AGENDA
Board of Directors Meeting
6:30 PM - Wednesday, September 30, 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

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1. CALL TO ORDER

2. ROLL CALL

3. REFLECT ON LIVING OUR VALUES

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

4 4.1. Rules for Participating in a Public Meeting
Rules for Participating in a Public Meeting 2025

5. COMMENTS FROM THE AUDIENCE ON ITEMS APPEARING ON THE AGENDA - 3 MINUTES PER PERSON; 20 MINUTES TOTAL

6. APPROVAL OF THE AGENDA

7. APPROVAL OF THE CONSENT CALENDAR

5 - 11 7.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for August 26, 2026
Board of Directors - Aug 26 2026 - Minutes - DRAFT

12 - 14 7.2. Consideration to Approve August FY2027 Financials
Balance Sheet - August FY27
Income Statement - August FY27
Cash Flow Statement - August FY27

15 7.3. Consideration to Approve EMP-01 Board-Administrator Communication with Minor Revisions
EMP-01

16 - 19 7.4. Consideration to Approve Q-01 Consent for Treatment and Q-02 Quality Monitoring with minor revisions as recommended by the Quality Committee
Q-01, revised
Q-02, revised

20 - 21 7.5. Consideration to Approve a Proclamation for Christine Anderson on her Retirement after 30 Years of Service to South Peninsula Hospital
Christine Anderson Retirement Proclamation

8. PRESENTATIONS

8.1. Proclamation for Christine Anderson on her Retirement after 30 Years of Service to South Peninsula Hospital

9. UNFINISHED BUSINESS

10. NEW BUSINESS

11. REPORTS

22 - 26 11.1. Balanced Scorecard
Balanced Scorecard Q4FY26

11.2. Chief Executive Officer

11.3. BOD Committee: Finance & Pension

11.4. BOD Committee: Strategic Planning & Community Relations

27 - 29 11.5. BOD Committee: Governance
SM-16 Board AI Governance Policy
Peer Review Process Memo

11.6. BOD Committee: Quality

11.7. Chief of Staff

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

11.9. Service Area Board Representative

12. DISCUSSION

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER - 3 MINUTES PER PERSON; 20 MINUTES TOTAL

14. COMMENTS FROM THE BOARD

(Announcements/Congratulations)

14.1. Chief Executive Officer

14.2. Board Members

15. INFORMATIONAL ITEMS

16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

17.1. Consideration to Approve Resolution 2026-17, Approving the Medical Staff Credentialing for September, 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, August 26, 2026
Conference Rooms 1&2 and Zoom

The meeting of the Board of Directors of South Peninsula Hospital was called to order on Wednesday, August 26, 2026, at 6:30 PM, in the Conference Rooms 1&2 and via 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, Beth Wythe, Preston Simmons, Christopher Landess, Kim Frost, Ryan Smith, Jim Anderson, and Ken Ciccoli**

BOARD EXCUSED: **Matthew Bullard**

ALSO PRESENT: **Ryan Smith (CEO), Rachael Kincaid (COO), Amber Gall (CNO), Anna Hermanson (CFO), Storm Hansen (Service Area Board), Maura Gibson (Exec Asst)**

Public Commenters: Chris Story, Tiffanie Story,
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

Dr. Edson Knapp shared a personal story about the compassionate long-term care provided to his father. He highlighted specific staff members, including Katie, Christy, Allicia, Bonnie, Dr. Llenos, and Teresa, for their exceptional care. The reflection emphasized how the facility provided dignity and comfort during his father's final days.

4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

Aaron Weisser welcomed members of the public to the meeting. Rules for Participating in the meeting were provided in the online packet, and in the room.

4.1. Rules for Participating in a Public Meeting

5. COMMENTS FROM THE AUDIENCE ON ITEMS APPEARING ON THE AGENDA

Mr. Weisser called for comments from the audience on items appearing on the agenda. There were none.

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6. APPROVAL OF THE AGENDA

Preston Simmons made a motion to approve the agenda as presented. Beth Wythe seconded the motion. Motion Carried.

7. APPROVAL OF THE CONSENT CALENDAR

Beth Wythe read the consent calendar into the record.

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

7.2. Consideration to Approve July FY2027 Financials, to include the Balance Sheet, Income Statement and Cash Flow Statement

7.3. Consideration to Approve Policies MS-01 Medical Staff Credentialing and Privileges, MS-02 Peer Review and MS-03 Professional Liability Insurance, with minimal or no revisions as recommended by the Medical Staff Office and Governance Committee

Beth Wythe made a motion to approve the consent calendar as read. Preston Simmons seconded the motion. Motion Carried.

8. PRESENTATIONS

There were none.

9. UNFINISHED BUSINESS

There was none.

10. NEW BUSINESS

10.1. Consideration to Approve SPH Resolution 2026-17, A Resolution of the South Peninsula Hospital Board of Directors Authorizing the Obligation of $230,793 from the Plant Replacement and Expansion Fund for the Generator Replacement Project at South Peninsula Hospital

The board considered Resolution 2026-17 to authorize $230,793 from the plant replacement expansion fund for generator replacement projects. Anna Hermanson, CFO, explained that this supplemental funding will ensure modern switchgear and breakers are installed alongside the new generators funded by a HRSA grant. Mr. Dye confirmed this was discussed and passed at the Finance Committee meeting.

Beth Wythe made a motion to approve SPH Resolution 2026-17, A Resolution of the South Peninsula Hospital Board of Directors Authorizing the Obligation of $230,793 from the Plant Replacement and Expansion Fund for the Generator Replacement Project at South Peninsula Hospital. Michael Dye seconded the motion. Motion Carried.

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10.2. Consideration to Approve SPH Resolution 2026-18, A Resolution of the South Peninsula Hospital Board of Directors Approving Amendments and Cycle 2 Restatements of the South Peninsula Hospital, Inc. 403(b) Union, 403(b) Non-Union, and 403(b) Voluntary Retirement Plans

Ms. Hermanson explained this resolution approves necessary IRS cycle restatements for the hospital's 403b retirement plans, without making any substantive changes to the plans. Mr. Dye confirmed this was discussed and passed at the Finance Committee meeting.

