

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday June 02, 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 02:40 PM on Thursday May 27, 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:****HOSPITAL STAFF:**

David Keith, Sonya Stone, Recording Secretary, Shawn Howard, Lucy Muller, Chris Plunkett, Kim Stout, Cheryl Perry, CFO, Dr. Kamron Torbati, Chief of Staff, Julie Powell

**OTHER ATTENDEES:**

Karen Rieger, Legal Counsel (via conference phone), Pete Stasiak, City Manager.

**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 May 05, 2021
2. Revisions to the MRHC Board of Trustee Minutes for November 4, 2020
3. MRHC Contract Log for May 2021
4. Credentialing & Privileging Appointments as follows:
  - A. Consideration and approval of appointment for credentialing & privileging for provisional for one year as follows:
    1. Anastasia Fisher, DO ~ Emergency Medicine ~ One year
    2. John Keitz, MD ~ Emergency Medicine ~ One year
    3. Robert Delany, CRNA ~ CRNA ~ One year
    4. Elizabeth Richardson, DO ~ Emergency Medicine ~ One year
    5. Jimmy Thomas, MD ~ Nephrology ~ One year
    6. Stormi McKnight, APRN ~ APRN ~ One year
  - B. Consideration and approval of appointment for credentialing & privileging for advancement (Active) for one year as follows:
    1. Sarah Oberste, DO ~ Active Staff ~ Gastroenterology ~ One year
  - C. Consideration and approval of appointment for credentialing & privileging for reappointment (Active) for two years as follows:
    1. Harold DeLaughter, DO ~ Active Staff ~ Family Medicine Hospitalist ~ Two years
    2. Matthew Jenkins, DO ~ Active Staff ~ Emergency Medicine ~ Two years.
    3. James L'Esperance, MD ~ Active Staff ~ Urology ~ Two years
  - D. Consideration and approval of appointment for credentialing & privileging for Additional Privileges Wound Care for one year as follows:
    1. Thomas Wicks, DPM ~ Active Affiliate ~ Podiatry/Wound Care ~ One year

5. Appointment of Cheryl Perry to the McAlester Regional Dialysis LLC Board of Managers replacing Darryl Linnington.
6. Appointment of Pat Layden and Angela McQuay to the MRHC Foundation Board
7. Appointment of Susan Kanard to the MRHC Foundation Board replacing Kevin Priddle
8. Capital Substitutions as follows:
  - a. PandaiRes Bedded Warmer

**Discussion and Consideration of Emergency Purchase of new Roof:** Mr. Shawn Howard reported a decision was made to take the roof purchase out for bid. A motion was made (Kanard) and seconded (Bland) to table the purchase of new roof as presented. The vote was taken as follows: Aye: Susan Kanard, James Bland, Brent Grilliot, 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.

**Audit and Corporate Compliance Report:**

1. **Discussion and Consideration of Revisions to the MRHC Compliance Plan:** Ms. Julie Powell provided an overview of the Redlined Compliance Plan included in the preliminary meeting packet. The plan was updated to incorporate new regulatory requirements related to Gifts and Gratuities, Local Transportation (a Stark regulation), EMTALA, and minor verbiage changes. A **motion** was made (Fields) and seconded (Kanard) to approve the revisions to the MRHC Compliance Plan as presented. The vote was taken as follows: Aye: Marti Fields, Susan Kanard, Weldon Smith, Johnny Zellmer, MD, Sayer Brenner, Damon Mascoto, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None Abstain: None. Chairwoman Shannon declared the **motion** carried.
2. **Compliance Oversight Education:** Ms. Julie Powell provided Compliance Oversight Education to the Board. She discussed the duties of the Compliance Committee and Duties of the Board of Trustees. She stated the Board should have expectations in relation to the Compliance Program while providing questions that Board Members should ask. She reported the Office of Inspector General (OIG) stresses having an effective reporting system is a key compliance element. The Board should have a clear understanding of the reporting system and the Compliance officer should discuss reporting formats with the Board and reporting is in a timely manner. Ms. Powell discussed benchmarks to measure compliance program effectiveness. She stated Compliance Programs are not a one size fits all, they are relative to the size and complexity of the organization. She reported the structure roles and relationships include compliance function, legal function, Internal audit function, human resource function and quality improvement function. Ms. Powell closed by stating Compliance is an enterprise-wide responsibility. Discussion regarding the compliance education followed.

**Strategic Planning Committee Report:** Ms. Mary Shannon reported the Strategic Planning Committee had their second meeting on May 19, 2021. She stated a lot of data was presented at the first meeting allowing for more time for discussion at the second meeting. Mr. David Keith stated not only was the Strategic Plan reviewed but potential issues coming up in the future was discussed. He added Ms. Whitney Hull has reached out to Stroudwater to see if they will be willing to come back and speak to the Board and Mr. Shawn Howard is working to bring Market data and the MRHC Master Facility Plan. Ms. Shannon stated there will be many more meetings before the full Board Strategic Planning Meeting is scheduled.

