

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday June 03, 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 02:30 PM, on Tuesday June 02, 2015.

TRUSTEES PRESENT:

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

TRUSTEES ABSENT:**HOSPITAL STAFF:**

David Keith, CEO, Sonya Stone, Recording Secretary ~ Kandra Wells, Public Relations ~ Dennis Staggs, DO, Chief of Staff Frank Hilbert, CIO ~ Gary Bryant ~ John Gallagher ~ Julie Powell, Education ~ Angela Smith ~ Darryl Linnington, CFO ~ Dr. Christopher Beene ~ Kim Stout, CNO ~ Chris Whybrew, COO

OTHER ATTENDEES:

Elise Brennen, Legal Counsel (via conference phone) ~ Vinodh Jeevanantham MD ~ Steve Harrison, Mayor

CALL TO ORDER:


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

Public Comment: None**Presentation: Medical Treatment Laws Information Act:**

At the request of the Board, Ms. Elise Brennen presented an overview of the Medical Treatment Laws Information Act. She stated this is a new law of the Oklahoma Legislature. The law requires inpatient healthcare service entities to ensure that all healthcare providers and other defined officials associated with the inpatient healthcare services entity meet certain educational requirements. A signed and dated document is required that attests the educational brochure provided by the Oklahoma State Board of Medical Licensure and Supervision has been read and those signing the certification are familiar with their responsibilities and rights. The law also requires a second brochure be provided to patients upon admission to inform patient and patient's family of their rights under the Hydration and Nutrition for incompetent Patients Acts, Nondiscrimination and Treatment Act, Oklahoma Advance Directive Act and Oklahoma Do-Not-Resuscitate Act. Ms. Brennen reported the hospital is required to maintain a written policy and procedure regarding advance directives, document in patient's medical record whether patient has executed an advance directive, ensure compliance with State law on advance directives and provide education for staff and community on issues concerning advanced directives. In closing, she added the requirement will occur sometime prior to the end of calendar year 2017 and an online presentation is available for viewing and certification. Mr. Keith recommended this education be added to the hospital's internal audit process. Ms. Bland added this will become a part of the Corporate Compliance Plan as well. Ms. Bland, for clarification purposes, stated the only obligation for the providers/hospital is to provide the brochure to the patients with no obligation to obtain a signature. Ms. Brennen agreed that Ms. Bland's statement was correct and encouraged the Board members to read the brochure and information provided to become familiar with their responsibilities. Ms. Bland requested that Mr. John Gallagher prepare the before mentioned policy for presentation at the next scheduled Board meeting.

Consent Agenda for approval:

1. MRHCA Board of Trustees minutes for May 6, 2015.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointment (Provisional) for one year
 - a. Bradden Pyron, MD ~ Active Staff ~ Internal Medicine/Hospitalist
 - b. Venkatasubbaraya Achanta, MD ~ Active Staff ~ Internal Medicine/Hospitalist
 - c. Timothy Cook, MD ~ Active Staff ~ Internal Medicine/Hospitalist
 - d. Patience Onuoha, DO ~ Active Staff ~ Internal Medicine/Hospitalist
 - e. Lawrence Page, DO ~ Active Staff ~ Orthopedic Surgery

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- f. Anthony Umoh, MD ~ Active Staff ~ Internal Medicine/Hospitalist
- g. Roy Moss, MD ~ Affiliate Staff ~ Teleradiology
- h. Roger Nevling, PA-C ~ Affiliate Staff ~ Physician Assistant (Family Medicine/Occ Med)

B. Approval of Reappointment for two years:

- a. Gary Augter, DO ~ Active Staff ~ Dermatology
- b. Mark Sehgal MD ~ Active Staff ~ ENT
- c. Diana Maffeo, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of William Wynn, DDS
- d. Gregory McKinnis, MD ~ Affiliate Staff ~ Sleep Medicine
- e. Derek Norman, MD ~ Affiliate Staff ~ Cardiology
- f. Gina Powers, PA-C ~ Affiliate Staff ~ Physician Assistant under the supervision of Stephen Riddel, MD
- g. Terry Shaw, PhD ~ Affiliate Staff ~ Psychology

C. Approval of Reappointment for three months;

- a. Shujahat Shah, MD ~ Affiliate Staff ~ Cardiology

- 3. Medical Staff Rules & Regulations revision: Physician on call
- 4. Medical Staff By-Law revision: Emtala Committee composition

A **Motion** was made (**Lewis**) and seconded (**Grilliot**) to approve the Consent Agenda items 1,2,3 and 4 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: None. Abstain: L.M. Milton, MD. Chairperson Bland declared the **motion** carried unanimously.

