

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 03, 2019 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 08:05 AM on Tuesday April 02, 2019.

TRUSTEES PRESENT:

Susan Kanard ~ Brent Grilliot ~ Weldon Smith, Chairman ~ Kevin ~ Steven Taylor ~ Marti Fields ~ Mark Sehgal, MD ~ Mary Shannon ~ Evans McBride

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Jim Fraser, Tim Cathey, M.D., Kim Stout, Michael Mann, MD, Shawn Howard, Whitney Hull, Lucy Muller, Julie Powell, Lee Martin, Heather French.

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via conference phone)

CALL TO ORDER:

Chairman Smith called the meeting to order at 4:00 PM.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for February 06, 2019
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. Lawrence Page, DO ~ Provisional Active Staff ~ Orthopedic Surgery
- b. Rachele Haning, DO ~ Provisional Active Staff ~ Emergency Medicine
- c. Tracy Loper, MD ~ Provisional Active Staff ~ Psychiatry
- d. C. Michael Ogle, MD ~ Provisional Active Staff ~ Emergency Medicine
- e. Bradley Cross, DO ~ Provisional Active Staff ~ Emergency Medicine
- f. Rabeep Grewal, MD ~ Provisional Active Staff ~ Physical Med & Rehab
- g. Faisal Latif, MD ~ Provisional Active Staff ~ Interventional Cardiology
- h. Michael Opong-Kusi, DO ~ Provisional Active Staff ~ Hospitalist
- i. John Marshall, DO ~ Provisional Active Staff ~ Pediatrics
- j. Kelly Finnerty, APRN ~ Provisional Affiliate Staff ~ Nurse Practitioner/OB-GYN
- k. Anna Wanahita, MD ~ Provisional Active Staff ~ Telemedicine/Neurology
- l. Tanya Rennie, APRN ~ Provisional Affiliate Staff ~ Nurse Practitioner/Medicine
- m. Genevieve Dulan, MD ~ Provisional Active Staff ~ Emergency Medicine

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

- a. Brent Jacobson, DO ~ Affiliate Staff ~ Tele-Radiology
- b. Rajvee Shah, MD ~ Affiliate Staff ~ Tele-Radiology
- c. Young Song, MD ~ Affiliate Staff ~ Tele-Radiology

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

- a. Edwin Henslee, IV., MD ~ Active Staff ~ OB/GYN

Approval of appointment for **Additional Privileges** Credentialing and Privileges for two years per the recommendation of the Medical Executive Committee:

- a. Yolette Louis, MD ~ Moderate Sedation Privileges ~ Active Staff ~ Hospitalist ~ Good until 6/5/2020

Approval of **Resignations** of Credentialing and Privileges per the recommendation of the Medical Executive Committee:

- a. Gary Lee, MD ~ Hospitalist ~ 02/03/2019
- b. Janis Rosenfeld-Barbash, MD ~ Telemedicine ~ 11/01/2018
- c. Justin Thankachan, MD ~ TeleStroke ~ 02/19/2019
- d. Imad Uddin, MD ~ TeleStroke ~ 02/20/2019
- e. Anna Wanahita, MD ~ TeleStroke ~ 01/31/2019
- f. Marvin Padnick, MD ~ Cardiology ~ 02/01/19

3. MRHC Contract Log for March 2019
4. Jim Fraser to replace David Keith on the Belfair of McAlester LLC Board of Managers
5. CEO Report
6. Approval of new Board of Managers for the McAlester Ambulatory Surgery Center LLC as follows:
 - a. Matt Keep
 - b. Dr. John Tedesco
 - c. Julie Powell
 - d. Sherry Winczewski
 - e. Shawn Howard

A **Motion** was made (Taylor) and seconded (Priddle) to approve consent agenda items one (1), two (2), three (3), four (4), five (5) and six (6) as presented. The vote was taken as follows: Aye: Steve Taylor, Kevin Priddle, Mark Sehgal, MD, Evans McBride, Susan Kanard, Marti Fields, Mary Shannon, Brent Grilliot and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried.

Consideration and approval of revisions to the Medical Staff Bylaws: Ms. Julie Powell reported the proposed revisions to the Medical Staff Bylaws are a result of findings during a recent CMS survey. The revisions pertain to the procedure for appointment/clinical privileges for Tele-Medicine and supervision of Certified Registered Nurse Anesthetists (CRNA). Ms. Powell reported the revisions will be included in the current Medical Staff Bylaws in Tele-Medicine Article VII: B-8 and Medical Staff Membership Article IV: E. The revisions will also be incorporated into the new Medical Staff Bylaws that are currently being developed. A **Motion** was made (Sehgal) and seconded (Grilliot) to approve the proposed revisions to the Medical Staff Bylaws as follows: procedure for appointment/clinical privileges for Tele-Medicine (Tele-Medicine) Article VII: B-8) and supervision of Certified Registered Nurse Anesthetists (CRNA) (Medical Staff Membership Article IV: E) as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Brent Grilliot, Steve Taylor, Susan Kanard, Kevin Priddle, Evans McBride, Marti Fields, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried.

