

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday May 06, 2015 at McAlester Regional Health Center in the Administration Conference Room. Public notice, setting forth thereon the day, time and place for this regular meeting had been delivered to the office of the City Clerk at 11:48 PM, on Tuesday May 05, 2015.

**TRUSTEES PRESENT:**

Don Lewis, Secretary ~ Cara Bland, Chairperson ~ Susan Kanard ~ Evans McBride, Vice-Chairman ~ Weldon Smith ~ Mary Shannon ~ Brent Grilliot ~ Mark Sehgal, MD

**TRUSTEES ABSENT:** L.M. MILTON, MD

**HOSPITAL STAFF:**

David Keith, CEO, Sonya Stone, Recording Secretary ~ Kandra Wells, Public Relations ~ Dennis Staggs, DO, Chief of Staff Frank Hilbert, CIO ~ Gary Bryant ~ Keith Mateychick ~ Stephanie Giacomo ~ Chelsea Bishop ~ Keith Curren ~ John Gallagher

**OTHER ATTENDEES:**

Elise Brennen, Legal Counsel (via conference phone) David Dishman, McAlester News Capital

**CALL TO ORDER:**

Chairperson Bland called the meeting to order at 4:00 PM.

**Public Comment:** None

**Board QI Report:**

Dr. Sehgal opened the floor to Mr. Keith Curren, ICU Nurse Manager who presented a LifeShare National Hospital Organ Donation Silver Recognition Award for the 2014 Workplace Partnership for Life. In addition, Ms. Chelsea Bishop, RN Quality Manager presented a Health Engagement Award. Following the presentations Dr. Sehgal provided a Board QI Committee Report. He reported the Board QI Committee will focus on two areas: Falls and Re-admissions. He stated for the first time in a while the hospital achieved almost perfect scores for accuracy in Value Based Purchasing and the HCAHP scores were good but there is room for improvement. He reported the credentialing agency, Det Norske Veritas (DNV), are expected to arrive for a survey at any time. He has been informed by key staff members the hospital is ready. Ms. Bishop reported the hospital is a nationally accredited Primary Stroke Center. There are currently 38 in the State of Oklahoma. After this year, there will only be 9 remaining in Oklahoma, two of which are accredited by DNV including MRHC. She added following the MRHC DNV survey, the Primary Stroke Center will also be surveyed for re-accreditation.

**Consent Agenda for approval:**

1. MRHCA Board of Trustees minutes for April 1, 2015.
2. Medical Staff Credentialing List.

A **Motion** was made (**Sehgal**) and seconded (**Lewis**) to approve the Consent Agenda items 1 and 2 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**Financial Committee Report:**

**1. Financial Report:**

In the absence of Mr. Darryl Linnington, CFO, Mr. McBride Chairman of the Finance Committee presented the Financial Reports. Mr. McBride reported the financials look favorable for the month with strong net

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operating revenue and operating expenses just slightly over budget. The total year to date income was over the plan amount. He reported expenses are in line with the budget and the Balance Sheet reflects 42.30 days cash on hand. Mr. McBride stated with the possibility of taking on debt in the future, the Finance Committee requested Mr. Keith and Mr. Linnington review the cash on hand targets and bring recommendations to the Finance Committee and Board for review. He stated previously the Board established 60 days cash on hand as a bottom threshold because the hospital was not leveraging through debt. Currently due to Charter changes and a potential bond election in the future debt could be impacted. He added before the hospital takes on any debt, the Finance Committee is looking at two things from a control standpoint and as a safety measure: what increased cash on hand position to maintain and what debt to equity parameters to establish. Mr. McBride reported Mr. Linnington is hiring a financial analyst to assist with the maintenance of dashboard reports. The reports will be widely available to the hospital management team to assist in managing operations, labor and supply expenses. He also reported applications to USDA for capital funding for facility renewal will be considered.

A **motion** was made (**Smith**) and seconded (**Sehgal**) to approve the March 31, 2015 financial reports as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

2. **CER for electrical engineering designing fees for backup generator:**

Mr. Keith Mateychick presented a CER for electrical engineering design fees for a backup generator from EDA. He reported the current generator was installed over 30 years ago, its capacity is not enough to hold up the entire facility. The current generator will not support critical areas and could be a problem in the summer months. He reported the CER for \$44,000 is for the design fees for a backup generator; however he estimates to total cost of the project to be \$800,000-\$900,000. He reported the new generator will be able to support additional expansion. Mr. McBride reported Mr. Linnington is looking at the possibility of using SHOPP money to fund this project. Mr. Mateychick reported his goal is have the design work completed within the next 30 days, the bidding process will take an additional 30 days and 6 months to complete the project.

