

A Special meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Monday March 09, 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 02:59 PM, on Friday March 03, 2014.

TRUSTEES PRESENT:

Don Lewis, Secretary ~ Cara Bland, Chairperson ~ Susan Kanard ~ Evans McBride, Vice-Chairman ~ Weldon Smith ~ Mary Shannon ~ Brent Grilliot ~ Mark Sehgal, MD (entered meeting at 4:10 PM)

TRUSTEES ABSENT: L.M. MILTON, MD

HOSPITAL STAFF:

Chris Whybrew, COO ~ Darryl Linnington, CFO (via conference phone) ~ Kim Stout, CNO ~ David Keith, CEO, Sonya Stone, Recording Secretary ~ Kandra Wells, Public Relations ~ Dennis Staggs, DO, Chief of Staff ~ Stephanie Giacomo, Director of Foundation ~ Scott Lowe, HR Director

OTHER ATTENDEES:

Elise Brennen, Legal Counsel (via conference phone) ~ David Randolph, Legal Counsel (via conference phone) ~ Mayor Steve Harrison ~ Pete Stasiak, City Manager ~ Sharmila Dias MD, Interim Hospitalist Director ~ David Dishman, McAlester News Capital.

CALL TO ORDER:

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

Public Comment: None

Consent Agenda for approval:

1. MRHCA Board of Trustees minutes for February 4, 2015.
2. Credentialing List as follows:

Consideration and approval of appointment (provisional) for a one year term:

- a. Naeem Silat, MD – Internal Medicine/Hospitalist – Active Staff.
- b. Paige Baskin – Dental Assistant under the supervision of Twana Duncan, DDS – Affiliate Staff

Consideration and approval of Advancement for two year term:

- a. Lee Alice Goscin, MD – Endocrinology –Active Staff
- b. Edwin Henslee, MD – OB/GYN-Active Staff
- c. Rebecca Flores, MD – Teleradiology- Affiliate Staff
- d. Sharad Swami, MD – Internal Medicine/Hospitalist – Affiliate Staff
- e. Jennyfer Dunkerson, Dental Assistant – Dental Assistant under the supervision of Twana Duncan, DDS – Affiliate Staff
- f. Wanda Martin, APRN-CNP – Nurse Practitioner – Affiliate Staff
- g. Kristi Patton, Dental Assistant – Dental Assistance under the supervision of Doug Auld, DDS – Affiliate Staff
- h. Amber Pritchett, Dental Assistant – Dental Assistance under the supervision of Twana Duncan, DDS – Affiliate Staff
- i. Ashley Tucker, Dental Assistant – Dental Assistance under the supervision of Twana Duncan, DDS – Affiliate Staff
- j. Skyla Walker, Dental Assistant – Dental Assistance under the supervision of Doug Auld, DDS – Affiliate Staff

Consideration and approval of Advancement for three (3) months:

- a. Thomas Craven, MD – Pain Management – Affiliate Staff

3. Approval of revisions to Medical Staff By-Laws & Rules and Regulations as follows: Medical Staff By-Law; 'Medical Staff meeting quorum' and Rules and Regulations; 'Blood consent.' **Motion** was made (Lewis) and seconded (Grilliot) to approve the Consent Agenda items 1, 2 and 3 as presented. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD, Mark Sehgal, MD Abstain: None. Chairperson Bland declared the **motion** carried.

Finance Reports.

1. **Consideration and approval of January 31, 2015 financial report:** Mr. David Keith reported Proposition II and Proposition III that raised the hospital's debt limitation on the City Charter were placed on the ballot for a vote of the people for a second time. The Propositions officially passed with a voting margin of 77%. The hospital can now borrow up to 5% of its assets which will allow the hospital to address aging infrastructure issues; specifically the elevators. He expressed his appreciation to the Community for supporting the Propositions a second time.

Mr. Darryl Linnington (via conference phone) presented the financial report. He reported the volume for the month of January was slightly below budget. It follows a similar volume in December, however the volumes overall are doing well. Inpatient revenue exceeded budget and outpatient revenue, ED volumes and outpatient surgery closed slightly under budget. Urgent Care, Home Health and Van Buren House are doing very well. Long Town Rural Clinic is struggling; however specialty clinics are being considered to increase the patient volume. The Wellness Center membership continues to grow. Overall the net revenues exceeded the expected budget. Mr. Linnington reported the operating expenses for the month were slightly higher than planned; however the operating margin was higher than expected. He reported this reflects close productivity monitoring. Operating Cash overall was equivalent with December and Accounts Receivable was down slightly. He added the overall net worth increased and the strength of the hospital improved. He stated there were capital expenditures in January contributed to service lines and renovations that will improve customer perception. Overall he stated January was a very good month and early returns for February are looking favorable. He reported the hospital participated in a class action law suit that was successful in recouping money from CMS for underpayment of DRGs in 2008. In addition, he is pursuing other opportunities to recoup money as well. Mr. Linnington stated he is working on a Capital Plan that will be presented at the next scheduled meeting. A **Motion** was made (Sehgal) and seconded (Smith) to approve the January 31, 2015 Financial Reports as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried.

