

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday August 05, 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 02:53 PM, on Tuesday August 04, 2015.

**TRUSTEES PRESENT:**

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

**TRUSTEES ABSENT:** Evans McBride, Vice-Chairman

**HOSPITAL STAFF:**

David Keith, CEO, Sonya Stone, Recording Secretary ~ Kandra Wells, Public Relations ~ Christopher Beene, MD, Chief of Staff ~ John Gallagher ~ Darryl Linnington, CFO ~ Chris Whybrew, COO ~ George Rachal, Safety Manager ~ Scott Lowe, Director of HR ~ Raleigh White, Director of Radiology ~ Julie Powell, Infection Control/Education ~ Chelsea Bishop, Quality ~ Gary Bryant, Material Management ~ Terry Webster, HIS

**OTHER ATTENDEES:**

Hillary Velandia, Legal Counsel (via conference phone) ~ Steve Harrison, Mayor ~ Dr. Dennis Staggs ~ Phil Vilar, Blue Sky Anesthesia ~ Kent Schmidt, Blue Sky Anesthesia ~ Seth Thomas, CardioSolutions ~ Dr. Moosa, CardioSolutions ~ Dr. Reinsvold, CardioSolutions ~ David Robertson, VHA.

**CALL TO ORDER:**

Chairperson Bland called the meeting to order at 4:00 PM. Mr. David Keith introduced Seth Thomas, Dr. Moosa and Dr. Reinsvold of CardioSolutions. Mr. Thomas provided a brief overview of CardioSolutions and the services they provide. Ms. Bland welcomed them and stated she is pleased they will be joining MRHC and this Community.

**Public Comment:** None

**LifeCare Healthcare Alliance Resolution and appointment of CEO and Physician Leader to the LifeCare Healthcare Alliance Board:**

Ms. Bland introduced Mr. David Robertson from VHA who provided an overview of the LifeCare Healthcare Alliance Resolution. Mr. Robertson reported since 1997, MRHC has been a founding member of LifeCare. LifeCare was formed by the Oklahoma members before VHA/OK/ARK merged. The purpose of the organization is to look at business opportunities that do not make sense for individual hospitals to do on their own. He stated the Alliance is the exact opposite of LifeCare. While LifeCare brings volume together to offer a service no one hospital can do on its own. The concept of the Alliance is to look at services that hospitals are doing independently to determine if it would be more cost effective to do them together and centralized. He gave examples of centralized computer systems, Insurance Initiatives and billing services. He stated there are emerging Alliances all across the country that are starting out doing what LifeCare has been doing for years. The efforts of VHA to move LifeCare into a system arena is unique. He stated the trust and strong working relationships that have been built over the years, give a better probability of success than other emerging systems. He stated that VHA has ongoing businesses that generate a revenue stream that can be used to fund the Alliance. The Alliance will be a collaboration of ten (10) VHA hospitals in Oklahoma; any decisions made by the Alliance will require the approval and participation of all ten (10) hospitals. Mr. Robertson reported the requirements to join the Alliance are committing to a three (3) year commitment, the participation of a physician leader involved in governance and commitment to fund the Alliance for three (3) years. He reported to date nine (9) out of ten (10) VHA hospitals have joined the Alliance; McAlester Regional Health Center will be the last to join. Mr. Keith reported the Resolution has been reviewed by legal counsel. In response to a question by Mr. Smith, Mr. Robertson listed five (5) initiatives the Alliance will place focus: IT rationalization, standardization of employee benefits, a Management Services Organization (MSO) for Hospice and Home Health, centralization of physician billing, Telehealth initiatives and a shared nursing pool. A **Motion** was made (Milton) and seconded (Bland) to approve the LifeCare Healthcare Alliance Resolution to join the Alliance and to appointment the President/CEO and a physician leader to be determined by the Medical Staff, to participate in the Alliance governance as

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presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, L.M. Milton, MD, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**2016 Performance Incentive Program:**

Mr. David Keith presented a power point presentation of the proposed Fiscal Year 2016 Performance Incentive Program. He reported the executive team, managers and directors and employees were all included in the Incentive program for fiscal year 2016. He stated the Incentive structure is aligned to three (3) primary initiatives: stewardship, quality and customer service. He added the incentive structure will impact the initiatives and align with the strategic plan and future strategies. The target goals set for the program are challenging and achievable and target plus goals must be a true stretch goal and remarkable. The metrics must be met or exceeded, they cannot be rounded and the data must be validated. He reported Stewardship is the trigger; there will be no incentive payout if the goals are not met. He stated it is all about outcomes; we are following the incentives the Government is laying out for us. Mr. Keith closed by pointing out changes to the program from last year and new initiatives added this year. A **Motion** was made (Milton) and seconded (Grilliot) to approve the Fiscal Year 2016 Performance Incentive Plan as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, L.M. Milton, MD, Don Lewis, Brent Grilliot, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**Consent Agenda for approval:**

