

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday November 06, 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 10:22 AM on Tuesday November, 05, 2019.

TRUSTEES PRESENT:

Susan Kanard ~ Brent Grilliot (arrived at 04:05 PM) ~ Weldon Smith, Chairman ~ Marti Fields ~ Mary Shannon ~ Evans McBride (arrived at 4:06 PM) ~ James Bland ~ Mark Sehgal, MD

TRUSTEES ABSENT: Kevin Priddle

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Jim Fraser, Tim Cathey, M.D., Kim Stout, Shawn Howard, Whitney Hull, Lee Martin, Willard Revels, Jeff Warmuth, Kim Hall, Whitney Hull, Heather Eddy.

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via Conference phone), Pete Stasiak, Kevin Gore, BKD, Susan Holt, VPG, Bob Wilkins, VPG.

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 October 02, 2019
2. MRHC Contract Log for October 2019

A Motion was made (Fields) and seconded (Grilliot) to approve the consent agenda items one (01) and two (2) of the consent agenda as presented. The vote was taken as follows: Aye: Marti Fields, Brent Grilliot, Mark Sehgal, MD, Susan Kanard, James Bland, Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairman Smith declared the motion carried.

Vision Philanthropy Group (VPG) Update: Ms. Susan Holt and Bob Wilkens of VPG provided an overview of a Campaign Feasibility Study and Plan to expand the Cancer Center. She stated the overview includes answers to the following questions: What do we want to accomplish? What are the big problems we are solving? Can this project be a model for other rural hospitals? She added VPG reached their conclusions by internal and external assessments, strategic recommendations and a detailed action plan. Ms. Holt shared the findings of the Feasibility Study and strategic recommendations. She discussed the Foundation infrastructure and offered suggestions to build the Leadership. Ms. Holt shared the established working goals and described how the gift table pipeline will work. She stated the project will be a five year effort with the first year in readiness building and the last four years in relationship building.

Audit & Compliance Committee Update: Ms. Susan Kanard opened the floor to Mr. Kevin Gore, BKD.

1. Consideration & Approval of MRHCA Audit for FY ending June 30, 2019: Mr. Kevin Gore presented the MRHCA Audit for FY ending June 30, 2019. He reported the audit is an

Initials _____

unmodified (or clean) opinion. He shared the required communications and audit adjustments. Mr. Gore reported there were no areas of audit emphasis. The Balance Sheet, Statement of Revenues, Expenses & Changes in Net Position, Management Letter and Ratio Analysis was discussed. He provided graphs of how MRHC compares to similar hospitals. At the request of Mr. Evans McBride, Mr. Gore described the new GASB standards on leases and the impact it will have to the hospital. Mr. McBride stated the Finance Committee recommended reaching out to Arvest Bank to make sure the accounting standards around leases do no impact our debt coverage ratio. A **Motion** was made (McBride) and seconded (Kanard) to approve the MRHCA Audit for FY ending June 30, 2019 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, James Bland, Brent Grilliot, Marti Fields, Mark Sehgal, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairman Smith declared the **motion** carried.

Sleep Center Services Update: Mr. Willard Revels, Director of Sleep lab Services provided a presentation on Sleep Testing for Diagnosis and Treatment of Sleep Apnea. He shared choices for sleep testing and efforts to meet the evolving demands of the commercial insurance market. He stated cost-effective diagnosis creates increased referrals. Mr. Revels reported MRHC has WatchPAT 300 that is the only Home Sleep Testing (HST) device FDA cleared to determine stages of light sleep, deep sleep and REM sleep and allows for a more accurate diagnosis. It is also the only HST device FDA cleared to diagnose Central Sleep Apnea versus Obstructive Sleep Apnea. The HST device is FDA cleared for patients as young as 12 years of age and meets FMCSA "chain-of-custody" requirements for occupations which require sleep testing for occupations such as trucking, aviation and railway. MRHC Sleep Lab is the only facility in Oklahoma utilizing the WatchPAT 300. Mr. Revels reported the WatchPAT 300 is the only FDA approved HST device that can record sleep.

