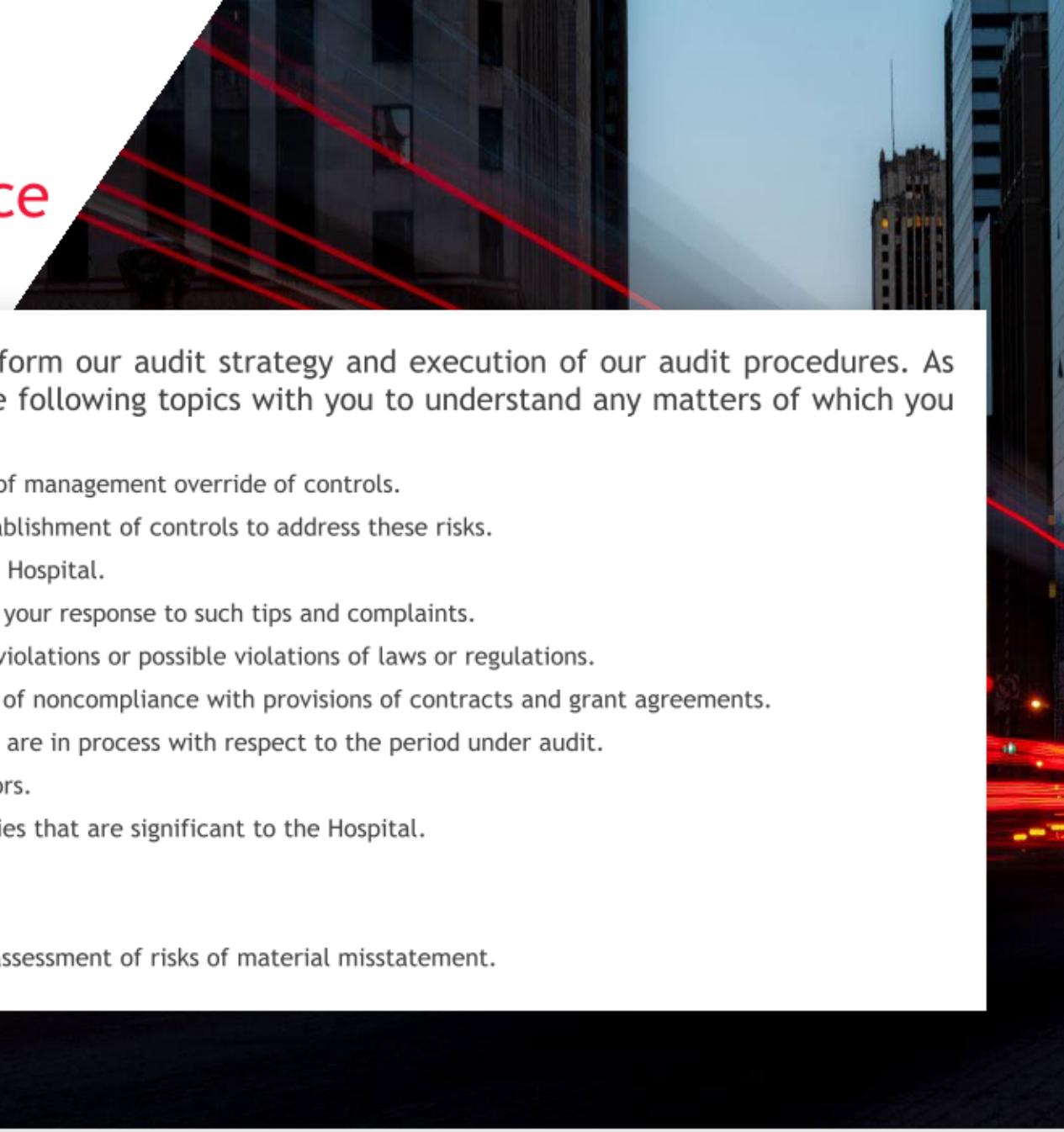
Planned Use of Persons Not Employed by BDO USA, P.C.

Name	Location	Planned responsibilities
BDO RISE Private Limited (BDO RISE India)	Bengalura, India; Hyderabad, India	• Perform roll-forward procedures and paraprofessional level tasks

The use of persons not employed by BDO USA, P.C. outside the core engagement team, are under the direct supervision of the core engagement team and engagement partner in accordance with applicable auditing standards. BDO RISE Private Limited (BDO RISE India) is a subsidiary of BDO USA, P.C.

Inquiries of Those Charged with Governance

Obtaining Information from Those Charged with Governance



We perform inquiries related to fraud and other matters to help inform our audit strategy and execution of our audit procedures. As part of the upcoming meeting with you, we would like to discuss the following topics with you to understand any matters of which you believe we should be aware, including, but not limited to:

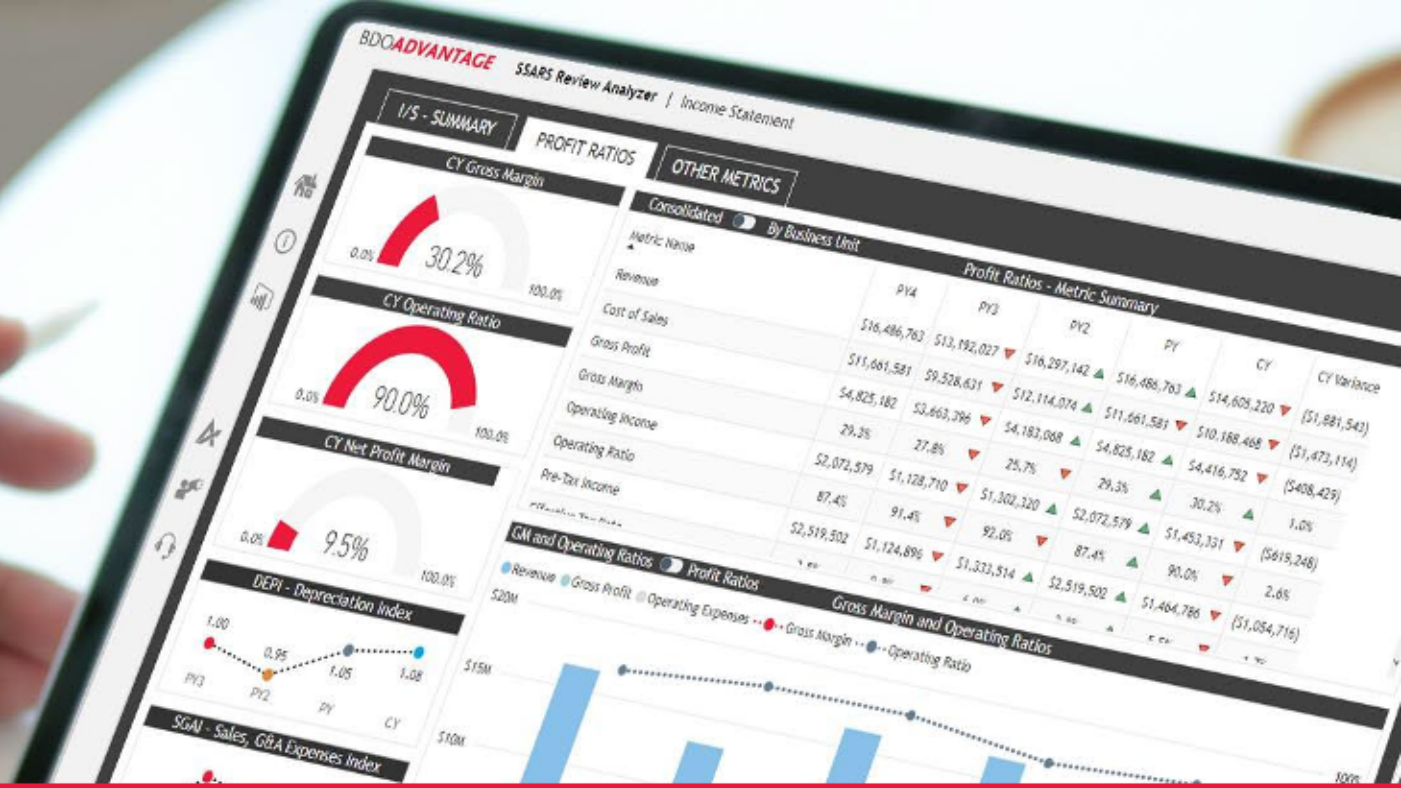
- Your views about the risk of material misstatements due to fraud, including the risk of management override of controls.
- How you exercise oversight over the Hospital's assessment of fraud risks and the establishment of controls to address these risks.
- Your awareness of any actual, alleged or suspected fraud or illegal acts affecting the Hospital.
- Your awareness of tips or complaints regarding the Hospital's financial reporting and your response to such tips and complaints.
- Your awareness of other matters relevant to the audit including, but not limited to, violations or possible violations of laws or regulations.
- Your awareness of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements.
- Your awareness of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- Your awareness of any significant communications between the Hospital and regulators.
- Your understanding of the Hospital's relationships and transactions with related parties that are significant to the Hospital.
- Any business relationships between a BDO firm and the Hospital or its affiliates.
- Whether the Hospital has entered into any significant unusual transactions.
- Your awareness of any other information that is important to the identification and assessment of risks of material misstatement.

The BDOAdvantage

The BDO*ADVANTAGE*

At BDO, we are continuously evaluating and improving our methodologies, technologies, and applications to evolve our approach to the audit process.

Our approach to audit technology enriches the experience for our clients, provides better risk assessment and deeper understanding of your business, and contributes to high-quality audits for capital markets.



AUDIT QUALITY

Working On What Matters

- Our automations enable our people to focus on more strategic work. The use of cutting-edge data analytics in our risk-based audit approach enables our auditors to target risks and testing to the critical areas of the audit.

FOCUSED INSIGHT

Clarity and Collaboration

- Our project management tools, and global portal, help prevent surprises and provide a snapshot of audit progress.
- Our teams have access to dedicated user enablement support to provide a smooth client experience.

SEAMLESS AUDIT

People and Process Optimization

- Our engagement level automations, continuous process evaluation, and ongoing improvements help us optimize the workflow and process of the audit. This drives consistency in the execution of the audit.

GREATER PRECISION

The BDO*ADVANTAGE*

The BDO*ADVANTAGE*, our digital suite of tools, equips our auditors to perform more effective and robust audits. These tools include communications and project management tools to ensure there are no surprises; automations to help our teams focus on risks; and data analytics that allow our auditors to dive deeper into their risk analysis through use of data visualization, correlation, and comparison. The BDO*ADVANTAGE* empowers our audit teams to create more industry-focused client insights with greater precision.

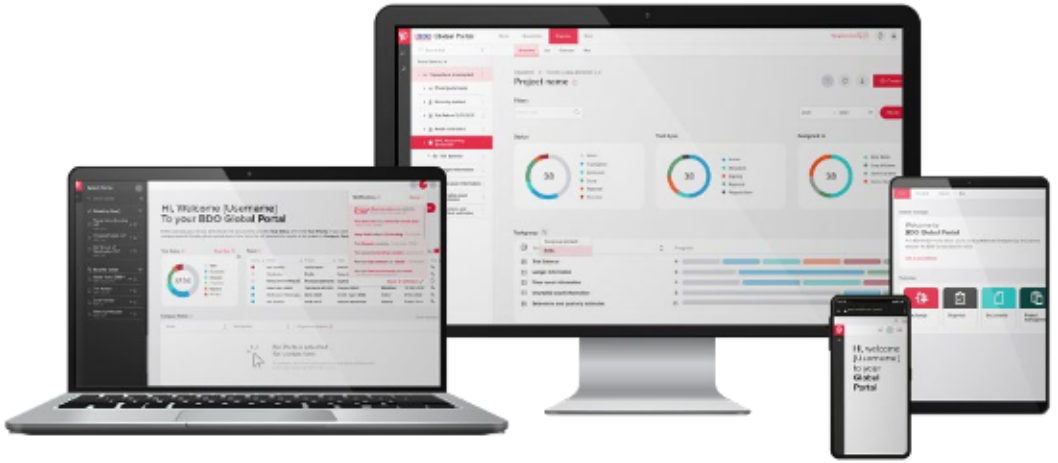
Below are two examples of the BDO*ADVANTAGE* technology suite:

BDO DASHBOARDS

- Provides reporting at our fingertips allowing us to proactively identify, resolve, and escalate any potential issues quickly.
- Engagement partner and manager can view real-time the status of the engagement and course-correct as needed, eliminating surprises.

