

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday December 05, 2018 at McAlester Regional Health Center in the Administration Board Room. Public notice, setting forth there on the day, time and place for this regular meeting had been delivered to the office of the City Clerk at 11:45 AM on Tuesday December 04, 2018.

TRUSTEES PRESENT:

Evans McBride ~ Susan Kanard ~ Brent Grilliot ~ Weldon Smith, Chairman ~ Kevin Priddle ~ Cara Bland ~ Marti Fields ~ Mark Sehgal, MD ~ Mary Shannon

TRUSTEES ABSENT:**HOSPITAL STAFF:**

David Keith, Sonya Stone, Recording Secretary, Jim Fraser, Dee Misrasi, Tim Cathey, M.D., Darryl Linnington, Kim Stout, Michael Mann, MD, Shawn Howard, Whitney Hull

OTHER ATTENDEES:

Rachel Jordan, Legal Counsel, Vanessa Garcia Luzuriaga, Joe Chacko and Jason, Chacko Morgan Stanley.

CALL TO ORDER:

Chairman Smith called the meeting to order at 4:00 PM. He introduced a new Board of Trustees member, Ms. Marti Fields and acknowledged Ms. Susan Kanard's Birthday. Mr. Smith recommended a moment of silence for late President George Bush.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for November 07, 2018
2. Credentialing and privileging list as follows:

Approval of appointment for Provisional Credentialing and Privileges for one year per the recommendation of the Medical Executive Committee:

- a. Melissa Evans-Brave, DO ~ Active Staff ~ Emergency Medicine
- b. Jacob Krajicek, DO ~ Active Staff ~ Emergency Medicine
- c. Yunus Moosa, MD ~ Active Staff ~ Cardiology
- d. Kendra Muncrief, DO ~ Active Staff ~ Emergency Medicine
- e. Matthew Smith, DO ~ Active Staff ~ Emergency Medicine
- f. Rebecca Massey, DO ~ Active Staff ~ Emergency Medicine
- g. Christina Rivera, CRNA ~ Affiliate Staff ~ Anesthesiology
- h. Gerald Rana, DO ~ Active Staff ~ Family Medicine
- i. Will Goodrich, DO ~ Active Staff ~ Emergency Medicine
- j. Kate Petrillo, DO ~ Active Staff ~ Emergency Medicine
- k. James Pritchett, DO ~ Active Staff ~ Emergency Medicine
- l. Donald Simmons, MD ~ Locums ~ Emergency Medicine
- m. Andrew Phillips, DO ~ Active Staff ~ Emergency Medicine
- n. Jennifer Thomas, DO ~ Active Staff ~ Hospitalist
- o. Cody Yochum, APRM ~ Affiliate Staff ~ Medicine/Critical Care
- p. Brianne Roepke, DO ~ Active Staff ~ Emergency Medicine

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Approval of appointments for Reappointment (Advancement) credentialing and privileges for two years per the recommendation of the Medical Executive Committee:

- a. Kevin Gancarczyk, MD ~ Active Staff ~ Urology
- b. James L'Esperance, MD ~ Active Staff ~ Urology
- c. Sean Doyle, MD ~ Active Staff ~ Urology
- d. Courtney Tripp, DO ~ Affiliate Staff ~ Teleradiology
- e. Oren Miller, MD ~ Active Staff ~ Urology
- f. Ira Wolke, MD ~ Affiliate Staff ~ Teleradiology
- g. Henry Irvine, MD ~ Affiliate Staff ~ Teleradiology
- h. Steven Novick, MD ~ Affiliate Staff ~ Teleradiology
- i. Ranie Pendarvis, MD ~ Affiliate Staff ~ Teleradiology
- j. Irene Perez-Young, MD ~ Affiliate Staff ~ Teleradiology

Approval of appointments for Reappointment Credentialing and Privileges for two years per the recommendation of the Medical Executive Committee:

- a. Carol Stewart, APRN ~ Affiliate Staff ~ Family Medicine
- b. Chris Manschreck, DO ~ Active Staff ~ Family Medicine
- c. Catherine Keegan, MD ~ Affiliate Staff ~ Teleradiology
- d. Adam Morgan, MD ~ Affiliate Staff ~ Teleradiology

3. Telemedicine Provider Schedule of Credentials, Privileges and Provider Performance of Saint John's Health System Telemedicine Providers utilized by MRHC under contractual agreement with Saint John Health System.

