

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 06, 2022 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 10:45 AM on April 05, 2022.

TRUSTEES PRESENT:

Mary Shannon, Chairwoman ~ Christopher Beene, MD ~ Susan Kanard ~ Johnny Zellmer, MD ~ Brent Grilliot ~ Sayer Brenner ~ Marti Fields ~ Damon Mascoto

TRUSTEES ABSENT: James Bland

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Shawn Howard, Cheryl Perry, Wendy Thorpe Scott Yoder, Louis Reynolds, Tezarah Reagan, Marcina Nelson

OTHER ATTENDEES

Karen Rieger, Legal Counsel, (via conference phone) ~ Russell Ramzel, Legal Counsel (via conference phone)

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 December 20, 2021 and March 2, 2022
2. March 2022 Agreement Log
3. MRHCA Board of Trustees Committee Assignments for FY 2022/2023
4. Credentialing & Privileging List as follows:

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

- A. Lauren Wallace, PA-C ~ Provisional ~ Physician Assistant (Supervising: Patrick Gannon, MD) ~ One year

Consideration and approval of Advancement (Remain Provisional) Moonlighting as follows:

- A. Keithen Cast, DO ~ Provisional ~ Emergency Medicine ~ One Year (Provisional)
- B. Kimberly Montell, DO ~ Provisional Emergency Medicine ~ One Year (Provisional)
- C. Jordan Jones, DO ~ Provisional ~ Emergency Medicine ~ One Year (Provisional)

Consideration and approval of Advancement (Allied Health) as follows:

- A. Kymbrynn O'Diam, APRN ~ Allied Health ~ Physical Medicine & Rehab ~ Two Years (Allied Health)

Consideration and approval of Reappointment: (Consulting) as follows:

- A. Todd Homes, MD ~ Consulting ~ Physical Medicine & Rehab ~ Two Years (Consulting)
- B. Luke Leming, DO ~ Consulting ~ Internal Medicine & Critical Care ~ Two Years (Consulting)

Temporary Privileges Granted

- A. H. Zane DeLaughter, DO ~ Physical Medicine & Rehabilitation ~ 02/07/22 – 03/03/22
- B. Jennifer Brewer, APRN ~ Nurse Practitioner ~ 02/07/22 – 03/03/22

Resignations: (Acknowledge/Accept)

- A. Mark Bucher, CRNA ~ Blue Sky Anesthesia ~ 01/01/22
- B. Chelsea Berges, DO ~ Emergency Medicine ~ 08/21/21
- C. Reagan Robles, DO ~ Family Medicine ~ 01/31/22

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

Finance Committee Report:

- 1. Discussion and Consideration of February 2022 Financial Reports:** Ms. Cheryl Perry presented the February 2022 Financial Reports. Due to two storms this year, most provider clinics and outpatient services were closed 5 days affecting the revenue. While other services tried to remain open, such as elective surgeries, often the patients chose to cancel due to the weather. Inpatient (IP) Gross Revenue was in line with the last three months' average, or the run rate. This is despite a drop in the total discharges of 17%, in total patient days of 7%, and in Case Mix Index (CMI) of 9%. The acute average length of stay (LOS) was back up to 4.67 which is an increase of 8%. The IP revenue was boosted by ancillary services such as Therapy and Imaging which had increases and growth in IP Rehab whose patient days were up 33%. Outpatient (OP) and Clinic Gross Revenue were down \$1.9 million from run rate in February. Much of the decline in revenue was tied to the inclement weather and subsequent closings discussed earlier. In total OP registrations were down 24% driven by a drop in OP Imaging of 11% and ED visits of 23%. And in the clinics, visits were down approximately 24% which coincides with losing a quarter of available clinic days. Net Patient Revenue was below run rate approximately \$485k. MRHC's collection rate and the total drop in revenue suggest that most of the drop in Net Revenue was due to lost volume. The net SHOPP revenue was \$190k below run rate. This occurred because of the 0.5% increase in MRHC's SHOPP payment per statute for CY22 as well as the first quarter withhold the program takes each year. With Net Operating Revenue down approximately 9% from run rate and in a low volume month, expenses need to be managed well which they were. Expenses were below run rate 6% but not all expenses can flex with volume. Depreciation, interest, insurance, maintenance, some external physician base contracts, etc. cannot be adjusted with as volume as it grows or diminishes. Looking only at the variable expense compared to run rate, these costs were down 9% which shows a good control of costs in a tough situation. Salaries and Contract Labor are still running higher than desired but as anticipated. Incentive pay to fill open shifts was \$79k. Contract labor continues to be high at \$402k, down slightly from run rate. Health insurance was higher than run rate by approximately \$32k for some large claims. And being the first of the calendar year, SUTA expense was larger for an increase to run rate of \$20k. The good news was these costs were down overall a combined \$600k to run rate. About \$425k of this was due to fewer days in the month. The remainder is expense management. Outside of payroll, there were few other expenses of note. In Purchased Services there was \$26k of prior month amortization expense on a contract for 3M Coding Software. At Eufaula Urgent Care, some radiology equipment required repair which cost \$47k. There was a new Vocera maintenance contract in IT for \$12k. Some air scrubbers were rented in January during the COVID surge and the lease expense for those was \$27k monthly. These were returned in March. The final expense of note was the first two payments on the new CT were made in February for \$18k. Finally, in February, the final \$1.9 million of the APR funds were recognized into Non-Operating Income. Unlike previous government funds recognized which were attributed to lost revenues, these were backed by the funds paid to employees under our Pandemic (COVID) Incentive plans as well as supplies and equipment purchased exclusively for COVID patients. A motion was made (Brenner) and seconded (Mascoto) to approve the finance report for February 2022 as presented. The vote was taken as follows: Aye: Sayer Brenner, Damon Mascoto, Brent Grilliot, Susan Kanard, Marti Fields, Johnny Zellmer, MD, Christopher Beene, MD, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the motion carried.
- 2. Discussion and Consideration of Resolutions 01 and 02 to accept the terms and conditions of the USDA Rural Development Community Facilities Grant Agreements and authorize and direct Mr. Shawn Howard to execute the USDA Rural Development Community Facilities Grant Agreements in the amount of \$71, 300 and \$151,100 for Telehealth and Lab on behalf of the MRHCA Board of Trustees:** Ms. Cheryl Perry reported MRHC was awarded two USDA grants. A Telehealth grant in the amount of \$71,300 and a Lab grant in the amount of \$151,100. She stated the total project cost for the Tele-Health Grant is \$475,494.00. MRHC indicated they would be responsible for purchasing \$404,194.00 worth of equipment and USDA will match that at 15%, which is \$71,300.00. The second Grant is for lab equipment. The total project cost is \$1,007,397.00. MRHC will be responsible for purchasing

\$856,297.00 in equipment and USDA will reimburse 15%, totaling \$151,100.00. The agreements between MRHC and USDA we allow MRHC to stagger purchases for either grant. Upon purchase of each item, documentation will be submitted to USDA for reimbursement at a rate of 15%. The duration of each grant is three (3) years to assure all expenses are satisfied. Ms. Perry stated both Grants and Resolutions were reviewed by the Finance Committee and approved to move forward to the MRHC Board of Trustees. She made a recommendation that Board approve the terms of the two (2) USDA grants and two (2) Resolutions that states Mr. Shawn Howard is authorized and directed to sign and execute the USDA Rural Development Community Facilities Grant Agreements on behalf of the Board. Discussion regarding the USDA Grants and Board Resolutions was held. A **motion** was made (Fields) and seconded (Brenner) to accept the terms and conditions of the USDA Rural Development Community Facilities Grant Agreements and Resolutions authorizing and directing Mr. Shawn Howard to execute the USDA Rural Development Community Facilities Grant Agreements in the amount of \$71,300 and \$151,100 on behalf of the MRHCA Board of Trustees as presented. The vote was taken as follows: Aye: Marti Fields, Sayer Brenner, Christopher Beene, MD, Johnny Zellmer, MD, Damon Mascoto, Susan Kanard, Brent Grilliot, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.