BDO GLOBAL PORTAL

- Provides you with access to all relevant requests and the data and documents.
- Houses contact details of your BDO engagement team, timelines, schedules, and communication records.
- Visually depicts the status and progression of the audit in one screen.



The BDO*ADVANTAGE*

The BDO*ADVANTAGE*, our digital suite of tools, equips our auditors to perform more effective and robust audits. These tools include communications and project management tools to ensure there are no surprises; automations to help our teams focus on risks; and data analytics that allow our auditors to dive deeper into their risk analysis through use of data visualization, correlation, and comparison. The BDO*ADVANTAGE* empowers our audit teams to create more industry-focused client insights with greater precision.

Below are two examples of the BDO*ADVANTAGE* technology suite:

DOCUMENT AUTOMATION

- Automation software that streamlines the production of base management representation letters, and audit reports.
- Reduces administrative burden so your engagement team spends less time formatting and more time developing tailored deliverables that accurately reflect and report on your audit with BDO.

DOCUSIGN

- An e-signature tool enables us to manage electronic agreements and integrations with audit reports.
- Allows for standardization of our contracting process and execution of our audit representation letters.
- Creates a consistent and reliable process by which necessary documentation is electronically executed, tracked, and stored and to create signing authority control.

DocuSign

Government Accounting Standards Update

Government Accounting Standards Update

Included is a listing of relevant recent government accounting pronouncements with mandatory effective dates. Any standards issued after the date of this communication are unlikely to impact the next annual period's financial statements but should be considered in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. Early adoption is generally permitted for all the accounting standards summarized herein, but each standard has specific transition guidance and early adoption may have been limited to certain periods or circumstances.

Government Accounting Standards Update	Effective Date
GASB Statement No. 103, *Financial Reporting Model Improvements*	Fiscal years beginning after June 15, 2025. If a primary government chooses early implementation of this Statement, all component units also should implement this Statement in the same year.
GASB Statement No. 104, *Disclosure of Certain Capital Assets*	Fiscal years beginning after June 15, 2025
GASB Statement No. 105, Subsequent Events	Fiscal years beginning after June 15, 2026

What's on the horizon for government accounting standards?

Access GASB - Current Projects

Other Topics

BDO's System of Quality Management

An audit firm's effective system of quality management ("SoQM") is crucial for supporting the consistent performance of high-quality audits and reviews of financial statements, or other assurance or related services engagements under professional standards, and applicable legal and regulatory requirements.

Accordingly, BDO has implemented a SoQM designed to provide reasonable assurance that its professionals fulfill their responsibilities and conduct engagements in accordance with those standards and requirements. The firm's SoQM supports the consistent performance of quality audits through many ongoing activities including, at least annually, certification by leaders with responsibility for key controls and related processes. Our Assurance Quality Management team performs regular reviews and testing of key controls and processes throughout the SoQM and identifies and communicates areas for improvement.

As required by International Standard on Quality Management 1 (ISQM 1) under the International Auditing and Assurance Standards Board (IAASB), BDO has conducted an evaluation of the effectiveness of its system of quality management and concluded, as of September 30, 2025, that the system provides reasonable assurance that our professionals will perform audits and reviews of financial statements or related assurance services engagements in accordance with professional standards, and applicable legal and regulatory requirements.

We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO's system of quality management within our annual Audit Quality Reports, the most recent of which is accessible here.

CLICK HERE TO ACCESS IAASB ISQM-1 IN ITS ENTIRETY >

Engagement Letter

Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

June 2, 2026

Ms. Brandi Harbaugh, Finance Director
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669

Dear Ms. Brandi Harbaugh:

We are pleased to continue as independent auditors for South Peninsula Hospital. We look forward to continuing to provide you with the high-quality services you expect from your professional service providers.

Our commitment to delivering superior service means that we strive to demonstrate initiative, anticipate problems, propose solutions, and communicate effectively with you and other members of management throughout the year. In addition, during our audit we will be alert for opportunities to bring insightful and constructive suggestions for improving management information, operating and accounting procedures, and controls.

Attached to this letter is an agreement describing our services. If you have questions about any of the matters discussed in that agreement, please give us a call. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing this letter via the DocuSign link that we provide.

Again, it is a pleasure for us to continue to serve you. We look forward to many more years of pleasant association with you and South Peninsula Hospital.

Very truly yours,

DS
BDO USA

6/8/2026

Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

June 2, 2026

Ms. Brandi Harbaugh, Finance Director
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK 99669

Dear Ms. Brandi Harbaugh:

Agreement to Provide Services

This agreement to provide services (the "Agreement") is intended to describe the nature and scope of our services.

Objective and Scope of the Audit

As agreed, BDO USA ("BDO" or "we") will audit the statements of net position, the statements of revenues expenses and changes in net position, the statements of cash flows, the statements of fiduciary net position and the statements of changes in fiduciary net position, including the related notes to the financial statements, which collectively comprise the basic financial statements of South Peninsula Hospital (the "Hospital" or "you") as of and for the year ending June 30, 2026. The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, to issue an auditor's report that includes our opinions, and to report on the fairness of the supplementary information referred to below when considered in relation to the basic financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our audit also include reporting on the Hospital's:

- Internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and issuance of an opinion (or disclaimer of opinion) on whether the Hospital complied with federal statutes, regulations, and the terms and conditions of the federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance or UG).

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Hospital's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required and will be subjected to certain limited procedures, but will not be audited:

1. Hospital Management's Discussion and Analysis
2. Schedule of Changes in the Hospital's Net Pension Asset (Liability) and Related Ratios
3. Schedule of the Hospital's Pension Contributions

Also, the supplementary information other than RSI accompanying the basic financial statements, as listed below, will be subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the basic financial statements as a whole.

1. Schedule of Expenditures of Federal Awards

Russian Ownership or Control

By executing this Agreement, you represent that the Hospital is not owned or controlled, directly or indirectly, by one or more Russian citizen(s), Russian national(s), persons physically located in Russia, or entity(ies) organized under the laws of Russia. You agree that if at any time while BDO is providing services to the Hospital the foregoing representation is no longer true, you will immediately notify BDO.