Beth Wythe made a motion to approve SPH Resolution 2026-18, A Resolution of the South Peninsula Hospital Board of Directors Approving Amendments and Cycle 2 Restatements of the South Peninsula Hospital, Inc. 403(b) Union, 403(b) Non Union, and 403(b) Voluntary Retirement Plans Michael Dye seconded the motion. Motion Carried.

11. REPORTS

11.1. Balanced Scorecard

The balanced scorecard was provided in the packet for review.

11.2. Chief Executive Officer

CEO Ryan Smith reported on the quarterly balance scorecard and successful applications for the rural health transformation program. Mr. Smith detailed efforts to rebuild orthopedic services with incoming physicians Dr. Lars Matkin and Dr. Thomas Keller. An interim ENT coverage solution was established in Kenai through collaboration with Central Peninsula Hospital involving Dr. Zirul and Dr. Freeman. Hospital parking improvements are underway at the specialty clinic building and on Hohe Street to accommodate increased urgent care traffic, and the ongoing need for more parking.

11.3. BOD Committee: Finance & Pension

Policy for Initial Review: F-09 Capital Purchases

Chair Mike Dye reported that Q2 2026 investment performance was strong and that no pension contributions will be needed for approximately ten years. Finance committee noted that while gross revenues were up in July, net income saw a slight loss due to Medicare/Medicaid deductions and contract staffing costs.

11.4. BOD Committee: Strategic Planning & Community Relations

Co-chair Kim Frost reported the strategic planning committee completed its information gathering phase involving facilities reports and community health assessments.

11.5. BOD Committee: Governance

Policies for Initial Review: Q-01 & Q-02

Chair Beth Wythe reported the committee reviewed scheduled policies and discussed new policies. Policies Q-01 and Q-02 were provided in the board packet for initial review. The first round of board peer reviews was completed, with follow-ups expected over the next few months. A full-board self-evaluation

is planned for September, with results expected by October to help shape the board's 2027 training plan. The committee also arranged an educational session with the hospital foundation board.

11.6. BOD Committee: Quality

Preston Simmons' Quality Committee report summarized a presentation by Pharmacy Director Gunner Taylor on medication safety, technology improvements, medication stewardship, and pharmacy infrastructure. Highlights included 96.5% barcode medication administration compliance (with a 98% target), work to reduce medication overrides and waste, and plans to expand quality monitoring and board-level pharmacy measures. The hospital also received funding to replace its older Pyxis units with OmniCell.

11.7. Chief of Staff

The Chief of Staff was treating patients, so Dr. Christina Tuomi gave her report. She covered the recent general medical staff meeting. The community health needs assessment was presented, and staff discussed the new Resuscitation Quality Improvement (RQI) program, which will provide quarterly hands-on life-support testing instead of testing every two years. The meeting also covered sharing continuing medical education opportunities and volunteering at the health fair.

Tuomi noted the one-year mark since Epic was implemented. Staff recognized that it has changed workflows and still has challenges, while also hearing reports of improved patient experience and care coordination.

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

Aaron Weisser reported on the educational session prior to the board meeting. The board met with the Foundation board and learned about their vision for the Foundation.

11.9. Service Area Board Representative

Storm Hansen reported on behalf of the Service Area Board. She said the board had resumed meeting and had a number of members of the public attend. She noted some community confusion about how public comment works and supported explaining the process more clearly. She also said the Service Area Board agreed to discuss a citizens' resolution at its next meeting.

12. DISCUSSION

There were no additional discussion items.

13. COMMENTS FROM THE AUDIENCE ON ITEMS OF ANY MATTER

Sara Young addressed the board regarding the hospital's attendance policy.

Chris Story addressed the board. He finished reading Sara Young's prepared statement regarding the attendance policy and distributed a written document to board members regarding his mother's end-of-life care.

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Tiffanie Story addressed the board regarding concerns about her mother-in-law's end-of-life care.

Ashley Story addressed the board regarding concerns about her grandmother's end-of-life care.

Rita Turner addressed the board regarding board behavior during meetings and the hospital's process for responding to concerns.

Rob Downey addressed the board regarding his faith in the hospital's concern/complaint process and the integrity of hospital leadership.

Paul Raymond addressed the board regarding offering exit-interviews to key physicians, managers and employees.

Christy Martinez addressed the board regarding medical staff turnover and her departure from the SPH medical staff.

Storm Hansen addressed the board regarding her departure from SPH as an employee.

14. COMMENTS FROM THE BOARD

(Announcements/Congratulations)

14.1. Chief Executive Officer

Ryan Smith, CEO responded to comments from the July board meeting about the how the hospital handled a patient complaint. He provided a timeline and extended an invitation to the family to speak with them about their concerns.

14.2. Board Members

Michael Dye thanked members of the public for their comments. Beth Wythe explained her philosophy on adhering to rules when they are in place. Jim Anderson expressed appreciation for the public comments and spoke about his experience during board rounding. Ken Ciccoli thanked the public for coming. Dr. Knapp expressed appreciation for people sharing their stories. Dr. Landess thanked members of the public for coming and sharing their perspective. Bernie Wilson thanked those who gave public comment. She expressed appreciation for the new medical record system, as a patient, and thanked the staff for working through the implementation. Preston Simmons thanked everyone for sharing their comments, and expressed his desire to have the best possible healthcare available to the community. Aaron Weisser explained his personal connection to the hospital and why he joined the board. He apologized that his smiling had come across as condescending, saying that was not his intention. Regarding concerns raised about patient care, he said the hospital had a thorough review process underway and that the board would respect the time needed for due process and protect confidential information. He asked the

community for patience, emphasized that the board takes concerns seriously, and encouraged patients to use the hospital's feedback channels.

15. INFORMATIONAL ITEMS

16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)

The meeting adjourned to executive session at 8:18pm. The board moved back into open session at 9:39pm for announcements.