Financial Committee Report:

1. Financial Report:

Mr. Linnington provided an overview of the April 30, 2015 financial reports. He reported April closed with positive financial results, slightly short of budget. Year to date earnings stand higher than target; compared to last year, earnings are higher than the month and year to date. Inpatient admissions slumped in April over last month and last year however revenue is up from last year. He reported expenses were lighter over last year. On the Balance Sheet, cash increased with little change in patient accounts receivable in both March and April. Days in AR still with 45 day target and collections as a percentage of net revenue, is down slightly. Overall the current asset and liabilities are up and headed in a positive direction. In addition, Mr. Linnington reported an early start on the capital budget planning has been productive. He stated there has been good participation from the ancillary and medical staff. Mr. McBride reported following the recent City Charter change that increased the debt limitation, he has asked Mr. Keith and Mr. Linnington to provide the Board with an updated recommendation for 'days cash on hand' which he anticipates being higher than the current 60 days cash on hand. In addition, he reported making a commitment to the Mayor of McAlester to manage the debt to equity ratio (calculated amount that the hospital will not exceed). He has asked Mr. Keith and Mr. Linnington to also provide a recommendation for debt to equity. He stated these reports need to be provided in the very near future. A **motion** was made (**McBride**) and seconded (**Sehgal**) to approve the April 30, 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, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

2. CER for Precision Guided Therapy System:

Mr. Bryant reported the Precision Guided Therapy System is strongly supported by physicians. The Precision Guided Therapy System is an intra-vascular ultrasound imaging system used in cardiology. Bids were obtained from Volcano, St. Jude and Boston Scientific; however St. Jude and Boston Scientific did not comply with bid specifications and were dismissed from consideration. Based on discussions with Cardiology, a Cath Lab Manager, CNO and COO, the Volcano System was the recommended choice at a cost of \$75,000. Mr. Bryant reported the system is a repurposed system with the same warranty as new equipment. Dr. Vinodh Jeevanantham, Interventional Cardiologist also provided an overview of the system's purpose and stressed a need for the system in the Cardiology department. Mr. McBride requested a cardiology capital report since the service line is new to better understand the impact to the hospital. **A motion was made (McBride) and seconded (Sehgal) to approve the CER for Precision Guided Therapy System at a cost of \$75,000 as presented.** The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

3. 2015-2016 Workers Compensation Reserve Escrow Agreement and Resolution:

Mr. McBride reported the Workers Compensation Reserve Escrow Agreement and Resolution is renewed annually according to the workers compensation requirements for the year. Mr. Linnington reported having a meeting with the loss control advisor earlier in the day regarding worker compensation claims. The requested Workers Compensation Reserve Escrow Agreement and Resolution amount of \$400,000 for FY 2015-2016 was presented. **A motion was made (Sehgal) and seconded (Lewis) to approve the 2015-2016 Workers Compensation Reserve Escrow Agreement and Resolution in the amount of \$400,000 as presented.** The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

As a result of a phone call to Mr. Darryl Linnington during the Board meeting from the Loss Control Advisor, the amount of \$400,000 was found to be inadequate to provide coverage for FY 2015-2016. Mr. Linnington proposed a new amount of \$470,000 be considered.


A motion was made (Milton) and seconded (?) to resend the approval of the 2015-2016 Workers Compensation Reserve Escrow Agreement and Resolution in the amount of \$400,000. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

A motion was made (?) and seconded (?) to approve the 2015-2016 Workers Compensation Reserve Escrow Agreement and Resolution in the amount of \$470,000 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

Audit and Corporate Compliance Committee:**1. Revisions to the MRHCA Board of Trustee By-Laws.**

Ms. Bland reported the revision to the MRHCA Board of Trustee By-Laws is a follow up from a discussion last month. She opened the floor to Mr. John Gallagher to provide an overview. Mr. Gallagher, referring to a document provided in the preliminary Board packet, proposing a change to Section 4.02 Standing Committees.

