

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 07, 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 04:30 PM on Monday April 05, 2021.

**TRUSTEES PRESENT:**

Mary Shannon, Chairwoman ~ Weldon Smith ~ Marti Fields ~ Susan Kanard ~ Brent Grilliot ~ Johnny Zellmer, MD ~ James Bland ~ Sayer Brenner ~ Damon Mascoto

**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, CFO, Dr. Kamron Torbati, Chief of Staff, Julie Powell, Steve Wanty

**OTHER ATTENDEES:**

Karen Rieger, Legal Counsel, Pete Stasiak, City Manager

**CALL TO ORDER:**

Chairwoman Shannon called the meeting to order at 4:00 PM. She welcomed Mr. Damon Mascoto. Mr. Mascoto was appointed by the McAlester City Council as a new MRHCA Board of Trustee replacing Mr. Kevin Priddle who resigned from the Board of Trustees. Mr. Mascoto shared a brief overview of his career and family. Mr. Mascoto shared he was born at MRHC.

**Public Comment:** None

**Consent Agenda:**

1. MRHCA Board of Trustees minutes for March 07, 2021
2. MRHC Contract Log for March 2021.
3. Credentialing & Privileging Appointments as follows:

**Consideration and approval of appointment for credentialing & privileging for provisional for one year as follows:**

1. Keithen Cast, DO ~ Emergency Medicine ~ One year
2. Kimberly Montell, DO ~ Emergency Medicine ~ One year
3. Jordan Jones, DO ~ Emergency Medicine ~ One year
4. David Barnes, CRNA ~ CRNA ~ One year
5. John Hannigan, CRNA ~ CRNA ~ One year
6. Kymbrynn Henneke, APRN ~ Supervising: Dr. Vanessa Menuiot ~ APRN- Family ~ One year

**Consideration and approval of appointment for credentialing & privileging for reappointment (Active) for two years as follows:**

1. John Martin Hayes, MD ~ Active Staff ~ General Surgery ~ Two years
2. Yolette Louis, MD ~ Active Staff ~ Internal Medicine/Hospitalist ~ Two years.
3. Chelsea Berges, DO ~ Active Staff ~ Family Medicine ~ Two years

**Consideration and approval of appointment for credentialing & privileging for reappointment (Active Affiliate) for two years as follows:**

1. Gerald Rana, DO ~ Active Affiliate ~ Family Medicine ~ Two years

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**Consideration and approval of appointment for credentialing & privileging for advancement (Active) for one year as follows:**

1. Pavankumar Bommasamudram, MD ~ Active Staff ~ IM/Tele Stroke ~ One year (Active)

**Consideration and approval of appointment for credentialing & privileging for advancement (Provisional Moonlighting) for one year as follows:**

1. Joshua Burton, DO ~ Provisional ~ Emergency Medicine ~ One year

**Consideration and approval of appointment for credentialing & privileging for advancement (Consulting) for one year as follows:**

1. Todd Holmes, MD ~ Consulting ~ Physical Medicine & Rehabilitation ~ One year (Consulting)

**Resignations:**

1. Ravathi Belur, MD ~ Hospitalist ~ 01/04/2021 ~ Prime Physicians
  2. Hariprasad Trivedi, MD ~ Hospitalist ~ 10/01/2020 ~ Prime Physicians
  3. Michael Opong-Kusi, DO ~ Hospitalist ~ 01/04/2021 ~ Prime Physicians
  4. Mahate Parker, MD ~ OB/GYN ~ 01/20/2021 ~ Medicus Locums
  5. Jacob Azurdia, MD ~ Radiology ~ 03/03/2021 ~ RAEO
  6. Omar Samarah, MD ~ Radiology ~ 03/03/2021 ~ RAEO
  7. James Marshall, DO ~ Pediatrics (Locums) ~ 03/03/2021 ~ Comp Health
4. 30-day extension of Sam Norton's agreement at a cost not to exceed \$30,000
  5. Capital Substitutions for the following:
    - a. Surgical Arts waiting room furniture.
    - b. NBUVB Light Box - Dermatology
    - c. Replacement of the Oxicom 3000 Blood Gas Analyzer

A **Motion** was made (Fields) and seconded (Brenner) to approve the consent agenda items 1,2, 3, 4 & 5 of the consent agenda as presented. The vote was taken as follows: Aye: Marti Fields, Sayer Brenner, Johnny Zellmer, MD, Susan Kanard, James Bland, Weldon Smith, Damon Mascoto, Brent Grilliot and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