17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION

17.1. Consideration to Approve Resolution 2026-19, Approving the Medical Staff Credentialing for August, 2026

Preston Simmons made a motion to approve Resolution 2026-19, Approving the Medical Staff Credentialing for August, 2026, to include:

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

Josiah Brown, MD	*Cardiology*	*TeleCards-AKH&VI*
Blake Charlton, MD	*Cardiology*	*TeleCards-AKH&VI*
Melissa Heiry, MD	*Neurology*	*Active*
Lars Matkin, MD	*Orthopaedics*	*Part-Time Active*
Jessica Panko, MD	*Dx Radiology*	*Part-Time Active-RCI*
Taylor Travers, DO	*Emergency Med*	*Part-Time Active*
Joseph Turner, MD	*Urology*	*Part-Time Active*
Hung Vo, MD	*Cardiology*	*TeleCards-AKH&VI*
James Wang, MD	*Neurology*	*TeleStroke-Prov*

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

Hope Opara, MD	*Neurology*	*TeleStroke-Prov*
Meagan Stead, CNM	*Midwifery*	*Active*
David Tay, MD	*Psychology*	*TelePsych-Prov*
James Zirul, DO	*ENT*	*Active*

And an time extension to the I-FPPE for Jessica Jordan, PA-C.

Beth Wythe seconded the motion. Motion Carried.

18. ADJOURNMENT

The meeting adjourned at 9:42pm.

Respectfully Submitted, Accepted:

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Maura Gibson, Executive Assistant

Aaron Weisser, President

Minutes Approved:

Mary E. Wythe, Secretary

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South Peninsula Hospital

DRAFT-UNAUDITED

BALANCE SHEET
As of August 31, 2026

	Month Ending 08/31/2026	Month Ending 08/31/2025	Month Ending 07/31/2026	Change From Prior Year
CURRENT ASSETS				
CASH				
CASH AND CASH EQUIVALENTS	35,486,924	32,397,421	33,191,704	3,089,503
EQUITY IN CENTRAL TREASURY	8,939,676	9,318,643	9,043,446	(378,967)
TOTAL CASH	44,426,600	41,716,064	42,235,150	2,710,536
NET PATIENT ACCOUNTS RECEIVABLE				
PATIENT RECEIVABLES	60,277,611	44,959,114	61,362,671	15,318,497
LESS ALLOWANCES AND ADJUSTMENTS	(31,579,280)	(20,455,478)	(32,318,123)	(11,123,802)
TOTAL NET PATIENT ACCOUNTS RECEIVABLE	28,698,331	24,503,636	29,044,548	4,194,695
NET PROPERTY TAXES RECEIVABLE - KPB				
PROPERTY TAX RECEIVABLE	3,279,876	3,338,457	3,576,886	(58,581)
LESS ALLOWANCE PROPERTY TAX - KPB	(13,771)	(4,165)	(23,376)	9,605
TOTAL NET PROPERTY TAXES RECEIVABLE - KPB	3,266,105	3,334,292	3,553,510	(68,186)
OTHER RECEIVABLES	720,591	378,214	805,376	342,377
INVENTORY	2,875,474	2,865,777	2,863,870	9,697
NET PENSION ASSET	0	534,985	0	(534,985)
PREPAID EXPENSE	1,839,627	1,154,363	1,771,562	685,264
TOTAL CURRENT ASSETS	81,826,728	74,487,331	80,274,016	7,339,398
ASSETS WHOSE USE IS LIMITED				
PREF UNOBLIGATED	4,941,937	6,297,770	4,648,322	(1,355,834)
PREF OBLIGATED	28,209	982,687	284,550	(954,477)
OTHER RESTRICTED FUNDS	37,554	866,784	37,382	(829,230)
TOTAL ASSETS WHOSE USE IS LIMITED	5,007,700	8,147,241	4,970,254	(3,139,541)
PROPERTY AND EQUIPMENT				
LAND AND IMPROVEMENTS	4,936,411	4,345,607	4,936,411	590,804
BUILDING	70,168,604	68,571,402	70,168,604	1,597,202
EQUIPMENT	25,392,338	33,352,847	25,392,338	(7,960,510)
BUILDINGS INTANGIBLE ASSETS	3,482,362	4,257,905	3,482,362	(775,542)
EQUIPMENT INTANGIBLE ASSETS	1,911,211	1,750,896	1,911,211	160,315
SPH INTANGIBLE SOFTWARE ASSETS	7,969,005	0	7,969,005	7,969,005
SOFTWARE INTANGIBLE ASSETS	3,930,467	890,141	3,930,467	3,040,326
IMPROVEMENTS OTHER THAN BUILDINGS	1,750,003	1,544,012	1,750,003	205,991
CONSTRUCTION IN PROGRESS	2,509,701	3,725,830	2,088,241	(1,216,129)
LESS ACCUMULATED DEPRECIATION FOR FIXED ASSETS	(62,539,081)	(62,792,461)	(62,128,119)	253,379
LESS ACCUMULATED AMORTIZATION FOR LEASED ASSETS	(4,953,483)	(3,023,034)	(4,776,475)	(1,930,448)
NET CAPITAL ASSETS	54,557,538	52,623,145	54,724,048	1,934,393
GOODWILL	0	0	0	0
TOTAL ASSETS	141,391,966	135,257,717	139,968,318	6,134,250
DEFERRED OUTFLOW OF RESOURCES				
PENSION RELATED (GASB 68)	3,192,491	5,315,248	3,336,250	(2,122,757)
UNAMORTIZED DEFERRED CHARGE ON REFUNDING	91,569	152,615	96,656	(61,046)
TOTAL DEFERRED OUTFLOW OF RESOURCES	3,284,060	5,467,863	3,432,906	(2,183,803)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**144,676,026**	**140,725,580**	**143,401,224**	**3,950,447**
TOTAL LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
ACCOUNTS AND CONTRACTS PAYABLE	3,436,358	2,208,368	2,971,628	1,227,990
ACCRUED LIABILITIES	10,479,511	13,169,776	10,060,524	(2,690,265)
DEFERRED CREDITS	470,327	841,108	499,509	(370,781)
CURRENT PORTION OF LEASE PAYABLE	980,120	1,014,193	1,022,081	(34,073)
CURRENT PORTION OF SOFTWARE INTANGIBLE PAYABLE	1,172,314	199,887	1,184,904	972,427
CURRENT PORTION OF NOTES DUE	930,043	911,690	930,043	18,353
CURRENT PORTION OF BOND PAYABLE	1,315,000	1,250,000	1,315,000	65,000
BOND INTEREST PAYABLE	21,521	39,848	70,917	(18,327)
DUE TO/FROM THIRD PARTY PAYERS	1,279,746	1,076,864	1,279,746	202,882
COMPENSATED ABSENCES CURRENT	7,124,353	5,331,060	7,122,020	1,793,292
TOTAL CURRENT LIABILITIES	27,209,293	26,042,794	26,456,372	1,166,498
LONG-TERM LIABILITIES				
NOTES PAYABLE	2,949,307	2,932,827	2,949,307	16,480
COMPENSATED ABSENCES NET OF CURRENT	3,493,740	4,315,467	3,355,941	(821,726)
BONDS PAYABLE NET OF CURRENT PORTION	2,855,000	4,170,000	2,855,000	(1,315,000)
PREMIUM ON BONDS PAYABLE	100,684	169,087	103,336	(68,404)
NET PENSION LIABILITY	56,332	0	56,332	56,332
CAPITAL LEASE, NET OF CURRENT PORTION	2,543,781	3,723,275	2,572,255	(1,179,493)
SOFTWARE INTANGIBLE LEASE, NET OF CURRENT PORTION	831,612	4,805	922,409	826,807
TOTAL NONCURRENT LIABILITIES	12,830,456	15,315,461	12,814,580	(2,485,004)
TOTAL LIABILITIES	40,039,749	41,358,255	39,270,952	(1,318,506)
PROPERTY TAXES RECEIVED IN ADVANCE	189,553	0	189,554	189,554
INVESTED IN CAPITAL ASSETS	54,649,107	52,775,760	54,820,704	1,873,347
RESTRICTED	37,554	1,401,769	37,382	(1,364,215)
UNRESTRICTED FUND BALANCE SPH	49,254,058	45,610,655	49,590,733	3,643,402
CHANGE IN FUND BALANCE	506,005	(420,859)	(318,546)	926,864
TOTAL UNRESTRICTED FUND BALANCE SPH	104,636,277	99,367,325	104,130,273	5,079,398
TOTAL LIABILITIES AND FUND BALANCE	**144,676,026**	**140,725,580**	**143,401,224**	**3,950,447**