3. **Discussion and consideration of bid for roofing of Boiler Room:** Ms. Cheryl Perry presented for discussion and consideration a bid for reroofing of the Boiler Room. She stated on February 3rd and 10th, McAlester Regional Health Center published a Request for Purchase (RFP) for reroofing of the Boiler Room roof. MRHC received a sealed bid from Graco Roofing & Construction Supreme Roofing, Standard Roofing, Alva Roofing, and Oklahoma Roofing, which were opened on March 4, 2022. The bid amounts were as follows: Graco Roofing & Construction for \$570,000.00, Supreme Roofing for \$695,580.00, Standard Roofing for \$749,200.00 and Oklahoma Roofing for \$663,156.00. The lowest bid did not meet the specifications of the RFP. The new roofing provided by Oklahoma Roofing comes with a 20 year warranty. The Bid Review Committee met and recommended awarding this initiative to Oklahoma Roofing, who submitted the next-lowest proposal. Ms. Perry reported the bid was reviewed and approved by the Finance Committee to be forwarded to the Board. A **motion** was made (Grilliot) and seconded (Zellmer) to approve the bid for roofing of Boiler Room from Oklahoma Roofing for \$663,156.00 as presented and the cost to be taken out of the Funded Depreciation Account. The vote was taken as follows: Aye: Brent Grilliot, Johnny Zellmer, MD, Susan Kanard, Damon Mascoto, Marti Fields, Christopher Beene, MD, Sayer Brenner, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.
4. **Discussion and consideration of bid for a Portable X-Ray:** Ms. Cheryl Perry presented for discussion and consideration a bid for a Portable X-Ray. On February 15th and 22nd, McAlester Regional Health Center published a Request for Purchase (RFP) for a portable X-ray System. MRHC received sealed bids from Arch Medical, Browns Medical Imaging, and Philips followed by a public bid opening on March 16, 2022. The bids were as follows: Arch Medical, a refurbished model, for \$68,500.00; Browns Medical Imaging for an FDR GO PLUS at \$124,000.00, and Philips for a Mobile Diagnostic wDR model at \$139,494.00. Arch Medical fit the criteria of the 30-day parameter. The recommendation from the Bid Review Committee is to award this initiative to Arch Medical for an XR220 at \$68,500.00. Ms. Perry reported the bid was reviewed and approved by the Finance Committee to be forwarded to the Board. A **motion** was made (Fields) and seconded (Mascoto) to approve the bid from Arch Medical for a model XR220 Portable X-Ray at a cost of \$68,500.00 as presented. The vote was taken as follows: Aye: Marti Fields, Damon Mascoto, Johnny Zellmer, MD, Sayer Brenner, Susan Kanard, Christopher Beene, MD, Brent Grilliot, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Chief of Staff Report: No report

Chief Executive Officer (CEO) Report: Mr. Shawn Howard reported the hospital was contacted by a gentleman in Joplin Missouri who found a silver baby cup from the historic Albert Pike Hospital located many years ago in McAlester. He found the silver cup while using his metal detector. He donated the cup to MRHC. He reported MRHC hosted a City Council Member Orientation for newly appointed members; Randy Roden and Justin Few. The orientation is offered to all Council members to help them understand the history, finances, operations, partnerships, and holdings better. Howard reported he presented to the McAlester Rotary Club this month to introduce himself and discuss the future vision of the hospital. He shared positions changes that occurred this month and shared that MRHC was recognized in

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the US News and World Report as one of the top Hospitals in America when it comes to cardiology care. He stated this is a great honor to be recognized for all the challenging work we have put forth to increasing cardiology care for our community. It is also indication that our foresight and strategic planning is paying off. Mr. Howard reported a virtual membership will be kicked off in April at the Wellness Center. The virtual membership was trialed during Covid when members preferred not to come to the gym. Dr. Branam noticed an increase in attendance with the virtual membership and worked with the Wellness Center to continue the service to improve the health and wellness of our patients. Mr. Howard reported MRHC submitted AHEC grant information to Oklahoma State University. The grant will be for a skills lab, 1.5 additional FTE, curriculum, office equipment, technology equipment, and reimbursement for wages for those who will help teach the curriculum. The next step is to await on the grant notification in June. Phase 3 of the MRHC wage increase was effective March 13, 2022. This phase addressed approximately 380 employees. MRHC is working to reduce the amount of Agency staff. Several contracts were not renewed, and the numbers should continue to fall for outside agency staff in the coming months. MRHC employee turnover decreased slightly. The turnover continues to be a dashboard that will be closely tracked. Mr. Howard turned the floor over to Ms. Kim Stout to provide an update on Nursing. Ms. Stout reported MRHC is receiving several compliments coming from the Emergency Department contributed to the Compassion Care Team that has been implemented to improve through put. In addition, MRHC's Chaplin Louis Reynolds and Tezarah Reagan received awards at The Journal Record Health Care Heroes of 2022 Award Ceremony. Ms. Reagan's award was for Nursing and Chaplin Reynolds in the professional category for healthcare workers that are not nurses or physicians. MRHC is so proud of each of them and the service they provide to the hospital.

- 1. Information Services Strategic Plan Update:** Ms. Wendy Thorpe reported the IT Department's objective is to increase IT Infrastructure to support enhancing cyber security by modernizing MRHC's technology and Information Systems and upgrading systems to current standards and deploying security tools and security systems. She shared improvements to the system that include increased speeds, bandwidth and functionality. She described the hospitals aging equipment as slow, a security risk, and too old to meet the minimum requirements for the software being used. In addition, the equipment is too old to receive Microsoft security patches. Ms. Thorpe shared a diagram of the Campus Architecture showing Infrastructure network switches. She stated a complete Fiber Upgrade has been accomplished as well as the installment of 10G to the Healthplex. She also stated a Managed Detection & Response Service has been implemented. This is a security Service that is focused solely on threat detection and response. She described it as a safety blanket over the whole network. Ms. Thorpe reported other security measures include an auditing software, "Haystack" was implemented to track and report all user's activity for Meditech that uses artificial Intelligence to detect inappropriate access to patient records. In addition, Lepide, a network reporting and auditing tool that audits all files on the network. Lepide records all activity as staff open, change, delete, and create files on the drives. Ms. Thorpe stated the IT Department is working on creating Security Policies, HIPAA training, upgrades to the campus fiber and network switches, replace aging equipment, and refresh wireless access points.

Strategic Update: Mr. David Keith provided a Strategic Report to the Board. He reported Health Resources Services Administration (HRSA) completed its review of Health Professional Services (HPSA) and has identified those areas to be withdrawable from the program based on the results of survey data from providers. HRSA's are designed for shortages of primary care, dental, or mental health professionals in certain geographic areas, population groups and/or facilities. House Bill 3692 on competitive bidding will be heard by the March 24th deadline for House floor action. House Bill 3475 related to the Open Records Act is being laid over until 2023 pending more discussion between Representative Grego, OHA, and OML. MRHC Leaders along with the President of Lifecare, LLC traveled to Arkansas Colleges of Health Education to discuss the potential development of a medical school in SE Oklahoma. MRHC's Van Buren House was accepted into the Medicaid Waiver "Advantage" program. A site visit is pending by the State to ensure facility compliance and policy requirements. Once approved, the VBH staff will engage in a three-day training program. It is anticipated that VBH may accept its first Advantage program resident by May. Plans to ramp up to manage the flux of residents is being developed. In Mr. Keith's report, he also provided Board education on the importance of Health Professional Shortage Areas (HPSA's).

Executive Session (25 O.S. § 307(C)) ~ Discussion and Consideration – Mary Shannon, Chairwoman

25 O.S. 307(C)(11): "All nonprofit foundations, boards, bureaus, commissions, agencies, trusteeships, authorities, councils, committees, public trusts, task forces or study groups supported in whole or part by public funds or entrusted with the expenditure of public funds for purposes of conferring on matters pertaining to economic development, including the transfer of property, financing, or the creation of a proposal to entice a business to remain or to locate within their jurisdiction if public disclosure of the matter discussed would interfere with the development of products or services or if public disclosure would violate the confidentiality of the business."

1. Discussion of a Master Preliminary Development Agreement with Three Rivers Ventures, LLC relating to the development of new healthcare services within the Authority's service area, the public disclosure of which would interfere with the development of services or violate the confidentiality of the parties involved.

A **motion** was made in public session at 5:30 PM by (Fields) and seconded by (Zellmer) to enter Executive Session. The vote was taken as follows: Aye: Marti Fields, Johnny Zellmer, MD, Brent Grilloit, Susan Kanard, Damon Mascoto, Sayer Brenner, Christopher Beene, MD, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried unanimously.

A **motion** was made at 6:00 PM by (Zellmer) and seconded by (Brenner) to come out of Executive Session. The vote was taken as follows: Aye: Johnny Zellmer, MD, Sayer Brenner, Christopher Beene, MD, Marti Fields, Damon Mascoto, Susan Kanard, Brent Grilloit, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.

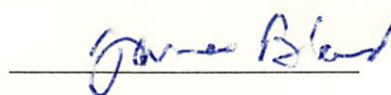
Action Needed:

Consideration and potential approval for the Authority to enter into a Master Preliminary Development Agreement with Three Rivers Ventures, LLC as described in the executive session and authorizing T. Shawn Howard, President/CEO to execute the document on behalf of the Authority Board of Trustees. A motion was made (Zellmer) and seconded (Mascoto) to approve for the Authority to enter into a Master Preliminary Development Agreement with Three Rivers Ventures, LLC as described in the executive session and authorize T. Shawn Howard, President/CEO to execute the document on behalf of the Authority Board of Trustees. The vote was taken as follows: Aye: Johnny Zellmer, MD, Damon Mascoto, Susan Kanard, Brent Grilloit, Marti Fields, Christopher Beene, MD, Sayer Brenner, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Adjournment: A **motion** was made (Kanard) and seconded (Brenner) to adjourn the meeting at 6:02 PM. The vote was taken as follows: Aye: Susan Kanard, Sayer Brenner, Johnny Zellmer, MD, Marti Fields, Christopher Beene, MD, Damon Mascoto, Brent Grilloit, and Mary Shannon. Nay: None. Absent: James Bland. Abstain: None. Chairwoman Shannon declared the **motion** carried.



Mary Shannon ~ Chairwoman
/sds



James Bland ~ Vice-Chairman