**Personnel Committee Report:**

1. **2020 Pharmacy Benefit Management Review:** Ms. Lucy Muller presented the 2020 Pharmacy Benefit Management (PBM) Review. She reported for 2020 the overall specialty trend is lower than the Well dyne Book of Business. She shared her Financial Snapshot comparing 2019 to 2020. She also shared specialty drug utilization, opioid utilization, medical cost per member per month. high cost claimants,

and primary care and specialist visits. Ms. Muller reported hospital admissions were down slightly from 2019 but well above the Milliman Book of Business and Lifecare averages. She also discussed the average length of hospital stay, Covid cost analysis, hospital readmissions, and ER and Urgent Care visits. Ms. Muller shared the Network utilization, costs by tier, Risk analysis and drivers for 2020 and 2021. Ms. Muller stated for 2021, she was pleased with the preview for pharmacy and health benefits. Pharmacy is trending down in per member per month cost. Health trends are also trending down from 2021 and lower than Lifecare and equal with Milliman Book of Business. Ms. Muller stated she plans to reach out to Dr. Kamron Torbati and Dr. Misti Branam to form a provider committee to look at data and provide input.

- 2. Customer Service Plan:** Ms. Lucy Muller presented the Customer Service Plan. She reported that she started a program called Cultural Ambassadors where frontline staff from each department are chosen. The Ambassadors will attend a one day orientation and issued defined responsibilities. The responsibilities include attending monthly Executive Team meetings, Facilitating Monthly Department Meetings and Identifying and helping orient the 2022 Cultural Ambassadors. Ms. Muller covered details regarding their responsibilities. She reported there will mandatory quarterly customer service training. The first quarter, leaders met and identified issues that hinders our organization. The second quarter will be tailored to motivate, inspire, and set a firm foundations for customer service. A motivational speaker will be onsite July 13 & 14, 2021 to address the staff. In September 2021, the third quarter training will focus on communication throughout the organization to include personality assessments and generational difference training. The fourth quarter training in December will focus on accountability and financial training.

**Chief of Staff Report:** Dr. Kamron Torbati reported the Medical Staff met a few weeks ago with a very good turnout. Ms. Cheryl Perry provided an overview of the Capital Budget and allowed the medical staff to offer input. He reported Dr. Wicks hosted a meeting at her home with key Medical Staff providers to discuss expanding specialty services at the Southeast Clinic in Eufaula and the outcome was positive.

**Chief Administration Officer Report:** Mr. Shawn Howard provided an overview of the Chief Administration Officer Report. He reported MRHC is awaiting the arrival of Det Norske Veritas (DNV) to do an organization wide accreditation survey. Leadership has formed teams to do survey preparedness audits as we anticipate their arrival. DNV also announced they will be onsite June 29 & 30 to perform a Primary Stroke Center Survey. The final State inspection of the new outpatient adult therapy clinic was held on May 18 with no deficiencies found. The Clinic is now fully licensed. Additional school contracts have been added bringing a total of 7 schools receiving occupational, speech and physical therapy. Pediatric outpatient therapy partnered with MRHC foundation to design and purchase a communication board that will be housed at Will Rogers Elementary School playground for students with communication delays. Imaging hours will be expanded to 8:00PM sib as soon as new hires are onboarded. The Hot lab construction materials are on order. Imaging stats showed an increase of 200 procedures across all areas of Imaging. The MRHC Pharmacy has expanded hours to 24 hours a day coverage effective April 25<sup>th</sup>. This will improve customer service, safety, and quality. Pharmacy is also working to bring back the 340B program as a Sole Community Hospital that will bring significant savings for MRHC. Mr. Howard reported MRHC has had a successful recruitment period with the onboarding of Dr. Caleb Harris a Board-Certified General Surgeon; Dr. Miranda Beeman, Pediatric Care/Family Medicine; Stormi McKnight, APRN-Family Medicine Walk in clinic and Pam Miggiaccio, APRN-Cardiology Clinic. In addition, Dr. Abhijit Gundale, Otolaryngology (ENT) and Head and Neck Surgeon will be joining us this fall. Dr. Rubin Chandran's Nephrology cases are ramping up. Dr. Chandran will soon be joined by Dr. Jimmy Thomas who is going through the credentialing process. Dr. Muhammad Ishaq and Dr. David Allen's Pulmonology Clinic is growing and will need to expand their time here at MRHC soon. Mr. Howard Reported Joey Contreres, PA Dermatology has been deployment beginning in July for six months. Dr. Tedesco and Dr. Lazenby will be covering his patients while he is away. The Southeast Urgent Care in Eufaula will be extending hours at the end of June. Orthopedics has expanded to two additional exam rooms for better patient flow. In closing, Mr. Howard reported Architects are currently in the process of completing the drawings for scope and Specs for the new Urgent Care for MRHC to publicly bid the construction and apply for a State License.