South Peninsula Hospital

INCOME STATEMENT
As of August 31, 2026
DRAFT-UNAUDITED

		Month Ending 08/31/2026			Month Ending 08/31/2025	Year To Date 08/31/2026			Prior Year To Date 08/31/2025
		Actual	Budget FY26	Var B (W)	Actual	Actual	Budget FY26	Var B (W)	Actual
	PATIENT SERVICE REVENUE								
1	INPATIENT REVENUE	3,103,088	4,469,788	-30.6%	3,451,006	6,199,804	8,492,602	-27.0%	6,832,830
2	OUTPATIENT REVENUE	23,760,276	25,062,415	-5.2%	17,589,344	47,211,162	47,355,019	-0.3%	38,687,938
3	LONG TERM CARE	1,586,124	1,605,857	-1.2%	1,466,248	3,107,835	3,211,713	-3.2%	2,958,749
4	TOTAL PATIENT SERVICE REVENUE	28,449,488	31,138,060	-8.6%	22,506,598	56,518,801	59,059,334	-4.3%	48,479,517
	DEDUCTIONS FROM REVENUE								
5	MEDICARE	6,836,692	6,623,994	3.2%	4,726,116	14,425,225	13,247,987	8.9%	10,734,119
6	MEDICAID	2,783,799	2,988,872	-6.9%	2,703,948	5,973,321	5,977,744	-0.1%	5,704,426
7	CHARITY CARE	152,646	466,285	-67.3%	434,267	562,265	932,569	-39.7%	901,966
8	COMMERICAL AND ADMIN	2,867,258	2,539,519	12.9%	2,188,090	5,376,403	5,079,040	5.9%	4,678,426
9	BAD DEBT	1,330,230	498,157	167.0%	577,485	2,088,620	933,098	123.8%	1,057,712
10	TOTAL DEDUCTIONS	13,970,625	13,116,827	6.5%	10,629,906	28,425,834	26,170,438	8.6%	23,076,649
11	NET PATIENT SERVICES	14,478,863	18,021,233	-19.7%	11,876,692	28,092,967	32,888,896	-14.6%	25,402,868
12	USAC AND OTHER REVENUE	164,206	684,016	-76.0%	138,566	317,479	1,368,031	-76.8%	327,105
13	TOTAL OPERATING REVENUE	14,643,069	18,705,249	-21.7%	12,015,258	28,410,446	34,256,927	-17.1%	25,729,973
	TOTAL OPERATING EXPENSES								
14	SALARIES AND WAGES	6,558,584	6,616,542	-0.9%	5,818,834	13,070,169	13,233,083	-1.2%	11,772,994
15	EMPLOYEE BENEFITS	3,041,112	3,525,639	-13.7%	3,159,075	6,320,798	6,624,199	-4.6%	6,705,851
16	SUPPLIES AND DRUGS	1,924,197	1,852,657	3.9%	1,359,709	3,869,638	3,705,315	4.4%	3,131,808
17	CONTRACT STAFFING	423,534	164,126	158.1%	454,293	1,024,846	307,737	233.0%	935,428
18	PROFESSIONAL FEES	960,144	606,086	58.4%	732,641	1,657,899	1,212,404	36.7%	1,460,386
19	UTILITIES AND TELEPHONE	199,443	208,015	-4.1%	183,555	415,986	416,029	0.0%	370,228
20	INSURANCE	180,541	108,100	67.0%	86,916	325,868	231,627	40.7%	195,363
21	DUES, BOOKS, AND SUBSCRIPTIONS	18,438	23,571	-21.8%	17,933	37,228	47,141	-21.0%	36,376
22	SOFTWARE MAINT/SUPPORT	198,560	318,059	-37.6%	219,625	418,722	600,784	-30.3%	425,721
23	TRAVEL, MEETINGS AND EDUCATION	65,123	74,362	-12.4%	24,342	140,541	136,896	2.7%	56,061
24	REPAIRS AND MAINTENANCE	197,570	196,021	0.8%	140,469	390,285	392,042	-0.5%	378,001
25	LEASES AND RENTALS	51,136	65,356	-21.8%	47,659	126,745	130,713	-3.0%	111,076
26	OTHER (RECRUIT, ADVERT, ETC.)	163,490	189,636	-13.8%	171,733	395,239	379,272	4.2%	358,363
27	DEPRECIATION AND AMORTIZATION	587,970	606,750	-3.1%	471,512	1,176,791	1,213,500	-3.0%	899,691
28	TOTAL OPERATING EXPENSES	14,569,842	14,554,920	0.1%	12,888,296	29,370,755	28,630,742	2.6%	26,837,347
29	GAIN (LOSS) FROM OPERATIONS	73,227	4,150,329	-98.2%	(873,038)	(960,309)	5,626,185	-117.1%	(1,107,374)
	NON-OPERATING REVENUE								
30	GENERAL PROPERTY TAXES	368,522	490,341	-24.8%	403,278	1,045,396	1,225,854	-14.7%	1,012,542
31	INVESTMENT INCOME	98,513	105,378	-6.5%	98,505	192,269	210,754	-8.8%	204,511
32	GOVERNMENTAL SUBSIDIES	0	0	0.0%	0	0	0	0.0%	0
33	OTHER NON-OPERATING REVENUE	0	1,522	-100.0%	0	0	3,045	-100.0%	2,043
34	GIFTS AND CONTRIBUTIONS	0	0	0.0%	0	0	0	0.0%	0
35	GAIN LOSS ON DISPOSAL	0	0	0.0%	0	0	0	0.0%	0
36	SPH AUXILIARY	539	799	-32.6%	679	1,292	1,599	-19.2%	1,134
37	TOTAL NON-OPERATING REVENUE	467,574	598,040	-21.8%	502,462	1,238,957	1,441,252	-14.0%	1,220,230
	NON-OPERATING EXPENSES								
38									
39	SERVICE AREA BOARD	0	0	0.0%	0	0	0	0.0%	0
40	OTHER DIRECT EXPENSE	312	9,635	-96.8%	656	428	19,270	-97.8%	1,407
41	ADMINISTRATIVE NON-RECURRING	0	0	0.0%	0	0	0	0.0%	0
42	INTEREST EXPENSE	34,484	72,032	-52.1%	49,627	90,760	144,065	-37.0%	112,928
43	TOTAL NON-OPERATING EXPENSES	34,796	81,667	-57.4%	50,283	91,188	163,335	-44.2%	114,335
47	TOTAL INCOME (LOSS) BEFORE TRANSFERS	506,005	4,666,702	0.0%	(420,859)	187,460	4,868,147	-96.1%	9,639,836
48	OPERATING TRANSFERS	0	0	0.0%	0	0	0	0.0%	0
49	**NET INCOME**	**506,005**	**4,666,702**	**-89.2%**	**(420,859)**	**187,460**	**6,904,102**	**-97.3%**	**0**

