

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday August 05, 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 10:45 AM on Tuesday August 04, 2020.

TRUSTEES PRESENT:

Mary Shannon, Chairman ~ Weldon Smith ~ Marti Fields ~ Kevin Priddle (arrived at 4:07PM) ~ Susan Kanard ~ Brent Grilliot ~ Johnny Zellmer, MD ~ Evans McBride ~ James Bland

TRUSTEES ABSENT: None

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Darryl Linnington, Sherry Winczewski, Dr. John Tedesco (via teleconference), Julie Powell, Lee Martin, Shawn Howard, Dalina McGee, Lucy Muller

OTHER ATTENDEES:

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

CALL TO ORDER & ROLL CALL:

Chairman Shannon called the meeting to order at 4:00 PM.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for July 01, 2020.
2. MRHC Contract Log for June 2020

A **Motion** was made (Smith) and seconded (Fields) to approve the consent agenda items one (1) and two (2) of the consent agenda as presented. The vote was taken as follows: Aye: Weldon Smith, Marti Fields, Johnny Zellmer, MD, Evans McBride, Susan Kanard, James Bland, Mary Shannon, and Brent Grilliot. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairman Shannon declared the **motion** carried.

Presentation regarding MRHC Bidding Process: Mr. Russell Ramzel, Legal Counsel shared an overview of Public Trusts and Competitive Bidding. He focused on competitive bidding laws applicable to Public Trusts involving The Oklahoma Public Trust Act and The Oklahoma Public Competitive Bidding Act. He reported these laws contain different requirements for what contracts must be let out for public bid and contain different procedures if applicable. Mr. Ramzel provided details explaining the requirements and exceptions for each Act. He also shared the bidding notice requirements and the process for opening and rejecting bids.

Hospital Project Update: Mr. Lee Martin reported that two weeks ago, the Outpatient Diagnostic Imaging and Women's Imaging services moved from the hospital and is now located on the first floor of the Southeast Healthplex building located at 10 South 3rd Street. He added Family Medicine, Mercy Clinic and the Residency Program will begin moving to the same location on the second floor next week on August 10, 2020. The anticipated opening date for these clinics will be the following Monday. Mr. Martin reported Adult Therapy Services also moved from 903 E. Monroe Suite 200 to the Wellness Center located at 1400 East Van Buren. In addition, he stated that Pediatric Therapy Services is scheduled to move from 903 E. Monroe to 101 Oklahoma Ave by the end of the month. Mr. Shawn Howard reported to alleviate the need for an Urgent Care

Clinic, a 12 hour walk in clinic is currently available on weekends at the Family Medicine Clinic located on the hospital campus at 4 Clark Bass Blvd. The walk in clinic will be moving to the Southeast Healthplex location at 10 South 3rd Street along with Family Medicine next week. Mr. Martin stated plans are under way to move the accounting office closer to the hospital when the building at 903 E. Monroe is vacant,

Chief of Staff Report: Dr. John Tedesco (via teleconference) reported there is no new business to report.

CEO Report: Mr. Keith provided an overview of the CEO report included in the meeting packet. He reported a team from MRHC traveled to Poteau to meet with leaders at Eastern Oklahoma Medial Center to continue a dialogue regarding a potential lease agreement; MRHC received funds from Health and Human Services (HHS) through the Health Resources and Services Administration (HRSA). A second round of funding for hospitals is expected for high impact COVID 19 areas. He added without government support, half of all hospitals may be operating in the red in the second half of 2020, jeopardizing community care. Mr. Keith reported the impact of COVID 19 on recruitment in hot spots has created a demand for nursing and others. This will tax rural communities and other hospitals. MRHC is working on a retention plan for MRHC nurses and ancillary staff; Medicaid Service Providers are awaiting the Governor to push out an Oklahoma Health Care Authority RFP to manage Medicaid. There is interest in the McAlester area by Medicaid Service Providers because of the regional location; MRHC Compliance Department introduces a new Open Records Request portal; Mr. Keith reported Dr. Matthew Graves, OB/GYN and Dr. Sarah Oberste, Gastroenterology have joined MRHC. In addition, an agreement is pending negotiation with a Pulmonologist; A bid went out for Anesthesia Services. Blue Sky Anesthesia presented the lowest offer and was awarded the bid. An agreement is being finalized; Although much was accomplished for the year, the FY 2020 Leadership bonuses were nixed due to the impact of COVID 19; Family Medicine, Mercy Clinic and the Residency Program will be moving next week to the Southeast Healthplex located at 10 South 3rd Street; The MRHC Stroke Program received recognition recently. The program received the Gold Plus and Diabetes Honor Roll Achievement Award; MRHC has kicked of a "We're ready when you're ready" marketing campaign to reassure the public they can receive safe care at MRHC despite the pandemic.

