

The regular meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday December 4, 2013 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 01:21 PM, on Monday December 02, 2013.

**TRUSTEES PRESENT:**

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

**TRUSTEES ABSENT:** Mary Shannon.

**HOSPITAL STAFF:**

David Keith, President/CEO ~ Sonya Stone, Executive Assistant ~ Frank Hilbert, CIO ~ Kim Stout, CNO ~ Darryl Linnington, CFO ~ Denise James ~ Keith Mateychick ~ Marge Grubb.

**OTHER ATTENDEES:**

Karen Rieger, Legal Counsel via conference phone ~ Stacy Hardy, MD, Chief of Staff, John Cotton, M.D ~ James Cagle, HORNE.

**CALL TO ORDER:**

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

**Public Comment:** None

**Consent Agenda:**

1. MRHCA Board of Trustees minutes for November 6, 2013.
2. Credentialing List.
3. Medical Staff Rules & Regulation revisions: Operative Reports.


A motion was made (Smith) and seconded (Lewis) to approve the Consent Agenda items 1, 2 & 3 as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, and Cara Bland. Nay: None. Absent: Mary Shannon, L.M. Milton & Brent Grilliot. Abstained: None. Chairperson Bland declared the motion carried.

**Consideration and Approval of the MRHCA Audit Report for YR ending June 30 2013.**

Mr. James Cagle presented the MRHCA Audit Report for year ending June 30, 2013. He began by discussing the Audit opinion and required communications report that included an audit opinion, a compliance and internal controls report, main issues and observations, accounting practices and management judgments and accounting estimates. The Financial statement disclosure was also discussed. The audit showed no disagreements with management and the only difficulties encountered in performing the audit were delays due to key MRHC personnel turnovers and assessing the impact of RAC audits. Mr. Cagle reported no uncorrected misstatements, he briefly discussed audit adjustments and included in the presentation were various analysis reports. In closing Mr. Cagle gave an industry update specific to Oklahoma and the overall industry. He stated more emphasis on key indicators and measuring outcomes to determine profitability will be needed as well as physician compensation models tied to outcomes and production. Increases in regulatory issues are expected such as RAC and 340B as well as increased legal challenges and delays by federal exchanges. A motion was made (Grilliot) and seconded (Smith) to approve the MRHCA Audit Report for YR ending June 30 2013 as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, L.M. Milton, Brent Grilliot and Cara Bland. Nay: None. Absent: Mary Shannon. Abstained: None. Chairperson Bland declared the motion carried.

**Presentation: Employee Satisfaction Report.**

Ms. Denise James, HCAHPS/Customer Service Coordinator presented the 2013 Employee Satisfaction Survey results. Ms. James reported there was a 95% participation rate showing a 13% increase from 2012. The survey consisted of 43 questions with the answers rated in categories of never, sometimes, usually and always. Ms. James described the collaborative action and planning process of preparing for the survey as; design, employee engagement, results analysis, action planning and action follow-up. Ms. James shared the top 5 strengths and top 5 opportunities that

Initials 

were a result of the survey. The Administration Executive Team (AET) chose to address the top 5 opportunities from a list of employee verbatim comments and make immediate improvements to the items as follows: Who is AET, wage increases, air conditioning improvements, agency nurses and hours of the Boulevard Grill. Ms. James reported the AET has instituted daily rounding on all new admits by the Administrator On Call. Mr. Keith, CEO is attending department staff meetings to share up-to-date information and has agreed to work in a few departments every month. Wage increases have been budgeted for 2014 for eligible employees as well as air conditioning replacement projects.. A significant decrease in agency nurses has occurred due to a new approval process that requires CNO approval for any agency utilization and the nursing agencies have been transitioned to a single provider. In addition the Boulevard Grill has extended the hours of operation to better accommodate the night shift. In closing Ms. James reported that efforts will be made by the AET to continually work toward improvement with a goal of moving all survey responses to ALWAYS one step at a time. The next employee survey will be provided by HealthStream with an expected improvement in survey results from the previous year.

#### Finance Report.

The Financial reports for October 31, 2013 were presented by Darryl Linnington, CFO for consideration and approval. Mr. Linnington reported that overall the month closed profitable. However Longtown Clinic showed a loss for the month. Continued focus will be placed on this clinic as well as the Van Buren House and Urgent Care clinics. Mr. Linnington also presented for information purposes, two contracts. Firsthealth is a software program that helps capture billing in the ED and is expected to generate an approximate \$1M increase in gross revenue from otherwise lost billing. AcciClaim is a program that will capture accident claims. Currently there are \$2M worth of accident claims that are not being followed up by the Business Office. Both contracts are for duration of 1 year with an option to extend and both companies have been utilized by Hillcrest and Southcrest hospitals in Tulsa with successful results. After discussion a **motion** was made (Smith) and seconded (Sehgal) to approve the financial reports as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, L.M. Milton, Brent Grilliot and Cara Bland. Nay: None. Absent: Mary Shannon. Abstained: None. Chairperson Bland declared the **motion** carried.

#### Board QI Report:

Dr. Milton provided HCAHPS and Core Measure results that were presented to the Board QI Committee focusing on the average length of stay in which he stated the Emergency Department is doing a good job.