**Discussion regarding proposed changes to the MRHCA Trust Indenture:** Ms. Karen Rieger reported changes to the Trust Indenture, discussed at a previous meeting. The Trust Indenture is the organizational document for the formation of MRHCA as a Public Trust. The existing Trust Indenture was created in 1969 with no changes made for many years. The primary proposed change will allow for two of the nine Trustees to be able to reside in Pittsburg County but outside the City Limits, giving more flexibility in finding candidates for the Board of Trustees. While reading through the document, Ms. Rieger also modernized outdated language. For example, she reported the Oklahoma Legislator changed the Statute that permits Public Trust to operate outside the boundaries of their beneficiary - if it benefits the community of the beneficiary. She also reported there was a series of amendments made to the Trust Indenture many years ago that are not reflected in the in the base document, in addition, she has clarified the powers and duties of the Trustees as well as altered the way this document can be amended. In the current Indenture a Trustor is required to approve amendments to the Trust Indenture however in this case the Trustor is deceased. The Authority will be required to file a Trust Construction Suit with the District Court of Pittsburg County to obtain court approval of the changes to the Trust Indenture. Ms. Shannon stated approval of the proposed changes will be placed on the Board of Trustees agenda next month and then forwarded to the City Council for their review and approval. She added

Ms. Rieger will then take it to the District Court to address the Trustor issue. Mr. David Keith reported meeting with Ms. Rieger and the Mayor who is supportive and does not foresee any impediments to the process.

**Chief of Staff Report:** Dr. Kamron Torbati reported the hospital strategic plan was presented to the medical staff at the last Medical Staff Meeting. The plan will be sent to all members of the medical staff requesting their input before coming to the Board. Dr. Torbati stated there is no longer a mandate from the State to test for Covid before all procedures. The medical staff discussed relaxing this requirement. He added St. John and St Francis have also dropped this restriction. This discussion will go through the Surgery Committee and then to Medical Executive Committee.

**CEO Report:**

- 1. Understanding the Impact: Commercial Managed Care:** Mr. David Keith shared a power point with the Board titled "Understanding the Impact: Commercial Managed Care". State Question 802 was voter approved and expand Medicaid to an additional and approximate 200,000 more individuals to the roles. There is a \$1 Billion gap Statewide on how the expansion will be paid. The State put out an RFP on October 15, 2020 to outsource the management of the Medicaid program at an estimated cost of \$2B. Of additional concern is the potential loss of the Supplemental Hospital Offset Payment Program (SHOPP) because of outsourced Medicaid. In addition, there are questions about the impact of the potential loss of funding for Physician Providers, OU Trauma hospital, Residency Programs, Indian Tribes, Mental Health Facilities, Long-Term Care facilities, OU School of Pharmacy and the 340B Drug Pricing Program. Mr. Keith shared the proposed costs related to outsourcing Medicaid Expansion, items in the RFP proposal, and how the MRHC could be financially impacted. He reported that while much research has been conducted there is no definitive conclusion as to whether managed care improves or worsens access to or quality of care for beneficiaries. The cost of outsourcing Medicaid is as much as 14%, as compared to the current 3\$ by the Oklahoma Healthcare Authority.
- 2. CEO Update:** The April CEO report was included in the preliminary meeting packet for review.

**Audit & Corporate Compliance Committee Report:** Ms. Marti Field opened the floor to Ms. Julie Powell to provide an update of the meeting held on March 30, 2021. She shared Ms. Lou Ann Wiedemann shared the HIPPA Compliance report. She received 4 complaints over the last quarter; two were unsubstantiated and two are still in progress. Ms. Powell reported new tools are available because of the Meditech upgrade that will allow employee activity to be tracked and trended easier than in the past. The open records log was also discussed. The log is a tracking tool for open records request and cost associated with each request. Ms. Powell added the Compliance Log was reviewed and discussed; some variances were carried over from last year that are in the process of getting closed out. Nothing is substantial enough to come before the Board at this time. Ms. Powell performed an audit to determine if price transparency information was placed on the MRHC Website per the CMS mandated deadline of January 1, 2021. She stated with the help of the Finance Team the deadline was met and closed out. She stated the Stark and Anti-Kickback laws were updated and she will be spending some time incorporating them into our Compliance Plan. In addition, she will be doing internal audits in coding and billing to prepare for the DNV survey. The MRHC Information Technology Team is working on cyber security; more information to come. In closing, Ms. Powell reported she will be doing an internal audit on the Compliance Program this year as recommended by OIG.