Responsibilities of BDO

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Note that BDO may utilize entities owned in whole or in part by BDO (each, an "Affiliate") to assist in the audit or perform internal and/or administrative support ancillary to the services, but BDO will remain responsible for and supervise all such services. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a reasonable basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we will express no such opinion. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses in internal control. However, we will communicate to you and those charged with governance in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*.

Our audit will also be conducted in accordance with the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of the federal awards that may have a direct and material effect on each of its major programs. Our procedures will consist of the applicable procedures described in the Office of Management and Budget's (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Hospital's major programs. As required by the Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards. The purpose of these procedures will be to express an opinion on the Hospital's compliance with requirements applicable to major programs in our report on compliance issued pursuant to the Uniform Guidance.

Our work will be based primarily upon selected tests of evidence supporting the amounts and disclosures in the financial statements and, therefore, will not include a detailed check of all of

the Hospital's transactions for the period. Also, an audit is not designed to detect errors or fraud or violations of federal statutes and regulations that are immaterial to the financial statements or major programs. However, we will inform you of any material errors or fraud that come to our attention. We will also inform you of possible illegal acts that come to our attention unless they are clearly inconsequential. We will also include such matters in the reports required for an audit performed under the Uniform Guidance. In addition, during the course of our audit, financial statement misstatements relating to accounts or disclosures may be identified, either through our audit procedures or through communication by your employees to us, and we will bring these misstatements to your attention as proposed adjustments. At the conclusion of our audit we will communicate to those charged with governance (as defined below) all uncorrected misstatements, as well as all corrected misstatements arising from our audit and the implications that such corrected misstatements might have on the Hospital's financial reporting process. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste and abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

The term "those charged with governance" is defined as the person(s) with responsibility for overseeing the strategic direction of the Hospital and obligations related to the accountability of the Hospital, including overseeing the financial reporting process. For the Hospital, we agree that Kenai Peninsula Borough Assembly and South Peninsula Hospital Board meets that definition.

We will perform test of controls, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with each direct and material compliance requirement applicable to each of the Hospital's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

We are also responsible for communicating with those charged with governance what our responsibilities are under GAAS, an overview of the planned scope and timing of the audit, and significant findings from the audit.

Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that you and those charged with governance acknowledge and understand that you and those charged with governance have responsibility (1) for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and relevant to federal award programs that are free from material misstatement, whether due to error or fraud; (3) for identifying and ensuring that the Hospital complies with the laws and regulations applicable to its activities; and (4) to provide us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, additional information we may request for the purpose of the audit, and unrestricted access to persons within the Hospital from whom the auditor determines it is necessary to obtain audit evidence.

Management is also responsible for preparation of the schedule of expenditures of federal awards, including the notes, noncash assistance received and other required information, in accordance with the requirements of the Uniform Guidance. You acknowledge and understand your responsibility for the preparation of all supplementary information, including the schedule of expenditures of federal awards, in accordance with the applicable criteria. Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements, in accordance with the Uniform Guidance. Management is also responsible for (1) establishing and maintaining effective internal control, including internal control over compliance and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met, (2) compliance with federal statutes, regulations, and the terms and conditions of federal awards, (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements, and (4) ensuring that management and financial information is reliable and properly reported. You also agree to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. You also agree to present the supplementary information with the audited financial statements, or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and our report thereon.

Management's responsibilities also include identifying and informing us of significant contractor relationships in which the contractor is responsible for program compliance and for the accuracy and completeness of that information.

Management is responsible for adjusting the financial statements to correct material misstatements relating to accounts or disclosures, after evaluating their propriety based on a review of both the applicable authoritative literature and the underlying supporting evidence from the Hospital's files; or otherwise concluding and confirming in a representation letter (as further described below) provided to us at the conclusion of our audit that the effects of any uncorrected misstatements are, both individually and in the aggregate, immaterial to the financial statements taken as a whole. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

As required by GAAS, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Hospital agrees, subject to prevailing laws and regulations, to release and indemnify BDO and its shareholders, principals, employees, Affiliates, contractors, agents, and Permitted Assignees (as defined herein under "Assignment") (collectively, the "BDO Group") from and against all claims, losses, liabilities, judgments, damages, costs, and expenses (including attorneys' fees) of any kind relating to the services or this Agreement, whether arising in contract, statute, tort (including, without limitation, negligence), or otherwise (collectively, the "Claims") attributable to any knowing misrepresentations by management.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Hospital involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a direct and material effect on the financial statements and/or schedule of expenditures of federal awards. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Hospital received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Hospital complies with applicable federal statutes, regulations, and the terms and conditions of the federal awards. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of federal statutes, regulations and the terms and conditions of the federal awards, or waste and abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying to us, previous financial audit attestation engagements, performance audits, or other studies related to our audit objectives. This responsibility includes communicating to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

At the conclusion of the engagement, we will complete the appropriate sections of and electronically certify the Data Collection Form that summarizes our audit findings. We will provide a final copy of our reports in a PDF file to the Hospital; however, it is management's responsibility to upload the PDF version of the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) and complete the appropriate sections of the Data Collection Form. If management requests BDO to upload the pdf version of the reporting package it is management's responsibility to review the pdf BDO uploads to the Federal Audit Clearinghouse (FAC) for accuracy and accept responsibility for this document. Management is responsible for electronically certifying the Data Collection Form and electronically submitting the completed Data Collection Form to the FAC. Management accepts responsibility for and will review all information, whether prepared by the Hospital or BDO, in the Data Collection Form that will be submitted to the FAC. The financial reporting package must be text searchable, unencrypted, and unlocked to be accepted by the FAC. The Data Collection Form and the reporting package must be submitted electronically within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless an extension has been obtained in writing from the appropriate Federal agency. Both BDO and management are responsible for ensuring that in their respective parts of the reporting package there is no protected personally identifiable information. Management understands that the Hospital must make copies of the Data Collection Form and reporting package available for public inspection.

Expected Form and Content of the Auditor's Report

At the conclusion of our audit, we will submit to you a report containing our opinion as to whether the financial statements, taken as a whole, are fairly presented based on accounting principles generally accepted in the United States of America. If, during the course of our work, it appears for any reason that we will not be in a position to render an unmodified opinion on the financial statements or the Uniform Guidance compliance, or that our report will require an Emphasis of Matter or Other Matter paragraph, we will discuss this with you. It is possible that, because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

The reports on internal control and compliance will each include a statement that the purpose of these reports is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of *Government Auditing Standards* (GAS) and the Uniform Guidance and are not suitable for any other purpose.

