

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday February 07, 2018 at McAlester Regional Health Center in the Administration Board Room. Public notice, setting forth thereon the day, time and place for this regular meeting had been delivered to the office of the City Clerk at 10:00 AM on Tuesday February 06, 2017.

TRUSTEES PRESENT:

Cara Bland ~ L.M. Milton, MD ~ Evans McBride MD (arrived at 4:04 PM) ~ Susan Kanard ~ Mary Shannon, Vice Chairman ~ Brent Grilliot ~ Mark Sehgal, MD ~ Kevin Priddle ~ Weldon Smith, Chairman.

TRUSTEES ABSENT: None

HOSPITAL STAFF:

David Keith ~ Lisa Crabtree, Recording Secretary, Jason Bray, Dr. Jason McElyea, Kim Stout, John Domanski, Dr. Kenneth Murphy, Darryl Linnington, Heather French, Jared Droze, Shawn Howard

OTHER ATTENDEES:

Elise Brennan, Legal Counsel, Rob Samples, Atoka Nursing Home.

CALL TO ORDER:

Chairman Smith called the meeting to order at 4:00 PM. He recognized Dr. L.M. Milton whose term as a member of the McAlester Regional Health Center Board of Trustees expired. He was presented a clock as a parting gift for his years of service.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for January 03, 2018
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments for Provisional privileges for One (1) year per the recommendation of the Medical Executive Committee:
 - a. Ruby R. Pate, APRN ~ Affiliate Staff ~ Nurse Practitioner
 - b. Irene V. Perez-Young, MD. ~ Affiliate Staff ~ Teleradiology
 - B. Approval of appointment for Reappointment (Advancement) privileges for Two (2) years per the recommendation of the Medical Executive Committee:
 - a. Vimal H. Patel, M.D. ~ Affiliate Staff ~ Teleradiology
3. Hospice Policy & Procedures as follows: Annual Public Disclosure-Hospice; Bereavement Services-Hospice; HCAHPS Hospice Survey Policy; Care to Residents of a Skilled Nursing Facility (SNF)/Nursing Facility (NF) or Intermediate Care Facility (ICF) -Hospice; Continuous Care-Hospice; Coordination of Care during General Inpatient or Respite-Hospice; Do Not Resuscitate (DNR)-Hospice; Expedited Determination Policy-Hospice; Hospice Discharge Criteria.

A Motion was made (Priddle) and seconded (Sehgal) to approve items one (1), two (2) and three (3) of the consent agenda as presented. The vote was taken as follows: Aye: Kevin Priddle, Dr. Mark Sehgal, Evans McBride, Susan Kanard, Cara Bland, Mary Shannon, Brent Grilliot and Weldon Smith. Abstain: L.M. Milton, MD. Chairperson Smith declared the motion carried

TABLED: Consideration and approval of Long-Term Agreement with Atoka County Medical Center (ACMC):

Mr. Darryl Linnington reported that MRHC has been working with ACMC since September of 2017; as a result they have requested a Long-Term Agreement to continue management of their facility. Mr. Linnington stated he has been working with ACMC and attorneys for both MRHC and ACMC to finalize an agreement for long-term management. He reported he has also been working with the Bond Council who is handling the Chapter 9 Bankruptcy filed by ACMC to establish MRHC as the manager. Ms. Elise Brennan provided an overview of how the Bankruptcy will impact the Long-Term Agreement. Mr. Linnington reported the Long-Term Agreement negotiations are still ongoing; however the ACMC Board is very anxious to finalize the agreement. Additional discussion was held regarding Mr. Shawn Howard taking over the role of Vice-President/CEO of ACMC and the need to replace him in his role at MRHC.