**Business & Service Line Development Committee:** Ms. Mary Shannon reported the Committee met last week to discuss several items. She opened the floor to Mr. Shawn Howard to provide an overview. Mr. Howard reported Nephrology is one of the hospitals largest out-migrations (transfers to other facilities) from the ED. MRHC is on-boarding two Nephrologists who will be on-site three weeks out the month providing round the

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clock nephrology services for acute inpatient dialysis and clinics. There is an opportunity to partner stronger with Oklahoma Heart Hospital. This may bring three additional Cardiologists and a broader range of procedures to our hospital. An assessment is expected next week that will show the viability of this opportunity. Mr. Howard reported OU Health is considering bringing a Neurosurgery Clinic and procedures to our hospital. He stated they are working through a Performa and Business Plan to see what the opportunity would look like. Mr. Howard reported the lease was signed on the former Family Video building and is now being planned for as our new Urgent Care center. The floor plan is complete however an architect will be needed for submittals to the State. The opening is expected by mid-August. Ms. Shannon opened the floor to Mr. Keith to report on Belfair of McAlester. He reported Covid took a toll on the facility's census. The ASLG Board requested MRHC to provide management assistance in order to reduce the cost structure and help with marketing. The marketing team conducted a market share analysis and discovered the Belfair pricing is 10% to high as compared to other facilities within a 90-mile radius. In addition, it was noted that the Van Buren House pricing is 6-7% to low and is the price laggard compared to the same group of assisted living facilities. Mr. Keith provided a brief update on the Million, LLC building. He reported the hospital originally had plans to utilize the Million Building in a medical capacity. The impact of covid on the hospital finances delayed any progress for at least 2 to 3 years. He reported other options are being considered regarding a potential partnership. Mr. Keith met with the Choctaw Nation in Durant seeking financial support for a water tower on the MRHCA campus, as a result of the February freeze and subsequent loss of water. An additional water tower would directly benefit the City and the Hospital. Mr. Keith reported the Choctaw Nation also showed interest in the Tower Project to expand their footprint in McAlester.

#### Finance Committee Report:

- 1. Financial Impact Report:** Ms. Perry presented a Financial Impact Report to the Board. She stated MRHC is not alone in feeling the impact of COVID and it continues to financially impact our hospital. Rural hospitals were affected more than some of the larger organizations. She reported the purpose of the report is to be transparent about the current financial situation, showing what impacted the bottom line and what is being done to recover. Ms. Perry stated there were four things that affected the hospital this year: COVID, Meditech optimization, Finance Department reorganization, and service line issues. COVID contributed to increased supply cost, increased length of stay, service line closures, and personnel cost such as nursing and pandemic pay. Meditech Optimization was implemented and went live in March 2020 shortly before the COVID Pandemic. The Hospital billing is processed in the Meditech System. As the number of COVID patients increased at MRHC, Meditech consultants for the Meditech implementation left before optimization was complete leaving disruption in revenue collections. Attrition and furloughs occurred in the Finance Department due to COVID adding to the difficulty in collections. The Finance Department lost the physician billing vendor when the Meditech conversion went live, however, Ms. Perry reported a new vendor is now in place and the revenue is improving. Overall, several issues were identified that impeded the billing process. The Finance Staff along with the IT Department worked very hard to correct them. Ms. Perry reported there were documentation and staffing issues in the Cardiology Department that contributed to a loss of revenue. Administration addressed the issues with Oklahoma Heart Hospital and the hospital should see improvement in that area. MRHC lost a Pediatric Provider but is working to put that service line back on a strong course. Ms. Perry reported the hospital closed for two full weeks in February 2021 due to inclement weather and water issues. Elective surgeries were cancelled or rescheduled, and a top performing provider took vacation in the month of February. Ms. Perry stated MRHC contracted with a coding company to decrease a coding backlog and improve documentation. She discussed new automated reports that will help identify variances quicker and her team is working on coding education for providers. Ms. Perry reported she is also providing education for department leaders to read and understand profit and loss statements and tasking them to find a 10% cost reduction in their departments. Mr. Shawn Howard reported the hospital is redesigning the individuals responsible for

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service lines. Traditionally the organization has been more of a department management model. The new model will follow a patient from the time they are admitted until they are discharged to improve HCAHPS scores. Ms. Perry reported a hiring freeze is in place except for replacement positions and Life Bridge is back open after COVID with a full census. In closing, Ms. Perry reported she learned just prior to the Board meeting, the Finance Department collected \$7.7M in revenue. Targets and goals were discussed.