Termination

Upon notice to the Hospital, BDO may terminate this Agreement if BDO reasonably determines that it is unable to perform the services described in this Agreement in accordance with applicable professional standards, laws, or regulations. If we elect to terminate our services for any reason provided for in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. If the Agreement is terminated, the Hospital agrees to compensate BDO for the services performed and expenses incurred through the effective date of termination. Those provisions in this Agreement that, by their very nature, are intended to survive termination shall survive after the termination of the Agreement, including, but not limited to, the parties' obligations related to any of the following provisions: indemnification, limitations on liability, confidentiality, dispute resolution, payment and reimbursement obligations, and limitations on use or reliance.

Client Continuance Matters

BDO is retaining the Hospital as a client in reliance on information obtained during the course of our client continuance procedures. Joy Merriner, a BDO assurance principal, has been assigned the primary responsibility for the engagement and for issuing the appropriate report on the Hospital's financial statements on behalf of BDO. If such assignment changes during the course of our engagement, we will notify management and those charged with governance.

Email Communication

BDO disclaims and waives, and you release the BDO Group from, all liability for the interception or unintentional disclosure of email transmissions or for the unauthorized use or failed delivery of emails transmitted or received by BDO in connection with the services we are being engaged to perform under this Agreement.

External Computing Options

If, at the Hospital's request, any member of the BDO Group agrees to use certain external services, including but not limited to services for cloud storage, remote control, and/or file sharing options (collectively "External Computing Options"), that are outside of BDO's standard security protocol, the Hospital acknowledges that such External Computing Options may be associated with heightened security and privacy risks. Accordingly, the BDO Group disclaims and the Hospital agrees to release the BDO Group from, and indemnify the BDO Group for, all liability arising out of or related to the use of such External Computing Options.

Use of BDO Advantage Extraction Scripts or Services

With your approval, BDO may use BDO Advantage Extraction Scripts or Services to extract certain general ledger and subledger information from your financial accounting system to facilitate performance of our services. The BDO Advantage Extraction Scripts or Services and all information, content, materials, products (including software), and other services included in or otherwise made available to you through the BDO Advantage Extraction Scripts or Services are provided by BDO on an "as is" and "as available" basis, unless otherwise specified in writing. BDO makes no representations or warranties of any kind, expressed or implied, as to the operation of the BDO Advantage Extraction Scripts or Services, or the information, content, materials, products (including software), or other services included in or otherwise made available to you through the BDO Advantage Extraction Scripts or Services, unless otherwise specified in writing. You expressly agree that your use of the BDO Advantage Extraction Scripts or Services is at your sole risk, and you release the BDO Group from any liability connected therewith. BDO shall not share or sell any of the extracted information to third parties, and BDO shall use such information solely to facilitate performance of the services described in this Agreement.

Ownership of Working Papers

In connection with the performance of our services, we will prepare documents that support our work and include items such as work programs and analyses that do not constitute part of the Hospital's records ("Working Papers"). The Working Papers prepared pursuant to this Agreement are the property of BDO. The Working Papers constitute confidential, proprietary, and trade secret information, and will be retained by BDO in accordance with our policies and procedures and all applicable laws.

However, pursuant to authority given by law or regulation, we may be requested to make certain Working Papers available to the Hospital's oversight agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such Working Papers will be provided under the supervision of BDO personnel and at a location designated by BDO. Furthermore, upon request, we may provide photocopies of selected Working Papers to the aforementioned parties. These parties may intend or decide to distribute the photocopies of information contained therein to others, including other governmental agencies. If a Working Paper access request is received from a regulator, we will ask you and the regulator, and any designees, including third party accounting firms, to acknowledge, in writing, the conditions under which we will provide such access; and you agree to provide such written acknowledgment.

Reproduction of Auditor's Report

If the Hospital plans any reproduction or publication of a document that includes our report, or any portion of it, and that is assembled differently from any paper or electronic version that we have previously reviewed and approved for the Hospital (e.g., by the addition of financial statements and/or accompanying information that you have produced), a copy of the entire document in its final form should be submitted to us in sufficient time for our review and written approval before printing. You also agree to provide us with a copy of the final reproduced material for our written approval before it is distributed. If, in our professional judgment, the circumstances require, we may withhold our written approval.

Posting of Auditor's Report and Financial Statements on Your Website

You agree that, if you plan to post an electronic version of the financial statements and auditor's report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and auditor's report on your website and the signed version of the financial statements and auditor's report provided to management by BDO. You also agree to indemnify the BDO Group for all claims that may arise from any differences between the electronic and signed versions.

Review of Documents in Connection with Offering of Sale of Debt

The audited financial statements and our report thereon should not be provided or otherwise made available to lenders, other financial institutions or sources of financing, or others (including advisors to such parties) in connection with any document to be used in the process of obtaining capital, including, without limitation, by means of the sale of securities (including securities offerings on the Internet) without first submitting copies of the document to us in sufficient time for our review and written approval. If, in our professional judgment, the circumstances require, we may withhold or condition our written approval.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have the full cooperation of, and unrestricted access to, your personnel during the course of the engagement.

You also agree to ensure that any third-party valuation reports that you provide to us to support amounts or disclosures in the financial statements (a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and (b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to Hospital employees and/or customers should be provided to us. In addition, we ask that you provide high-

speed Internet access to our engagement team, if practicable, while working on the Hospital's premises. This assistance will serve to facilitate the progress of our work and minimize costs to you.

Peer Review Reports

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our latest peer review report accompanies this letter.

Other Services

We are always available to meet with you and other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Hospital. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend governing board meetings.

