

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday October 06, 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 03:45 PM on Tuesday October 05, 2021.

TRUSTEES PRESENT:

Mary Shannon, Chairwoman ~ Weldon Smith ~ Marti Fields ~ Susan Kanard ~ Johnny Zellmer, MD ~ Damon Mascoto

TRUSTEES ABSENT: Brent Grilliot, Sayer Brenner, James Bland

HOSPITAL STAFF:

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

OTHER ATTENDEES

Maggie Martin, Legal Counsel, (via conference phone), Pete Stasiak, City Manager, John Browne, Mayor.

CALL TO ORDER:

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

Public Comment: Mayor John Browne, joined by Pete Stasiak, City Manager from the City of McAlester addressed the McAlester Board of Trustees regarding a recent workshop held recently involving the McAlester City Council and members of the MRHC Board, Staff and Attorney. Mayor Browne apologized for the remarks made by a Council member during that meeting. He stated the remarks are the opinion of the new member solely and not the consensus of the full Council. He stated he is very pleased with the composition of the MRHC Board and the work they do. He shared his appreciation of MRHC and hopes to continue a close working relationship in the future. Mr. Shawn Howard reported there were a lot of incorrect statements made at that meeting by the new 4th Ward councilman. He extended an open invitation to all City Council members to attend an informative orientation at MRHC. The orientation is offered to all new MRHCA Board members that includes information helpful in understanding hospital history and operations.

Consent Agenda:

1. MRHCA Board of Trustees minutes for September 01, 2021
2. September 2021 Agreement Log
3. 2021 1st & 2nd Quarter Physician's Scorecards
4. Credentialing & Privileging Appointments as follows:
 - A. Appointment for credentialing & privileging for provisional for one year as follows:
 1. James Rush, MD ~ Psychiatry/Telemedicine) ~ One year (provisional)
 2. Dallas Wright, DO ~ Emergency Medicine ~ One year
 3. Erin Walling, MD ~ Psychiatry/Telemedicine ~ One year.
 4. Junaid Riaz, DO ~ Emergency Medicine ~ One year
 5. Jessica Vandenheuval, APRN ~ Nurse Practitioner (Supervising: Gerald Rana, DO)
 - B. Appointment for credentialing & privileging for advancement (Active Staff) for one year as follows:
 1. Melissa Evans-Brave, DO ~ Emergency Medicine ~ One year (Active)
 2. Christopher Thompson, MD ~ Pathology ~ One year (Active)
 3. Randall Allen, MD ~ Pulmonary ~ One year (Active)
 4. Shalako Bradley, DO ~ Emergency Medicine ~ One year
 5. M. Kaleem Ishaq, MD ~ Pulmonary ~ One year
 - C. Appointment for credentialing & privileging for advancement (Allied Staff) for one year as follows:
 1. Mark Bucher, CRNA ~ CRNA ~ One year (Allied Staff)
 2. Michelle Mann, CRNA ~ CRNA ~ One year (Allied Staff)
 3. Clinton Maxcey, APRN ~ Nurse Practitioner (Supervising: Vanessa Menuiot, DO) ~ One year (Allied Staff)

Initials _____

4. Joseph Contreras, PA-C ~ Physician Assistant (Supervising: John Tedesco, DO) ~ One year (Allied Staff)
- D. Appointment for credentialing & privileging for reappointment (Active Staff) for two years as follows:
1. Mario Topolko, DO ~ Hospitalist ~ Two years (Active Staff)
 2. Gregory McKinnis, MD ~ Sleep Medicine ~ Two years (Active Staff)
 3. Vanessa Menuiot, DO ~ Family Medicine ~ Two years (Active Staff)
 4. Charles Moore, MD ~ Cardiology ~ Two years (Active Staff)
- E. Appointment for credentialing & privileging for reappointment (Allied Staff) for two years as follows:
1. Rachel Piston, APRN ~ Nurse Practitioner (Supervising: Robert Postlewait) ~ Two years (Allied Staff)
 2. Lisa Hargis, APRN ~ Nurse Practitioner (Supervising: Vanessa Meunioit, DO) ~ Two years (Allied Staff)
- F. Appointment for credentialing & privileging for Reappointment (Distant Site: Credentialing by proxy) as follows:
1. Richard Miller, MD ~ Teleradiologist ~ Consulting
 2. Richard Brewer, MD ~ Teleradiologist ~ Consulting
 3. Carl Recine, MD ~ Teleradiologist ~ Consulting
- G. Temporary Privileges Granted (Informational only)
1. Dallas Wright, DO ~ Emergency Medicine ~ 09/12/21 – 10/12/21
 2. Charles Moore, MD ~ Cardiology ~ 09/01/21 – 11/01/21
- H. Resignations (Information Only)
1. Walter Lajara, MD ~ Neurology ~ 08/01/21
 2. Yidong Chen, MD ~ Emergency Medicine ~ 08/26/21
 3. Andrew Phillips, DO ~ Emergency Medicine ~ 08/26/21
 4. Billal Piracha, MD ~ Emergency Medicine ~ 08/31/21

