

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday February 03, 2021 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 08:57 AM on Tuesday February 02, 2021.

TRUSTEES PRESENT:

Mary Shannon, Chairwoman ~ Weldon Smith ~ Marti Fields ~ Susan Kanard ~ Brent Grilliot ~ Johnny Zellmer, MD ~ Evans McBride ~ James Bland.

TRUSTEES ABSENT: None

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Sherry Winczewski, Shawn Howard, Lucy Muller, Kim Stout, Sam Norton, Interim CIO, Cheryl Perry, Interim CFO, Lee Martin, Dr. Kamron Torbati, Chief of Staff,

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via conference phone), Ken Klemme, True Solutions, Jason Draper, True Solutions.

CALL TO ORDER:

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

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for January 06, 2021
2. Credentialing & Privileging Appointments as follows:

Consideration and Approval of Appointment for Credentialing & Privileging for Provisional for one year as follows:

- a. Mark Sauerwald, DO ~ Provisional ~ Emergency Medicine

Consideration and Approval of Credentialing & Privileging for re- appointment for two year as follows:

- a. Pedro Cardich, MD ~ Active ~ Neurology ~ Two Years (Active)
- b. Jacob Krajicek, DO ~ Active ~ Emergency Medicine ~ Two Years (Active)

Resignations:

- a. Rebecca Massey, DO ~ Emergency Medicine ~ 01/06/2021 ~ Premier Physicians
- b. Eric Herbert, MD ~ Emergency Medicine ~ 01/06/2021 ~ Premier Physicians
- c. Agnel Reparthi, DO ~ Internal Medicine ~ 01/06/2021 ~ Prime Physicians
- d. Shane Hnatusko, DO ~ Emergency Medicine ~ 01/03/2021 ~ Premier Physicians
- e. Michael Ogle, DO ~ Emergency Medicine ~ 01/0/2021 ~ Premier Physicians

3. MRHC Contract Log for January 2021.
4. Capital Substitutions for the following:
 - a. Healthplex X-Ray Room Wall
5. Contracts as follows:
 - a. BKD
 - b. Administration Services Corporation
6. Southeast Hospice Board Orientation & Attestation

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A **Motion** was made (Grilliot) and seconded (Kanard) to approve the consent agenda items 1,2,3, 4, & 6 of the consent agenda as presented. Item number 5 was pulled from the Consent Agenda for further discussion. The vote was taken as follows: Aye: Brent Grilliot, Susan Kanard, Johnny Zellmer, MD, Evans McBride, James Bland, Marti Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Discussion occurred regarding item number 5 of the consent agenda to include the BKD and Administration Services Corporation contracts. A **Motion** was made (Fields) and seconded (Zellmer) to approve the consent agenda item number 5 on consent agenda as presented. The vote was taken as follows: Aye: Marti Fields, Johnny Zellmer, MD, Weldon Smith, Evans McBride, Susan Kanard, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried

Environmental Services Presentation: Mr. Jason Draper and Mr. Ken Klemme from True Solutions provided an Environmental Services presentation to the Board. Mr. Draper shared an overview of Company stating True Solutions is an Oklahoma based company that is focused on delivering results by customizing programs designed to meet the needs of each customer. He added True Solutions is a company built around one mission, and one focus, to improve the lives of those we serve. Mr. Draper reported True Solutions is an expert group of healthcare leaders who focus solely on support services departments to lead healthcare systems to the next generation of performance improvement and economic value. He added their market expertise, through the lens of patient satisfaction, employee engagement, and financial stewardship combined with our implementation of a proven program that drives results, positions us to best capitalize on helping healthcare systems achieve their full potential. Mr. Draper shared the True Solution journey with MRHC since 2019, reporting an improvement on the Customer Services Scores in Cleanliness. He stated that achieving and sustaining environmental services excellence is based on the following primary areas of focus: Onsite Leadership and on-going company support, work organization, employee training and quality performance auditing and controls. Mr. Draper and Mr. Klemme demonstrated one of two newly purchased Tru-D Robots that cleans and disinfects with UV light. The Environmental staff is receiving training to operate the Robots and the initial phase of implementation will be on the COVID units.