2. **Consideration and approval of Financial Resolution for Stillwater National Bank:** Mr. Linnington reported efforts are being made to reconstitute the McAlester Medical Services, LLC that was previously used for Physician Services. Stillwater National Bank has requested supporting documents that assigns new managers. The Financial Resolution replaces past managers and designates Mr. David Keith, Mr. Chris Whybrew and Dr. Misty Branam as the new managers for the Company. Mr. McBride stated the Resolution was not presented to the Finance Committee. He recommended the Resolution be **tabled** and requested Mr. Linnington and Ms. Elise Brennen, Legal Council discuss and prepare a presentation for the next Finance Committee. A motion was made (McBride) and seconded (Smith) to **table** the financial Resolution for Stillwater National Bank pending review by the Finance Committee. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried.
3. **Consideration and approval of CER for roof replacement for the 3N unit and Switch Gear/Generator building:** Mr. Linnington reported a CER for roof replacement was previously approved by the Board; however the bids were found to be not consistent which required an additional bid process be initiated. Mr. McBride reported the new CER was reviewed by the Finance Committee and determined to be a good bid. He added it will be a capital improvement that is critically needed. A **Motion** was made (McBride) and seconded (Sehgal)

to approve a CER for roof replacement for the 3N unit and Switch Gear/Generator building as presented. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried.

Consideration and approval of Merger:

1. Memorandum regarding rental income: private inurement and unrelated business taxable income:

Chairperson Bland reported the Board previously discussed and requested a written memorandum regarding unrelated business income of rental property. A question arose from a discussion regarding the original purpose of the PHA Board. The advice that was received was it is no longer an issue for the hospital to lease property to physicians. Ms. Bland stated no action is needed on the memorandum. The Board members present mutually agreed the memorandum was acceptable and recommended it is filed with other documents regarding the merger.

2. Memorandum regarding Merger of Trust:

Chairperson Bland reported the memorandum regarding the Merger of Trust was previously presented at a previous meeting. The memorandum provides facts, guidelines and authority for the merger process. She added no action is necessary. The document was provided for information purposes only.

3. Authorizing Resolution for the Merger:

Chairman Bland reported the Authorizing Resolution for the Merger of Trust is an action item and requires approval by the Board. She opened the floor for questions and discussion; however there was none. A **Motion** was made (Lewis) and seconded (Shannon) to approve the Authorizing Resolution for the Merger of Trust as presented in the preliminary meeting packet. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried.

4. Tripartite Agreement and Plan of Merger:

Chairman Bland reported the Tripartite Agreement and Plan of Merger is for informational purposes only. No action is necessary.

5. Petition to file Trust Reformation Action:

Chairman Bland made a recommendation to approve the Petition to file Trust Reformation Action. A **Motion** was made (Sehgal) and seconded (Shannon) to approve the Petition to file Trust Reformation Action as presented in the preliminary meeting packet. The vote was taken as follows: Aye: Mark Sehgal, MD, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None. Chairperson Bland declared the **motion** carried.

Audit Corporate and Compliance Committee:

Chairman Bland reported no meeting was held since the last Board of Trustees meeting.

Business and Service Line Development:

Chairman Bland reported no action was taken during the Business and Service Line Development meeting. The purpose of the meeting was to provide an update on Business and Service Line growth and developments. She opened the floor to Mr. Chris Whybrew who provided an overview of the meeting. He reported a presentation regarding the McAlester Medical Services, LLC was discussed at the meeting. He stated utilizing the company will reduce the cost structure for managing physician practices, allow more flexibility, provide a self management process and allow for outsourcing services to other physician practices if necessary. He added an additional presentation was given regarding the MRHC website re-design. He reported the goal is to move the website into a more progressive direction. He stated we want the website to be user friendly and a resource to the community.

Board QI Report:

Dr. Sehgal reported the Board QI Committee was cancelled due to inclement weather. He reported the Surgery Committee met and discussed moving quality measure into different departments. He added the purpose is to increase understanding, communicate the importance of quality measures and appropriate documentation.