A **Motion** was made (Priddle) and seconded (Grilliot) to approve consent agenda items one (1), two (2) and three (3) as presented. The vote was taken as follows: **Aye:** Kevin Priddle, Brent Grilliot, Mark Sehgal, MD, Evans McBride, Susan Kanard, Marti Fields and Weldon Smith. **Nay:** None. **Absent:** None **Abstain:** Mary Shannon. Chairperson Smith declared the **motion** carried.

Morgan Stanley Investment Update: Mr. Joe Chacko and Mr. Jason Chacko of Morgan Stanley provided an update on the 2018 MRHC Investment Portfolio. Mr. Joe Chacko reported the Investment Policy is under review and will be revised in the near future. He stated a few changes were made to the investment portfolio that showed positive results in today's fluctuating market. The benchmark is down about 5.25% and the portfolio is down about 1.25% indicating a 400% improvement since The Chacko Group of Morgan Stanley assumed responsibility. Mr. Joe Chacko reported Government Entities like the hospital have special guidelines that The Chacko Group is familiar with and was the determining factor in the hospital choosing his company to manage the MRHC Portfolio. Additional discussion was held regarding the MRHC investment activity including Certificates of Deposit. Mr. Jason Chacko reported The Chacko Group will be bringing recommendations to update the MRHC Investment Policy to the next Investment Committee and Board of Trustees.

Community Needs Assessment: Ms. Vanessa Garcia Luzuriaga provided an overview of the Southeast Oklahoma Community Health Needs Assessment. She reported the assessment was a systematic data-driven process that identified key health needs. The information was collected on health status at a specific point in time and developed and conducted by the Southeast Alliance Network in conjunction with the Ki Bois Community Action partnership. Sponsors were the Federal Office of Rural Health Policy, Health Resources & Services Administration of the U.S. Department of Health Human Services; McAlester Regional Health Center, Stigler Health and Wellness Center and Ki Bois Community Action partnership. Ms. Luzuriaga provided an overview of the Southeast Alliance Network including its membership structure. She described the counties in the Southeast Oklahoma region that were targeted for the survey and the methodology for the assessment. She shared the leading causes of death in the region and the concern surrounding the ability to get medical

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attention. Ms. Luzuriaga shared other areas of concern identified in the assessment including: Mental health, substance abuse, food security, transportation to healthcare, safe housing and ability to pay bills. She reported the Southeast Alliance is using this information to target and meet the needs of communities throughout the region. Mr. David Keith reported their many areas of need. He recommended developing a few initiatives to focus on in the beginning. Ms. Luzuriaga stated areas of focus can be identified as early as January.

RESOLUTION TO CONSIDER AND TAKE ACTION WITH RESPECT TO: (I) THE FORMATION OF A SUBSIDIARY OF MCALESTER REGIONAL HEALTH CENTER AUTHORITY (THE "AUTHORITY") TO PURCHASE THE MILLION BUILDING, LOCATED AT 101 S. SECOND ST., MCALESTER, OK; (II) THE PURCHASE OF THE MILLION BUILDING; AND (III) THE INCURRENCE OF DEBT TO FINANCE THE ACQUISITION: Discussion occurred regarding the verbiage on the agenda compared to the verbiage on the Resolution included in the preliminary meeting packet. A motion was made (Bland) and seconded (Grilliot) to approve the Resolution included in the preliminary meeting packet as read, discussed and presented. The vote was taken as follows: **Aye:** Cara Bland, Brent Grilliot, Susan Kanard, Kevin Priddle, Marti Fields, Mark Sehgal, MD, Mary Shannon and Weldon Smith. **Nay:** None. **Absent:** None **Abstain:** Evans McBride. Chairperson Smith declared the motion carried.