1. MRHCA Board of Trustees minutes for July 1, 2015.
2. Medical Staff credentialing appointments as follows:
  - A. Approval of appointment ( Provisional) for one year
    - a. James Jang, DO ~ Active Staff ~ Family Medicine
    - b. Victoria Keeton, DO ~ Active Staff ~ Emergency Medicine
    - c. Bilal Piracha, MD ~ Active Staff ~ Family Medicine/Hospitalist
  - B. Approval of Advancement for two years:
    - a. Alex Dwuma, MD ~ Affiliate Staff ~ Internal Medicine/Hospitalist
    - b. Ted Pettle, MD ~ Active Staff ~ Internal Medicine/Hospitalist
  - C. Approval of Reappointment for two years:
    - a. Misty Branam, DO ~ Active Staff ~ Internal Medicine
    - b. Carol Gambrell, DO ~ Active Staff ~ Family Medicine
    - c. Stephen Green, MD ~ Active Staff ~ Internal Medicine
    - d. Jason McElyea DO ~ Active Staff ~ Emergency Medicine/Family Medicine/Hospitalist
    - e. Nelson Onaro, DO ~ Active Staff ~ Family Medicine
    - f. Karen Siren, MD ~ Active Staff ~ Emergency Medicine
    - g. Paul Thomas, MD ~ Active Staff ~ Pediatrics
    - h. Kevin Banks, MD ~ Affiliate Staff ~ Telemedicine
    - i. Janice Brooks, MD ~ Affiliate Staff ~ Telemedicine
    - j. Kendall Capecci, MD ~ Affiliate Staff ~ Telemedicine
    - k. Lawrence Cibula, MD ~ Affiliate Staff ~ Radiation Oncology
    - l. Carolyn Corn, MD ~ Affiliate Staff ~ Cardiology
    - m. Richard Falk, MD ~ Affiliate Staff ~ Radiology
    - n. Clark Grilliot, DDS ~ Affiliate Staff ~ Dentistry
    - o. Gregory Homer, MD ~ Affiliate Staff ~ Teleradiology
    - p. Janna McIntosh, DDS ~ Affiliate Staff ~ Dentistry

- q. Kyle Walker, DO ~ Affiliate Staff ~ Teleradiology
  - r. Johnny McCabe, DO ~ Affiliate Staff ~ Physician Assistant under the supervision of Dennis Staggs
  - s. Meggan McClellan, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of Michael Auld, DDS.
  - t. Shayla Oliver, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of Michael Auld, DDS
  - u. Shujahat Shah, MD ~ Affiliate Staff ~ Cardiology
3. Appointment of Blake Lynch and Kevin Priddle to the MRHCA Foundation Board.  
A **Motion** was made (Sehgal) and seconded (Grilliot) to approve the Consent Agenda items 1, 2 and 3 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: Evans McBride. Abstain: L.M. Milton, MD. Chairperson Bland declared the **motion** carried unanimously.

### Financial Committee Report:

#### 1. Financial Statements:

Mr. Linnington provided an overview of the June 30, 2015 financial reports. He reported the total income for the month was down due to year-end operating expense accruals; however revenues exceeded budget. The balance sheet showed excellent collections with a growth in day's cash on hand. A **motion** was made (Sehgal) and seconded (Lewis) to approve the June 30, 2015 financial reports as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

#### 2. FY 2016 Operating and Capital Budget:

Mr. Linnington provided an overview of the Fiscal Year 2016 Operating and Capital Budget. He reported the budget for 2016 reflects new thinking and change. He stated last fiscal year; many areas underwent changes to include remodeling and updates. There were changes in physician staffing and personnel. Some service lines were evaluated and will undergo re-development. Re-development of facilities and development of needed new service lines will take much effort this year. Mr. Linnington reported the most significant undertaking from an operational standpoint was the transition to a distinct Clinic Company for all physician practice operations. He reported many of the 2016 initiatives are laying foundations and building for future years that may not be evident until 2017. Mr. Linnington stated new models of care and new payment methodologies will be implemented and a focus will be placed on electronic health records and RAC audits. He stated there are many challenges facing this hospital as well as others throughout the country. Success in 2016 will be evident in characteristics such as operational and financial stability, consolidated enterprise and a positive trend in clinic volume and financial performance. Mr. Linnington stated our budget aligns well with these opportunities. A **motion** was made (Milton) and seconded (Sehgal) to approve the Fiscal Year 2016 Operating and Capital Budget as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

#### 3. CER for Medisolv:

Mr. Gary Bryant reported bids were received for Clinical and Business Intelligence and Quality Reporting Solutions from Medisolv and iPeople. Medisolv presented the lowest bid of \$166,075.

