

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday August 04, 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 9:45 AM on Tuesday August 03, 2021.

TRUSTEES PRESENT:

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

TRUSTEES ABSENT:**HOSPITAL STAFF:**

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

OTHER ATTENDEES:

Karen Rieger, Legal Counsel,

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 July 07, 2021
2. Credentialing & Privileging Appointments as follows:
 - A. Appointment for credentialing & privileging for provisional for one year as follows:
 1. Clinton Echols, CRNA ~ Blue Sky Anesthesia ~ One year
 2. Stephen Freeborn, CRNA ~ Blue Sky Anesthesia ~ One year
 3. David Sasser, MD ~ Emergency Medicine ~ One year
 4. Travis Esposito, DO ~ Emergency Medicine ~ One year
 5. Caleb Harris, MD ~ General Surgery ~ One year
 - B. Appointment for credentialing & privileging for Advancement (Active Staff) for one year as follows:
 1. Kelsey Flynn, DO ~ Family Medicine/Hospitalist/Emergency Medicine ~ One year
 2. Matthew Graves, MD ~ Obstetrics & Gynecology ~ One year
 3. Erik Martin, MD ~ Emergency Medicine ~ One year
 4. Kristen Stehling, DO ~ Family Medicine/Hospitalist ~ One year
 - C. Appointment for credentialing & privileging for Advancement (Allied Health Staff) for one year as follows:
 1. Dominick Palmisano, CRNA ~ Blue Sky Anesthesia ~ One year
 - D. Appointment for credentialing & privileging for Reappointment (Active) for two years as follows:
 1. Robert Postlewait, MD ~ Internal Medicine/Hospitalist ~ Two years
 2. Shaun Grewal, MD ~ Urology ~ Two years

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3. Stephen Riddel, MD ~ Obstetrics & Gynecology ~ Two years
 4. Kendra Muncrief, DO ~ Emergency Medicine ~ Two years
- E. Appointment for credentialing & privileging for Reappointment (Allied Health Staff) for two years as follows:
 1. Luke Schumacher, PA ~ Physician Assistant (Supervising: Patrick Gannon, MD ~ Two years
 - F. Appointment for credentialing & privileging for Reappointment (Consulting Staff) for two years as follows:
 1. Ali Moussa, MD ~ Oncology ~ Two years
 - G. Appointment for credentialing & privileging for Reappointment (Proxy: Distant Site) for two years as follows:
 1. Catherine Keegan, MD ~ Teleradiology ~ Two years
 2. Courtney Tripp, DO ~ Teleradiology ~ Two years
 3. Reid Breckwoldt, MD ~ Teleradiology ~ Two years
 - H. Temporary Privileges Granted (Informational only)
 1. David Sasser, MD ~ Temporary ~ Emergency Medicine (06.25.2021 – 08.25.20 21)
 2. Anna Wanahita, MD ~ Temporary ~ Neurology (RBI) (07.04.2021 – 08.04.2021)
 3. Clinton Echols, CRNA ~ Anesthesia (07.01.2021 – 09.01.2021)
 - I. Resignations (Information Only)
 1. David Duvall, MD ~ General Surgery ~ 04/19/2021
 2. Nancy Williams, MD ~ IM/Hospitalist ~ 06/17/2021
 3. William Goodrich, DO ~ Emergency Medicine ~ 06/09/2021
 4. Shaina Parks, DO ~ Emergency Medicine ~ 06/09/2021
 5. Cameron Manchester, MD ~ Radiology ~ 07/01/2021
 6. Cole Smith, MD ~ Radiology ~ 07/01/2021
 7. Briana White, DO ~ Emergency Medicine ~ 07/02/2021
 8. John Hannigan, CRNA ~ Allied Health Locums ~ 07/08/2021
3. July Agreement Log
 4. Appointment of Cheryl Perry to the McAlester Ambulatory Surgery Center LLC Board of Managers replacing Sherry Winczewski.

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

Senate Bill 674 (Telemedicine) Update: Ms. Wendy Thorpe reported the MRHC Meditech System has a module called "Virtual Visits" for which the project build was completed in June 2021. This program is used for telehealth visits. The module is application based and works through the patient portal, where the patient can register themselves. This program has been fully tested and is ready for use. She stated while telemedicine has been in use for several years, it's potential was highlighted during the COVID pandemic.

