

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 01, 2020 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 01:35 PM on Tuesday March 30, 2020.

TRUSTEES PRESENT:

Weldon Smith, Chairman ~ Marti Fields ~ James Bland ~ Kevin Priddle

TRUSTEES PARTICIPATING VIA TELECONFERENCE:

Susan Kanard ~ Brent Grilliot ~ Mary Shannon ~ Evans McBride

TRUSTEES ABSENT: Mark Sehgal, MD

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Tim Cathey, M.D., Darryl Linnington, Kim Stout, Sherry Winczewski, Shawn Howard, Dr. John Tedesco (via teleconference),

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via teleconference), Russell Ramzel, Legal Counsel (via teleconference)

CALL TO ORDER & ROLL CALL:

Chairman Smith called the meeting to order at 4:00 PM. Roll Call was taken as follows: Evans McBride (via teleconference), Susan Kanard (via teleconference), James Bland (via teleconference), Marti Fields, Mary Shannon (via teleconference), Kevin Priddle, Brent Grilliot (via teleconference) and Weldon Smith. Absent: Mark Sehgal, MD.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for March 04, 2020.
2. MRHC Contract Log for March 2020
3. Appointment of Kim Stout to the Belfair Associated Senior Living Group replacing Tim Cathey, MD.

A **Motion** was made (Fields) and seconded (Priddle) to approve the consent agenda items one (01), two (2) and three (3) of the consent agenda as presented. The vote was taken as follows: Aye: Marti Fields, Kevin Priddle, Evans McBride (via teleconference), Susan Kanard (via teleconference), James Bland (via teleconference), Mary Shannon (via teleconference), Brent Grilliot (via teleconference) and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.

COVID-19 Incident Command Report: Ms. Kim Stout provided an update on the MRHC COVID 19 Incident Command (IC) efforts. She reported the IC team was assembled on March 12, 2020. She shared the IC organizational chart with identified leaders and responsibilities. The team established goals to identify and prioritize risks and determined ways to inform the staff & community. In addition, a Comprehensive Surge Plan was developed to monitor daily surge capacity, triage plans and holding locations. The team began restricting entrances to the hospital and screening was required for all persons entering the facility. By March 23, 2020 visitors were restricted to enter the facility with the exception of end of life patients and all obstetrical patients. Social distancing requirements were implemented and signage was placed throughout the facility as a reminder. She reported the Environmental Services (EVS) team was tasked with cleaning high touch areas and securing hand sanitizer and cleaning supplies. EVS also received training to clean areas with

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TRUSTEES ABSENT: None

HOSPITAL STAFF:

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presumed positive COVID 19 cases. Ms. Stout reported some outpatient service lines were closed or restricted access and as a result, volumes decreased. In response to this, MRHC implemented telemedicine services to increase virtual access and decrease exposure to potential COVID 19 patients. MRHC providers for Internal Medicine, Obstetrics and Gynecology, Pediatrics and Family Medicine are now available through Telemedicine. Ms. Stout reported the MRHC IC Team is partnering with the County Emergency Resource Team, City of McAlester, Local Media, State and County Health Department, Political Representatives, Oklahoma Hospital Association, Schools, local businesses, Churches and community organizations to coordinate efforts. Ms. Stout closed by informing the Board that budgetary workforce and labor adjustments will be necessary to sustain the hospital through the pandemic.

ROLL CALL: The Roll Call was taken as follows: Mary Shannon (via teleconference), Marti Fields, Evans McBride (via teleconference), Kevin Priddle, Susan Kanard (via teleconference), Brent Grilliot (via teleconference), James Bland (via teleconference), and Weldon Smith. Absent: Mark Sehgal, MD. Additional attendees: Dr. John Tedesco, Karen Rieger and Russell Ramzel.

Chief of Staff Report: Dr. John Tedesco (via teleconference) reported he has personally made it his responsibility to assure every MRHC physicians is educated and prepared for COVID 19 patients and they are able to back fill where needed during this Pandemic. He stated medical reports coming out of New York indicate there is a 40% to 70% reduction in medical staff due to the acquiring the virus or they terminate their employment. Dr. Tedesco stated he expects every Physician that works here to know how to manage a COVID 19 patient, Ventilators and pressures of the pandemic. He added he is working with Dr. David Auld to gather educational material out to all the physicians.

