

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday July 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 10:06 AM on Tuesday July 06, 2021.

TRUSTEES PRESENT:

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

TRUSTEES ABSENT: Johnny Zellmer, MD

HOSPITAL STAFF:

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

OTHER ATTENDEES:

Karen Rieger, Legal Counsel (via conference phone), Elizabeth Scott (Libby), Legal Counsel, Pete Stasiak, City Manager, Christina Kindstedt (via Zoom).

CALL TO ORDER:

Chairwoman Shannon called the meeting to order at 4:00 PM. She welcomed Ms. Wendy Thorpe the new Executive Director of Information Technology. Ms. Thorpe comes to us from California.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for June 02, 2021
2. Credentialing & Privileging Appointments as follows:
 - A. Consideration and approval of appointment for credentialing & privileging for provisional for one year as follows:
 1. Rudolph Beseherer, DO ~ Emergency Medicine ~ One year
 2. Kristina (Kristy) Smith, DO ~ Internal Medicine/Hospitalist ~ One year
 3. Robert Nichols, DO ~ Emergency Medicine ~ One year
 - B. Consideration and approval of appointment for credentialing & privileging for Reappointment (Active) for one year as follows:
 1. James McGeedy, MD ~ Active Staff ~ Urology ~ Two years
 2. Patrick Gannon, MD ~ Active Staff ~ Orthopedic Surgery ~ Two years
 3. Victoria Keeton, DO ~ Active Staff ~ Emergency Medicine ~ Two years
 - C. Consideration and approval of appointment for credentialing & privileging for reappointment (Allied Health) for two years as follows:
 1. Jaqueline Turnbull, APRN ~ Allied Health ~ APRN (Supervising: Norman McAlester, MD) ~ Two years
 2. Kaitlyn Vaughn, APRN ~ Allied Health ~ APRN (Supervising: Jon McCauley, MD) ~ Two years
 3. Kelly Finnerty, APRN ~ Allied Health ~ APRN (Supervising: Kameron Torbati, MD) ~ Two years
 4. Sammie Stone, APRN ~ Allied Health ~ APRN (Supervising: Misty Branam, DO) ~ Two years

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D. Resignations (Information Only)

1. Edwin Henslee, MD ~ Gynecology ~ 05/21/2021
2. Clinton Beeson, MD ~ Emergency Medicine ~ 06/02/2021
3. Wesley Brookover, MD ~ Urology ~ 06/06/2021

3. Capital Substitutions as follows:

- a. Installing Computer Wall Mounts in Nephrology Clinic
- b. iPads for Leadership Rounding
- c. TABLO Console/48 Treatment Bundle
- d. Lawn Mower
- e. Geri Psych Beds

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

Presentation: Lifecare Association Insurance Exchange (LAIE) regarding property Insurance: Mr. David Keith reported that MRHC reached out to Ms. Karen Hendren of Lifecare regarding the possibility of forming a property insurance exchange. Ms. Hendren collaborated with Ms. Christina Kindstedt, Managing Director of Advantage Insurance Management (USA) LLC to do a case study and prepare a property insurance exchange proposal for Lifecare members. Ms. Kindstedt joined the meeting via Zoom Call to present an overview of the Lifecare Association Insurance Exchange Captive Insurance (LAIE) Program. She provided a Captive Insurance Company overview describing it as a bona fide licensed insurance or reinsurance company owned by a non-insurance company. It may insure or reinsure the risks of its parent companies or chosen unrelated parties. She added Captive Insurance is used by over 95% of Fortune 500 companies and there are currently 10,000 Captives worldwide. She shared the pros and cons, financial risk, and insurance market cycles associated with the insurance program. She discussed the relationship between MRHC and Tecumseh RRG. Ms. Kindstedt summarized the current MRHC property premiums as it compares to the LAIE program. She stated the formation can take up to a year or longer, depending on complexity followed by a regulatory 2 month review & approval process. Discussion occurred regarding the insurance exchange program.

1. **Discussion and Consideration to enter into the Agreement to form the Lifecare Association Insurance Exchange (LAIE) Program:** A motion was made (Bland) and seconded (Brenner) to enter the Agreement to form the Lifecare Association Insurance Exchange (LAIE) Program as presented. The vote was taken as follows: Aye: James Bland, Sayer Brenner, Brent Grilliot, Susan Kanard, Damon Mascoto, Marti Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the motion carried.