Discussion regarding Investment Policy & Investment Committee Charter: Mr. Smith reported Mr. John Domansky brought it to the attention of the Board that a portion of the hospital's money can be invested more aggressively and most hospitals have an Investment Committee. Discussion occurred regarding the policy and charter included in the meeting packet. Mr. Domansky shared an overview of the current investment history and the requirements of the current investment policy. Mr. Priddle stated it appears the current investments are invested very conservatively. Mr. McBride stated he does not understand the benefit of an Investment Committee when you have a Finance Committee. Mr. Keith reported it is standard operating procedure to have an Investment Committee and it is Best Practice in the industry. He added he highly recommends separating the Finance Committee from the Investment Committee; most accounting firms and most consultants would recommend this. Mr. McBride disagreed and opposed a more aggressive investment approach. He suggested revising the current investment policy and the Finance Committee increasing the activity in regards to investments. Mr. Domansky recommended the Finance Committee focus on the Finances and operations of the hospital and moving forward with the Investment Committee to manage the investments. He added it has been his experience the Finance Committee is pressed for time to get through the finance and operational agenda; an Investment Committee will have more time to focus on investments. Mr. Smith reported it is good to have differences of opinions. Mr. Keith stated there has not been enough oversight on investments and agreed with Mr. Domansky that there is not enough time during the Finance Committees to devote time to investments. He added the Investment Committee can meet quarterly or as needed to spend time to scrutinize the investments and make necessary recommendations to the Board. Mr. McBride reported there is expertise in administration right now that has not been there before, he recommended vetting investment managers and continue to monitor the investments through the Finance Committee with the expertise that is available. Mr. Domansky reported the proposed Investment Policy gives more structure to the program and Committee regardless of who provides oversight. Mr. Keith reported he would prefer to have a separate Investment Committee as opposed to a Sub-Committee of the Finance Committee. Mr. Smith reported the Board will review the options over the next month and bring back to the next meeting for consideration.

MRHCA Board of Trustees Health Insurance Portability and Accountability Act of 1996 (HIPAA) Attestation

Statement: Ms. Elise Brennan reported that as part of the recent Hospice survey for accreditation, Hospice is required to provide a confidentiality policy and certification of Board member training attestation. Ms. Brennan educated the Board on the HIPAA regulation and an educational booklet was provided to Board members for their records. The Attestation forms were signed by the Board members for distribution to the Oklahoma State Department of Health Surveyors.

MRHCA Board of Trustees Conflict of Interest Semi-Annual Attestation Statement: Mr. Keith presented the MRHCA Board of Trustees Conflict of Interest Semi-Annual Attestation Statement for the reporting period ending December 31, 2017. The attestations were signed, witnessed and will be filed in the offices of the County Clerk and City Clerk.

Discussion regarding the Trust Indenture: Ms. Elise Brennan provided an overview of the McAlester Regional Health Center Trust indenture to inform the Board of their responsibilities and rights as Board members. She reported the hospital property is owned by the City of McAlester and they would have independent rights if the property would be sold or leased; this is unrelated to the rights the Authority may have. Any contemplated sale or lease of the hospital would require a joint decision of the Authority and the City of McAlester. Ms. Brennan reported according to the Indenture, the duties of the Authority are broad; she continued by describing the options available as outlined in the Trust Indenture. She recommended that if a decision to sell, lease or enter into a management agreement arose, a fairness opinion from a third party to show that due diligence has been done and the decision is appropriate for the beneficiary citizens of McAlester. She stated any transaction could be very complicated. Ms. Brennan reported another area of the Indenture pertains to Duty of Loyalty. She stated the obligation of the Trustees is to promote the decisions made by the Board as a group. Additional discussion was held. Mr. McBride requested a legal opinion on how the Trust indenture pertains to acquired property. Mr. Priddle reported this is good information to have so the Board will understand the options. Mr. McBride recommended that Mr. Keith bring someone in to establish and present to the Board the criteria and triggers to look for when considering a possible sale or lease of the hospital. He stated in the future if the Board is faced with the need to sell, then the process can move forward quickly. Mr. McBride added he would like it understood that this is not a prelude to sell the hospital; it is just part of the Board's duty to understand what the triggers are and be prepared to act quickly. Mr. Smith reported a rumor that circulated a few weeks ago that the hospital is selling was not successful in preventing the sales tax from passing. He added the Board needs to do everything possible to combat that idea. He stated the Board's duty is to provide the best healthcare possible to the citizens of McAlester and to make it known the hospital is not for sale.