MRHC Board of Trustees Education & Discussion - Module 3-Physician & Medical Staff: Ms. Lucy Muller presented "Module 3-Physician & Medical Staff" an educational presentation for the Board. Ms. Lucy Muller provided an overview of the current physician market to include societal changes, current physician perceptions and health care reform. She stated the physicians of tomorrow are defining their roles to utilize

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Physician Assistants (PAs) and Advance Practice RNs (ARNPs). They are embracing telemedicine, same day scheduling, alignment with other hospitals and they are accepting Value Based Compensation. Ms. Muller reported physician turnover is increasing and hospitals need to determine how to make their practice environment as efficient, open and appealing as possible in order to recruit and retain physicians. She discussed challenges with the use of locum tenen providers in the era of health reform. The Health Care Reform goal is to expand access to 32 million people in the US. She stated in the past hospitals utilized locum tenens to fill short term gaps in physician coverage. In today's world, locum tenens are used to maintain services while permanent candidates are being sought.

2018 MRHC Benefit Overview: Ms. Lucy Muller presented an overview of the 2018 MRHC Benefits. She provided a comparison of the 2017 and 2018 data. She reported since the 2017 the narrow network was added to include St. John's in Tulsa and Integris in Oklahoma City. The narrow network offers direct contracts for our members for discounts that benefit our organization as well as the employees. In addition she reported all non-emergent out of network coverage was removed, spousal surcharge was added, we have a multifaceted employee wellness program with rewards and disincentives and we did have less catastrophic claims since 2017. Ms. Muller provided details of the Employee Wellness Program. She provided the 2018 health assessment scores pointing out the improvements over the past year and some areas that need more focus. Ms. Muller shared results of the Biggest Loser Contest and a brief overview of the Valic 457B/401A retirement benefit plan that will be discussed at an upcoming Personnel Committee.

Department of Labor (DOL) Corrective Action Plan: Ms. Heather Eddy reported the hospital was recently audited by the Department of Labor. Timecards, pay stubs, policies, job descriptions and break rooms were audited as well as phone and onsite interviews. As a result of the survey, MRHC could not prove that employees were able to take an uninterrupted lunch 100% of the time. The auto deduction for lunches was removed effective 3-31-2019 from time cards requiring employees to clock in and out for lunch; allowing employees to be paid for any missed lunches automatically. Employees will also be required to eat lunch in designated areas such as the cafeteria. Supervisors may adjust schedules to accommodate employees when needed. Ms. Eddy reported Managers and Human Resources will monitor timecards closely to assure compliance.

Emergency Medical Service (EMS) Strategic Update: Dr. Tim Cathey reported the Emergency Medical Service (EMS) System strategy is to draft and implement a sustainable plan for an EMS System of Care for McAlester, Pittsburg County and across the Region. He stated we want to be the highest functioning trauma center in Southeast Oklahoma with the capabilities and capacity to provide definitive care to critical conditions such as trauma, sepsis, stroke and heart attack. Dr. Cathey stated each year there are over 7000 EMS responses in McAlester and Pittsburg County with over 1300 transfers from MRHC. He described the available resources in Pittsburg County and industry considerations and options. He described how EMS services impact the hospital and community and he discussed funding options to build and sustain an EMS system. Dr. Cathey and Mr. Lee Martin joined the Board in discussion and addressed questions.

Customer Service & Reorganization: Mr. David Keith reported upheaval in health care isn't just transforming traditional C-Suite positions in hospitals. Growing accountability for clinical and patient satisfaction outcomes across the care continuum is creating a need for new leadership. He added this change is driven by CMS mandates, patient protection, Affordable Care Act provisions & penalties, service transformation, healthcare expenditures and consumerism. He stated there are consumer expectations beyond typical amenities and quality. Mr. Keith reviewed his plan for the executive team reorganization and their performance expectations. He stated he will revise the organizational chart and modify the Strategic Plan to increase the focus on consumer, workforce, branding and technology strategies. Mr. Keith stated he will make customer service his focus for the next 3 years.

Chief of Staff Report: Dr. Michael Mann reported he received a list of discussion items from the Board Chairman. He stated he is looking forward to addressing them with the Board in the near future. Dr. Mann reported he is working with a team of physician leaders to address issues with physician communication and primary and specialty care services. Dr. Mann reported the Bylaws Committee has been reorganized to be more productive in developing new Medical Staff Bylaws. Discussion occurred regarding physician composition on committees that was a recommendation of the Medical Executive Committee and physician recruitment and retention.

Personnel Committee Report: Ms. Mary Shannon reported the Personnel Committee met on March 27, 2019. She reported the Committee discussed the corrective action plan for the Department of Labor audit survey and Ms. Kim Stout provided a presentation regarding the current Nursing Shortage. Two programs "Growing our own" and "Nurse Externship" were discussed as a way to address the current nurse shortage. She reported two Resolutions were discussed. She opened the floor to Ms. Lucy Muller who stated changes were made to the current Valic Retirement Plan in the form of an amendment to allow first time full and part time employees to incentivize after the first year to encourage improved first year turnover. She added because a change was made to the plan, plan administrators must be re-identify. The plan administrators include: David Keith, Heather Eddy and Lucy Muller.