Consideration and approval of the Operating Agreement of Million Building, LLC an Oklahoma Limited Liability Company: A motion was made (Bland) and seconded (Shannon) to approve the Operating Agreement of Million Building, LLC and Oklahoma Limited Liability Company as presented. The vote was taken as follows: **Aye:** Cara Bland, Mary Shannon, Susan Kanard, Brent Grilliot, Mark Sehgal, MD, Kevin Priddle, Marti Fields and Weldon Smith. **Nay:** None. **Absent:** None **Abstain:** Evans McBride. Chairperson Smith declared the motion carried.

CEO Report: Mr. David Keith provided an overview of the CEO report. He reported CMS is mandating price transparency for all hospitals by January. Administration is preparing the MRHC Website to meet the requirements. Refinement of the site will be ongoing. He reported MRHC is planning to introduce new primary care providers into the Atoka community. Some of the local Atoka physicians are concerned their practices may be impacted. Dr. Anna Wanahita, head of the Tulsa Stroke/Neurology group wants to establish MRHC as a rural regional stroke center. An agreement is in progress. Mr. Keith reported MRHC has achieved DNV accreditation. Many of the adverse findings have been resolved or downgraded. The Puterbaugh Foundation has awarded MRHC Foundation with \$230,000 in support of the SE Clinic Relocation project to downtown. Planning efforts will be headed up by Dr. Tim Cathey, Dr. Carrol Gambrill and Dr. Misti Branam. Shuttle service is an employee satisfier. Patients like the concierge service by the Volunteers. Parking expansion is in progress; however concerns about underground water may create delays. The addition of a French drain is necessary to drain surface water at an additional cost of approximately \$30,000. He reported the Pharmacy project to upgrade the air flow hood to meet the new sterility standards is complete. MRHC and Oklahoma Heart Hospital want cardiologists in place by February 2019. Administration interviewed the first interventional cardiologist candidate from OHH with plans for an additional candidate interview mid-December. MRHC achieved another positive financial month for October and a positive operating income year-to-date. Efforts continue to improve our cost structure and enhance revenues. Consultants for our Electronic Health Record conversion have been interviewed; a selection for the lead has been made. Dr. Tim Cathey has assumed responsibility for the Family Medicine Residency program. Interviews for future physician residents are occurring now. Mr. Keith reported the Wellness Center is undergoing significant renovation and repairs to complete a \$50,000 project by January 2019. Efforts to improve the fragmented EMS services in Pittsburg County are underway. MRHC, City of McAlester and County leaders are preparing to conduct a review/study with a subsequent summit of stakeholders.

Chief of Staff Report: Dr. Michael Mann reported the Medical Staff is working to revise the Medical Staff Bylaws. The Bylaws Committee is meeting twice a month to create a new document overall that is easy to

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read and understand. The Credentials Department is working diligently to re-organize and update the department. Ms. Kim Stout and Ms. Whitney Hull provided an update on the restructuring of the Credentialing Department. The Greely Company is consulting in the Credentialing Department and the progress is nearing completion. Decisions will be made regarding the future of that department in the near future.

Board QI Committee Report: Ms. Susan Kanard reported the Board QI met on November 27, 2019. A review of the Quality Management Oversight meeting was held regarding any discussion or action that took place. The Quality Scorecard for Q3 was also reviewed. In addition discussion occurred regarding the recent DNV survey on November 2, 2018 to follow up on conditional level findings for immediate use steam sterilization. She reported we have not received the official report back but should be cleared and downgraded to an NC-1. This was the last conditional finding and we received our official accreditation letter from DNV. We are cleared and accredited for three (3) years. Ms. Lindsey Fassio provided a report to Board QI regarding Home Care. And Ms. Whitney Hull reported the Hospital Compare Report for October 2018 was discussed in Board QI. Discussion occurred regarding administering surveys in house while complying with CMS regulations.