In addition to the audit services described above, you have requested that we provide the following non-attest services:

We will assist the Hospital in preparing and submitting the required Form SF-SAC Data Collection Form for year ended June 30, 2026, based on Hospital's accounting records and other information that comes to our attention during the course of our engagement. We will also assist the Hospital in preparing the financial statements and related footnote disclosures and technical assistance with the application of GASB accounting requirements and disclosures for the year ended June 30, 2026, based on the Hospital's accounting records and other information that comes to our attention during the course of our engagement, as requested.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Hospital in the performance of our services. Any discussions that you have with personnel of BDO regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

The independence rules of the American Institute of Certified Public Accountants ("AICPA") require that we maintain independence with respect to the Hospital. In order to meet these requirements, the Hospital agrees to inform us of all corporate transactions (e.g., mergers, acquisitions) that result in a new Hospital Affiliate in advance of the transaction so that we may (i) identify any prohibited relationships with the new Hospital Affiliate prior to the effective date of the transaction and address them promptly, and (ii) add the new Hospital Affiliate to the Hospital's "corporate tree" in our independence database so that we maintain independence of the Hospital Affiliate going forward.

In order for us to remain independent, professional standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described

above. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

We will not perform management functions or make management decisions on behalf of the Hospital. However, we will provide advice and recommendations to assist management of the Hospital in performing its functions and fulfilling its responsibilities.

The Hospital agrees to perform the following functions in connection with our performance of the preparation and submission of the required Form SF-SAC Data Collection Form, preparing the financial statements and related footnote disclosures, as requested, and technical assistance with the application of GASB accounting requirements and disclosures, as requested:

a. Make all management decisions and perform all management functions with respect to the preparation and submission of the required Form SF-SAC Data Collection Form, preparation of the financial statements and related footnote disclosures, as requested, and technical assistance with the application of GASB accounting requirements and disclosures, as requested, provided by us.

b. Assign Anna Hermanson, Chief Financial Officer, to oversee the preparation and submission of the required Form SF-SAC Data Collection Form, preparation of the financial statements and related footnote disclosures, as requested, and technical assistance with the application of GASB accounting requirements and disclosures, as requested, and evaluate the adequacy and results of the services.

c. Accept responsibility for the results of the preparation and submission of the required Form SF-SAC Data Collection Form, preparation of the financial statements and related footnote disclosures, as requested, and technical assistance with the application of GASB accounting requirements and disclosures, as requested.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The Hospital must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Limitation of Liability

Limitations of liability under this Agreement will be governed by the limitations of liability set forth in Section 24 (Defense and Indemnification; Limitation of Liability) of the Professional Services Agreement for RFP23-005 for External Audit Services entered into by and between Kenai Peninsula Borough and BDO USA (f/k/a BDO USA, LLP) dated May 9, 2023 ("Contract RFP23-005"). To the extent any of the terms and provisions of this Agreement conflicts with Contract RFP23-005, the terms and provisions of Contract RFP23-005 shall prevail.

Dispute Resolution Procedure

Any dispute, controversy, or claim between you and BDO arising out of, relating to, or resulting from the services performed under this Agreement and/or the performance or breach of this Agreement, including, without limitation, claims for breach of contract,

professional negligence, breach of fiduciary duty, misrepresentation, fraud, or claims based in whole or in part on any other common-law, statutory, regulatory, legal, or equitable theory, and disputes regarding all fees, including attorneys' fees of any type, and/or costs charged under this Agreement (excluding claims for non-monetary or equitable relief) shall be governed by the terms and provisions in Section 19 (Jurisdiction; Choice of Law) of the Contract RFP23-005.

Fees

Our charges to the Hospital for the services described above for the year ending June 30, 2026, will be $79,434, including engagement-related out-of-pocket expenses, travel expenses, and other related costs and expenses incurred to deliver the services described above, including communication, data and technology, printing, and other direct engagement costs. This fee includes no federal or state single audit. For each federal major program, our charge to the Hospital will be $10,380. For each state major program, our charge to the Hospital will be $6,885. The following is an agreed-upon schedule of payments:

Milestone	Amount
Prior to commencement of engagement	$15,000
At start of planning / interim fieldwork	$20,000
At start of final fieldwork	$30,000
Upon completion of final fieldwork	Balance

This fee is based on the following assumptions:

- Your personnel will prepare certain schedules and analyses for us and make available to us documents for our examination as and when requested and will utilize our BDO portal to provide us such documents.
- Our planned audit timing as agreed upon with you does not change and the client-prepared information and documents are available at the beginning of our fieldwork dates.
- There will be no significant changes in the internal controls, key personnel, or structure of the organization.
- There will be no significant changes in critical systems affecting key financial statement accounts (e.g., significant upgrade, systems integration, and/or systems implementation).
- There will be no significant acquisitions or disposals of businesses.
- The number of audit adjustments identified will be minimal.
- There will not be significant amendments to the Hospital's debt or financing arrangements requiring significant accounting analysis and/or "debt compliance letters."
- There will not be any unanticipated increases in current operations requiring significant additional audit time.

Should we encounter any unforeseen problems that will warrant additional time or expense, we will notify you of the situation and provide an estimate of our additional fees.

This fee structure does not take into consideration effects that any future standards promulgated by the Governmental Accounting Standards Board and/or other professional bodies will have on our audit procedures. As we become aware of additional audit procedures resulting from these circumstances, we will notify you of the circumstances requiring additional procedures and the resulting additional fee estimates.

Invoices are payable upon receipt. If we do not receive any written notice of dispute within 10 days of your receipt of the invoice, we will conclude that you have seen the invoice and find it acceptable. Invoices that are unpaid 30 days past the invoice date are deemed delinquent and we reserve the right to charge interest on the past due amount at the lesser of (a) 1.0% per month or (b) the maximum amount permissible by applicable law. Interest shall accrue from the date the invoice is delinquent. We reserve the right to suspend our services, withhold any deliverables, or withdraw from this engagement entirely if any of our invoices are delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for all our costs of collection, including without limitation, attorneys' fees.

This engagement includes only those services specifically described in this Agreement; any additional services not specified herein will be agreed to in a separate letter. If BDO or its current or former personnel are requested to, or the Hospital requests BDO to, object to or respond to, or BDO receives and responds to, a validly issued third party subpoena, court order, government regulatory inquiry or investigation, or other similar request for, or legal process for, the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements with the Hospital, you agree to compensate us for all time BDO expends in connection with such response, at our standard rates, and to reimburse BDO for all related out-of-pocket costs and expenses (including outside attorneys' fees) that we incur.