Board QI Committee Report: Ms. Susan Kanard opened the floor to Ms. Whitney Hull to provide an overview of the Board QI meeting held on June 29, 2021. Ms. Hull reported the Quality Management Oversight Committee provided an update. Discussion regarding the monitoring of required license & certificates and manually corrected issues to PolicyTech. She reported the hospital had an accreditation survey on June 22-24 from DNV. There were minimal findings, some were addressed while DNV was on site. The official report has not been received from DNV however the survey was very positive. Mr. Keith reported in the ten years he has been at MRHC, this was the best survey MRHC has received. Ms. Hull stated once we receive the official report, we will develop a corrective action plan for each finding and submit it back to DNV. Ms. Hull reported in addition to the accreditation survey, MRHC Stroke Program also receive a stroke certification survey that went well.

Chief of Staff Report: Dr. Kamron Torbati reported an annual Medical Staff meeting was held a few weeks ago. He added there was good attendance and most of the core medical staff was there. He stated Mr. Shawn Howard and Ms. Cheryl Perry provided good information. Dr. Torbati stated it was very nice to have representation from the executive level there interacting with the medical staff.

CAO (Chief Administration Officer) Report: Mr. Shawn Howard provided an overview of the Chief Administration Officer Report. He reported Marketing participated in multiple speaking engagements over the last month. In addition, the team held a lunch and learn at the Warren Clinic to educate providers on assisted living and at MRHC for case management team to discuss new providers. Marketing rounded at Eufaula and Wilburton with Dr. Chandran, Nephrologist to introduce and tell them about the new inpatient dialysis services. Southeast Hospice has been approved for accreditation for Hospice with a recommendation for continued 'Deemed Status' until February 23, 2024. The Wound Care continues to develop a multidisciplinary approach to the outpatient wound care and hyperbaric medicine service line. The goal of the program is to increase collaboration with surgical specialist and improve the odds of a successful outcome. The MRHC Clinical team is currently working with Prime/Premier physician group to administer a new transition of care program. The purpose of the program is to decrease readmissions to the hospital and establish a continuum of care for our discharging patients, in both the clinic and Hospital setting. Architects are currently in the process of completing the drawings for scope of work and specifications for the new Urgent Care. It is currently on schedule to publicly bid the construction the week of July 7th followed by state licensure application. The project is currently on pace to be completed on time. The PET CT change order project is currently in the early states of management. The construction contractor has ordered the specialty supplies to complete the project, and currently scheduled to mobilize the week of July 12th. The Southeast Clinics, Eufaula Urgent Care will be expanding services to include weekend coverage starting July 9th. The new hours of operation will be Monday through Saturday; 8:00 AM to 6:00 PM and Sunday; 1:00 PM to 6:00 PM. In closing Mr. Howard reported Dr. Caleb Harris, a Board-Certified General Surgeon to Southeast Clinic's General Surgery Department. Dr. Harris has almost 20 years' experience and will be a significant asset to the MRHC organization.

CEO (Chief Executive Officer) Report: Mr. David Keith presented his CEO report for the Board. He reported United Health Care (UHC) recently announced a policy to allow for the retroactive denial of coverage for emergency level care in facilities. According to the American Hospital Association, the policy may put patients' health and wellbeing in jeopardy. As a result of the backlash from hospitals, UHC revoked the policy. All LifeCare hospitals are opting into the formation of a property insurance reciprocal called LifeCare Association Insurance Company (LAIE). The reciprocal is an arrangement through which mutual promises of the participants are exchanged with respect to their insurance risks. The Nations highest court has ruled that the Affordable Care Act remains intact and law in the U.S.A. Healthcare consolidation is on the rise, with hospitals and systems partnering with retail and insurance companies. Financial pressures exacerbated by the pandemic will likely lead to more consolidation in the healthcare industry. Medicaid enrollment in the country reaches an all-time high of 74 million members during the pandemic. Oklahoma is expected to see an additional 200,000 eligible sign up for Medicaid. Over 125,000 have signed up since July 1. OHA and LifeCare are on high alert for cyber security threats, especially due to the recent cyber-attack on the Stillwater hospital. IT will be providing an update on MRHC's cyber security preparedness within the next month or two. Mr. Keith reported the Southeast Alliance Network Board opted to dissolve now that the HRSA funding has ceased, and the community needs assessment was completed. Also, the Hospital is watching the impact on other hospitals that have opted to mandate COVID vaccine shots to employees as a condition of employment.