Chief of Staff Report:

Dr. Dennis Staggs provided a follow-up on an issue he reported last month regarding the Electronic Medical Record (EMR) and Physicians. In an effort to enforce a policy to go paperless, a couple of physicians were not in compliance. Mr. Keith, Dr. Staggs and the physicians met. Goals were set for each physician to guide them through a process of documenting on the EMR. Dr. Staggs reported as of today both physicians have made progress toward the goal. Overall documentation on the EMR by all physicians has improved and reports show they are ahead of a goal that has been set. He said it is proof Physicians are trying and doing a good job. Additional discussion was held regarding utilizing scribes to assist with documentation and voice recognition software. Mr. Keith added a Meditech specialist will provide an assessment of our system to better understand the capabilities available to us.

CEO Report:

Mr. David Keith provided a power point update on employee satisfaction. He reported in an effort to reduce employee turnover, several tactics have been implemented such as 30/60/90 day evaluations, an increase in administrative rounding, salary and wage adjustments, a 1% retirement increase and Town Hall Meetings to increase communication. Mr. Scott Lowe reported since the new initiatives have been implemented, a decrease in RN turnover rates from 34% to less than 1% have been noted. The Voluntary Turnover rate, which was employees who left the hospital by choice, is 14.6%. The total hospital turnover rate that encompassed all employees is 23% with a hospital vacancy rate of 3%. Mr. Keith reported the hospital continues to improve the turnover trends specifically the RN turnover rates which were a concern for physicians. Mr. Keith reported two group purchasing organizations; VHA and the University Health System Consortium (UHC) will be merging together. The hospital will continue to participate after the merge. The blending of the two companies will enhance services and they will blend well together. A lease agreement for a clinic in Atoka is being finalized; the goal is to have the lease completed within 30 days. A local physician in Atoka will be joining the hospital to work at the Atoka clinic. In addition a specialty clinic and an additional family practice will be established to increase the outreach in that area. Mr. Keith once again shared his appreciation to the voters in McAlester for supporting Proposition II and III that changed the City Charter to increase the debt increase. He reported talks with Heritage Hills Nursing Home to build a Nursing Home on the hospital campus have stalled. More recently, Mr. Keith reported he has reached out to Dr. Mark Leitzke with Image Health Care who is currently working with the State to obtain license and who is looking for a Nursing Home location. Mr. Keith expressed his desire for Heritage Hills to resume negotiations; however the opportunity exists to do business with Image Health Care as well. He reported a vendor to re-design the website will be selected within the next 30 to 45 days. The Internal Residency Program is being finalized. Mr. Keith stated the goal is to grow a program that supports three Internal Medicine Residents. Ms. Stephanie Giacomo provided an update regarding financial contributions to the hospital provided by the MRHC Foundation. The contributions included capital improvements, direct patient support and direct employee support from the 'Friends Helping Friends' program. She added the Foundation is planning a strategic planning retreat next month that will focus on a one page steering document replacing a 30 page document currently in place. Mr. Keith closed by reporting the number of residents have increased at the Van Buren House since the conversion to an Assisted Living Center and recruiting continues for an orthopedic physician to replace Dr. Crawley. Mr. Keith's report was followed by questions and answers regarding topics provided in the CEO report.

New Business: None**Executive Session: 25 O.S. § 307(B)) – Discussion and Possible 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."

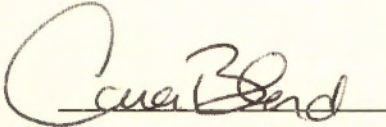
- A. Issues involved in developing dialysis services
- B. Cardiology contractual agreement

Motion was made at 5:20 PM by (Grilliot) and seconded (Sehgal) to enter into Executive Session at 5:20 PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton MD. Abstain: None. Chairperson Bland declared the **motion** carried. Other members present in the executive session: Kim Stout, Chris Whybrew, Darryl Linnington (via conference phone), David Keith, Elise Brennen, Legal Counsel (via conference phone)

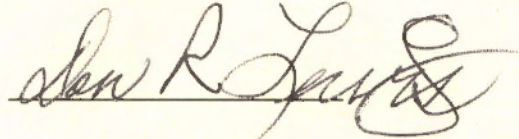
No action was taken during the Executive Session. A **motion** was made at 6:30 PM by (Lewis) and seconded (Segal) to conclude the Executive Session. The vote was taken as follows: Aye: Mark Sehgal, MD, Evans McBride, Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Brent Grilliot and Cara Bland. Nay: None. Absent: L.M. Milton MD. 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 6:35 PM.



Cara Bland ~ Chairperson
/sds



Don Lewis ~ Secretary