A **motion** was made (**McBride**) and seconded (**Grilliot**) to approve the CER for electrical engineering designing fees for a backup generator at a cost of \$44,000 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

3. **CER for ED Project Phase 1 Design: Architect fees:**

Mr. Keith Mateychick presented a CER for Architectural fees for Phase 1 of the Emergency Department (ED) Project at a cost of \$74,400. The CER is for architectural fees for Stage 1 drawings that will be submitted to the State for approval of the project. He reported after due diligence in determining an architectural firm; Health Facilities Group was chosen because they have the most experience in designing an ED and their references were very favorable. Mr. McBride added this is the beginning of a project that will be the most important project this Board has been a part of. He stated this is the time to address any concerns. Dr. Sehgal stated the design and layout is very important and cost is not as important as choosing the right Architect to design the project efficiently. Mr. Keith added members of the VHA and OHA Boards have given favorable references to Health Facilities Group. A **motion** was made (**Sehgal**) and seconded (**Lewis**) to approve the CER for architectural fees for Phase 1 of the Emergency Department project at a cost of \$74,400 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**4. Agreement for Laundry Services:**

Mr. Gary Bryant presented an agreement for laundry services from Linen King. He reported for many years the hospital has utilized Superior Linen for linen services and they have done a very good job. In an effort to reduce cost, the service went out for bids. Linen King submitted a more cost effective bid coming in at over \$13,000 less than Superior Linen and their references were favorable. **A motion** was made (**Sehgal**) and seconded (**Smith**) to approve a 3 year fixed cost agreement with Linen King as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**5. Resolution to continue the Authority's possession of three safe deposit boxes at First National Bank and Trust Company:**

Mr. John Gallagher reported he drafted a Resolution at the request of First National Bank and Trust Company for the purpose of granting access to 3 safe deposit boxes. He reported David Keith, CEO, Darryl Linnington, CFO, Michael Exline, Controller and Terry Zellmer, Payroll Coordinator were named in the Resolution as having access to the safe deposit boxes. **A motion** was made (**Sehgal**) and seconded (**Kanard**) to approve a Resolution to continue the Authorities possession of 3 safe deposit boxes at First National Bank and Trust Company and to authorize access to David Keith, CEO, Darryl Linnington, CFO, Michael Exline, Controller and Terry Zellmer, Payroll Coordinator as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: Evans McBride. Chairperson Bland declared the **motion** carried unanimously.

**Audit and Corporate Compliance Committee:****1. HORNE Audit Engagement Letter:**

Ms. Cara Bland reported the Audit and Corporate Compliance Committee met prior to the Board of Trustees meeting. She stated the Committee would like to retain HORNE for this year's audit. She presented an Engagement Letter from HORNE to provide audit services for year ending June 30, 2015. **A motion** was made (**McBride**) and seconded (**Sehgal**) to approve the HORNE Audit Engagement Letter for Year ending June 30, 2015 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**2. Discussion regarding MRHCA Board of Trustee By-Laws:**

Ms. Cara Bland reported changes to the MRHCA Board of Trustee By-Laws were also discussed at the Audit and Corporate Compliance. She stated that Mr. John Gallagher, Compliance Officer compared the By-Laws to recommendations of the Governance Institute. He compiled a list of the areas in the By-Laws needing language modifications. Ms. Bland stated a copy of the By-Laws and the recommended modifications has been distributed to the Board Members for review and input. Ms. Bland reported the recommendations will be presented to the Board next month for approval following a review by legal counsel. In addition, a recommendation was made to change the term limit to 4 years instead of 6 years and increasing the number of terms that can be served consequently to entice future Board members. Ms. Bland also reported the Committee is working on a self-assessment tool with the Strategic Task Force that is not part of the By-Laws but is a recommendation of the Governance Institute. Mr. McBride requested Legal Counsel review the By-Laws for verbiage that allows the Board to take action to remove a physician's credentials when the physician is non-compliant. He recommended modifications be made if the current verbiage does not support the action.

**Personnel Committee:**

Mr. Weldon Smith reported the Personnel Committee met on April 23, 2015 to discuss the renewal of the CEO contract that expires in September. Negotiations are on-going with a goal of having a final draft prepared by June.

**Chief of Staff Report:**

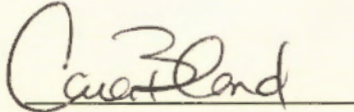
Dr. Dennis Staggs reported the Residency Program has exceeded his expectations. The Resident's scored above the National Average on their test with one Resident scoring in the 97<sup>th</sup> percentile. He stated this is a very positive result of the program and he feels it will continue to improve. In addition, other Hospitals have been very complementary of our Residents. Dr. Staggs reported the hospital is considering increasing the number of OSU medical students to 10.

**CEO Report:**

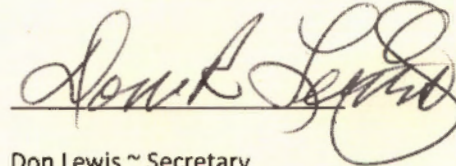
Mr. David Keith reported Dr. Tim Cook will be joining the Hospitalist Program as the new Medical Director arriving in July; the program is on its way to having a full staff. Dr. Larry Page, Orthopedic Physician has joined our staff and is making the transition from Saint Francis Hospital South. Negotiations are ongoing with Cardio Solutions to provide Cardiology Services. He stated the Emergency Department is critical to the Master Facility Plan and it is what the Community needs. Mr. Keith will meet with City Council in the near future to discuss the possibility of going for a vote of the people to approve the ED expansion project. He stated the expansion project will be at no cost to the residents of McAlester. Mr. Keith reported the Board can expect a presentation from Signet Health regarding psychiatric care; a much needed service in McAlester. He added the hospital is also looking at an inpatient geropsych unit; the planning process will begin this year. The Strategic Planning Task Force will meet soon to begin a review of major elements presented by the Governance Institute in preparation for a September Board of Trustees Strategic Planning Retreat. In closing, Mr. Keith briefly reviewed legislative information, facility updates, FQHC opportunities and external wayfinding.

**New Business:****Adjournment:**

With no further questions or business to come before the Board the meeting was adjourned at 5:49 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

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