MRHC Board of Trustee Eligibility: Ms. Mary Shannon opened the floor to Ms. Karen Rieger, Legal Counsel to discuss the requirements for expanding the area from which the City can draw for Board memberships beyond the city limits. The City has good applicants willing to serve however, they live outside the city limits which makes them ineligible under the current Trust Indenture. Ms. Rieger reported there is no limitation under the Oklahoma Statutes, the limit is with the Hospital's Trust Indenture. The process to change the Trust Indenture is slightly complicated. The Case Law requires the approval of the MRHC Board of Trustees, approval of the McAlester City Council and technically the approval of the original Trustee who is now deceased. The process for addressing the deceased Trustor approval is to seek approval from the MRHCA Board of Trustees and the City of McAlester before filing a Trust Declaration with the court and have the court agree to the amendment. Ms. Rieger recommended concurrently adding a provision to the Trust Indenture removing any requirement for Trustor approval going forward. Ms. Shannon reported she has already spoken briefly to the Mayor. Mr. McBride recommended moving forward now with pursuing the removal of any requirement in the Trust Indenture for Trustor approval. Ms. Rieger stated it would require City Counsel approval however, they should not have issues with the archaic requirement. Mr. McBride also suggested having a super majority of the Board membership from within the city limits

Chief of Staff Report: Dr. Kamron Torbati reported he has appointed Dr. Patrick Gannon as the new Chief of Surgery. Dr. Gannon is excited about his new position and will make every effort to fulfill his obligations.

CEO Report: Mr. David Keith provided his CEO report for the Board. He reported President Biden signs several executive orders to combat COVID 19 to include a 1.9T COVID relief package. The Oklahoma Health Care Authority's split decision authorizes financial expenditures for contracting with managed care organizations. Rural legislators

are pushing back on the Governor. Legislation to modernize the Public Trust Act is complicated due to the Oklahoma Municipal League's similar bill and partisan pushback to the Oklahoma Hospital Association. The Finance Department is focused on the revenue cycle and Meditech Expense optimization to improve collections. The CFO and COO are working on Urgent Care options beyond shops of McAlester due to an impasse on negotiations. The Ambulatory Surgery Center (ASC) is having strategic discussions planned on the future of the ASC. Options are being considered due to changes in the healthcare environment. The MRHC Foundation is preparing a plan to launch the Tower Capital Campaign that will include the Cancer Center. The Wig Closet has moved to a new location at the Southeast Healthplex. The PET CT and Hot-Lab are final pieces of the Southeast Healthplex completion. The Grand opening is scheduled for February 18, 2021. The Human Resources Department is in overdrive to recruit and retain employees, especially nursing and other hard to recruit positions. Administration is concerned about the physical and mental toll on employees due to COVID. The Social Media Campaign is going strong with favorable results. Home Health and Hospice have a new Marketer on staff. Strategic Discussions are planned for Belfair of McAlester and Van Buren House to align the organizations to best meet community needs and add to the continuum of care.

Personnel Report: Ms. Marti Fields opened the floor to Ms. Lucy Muller who reported the hospital has 216 employees diagnosed with COVID since the onset and the number for dependents is pending. The loss to the organization is 27,762 hours. The federal COVID leave stimulus was not extended past January 1, 2020 however, MRHC is allowing employees to use FMLA and PTO for their leave. Ms. Muller stated it is very rare for employees to go without pay because they don't have any banked hours because so many are stepping up and donating their PTO hours. Ms. Muller stated the Personnel Committee also discussed employee evaluations. She reported because 2020 was a tough year the evaluations will be very basic. The 2021 evaluations will be metric based. Managers will meet with key individuals to choose metrics for each job description then meet with their employees semi-annually to make sure they are meeting their targets. Managers likewise will meet with their direct reports quarterly. All metrics will tie into customer service quality boards. Ms. Muller stated the new MRHC Delta Dental Insurance was discussed at the Personnel Committee. It was originally reported the cost savings would be \$253K She stated there was a slight hiccup in getting the local Dentist enrolled in the Premier PPO plan which increased the cost by \$25K.

Board QI Report: Ms. Susan Kanard reported the Board QI Committee met on January 26, 2021. Ms. Kanard shared the minutes from that meeting to include Quality Board completions, review of the Standing Data Policies, structure changes to the Quality Oversight Committee, review of HCAHPS scores. Discussion occurred regarding visitation for COVID patients. Also discussed at Board QI include placing Quality Score Cards out on the units for everyone to see and patient surveys.

Finance Committee Report:

- 1. Consideration and approval of December 2020 Financial Reports:** Ms. Perry presented the December 2020 Financial Reports to the Board for approval. The Authority posted \$2.4m of Net Income for the month of December. The Hospital posted Operating Income of \$200k, Home Health had \$21k of Operating Income, Hospice had \$66k of Operating Income, and Van Buren House had \$16k of Operating Income. The Hospital Net Income year to date of \$3.8m compared to \$1.5m budget exceeds budget by \$2.3m. The MMS Clinics had an Operating Loss of (\$881k) which was \$832k worse than the budgeted loss of (\$49). The MMS Clinics Operating Loss year to date of (\$2.4m) was \$102k bigger loss what is budgeted. The MASC Operating Loss of (\$67k) was \$106k less than the budgeted operating income of \$40k. MASC has posted an Operating Loss year to date of (\$280k) which was a \$156k greater loss than budgeted. We got an annual catch up on the Shopp Program of \$96k in other Operating Revenue. The Authority posted Net Operating Revenue is \$7.8m and Operating Expenses are \$8.5m. Salaries are up which is a combination of a lot of things. Salary expenses were over budget \$432k due to implementation of a bedside pandemic pay plan \$158k, Health Care Hero Checks and higher volumes in areas such as 3N and ICU. Contract labor overages is from issues there continuing to have with EVS staff, the final Interim CFO payment, Interim CIO, and the first pay for IT consultants. There was a payment in professional fees to BKD for HHS Funds recognition review assistance, an invoice of \$13k. Supplies were higher driven by increased costs in COVID drugs and Lab reagents. The Lab is completing most COVID tests inhouse