#### Personnel Committee report.

Mr. Weldon Smith opened the floor to Laura Boyles who presented the 2014 Health Plan Summary for consideration and approval. Ms. Boyles began by reviewing objectives of the new plan stating a transition will made from sick leave and vacation time to Paid Time Off (PTO). The plan offers three options that include an option at no cost to the employee that meet federally mandated requirements. Ms. Boyles shared statistics regarding the cost impact of the new plan, sick time challenges with the current plan and turnover costs. Ms. Boyles reported the new plan will allow the employee to self-manage their PTO time. The retirement plan will now provide a core 1% for all qualifying employees and match at 50% up to 3%. Current accumulated sick time will be banked up to 250 hours for Extended Sick Leave use. In addition there will be a fourth week of vacation for long service employees. Mr. Linnington stated employees would experience for the first time, a small increase in premiums and an ED and specialist co-pay. Mr. Linnington added according to the hospitals Risk Management Company this plan is a lower risk plan for the hospital. A **motion** was made (Sehgal) and seconded (Kanard) to approve the MRHCA 2014 Health Plan Summary as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, L.M. Milton, Brent Grilliot and Cara Bland. Nay: None. Absent: Mary Shannon. Abstained: None. Chairperson Bland declared the **motion** carried.

#### Chief of Staff Report:

Dr. Hardy reported physicians have been in dialogue to streamline patients through the ED utilizing ED physicians and hospitalist. We have also been working with Connie Davis, Manager of Case Management to develop a form for admitting patients meets all CMS criteria and is expected to be successful in reducing the number of RAC audits. Chairperson Bland extended her appreciation to Dr. Hardy for the services she provides to the hospital.

#### CEO Report:

Mr. David Keith, CEO stated he preferred to forgo a review of his CEO report that was provided in the meeting packet in order to allow Mr. Keith Mateychick to provide an update on the facility infrastructure and also provide

Initials 

an update on the preparations for the upcoming inclement weather. Mr. Mateychick reported there are three major needs at this time, the first being three cooling towers that provides cool water to cool the buildings. The cost of purchasing new towers is approximately \$190,000 dollars each which the hospital is not prepared to expend at this time. In lieu of new towers, rebuilt kits have been purchased at a lower cost of \$60,000. The kits will be used to rebuild the towers with an approximate completion date of mid-December. Mr. Mateychick reported the cooling towers will eventually need to be replaced however the kits will provide approximately seven years of service. The return investment will be approximately 36 months. . Mr. Mateychick reported we have two boilers, at present only one is in operation. A new boiler will cost approximately \$1M which is not budgeted at this time. He reported efforts are being made by a certified company to re-tube and repair the current boiler at a cost of \$35,000. The return on investment is about 30 months with a cost savings in utility expenditures. The boilers will need to be re-tubed approximately every 10 years. Mr. Mateychick also reported that due to only one boiler being in operation at this time, he felt a need to acquire a portable boiler to take us through the upcoming inclement weather. The expectation was the one boiler could not meet the heating needs of the building. The portable boiler will arrive tonight and will be operational in the morning. Lastly he stated the Air Handling units that provide cooling for the facility is the third issue. Three units have been replaced so far; however one is in critical need of replacement that serves the ED-ICU area. Chairperson Bland stated the Board approved the replacement of all the Air Handler units and inquired about the replacement plan. Mr. Keith indicated that Administration is unaware of a past plan, however Facilities is moving forward with the replacement efforts due to a critical need. Mr. Mateychick has currently created a plan for replacement with an expectation all units will be replaced by the end of 2014. The units will be put out for bid according to policy and replacement efforts will move forward focusing on patient areas first. Mr. Mateychick closed by saying generators has been tested and salt and equipment are on hand to clear parking lots when the weather arrives.

**New Business:** None

**Executive Session:**

A **motion** was made (Smith) and seconded (Grilliot) to enter into Executive Session at 6:55 PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, L.M. Milton, Brent Grilliot and Cara Bland. Nay: None. Absent: Mary Shannon. Abstained: None. Chairperson Bland declared the **motion** carried.

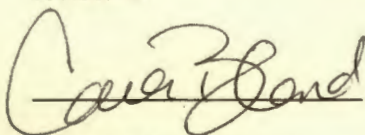
Executive Session (25 O.S. § 307 (B)) – Discussion and Action – Cara Bland, Chairperson  
(25 O.S. § 307 (B) (4): “Confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.”

A. Consultation with attorney regarding contract compliance of anesthesia services agreement.

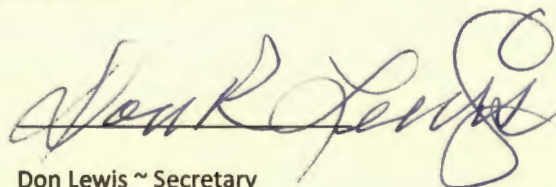
No action was taken during the Executive Session. A **motion** was made (Grilliot) and seconded (Smith) to end the Executive Session at 7:28 PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Don Lewis, L.M. Milton, Brent Grilliot and Cara Bland. Nay: None. Absent: Mary Shannon. Abstained: None. Chairperson Bland declared the **motion** carried.

**Adjournment:**

With no further questions or business to come before the Board the meeting was adjourned at 7:30PM.



Cara Bland ~ Chairperson  
/sds



Don Lewis ~ Secretary

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