

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday July 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 09:40 AM on July 05, 2022.

TRUSTEES PRESENT:

Mary Shannon, Chairwoman ~ Christopher Beene, MD ~ Susan Kanard ~ Brent Grilliot (arrived at 04:02 PM) ~ Sayer Brenner ~ Marti Fields ~ Damon Mascoto ~ James Bland ~ Johnny Zellmer, MD

TRUSTEES ABSENT:**HOSPITAL STAFF:**

David Keith, Sonya Stone, Recording Secretary, Shawn Howard, Cheryl Perry, Whitney Hull, Kim Stout, Lucy Muller, Scott Yoder, Wendy Thorpe, Ashley Kennon, Ken Matthews, Kameron Dugan.

OTHER ATTENDEES

Karen Rieger, 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 June 01, 2022
2. June 2022 Agreement Log
3. Appoint/Designate the following individuals to perform the duties of their respective role as required by CMS:
 - a. T. Shawn Howard, CEO
 - b. Amy Rember, Infection Control Officer
 - c. Bryce Segotta, Safety Officer
 - d. Julie Powell, Compliance Officer
 - e. Denise James, Grievance Procedure
 - f. Whitney Hull, Quality Management Representative
 - g. Rhonda Falconer, HIPAA Privacy Officer
 - h. Robert Safely, Antibiotic Stewardship Program Representative
4. Credentialing & Privileging List as follows:

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

1. John "Wesley" Mooring, MD ~ Provisional ~ Pathology ~ One year
2. Robert "Bradley" Vogel, MD ~ Provisional ~ Orthopedic Surgery ~ One year
3. Russell C. Walters, MD ~ Provisional ~ Urologist ~ One year
4. LeeAnn Rabel, CRNA ~ Provisional ~ CRNA ~ One Year

Consideration and approval of Advancement for one year as follows:

1. Kristina "Kristy" Smith, DO ~ Active ~ Internal Medicine ~ One year
2. Robert Nichols, DO ~ Active ~ Emergency Medicine ~ One year

Temporary Privileges Granted

1. LeeAnn Rabel, CRNA ~ CRNA ~ 05/11/22- 07/07/22
2. John "Wesley" Mooring, MD ~ Pathology ~ 05/13/22 – 07/13/22
3. Robert "Bradley" Vogel, MD ~ Orthopedic Surgery ~ 05/27/22 – 08/27/22
4. Aaisya Ansari, MD ~ Emergency Medicine ~ 06/12/22 – 09/10/22

Resignations: (Acknowledge/Accept)

1. Doug Lyssy, MD ~ Emergency Medicine ~ 05/11/22
2. Ahsan Khan, MD ~ Psychiatry/Telemedicine ~ 06/08/22

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, Christopher Beene, MD, Damon Mascoto, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.

Discussion and consideration of resolution authorizing the execution, delivery, and performance of (1) Membership Interest Purchase Agreement between MRHCA and Carland Group, L.L.C. and Carty Enterprises, L.L.C. related to their ownership interests in Belfair of McAlester, LLC (Belfair); and (2) Merger and Contribution Agreement by and among MRHCA, Southeast Healthcare Investments, LLC, Associated Senior Living Group, LLC, and Associated Healthcare Group, LLC and related documents:

Mr. Russell Ramzel reported that earlier this year Carland Group, LLC (Carland) and Carty Enterprises, LLC (Carty) who together directly or indirectly own 50% membership interest in Belfair of McAlester, LLC (Belfair), offered MRHCA the opportunity to buy out their 50% total interest in Belfair in exchange for MRHCA assuming their principal debt mostly owed to MRHCA and Southeast Healthcare Investments, LLC totaling \$255,600k. This amount is the compensation MRHCA would be paying for purchasing the 50% total direct and indirect membership interest from Carland and Carty in Belfair. Secondly, Southeast Healthcare Investments, LLC and MRHCA each own an indirect 25% membership interest in Belfair. We want to assure that Southeast Healthcare Investments, LLC (SHI) will not hold MRHCA responsible for their portion of the debt owed them by Carland and Carty. Currently, 95% of direct interest in Belfair is owned by the Associated Health Care Group (AHG) composed of Carland which owns a 45/95ths membership interest in AHG (an indirect 45% interest in Belfair) and Associated Senior Living Group (ASLG) which owns a 50/95th membership interest in AHG (a 50% indirect interest in Belfair). Each of SHI and MRHCA currently own a 50% interest in ASLG. Mr. Ramzel stated that if the purchase occurs, then Carland & Carty will go away and there will no longer be a need for AHG. He reported there are four documents presented to the Board for review including the Membership Interest Purchase Agreement, Merger and Contribution Agreement, Assignment of Membership Interest Agreement, and the Resolution that is on the agenda for approval. Ms. Shannon stated this has been discussed previously with no changes since that discussion. Mr. Ramzel reported that this transaction would result in MRHCA owning indirectly 75% of the ownership interest in Belfair and Southeast Healthcare Investments, LLC owning 25%. She opened the floor for questions. A motion was made (Zellmer) and seconded (Brenner) to approve the Resolution authorizing Shawn Howard, CEO of MRHCA to execute and deliver in the name of and on behalf of MRHCA, all documents related (1) Membership Interest Purchase Agreement between MRHCA and Carland Group, L.L.C. and Carty Enterprises, L.L.C. related to their ownership interests in Belfair of McAlester, LLC (Belfair); and (2) Merger and Contribution Agreement by and among MRHCA, Southeast Healthcare Investments, LLC, Associated Senior Living Group, LLC, and Associated Healthcare Group, LLC and related documents as presented. The vote was taken as follows: Aye: Johnny Zellmer, MD, Sayer Brenner, Susan Kanard, Brent Grilliot, James Bland, Johnny Zellmer, MD, Damon Mascoto, Marti Fields, Christopher Beene, MD, and Mary Shannon. Nay: None. Absent: None. Abstain: Chairwoman Shannon declared the motion unanimously.

Discussion and consideration of Waterway Trail Project grant for easement: Mr. Shawn Howard reported the City of McAlester received a grant for a 'Waterway Trail Project.' The trails will run along the existing canal between east Electric Avenue and east Monroe Avenue. The City has begun the right-of-way acquisition phase for the project. They have contracted with Coates Field Services, Inc. to provide acquisition services to the property owners affected by the project. He added a portion of the proposed trail is on McAlester Regional Health Center (MRHC) property. Since MRHC leases the property from the City of McAlester, we have to be part of the improvement process of the easement. Mr. Howard reported the City is asking for approval on an easement agreement that has been reviewed by the MRHC

attorney Ms. Karen Rieger. Ms. Rieger reported the agreement is a very broad easement that they want to be able to come on any of the properties the Authority believes is from the City to make improvements and construct the trail. She recommended the adding to the agreement verbiage that the trail will not interfere with any current or committed uses by the Authority of the property. There is verbiage in the agreement that states there can never be any buildings constructed on the easement land, which is a very broad. She stated we would not want this agreement to interfere with any existing business of our patients or visitors. She stated the easement agreement is very broad for all the properties and recommended limiting the ingress and egress of the actual trail space to around three to five feet within the property rather than the broad language they included currently. The agreement should not be signable without the consent of the Board because of loophole rights. She also recommended including language the Authority will not be responsible for any cost, expenses or liabilities associated with the use and operations of the easement by the City of McAlester. Ms. Rieger stated she would be happy to work with the City Attorney to implement these recommendations into the easement agreement for the Waterway Trail Project. A motion was made (Kanard) and seconded (Bland) to approve the easement agreement for the Waterway Trail Project with the proposed language changes recommended by Karen Rieger, Attorney; and once the agreement is modified, authorize Shawn Howard to sign on behalf of the Board. The vote was taken as follows: Aye: Susan Kanard, James Bland, Christopher Beene, MD, 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.

Finance Committee Report:

1. Discussion and Consideration of May 2022 Financial Reports: Ms. Cheryl Perry presented the May 2022 Financial Reports. She stated May had a lot of positive items to discuss. Most key volumes rebounded from April, Case Mix Index (CMI) improved, average length of stay (LOS) maintained, and contract labor decreased. Inpatient (P) Gross Revenue was lower than run rate. This dropped Acute length of stay (LOS) by 16% to 3.14 days. CMI improved to 1.32 days, which is back in line with the six-month average. Cases in Cardiology and Neurology services lines were helpful in pushing the number back up. However, the IP ancillary revenue is still down in areas such as Pharmacy, Respiratory Therapy, and Lab. The reduction of revenue in these areas can be tied to the decrease of COVID and other severely acute patients in the hospital. In addition to this drop of revenue, some minor shifts in payor mix from Commercial and Other to Medicaid and Self Pay did result in an estimated loss of \$73k of net revenue. OP Gross Revenue had a great month. The total was up \$896k or 8% from run rate excluding Ultrasound and Mammography which were down slightly. OP Surgeries were up in May by 10%. ED volumes were up 13% to run rate. The Cath Lab had 28 OP procedures in May, topping any other month for OP caths going back to January 2019. The growth and/or recovery in the OP area is both exciting and key for MRHC in the coming year. Clinic Gross Revenue showed an improvement of \$833k compared to run rate, driven by a 6% increase in volumes and some catch up from prior month charge capture. In May, the clinics with the most improvement included the Surgical Clinic with 74%, the Orthopedic Clinic with 37%, Eufaula Urgent Care with 27% and the OB Clinic with 20%. As discussed last month, a problem was discovered in several clinics where charges were being entered late and put into subsequent months. More late coding occurred in May with approximately \$452k of May revenue being keyed into June. This effectively reduces May's Net Revenue by an estimated \$132k. A plan has been set in motion to improve this process. Ms. Perry stated combined salaries and Contract Labor trended down in May. The first impact of the newly negotiated agency rates could be seen as the expense as it dropped \$140k from run rate. This continues to be the most difficult section of the income statement to impact positively as staffing shortages linger but improvements are happening. The good news is there are more to come in the way of improved contract labor rates and international employees that will help replace contract labor. Outside of payroll, there were just a couple of other areas to note. In the Cath Lab, implant costs increased \$25k to run rate driven by the volume of procedures done. In Hospice, the costs of drugs increased for two reasons. Two invoices were received late and paid in May totaling \$16k. Then May's costs were up about \$20k to run rate related to increase in recent volumes, In Miscellaneous and General, MRHC paid \$29k for recruitment fees on two international employees. The telephone bills for April and May both hit which caused the expense to be \$29k higher than normal. Finally, a maintenance contract was expensed in May for two prior months which pushed the rate up \$21k. MRHC's strategic and recovery plans continue to move forward. Success can be seen in the Surgical and Cardio Clinics growth as well as the growth in surgery and cath lab volumes. Efforts to improve Agency staffing was recognized in May, and any future Agency staffing needs will be well negotiated. Plans have been made to increase hospital volumes. The overall MRHC projections are headed in the right direction.

Initials _____

Arvest Bank Update – Agreement with Arvest, they are going to waive the requirement on the debt service coverage ratio until December. In December 2022, we will be on trailing three month basis. Discussion. Starting June 30th, we will have to start meeting 90 days of cash. A **motion** was made (Brenner) and seconded (Beene) to approve the finance report for May 2022 as presented. The vote was taken as follows: Aye: Sayer Brenner, Christopher Beene, MD, Susan Kanard, Brent Grilloit, James Bland, Johnny Zellmer, MD, Damon Mascoto, Marti Fields, and Mary Shannon. Nay: None. Absent: None. Abstain: Chairwoman Shannon declared the **motion** carried.

2. Discussion and consideration of Fiscal Year Budget for July 2022: Ms. Perry presented the Fiscal Year 2022 July Budget for consideration and approval. She stated she is only bringing the month of July forward at this time. She stated next month the remainder of the year will be presented in August. This budget is still a loss but an improvement from last July and an improvement from where we stand now. We are trying to be reasonable by adding in growth from our strategic plans. The July's budget is aggressive which is why we are still evaluating the full year. A **motion** was made (Bland) and seconded (Grilloit) to approve the Fiscal Year Budget for July 2022 as presented. The vote was taken as follows: Aye: James Bland, Brent Grilloit, Johnny Zellmer, MD, Sayer Brenner, Susan Kanard, Marti Fields, Christopher Beene, MD, Damon Mascoto, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

3. Discussion and consideration of bid for Computing and Storage: Ms. Chery Perry reported on May 18th and 25th, McAlester Regional health Center published an RFP for Computing and Storage Upgrades. This initiative is to update the storage, speed, and compatibility of the previously awarded Isilon upgrade. We received sealed bids from Pinnacle Business Systems and CloudWave, which were opened at 1:30 pm on June 13, 2022. The bid from CloudWave was for \$410,502.00. The bid from Pinnacle Business Systems was for \$296,563.47 but was split between \$239,103.47 for the equipment and \$54,460.00 for the labor. The bid review committee agreed to award this initiative to Pinnacle Business Systems. Both suppliers provided work and equipment per the bid specification, but Pinnacle Business Systems has the lower cost for the project. A **motion** was made (Brenner) and seconded (Bland) to approve the bid for Computing and Storage and the cost is to come out of funded depreciation as presented. The vote was taken as follows: Aye: Sayer Brenner, James Bland, Brent Grilloit, Susan Kanard, Damon Mascoto, Marti Fields, Johnny Zellmer, MD, Christopher Beene, MD, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the **motion** carried.

Board QI Committee Report: Ms. Whitney Hull provided an overview of the Board QI Committee meeting held on June 28, 2022. She reported the Star Rating report from CMS was the primary discussion. The report was reviewed and compared to the current data that showed a significant improvement. She reported the hospital has received a two star rating over the past few years, however this report dropped MRHC to a one star. She reminded the Board the CMS report is based on data collection two to four years old. Ms. Hull provided an overview of the report focusing on Mortality, Readmission, Safety of Care, Patient Experience and Timely & Effective Care data. She reported MRHC is currently monitoring the Star Rating metrics in real time, reporting data quarterly, focusing on groups for measures that are not meeting goals, streamlining departmental quality boards, and educating all employees on the star rating program. Mr. Shawn Howard reported efforts began approximately six months ago before this report came out to improve our Star Rating. We should start seeing much better results when the next report comes out in two years.

Chief of Staff Report: None

Chief Executive Officer (CEO) Report: Mr. Shawn Howard reported the first resident on the Medicaid Waiver Advantage Program moved into the Van Buren House (VBH) and we are working to expedite new referrals. The application process is time consuming and takes a while to complete the process. He reported employee safety is our priority. The Education and Safety departments have partnered to provide Crisis Prevention Institute (CPI) non-violent crisis intervention. MRHC also sent key employees to Active Shooter Training in Tulsa. He wanted the Board to know we are trying to assure our employees know what to do in these types of situations. MRHC accepted Request for Proposal (RFP) for Emergency Department physician staffing services. We received five proposals that are currently being vetted. Mr. Howard reported in the spirit of election season, he wanted to mention a terminology that we will hear over the landscape of politics in

regards to healthcare. The term "health equity" is defined as "every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances." This is a different spin on the same goal that we have been focused on for many years in southeast Oklahoma. We just called it "Access to Healthcare." The financial inequality of our primary service area leaves our community at a disadvantage when it comes to health equity. We plan to play a big role in our governments new found terminology, and we hope whoever eventually is elected to represent us on the state and national level, will put a focus on helping us increase access to healthcare for our region. Mr. David Keith provided a legislative update regarding HB1347 related to Managed Medicaid RFP process and HB 1346 & 1347 related to funding for the Managed Medicaid Program.

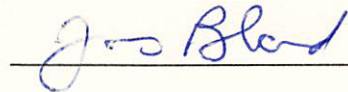
1. **Strategic Plan Update: 1.1D (Provider Communication) and 2.0E (Primary and Specialty Volume):** Ms. Ashley Kennon reported the short-term objective to increase new patient volume for primary care and specialty services by 5%. She reported her team utilizes rounding on regional providers, communication with referral coordinators, educational handouts, and physician introductions as opportunities to measure the progress. She stated monthly tracking of overall volume is done by monitoring new patients, the percentage of kept new patients, no shows, cancellations, and the overall percentage change. The year over year review showed a 20.5% increase in volume. Ms. Kennon reported the short-term objective for provider communication is to create and implement consistent communication with community providers to enhance continuum of care. She reported the tools utilized for regional outreach includes rounding on regional providers, communication with referral coordinators, educational handouts, physician introductions, and identification of potential opportunities. She also stated provider surveys are obtained to help identify issues and a EZ Texting tool is used to push out rapid updates and allow providers to engage and stay up to date with all changes taking place at MRHC. Ms. Kennon stated intervention of potential weaknesses, promotion of new services, and management of provider relations are tracked and trended on a regular basis.

Mr. Howard opened the floor to Ms. Kim Stout who announced seven individuals from MRHC were selected by the Daily Oklahoman for the 2022 Healthcare Hero's Award. The individuals selected were as follows: Amanda Suter, L&D Nurse, Amy Rymer, Rehab Nurse, Dr. Kamron Torbati, OB/GYN, Jennifer Stinnett, Lead Cath Lab Technologist, Marlo Burk, Lead Geropsych Nurse, Rachel Piston, APRN Hospitalist, and Shawn Howard, CEO.

Adjournment: A motion was made (Mascoto) and seconded (Zellmer) to adjourn the meeting at 06:00 PM. The vote was taken as follows: Aye: Damon Mascoto, Johnny Zellmer, MD, Christopher Beene, MD, Marti Fields, Sayer Brenner, Susan Kanard, Brent Grilliot, James Bland, and Mary Shannon. Nay: None. Absent: None. Abstain: None. Chairwoman Shannon declared the motion carried.



Mary Shannon ~ Chairwoman
/sds



James Bland ~ Vice-Chairman