Personnel Committee report:

- 1. Consideration and approval of FY2020 Performance Bonus payout:** Ms. Mary Shannon reported the FY2020 Performance Bonus Plan was discussed at a recent Personnel Committee meeting held on July 14, 2020. The financial trigger was not met due to the COVID 19 Pandemic. As a result, the Personnel Committee was unable to award bonuses this year. She stated there were important items to note that were accomplished on the plan including primary care and specialty physician growth, Meditech Implementation on time and on budget and a retail pricing strategy established. Ms. Shannon reported the Committee began working on the FY2021 Performance Bonus Plan that will be presented to the Board in the near future. A Motion was made (Grilliot) and seconded (Bland) to approve the recommendation by the Personnel Committee to withhold pay out of performance bonuses to Executives and middle management due to unattainable financial goals as presented. The vote was taken as follows: Aye: Brent Grilliot, James Bland, Susan Kanard, Kevin Priddle, Evans McBride Marti Fields, Johnny Zellmer, MD, Weldon Smith and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried.
- 2. Consideration and approval of Employee Bonus Policy:** Ms. Lucy Muller presented the Employee Bonus Policy for approval by the Board. She reported the policy was reviewed by the Personnel Committee. The policy outlines the process by which MRHC Employees receive bonuses. She stated the

current process for determining bonus payouts has not changed. The policy will officially summarize these processes on paper. A **Motion** was made (Fields) and seconded (Kanard) to approve the Employee Bonus Policy as presented. The vote was taken as follows: Aye: Marti Fields, Susan Kanard, Weldon Smith, Johnny Zellmer, MD, Evans McBride, Kevin Priddle, Brent Grilloit, James Bland and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

Board QI Committee Report: Ms. Julie Powell provided an overview of the Board QI Committee report for June and July 2020. She shared the MRHC Primary Stoke Center received recognition recently. The program received the Gold Plus and Diabetes Honor Roll Achievement Award. The Primary Stoke Center was awarded the award because it fulfilled all quality obligations over the past 24 months and provided quality stoke care to our patients. She added MRHC will have a Zoom Primary Stroke Survey by DNV on August 21, 2020. Ms. Powell stated she anticipates this survey to go well. Another area of discussion included the Expanse Software. Following the implementation in early March 2020, the COVID pandemic occurred that stalled the post assessment process. Quality is currently working to identify opportunities for improvement within clinical documentation and is working to correct them. Ms. Powell reported MRHC is engaged with the "Hospital Improvement Innovation Network Program" that assists MRHC in meeting great quality patient safety outcomes. That company is retiring and MRHC has chosen to partner with a Vizient group "Hospital Quality Improvement Contractor Program" starting September 15, 2020. She reported MRHC had great outcomes with The "Hospital Improvement Innovation Network Program" and she expects the new program will continue the focus to decrease patient harm, increase patient safety measures, decrease hospital readmissions and improve care transmissions.

Finance Committee Report:

- 1. Consideration and approval of June 2020 Financial Reports:** Mr. Darryl Linnington provided an overview of the June 2020 Financial Report. The Authority posted a loss of \$1.8m for the month of June finishing the year with a total loss of \$9.2m on a combined basis (including MMS and MASC). The report included the operating statement, volumes, inpatient and outpatient revenues, operating expenses and a review of the Balance Sheet. He stated MRHC booked, based on a settlement agreement that was signed before year end, a receivable from Humana. Puterbaugh Foundation Board met and a discussion was held regarding the donation for the downtown Health plex. This grant was booked as a reduction in the cost of the asset instead of a grant income. The error was corrected and the grant was reclassified. Mr. Linnington informed the Finance Committee that our anesthesia group received some HHS relief money and we have recommended that money is returned. Mr. Darryl Linnington provided an overview of the June 2020 Financial Report. The Authority posted a loss of \$1.8m for the month of June finishing the year with a total loss of \$9.2m on a combined basis (including MMS and MASC). The report included the operating statement, volumes, inpatient and outpatient revenues, operating expenses and a review of the Balance Sheet. A **motion** was made (Zellmer) and seconded (Bland) to approve the Financial Reports for June 2020 as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, James Bland, Susan Grilloit, Kevin Priddle, Marti Fields, Weldon Smith, Evans McBride and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.
- 2. Consideration and approval of FY2021 Operating and Capital Budget:** Mr. Linnington provided a detailed overview of the FY 2021 Operating and Capital Budget. Mr. McBride expressed his concerns with achieving projected goals for the Southeast Clinics in the coming year. Discussion