Operating EBITDA Disclosure (Non-GAAP)							
GAIN (LOSS) FROM OPERATIONS	**73,227**	**4,150,329**		**(873,038)**	**(960,309)**	**5,626,185**	**(1,107,374)**
DEPRECIATION AND AMORTIZATION	587,970	606,750		471,512	1,176,791	1,213,500	899,691
OPERATING EBITDA	**661,197**	**4,757,079**		**(401,526)**	**216,482**	**6,839,685**	**(207,683)**

South Peninsula Hospital

Statement of Cash Flows
As of August 31, 2026

		2027
Cash Flows from (for) Operating Activities		
Receipts from patients and users	$	29,740,519
Payments to suppliers	$	(7,354,065)
Payments to employees	$	(18,952,029)
Other receipts	$	67,390
Net cash flows from operating activities	$	3,501,815
Cash Flows from Non-Capital Financing Activities		
Receipts from property taxes	$	(2,148,664)
Grant and other non-operating revenues (expenses)	$	864
Increase in Advances from Govermental Payers	$	-
Net cash flows from non-capital financing activities	$	(2,147,800)
Cash Flows for Capital and Related Financing Activities		
Purchase of capital assets	$	359,469
Bond principal paid	$	-
Payments on leases	$	(912,927)
Payments on subscription IT assets	$	(206,704)
Interest paid on capital debt	$	(113,807)
(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	$	(949,842)
Cash Flows for Investing Activities		
Increase (decrease) in restricted assets - unspent bond proceeds and other	$	-
Increase (decrease) in assets whose use is limited	$	(37,458)
Interest and dividends received	$	192,269
Net cash flows from investing activities	$	154,811
Net increase (decrease) in cash and cash equivalents	$	558,984
Cash, Cash Equivalents and Equity in Central Treasury, beginning of year	$	43,867,616
Cash, Cash Equivalents and Equity in Central Treasury, end of year	$	44,426,600

South Peninsula Hospital	**SUBJECT:** Board – ~~Administrator~~ CEO Communication	**POLICY #:** EMP-01 **Page 1** of **1**
Scope: Executive Leadership **Approved by:** Board of Directors		**Original Date:** 10/22/03 **Effective:** 1/24/24
Revised: 8/28/19 **Reviewed**: 1/25/23; 1/24/24; 1/29/25; 1/28/26		**Revision Responsibility:** Board of Directors

PURPOSE:
Expectations regarding communication between the Chief Executive Officer and the Board of Directors.

DEFINITION(S):
N/A

POLICY:
A. The CEO and Board shall promote and demonstrate open and honest communication in all hospital business.
B. The CEO and Board will protect the privacy of patient information, financial information, strategic information and sensitive risk management information. Such information will be divulged only on a "need to know" basis in accordance with the provisions of the Health Insurance Portability and Accountability Act (HIPAA) and other legal and regulatory guidelines.

PROCEDURE:
N/A

ADDITIONAL CONSIDERATIONS:
N/A

REFERENCE(S):
N/A

CONTRIBUTORS:
Board of Directors

South Peninsula Hospital	**SUBJECT:** Consent for Treatment	**POLICY #:** Q-01 **Page 1** of **1**
Scope: Hospital-Wide **Approved by:** Board of Directors		**Original Date:** 9/23/03 **Effective:** 10/23/24
Revised: 8/28/19; 10/27/21; 10/23/24; 5/13/26 **Reviewed:** 1/24/24		**Revision Responsibility:** Board of Directors

PURPOSE:
Requirements for Medical Staff to provide risks and benefits of treatment(s) to patients and residents in order to obtain informed consent.