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because it is more cost effective so the increase in supplies will be more than offset by the decrease in purchased services. There was an increase of \$76k in the investments of which the majority was Morgan Stanley. \$3m of HHS funds was recognized, which was comprised of \$2.7m of lost revenues and \$229k in Capital Equipment purchased for the direct treatment of COVID-19 patients. The Capital equipment included Respiratory Ventilators, Vapotherm Flow Plus, and Scrubbers for negative pressure rooms. Ms. Perry stated last year when Meditech Expanse was implemented, COVID hit and we did not optimize the system. We went forward not knowing there were errors in the system. This is being corrected and should be completed by the end of January. Regarding the MMS AR, a contract will be signed for the non-self-pay that are 90 days or older, a company will come in and collect those debts. There is an external group coming to get the AR for MMS moving. They will get paid on what they collect for us and once we are caught up, they will be let go. Mr. McBride reported the Finance Committee has asked the financials to be cleaned up by the end of the fiscal year. He recommended the financial reports for December 2020 be approved with the exception of MMS. A **motion** was made (Bland) and seconded (Fields) to approve the Financial Reports for December 2020 with the exception of MMS as presented. The vote was taken as follows: Aye: James Bland, Marti Fields, Brent Grilloit, Susan Kanard, Evans McBride, Johnny Zellmer, MD, Weldon Smith, Brent Grilloit, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

2. **Consideration and approval of change order to add MRI remodel:** Mr. Howard informed the Board there were a couple of projects at the Healthplex that have been extremely delayed due to COVID. One of the projects is a change order to add an MRI remodel. The Healthplex is awaiting the exact specification to remove the old MRI and replace it with the new MRI. Following the receipt of the specifications for the project, an opinion will be requested from the attorney to determine if the specifications meet a Change Order or if it should be put out for Bid. Due to the timeframe of the MRI project, it is estimated to take 120 days to build. A **motion** was made (Bland) and seconded (Grilliot) to approve the change order to add MRI remodel as presented. Aye: James Bland, Brent Grilloit, Weldon Smith, Johnny Zellmer, MD, Marti Fields, Evans McBride, Susan Kanard, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

New Business: None.

Executive Session (25 O.S. § 307(B)) – Discussion and Action – Mary Shannon, Chairwoman

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 with the advice of the Attorney for Impending investigation of Belfair of McAlester, LLC operations.

25 O.S. § 307(B)(3): “Discussing the purchase or appraisal of real property.”

1. Discussion regarding the lease of real property

A motion was made (Smith) and seconded (Kanard) to go into executive session. Aye: Weldon Smith, Susan Kanard, Brent Grilloit, James Bland, Johnny Zellmer, MD, Marti Fields, Evans McBride, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

A **motion** was made at 6:20 PM by (Smith) and seconded by (Kanard) to enter Executive Session. The vote was taken as follows: Aye: Weldon Smith, Susan Kanard, Brent Grilloit, James Bland, Johnny Zellmer, MD, Marti

Fields, Evans McBride, Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried unanimously.

A **motion** was made at 7:40 PM by (Smith) and seconded by (Fields) to come out of Executive Session. The vote was taken as follows: Aye: Weldon Smith, Marti Fields, James Bland, Brent Grilloit, Susan Kanard, Evans McBride, Johnny Zellmer, MD and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

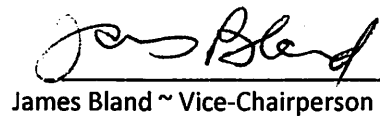
No action was taken during Executive Session.

Action taken following the Executive Session:

A motion was made (Zellmer) and seconded (Fields) to approve an LOI for the lease of real property to include recommended modifications. The vote was taken as follows: Aye: Johnny Zellmer, MD, Marti Fields, James Bland, Brent Grilloit, Susan Kanard, Evans McBride, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

Adjournment: A Motion was made (Fields) and seconded (Smith) to adjourn at 7:45 PM. The vote was taken as follows: Aye: Marti Fields, Weldon Smith, Johnny Zellmer, MD, Evans McBride, Susan Kanard, Brent Grilloit, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.


Mary Shannon ~ Chairwoman


James Bland ~ Vice-Chairperson

/sds