**CEO Report:** Mr. David Keith provided his CEO report for the Board. He discussed SB 1045 that provided a broad outline of essential elements to the budget that includes funding for Medicaid Expansion and an increase in SHOPP funding. He added one Legislature cannot bind the next year's Legislature, so it is possible this could change in the next legislative session. Mr. Keith stated SB 131 provides some guardrails for Managed Medicaid. OHA was told the Bill might not be heard if there is pushback on SB 1045. The Bill did however pass off the Senate floor and now goes back to the House for a vote. He reported SB 79, signed by the Governor, restores a historic sales tax credit to free up funds for OU Health for education for medical residents, nursing graduates and new nurse practitioners. Mr. Keith reported that LifeCare CEOs requested Advantage Insurance Management to review current property insurance premiums of the members to determine the efficacy of self-insuring. He stated MRHC is a member of Vizient and Captis. Captis is a leading strategic partner comprised of over 90 Vizient health systems and hospitals across the United States. Captis members participate in a committed portfolio of over 300 contracts and 15 supply chain, clinical, pharmacy and financial programs. MRHC's spend in CY2020 on 341 contracts netted a savings of \$537,478, or 10.35%. Mr. Keith reported the idea to place a water tower on or close to the MRHC campus to serve the City and the Hospital has achieved interest by USDA. There are several programs and grants that may be helpful in garnering financial support for the initiative. A case statement for the project is being developed. He stated MRHC is considering a transport van system for non-emergent patients to reduce delays and avoidable days; and to avoid the expense of an ambulance. MRHC will be reviewing the options providing the service in-house or via contract. Any system put in place will be coordinated with the City. Mr. Keith reported a consultant for Caring Hands, the local Federal Qualified Health Center met with MRHC leadership as part of their strategic planning process. In closing, Mr. Keith stated MRHC continues to take more operational ownership of Belfair. Strategy discussions with Van Buren House and Belfair staff may yield opportunities for the MRHCA and Atoka Manor Board Members to consider.

**Finance Committee Report:**

1. **Discussion and Consideration of April 2021 Financial Reports:** Ms. Cheryl Perry provided an overview of the April 2021 Financial report. She stated April was a much better month and trending in the right direction. Volumes of note include patient days which were down from run rate. In contrast, discharges were up in April which means length of stay improved about 9% from the previous periods. The Case Mix Index dropped to 1.44 in April which was down 8% from prior periods. Surgeries and Imaging procedure both improved in April over prior periods. Cath Lab had a good month as well doubling prior period run rates. For the Hospital, Gross Patient Revenue was down from run rate (which excludes the month of February) and this can be attributed mostly to the drop in Case Mix and IP Ancillary Revenues. The departments driving the drop in Ancillary Revenue are Pharmacy, Respiratory and Lab whose departments were highly affected by the COVID pandemic, and it makes sense as the COVID population decreases, the revenue in these departments would as well. Also, the revenue in these departments were likely not highly collectible during COVID for Medicare, Medicaid and other payers that paid on a DRG basis. As for expenses there were a few noteworthy items. Contract labor expenses of \$152k hit in April for consultants and the CIO. Purchased Services were higher with the payment for the contract management system of \$28k. And finally, in leases, the new Urgent Care lease was paid for \$7k and catch up was made on a surgical lease for \$11k. MMS had a strong volume month with visits up 4% from run rate. Gross Revenue was down slightly despite the increase in volumes. This was caused by the mix of clinics that made up the total. Primary Care and some other clinics with lowers charges per visit had strong volumes in April. As for expenses, MMS expenses per clinic day are below run rate as no large incentives were due in April and with the loss of an ortho provider who will not be replaced. Purchased Services were up slightly with the monthly payment for the third-party billing and follow-up specialist contract that was unbudgeted. Additionally, physician fees are slightly higher with the addition of the services for the Nephrology program.