**2. Consideration and approval of February 2021 Financial Reports:** Ms. Perry presented the February 2021 Financials to the Board. She stated the month of February was difficult for the Authority. The operating loss for the month was over \$3m. The hospital lost \$1.4m, MMS lost \$1.7m and MASC had an operating loss of \$64k. Much of the loss can be attributed to the two-week inclement weather situation. A high-volume provider only did procedures for one week in February due to vacation and clinic closures. Total imaging procedures were down 23% and Cath Lab procedures were down 50%, both compared to the previous three month run rate. ED visits were down 5%, inpatient days were down 19% and discharges were down 10%. The final tally on surgeries was a drop to run rate of 96 with 62 coming from MASC, 25 inpatients and the remaining were outpatients. Overall, February was a very slow and short month for the hospital. Ms. Perry reported after reviewing the financial numbers she determined the hospital will not meet the debt service coverage ratio. Mr. Keith and Mr. Howard met with Arvest Bank to discuss the debt service coverage ratio. The bank is flexible and willing to work with the hospital to correct the situation. A motion was made (Grilliot) and seconded (Kanard) to approve the Financial Reports for February 2021 as presented. The vote was taken as follows: Aye: Brent Grilliot, Susan Kanard, James Bland, Damon Mascoto, Sayer Brenner, Marti Fields, Johnny Zellmer, MD, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

**3. Consideration and approval of Bid for three Laparoscopy Towers:** On February 18<sup>th</sup> and 25<sup>th</sup>, MRHC published an RFP for a tiered proposal for Laparoscopy Towers. Proposals were received from Arthrex,

Karl Storz, Stryker, Olympus, and Smith & Nephew and opened on March 19, 2021. Each company offered a multi-year, non-financed purchase option for a three tower. Following a review of each proposal, a multi-year, non-financed purchase option from Stryker was determined to best fit the organization at a cost of \$223,018.21 per tower and instruments for a total cost of \$669,054.63. A recommendation was made in Finance Committee to purchase one tower in June 2021 payable in July 2021 at a cost of \$223,018.21 followed by divided purchases of the two remaining towers in the next fiscal year at a cost of \$446,036.42. A Motion was made (Brenner) and seconded (Zellmer) to approve the bid for three Laparoscopy Towers from Stryker at a cost of \$223,018.21 per tower totaling \$446,036.42; purchasing one tower in June 2021 payable in July 2021 at a cost of \$223,018.21 followed by divided purchases of the two remaining towers in the next fiscal year at a cost of \$446,036.42. as presented. The vote was taken as follows: Aye: Sayer Brenner, Johnny Zellmer, MD, Weldon Smith, Marti Fields, Damon Mascoto, Susan Kanard, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

**4. Consideration and approval of Bid for Isilon Upgrade:** On February 18<sup>th</sup> and 25<sup>th</sup>, MRHC published an RFP for Isilon Upgrade for the purpose of data storage. Proposals were received from SIS and Pinnacle and opened on March 19, 2021. Following a review of the bid proposals it was determined that Pinnacle serves the interests of McAlester Regional Health Center best at a cost of \$71,783,63. Ms. Cheryl Perry reported she challenged the IT department to clean out and delete items in the existing system to possibly free up storage. This will delay the purchase of this item until the Finances are more stable. Ms. Perry made a recommendation to reject the

Bid for Isilon Upgrade at this time. A **Motion** was made (Bland) and seconded (Zellmer) to reject the bid for Isilon Upgrade as presented. The vote was taken as follows: Aye: James Bland, Johnny Zellmer, MD, Susan Kanard, Brent Grilliot, Damon Mascoto, Marti Fields, Weldon Smith, Sayer Brenner, 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)(1):** “Discussing the employment, hiring, appointment, promotion, demotion, disciplining resignation of any individual salaried public officer or employee.”

1. Discussion regarding CEO Succession Plan

A **motion** was made at 6:35 PM by (Smith) and seconded by (Fields) to enter Executive Session. The vote was taken as follows: Aye: Weldon Smith, Marti Fields, Johnny Zellmer, MD, Sayer Brenner, Susan Kanard, James Bland, Damon Mascoto, Brent Grilliot, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried unanimously.

A **motion** was made at 7:15 PM by (Zellmer) and seconded by (Kanard) to come out of Executive Session. The vote was taken as follows: Aye: Johnny Zellmer, MD, Susan Kanard, James Bland, Brent Grilliot, Damon Mascoto, Sayer Brenner, Marti Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

**No action was taken during Executive Session.**

**No Action was taken following the Executive Session:**

**Adjournment:** A **Motion** was made (Zellmer) and seconded (Fields) to adjourn at 7:20 PM. The vote was taken as follows: Aye: Johnny Zellmer, MD, Marti Fields, Weldon Smith, Sayer Brenner, Damon Mascoto, Susan Kanard, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

  
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Mary Shannon ~ Chairwoman

  
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James Bland ~ Vice-Chairperson

/sds

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