Ms. Julie Powell reported our current vendor is Quantros. She stated there has been a continued struggle to abstract data from this system. Medisolv will pull data directly from Meditech and provide the ability for real time data reporting that will increase efficiency. The system will also provide an increase of abilities compared to the Quantros program including safety reporting in which Quantros requires an additional fee. She stated Medisolv will also generate a cost saving to the hospital. A **motion** was made (Milton) and seconded (Sehgal) to approve the CER for Medisolv at a cost of \$166,075 as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

**4. ICD-10 update:**

Ms. Terry Webster provided a power point update regarding the ICD-10 implementation process. She reported the current ICD-9 coding system was implemented in 1979 and the new ICD-10 coding system will go into effect October 1, 2015. Ms. Webster reported her office has been very busy preparing for ICD-10. To prepare for the implementation, Ms. Webster stated a Steering Committee and project team was established to develop a plan utilizing the Executive Health Resources (EHR) to aide in improving physician's documentation. She also stated test claims were submitted to payers and all hardware and software that uses codes were evaluated. She reported dual coding will begin next week which means ICD-10 codes will be submitted for payment. She stated the system is ready; however any potential issues will need to be addressed before the October 2015 deadline. She stated the number of diagnosis codes will be more specific and the number of codes increased from 13,000 to 68,000. In addition procedure codes will increase from 3,000 to 87,000 codes. Ms. Webster reported training is being offered to physicians and key personnel and an assessment by an outside consultant is planned for later in the month.

**Audit and Corporate Compliance Committee:**

Ms. Bland reported the Audit and Corporate Compliance Committee met to review the Self Reporting Protocols currently in place and other compliance issues. She reported new compliance software will be installed in the near future that is expected to be more effective. Ms. Bland shared her appreciation to Mr. John Gallagher for his services in a timely manner.

**Board QI Report:** No Report

**Chief of Staff Report:**

Dr. Christopher Beene reported all the emergency and primary care providers are excited about the having four full time hospitalist by the end of August. In additions the delinquent medical records continue to decline.

**CEO Report:**

Mr. David Keith provided a CEO Report included in the preliminary Board packet. He provided a timeline for taking the Emergency Room expansion to a city vote in February. He stated in David Robertson's previous report, he mentioned a Managed Service Organization (MSO) for Home Health and Hospice. He added he is very interested in engaging that group to expand our Home Health and develop the Hospice program. Mr. Keith mentioned an attachment to his CEO report from the Oklahoma Hospital Association that provided a legislative update that could affect hospitals.

**New Business:** None

**Executive Session:** 25 O.S. § 307(B) – Discussion and Possible Action – Cara Bland, Chairperson.

25 O.S. § 307(B) (1): "Discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee."

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## A. Discussion regarding CEO contract renewal

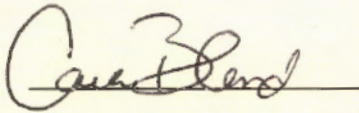
**Motion** was made at 6:15 PM by (Sehgal) and seconded (Grilliot) to enter into Executive Session.

The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried unanimously. Other members present in the executive session: Scott Lowe, Hillary Velandia, Legal Counsel (via conference phone)

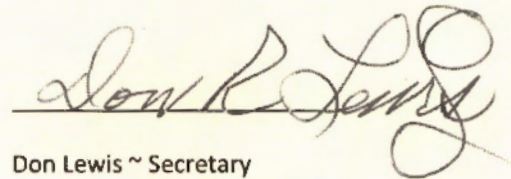
No action was taken during the Executive Session. A **motion** was made at 6:35 PM by (Sehgal) and seconded (Kanard) to conclude the Executive Session. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Weldon Smith, L.M. Milton MD, Brent Grilliot, Mary Shannon, Don Lewis, and Cara Bland. Nay: None. Absent: Evans McBride. Abstain: None. Chairperson Bland declared the **motion** carried.

**Adjournment:**

With no further questions or business to come before the Board the meeting was adjourned at 6:36 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

/sds