DEFINITION(S):
N/A

POLICY:
1. The process of informed consent occurs when communication between a patient and physician/APP results in the patient's authorization or agreement to undergo a specific medical intervention. In seeking a patient's informed consent (or the consent of the patient's surrogate if the patient lacks decision-making capacity or declines to participate in making decisions), physician/APP should:
    a. Assess the patient's ability to understand relevant medical information and the implications of treatment alternatives and to make an independent, voluntary decision
    ~~a.~~b. Offer, as needed, interpreter services and/or appropriate auxiliary aids to support patient understanding and informed decision-making.
    ~~b.~~c. Present relevant information accurately and sensitively, in keeping with the patient's preferences for receiving medical information. The physician should include information about:
        i. the diagnosis (when known)
        ii. the nature and purpose of recommended interventions
        iii. the burdens, risks, and expected benefits of all options, including forgoing treatment
2. The Chief Executive Officer (CEO) will establish and maintain policies and procedures to ensure compliance with this policy. (*See SPH Hospital policies~~y~~ HW-036 Consent for Treatment, HW-163 Auxiliary Aides and Services for Persons with Disabilities, HW-041 Interpretive Language Services*)

PROCEDURE:
N/A

ADDITIONAL CONSIDERATIONS:
For additional information regarding consents, including emergency consents and for patients who are minors, refer to HW-036 Consent for Treatment.

REFERENCE(S):
1. HW-036 Consent for Treatment
2. HW-068: Patient and Resident Rights
3. AMA Code of Medical Ethics
4. *Formerly Q-04 – 1/24/24; Renumbered Q-01 – 10/23/24*

CONTRIBUTORS:
Board of Directors, Quality Management Director and Risk Management/Privacy Officer

South Peninsula Hospital	**SUBJECT:** Quality Monitoring	**POLICY #:** Q-02 **Page 1** of **1**
Scope: Quality **Approved by:** Board of Directors		**Original Date:** 9/24/03 **Effective:** 10/23/24
Revised: 8/28/19; 10/27/21;10/23/24 **Reviewed:** 1/25/23		**Revision Responsibility:** Board of Directors

PURPOSE:
Guidelines for data monitoring to ensure continued quality of care.

DEFINITION(S):
N/A

POLICY:
A. The Board will ensure the quality of care provided in and by the organization by reviewing a variety of reports and records determined to be appropriate indicators of quality of care and will ensure adherence to established organizational values and expected behaviors.
B. On a quarterly basis, the Board will monitor and assess the Hospital Board of Trustees Balanced Scorecard (BSC) report and associated Plan-Do-Study-Act (PDSA) reports, and the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) as appropriate to the operation of the facility.

PROCEDURE:
1. The Board, with the assistance of the Board Quality Committee, will periodically review employee and Medical Staff satisfaction rates; and the accomplishments of the South Peninsula Hospital (SPH) Quality Program as documented in the annual Critical Access Hospital (CAH) Quality Assessment and Performance Improvement Evaluation.
2. The hospital will participate in Quality-of-Care initiatives as indicated on the Balanced Scorecard including publicly reported data found on Care Compare through the Centers of Medicare and Medicaid Services for services provided by South Peninsula Hospital. The results of these focused studies will be reported as the data is available.
3. The Board, with the assistance of the Board Quality Committee, will review and approve the Quality Plan on an annual basis.

ADDITIONAL CONSIDERATIONS:
N/A

REFERENCE(S):
1. South Peninsula Hospital Values & Behaviors as adopted by the Board of Directors
2. SPH Quality Plan
3. *Formerly Q-06 – 1/24/24; Renumbered Q-02 – 10/23/24*

CONTRIBUTORS:

South Peninsula Hospital

PROCLAMATION

A PROCLAMATION RECOGNIZING CHRISTINE ANDERSON FOR 30 YEARS OF SERVICE TO SOUTH PENINSULA HOSPITAL

WHEREAS, after 30 years of dedicated service to South Peninsula Hospital, Christine Anderson will retire, leaving behind an extraordinary legacy of leadership, innovation, and unwavering commitment to the health and well-being of our community; and

WHEREAS, Christine began her career at South Peninsula Hospital as an Obstetrics night shift nurse and quickly became recognized for her clinical expertise, dedication to patients and families, and strong leadership abilities; and

WHEREAS, Christine advanced to become Obstetrics Coordinator, leading the Family Birth Center and helping provide exceptional patient-centered care to generations of families in the Southern Kenai Peninsula community; and

WHEREAS, Christine subsequently served as Quality, Utilization and Risk Manager, overseeing quality improvement, infection prevention, utilization management, medical staff services, and credentialing programs, helping establish systems and processes that improved patient safety and organizational performance; and

WHEREAS, Christine rose to the position of Director of Patient Care Services and later Chief Nursing Officer, providing leadership to clinical departments throughout the organization and guiding South Peninsula Hospital through periods of growth, change, and operational complexity; and

WHEREAS, Christine demonstrated remarkable flexibility and commitment to the organization by transitioning into Clinical Informatics when needed, becoming a pioneer in the implementation of Meaningful Use initiatives and electronic medical record adoption at South Peninsula Hospital; and

WHEREAS, Christine helped build and grow Health Information Services into a critical organizational function and became the trusted leader for the hospital's health information systems, serving as project manager and champion for numerous technology initiatives that improved clinical care and operational efficiency; and

WHEREAS, Christine successfully led major healthcare technology implementations, including PointClickCare for Long-Term care services and Epic, helping ensure South Peninsula Hospital remained at the forefront of healthcare information management and patient care innovation; and

WHEREAS, Christine's professionalism, composure, and steadfast leadership were evident during multiple union contract negotiations, difficult organizational transitions, and challenging medical staff meetings, always maintaining focus on the best interests of patients, staff, and the organization; and

WHEREAS, Christine played an instrumental role in the expansion of South Peninsula Hospital's acute care and emergency services facilities, making numerous trips to Anchorage to advocate for the community's healthcare needs and testify in support of obtaining the Certificate of Need that made the expansion possible; and

