

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday December 17, 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 09:52 AM on Tuesday December 15, 2020.

TRUSTEES PRESENT:

Mary Shannon, Chairwoman ~ Weldon Smith ~ Susan Kanard ~ Brent Grilliot ~ Johnny Zellmer, MD ~ Evans McBride (arrived at 4:02PM) ~ James Bland

TRUSTEES ABSENT: Marti Fields,

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Darryl Linnington, Shawn Howard, Lucy Muller, Kim Stout, Cheryl Perry, Interim CFO, Larry Auld, Kody Brown,

OTHER ATTENDEES:

Karen Rieger, Legal Counsel

CALL TO ORDER:

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

Public Comment: None

Consideration and approval of \$30K Capital Contribution to Belfair for the facility to meet December 18

Payroll: Mr. Linnington reported the Administrator of Belfair has provided financial information indicating that it cannot meet the December payroll without an immediate cash call. MRHCA is being requested to increase its capital contribution by \$30K at this time. A recent decline in census means that Belfair remains below its breakeven level of occupancy. The onset of the Covid pandemic brought many challenges, mostly a negative impact on new admissions and the pace of revenue growth. The Belfair Board is taking a closer look at operations and facility expenses. A review of the findings is planned with follow up corrective actions. Mr. Linnington also reported the Belair Board is working with legal counsel to draft a letter notifying the Carland Group of their default on their cash call responsibilities and the necessity of making the required \$70K payment, with interest, within 10 days to avoid being classified a passive investor. Lastly Mr. Linnington reported a recast financial projection showing the path to breakeven is being prepared for sharing with lending bank (BancFirst) to seek relief from the current debt service and to explore a potential increase in the available line of credit to minimize potential cash calls to members in early CY2021. A report is in progress and will be made to the MRHCA Board in January. A **Motion** was made (Zellmer) and seconded (Bland) to approve the \$30K Capital Contribution to Belfair for the facility to meet December 18 Payroll as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, James Bland, Evans McBride, Susan Kanard, Weldon Smith, Brent Grilliot, Weldon Smith, and Mary Shannon. Nay: None. Absent: Marti Fields. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Consideration and approval of sale of vacant lot (1 acre more or less) in Atoka owned by MRDC, LLC for

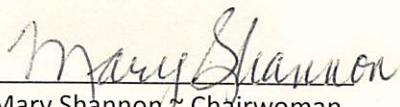
\$80K: Mr. Darryl Linnington reported our partner, Dr. Jon McCauley received an unsolicited offer to purchase the vacant lot (1 acre more or less) in Atoka from an individual seeking to build an optometry shop. Dr. McCauley reached out to a local realtor to assess the property and negotiate a price of \$80K. Mr. Linnington stated the lot was originally purchased for \$55K. When compared to other property for sale in Atoka, the offered price appears to be favorable. The buyer wishes to close in December. The net proceeds from the sale will be distributed between owners of the MRDC, LLC, MRHCA will receive 50% of the proceeds.

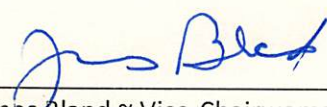
A **motion** was made (McBride) and seconded (Grilliot) to approve the sale of property in Atoka owned by MRDC, LLC as presented. Aye: Evans McBride, Brent Grilliot, James Bland, Susan Kanard, Johnny Zellmer, MD, Weldon Smith, and Mary Shannon. Nay: None. Absent: Marti Fields. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Consideration and approval of emergency purchase of 174 Smart IV Pumps: Mr. Larry Auld reported there is an immediate need for additional IV pumps to increase capacity due to a surge of COVID patients. He stated 80 additional IV pumps are immediately needed to meet the current influx of patients. Mr. Auld reached out to order 80 pumps identical to the existing pumps but was informed by Baxter they were discontinued. This would mean adding a newer model of IV Smart Pumps that would operate on an entirely different network and server from the current models. By having both old and new pumps in service at the same time, operating differently and on two servers and two networks, would likely pose patient safety risk issues. Mr. Auld reported that one nursing unit can have as much as 50-60 pumps going at one time. Mr. Auld stated he reached out to other companies and was told they were out of pumps due to the pandemic or could only provide refurbished. Purchasing from another company besides Baxter would require the change out of consumables which could be very expensive and the installation of a different network and server to accommodate those pumps. The network and server for the Baxter pumps is already in place so the upgrade will take less time. Mr. Auld reported he negotiated with Baxter to replace the entire fleet of 174 pumps including replacements for 94 aging, discontinued and out of service pumps, plus 80 additional pumps to meet increased capacity at a cost of \$365,910. Baxter offered to provide the network and server upgrade at no cost that would operate all 174 pumps the same. Mr. Auld reported the Public Trust Law allows for an emergency purchase of equipment. The IV pumps are considered equipment and there is an immediate need to save lives. Ms. Karen Rieger, Legal Counsel reported the IV pump purchase does meet the need for being emergent and the hospital has a legitimate argument for meeting the standard of the Public Trust Act. Mr. Auld reported because the hospital is already a customer of Baxter, they have committed to have the new pumps here by the end of the month. He stated there is \$185K already in the budget for IV Pumps and Baxter has agreed to accept this amount as a down payment with the remainder to be paid out over the next two years without interest. Mr. Auld stated there is a need and it is a serious need if this proposal is not approved, the hospital will not be able to take care of all patients and we will have to ration care. Mr. Howard reported last week the hospital had 8% positive COVID cases, this week we are at 25%. Dr. Johnny Zellmer stated a hospital cannot function without IV pumps. Mr. Keith stated the hospital is opening another wing for COVID patients that will need IV pumps. He added he is expecting a greater surge of COVID patients in the very near future. A **motion** was made (Kanard) and seconded (Zellmer) to approve the emergency purchase of 174 Baxter Smart IV Pumps at a cost of \$365.910 as presented. Aye: Susan Kanard, Johnny Zellmer, MD, Weldon Smith, Evans McBride, Brent Grilliot, James Bland and Mary Shannon. Nay: None. Absent: Marti Fields. Abstain: None. Chairwoman Shannon declared the **motion** carried.

New Business: None.

Adjournment: A **Motion** was made (McBride) and seconded (Smith) to adjourn at 7:22 PM. The vote was taken as follows: Aye: Evans McBride, Weldon Smith, Johnny Zellmer, MD, Marti Fields, Susan Kanard, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.


Mary Shannon ~ Chairwoman


James Bland ~ Vice-Chairwoman

/sds

Initials _____