

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday May 06, 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 03:45 PM on Monday May 04, 2020.

**TRUSTEES PRESENT:**

Weldon Smith, Chairman ~ Marti Fields ~ James Bland ~ Kevin Priddle ~ Susan Kanard ~ Brent Grilliot

**TRUSTEES PARTICIPATING VIA TELECONFERENCE:**

Mary Shannon (dialed in at 4:08) ~ Evans McBride

**TRUSTEES ABSENT:** Mark Sehgal

**HOSPITAL STAFF:**

David Keith, Sonya Stone, Recording Secretary, Darryl Linnington, Kim Stout, Sherry Winczewski, Shawn Howard, Dr. John Tedesco (via teleconference), Julie Powell, (via teleconference), Ken Matthews

**OTHER ATTENDEES:**

Karen Rieger, Legal Counsel (via teleconference)

**CALL TO ORDER & ROLL CALL:**

Chairman Smith called the meeting to order at 4:00 PM. Mr. Smith reported Mr. Brent Grilliot was appointed by the McAlester City Council for a second six year term on the MRHCA Board of Trustees.

**Public Comment:** None

**Consent Agenda:**

1. MRHCA Board of Trustees minutes for April 01, 2020.
2. MRHC Contract Log for April 2020
3. MRHCA Board of Trustees Policies; two year review with no revisions as follows:
  - A. MRHCA Board of Trustee Job Description
  - B. Quality Improvement Committee of the Board of Trustees
  - C. AD HOC Committee of the Board of Trustees
  - D. Audit & Corporate Compliance Committee
  - E. Executive Succession Plan
  - F. Finance Committee

A **Motion** was made (Priddle) and seconded (Fields) 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: Kevin Priddle, Marti Fields, James Bland, Brent Grilliot, Susan Kanard, Evans McBride and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.

**Review and signing of Annual Attestation form for "Oklahoma Health Care Providers' Responsibilities and Rights Under Certain Medical Treatment Laws":**

Ms. Julie Powell shared an educational power point and reported the Oklahoma legislature enacted the Medical Treatment Laws Information Act in order to ensure that those in the health-care community are aware of Oklahoma's various laws related to the provision of life-preserving treatment. The legislature's intent was to protect patients from involuntary denial of life-preserving care caused by a health-care provider's lack of awareness of Oklahoma's protective laws, while

recognizing patients' rights to refuse treatments. She reported each year health care providers and Board members will need to certify they have reviewed a brochure explaining their rights and responsibilities regarding provisions of life-preserving measures. Ms. Powell stated the required attestation form is provided to each Board member today to acknowledge they have received the annual education regarding the Medical Treatment Laws Information Act.

**Consideration & Approval of Resolution to Cease Operations and Sell Assets of Southeast Imaging, LLC:**

MRHCA purposes pursuant to resolution of the Board of Trustees dated June 7, 2017 at which time entered into a certain Operating Agreement of Southeast Imaging, LLC (SEI) with Radiology Associates of Eastern Oklahoma PLLC (RAEO). MRHCA and RAEO each own 50% of the membership interest in SEI. RAEO desires to sell to MRHCA and MRHCA desires to purchase all of RAEO's membership interest in SEI. The resolution authorizes and empowers Mr. David Keith, Chief Executive Officer to take action and to execute and deliver all agreements, certificates, instruments and documents, and to take all such other actions as deemed necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions. Mr. Linnington stated to avoid completely collapsing the LLC; the hospital will keep the note, equipment and re-assign the lease. He added there may be an opportunity in the future to utilize the LLC at a different location and the equipment will be moved over to the hospital. Mr. Keith stated the space that will be retained will be converted to a Rural Health Clinic. A motion was made (Priddle) and seconded (Bland) to approve the Resolution to cease operations and sell assets of Southeast Imaging, L.L.C. as presented. The vote was taken as follows: Aye: Kevin Priddle, James Bland, Mary Shannon, Marti Fields, Evans McBride, Susan Kanard, Brent Grilliot and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the motion carried.