Surgeries in MASC were down slightly in April from the prior month but were still strong at 96. Net revenue is right at run rate. However, the costs, though down from prior periods still cause the bottom line to be a loss. Expenses from leases, insurance and depreciation are overhead that is hard to overcome with the current population of surgical procedures. While this was a month to celebrate, the efforts that lead to the improvement cannot be suspended. When Non-Operating Income is added in, the final tally for the Authority is a Total Net Income of \$144k for April. While that is a vast improvement from that last several months, actions must continue to sustain the hospital and serve our community. Changes are being made across all areas of the hospital and clinics to improve not only volumes and collections but expense as well. A **motion** was made (Zellmer) and seconded (Brenner) to approve the Financial Reports for April 2021 as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, Sayer Brenner, Susan Kanard, Brent Grilliot, James Bland, Damon Mascoto, Marti Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

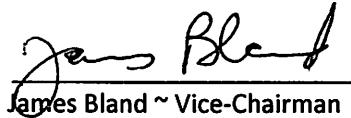
- 2 **Discussion and Consideration of Belfair Expenditures up to 300K over the next six months and authorize David Keith, CEO to have signature authority to act on behalf of the Board of Trustees:** Mr. Keith requested funding to sustain operations at Belfair. To date Carland Group has made few contributions to cash call. Now Atoka Manor has stated they will not be able to make the payments on the cash call. Bottom line we have a facility that we are 25% owners of and providing the bulk of managerial guidance and now fiscal backing. Instead of crisis-oriented activity every month, a request is being brought forward for up to \$300k over the next 6 months to mitigate cash requirements. A **motion** was made (Grilliot) and seconded (Zellmer) to approve the Belfair expenditures up to 300K over the next six months and authorize David Keith, CEO to have signature authority to act on behalf of the Board of Trustees as presented. Aye: Johnny Zellmer, MD, Brent Grilliot, Sayer Brenner, Susan Kanard, James Bland, Marti Fields, Weldon Smith, Damon Mascoto, and Mary Shannon. Nay: None. Absent: None Abstain: None. Chairwoman Shannon declared the **motion** carried.
3. **Discussion and Consideration of Bid for MRI remodel at the Southeast Healthplex:** Ms. Cheryl Perry presented for discussion and consideration, the Bid for an MRI Remodel at the Southeast Healthplex. The bid was opened on May 5<sup>th</sup>, 2021 at 10am. One bid from Candor Building Solutions of \$572,518.17, was received which met the requirements and deliverables. Ms. Perry stated MRHC reached out to five vendors, only two responded however one declined because the job was too small. A **motion** was made (Fields) and seconded (Bland) to approve the Bid for an MRI Remodel at the Southeast Healthplex as presented. Aye: Marti Fields, James Bland, Brent Grilliot, Susan Kanard, 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.
4. **Discussion regarding Operating Budget Assumptions:** Ms. Perry presented the FY 2022 Operating Budget Key Assumptions to the Board for discussion. She stated her team has been preparing the operating budget for some time. She stated our goal is to have a budget that management can use as a tool to manage success financially. Ms. Perry stated a decision was made to wait until the Governor and legislature settles the results of SB 1045 because Managed Medicaid affects our financials. This fiscal year there will be a 2% increase on charges, net revenue is expected to be flat as payer contracts show increases/decreases, nurse salaries are showing increases, and lab increases were a market salary increase done early in FY21. Benefits are a year over year expectation of 6% and an increase in supplies is expected by Vizient. EBIDA margin and operating margin are the targets that are in the strategic plan. She stated while the hospital strives for to hit these targets, the budget will be realistic. Outstanding major issues include Managed Medicaid, SHOPP and 340B. She closed by stating MRHC wants to make sure we have a good budget that is a good measuring tool for the hospital next year.

5. **Discussion regarding Capital Budget Approach:** Ms. Cheryl Perry reported the Capital Budget was not finalized primarily because the operating income is a major funding source. She stated the target was arrived from the operating EBIDA number of 1.5 plus the addition of depreciation and amortization of non-cash items, interest income, and investment gains from the non-operating items. The results give you the amount of available cash to use in the next year. Ms. Perry stated after the available cash is determined, items that will need cash next year must be considered. These items include cash outlays, principal payments, capital leases, deferred social security payments that occurred during COVID and the Medicare Advanced Refunding Loan Repayment. After everything is taken into consideration the remainder is the amount for Capital FY22. She added there are projects that have already been approved or committed to for the next FY of \$2.1m. What remains can be used for new capital. Ms. Perry reminded the Board of the Funded Depreciation account that has not been previously discussed. She stated when SHOPP money comes in we set it aside to spend on facility infrastructure issues. She reported \$7m was received, \$600k was spent, and the account earned \$700k in income and interest. There was minimal utilization of the funds this year leaving \$25m in the account. She reported MRHC has a lot of capital funding needs that are related to the infrastructure. Ms. Perry asked that the Board consider using these funds for the infrastructure needs.

**New Business:** None.

**Adjournment:** A Motion was made (Kanard) and seconded (Bland) to adjourn 6:42 PM. The vote was taken as follows: Aye: Susan Kanard, James Bland, Weldon Smith, Johnny Zellmer, MD, Marti Fields, Sayer Brenner, Damon Mascoto, Brent Grilliot, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

  
Mary Shannon ~ Chairwoman

  
James Bland ~ Vice-Chairman

/sds

Initials \_\_\_\_\_