Education: Healthcare Finances ~ Cheryl Perry, CFO: Ms. Cheryl Perry provided Board Education regarding Healthcare Finances. She stated hospitals do not operate like other businesses because they are highly regulated. The Payer Mix is a key factor in profitability. Ms. Perry shared the impact Medicare and Medicaid has on hospitals and physicians.

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She stated that Medicaid pays the lowest rates of any payer. Hospitals, as an industry, pay into and receive federal match funding through the Supplemental Hospital Offset Payment Program (SHOPP). SHOPP funds supplement Medicaid reimbursement to match Medicare reimbursement. This program may be at risk in the future. Ms. Perry discussed commercial, private payers, self-pay payers, patient accounts receivable, net patient revenues and service line profitability. She shared about debt, debt service covenants, and days cash on hand requirements. Ms. Perry discussed federal funding received during the Covid-19 Pandemic. She stated that Medicare Advance Payments are a "loan" from CMS that are offered in circumstance such as national emergencies, or natural to accelerate cash flow to impacted health care providers and suppliers. She stated another source of funding is from the Health and Human Services (HHS). HHS funds are recognized as non-operating income but are generally for revenue shortfalls and expense coverages impacting the operating income. HHS funds are also used for capital items. Ms. Perry sharing how Covid-19 impacted and continues to impact the hospital. Ms. Perry closed the presentation by sharing the hospital's key performance indicators.

Board QI Committee Report: Ms. Susan Kanard opened the floor to Ms. Whitney Hull to provide an update. Ms. Whitney Hull reported the Board QI Committee reviewed the current data with nothing outstanding to report. The Quality Scorecard was also reviewed showing improvement in Infection Control over the first Quarter. She stated physicians, organization wide, participated in a performance improvement project to help drive this improvement. Ms. Hull stated Hospice and Home Health information was also reviewed including results from a recent Hospice survey. Ms. Sonya Stopp submitted and implemented a corrective action plan that was accepted, and Hospice has received re-accreditation. The remainder of the meeting focused on the MRHC DNV Survey. Ms. Hull reported the Primary Stroke Center and MRHC recently had a DNV reaccreditation survey on June 22-24, 2021. In advance of sharing the survey findings, she reminded the Board of the finding level definitions. She provided a detailed report of the survey findings and opportunities for improvement offered from DNV. Ms. Hull reported DNV accepted all corrective actions and are expected to return soon to validate correction of a condition level finding. MRHC will submit objective evidence of compliance with corrective actions for all NC-1 findings within 60 days. Ms. Hull stated there will be ongoing monitoring of implementation of submitted corrective action plans and sustained compliance through the Quality Oversight Committee. Overall, she stated the survey was very successful and the MRHC team performed very well.

Chief of Staff Report: Dr. Kamron Torbati reported Covid is on the rise all over the State and our hospital is no exception. The ICU is full of Covid patients. He asked Ms. Whitney Hull to update the Board on a recent employee incentive to encourage them to get Covid Vaccination. Ms. Hull reported 46.58% of MRHC employees are fully vaccinated. MRHC is offering a Covid vaccination clinic next week for employees who want the vaccine. She stated her office is getting more and more questions about the vaccines. The hospital is not currently mandating the vaccine but continue to highly encourage the vaccine with the use of data. She added data is being collected over the past month that will be pushed out to the community soon. To date the data shows, 12.5% of the Covid admissions were vaccinated, 87.5% were unvaccinated. 0% of the vaccinated had ICU time, 39.28% of the unvaccinated had time in ICU, and 85.7% of the Covid deaths were unvaccinated. Ms. Hull reported several hospitals are gathering data and the trend is showing the survival rate is higher with the vaccine. She added the CDC is not recommending a booster shot at this time. Dr. Torbati closed by updating the Board on a recent recruiting meeting for an additional orthopedic surgeon that he believes will complement the orthopedic service line.