Environmental Services Update: Mr. Lee Martin reported the hospital is considering outsourcing Environmental Services with a goal of improving the over-all cleanliness of the Hospital. Hospitals with high scores outsource their Environmental Services with companies that specialize in Hospital cleanliness. References were given from Oklahoma Hospitals that were successful with the Value Base Purchasing imperatives of Clean and Quiet scores and a few were visited. He reported that best practices were also referenced in our State. Mr. Martin stated the True Solutions Company was chosen to provide an assessment of the current state of environmental services at MRHC and found there was little to no consistency in performance. True Solutions identified essential areas of focus to include: Onsite management, work organization, employee training, quality performance auditing and controls and reporting. The company is also working to clean the floors in which Dr. Sehgal stated he can already notice a difference. Mr. Martin shared the plan for the future developed from the assessment findings. He reported in addition to providing an assessment, True Solutions is being considered to provide contracted Environmental Services to MRHC. Mr. David Keith stated the outsourcing of Environmental Services will bring systems, retention and better product in the end.

Strategic Discussion:

1. **CEO Report:** Due to the lack of time, Mr. Keith foregoed the CEO report included in the preliminary meeting packet; however he encouraged the Board to read the attached articles.
2. **Vizient OK/AR West Coast Trustee/Physician/CEO Leadership Conference Report:** Mr. David Keith, Ms. Mary Shannon and Ms. Marti Fields recently attended the Vizient OK/AR West

Initials _____

Coast Trustee/Physician/CEO Leadership Conference in Arizona. Each shared their most impactful educational experience and how it relates to the hospital.

Chief of Staff Report: In the absence of Dr. Kenneth Miller, Chief of Staff, no report was provided.

Board QI Report: Ms. Susan Kanard opened the floor to Ms. Whitney Hull who provided an overview of the recent Board QI meeting. She reported a Quality Management report was discussed including the Quality plan document. The finalized Quality Plan will be presented to the Board Qi Committee in November and then to the Board of Trustees in the near future. The Anesthesia Director was discussed including his involvement and improvements. She reported the Transition of Care Charter was reviewed and revisions were made. Ms. Hull stated she will share the Charter with the Board in the future. The Stroke Scorecard was discussed with a focus on door to needle times. The Stroke Coordinator is working with the Premiere ED Physicians to provide continual education to improve the times.

Strategic Planning Committee: Ms. Kim Stout reported the Strategic Planning Committee met last week to review and make final recommendations to the revised MRHC Strategic Plan. Plans for the upcoming MRHC Board of Trustees Retreat were also discussed. The Retreat is planned for December 12, 2019. Ms. Maureen Swan, a guest speaker will provide an educational presentation to invited community leaders during the retreat.

Finance Committee Report:

- 1. Consideration and approval of September 2019 Financial Reports:** Mr. Jim Fraser provided an overview of the September 2019 Finance Report. He announced MRHC received an award from CAPTIS for contract compliance in our purchasing group. He recognized the MRHC Materials Management Department for their role in maintaining contract compliance to keep supply cost down. Mr. Fraser reported the overall Audit is complete and from a net operating income perspective the hospital improved just shy of \$2M due in part to the efforts of the Executive Team to improve operations. Mr. Fraser reported there are challenges already in the first quarter with a lagging revenue cycle due to an end of the year slow-down of payers. He reported the net operating income was below budget at \$58K and the EBIDA was positive at \$478K. He reported volumes were mixed, discharges were down, outpatient registrations, emergency visits and surgeries were up from prior year. The unrestricted cash balances increased to 124.7 days and labor management resulted in paid FTE's running 706 which are up 30 from prior year. Mr. Fraser reported MRHC is considering no longer accepting Humana Insurance due to their denial history after issuing approvals in advance. He stated many other facilities are following suit. A Motion was made (McBride) and seconded (Shannon) to approve the September 2019 Financial report as presented. The vote was taken as follows: Aye: Evans McBride, Mary Shannon, Mark Sehgal, MD, Marti Fields, Susan Kanard, Brent Grilliot, James Bland and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the motion carried.

Mr. Evans McBride reported there were three things to watch in the future:

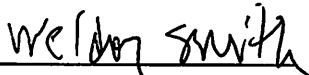
1. Auditors are watching collections closely; there could be a material adjustment to the receivables on the audit report in the future.

Initials _____

2. The hospital needs to assure there is enough income to offset the onboarding and ramping up of all the new physicians. He expects the Executive Team to face challenges to balance the financials.
3. Hospital needs to monitor Belfair closely to make sure they are increasing their occupancy and we do not see another capital call.

New Business: None

Adjournment: A Motion was made (Kanard) and seconded (Grilliot) to adjourn at 7:05 PM. The vote was taken as follows: Aye: Susan Kanard, Brent Grilliot, James Bland, Mark Sehgal, MD, 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