occurred regarding Southeast Clinic Provider Scorecards and physician performances. A **motion** was made (Smith) and seconded (Bland) to approve the FY 2021 **Operating Budget** as presented: Aye: Weldon Smith, James Bland, Johnny Zellmer, MD, Evans McBride, Susan Kanard, Marti Fields, Kevin Priddle, Brent Grilliot and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried. A **motion** was made (Grilliot) and seconded (Zellmer) to approve the FY 2021 **Capital Budget** as presented: Aye: Brent Grilliot, Johnny Zellmer, MD, Evans McBride, Susan Kanard, James Bland, Marti Fields, Weldon Smith, Kevin Priddle, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

3. **Consideration and approval of recommendation to reject bids for Environmental Service:**

Mr. Linnington reported given the current economic environment, the hospital is recommending to reject bids for environmental services from True Solutions and HHS. To ensure stability of employment and services the hospital will be retaining the service in-house. He stated it is not in the public's best interest to out-source at this time. A **motion** was made (Bland) and seconded (Zellmer) to approve the recommendation to reject bids for environmental services from True Solutions, HHS, HSC as presented. Aye: James Bland, Johnny Zellmer, MD, Weldon Smith, Marti Fields, Kevin Priddle, Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

4. **Consideration and approval of recommendation to reject bid for Food Services:**

Mr. Linnington reported given the current economic environment, the hospital is recommending to reject bids for food services from True Solutions, HHS and HSC. To ensure stability of employment and services the hospital will be retaining the service in-house. He stated it is not in the public's best interest to out-source at this time. A **motion** was made (Bland) and seconded (Grilliot) to approve the recommendation to reject bids for food services from True Solutions, HHS and HSC as presented. Aye: James Bland, Brent Grilliot, Susan Kanard, Kevin Priddle, Evans McBride, Marti Fields, Johnny Zellmer, Weldon Smith and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

5. **Consideration and approval of Telehealth quote and vendor selection:**

Mr. Linnington reported a team was assembled including physicians to review six (6) quotes from TeleDoc, AMWell, Meditech, VisuWell and HRS for Tele-health services and support. Meditech was selected by the team as the lowest cost option. The upfront cost is \$14,200 and on-going cost per month is \$1200. Meditech was chosen over a similar low cost bidder (VisuWell) for better integration and avoidance of interface cost associated with VisuWell. Meditech offers full integration with our existing Health Information System and Electronic Health Record System. A **motion** was made (Priddle) and seconded (Fields) to approve the quote from Meditech for telehealth at an upfront cost of \$14,200 and on-going cost of \$1200 per month as presented. Aye: Kevin Priddle, Marti Fields, Susan Kanard, Brent Grilliot, James Bland, Johnny Zellmer, MD, Weldon Smith, Evans McBride and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

6. **Consideration and approval of workers comp letter to release funds from old plan:**

Mr. Linnington reported a letter has been drafted to the Workers Compensation Commission requesting a reduction of the MRHC escrow fund amount that is more in line with the outstanding reserves of \$42,458 on 5 open claims. The current escrow amount is \$488,344.96. This obligation was incurred prior to July 1, 2017 when the hospital was self-funded. The hospital is now part of HealthSmart Casualty Claims, a risk group for workers comp. Mr. Linnington is requesting approval to submit the letter to the Workers Compensation Commission and with their approval

Initials _____

move the bulk of the funds into the MRHC operating account because it is no longer needed to pay for worker comp claims. A **Motion** was made (Bland) and seconded (Smith) to approve Mr. Linnington to submit the proposed letter to the Workers Compensation Commission requesting a reduction of MRHC escrow funds to reflect open claims as presented. The vote was taken as follows: Aye: James Bland, Weldon Smith, Johnny Zellmer, MD, Evans McBride, Susan Kanard, Marti Fields, Kevin Priddle, Brent Grilliot and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