Assignment

BDO shall have the right to assign its rights to perform a portion of the services described above to any of its independent BDO Alliance USA members, member firms of the international BDO network, or unaffiliated third-party contractors (a "Permitted Assignee"). If such assignment is made, BDO will remain primarily responsible for the services described above, unless we and the Hospital agree otherwise in writing, and we ensure that the work of the Permitted Assignee or Affiliate is performed in accordance with this Agreement. From time to time, and depending on the circumstances, personnel from an Affiliate or Permitted Assignees located in other countries may participate in the services we provide to personnel from a BDO subsidiary or the Hospital. In some cases, we may transfer information to or from the United States or another country. Although applicable privacy laws may vary depending on the jurisdiction, and may provide less or different protection than those of the Hospital's home country, we require that all such Affiliates and Permitted Assignees agree to maintain the confidentiality of the Hospital's information and observe our policies concerning any confidential client information that we provide to them.

The Hospital may not assign this Agreement, or any rights, obligations, Claims, or proceeds from Claims to another party without our prior written consent.

Third-Party Use

All services hereunder shall be solely for the Hospital's use and benefit pursuant to our client relationship. This Agreement does not create privity between BDO and any person or party other than the Hospital, and is not intended for the express or implied benefit of any third party. BDO shall not have any contractual or other responsibility, liability, or duty of care to third parties and third parties do not acquire any rights in or remedies in connection with this Agreement, the services, or deliverables. No third party is entitled to rely, in any manner or for any purpose, on the services of BDO hereunder.

Confidentiality

Each of the parties hereto shall treat and keep all of the "Confidential Information" (defined below) as confidential, with at least the same degree of care as it accords to its own confidential information, but in no event less than a reasonable degree of care. Each party shall disclose the Confidential Information only to its employees, principals, contractors, consultants, agents, or its legal or other advisors, provided that they have: (A) each been informed of the confidential, proprietary, and secret nature of the Confidential Information, or are subject to a binding, preexisting obligation of confidentiality no less stringent than the requirements of this Agreement, and (B) a demonstrable need to review such Confidential Information. "Confidential Information" means all non-public information that is marked as "confidential" or "proprietary" or has commercial value in the party's business and is obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party"). All terms of this Agreement are considered Confidential Information. Notwithstanding the foregoing, Confidential Information shall not include any information that was or is: (a) known to the Receiving Party prior to disclosure by the Disclosing Party; (b) as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than the Receiving Party; (c) made known to the Receiving Party by a third person who is not subject to any confidentiality obligation known to Receiving Party and such third party does not impose any confidentiality obligation on the Receiving Party with respect to such information; (d) required to be disclosed pursuant to governmental authority, professional obligation, law, decree regulation, subpoena, or court order; or (e) independently developed by the Receiving Party. If BDO is providing tax services for the Hospital, in no case shall the tax treatment or the tax structure of any transaction be treated as confidential as provided in Treas. Reg. sec. 1.6011-4(b)(3). If disclosure is required pursuant to subsection (d) above, the Receiving Party shall (other than in connection with routine supervisory examinations by regulatory authorities with jurisdiction and without breaching any legal or regulatory requirement), to the extent legally permissible, provide prior written notice thereof to allow the Disclosing Party to seek a protective order or other appropriate relief. Upon the written request of the Disclosing Party, the Receiving Party shall return or destroy all of the Confidential Information except for (i) copies retained in working paper files retained to comply with a party's professional or legal obligations and (ii) such Confidential Information retained in accordance with the Receiving Party's normal data back-up procedures. Notwithstanding the foregoing, the BDO Group shall have the right to use the Confidential Information, including tax return information, in connection with performing BDO's obligations hereunder, and also to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis, benchmarking and analytics, or other insight generation. Information developed in connection with these purposes may be used or disclosed to provide

services or offerings to the Hospital or current/prospective clients. Except as otherwise permitted in the Agreement or agreed by the parties, BDO will not use or disclose Confidential Information to third parties in a way that would permit the Hospital to be identified by third parties without the Hospital's consent. With respect to tax return information, the foregoing consent is valid until further notice by the Hospital, and the Hospital may request in writing a more limited use and disclosure.

Subject to applicable professional standards, our engagement by the Hospital will in no way preclude us from being engaged by any other party in the future. Notwithstanding anything contained in confidentiality provisions set forth herein, BDO shall be permitted to disclose that it is engaged to provide the services to the Hospital under this Agreement if BDO in its reasonable professional judgment determines that such disclosure is required in connection with BDO's provision of services on behalf of other clients of BDO, including, without limitation, professional services engagements under which BDO personnel act as professionals in legal proceedings that require disclosures, as arbitrators in post-acquisition disputes, or as expert witnesses.

Restricted Federal Data

The parties agree that the services are not intended to involve the processing, storage, disclosure, or transmissions of Restricted Federal Data, defined as data or information subject to laws, regulations, or government-wide policies that require safeguarding or dissemination controls, including but not limited to the Federal Acquisition Regulations ("FAR"), the Defense Federal Acquisition Regulation Supplement ("DFARS"), the International Traffic in Arms Regulation ("ITAR"), the Export Administration Regulations ("EAR"), and the Arms Export Control Act ("AECA") , and any other data or information that is restricted for dissemination or disclosure to foreign nationals. For clarity, and without limiting the foregoing, controlled unclassified information ("CUI") shall be included in the definition of Restricted Federal Data. Because BDO relies on this information in order to fulfill its own compliance obligations, the Hospital shall not provide or otherwise make available Restricted Federal Data to BDO or its employees unless expressly agreed to in advance in writing by BDO. If the Hospital becomes aware that any known or suspected Restricted Federal Data will be or has been disclosed to BDO by the Hospital or otherwise in connection with the Services, the Hospital will (a) immediately notify BDO in writing to regulatedgovtdata@bdo.com and will cease any further transfer of such data unless and until BDO expressly agrees in writing, (b) identify which documents at which pages contain such information, (c) identify which export control regulations apply where applicable, and (d) identify the relevant export control classifications that apply to the information in question. The Hospital will fully cooperate with BDO in the investigation of and response to any known or suspected Restricted Federal Data that the Hospital has disclosed to BDO notwithstanding the foregoing. The Hospital further agrees that it will be responsible for all fees, costs, and expenses associated with processing, storage, disclosure, or transmissions of such Restricted Federal Data, including without limitation additional fees, costs, and expenses related to compliance with obligations with respect to such Restricted Federal Data.

Licensing Representation

To the extent necessary for BDO to perform its obligations described herein, the Hospital represents and warrants that it will obtain, maintain, and comply with all of the licenses, consents, permits, approvals, and authorizations that are necessary to allow BDO and its

employees, contractors, and subcontractors to access and use the services or software provided for the benefit of the Hospital under the Hospital's third-party services contracts, licenses, or other contracts granting the Hospital the right to access, use, or receive services or software (each a "Licensing Representation"). Upon BDO's request, the Hospital will provide BDO any references available evidencing the Licensing Representation (e.g., order number, customer support identifier). Tools subject to this Licensing Representation are hereby deemed External Computing Options (as defined in this Agreement). The Hospital hereby releases the BDO Group from, and indemnifies the BDO Group for, all claims and liabilities resulting from: (i) BDO's reliance on a Licensing Representation; and (ii) the functionality of any third-party software or services used or accessed by BDO.

Intellectual Property

As between BDO and the Hospital, the Hospital is the exclusive owner of all rights in and to all documents, real and tangible property, intellectual property, representations, assumptions, information and data supplied by or on behalf of the Hospital, its personnel, representatives, advisors, and agents. As between BDO and the Hospital, BDO owns its pre-existing materials (including software) and any works of authorship, intellectual property, materials, information, general skills, best practices, general knowledge, know-how, processes, methodologies, tools, techniques, or other intellectual property that BDO may have created or discovered prior to, independently of, or as a result of the services (collectively, "BDO Intellectual Property"). For clarity, BDO shall retain the right to reuse the ideas, concepts, know-how, and techniques derived from the rendering of the services under this Agreement so long as it does not require the use or disclosure of any of the Hospital's Confidential Information. Unless otherwise specifically stated in this Agreement, the reproduction, distribution, or transfer, by any means or methods, whether direct or indirect, of any of BDO's Intellectual Property or proprietary information by the Hospital is strictly prohibited.

Miscellaneous

This Agreement sets forth the entire agreement between the parties with respect to the matters herein, superseding all prior agreements, negotiations, or understandings, whether oral or written, with respect to the matters herein. The Hospital's purchase order or other pre-printed, click through, or other terms, attachments, or exhibits are for the Hospital's administrative purposes only and will not add, modify, amend, or have any effect on the terms of this Agreement, and the terms of this Agreement shall supersede any such additional terms. This Agreement may not be changed, modified, or waived in whole or part except by an instrument in writing signed by both parties. This Agreement is intended to cover only the services specified herein, although we look forward to many more years of pleasant association with the Hospital. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services.

Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and certain of those banks have mandated the use of this service. Further, such third party confirmation processors also provide for the electronic (and manual) processing of other confirmation types (e.g., investments, legal, accounts receivable, accounts payable, and other audit confirmations, etc.). To the extent applicable, the Hospital hereby authorizes BDO to participate in such confirmation processes, including through the third party's website (e.g., by

entering the Hospital's bank account information to initiate the process in order to access the bank's confirmation response), and agrees that the BDO Group shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, professional standards, or related published interpretations (including, without limitation, the independence rules of the AICPA, Securities and Exchange Commission, Public Company Accounting Oversight Board, and Government Auditing Standards), but if any provision of this Agreement shall be deemed void, prohibited, invalid, or otherwise unenforceable in whole or in part for any reason under such applicable laws, regulations, professional standards, published interpretations, or any reason whatsoever, such provisions or portion(s) thereof shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and shall be amended to the minimum extent required to make the provision enforceable, and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the other provisions of this Agreement, which shall remain in full force and effect.

The Hospital's signature below represents and warrants that it has the full power and authority to enter into this Agreement on behalf of the Hospital. The Hospital represents and warrants that this Agreement constitutes the legal, valid, and binding obligation of the Hospital. The Hospital agrees to release, indemnify, and hold harmless BDO Group against any Claim to the extent arising out of its breach of any representation or warranty contained in this paragraph.

This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

* * * * *

We believe the foregoing correctly sets forth our understanding; however, if you have any questions, please let us know. If you find the foregoing arrangements acceptable, please acknowledge this by signing this letter via the DocuSign link that we provide.

Very truly yours,

BDO USA

6/8/2026

Acknowledged:

SOUTH PENINSULA HOSPITAL

By: Signed by: Brandi Harbaugh 41941E748CDB4BB... Date: 6/8/2026

Brandi Harbaugh, Finance Director
Kenai Peninsula Borough

By: DocuSigned by: Anna Hermanson BFE838BA6A95471... Date: 6/9/2026

Anna Hermanson, Chief Finance Officer
South Peninsula Hospital

The BDO USA Client Data Privacy Policy is located at https://www.bdo.com/legal-privacy/client-data-privacy-policy. If you have questions about this Privacy Policy, please contact us at privacy@bdo.com.

Report on the Firm's System of Quality Control

November 22, 2024

To the Principals of BDO USA, P.C. and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of BDO USA, P.C. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BDO USA, P.C. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BDO USA, P.C. has received a peer review rating of *pass*.

Baker Tilly US, LLP

About BDO USA

Our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes and value for our people, our clients, and our communities. BDO is proud to be an ESOP company, reflecting a culture that puts people first. BDO professionals provide assurance, tax, and advisory services for a diverse range of clients across the U.S. and in over 160 countries through our global organization.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. For more information, please visit: www.bdo.com.

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your needs.

South Peninsula Hospital

Administration
4300 Bartlett Street
Homer, AK 99603
907-235-0325 (f)907-235-0253

MEMO

Re: Board of Directors Rounding

The board is instituting a rounding schedule. Three board members will round in 1-2 hospital departments with a member of the executive team prior to the board meeting each month, generally from 3-4pm, though we may adjust to a later start time based on whether there is an Education Session.

Date ~3-4pm	**BOD Members**
July 29, 2026	1. 2. 3.
August 26, 2026	1. 2. 3.
September 30, 2026	1. 2. 3.
October 28, 2026	1. 2. 3.
December 16, 2026	1. 2. 3.
January 27, 2027	1. 2. 3.
February 24, 2027	1. 2. 3.
March 31, 2027	1. 2. 3.
April 28, 2027	1. 2. 3.
May 26, 2027	1. 2. 3.
June 30, 2027	1. 2. 3.