WHEREAS, Christine served South Peninsula Hospital as an accomplished nurse leader, project manager, clinical informatics specialist, mentor, and problem-solver whose expertise and institutional knowledge have benefited countless employees, providers, patients, and community members over nearly three decades; and

WHEREAS, Christine's commitment to service extends beyond the hospital through her volunteer contributions to Pier One Theatre, the Kachemak Nordic Ski Club, and local election polling efforts, reflecting her dedication to strengthening the broader community she calls home; and

WHEREAS, Christine has been a tremendous asset to South Peninsula Hospital, and we are profoundly grateful for her many years of excellence, leadership, integrity, and dedication;

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

THAT CHRISTINE ANDERSON IS RECOGNIZED BY THE BOARD OF DIRECTORS FOR HER THIRTY YEARS OF OUTSTANDING SERVICE, LEADERSHIP, AND CONTRIBUTIONS TO SOUTH PENINSULA HOSPITAL AND THE COMMUNITY IT SERVES.

PROCLAIMED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL THIS 30TH DAY OF SEPTEMBER, 2026.

_____
Ryan Smith, CEO

_____
Aaron Weisser, Board President

South Peninsula Hospital
Hospital Board of Directors Balanced Scorecard Report
4th Quarter FY 2026 *(April, May, June)*

Overall Indicators	Q4 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	2.5	4	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	Q4 FY26	Target	Note
Severe Sepsis & Septic Shock Care	75%	100%	***CMS Hospital Compare: 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.			Passed 9 of 12 cases
Stroke Care	50%	100%	***CMS Hospital Compare: 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.			2 CMS reportable strokes; 6 excluded cases
Median Emergency Room Time	128	<129	***CMS Hospital Compare: 139min (7/1/24-6/30/25) Nat. Avg: 129min AK Avg: 136min***
Average minutes spent in department before leaving the Emergency Department including patients transferred to another facility and psychiatric care/mental health patients.			
Colonoscopy Follow-up	100%	100%	***CMS Hospital Compare: 100% (1/1/24-12/31/24) Nat. Avg: 93% AK Avg: 87%***
Percentage of patients receiving appropriate recommendation for follow-up screening colonoscopy.			
Patient Fall Rate (AC)	1.028	< 5	**# of patient falls / # patient days x 1000**
Measures the number of patient falls per 1,000 patient days.			1 Fall, no injury
Medication Errors	4	≤6	
Number of medication errors that reach the patient. *(Level C on the NCC MERP Index)*			

NQF's Serious Reportable Events	**0**	**0**	
A patient safety event that is serious, harmful and preventable.			
UTI rate (LTC)	**0.44%**	**< 1.6%**	***CMS Hospital Compare: 0% (1/1/25-12/31/25)*** ***Nat. Avg: 1.6% AK Avg: 3%***
Percentage of long-stay residents with a urinary tract infection			
Independent Oral Medication (HH)	**58.5%**	**> 75%**	***CMS Care Compare: 72.6% (10/1/24-9/30/25)*** ***Nat. Avg: 88.1% AK Avg: 82.1% Goal reflects patient population served by SPH HH***
Percentage of home health patients demonstrating improvement with ability to take oral medications more independently			N=41; 100% improved or unchanged
Primary Care MIPS Pathways	**74%**	**> 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)	**Q4 FY26**	**Target**	
Inpatient Percentile	**81st**	**75th**	9 or 10 best hospital mean score: 78.57; Survey Responses: 28 CMS Hospital Compare: N/A (7/1/24-6/30/25)
Measures the overall satisfaction of inpatient pts. respondents.			Q3 FY26 71st; Q2 FY26 99th; Q1 FY26 94th; Q4 FY25 56th
Ambulatory Surgery (AS) Percentile	**9th**	**75th**	9 or 10 best hospital mean score: 81.08; Survey Responses: 74
Measures the overall satisfaction of AS pts. respondents.			Q3 FY26 15th:; Q2 FY26 10th; Q1 FY26 94th; Q4 FY25 25th
Home Health (HH) Percentile	**62nd**	**75th**	9 or 10 best hospital mean score: 91.3; Survey Responses: 46
Measures the overall satisfaction of HH pts. respondents.			Q3 FY26 72nd; Q2 FY26 67th; Q1 FY26 64th; Q4 FY25 71st
Outpatient Percentile	**29th**	**75th**	Mean Score: 94.37 Survey Responses: 517
Measures the overall satisfaction of outpatient pts. respondents.			Q3 FY26 46th; Q2 FY26 27th; Q1 FY26 7th; Q4 FY25 34th
Emergency Department Percentile	**86th**	**75th**	Mean Score: 92.73 Survey Responses: 107
Measures the overall satisfaction of emergency pts. respondents.			Q3 FY26 90th; Q2 FY26 86th; Q1 FY26 79th; Q4 FY25 92nd
Medical Practice Percentile	**38th**	**75th**	Mean Score: 94.01 Survey Responses: 506
Measures the overall satisfaction of pts. respondents at SPH Clinics.			Q3 FY26 35th; Q2 FY26 37th; Q1 FY26 51st; Q4 FY25 59th

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	2026	Target	Note
Provider Satisfaction Percentile	**44th**	**75th**	
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.			Result of provider survey 2026

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	2026	Target	Note
Employee Satisfaction Percentile	**41st**	**75th**	
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results. Measured as a percentile.			Result of employee survey 2026

Workforce	Q4 FY26	Target	Note
Turnover: All Employees	**4.86%**	**< 5%**	
Percentage of all employees separated from the hospital for any reason			34 Terminations / 699 Total Employees
Turnover: Voluntary All Employees	**4.15%**	**< 4.75%**	
Measures the percentage of voluntary staff separations from the hospital			29 Voluntary Terminations / 699 Total Employees
First Year Total Turnover	**5.13%**	**< 7%**	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.			8 New Staff Terminated 156 Total New Hires from 06/30/2025-06/30/2026
Contract Utilization	**29**	**< 20**	
Measure average number of contract staff utilized.			MLT, MRI, RAD, PT, SLP, RN, CNA, MA