Chief Administration Officer (CAO) Report: Mr. Shawn Howard provided an overview of the Chief Administration Officer Report. He stated there is a lot of focus on recruiting and retention of nurses. He stated MRHC is choosing not to mandate the Covid vaccine shots at this time; however Human Resources is offering a work life balance day for employees who can prove they have taken the vaccine. Human Resources rolled out a "Cultural Ambassador Program" that is working well to improve customer service. He stated there is a lot of focus on recruiting and retention of nurses. He reported that Ms. Kim Stout, CNO is holding town hall meetings with the nursing staff that has generating good responses. MRHC was voted Best Place to work in McAlester for the third year in a row. He added we are extremely proud of that especially after the past year. The MRHC Therapy Department had their first pediatric swallow study this month. Pediatric swallows are very difficult to get, even in the bigger cities. The department will also begin treating

pediatrics with cleft palate and feeding difficulties. He stated the department has been working very hard to provide all the specialties in Southeast Oklahoma to meet the needs of the community. Mr. Howard reported the hospital's PBX Operators will implement an automated data base that will help the operators with contact information, it will speed up the call process, be more efficient and more accurate. Mr. Howard opened the floor to Ms. Kim Stout, CNO to provide a nursing update. She reported MRHC is expanding the inpatient Dialysis by adding two new Nephrologist that will provide 24/7 dialysis coverage onsite and through telehealth. New Equipment has been purchased that does everything including continual renal replacement therapy. Training began this week on the equipment and the goal for opening the service will be the first of September pending the arrival of supplies. She added MRHC is the first hospital in Oklahoma to have this equipment. The purchase of a second unit is planned. Ms. Stout provided an update on nursing personnel changes and difficulties with nurse recruitment and retention. She reported a "no patient left alone act" was passed by Legislators and will be in effective November 1, 2021. The act is likely due to the Covid Pandemic. Our hospital already meets the criteria required in this act.

Chief Executive Officer (CEO) Report: Mr. David Keith reported President Biden addresses competition in healthcare targeting mergers, antitrust, noncompete clauses, price transparency, surprise billing, pharmacy, and generic drugs. He added it will be very interesting to see the impact to healthcare. At the State level, interim studies include a host of healthcare related topics. Special interest requirements, drawbacks and benefits of hospitals receiving not-for-profit status and provider payment differences for rural versus urban communities. He reported a study is being done in the House of Representatives, to determine the effects of suicide amongst adolescents during and after the Covid Pandemic and there is interest in funding an adolescent psychiatric wing in McAlester and/or Poteau. SB 674 regarding Telehealth payments may be a game changer for those who offer virtual services. HB 2687 regarding the "No Patient Left Alone Act" balances patients' rights to visitation and hospitals rights to set or restrict. Mr. Keith reported Walmart partnered with MeMD, a telehealth provider, and they are expanding the healthcare business to 37 states. OIG claims 70% of hospitals do not meet the expectations for price transparency and penalties will be expensive. He added MRHC has met all the price transparency requirements. He stated MRHC is experiencing an increase in Covid patients. According to CDC, 83% of Covid admissions are those who chose not to take the vaccine. Home-base care is changing in the future and may include primary care, urgent care, acute care, imaging, and traditional home care and hospice. The number of uninsured Americans is shrinking mostly due to subsidies and Medicaid expansion. Most cannot afford to pay their medical bills. Mr. Keith reported changes to the Public Trust Act are minor and modernization is still elusive. The initiative is still underway. He reported that he is collaborating with the City of McAlester to send letters to USDA, Choctaw Nation and County Commissioners seeking support for a water tower project. He closed by stating there is heightened Cyber Security discussions among the Vizient Group CEOs, and the transition to Tecumseh Reciprocal property insurance. Mr. Keith opened the floor to Ms. Karen Rieger to provide and update on proposed changes to the MRHC Declaration of Trust. Ms. Karen Rieger shared the relationship structure between the hospital and City of McAlester that is described in the Trust Indenture. Discussion occurred regarding the complexity of the Trust and the level of authority for both MRHC and the City of McAlester.

Finance Committee Report:

1. **Discussion and Consideration of June 2021 Financial Reports:** Ms. Cheryl Perry provided an overview of the June 2021 Financial report. She reported volumes for inpatient improved in June with higher discharges and patient days but a shorter average length of stay. IP and OP Surgeries were down to run rate 13% and 4%, respectively. In contrast, outpatient registrations were higher in June by 2% driven by higher volumes in the ED and OP imaging which increased 12% and 2%, respectively. MMS volumes were below run rate in several clinics in the month of June. Gross revenue per clinic day was 18% higher than run rate due to the mix of clinics and procedures that made up the total. Clinics driving the increased Gross Revenue include GI, OB/GYN, and Surgical Arts. Salaries were lower as no large provider incentives were due in June. Supply expense is up in Surgical Arts \$99k for skin graft procedures done in June. Net revenue per surgery is down slightly due to mix of surgeries performed in June. Collections for the month were \$6.3m. Salaries were slightly higher as overtime and incentives were paid to cover some nurse staffing shortages. Additionally, there was a severance agreement accrued in June that will pay through October. Benefits were higher with a large health claim paid