The proposal was to change the Personnel Committee, Long Range Planning Committee and Physician Recruitment Committee to Ad Hoc Committees therefor removing them from the Standing Committee section and placing them under the governance of Section 4.10. Remaining as Standing Committees are Quality

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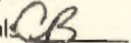
Improvement Committee, Finance Committee and Audit and Corporate Compliance Committee. These Committees will meet as often as necessary to conduct their duties, but at least quarterly. A proposal was also made to change the composition of the Quality Improvement Committee in Section 4.04. The proposal changes the number of Trustees required to attend from four (4) to three (3) Trustees and removing the verbiage '(two of whom shall be physicians, or such lesser number of physicians on the Board), up to three (3) Medical Staff Members appointed by the Board, the Director of Nursing, the Chief Executive Officer and the Quality Services Director'. He stated the Quality Improvement Committee can determine additional attendees to the meetings as needed. Mr. Gallagher also proposed the removal of paragraph #4 in Section 4.04 that reads: 'Review the Authority bylaws once every two years and the proposed revisions to them if necessary or desirable'. Mr. Gallagher stated the By-Laws will be brought before the full Board every two years for review. A motion was made (Shannon) and seconded (Grilliot) to approve the proposed revisions to the MRHCA Board of Trustee By-Laws as presented above: The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the motion carried unanimously.

2. Supplement to the Declaration of Trust to change term limits of the Board of Trustees:

Mr. Gallagher reported there was some confusion during a discussion during a previous meeting regarding the term limits for the Board of Trustees. Originally the Trust required a three (3) year term limit; however a Supplement to the Declaration of Trust was approved by the City Council in 1977 which changed the term limit to six (6) years. After a review of the Declaration of Trust and the Board of Trustee By-Laws, it was discovered the By-Laws establish Board members can serve two consecutive terms with a two year break before being reappointed. The Trust does not set a cap to the number of years a Board member can serve. He added as it stands right now if a Board member completes two consecutive terms of six (6) years, there is nothing that is currently written that will prevent a Board member from serving another term. He stated the City Council does not have to follow the By-Law requirements, they can appoint according to the Declaration of Trust. Mr. Gallagher proposed a possible revision to the Declaration of Trust setting a cap of two consecutive terms with a break before reappointment be considered by the Board. In addition he proposed converting the term limit from six (6) years to a four (4) year term. The revisions would require a Supplement to the Declaration of Trust be approved by the McAlester City Council. Mr. Smith questioned if completing a term for another member who is no longer serving, counts as number of years served. Mr. Gallagher stated there is nothing in writing that addresses this issue. Mr. McBride recommended keeping the six (6) year terms due to concerns regarding the possibility of several Trustee terms expiring at the same time. He also stated six (6) year terms will allow for more continuity of the Board. Mr. McBride also recommended the proposed revisions to the Declaration of Trust to align with the By-Laws and address the partial term issue. Mr. Gallagher addresses a question by Ms. Bland as to the benefits of making these changes; he stated the revisions will provide alignment and prevent potential problems in the future. A motion was made (Milton) and seconded (Smith) recommend the McAlester City Council consider a Supplement to the Declaration of Trust to change the Declaration of Trust to match the current By-Law provision regarding trustee terms which is to continue the six (6) year term limit and approve the proposed revisions to the MRHCA Board of Trustee Declaration of Trust as follows: add a limit requirement of two consecutive year terms with a break of two years before reappointment; when serving a vacated term, if number of years served is more than 50% of vacated term, it counts as the replacing Trustees first full term. Mr. McBride also recommended the current Board Members serving partial terms be grandfathered in to the partial term provisions. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot, Mark Sehgal, MD, L.M. Milton, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the motion carried unanimously.