Information System Solutions	Q4 FY26	Target	Note
Phishing Test Pass Rate	**98.5%**	**> 95%**	
% of Phishing test emails that were not failed.			3397 Test phishing emails sent; 49 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	Q4 FY26	Target	Note
Outpatient Revenue Growth	**18%**	**-2%**	
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 year.
Operating Margin	**-9.4%**	**-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	**977**	**943**	**Total Discharges: # 123 *(Acute, OB, Swing, ICU)***
Measures the number of patient discharges adjusted by inpatient revenues for the quarter, divided by (inpatient + outpatient revenues).			LTC Revenue & discharges not included, Target is same Q Prior Year Target Discharges: 137
Net Revenue Growth	**15%**	**-2%**	
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 year.
FTE vs Budget	**617**	**621**	
FTE is calculated based on hours paid + Contract FTE			Actual FTE + Contract FTE based on hours paid compared to budgeted FTE for the quarter.
Net Days in Accounts Receivable	**69**	**55**	
Measures the rate of speed with which the hospital is paid for health care services.			Target is based on industry target.
Cash on Hand	**92**	**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.			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	**6.4%**	**4-7%**	
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%
Surgical Case Growth	**3%**	**1%**	
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.
Average Age of Plant	**8.4**	**10.0**	
Measures the financial age of the fixed assets of the hospital calculated by dividing accumlated depreciation by annualized depreciation for the year.			Target is based on hospital optimal age of plant for a critical access hospital.

**Financial data is not finalized until the fiscal year is closed - Q4 numbers are draft*

South Peninsula Hospital	**SUBJECT:** Board AI Governance	**POLICY #:** SM-XX **Page 1** of **1**
Scope: Board of Directors **Approved by:** Board of Directors		**Original Date:** 9/30/26 **Effective:** 9/30/26
Revised: **Reviewed:**		**Revision Responsibility:** Board of Directors

PURPOSE:
This policy establishes the Board of Directors' governance obligations with respect to Artificial Intelligence (AI) technologies deployed at South Peninsula Hospital (SPH). It is designed to complement the SPH Staff AI Governance Policy, which governs AI use organization-wide. The Board recognizes that AI is a material organizational risk and a strategic asset. It has a duty to ensure AI is governed with the same rigor applied to financial, clinical quality, and legal risk.

DEFINITIONS:
(N/A)

POLICY:

A. Board Oversight Responsibilities
   a. Strategic and Policy Oversight
      - Approve SPH's overall AI strategy and ensure it is reviewed annually.
      - Ensure AI considerations are incorporated into SPH's strategic planning process.
   b. Risk Oversight
      - Ensure AI risk is incorporated into SPH's enterprise risk management framework.
      - Receive timely notification of material AI incidents (patient harm events, significant data breaches, regulatory actions, or major AI system failures).
      - Confirm that management maintains and regularly reviews an inventory of all AI systems in use at SPH.
      - Ensure clinical AI tools, particularly Software as a Medical Device (SaMD), carry appropriate FDA compliance status and have been clinically validated.
      - Ensure exit strategies exist for all third-party AI vendors, including data retrieval and continuity planning.
   c. Compliance and Legal Oversight
      - Ensure SPH's AI practices comply with HIPAA, applicable FDA regulations, Alaska state law, and other applicable federal requirements.
      - Receive and review summaries of any AI-related regulatory inquiries, enforcement actions, or significant compliance findings.
   d. Ethical and Community Oversight
      - Affirm SPH's commitment to ethical AI use and ensure equity considerations are embedded in AI governance processes.
      - Confirm that AI systems used in clinical care are tested for algorithmic bias, especially for underrepresented patient populations.
      - Ensure patients are appropriately informed when AI plays a material role in their care decisions.

B. Board Member Personal AI Use: Board members may use AI tools in their personal and professional lives. When acting in their Board capacity, the following standards apply:
   a. Prohibited Uses:
      - Entering any SPH confidential information, including financial data, patient information, strategic plans, legal advice, executive session content, or staff

personnel matters, into any publicly available AI platform (e.g., ChatGPT free tier, Gemini, personal Copilot, etc.).
- Using AI to generate or fabricate Board minutes, official resolutions, or legally binding documents without appropriate human review and verification.
- Representing AI-generated content as independently developed analysis without disclosure.

b. Permitted Uses:
- Using publicly available AI tools to research general healthcare industry trends, regulatory developments, or governance best practices, provided no SPH confidential data is entered.
- Using AI to assist in drafting personal correspondence or preparing questions for management, again using only non-confidential information.
- Using any SPH-sanctioned AI tools made available to the Board, subject to the same acceptable use standards that apply to staff.

PROCEDURE:
N/A

ADDITIONAL CONSIDERATIONS:
N/A

REFERENCE(S):
SPH Staff AI Governance Policy (Draft 06/24/26)
SPH Bylaws and Board Governance Policies
HW-120 Computer Operations & Information Security
HW-151 HIPAA Compliance
FDA Guidance on Software as a Medical Device (SaMD)
American Medical Association: Principles for Augmented Intelligence Development, Deployment, and Use (Jan. 2025)
HHS Office for Civil Rights: HIPAA and Health Information Technology
American Hospital Association: AI Governance Framework for Hospital Boards

CONTRIBUTORS:
Board of Directors

South Peninsula Hospital

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MEMO

To: SPH Board of Directors

From: Governance Committee

Date: September 15, 2026

Re: Board of Directors Peer Review Process

Clarifying the Board Peer Review Process:

- Quarterly, a brief questionnaire will be sent to all board members to complete a peer review of 2-3 other board members. Currently, the board is using Governwell to facilitate this process.
- Results of each board member's review will be sent directly to the Board President or designee. Currently, Vice President Preston Simmons is handling reviews.
- The Board President or designee will meet with each board member in-person or virtually (approximately one board member/month) to deliver and discuss the results of the review.
- The current schedule for reviews:

Name	Review Quarter
Wilson, Bernadette	3rd Quarter
Wythe, Beth	3rd Quarter
Knapp, Edson	3rd Quarter
Weisser, Aaron	4th Quarter
Landess, Christopher	4th Quarter
Bullard, Matthew	1st Quarter
Simmons, Preston	1st Quarter
Dye, Michael	1st Quarter
Frost, Kim	2nd Quarter
Ciccoli, Ken	2nd Quarter
Anderson, Jim	2nd Quarter