1. **Consideration and approval of Resolution authorizing individuals to act on behalf of Retirement Plan.**
2. **Consideration and approval of Resolution authorizing amendment and restatement of Retirement Plan via adoption of Valic Retirement Services Company retirement plan for Governmental employees.**

A **Motion** was made (Shannon) and seconded (Taylor) to approve the Resolutions listed as items one (1) and two (2) above as presented. The vote was taken as follows: Aye: Mary Shannon, Steve Taylor, Mark Sehgal, MD, Marti Fields, Evans McBride, Susan Kanard, Brent Grilliot and Weldon Smith. Nay: None. Absent: Kevin Priddle (exited at 5:55 PM). Abstain: None. Chairperson Smith declared the **motion** carried.

Board QI Committee Report: Ms. Susan Kanard provided an overview of the Board QI minutes for March 26, 2019. She reported an update was provided regarding the Quality Management Oversight System and HCHAP Scores. There were several items tabled which resulted in a short meeting.

Finance Committee Report:

1. **Consideration and approval of February 2019 Financial Reports:** Mr. Fraser stated for the month of February 2019, MRHC reported a net operating loss of \$146K as compared to a budgeted net operating income of \$301K and a prior year net operating loss of \$245K. He contributed the loss to temporarily losing the Cardiology Service Line. From an EBIDA standpoint, MRHC reported a positive \$347K compared with a budgeted EBIDA of \$693K and a prior year income EBIDA of 132K. Volumes were mixed, with inpatient discharges were up 336 from 305 in the prior year, outpatient registrations were up 6,801 from 5,684 in the prior year. Emergency department visits are up 2,231 from 1,989 in the prior year and total surgeries were up 283 from 184 in the prior year. The unrestricted cash balances decreased to 117.9 days from 138.8 days from the prior year. Labor management resulted in paid FTEs running 693 which are up 38 FTEs in the prior year. Mr. Fraser reported the format of the financial reports will be changed going forward to be in sync with new Governmental Accounting Standards.

A **Motion** was made (McBride) and seconded (Shannon) to approve the February 2019 Financial report as presented with the acknowledgement that the format of the financial reports will be changed to sync up with new Governmental Accounting Standards. The vote was taken as follows: Aye: Evans McBride, Mary Shannon, Mark Sehgal, MD, Susan Kanard, Steven Taylor, Marti Fields, Brent Grilliot and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

2. **Consideration and approval of Financing Proposal for Million Building:** Mr. Fraser reported efforts are underway to purchase the Million Building. He reached out to four local banks in McAlester requesting funding options for a 20 year loan. He received four proposals which were reviewed by the Finance Committee and narrowed down to two possible options. Arvest Bank offered a 5 year variable with balloon at the end of the with interest rates at 2.2% over the libor swap rate, it was a 20 year amortization and the interest rates was 4.65% with a prepayment penalty of 3.21%. However Arvest Bank later agreed to remove the prepayment penalty. The second proposal was from Banc First who offered a 5 year adjustable rate mortgage at 4.99% which was 5 basis points below Chase prime, 240 payments and they also waived the prepayment penalty. Mr. Fraser stated that after reviewing both proposals, the Finance Committee's recommendation is to go with Arvest Bank to borrow \$400,000 with \$100,000 down. Mr. McBride reported Arvest Bank verbally agreed to waive the prepayment penalty and reprice the loan after 5 years according to the libor swap rates. He also stated that Arvest Bank agreed in a text message to him to waive the prepayment penalty on the renewal of the loan agreement; however all of the verbal agreements are not in writing. Mr. McBride recommended approving the proposal from Arvest Bank subject to the following verbal agreements formally included in the loan agreement in writing: no origination fee, waiving the prepayment penalty, repricing the loan after 5 years according to the libor swap rates and waiving the prepayment penalty on the renewal of the loan agreement. He also stated if we are unable to get the verbal agreement in writing, then we should choose the option presented from Banc First. A **Motion** was made (McBride) and seconded (Grilliot) to approve the proposal from Arvest Bank subject to the following verbal agreement formally included on the loan agreement in writing: no origination fee, waiving the prepayment penalty, repricing the loan after 5 years according to the libor swap rates and waiving the prepayment penalty on the renewal of the loan agreement. If Arvest Bank does not agree to put the verbal agreements in writing then the proposal from Banc First will be accepted. The vote was taken as follows: Aye: Evans McBride, Brent Grilliot, Steven Taylor, Susan Kanard, Marti Fields, Mark Sehgal, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

New Business: None

Adjournment:

A **Motion** was made (Sehgal) and seconded (Kanard) to adjourn at 6:57 PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Brent Grilliot, Steve Taylor, Marti Fields, Mary Shannon, Evans McBride and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.


Weldon Smith ~ Chairperson
/sds


Mary Shannon ~ Secretary

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