

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday June 03, 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 02:32 PM on Monday June 01, 2020.

TRUSTEES PRESENT:

Weldon Smith, Chairman ~ Marti Fields ~ Kevin Priddle ~ Susan Kanard ~ Brent Grilliot ~ Johnny Zellmer ~ Mary Shannon ~ Evans McBride

TRUSTEES PARTICIPATING VIA TELECONFERENCE:

None

TRUSTEES ABSENT: James Bland

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Darryl Linnington, Kim Stout, Sherry Winczewski, Shawn Howard, Dr. John Tedesco (via teleconference), Julie Powell, Ken Matthews, Whitney Hull, Shawn Howard, Jennifer Wallace, Michelle Priddle, Dr. Bradley Cross, Resident, Rebecca Lanham

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via teleconference), Pete Stasiak

CALL TO ORDER & ROLL CALL:

Chairman Smith called the meeting to order at 4:00 PM. Mr. Smith welcomed Dr. Johnny Zellmer to the McAlester Board of Trustees. He was appointed by the McAlester City Council to complete a six year term vacated by Dr. Mark Sehgal.

Public Comment: The following attended the McAlester Board of Trustees meeting to comment on the Wellness Center Update listed on the agenda: Debbie Nelson, Linda Timmons, Sheila Williams, Joyce Carlson, Bonnie Strickland, Ryan Wiley, Shanna Tippit, Carol Tippit, Shirley Gaberino, J. Chapman and Marj Dailey. Questions that were presented for discussion include: The location of new therapy pool; how will the vacated pool room be utilized; where is the designated area for therapy services; which classes will be re-opened and concerns regarding classes that will be closed; HIPPA privacy; concerns with navigating around therapy patients on walking tract and Wellness Center name change, a requirement of CMS. Concerns were also expressed due to a lack of communication regarding changes at the Center driven by miscommunication and rumors.

Consent Agenda:

1. MRHCA Board of Trustees minutes for May 06, 2020.
2. Credentialing & Privileging List
3. Resolution for 2020-2021 Workers Compensation Reserve Escrow Fund.
4. MRHC Contract Log for April 2020

A Motion was made (Priddle) and seconded (Fields) to approve the consent agenda items one (01), two (2), three (3) and four (4) of the consent agenda as presented. The vote was taken as follows: Aye: Kevin Priddle, Marti Fields, Brent Grilliot, Susan Kanard, Evans McBride Mary Shannon and Weldon Smith. Nay: None. Absent: James Bland. Abstain: Johnny Zellmer. Chairman Smith declared the motion carried.

Wellness Center Update: Chairman Smith welcomed guests who attended with interest and concerns relating to the Wellness center. Mr. Smith asked Mr. Keith to open the dialog and address the group, especially since the closure due to COVID 19. Mr. Keith presented the history of the development of the Wellness Center as well as the original business plan to create a medical complex with gym services. He shared with the group the need to create a sustainable model, and reminded the group that since opening, the Wellness Center has been subsidized by the Hospital to an approximate amount of \$4.5m. Mr. Keith shared opportunities being taken to reduce costs, and described the rationale for closing and replacing the in-ground heated pool with an above ground heated pool. Mr. Keith reiterated the primary goal of combining Therapies with the Wellness Center is to achieve a reduction of overhead cost to the Wellness Center resulting in financial sustainability and no immediate increase to dues structure for most members. The Center will be continue opening slowly in compliance with City and State guidelines.

Mr. Ken Matthews shared a presentation regarding the Wellness Center and Therapy integration. He described some of the needed renovation required and types of clinical services to be offered. Mr. Mathews described changes to the training sessions as well as the temporary elimination of babysitting services. Mr. Mathews also mentioned the future potential of incorporation of telehealth services as well as offering to member's key access for "after-hours". Mr. Matthews opened the floor to questions from guests. In closing, Mr. Smith asked that Administration conduct a members-survey to measure expectations and satisfaction.

Det Norske Veritas (DNV) Update: Ms. Whitney Hull, Quality Manager provided a brief update on MRHCs recent DNV hospital accreditation survey. She reported the survey has historically conducted on site, on an annual basis; however, due to COVID-19 pandemic the annual survey was done remotely through zoom and iPad technology. MRHC had 13 findings from the 2019 DNV survey, which were all closed. She reported in 2018, MRHC revamped the Quality Management System. During this survey process it was evident that MRHC made progress toward a fully integrated Quality Management System. Evidence of that integration includes leadership engagement, Medical Staff engagement, data review with corrective action and accountability. During DNVs exit conference with MRHCs leadership, an un-official report was given, stating that MRHC would be receiving one non-conformity finding. The hospital has ten (10) days to submit a corrective action plan for the findings. The Quality department and Quality Management Oversight Committee will monitor the implementation of the submitted corrective action plan and sustained compliance throughout the year. From the 2019 DNV survey, MRHC had 13 findings which were all closed.