7. **Consideration and approval of updated Covid Funding and Financial Policy:** Mr. Darryl Linnington provided an updated Covid Funding and Financial Policy. He shared the proposed revisions to the previously approved policy. A **motion** was made (Kanard) and seconded (Bland) to approve the revisions to the previously approved Covid Funding and Financial Policy as presented. The vote was taken as follows: Aye: Susan Kanard, James Bland, Brent Grilliot, Kevin Priddle, Evans McBride, Marti Fields, Johnny Zellmer, MD, Weldon Smith and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.
8. **Consideration and approval of recommendation to reject bids for Endoscope:** Mr. Darryl Linnington reported bids were opened for Endoscopes. Four (4) vendors responded to include Pentax, FujiFilm, Olympus and IMS. Vendors were asked to quote both new and used equipment based on a cash price. There was some difficulty in comparing equipment/technologies for equivalency. He plans to utilize a bio-med tech to evaluate the technologies. Mr. Linnington reported it is in the public interest to consider leasing the equipment. He made a recommendation to reject bids from Pentax, FujiFilm, Olympus and IMS and then rebid to include leasing options. The recommendation was reviewed by the Finance Committee and forwarded to the Board of Trustees for approval. A **Motion** was made (Smith) and seconded (Grilliot) to approve the recommendation to reject bids from Pentax, FujiFilm, Olympus and IMS and then rebid to include leasing options as presented. The vote was taken as follows: Aye: Weldon Smith, Brent Grilliot, Johnny Zellmer, MD, Marti Fields, Evans McBride, Kevin Priddle, Susan Kanard, James Bland and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the **motion** carried.

Executive Session (25 O.S. § 307(B)) – Discussion and Action – Mary Shannon., 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 of, and consideration of recommendation from Finance Committee and other options for action in relation to, allegations made by Klean R Us and Mr. Randy Green, investigation, and threatened claims related to Oklahoma Open Records Act and Oklahoma Competitive Bidding Laws.

25 O.S. § 307(B)(1): “Discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee.”

1. Discussion of, and consideration of amendment to correct language in the CEO Employment Agreement regarding life insurance.

A motion was made at 6:04 PM by (Fields) and seconded by (Smith) to enter into Executive Session. The vote was taken as follows: Aye: Marti Fields, Weldon Smith, Susan Kanard, Brent Grilliot, James Bland, Johnny

Initials _____

Zellmer, MD, Kevin Priddle, Evans McBride and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried unanimously. A motion was made at 7:29 PM by (Bland) and seconded by (Zellmer) to come out of Executive Session. The vote was taken as follows: Aye: James Bland, Johnny Zellmer, MD, Evans McBride, Susan Kanard, Marti Fields, Weldon Smith, Kevin Priddle, Brent Grilliot and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried.

No action was taken during Executive Session.

Action taken following the Executive Session includes the following:

Consideration and approval of amendment to correct language in the CEO Employment Agreement regarding life insurance: A Motion was made (Zellmer) and seconded (Priddle) an amendment to correct language in the CEO Employment Agreement regarding life insurance as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, Kevin Priddle, James Bland, Brent Grilliot, Susan Kanard, Evans McBride, Marti Fields, Weldon Smith and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried.

Consideration and approval to engage Crowe & Dunlevy with Karen Rieger as the MRHC Counsel to do an independent investigation of allegations made by Klean R Us and Mr. Randy Green, investigation, and threatened claims related to Oklahoma Open Records Act and Oklahoma Competitive Bidding Laws. A Motion was made (McBride) and seconded (Priddle) to approve the recommendation as presented. The vote was taken as follows: Aye: Evans McBride, Kevin Priddle, Weldon Smith, Johnny Zellmer, MD, Marti Fields, Susan Kanard, Brent Grilliot, James Bland and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried.

Adjournment: A Motion was made (Priddle) and seconded (Fields) to adjourn at 07:32 PM. The vote was taken as follows: Aye: Kevin Priddle, Marti Fields, Susan Kanard, Brent Grilliot, James Bland, Johnny Zellmer, MD, Weldon Smith, Evans McBride and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairman Shannon declared the motion carried.


Mary Shannon, Chairperson


James Bland ~ Vice-Chairman

/sds

Initials _____