Board QI Report:

Dr. Sehgal reported the Board QI Committee met on April 26th, 2015. He stated that since monitoring began, the HCAHPS, Quality Measures and Value Based Purchasing scores are better than they have ever been. Whitney Hull is heading up a new team to measure sepsis and keep the scores at a high level for better reimbursement. He reported the biggest issue with lower scores for sepsis is documentation. He stated the team will follow the process to maximize reimbursement. He reported Chelsea Bishop is in charge of performance improvement projects; every department has a project to improve their area. He reported there is a new Regional Trauma Advisory Board; MRHC and Durant's hospital are on that Board for Region 5. The Board will not only look at trauma, but will also look at strokes, snake

Initial 

bites, hazmat and STEMI (ST segment elevation myocardial infarction). He closed by stating our quality team is doing an excellent job and they have come a long way over the past few years.

Chief of Staff Report:

Dr. Staggs the medical staff met to elect new officers for FY 2015-2016. He reported Dr. Christopher Beene was elected as the new Chief of Staff, Dr. Staggs will serve as Vice Chief of Staff and Dr. Mark Sehgal will remain as Chairman of the Medical Executive Committee. Dr. Staggs reported Dr. Beene is local to the community, maintains a very busy practice and is an active member of the medical staff. He has a record of being involved, reliable and his patient satisfaction scores are very high. Dr. Staggs reported the medical staff is very impressed with Dr. Beene and are looking forward to working with him as Chief of Staff in the upcoming year beginning on July 1, 2015. On behalf of the Board, Mr. Keith shared his appreciation to Dr. Staggs for his service and commitment as the outgoing Chief of Staff.

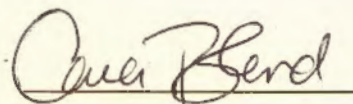
CEO Report:

Mr. Keith provided an overview of a new VHA organization; LifeCare Alliance. He described the new organization as a virtual integrated system of hospitals with the goal of improving health outcomes, maximizing efficiency of care delivery and reducing overall cost and improving access. He reported this is a critical step for the hospital and encouraged the Board to read the operating agreement and be prepared to vote on the hospital's participation in the near future. He reported Heartland Healthcare Reciprocal Risk Retention Group (RRG), a general liability coverage insurance company, is comprised of several hospitals but has recently lost three major players. Heartland is in a unique position to seek out and merge with another financially strong RRG will increase scale and continue to result in reduced costs to Heartland members. Mr. Keith reported the Longtown Rural Clinic continues to fail financially and has low clinic volumes. He stated Administration is assessing the potential need to move the Clinic to another location. Adding urgent care and specialty clinics is also being considered. Proposed plans for the Clinic will be addressed in the near future and presented to the Business and Service Line Development Committee of the Board. Mr. Keith reported the Dialysis Joint Venture (JV) will be cancelling the Employee Lease Agreement with MRHC. The JV has decided to migrate services to Oasis Outsourcing, a professional employment organization. The transfer of employees will take place August 1, 2015. Mr. Keith reported discussions are continuing with Cardio Solutions regarding a full time interventional cardiology program. The Urgent Care Center on Campus will be extending hours this coming September in order to meet the growing demand for services. In addition plans are underway to expand our Occupational Medicine and Working Well Clinic by adding new and additional services that target local businesses in the community. The Transitional Care program will be rolling out the first quarter of FY 2016. The program manages the transition of patients from the hospital to another setting including arranging referrals with primary care physicians if necessary. Mr. Keith reported he will be sending a Board Assessment Tool survey via email to each Board member provided by the Governance Institute. He requested 100% participation from the Board in order to assess understanding and provide necessary education. Mr. Keith also briefly provided an update on Customer Service, Human Resources, Physician Recruitment and Information Technology. Mr. Chris Whybrew and Mr. Darryl Linnington provided an update on the ED/ICU Expansion project. In closing Mr. Keith opened the floor to questions.

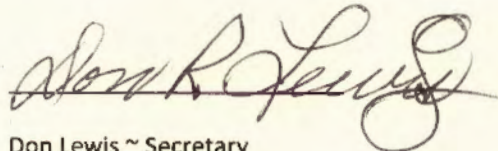
New Business:

Adjournment:

With no further questions or business to come before the Board the meeting was adjourned at 6:35 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

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