

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday May 01, 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 11:30 AM on Tuesday April 30, 2019.

TRUSTEES PRESENT:

Susan Kanard ~ Brent Grilliot ~ Weldon Smith, Chairman ~ Kevin Priddle ~ Marti Fields ~ Mark Sehgal, MD ~ Mary Shannon ~ Evans McBride (Arrived at 4:02 PM)

TRUSTEES ABSENT: Steven Taylor

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Jim Fraser, Tim Cathey, M.D., Kim Stout, Michael Mann, MD, Shawn Howard, Lucy Muller, Darryl Linnington, Heather Eddy.

OTHER ATTENDEES:

Karen Rieger, Legal Counsel

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 January 17, 2019 and April 03, 2019
2. April 2019 MRHC Agreement Log

A **Motion** was made (Sehgal) and seconded (Kanard) to approve consent agenda items one (1) and two (2) as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Marti Fields, Mary Shannon, Kevin Priddle, Brent Grilliot and Weldon Smith.

Nay: None. Absent: Evans McBride, Justice Taylor. Abstain: None. Chairperson Smith declared the **motion** carried.

MRHC Board of Trustees Education & Discussion - Module 4 – Finance/Reimbursement: Ms. Lucy Muller presented "Module 4 – Finance/Reimbursement" an educational presentation for the Board. Ms. Muller reported she learned from the presentation that the Board's responsibilities are to ask questions to assure the hospital has adequate financial resources to protect assets and provide financial oversight. She stated the Board should not over focus on monthly results but instead focus on the year to date numbers and educate on processes in order to be prepared. The Board should also be involved with the Audit process from the beginning to the end. Mr. Weldon Smith stated in regards to areas to focus, it would be helpful if the Administrative Team would also focus on these areas and bring them to the Board's attention with solutions. Mr. Fraser discussed the addition of additional reports in the financial package each month and changing the format to simplify the information presented. Mr. Smith stated the Board is asking for a simple report of priority items that need the Board's attention. Mr. Priddle mentioned he would like to see an unbilled report; to determine if bills are getting out the door on time. Mr. McBride stated the targets of the Board are not getting trended in the Finance Report. Mr. Smith suggested the Administration Executive Team meet to identify the necessary areas of focus. Mr. Keith stated his team will work on developing some examples with relevant data for the Board to review.

Strategic Discussion:

1. Mr. David Keith presented the CEO report. He reported President Trump's plan to introduce an association Health Plan and work requirement for Medicaid was shot down in the Federal Court. He stated Governor Stitt is also against the plan. Mr. Keith stated he will be watching this closely in the future. CMS will add telehealth benefits for members in 2020. In an effort to bolster the telehealth infrastructure, MRHC is working on grants and an IT Strategic Plan. Mr. Keith reported MRHC is being considered for Area Health Education Center (AHEC) funding in 2019. AHEC is a federal program that puts money in Communities and will make McAlester a center of education excellence. Mr. Keith reported a group "Together Oklahoma" has generated a petition requiring 178,000 signatures to get Medicaid Expansion on the ballot regardless of any legislative decision. Speaker of the House Charles McCall is working to get a bill proposed before the state question goes on the ballot to block the initiative. MRHC took a loss of \$500K for the month. Mr. Keith reported Dr. Moore an Interventional Cardiologist from Oklahoma Heart Hospital has joined MRHC. A second physician is being considered. MRHC has corrective actions in place and is anticipating a follow up State Survey in the near future. Dr. Tim Cathey provided an update on physician recruitment and enhanced efforts to strategically recruit key physicians. Mr. Keith reported RN's continue to be "hard to recruit". She stated a new nurse staffing matrix to include more LPN and CNAs has been developed. The new nurse staffing matrix will support the current RNs and better manage nurse shortage issues. The Vision Philanthropy Group was recommended to assist the Foundation staff on fund development for the Medical Office Building and Cancer Center Campaign. Mr. Keith shared some upcoming events: The Grand Opening and Ribbon Cutting Ceremony will be held May 13th, 2019, the Jacob Rich dedication ceremony will be held on May 31 at the Emergency Department entrance and the 4th Annual Foundation Golf Classic will be held on June 20th at the McAlester Country Club.

Chief of Staff Report: Dr. Michael Mann reported the medical staff has no pressing issues to report. He stated he is preparing a quality presentation that he will present in the near future. He stated he is pleased with the direction the Residency Program is taking under the guidance of Dr. Timothy Cathey.

Personnel Committee Report: Ms. Mary Shannon reported the Nursing Workforce Presentation was presented at the last Personnel Committee Meeting. She opened the floor to Ms. Kim Stout to share the presentation with the Board.

1. **Nursing Workforce Presentation:** Ms. Kim Stout reported nursing in the United States & Oklahoma is facing a shortage that is expected to significantly increase by 2026. Thousands of baby boomer nurses are retiring at a faster rate than those entering the market. In Oklahoma there are 700 RNs per 100,000 patients which is well below the National Average of 1,150 per 100,000 patients. She reported the demand for RNs is not spread evenly across the US; the southern and western US will be impacted more heavily and most adversely impacting rural hospitals. Ms. Stout reported the cause is contributed to the aging population and the lack of educational bandwidth to train new nurses. She stated the shortage is contributing to nursing burnout and putting patients at a higher risk for readmissions, hospital acquired conditions and increased length of stay. Ms. Stout shared the current nursing landscape including the number of vacancies at MRHC. In an effort to be competitive, she shared a new nursing matrix to "Grow our own" nurses including scholarship programs, nurse residency program, re-evaluating pay scales and increasing the number of extern students. Ms. Stout reported the new goals are to fast track and expedite the hiring process, interview within 24 hours of electronic application submission, interview walk-in applicants immediately and reviewing the productivity targets.