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, Susan Kanard, Weldon Smith, Damon Mascoto, and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Chief of Staff Report: Dr. Kamron Torbati reported Ms. Lucy Muller attended a meeting with key medical staff to discuss ways to reduce cost to the hospital's self-funded insurance and improve the health of our hospital community. It was a very productive meeting that brought to light how healthcare today impacts the bottom line. He stated the one take away for him was that as physicians we are being forced to put cost on prevention as opposed to treatment which is not traditional. There were many good ideas circulating at this meeting, some that may be pushed out to our community related to prevention. Dr. Torbati reported there may be some minor changes to our health plan in the near future.

Chief Administration Officer (CAO) Report: Mr. Shawn Howard provided an overview of the Chief Administration Officer Report. Mr. Howard reported having an opportunity to represent MRHC during a three-part Lifecare Board strategic planning retreat focusing on the future membership of Lifecare. Lifecare hospitals can all thrive as independent hospitals if they can achieve a system-like partnership. Some of the topics discussed include shared services, clinical alignment, and recruitment and retention strategies. Mr. Howard reported open enrollment for "benefits" will be November 1st -30th. Meetings will be held in advance on October 18th -29th for employees to review changes and have their questions addressed. The new benefits will go into effect January 1, 2022. Mr. Howard reported an Employee Celebration is scheduled for December 2, 2021. MRHC will be celebrating both 2020 and 2021 employee award recipients. He reported in non-clinical operations, two projects are still on task. The Urgent Care Bid packet for demolition and underground utilities is currently on pace to be completed on time. The Pet CT change order project mobilized and started construction on July 13. Contractor is

Initials _____

currently working to complete the Hot Lab; a room that is lead lined where radioactive doses are stored prior to administering to patients. The project is currently on pace to be completed on time. In addition, Mr. Howard reported the project to remove and replace the current MRI is delayed due to difficulty in receiving a part for the transformer. Meditech support planning and testing continues for the upcoming Priority Pack software update scheduled for go live on October 21st. This update will bring Meditech up the most current version and introduce new functionality. He reported the Acute Inpatient Dialysis Program has been up a running for a full month and MRHC has successfully provided 21 bedside dialysis treatments. The number of case increased to the point a second Dialysis Machine has been ordered. This is a great addition to our community that will prevent the need to ship patients to other facilities for this treatment. The Foundation was able to purchase a neonatal intubation system that will allow our physician to intubate and provide better services to newborns and pediatric patients in need of artificial ventilation. MRHC has had an increase in the need for this type of equipment due to experiencing a rise in newborn COVID complications.

Chief Executive Officer (CEO) Report: Mr. David Keith reported U. S. Hospitals are poised to lose \$54B in net income this year. Many rural hospitals are on the brink of closure. COVID has created difficulty among auditors, including ours due to COVID Relief Funding. The MRHC audit is underway and will be sent to the City of McAlester as soon as it is completed. There is a possibility for more HHS funding with Phase 4 of COVID Relief Funds. Mr. Keith stated he is unsure how these funds will affect the MRHC audit and bottom line. The Surprise Act was deferred due to health plan and provider pushback. The Federal Trade Commission may gear up to study price gauging by Locum agencies and rates for travel nurses. The State's apocalyptic projection due to Medicaid expansion has not come to fruition. The State will continue charging hospitals a higher "tax" on SHOPP (Supplemental Hospital Offset Payment Program) funds negatively impacting already stressed hospitals. The Oklahoma Hospital Association believes the Governor may continue to push for privatizing Medicaid, however sources indicate his position maybe softening. Outsourcing Managed Medicaid would be at an increased cost of over \$150M than what is being spent currently at the Oklahoma Health Care Authority. Mr. Keith reported MRHC Administration and legal counsel met with McAlester City Officials, leader from OHA, and Lifecare and Municipal League in Oklahoma City to discuss legislative efforts to modernize the Public Trust and Open Records acts. The meeting helped develop alignment and action plans for the upcoming legislative sessions this coming February. Mr. Keith reported MRHC Administration staff and Legal Counsel met with the McAlester City Council to discuss updating the Trust Indenture. Overall, the meeting was good with the exception of the behavior of the new 4th Ward Council member. In closing, Mr. Keith shared that Lucy Muller, Director of Human Services and Volunteer Services received the Rural Health Advocate of the Year award from the Rural Health Association of Oklahoma.