CEO Report: Mr. David Keith provided an overview of the CEO Report. He opened the floor to Ms. Kim Stout who announced that the Hospice program passed the accreditation survey with minimal corrective action items that were addressed. Mr. Shawn Howard provided an update on parking space project. He reported when the project is complete there will be 355 more spaces than we had before. He reported the Emergency Center Project is ahead of schedule and on budget. Mr. Darryl Linnington reported construction on the Urology Specialist of Oklahoma Project is scheduled to begin in a few days and is expected to be complete in four weeks. Mr. Shawn Howard provided an update on the Atoka County Medical Center management. He reported the Surgery Center opened back up, satellite services started last Friday, GI Services from MRHC are offering services and the Revenue has increased. He added the hospital is experiencing a complete culture change and overall doing very well. Mr. Jason Bray reported there was a good turnout for the grand opening for Southeast Imaging in Eufaula on January 26, 2018. Mr. Keith reported working with the Finance Committee to develop an opportunity with the Belfair Assistant Living Center. Mr. Linnington reported Atoka Manor Nursing Home is interested in partnering with MRHC on the project. He added the Possible Management Agreement will potentially incorporate several facilities. A guest, Mr. Rob Samples with Atoka Manor Nursing Home shared his involvement with the project and stated he is looking forward to working with MRHC on the project. Mr. Keith reported the Belfair project is a strategic move and he will continue to bring updates to the Board. He reported the hospital will be entering into an agreement with Crowe and Dunlevy for legal services as part of the Lifecare organization. He added the hospital will continue to utilize Connors and Winters with more complex issues.

MRHC Foundation Report: Mr. Kevin Priddle provided an update on the MRHC Foundation. He reported the Foundation has been very busy with several events including the recent Go Fund Me Account fundraiser for the families of victims involved in the recent gas well explosion that raised approximately \$120,000. Distributions will be going out in the near future. He reported other events include a Pink Stiletto Breast Cancer Awareness event in Tulsa, a Murder Mystery Gala with a western theme and a Golf event.

Chief of Staff Report: Dr. Jason McElyea reported there are a few changes in the Medical Staff including the departure of Dr. Patrick Gannon and Dr. Timothy Cook; Dr. David Auld will be replacing Dr. Cook. Dr. McElyea

provided a power point update on the status of the Residency Program. Mr. Smith requested a trending report on the Resident Program be presented to the Board.

Board QI Report:

Dr. Mark Sehgal reported Ms. Whitney Hull presented a Quality Scorecard for the fourth quarter of 2017. He reported the hospital is exceeding the national percentiles for inpatient measures except for two areas. He also reported the hospital is exceeding the national percentiles for outpatient measures except for two areas. Dr. Sehgal reported the deficient areas are expected to improve by the next quarter.

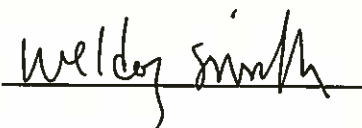
Finance Committee Report:

1. **Finance Report for December 2017:** Mr. John Domansky provided an overview of the MRHC Financial Reports for December 2017. Discussion regarding the Financial Reports followed. A Motion was made (Grilliot) and seconded (Sehgal) to approve the December 2017 Financial Reports as presented. The vote was taken as follows: Aye: Brent Grilliot, Mark Sehgal, MD, Cara Bland, Susan Kanard, Kevin Priddle, Evans McBride, L.M. Milton, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.
2. **Consideration and approval of Capital Expenditure Request (CER) for ED Project furniture, fixtures and equipment:** Mr. Domansky presented a Capital Expenditure Request for ED Project furniture, fixtures, and equipment. He reported the furniture, fixtures and equipment (FF&E) is for the new Emergency Department that is under construction. He stated the current FF&E has been evaluated and any/all appropriate items will be relocated to the new Emergency Department. Mr. Domansky reported the total cost of the project is \$723, 718.61; however the MRHC Foundation has allocated \$269,000 towards this FF&E budget leaving the MRHC contribution of \$454,718.61. He added this is not a budgeted item. Mr. Domansky requested approval for the CER in the amount of \$454,718.61. A motion was made (Milton) and seconded (Priddle) to approve the Capital Expenditure Request for Emergency Department Project Furniture, Fixtures and Equipment as presented at a cost of \$454,718.61. The vote was taken as follows: Aye: L.M. Milton, Kevin Priddle, Mary Shannon, Mark Sehgal, MD, Evans McBride, Susan Kanard, Brent Grilliot, Cara Bland and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried

New Business: None

Adjournment:

With no further questions or business to come before the Board, a motion was made (Milton) and seconded (Priddle) to adjourn the meeting at 6:35 PM. The vote was taken as follows: Aye: L.M. Milton, MD, Kevin Priddle, Susan Kanard, Brent Grilliot, Cara Bland, Kevin Priddle, Mary Shannon, Evans McBride and Weldon Smith. Nay: None. Absent: None. Abstain: Dr. Mark Sehgal. Chairperson Smith declared the motion carried.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

Initials _____