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in June as well some higher dental claims. There was a bulk purchase of gowns related to COVID surge that HHS funds will help offset. There was a payment to DNV related to their visit in June totaling \$43k. Ms. Perry stated there was a physical inventory count done in every department that maintains an inventory base. For most of the departments inventory levels decreased by a net of \$58k which shows up as expense on the income statement. Surgery's inventory dropped year over year as well, but the drop was more significant. In June of last year, we were slowly coming out of the elective surgery freeze and most surgeries being performed were essential, which meant inventory was sitting not being used. Twelve months later surgeries back inventory dropped from usage by \$448k. Ms. Perry stated the Operating Loss for June was big. She said some items were one-time expense, items that should have hit in prior years, or items that should have hit as the year progressed. Education continues with leadership on how to analyze past the surface-level financial variance. All contracts are being reviewed for activity, necessity, and price. A **motion** was made (Brenner) and seconded (Zellmer) to approve the Financial Reports for June 2021 as presented. The vote was taken as follows: Aye: Sayer Brenner, Johnny Zellmer, MD, James Bland, Brent Grilliot, Susan Kanard, 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 Bid for Automated Pharmaceutical Dispensing Systems:** Ms. Perry reported on June 24th and July 1st MRHC published an RFP for Automated Pharmaceutical Dispensing Systems. Sealed bids from BD/Pyxis and Omnicell were received. Omnicell submitted their bid electronically. Their bid was identified but not opened until the designated bid opening date. Based on the instructions to the suppliers regarding the deadline for the sealed bids, which was published as July 22, 2021 at 3:00 PM Central Time. Omnicell was able to Overnight their bid however the shipment date was July 23, 2021. By law MRHC cannot accept or consider the proposal from Omnicell. Ms. Perry stated BD/Pyxis offered a purchase price of \$662,170 and a 60-minth service agreement at a cost of \$3531 per month, totaling \$211,260 for the life of the agreement. The Company also provided a Lease/Support Agreement for 60-months totaling \$14,604 a month or \$876,240 for the life of the agreement. Ms. Perry recommended approving the Lease/Support Agreement for 60-months totaling \$14,604 a month or \$876,240 for the life of the agreement. A **motion** was made (Kanard) and seconded (Bland) to approve the Bid proposal Lease/Support Agreement from BD/Pyxis for Automated Pharmaceutical Dispensing Systems for 60-months totaling \$14,604 a month or \$876,240 for the life of the agreement as presented. 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.

3. **Discussion and Consideration of Bid for SHOPP and Funded Depreciation:** Ms. Perry stated the current method of accounting for SHOPP funds is when SHOPP payments go out, they leave our operating account. So, in FY21 we had \$1.2m leave the operating account. When the receipts for SHOPP came in at \$7.1m, they are put into the restricted Funded Depreciation account. This bolstered our days in Cash but limited funds available for daily operations. We are proposing going forward, we take the SHOPP payments out of the operating accounts and then when the receipts come back in, we split them. A portion of the receipts equal to the SHOPP payment that was made that quarter, would go into the operating account. The remaining funds would go into Funded Depreciation. This would allow more funds to be available for daily operations. On January 1, 2022, our SHOPP payments will go up from 2.5% to 3%. As of January 2022, an additional \$230k per quarter will be pulled out of Operations account with, at best, similar receipts if this change isn't made. A **motion** was made (Grilliot) and seconded (Bland) to accept the SHOPP and Funded Depreciation proposal to offset what is paid out as presented. Aye: Brent Grilliot, James Bland, Susan Kanard, Johnny Zellmer, MD, 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.

Adjournment: A **Motion** was made (Brenner) and seconded (Mascoto) to adjourn 7:14 PM. The vote was taken as follows: Aye: Sayer Brenner, Damon Mascoto, Susan Kanard, Brent Grilliot, James Bland, Johnny Zellmer, MD, Marti

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Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

Mary Shannon

Mary Shannon, Chairwoman
/sds

James Bland ~ Vice-Chairman