Audit & Corporate Compliance Report: Mr. Weldon Smith provided an overview of the Audit & Corporate Compliance meeting. He provided a handout that detailed the discussions and actions of the Committee. He pointed out that there were 179 document request costing the hospital \$305K to date

Finance Committee Report:

- 1. Discussion and Consideration of August 2021 Financial Reports:** Ms. Perry presented the August 2021 Financial Report to the Board. She reported August was a busy month for MRHC. The Hospital was full, the clinics were busy, the ASC had strong volumes and MRHC has another COVID surge. Despite all this, managers continue to focus not only on their patients, but on finances as well, as can be seen in August's financials. Operations for August varied. Patient days increased from the prior three month run rate by 6%. This was driven not only by the patients on the Acute floors but also Geri Psych and Rehab. Geri Psych days were up 5% while Rehab days were 30% to run rate. Discharges slowed however pushing the average length of stay up by a full day. The increased COVID population is the driving factor in the increased length of stay. IP and OP Surgeries were down to run rate 5% and 3%, respectively. In contrast Outpatient Registrations were strong in August, up 8% to run rate. The growth in OP Registrations was tied to the ED and OP Imaging volumes which were up to run rate 9% and 2%, respectively. The Hospital Gross Patient Revenue was 16% above run rate. There was a 2% price increase as of August 1. The IP and Ancillary Revenue growth was driven by the departments caring for COVID patients. A good portion of the OP revenue was tied to volume as seen above. Approximately \$550k of Gross Revenue for the ED and \$380k for Surgery was catch-up from the

Initials _____

coding backlog from previous periods, equating to approximately \$310k of net revenue. Then a shift in payor mix from Medicare and Self Pay to Medicaid, Blue Cross and Other resulted in approximately \$130k of additional net revenue. Expenses on the Hospital were well managed with only two items of note. Quality bonus payments were made to Prime in August for \$124k. Pharmacy had \$145k additional expense compared to prior periods that was tied to increased use of high-cost drugs. Volumes in MMS were up 15% in August from the three-month run rate. The Nephrology Clinic continues to show growth by doubling visits from July to August. Eufaula Urgent Care doubled the number of visits it normally has, aided with the addition of weekend hours. Several other clinics were extremely full, in many cases due to COVID patients. Gross revenue per clinic day for MMS was up 10% for the month of August compared to run rate. Also, of note in revenue was a 2% chargemaster increase as of August 1st. And finally, the Gross Revenue catch-up on coding for OB was \$212k with an approximate Net Revenue effect of \$67k. Ambulatory Surgery Center had a strong volume month with a 29% increase over run rate. Gross Revenue increased approximately 19% from normal monthly charges and another 2% from the chargemaster price increase. However, Net Revenue is down in August. The business office is holding some bills for one of the doctors related to documentation changes needed to prove medical necessity. Without this documentation, the bills will get denied. The change occurred in March 2021. The process of finding the change and getting with the provider to get it updated has taken longer than anticipated so some of the accounts have fallen to over 150-day, 100% reserved status. However, most accounts are Medicare and Medicaid, and reimbursement should be recoverable once the documentation is updated, and billing is completed. The only other item of note in the ASC was supply costs which were slightly higher as the department did some stocking up of inventory. August was a needed bright spot. Work on income improvement is continual. August was the first month with the new Stroke Medical Director contract that had significant bottom-line savings. Additionally, several other expenses/contracts will be modified in September that will improve net income going forward. A motion was made (Zellmer) and seconded (Grilliot) to approve the Financial Reports for August 2021 as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, Brent Grilliot, Susan Kanard, Damon Mascoto, Marti Fields, Weldon Smith, and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the motion carried.

2. Discussion and Consideration of Bid for Cooling Tower (SE Healthplex): Ms. Perry reported on August 10th and 17th, McAlester Regional Health Center published an RFP for the replacement of the HealthPlex Cooling Tower. Bids were received from TDR Contractors, Inc, and Vision Air Service, which were opened at 10:00am on September 8, 2021. TDR Contractors bid was for \$192,000.00 and included the required bid bond. Vision Air Services bid was \$191,855.00 but did not include the bid bond. The difference between the proposals is \$145.00, however, without the bid bond for Vision Air Service, we cannot legally accept that proposal. The bid from TDR Contractors, Inc, serves the organization best and should be awarded the bid. Ms. Perry reported the Finance Committee recommended the funding to be taken out of the funded appreciation set aside for infrastructure improvements. A motion was made (Mascoto) and seconded (Fields) to approve the Bid for Cooling Tower (SE Healthplex) as presented. Aye: Damon Mascoto, Marti Fields, Weldon Smith, Johnny Zellmer, MD, Susan Kanard, Brent Grilliot and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the motion carried.