Finance Committee Report:

1. **Discussion and Consideration of May 2021 Financial Reports:** Ms. Cheryl Perry provided an overview of the May 2021 Financial report. She stated May showed an improvement. The Inpatient acute services were stronger in May with higher discharges and patient days but a shorter average length of stay. For the hospital, Gross Patient Revenue was down from run rate and this can be attributed mostly to the drop in IP Ancillary Revenues. The departments driving the drop were Pharmacy, Respiratory and Lab who were highly affected by

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the COVID pandemic. It makes sense as the COVID population decreases, the revenue in these departments would drop as well. Also, the revenue in these departments were likely not highly collectible during COVID from Medicare, Medicaid, and other payers that paid on a DRG basis. As for expenses, there were a few noteworthy items. Salaries were slightly higher as overtime and incentives are being paid to cover some nurse staffing shortages. There was also a one-time payment to Delta Dental of \$43k that corrected a billing issue. Purchased Services were higher with the late payment of April's DLO bill for \$30k. MMS volumes were below run rate in several clinics in the month of May. In contrast, gross revenue per clinic day was 8% higher than run rate due to the mix of clinics and procedures that made up the total. Additionally, there was a sign-on bonus for a new provider paid. Physician fees are higher than run rate with the Nephrology program ramping up and Cardiology clinic improvement. Surgeries in the MASC were on par with the current run rate at 104. 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. The final tally for the authority is a total net income of \$59k for May. April and May, both showed vast improvements but the actions that produced those results must continue. 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 (Bland) and seconded (Grilliot) to approve the Financial Reports for May 2021 as presented. The vote was taken as follows: Aye: James Bland, Brent Grilliot, Weldon Smith, Marti Fields, Sayer Brenner, Damon Mascoto, Susan Kanard, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.

2. **Discussion and Consideration of Revised Expenditure Approval Policy:** Ms. Perry presented the Expenditure Approval Policy for discussion and consideration. She stated the old version was difficult to understand The revised version is a more streamlined version, The expenditure authority Mr. Keith's was raised to avoid taking routine expenses to the Board for approval. A **motion** was made (Smith) and seconded (Brenner) to approve the revised Expenditure Approval Policy as presented. Aye: Weldon Smith, Sayer Brenner, Susan Kanard, Brent Grilliot, James Bland, Damon Mascoto, Marti Fields, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.
3. **Discussion and Consideration of Fiscal Year 2022 Budget – First Quarter:** Ms. Perry presented the Fiscal Year 2022 Budget for the first quarter for discussion and consideration. We want to make the budget a good management tool for executives and directors and for the Board. She stated there is more work to be done before a full year budget can be completed. We have restructured the way we are working with all the department heads and are finding some unnecessary expenses that would affect the budget. Ms. Perry stated we have a first quarter budget for approval at this time. Ms. Perry stated she will bring the remainder of the FY 2022 Budget to the Board for approval soon. A **motion** was made (Bland) and seconded (Mascoto) to approve Fiscal Year 2022 Budget for the first quarter as presented. Aye: James Bland, Damon Mascoto, Sayer Brenner, Susan Kanard, Marti Fields, Weldon Smith, Brent Grilliot, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.
4. **Discussion and Consideration of Bid for Laundry Services:** Ms. Cheryl Perry presented the bids for Laundry Services. On May 18th and 25th, McAlester Regional Health Center published an RFP for Laundry Services for the hospital location. Two sealed bids were received from Linen King and Superior Linen Service. Both bids were opened on June 18, 2021. The bid from Linen King provided a 5-year agreement and the bid from Superior Linen Service included a 3-year and 5-year option. Based on the differences between the two suppliers, we feel it is beneficial to award this service to Superior Linen Service. They not only are the lower cost bidder but are also the incumbent supplier. The bid from Superior Linen Service currently serves the organization best and should be awarded to them. A **motion** was made (Fields) and seconded (Kanard) to approve the Bid for Laundry Services as presented. Aye: Marti Fields, Susan Kanard, James Bland, Brent Grilliot, Damon Mascoto, Sayer Brenner, Weldon Smith, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.

New Business: None.

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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, legal action, or proceeding in the public interest.”

1. Discussion regarding a pending legal investigation.


A **motion** was made at 6:13 PM by (Smith) and seconded by (Grilliot) to enter Executive Session. The vote was taken as follows: Aye: Weldon Smith, Brent Grilliot, Marti Fields, Sayer Brenner, Damon Mascoto, Susan Kanard, James Bland, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried unanimously.

A **motion** was made at 6:29 PM by (Smith) and seconded by (Mascoto) to come out of Executive Session. The vote was taken as follows: Aye: Marti Fields, Damon Mascoto, Susan Kanard, Brent Grilliot, James Bland, Weldon Smith, Sayer Brenner, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.

No action was taken during Executive Session.

No action taken following the Executive Session:

Adjournment: A **Motion** was made (Brenner) and seconded (Smith) to adjourn 6:30 PM. The vote was taken as follows: Aye: Sayer Brenner, Weldon Smith, James Bland, Brent Grilliot, Susan Kanard, Damon Mascoto, Marti Fields, and Mary Shannon. Nay: None. Absent: Johnny Zellmer, MD. Abstain: None. Chairwoman Shannon declared the **motion** carried.


Mary Shannon ~ Chairwoman


James Bland ~ Vice-Chairman

/sds