Incident Command Update: Ms. Kim Stout provided an updated on the COVID 19 Incident Command process. She stated last month the hospital Surgical Services Department opened and as of today the McAlester Ambulatory Surgery Center opened for surgery. She stated patients are now allowed to have one support person with them during their stay in the hospital. The support person must stay in the patient's room and they are required provide and wear a mask. Ms. Stout reported the Incident Command will be de-escalating the regular meetings; however reports will continue during the routine safety meetings each morning. She shared a completed CMS waiver report showing how the Incident Command performed during the Covid 19 Pandemic.

Chief of Staff Report: Dr. John Tedesco (via teleconference) reported the medical staff is working through a few issues related to staffing and charting. He reported the hospital is in the process of interviewing a couple of good candidates for dermatology and anesthesia. This is a good opportunity to expand medical services.

CEO Report: Mr. Keith provided an overview of the CEO report included in the meeting packet. He highlighted information regarding: efforts to partner with Eastern Oklahoma Medical Center; Senate Bill 1046 and impact on SHOPP (Supplemental Hospital Payment Program); State Question 801 and impact on Medicaid; status of COVID and impact on MRHC inpatient and outpatient volumes; planned selection of new Family Medicine Residency Program Director; and search for a new Human Resources Director. Mr. Keith also

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mentioned future plans to RFP Food and Housekeeping Services as well as opening the downtown Southeast Healthplex in August 2020.

Personnel Committee Report: Ms. Mary Shannon opened the floor to Ms. Rebecca Lanham who provided an overview of the Personnel Committee meeting. She reported the Committee discussed the impact to employees in regards to the COVID 19 Pandemic. Adjustments to benefits were made in response to the CARES ACT that will pay 100% of cost for an employee diagnosed with COVID 19. Telemedicine coverage was implemented as well as Family First Corona Virus Response Act (FFCRA) benefits. FFCRA provides up to 12 weeks of leave for employees who are diagnosed with COVID, quarantined due to COVID or has a child to care for because schools are closed. Human Resources and Administration responded to the COVID 19 Pandemic by strategically assessing job positions. Ms. Lanham shared steps taken by the hospital to adjust wages and furlough or terminate employees. Job performances, department volumes and similar job positions were considered in the decision process. Mr. Weldon Smith stated the COVID 19 Pandemic has created unusual circumstances. He recommended developing a policy and procedure for furloughing and terminating employees.

Audit & Corporate Compliance Report: Ms. Susan Kanard opened the floor to Ms. Julie Powell, Compliance Officer who provided an update on the Audit and Corporate Compliance meeting held on May 26, 2020. Ms. Powell reported in March of this year she was apprised of a potential compliance matter introduced via a Facebook messenger post to an MRHC employee. The complaint alleged that MRHC may have not followed the Public Competitive Bidding Act when the hospital engaged in an Environmental Service Contract with True Solutions. In collaboration with Conner & Winters, an audit and review was performed.

At the completion of the audit process, results were shared with appropriate parties, including the Audit Corporate and Compliance Committee. The decision was made for MRHC to terminate the contract with True Solutions, and engage in a public bid process under Title 60. Mr. David Keith advised if any Board members receive any correspondence in regard to this matter to forward that correspondence to Conner & Winters to review and provide guidance as necessary.

Finance Committee Report:

1. **Consideration and approval of April 2020 Financial Reports:** The Hospital booked a total loss for April in the amount of \$2.7m; attributable to the Pandemic, a precipitous decline in patient revenues and efforts to retain direct patient care staff for a potential surge. Key clinical and support positions within the hospital were kept employed with anticipation of relief funds, while some adjustments (i.e. furloughs) were made with respect to other positions. Overall, revenues were down net \$3.7m from prior year while payroll was down only \$348k. All business segments showed a loss with the exception of the Van Buren House (positive \$26k). Hospital volumes trended down from last month with further progression of the Covid crisis. The balance sheet reflected unrestricted cash at \$29m, and restricted cash, (includes HHS funds and the advance from Medicare) at \$15m for a total cash balance of almost \$44m. Collections dipped in April reflecting the falloff in volume beginning in March. Collections were \$5.5m versus \$6.4m a month earlier. Humana and VA have committed to getting old AR paid before our fiscal year-end. MRHC is expecting a settlement from Humana by end of June. The downtown Healthplex project continues to move forward and ~\$400k of funds have been used to date. Total capital spending to date stands at \$4.4m, including spending on the Meditech project in this fiscal year. Payment of employer FICA has been deferred for three payrolls (through 5/14) as part of the CARES Act; totaling \$249k. The amount is reflected as a liability on our balance sheet. MRHC is not meeting the day's cash on hand debt covenant, nor meeting the debt coverage service ratio (DSCR) requirement without inclusion of HHS Stimulus funds. A motion was made (Grilliot) and seconded (Priddle) to approve the Financial Reports