3. Discussion and Consideration of Bid for Boiler Room Roof (MRHC): Ms. Perry reported on June 11th and 18th, McAlester Regional Health Center published an RFP for the reroofing of the Boiler Room, Materials Management, and Engineering Office. Following an assessment by the roofing companies, MRHC was asked to do an asbestos check where asbestos was found. This discovery elevated the cost of replacement. Bids were received from Harness Roofing, Inc., \$215,523.00 Standard Roofing Company, \$262,932.00, Oklahoma Roofing & Sheet metal LLC, \$230,763.00, Turner Roofing, \$464,120.00 and Atwell Roofing Company, Inc. \$295,100.00. Upon review of the proposals following the bid opening, each of the respondents provided the correct documentation related to bid specifications, including the bid bonds. After much review, the Finance Committee made a recommendation to replace the roof in three areas: Boiler Room, Materials Management,

Initials _____

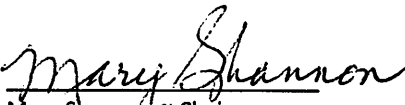
and Engineering Office. Harness Roofing was selected for the Base Roof and Alternative 2 of the bid and Oklahoma Roofing & Sheet Metal LLC for Alternative 1 as specified in the bid. Ms. Perry stated Harness and Oklahoma Roofing & Sheet Metal LLC were the lowest bid for each area of the roof for which the companies were selected. The Finance Committee also recommended the funding be taken out of funded depreciation cash which is set aside for infrastructure improvements. The roofing comes with a 20-year warranty from both Harness Roofing, Inc. and Oklahoma Roofing & Sheet Metal, LLC. A **motion** was made (Mascoto) and seconded (Fields) to approve the bids for roof replacement over the Boiler Room, Materials Management and Engineering Office from Harness Roofing, Inc at a cost of \$215,523.00 for the Base Roof, Harness Roofing, Inc at a cost of \$116,725.00 for Alternative 2 of the bid and Oklahoma Roofing & Sheet Metal LLC for \$147,730.00 for Alternative 1 of the bid as presented. Aye: Damon Mascoto, Marti Fields, Weldon Smith, Johnny Zellmer, MD, Susan Kanard, Brent Grilliot, and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the **motion** carried.

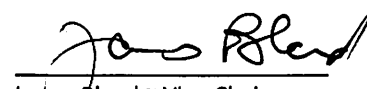
4. **Discussion and Consideration of Bid for Isilon Upgrade (MRHC):** Ms. Perry reported on August 10th and 17th, McAlester Regional health Center published an RFP for the Isilon Upgrade. We received sealed bids from Pinnacle Business Systems, \$131,802.22. The bid from Pinnacle Business Systems includes all the bid requirements, and we recommend accepting their bid. Mr. Shawn Howard reported we currently have 88 TB of storage with only 20% capacity left. The upgrade will give an additional 170 TB of storage. The IT department will continue to clean out old storage items to free up more space. A **motion** was made (Zellmer) and seconded (Kanard) to approve the bid of \$131,802.22 for the Isilon Upgrade as presented. Aye: Johnny Zellmer, MD, Susan Kanard, Marti Fields, Weldon Smith, Damon Mascoto, Brent Grilliot, and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the **motion** carried.

5. **Discussion and Consideration of FY 2022 Second Quarter Budget:** Ms. Perry presented the FY Second Quarter Budget. She reminded the First Quarter Budget was recently approved. She reported with the current environment issues, she only felt comfortable bringing forward the Second Quarter Budget at this time as she continues to work through, identify, and correct issues. Ms. Perry reported the FY Second Quarter Budget was reviewed and approved by the Finance Committee. A **motion** was made (Fields) and seconded (Mascoto) to approve the FY 2022 Second Quarter Budget as presented. Aye: Marti Fields, Damon Mascoto, Brent Grilliot, Susan Kanard, Johnny Zellmer, MD, Weldon Smith, and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the **motion** carried.

New Business: None

Adjournment: A **Motion** was made (Fields) and seconded (Mascoto) to adjourn 5:24 PM. The vote was taken as follows: Aye: Marti Fields, Damon Mascoto, Weldon Smith, Johnny Zellmer, MD, Susan Kanard, Brent Grilliot and Mary Shannon. Nay: None. Absent: James Bland, Sayer Brenner. Abstain: None. Chairwoman Shannon declared the **motion** carried.


Mary Shannon ~ Chairwoman
/sds


James Bland ~ Vice-Chairman

Initials _____