

PETERSBURG MEDICAL CENTER
GRANT NUMBER: 06-4-C-5014
CLOSE-OUT REPORT NARRATIVE

Background:

Petersburg Medical Center (PMC) is a Critical Access Hospital located on Mitkof Island in Southeast Alaska, which serves as the center for healthcare services in Petersburg and the surrounding area. Although a community-owned hospital (the facility is technically owned by the City of Petersburg), PMC does not receive tax subsidies.

With expenses rising –many of which we have little control over (e.g., PERS Employer Contribution Rate; Hospital and Professional Malpractice Insurance), Grants have become an important source of funding that allows for the purchase of new equipment or the replacement of aging or obsolete equipment which we might not otherwise be able to obtain.

Activities:

The Denali equipment grant enabled our facility to:

- Replace two very old sterilizers (autoclaves); one was relocated closer to the operating room to provide for improved efficiencies and enhanced sterile technique
- Purchase a Unix server, allowing us to remain current in being able to upgrade software for lab, x-ray, and primary care clinic
- Purchase a Windows 2000 Server and obtain training for Windows-based financial modules
- Obtain a new Defibrillator to replace the oldest unit (over 15 years old) which was no longer supported for parts or repair.
- Offset expense of replacing Cardiac Monitoring Equipment (had originally planned on upgrading CPU and software only; however, changes in Federal emissions standards that took effect January 1, 2006, required replacement of this equipment in its entirety) to provide ongoing cardiac monitoring of our ER and ICU patients, as well as telemetry monitoring.

Project Outcomes:

Although we were over budget by a total of \$65,294.73, we were very pleased with overall outcomes as described above:

- Sterilizers – Over budget by \$7,745.49
- IMB RS/6000 Server – Over budget by \$2,388.44
- Windows 2003 Server – Under budget by \$7,560.00
- Cardiac Monitoring Equipment – Over budget by \$62,720.80.

Problems Encountered:

The only significant problem we encountered was learning that our existing cardiac monitoring equipment (hardware) would not meet the new Federal emissions standards that took effect January 1, 2006. As a result, we could not upgrade our CPU and software as originally planned; instead, we had to replace the equipment in its entirety (which put

us over budget). Although this equipment was not included in our FY06 Capital Budget, we were able to purchase it in June. As of August, 2006, the equipment was installed and fully operational.

Conclusions and Recommendations:

The Denali Equipment Grant enabled us to purchase or replace equipment that is vital to our operations.

We appreciate the flexibility shown when we sought approval to revise line-item budgets. For example, although our original budget included the purchase of Dairyland's Pharmacy module, we were able to shift the \$35,000 budgeted, to the Sterilizers. (We had received an updated quote from the vendor which increased projected costs by \$12,000; at the same time, we learned we would need to replace our steam generator, at a cost of \$18,000, for the equipment to work properly.)

We also greatly appreciate the good assistance provided by Michael Frawley, Grant Administrator, Department of Health & Social Services.

Attachments:

Photographs of equipment as installed (operational)

Photographs of Acknowledgement Plaques

**Denali Commission Quarterly
Project Narrative and Funds Disbursement Request**

Project Name: Equipment Grant

Agency: Petersburg Medical Center Reporting Period: Close Out December 7, 2006

Grant #: 06-4-C-5014

Amount of Funds Requested: \$33,650.46

1. What is the status of the project; include portions completed?

All equipment has been purchased and installed, and is operational.

2. Is the project on schedule; if not, how will this be dealt with?

The project Close-Out process was unnecessarily delayed as a result of Petersburg Medical Center (PMC) thinking an outstanding vendor refund (see #4, below) had to be received before the grant could be closed out.

3. Is the project on budget; if not, how will this be dealt with?

Although the project ran over budget, operating funds were sufficient to cover the excess funds required. (The project ran over budget when a core piece of equipment that was already owned by PMC –which was to have the CPU and software upgraded, had to be replaced in its entirety due to changes in Federal emissions standards that became effective December 31, 2005.)

4. Other comments/problems and solutions:

A vendor refund for equipment purchased and subsequently returned is still outstanding as of December 7, 2006; this refund was delayed because the equipment was not boxed up and returned until November, 2006. (Reference: Datascope Invoice PM986309, dated 6/15/2005, for \$18,653.20.)

**Denali Commission
Quarterly Project Financial Report**

Project Name: Equipment Grant

Agency: Petersburg Medical Center Reporting Period: Close Out December 7, 2006

Grant #: 06-4-C-5014

Please include the following information:

(Use additional pages as necessary)

Budget Information:

1. The total project budget—Denali Commission and other funds combined
\$249,334.00
2. The total project expenditures as of the end of the most recent quarter
\$314,628.73
3. The total amount of Denali Commission funds committed to the project
\$123,750
4. The total expenditure of Denali Commission funds for the project as of the end of this reporting period
\$123,750
5. The percentage of expenditures to the total budget
49.63% (123,750/249,334)
6. Project Performance Analysis (use PPA form on page2 of 641)

Project Schedule:

Show the project schedule with milestone dates for design and construction.

IBM RS/6000 Server and Windows 2003 Server: installed September 2004; training for Windows applications June, 2005.

Sterilizers: purchased and installed as reported on 2nd quarter 2005 Form 641B.

Defibrillator: Purchased in 2005.

Cardiac Monitoring Equipment: Purchased in June 2006; operational in August, 2006.

Form 641A

Denali Commission
Quarterly Project Financial Report
Project Performance Analysis (PPA) Form

Project Name: Equipment Grant

Agency: Petersburg Medical Center Reporting Period: Close Out December 7, 2006

Grant #: 06-4-C-5014

Line Items:	Approved Budget:	Actual Cost:	Scheduled Completion Date:	Actual Work Performed:
Sterilizers (Autoclaves)	\$ 52,500	\$ 52,500	Previously completed	n/a
IBM RS/6000 Server	\$ 38,750	\$ 38,750	Previously completed	n/a
Windows 2000 Server	\$ 14,637	\$ 14,637	Previously completed	n/a
Cardiac Monitoring Equip & Defibrillator	\$ 17,863	\$ 17,863	July 2006 (Defibrillator previously purchased & installed in 2005)	Formally purchased new cardiac monitor in June, 2006 (old monitor did not meet new emission standards that took effect 12/31/05); operational by Mid-August, 2006.
Totals:	\$123,750	\$123,750		

Signature: _____

Date: _____

Print Name and Title: Jan Baird, CFO

Form 641B