Board QI Committee Report: Ms. Susan Kanard provided an overview of the Board QI minutes for April 23, 2019. She reported Ms. Whitney Hull presented the Quality Scorecards including the Quality Management Oversight System, Quarterly report for McAlester Medical Services and the Quarterly Home Care report. Ms. Kim Stout provided an update on Home Health Services. She stated Home Health has a 5 out of 5 star rating. She added Home Health is moving to an electronic health record system on July 1, 2019 which will generate real time reports. Ms. Stout reported Home Health has been staffed with 8 RNs for several years and just recently all 8 RNs retired. She stated she is working hard to replace those nurses with experienced replacements with the same quality. Ms. Kanard stated there is no Board action required.

Finance Committee Report:

1. Consideration and approval of March 2019 Financial Reports:

Mr. Jim Fraser reported for the month ending March 31, 2019, McAlester Regional Health Center reported a net operating loss of \$523k, as compared to a budgeted net operating income of \$267k and a prior year net operating income of \$275k. From an EBIDA (earnings before interest, depreciation and amortization) standpoint, MRHC reported a loss of \$76k, compared with a budgeted EBIDA of \$711k and a prior year EBIDA of \$657k.

For the Year-to date, MRHC reported a net operating income of \$469k, as compared to a budgeted net operating income of \$922k and a prior year net operating loss of \$591k. From an EBIDA (earnings before interest, depreciation and amortization) standpoint, MRHC reported a positive \$4,094k, compared with a budgeted \$4,842k and a prior year EBIDA of \$2,606.

The month's volumes were mixed, with inpatient discharges up to 370 from 345 in the prior year, outpatient registrations up to 6,956 from 6,433 in the prior year, emergency department visits are up to 2,175 from 1,781 in the prior year and total surgeries are up to 277 from 247 in the prior year. The unrestricted cash balances have decreased to 112 days from 139 from the prior year. However, with the expectation of the sale of the Dialysis Center our cash will increase approximately 20 days to restore our cash days on hand to the 132 days range.

He stated we again sustained negative operating results from the loss of our cardiology service line and the ramifications of the Department of Labor audit. The positive news is that our hospice service is moving in a positive direction and our cardiology service line is started up again with the arrival of Dr. Moore on April 15th.

Discussion occurred regarding the criteria for the Finance Report. Mr. McBride reported the Board is requesting that the Executive Team establish and recommend very selective targets that are vetted through the Finance Committee and approved by the Board. He stated the targets should be specific much like the Days Cash on Hand target. The reports will provide a reference on paper as opposed to a verbal report.

Mr. Evans McBride shared action items that will move forward to the Board following the next Finance Committee. Mr. Fraser reported the Signet Contract was renegotiated that resulted in a significant cost savings to the hospital.

A Motion was made (Sehgal) and seconded (Grilliot) to approve the March 2019 Financial report as presented The vote was taken as follows: Aye: Mark Sehgal, MD, Brent Grilliot, 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.

New Business: None

A **Motion** was made (Priddle) and seconded (Sehgal) to go into executive session at 5:46 PM. The vote was taken as follows: Aye: Kevin Priddle, Mark Sehgal, MD, Mary Shannon, Marti Fields, Evans McBride, Susan Kanard, Brent Grilliot and Weldon Smith. Nay: None. Absent: Steve Taylor. Abstain: None. Chairperson Smith declared the **motion** carried.

Executive Session (25 O.S. § 307(B)) – Discussion and Action – Weldon Smith, Chairman

25 O.S. § 307(B) (4): “Confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.”

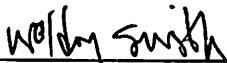
1. Discussion regarding Atoka County Medical Center

A **Motion** was made (Priddle) and seconded (Sehgal) to come out of executive session at 6:17 PM. The vote was taken as follows: Aye: Kevin Priddle, Mark Sehgal, MD, Susan Kanard, Brent Grilliot, Marti Fields, Mary Shannon, Evans McBride and Weldon Smith. Nay: None. Absent: Steve Taylor. Abstain: None. Chairperson Smith declared the **motion** carried.

A **Motion** was made (Grilliot) and seconded (Shannon) to authorize MRHC Administration to proceed with mediation per contract with Atoka County Medical Center; if mediation fails proceed with legal action. The vote was taken as follows: Aye: Brent Grilliot, Mary Shannon, Susan Kanard, Mark Sehgal, MD, Kevin Priddle, Marti Fields, Evans McBride and Weldon Smith. Nay: None. Absent: Steve Taylor. Abstain: None. Chairperson Smith declared the **motion** carried.

Adjournment:

A **Motion** was made (Grilliot) and seconded (Shannon) to adjourn at 6:19 PM. The vote was taken as follows: Aye: Brent Grilliot, Mary Shannon, Susan Kanard, Mark Sehgal, MD, Kevin Priddle, Marti Fields, Evans McBride and Weldon Smith. Nay: None. Absent: Steve Taylor. Abstain: None. Chairperson Smith declared the **motion** carried.


Weldon Smith ~ Chairperson
/sds


Mary Shannon ~ Secretary