Consideration & approval to participate in the Accelerated & Advance Payment Program for Providers & Suppliers during COVID 19 Emergency: Mr. Darryl Linnington reported the Pandemic has created a burden on the hospital because of decreasing volumes and unanticipated cost due the COVID 19 precautions. He shared an opportunity from the Centers of Medicare & Medicaid (CMS) that has just come available. CMS expanded the CARES Act: Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. The program increases the cash flow to providers of services and suppliers impacted by the 2019 Novel Coronavirus (COVID 19) pandemic. The expansion of this program is only for the duration of the public health emergency. The hospital will have up to a year from the date the accelerated payment was made to repay the balance. Mr. Linnington stated that he sought opinions from the hospital accountant and legal counsel to determine this opportunity would not be considered as a debt to the hospital. Mr. Kevin Priddle stated the program would be good for the hospital at this time and it could be paid back at a later time. Mr. Linnington stated he expects to receive approximately \$13M to \$16M from the Accelerated & Advance Payment Program. A **Motion** was made (Priddle) and seconded (Grilliot) to approve the participation in the Accelerated & Advance Payment Program for Providers & Suppliers as presented. The vote was taken as follows: Aye: Kevin Priddle, Brent Grilliot (via teleconference), James Bland (via teleconference), Susan Kanard (via teleconference), Evans McBride (via teleconference), Marti Fields, Mary Shannon (via teleconference) and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.

CEO Report: Mr. Keith updated the Board on efforts taken to manage employees and physicians during the COVID 19 Pandemic including temporary wage reductions, furloughs and a few terminations. He stated this is a painful time but necessary considering the loss of revenue to the hospital. He reported the staff is pulling together and we have had a lot of community support. He reported Representative Grego and State Senator Boggs assisted the hospital in acquiring additional beds in preparation for COVID 19 patients. Mr. Keith

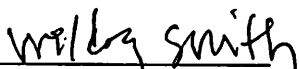
reported that while the Incident Command Team is working daily to focus on the COVID 19 Pandemic he is attempting to keep his sights on strategic initiatives for the hospital. He shared there may be a partnership opportunity with a Critical Access hospital in the near future. This will strategically line the hospital up for rural health designation opportunities and reimbursement. He stated he will keep the Board updated on the negotiation progress.

Finance Committee Report:

1. Consideration and approval of February 2020 Financial Reports: Mr. Darryl Linnington reported the authority, on a combined basis, posted a net loss of \$2.8m for February; this includes a prior period adjustment of \$3.25m related to contractual reserves. Before this adjustment, the authority had a positive net income of \$399k for the month. Year-to-date, the authority has absorbed a net loss of \$2.29m. On an EBIDA basis, the financials reflect a positive \$1.077m. As correctly restated, net revenues are at plan and ahead of prior year, on a year to date basis reflecting growth. Volumes have been good, both for the month and year to date in most areas one notable exception being the operating room that is lower due to the loss of gastroenterology services and a few months without a general surgery. Expenses were higher for the month and year to date related to a nursing wage increase, higher health claim expenses, higher physician recruitment expenses, locum coverage and call expense, higher pharmacy, lab reagent, orthopedic implant supply costs, higher software licensing fees and higher equipment lease costs. Expense categories are showing favorable including contract labor, legal fees, repairs expense, utilities and insurance. Investment income for the month is showing negative due to a decline in market. In terms of the balance sheet, cash and investments stands at \$30.1m and funded depreciation is roughly \$17.6m. Accounts receivable cash collections were good at \$7.6m. Debt covenants continue to be met with 111.5 days Cash on Hand and a 1.68 debt service coverage ratio. Of the \$1.75m routine capital budget, \$1.3m has been purchased. The Meditech budget shows \$4m on track with a budget of \$5.2m. A motion was made (Fields) and seconded (Priddle) to approve the Financial Reports for February 2020 as presented. The vote was taken as follows: Aye: Marti Fields, Kevin Priddle, Mary Shannon (via teleconference), Evans McBride (via teleconference), Susan Kanard (via teleconference), Brent Grilliot (via teleconference), James Bland (via teleconference) and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the motion carried.

New Business: None

Adjournment: A Motion was made (Priddle) and seconded (Fields) to adjourn at 5:06 PM. The vote was taken as follows: Aye: Aye: Kevin Priddle, Marti Fields, Susan Kanard (via teleconference), Brent Grilliot (via teleconference), James Bland (via teleconference), Mary Shannon (via teleconference), Evans McBride (via teleconference) and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the motion carried.



Weldon Smith ~ Chairperson
/sds



Mary Shannon ~ Secretary