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for April 2020 as presented. The vote was taken as follows: Aye: Brent Grilliot, Kevin Priddle, Mary Shannon, Johnny Zellmer, Evans McBride, Susan Kanard, and Weldon Smith. Nay: None. Absent: Marti Fields (Stepped out), James Bland. Abstain: None. Chairman Smith declared the **motion** carried.

2. **Consideration and approval to acknowledge non-compliance with the Debt Services Coverage Ratio (DSCR) and to request Banc First and Arvest Bank to accept inclusion of HHS Stimulus Funds in the DSCR calculation for quarterly reporting in CY 2020:** Mr. Linnington requested approval to acknowledge non-compliance with the Debt Services Coverage Ratio (DSCR) and to request Banc First and Arvest Bank to accept inclusion of HHS Stimulus Funds in the DSCR calculation for quarterly reporting in CY 2020 as presented in the preliminary meeting packet. A **motion** was made (McBride) and seconded (Priddle) to approve to acknowledge non-compliance with the Debt Services Coverage Ratio (DSCR) and to request Banc First and Arvest Bank to accept inclusion of HHS Stimulus Funds in the DSCR calculation for quarterly reporting in CY 2020 as presented: Aye: Evans McBride, Kevin Priddle, Susan Kanard, Brent Grilliot, Johnny Zellmer, Marti Fields, Mary Shannon and Weldon Smith. Nay: None. Absent: James Bland. Abstain: None. Chairman Smith declared the **motion** carried.
3. **Consideration and approval of COVID 19 funding & Associated Expenses:**
Mr. Linnington discussed COVID-19 funding & associated expenses with the Board. This report reflects the funds that were received, HHS Provider Relief Funds, Advanced Medicare Funding and FICA Taxes Deferred and FEMA and OHA COVID-19 small grant. He stated we have not received funds from FEMA; however we have applied. The Hospital requested bids for FEMA Consulting Firms. Mr. Linnington explained that FEMA will pay for a consultant to assist with the application and with entering information onto FEMA's website to begin producing claims for expenses. A **motion** was made (Shannon) and seconded (Fields) to approve COVID 19 funding & Associated Expenses as presented. Aye: Mary Shannon, Marti Fields, Johnny Zellmer, Evans McBride, Susan Kanard, Kevin Priddle, Brent Grilliot and Weldon Smith. Nay: None. Absent: James Bland. Abstain: None. Chairman Smith declared the **motion** carried.
4. **Consideration and approval of COVID Cares ACT HHS Stimulus Financial Policy:**
Mr. Linnington discussed the COVID-19 CARES Act HHS Stimulus Financial Policy for Consideration and approval. He stated the purpose for this policy is to put in writing prudent financial practices understood at application for CARES Act HHS Stimulus funding and in practice since receipt of funding. Mr. Linnington stated these practices will ensure the Authority's compliance with the term and conditions associated with our acceptance of the funding. Mr. Linnington discussed each requirement and the key terms and conditions related to eligibility and the application itself (including the General Provisions in FY2020 Consolidated Appropriation), and the key terms and conditions of the HHS Stimulus Funds that we must follow as we utilize the funds we have received. A **Motion** was made (Priddle) and seconded (Shannon) to approve the COVID Cares ACT HHS Stimulus Financial Policy as presented. The vote was taken as follows: Aye: Kevin Priddle, Mary Shannon, Brent Grilliot, Susan Kanard, Evans McBride, Marti Fields, Johnny Zellmer and Weldon Smith. Nay: None. Absent: James Bland. Abstain: None. Chairman Smith declared the **motion** carried.

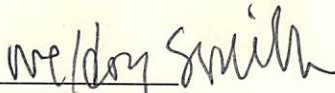
New Business: None

New Business: None

Adjournment: A **Motion** was made (Priddle) and seconded (Fields) to adjourn at 07:23 PM. The vote was taken as follows: Aye: Kevin Priddle, Marti Fields, Susan Kanard, Brent Grilliot, Johnny Zellmer, Mary Shannon,

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Evans McBride and Weldon Smith. Nay: None. Absent: James Bland. Abstain: None. Chairman Smith declared the **motion** carried.



Weldon Smith ~ Chairperson
/sds



Mary Shannon ~ Vice-Chairman