**Discussion regarding Letter of Intent for Eastern Oklahoma Medical Center:** Mr. David Keith reported Eastern Oklahoma Medical Center (EOMC) reached out to MRHC seeking affiliation opportunities. Mr. Keith stated that MRHC is not interested in a management role; however they are interested in a lease or ownership model. EOMC is interested in a lease opportunity. He added the Letter of Intent is not binding and will allow MRHC to have a dialogue with EOMC and share information to determine the value in the relationship. Mr. Keith reported BKD recently did an assessment and determined that if MRHC converted the MMS Clinics to provider based and added Rural Health Clinics, it would have a favorable impact to the organization. Another favorable impact would be to acquire a Critical Access Hospital and make it part of the Hospital System. Mr. Keith stated the reason for dialogue with EOMC is because they are a Critical Access Hospital. He added there may be a few hurdles to overcome in getting a waiver from Novitas for the 35 mile from a hospital radius rule; however the State is favorable in supporting Rural Health Clinics at this time. Mr. Keith stated he has tasked BKD to determine the return on investment for a Critical Access Hospital with a waiver and without. Mr. Keith stated discussion is ongoing regarding what the relationship would look like and expects a decision will be made in the next 60 days. Mr. Keith reported he will arrange a meeting involving Board members from both entities in the near future. Mr. Keith stated he will keep the Board updated and notify them in advance before moving forward. Discussion was also held regarding the Haskell County Community Hospital in Stigler. He reported the hospital was up for sale recently and the potential buyer may be backing out of the sale. He added this may be an additional opportunity to purchase another Critical Access Hospital.

**Incident Command Update:** Ms. Kim Stout reported since her last report to the Board, the Governor and the Oklahoma State Department of Health challenged hospitals to increase their bed count capacity by 40%. She stated MRHC was able to meet this challenge with the assistance of Representative Grego and State Senator Boggs. She reported MRHC opened up and readied closed units specifically for COVID 19 patients and a tent was erected outside in preparation for an influx of patients. She stated staffing has been a challenge

throughout this pandemic. Staff from the closed Ambulatory Surgery Center and non-clinical nurses received special training in order to fill in the gaps. Ms. Stout reported as of April 24, 2020 elective surgeries resumed at MRHC with the appropriate precautions. The Ambulatory Surgery Center is still closed at this time primarily due to staffing challenges but plans to reopen are underway. The Incident Command (IC) is working on deescalating the COVID 19 processes including eliminating weekend debriefs, 24/7 IC on-call and some screening station processes. Ms. Stout reported the personal protective equipment (PPE) supply is adequate with the exception of N95 pediatric masks. She also reported the hospital is adhering to the CMS guidelines in regards to patient privacy during the COVID pandemic. Only providers with a need to know have access to a COVID patient's medical record. Medical records are audited routinely for compliance.

**Chief of Staff Report:** Dr. John Tedesco (via teleconference) reported due to the COVID 19 Pandemic, travel restrictions have halted recruiting opportunities. He stated the medical staff has stepped up during this COVID challenge and they are doing an incredible job keeping the community safe.

**CEO Report:** Mr. Keith opened the floor to Mr. Shawn Howard and Mr. Ken Matthews who provided a plan for the soft reopening of the Wellness Center following the COVID Pandemic. Mr. Keith reminded the Board during the reopening process; a focus will be placed on all necessary COVID preventions and recommended steps for reopening a business including social distancing and a thorough cleaning. Mr. Howard discussed a financial snapshot of the Wellness Center that included the addition of outpatient therapy services and sports medicine. He stated the original business plan for the Wellness Center included these services as well as other services such as dietary and an on-site physician, all of which would increase the wellness of the community. He stated before COVID the hospital began looking at the financial sustainability of the Wellness Center and determined that although the Center has approximately 2000 members, it is barely breaking even with overhead costs and maintenance due to its size. The hospital determined that a good way of sharing cost and creating efficiencies is to move therapy services to the Center. The move will free up space to move the business office closer to the hospital and eliminate rental fees. Mr. Matthews shared the plan to implement COVID precautions at the Wellness Center including closure of the water fountains, coffee machines, microwave, exercise classes and babysitting. He added members will be encouraged to bring their own towels, water and personal equipment. He added exercise equipment will be staggered to ensure distancing and members will be limited according to health department requirements. Mr. Matthews reported there is currently construction occurring at the Center to incorporate physical therapy services; however the goal is to have the Center open for business within the next week. Additional discussion occurred regarding 24/7 services and a new model for exercise classes. Mr. David Keith reported due to the lack of patients at the MRHC Urgent Care Center and providers were not comfortable taking care of COVID patients, the hospital opted to close the facility. Patients are urged to go directly to the Emergency Room or to their primary care provider. Plans to reopen and possibly relocate the Urgent Care are being considered. Mr. Keith reported the Lifebridge Geri-psych program was closed temporarily; however the program is now open for business. He reported Dr. Carol Gambrill submitted her resignation as Medical Director of the OSU Residency Program. Dr. Vanessa Menuiot will serve as Interim Director of the program while a replacement is being vetted. Mr. Keith reported the hospital is still working with The Kempton Group on a bundled payment program. He also shared new providers that will be joining the MRHC family soon and ongoing recruiting efforts. Mr. Keith closed by providing a legislative update on issues facing the hospital.

**Investment Committee Report:**

**1. Consideration and approval of revision to the MRHCA Board of Trustees Investment Committee Policy:**

Mr. Kevin Priddle reported the Investment Committee reviewed the MRHCA Board of Trustees Investment Policy and determined the cash on hand that is currently maintained around an operational standpoint should be looked at separately from the ratios on the investment schedule. The Days Cash on Hand report needs to be a separate report from the investment allocation review. The recommendation of the

Initials \_\_\_\_\_

Investment Committee was to modify the policy to clarify the point. He added the revisions were forwarded and reviewed by the Finance Committee for review. A **motion** was made (Priddle) and seconded (Bland) to approve the proposed revisions to the Investment Committee Policy as presented. The vote was taken as follows: Aye: Kevin Priddle, James Bland, Susan Kanard, Brent Grilliot, Marti Fields, Mary Shannon, Evans McBride and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.

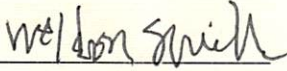
### **Finance Committee Report:**

**1. Consideration and approval of March 2020 Financial Reports:** Mr. Linnington presented the March Financial report to the Committee for consideration and approval. He stated the authority posted a loss for the month of \$1.456m as compared to a budgeted profit of \$342k. The loss is largely attributable to a decline inpatient volume and revenues with the onset of the Covid crisis. Higher salaries, contract labor, purchased service and lease costs also contributed to the negative result. Year-to-date, the Authority financials reflect a cumulative loss of \$3.7m versus plan, a \$2.3m profit and a prior year result of \$1.2m. Year-to-date the biggest detractor has been higher-than-plan operating expenses, exceeding budget by \$4.4m. Regarding revenues overall, gross patient charges for March were only \$18.7m compared to a budget of \$24.4m and the prior year amount just shy of \$24m. The overall collection rate was 31% for the month and 32% on a year-to-date basis, stronger prior year roughly 30%. The higher collection rate this year is attributable to a re-pricing of lab services toward the end of last year. YTD salaries are \$1.8m higher again, mostly attributable to the nurse rate adjustment. Benefits are essentially at plan for the month, over \$305k YTD due to higher health claims. Contract labor spiked up in March, totaling \$223k as many unanticipated invoices arrived in accounting from vendor Conexus from prior months for OR, ICU, Cath Lab, and now Respiratory Therapy. Professional fees and physician fees both ran close to plan. Supplies were much lighter than plan for the month and repairs were \$52k lighter. Insurance expense was \$26k lighter without ER physician malpractice expense this year. Lease expense was almost \$80k higher due to unplanned/unbudgeted expenses. Cash was down \$468k from prior month. Clinic collections were stronger at \$562k, up from \$540k last year. The capital spend for the month was \$725,630, mostly on the Meditech project and Candor, contractor for downtown Healthplex. The total long-term debt was \$10.5m down from \$10.6m in the prior month. A **motion** was made (Grilliot) and seconded (Fields) to approve the Financial Reports for March 2020 as presented. The vote was taken as follows: Aye: Brent Grilliot, Marti Fields, James Bland, Susan Kanard, Kevin Priddle, Evans McBride, Mary Shannon and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.

**2. Consideration and approval of a temporary modification of 3 loans with First National Bank to reflect interest only payments for 6 months from May 2020 through October 2020:** Mr. Darryl Linnington reported the hospital has three loans with First National Bank (FNB). FNB is working with the hospital to offer temporary loan relief for a 6 month period from May 2020 through October 2020 due to the COVID Pandemic. Mr. Linnington stated the cash flow implications from this relief will be quite significant and he thanked First National Bank for working with the hospital and helping at this time. He added it will make a huge difference with meeting payroll obligations. He recommended the Board accept the temporary modifications to accept interest payments for 6 months from May 2020 through October 2020 at FNB. Mr. Priddle recommended amending the motion to include authorization for the CEO to sign the appropriate documents on behalf of the Board. A **motion** was made (Kanard) and seconded (Priddle) to approve the temporary modification of 3 loans with First National Bank to reflect interest only payments for 6 months from May 2020 through October 2020 and authorization the CEO to sign the appropriate documents on behalf of the Board as presented. The vote was taken as follows: Aye: Susan Kanard, Kevin Priddle, Mary Shannon, Marti Fields, Brent Grilliot, James Bland and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: Evans McBride. Chairman Smith declared the **motion** carried.

New Business: None

Adjournment: A **Motion** was made (Kanard) and seconded (Priddle) to adjourn at 06:26 PM. The vote was taken as follows: Aye: Susan Kanard, Kevin Priddle, Brent Grilliot, James Bland, Marti Fields, Mary Shannon, Evans McBride and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD. Abstain: None. Chairman Smith declared the **motion** carried.



Weldon Smith ~ Chairperson  
/sds



Mary Shannon ~ Secretary