Finance Committee Report:

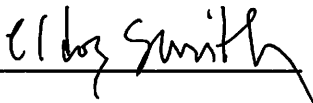
- 1. Consideration and approval of October 2018 Financial Reports:** Mr. Fraser presented the October 2018 Financial Report. He stated for the month ending October 2018 McAlester Regional Health Center reported a net operating income of \$205k, as compared to a budgeted net operating income of \$99k and a prior year net operating loss of \$248k. From an EBIDA standpoint, MRHC reported a positive \$665k, compared with a budgeted EBIDA of \$532k and a prior year income EBIDA of \$55k. Year-to-date, MRHC reported a net operating income of \$635k, as compared to a budgeted net operating loss of \$149k and a prior year net operating loss of \$826k. From an EBIDA standpoint, MRHC reported a positive \$2,195k compared with a budgeted \$1,569k and a prior year positive EBIDA of \$520k. Volumes were mixed, with inpatient discharges down to 367 from 383 prior year, outpatient registrations up to 6,929 from 6,399, emergency department visits down 1,698 from 2,215 prior year, total surgeries up to 279 from 275 prior year. Unrestricted cash balances have decreased to 119.9 days from 164.8 days from prior year. Labor management resulted in paid FTEs running 685; this is up 4 FTEs from prior year. MMS, loss was 270k for the month. Discussion was held regarding being able to provide accurate data of what their general hospital revenue is. Through four months the average loss at MMS last year was \$312k this year for four months is \$307k, trending normal. Mr. Evans McBride requested establishing a tolerance number or expected loss for MMS Services to better understand service line. Mr. Fraser stated it is complicated to figure out. Mr. Keith reported we may need a consultant to figure out the complexity. Mr. Fraser reported Home Health billing is going out and is now showing positive results. A greater improvement is expected when all the payments start to come in. Mr. Keith suggested reports be developed separately for each entity to show how well each service line is doing and to identify the low performers. A motion was made (Priddle) and seconded (Sehgal) to approve the October 2018 Financial Report as presented. The vote was taken as follows: **Aye:** Kevin Priddle, Mark Sehgal, MD, Mary Shannon, Marti Fields, Susan Kanard, Brent Grilliot, Cara Bland and Weldon Smith. **Nay:** None. **Absent:** None **Abstain:** Evans McBride. Chairperson Smith declared the motion carried.
- 2. Consideration and approval of CER to Purchase the Million Building located at 101 South 2nd Street McAlester, OK 74501:** Mr. Fraser presented the CER – Purchase of the Million Building to the Finance Committee for consideration of approval. Mr. Fraser stated the hospital needs additional useable square footage for physician office opportunities as well as storage space for unused equipment and Medical record storage. The discussion of housing Dr. Tedesco's office/Spa but allow us valuable space for storage of unused equipment and records with also the possibility to move our Accounting/Business office

personnel from current property. The recommendation is to acquire The Million Building under a separate LLC, real estate company. The requested purchase price is \$500,000 which is unbudgeted. Mr. Evans McBride excused himself from the presentation. A motion was made (Bland) and seconded (Shannon) to approve the CER to Purchase the Million Building located at 101 South 2nd Street McAlester, OK 74501 as presented. The vote was taken as follows: **Aye:** Cara Bland, Mary Shannon, Susan Kanard, Brent Grilliot, Mark Sehgal, MD, Kevin Priddle, Marti Fields and Weldon Smith. **Nay:** None. **Absent:** None. **Abstain:** Evans McBride. Chairperson Smith declared the motion carried.

3. Consideration and approval to reject Bid of \$98,950 for a 3200 Sq. Ft. Metal Storage Building determined not be in the best interest of the Authority: Mr. Fraser stated we received bids on a storage building to be purchased. Since we went through the formal bid process we have a period to reject the bid. A bid for \$98,950.00 from Built Right Construction, LLC was accepted; however due to developments with the Million Building the bid for the storage unit has been determined to not be in the best interest of the Authority. A Motion was made (Priddle) and seconded (Sehgal) to reject bid of \$98,950 from Built Right Construction for a 3200 Sq. Ft. Metal Storage Building determined not to be in the best interest of the Authority. The vote was taken as follows: **Aye:** Kevin Priddle, Mark Sehgal, MD, Evans McBride, Susan Kanard, Cara Bland, Marti Fields, Mary Shannon, Brent Grilliot 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 (Fields) and seconded (Sehgal) to adjourn at 6:09PM. The vote was taken as follows: **Aye:** Marti Fields, Mark Sehgal, MD, Cara Bland, Brent Grilliot, Susan Kanard, Kevin Priddle, Evans McBride, Mary Shannon and Weldon Smith. **Nay:** None. **Absent:** None. **Abstain:** None. Chairperson Smith declared the motion carried.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds