

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday October 07 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 October 06, 2015.

TRUSTEES PRESENT:

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

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith, CEO, Sonya Stone, Recording Secretary ~ Kandra Wells, Public Relations ~ Christopher Beene, MD, Chief of Staff ~ Darryl Linnington, CFO ~ Chris Whybrew, COO ~ Kim Stout, CNO ~ Frank Hilbert, CIO ~ Keith Mateychick, Director of Facilities ~ John Gallagher, Compliance Officer ~ George Rachal, Safety Officer ~ Scott Lowe, Director of HR ~ Julie Powell, Director of Education/Infection Control ~ Chelsea Bishop, Quality Manager ~ Ryan Gathard, Director of Foundation.

OTHER ATTENDEES:

Elise Brennen, Legal Counsel ~ Clint King, HORNE ~ Jim Wadlington, HORNE ~ David Wright, Health Facility Group

CALL TO ORDER:

Chairperson Bland called the meeting to order at 4:00 PM. Ms. Bland welcomed and introduced Ryan Gathard as the new Foundation Director. Mr. Gathard briefly provided his background information to the board.

Public Comment: None

Consent Agenda for approval:

1. MRHCA Board of Trustees minutes for September 2, 2015.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments (Provisional) for one year.
 - a. Abdulmawla Albirini, MD ~ Active Staff ~ Internal Medicine/Hospitalist
 - b. Roger Alderson, MD ~ Active Staff ~ Hyperbaric Medicine & Wound Care
 - c. Harold DeLaughter, DO ~ Active Staff ~ Family Medicine /Hospitalist
 - d. Franklin DeMarco, DO ~ Active Staff ~ Emergency Medicine
 - e. Robert Emerick, MD ~ Active Staff ~ Interventional Cardiology
 - f. Kristin McElyea, DO ~ Active Staff ~ Family Medicine/Hospitalist
 - g. Thomas Reinsvold, MD ~ Active Staff ~ Interventional Cardiology
 - h. Matthew Brill, MD ~ Affiliate Staff ~ Diagnostic Radiology
 - i. Jennifer Brewer, APRN-CNP ~ Affiliate Staff ~ Nurse Practitioner/Family-Cardiology
 - j. Antoinette Thompson, APRN-CNP ~ Affiliate Staff ~ Nurse Practitioner/Family-Urgent Care
3. Executive Succession Policy: Tabled
4. MRHCA Board of Trustee Job Description Policy: Tabled

Mr. Weldon Smith made a recommendation to table items three (3) and four (4) of the Consent Agenda pending further review. **A motion** was made (Smith) and seconded (McBride) to table Consent Agenda item three (3); Executive Succession Policy and item four (4); MRHCA Board of Trustee Job Description Policy as recommended. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

Initials 

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

Audit and Corporate Compliance Committee:

Ms. Bland reported the committee met to discuss the FY 2014-2015 Audit Report. No compliance items were presented to the committee. She welcomed Mr. Clint King from HORNE to present the FY 2014 – 2015 Audit Report to the Board.

1. **FY 2014-2015 MRHC Audit Report:**

Mr. Clint King presented the 2014-2015 annual audit report which included an audit opinion and required communications, financial statement summary, key financial and operations indicators and industry topics and observations. He reported there were no findings on the compliance and internal controls, and no significant finding in accounting practices. He reported there were no disagreements with management, no consultations with other accountants, no difficulties encountered in performing the audit. In addition there were no uncorrected misstatements and no audit adjustments. Mr. King presented a summary of the financial statement and addressed questions from the Board. He concluded his report with an overview of industry updates. A **Motion** was made (Sehgal) and seconded (Grilliot) to approve the MRHC FY 2014-2015 Audit report as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Brent Grilliot, L.M. Milton, MD, Mark Sehgal, MD and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

Financial Committee Report:

1. **Financial Statements:**

Mr. Linnington provided an overview of the August 2015 financial reports. He reported August 2015 was a good month financially. The net income was favorably ahead of budget. Revenues exceeded budget due to higher Inpatient, Emergency Department (ED) and surgical volume for the month. Admits were 370 or 12 per day, E visits were 2252 or 73 per day and outpatient surgeries were 198 or 45 per week. These volume metrics are all ahead of budget. Expenses were higher largely attributable to surgery supplies and drug costs. Non-operating income was lower, mainly due to a decline in investment value with a lower market. Year to date net income was tight to budget and compared to prior year, earnings are 9% stronger. In terms of the balance sheet, the cash balance advanced and the net accounts receivable was 46.8 days. Capital spending for the month totaled \$133k, mostly facility related. He reported overall it was a good month. Good volume, good revenues, good collections, spending close to plan and margin beating plan. A **motion** was made (Shannon) and seconded (Smith) to approve the August 2015 financial reports as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

2. **Capital loan to fund purchase of previously approved IT storage devices:**

Mr. Linnington reported the capital purchase of new IT storage equipment was approved at a previous Board meeting. He reported he has been actively searching for financing opportunities for high expense purchases. IBM Credit, LLC has offered a financing agreement for \$293,024.80 with repayment of \$8,373.93 distributed over 36 months. Mr. Linnington stated the effective interest rate on the loan is 1.98%. Mr. McBride pointed out a discrepancy in the agreement regarding the effective interest rate on the agreement that reflected a different interest rate from the 1.98% presented. Mr. Linnington confirmed the interest rate is 1.98% and the monthly repayment amount was correct. Mr. McBride recommended the finance agreement be amended to reflect the correct effective interest rate. A **motion** was made (Milton) and seconded (Smith) to approve the loan from IBM Credit, LLC in the amount of \$293,024.80 with payments of \$8,373.93 over 36 months at an effective interest rate of 1.98% pending an amended agreement to reflect the correct effective interest rate of 1.98% as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

3. **CER for standby generator project:**

Mr. McBride reported a generator project to increase the capacity of the existing generators was discussed many times in the past years. Mr. Keith Mateychick reported the current generators were installed over 30 years ago and their capacity is not enough to hold up the entire facility and will not support the chillers. The generator is outdated requiring numerous repairs and the summer months will place stress on the aging equipment. The new generator will support the entire facility. He reported bids for a backup generator addition from PATCO Electrical, IMAJENUS, BL Tower Construction and TGE Inc. were received. Mr. Mateychick recommended to the Board for approval a CER for a generator addition to MRHC at an estimated total project cost of \$831,200. TGE Inc. submitted the lowest bid of \$785,200 and was asked to put up a performance bond of \$13,000. Included in the total project cost is a not-to-exceed estimate of \$20,000 from PSO to relocate transformers and previously paid engineering cost of \$13,000. The total cost of the project comes in lower than the original budget of \$950,000. Mr. McBride reminded the Board, SHOPP money was previously set aside for higher cost capital items. He stated the purchase of the generator will be funded with cash from the SHOPP funds. Mr. Mateychick stated the old generators will be retained as a backup. He added it will take 10 to 12 weeks to build the new generator; however work will be done simultaneously to prepare for implementation in an effort to complete the project before the next winter season. **A motion** was made (McBride) and seconded (Milton) to approve a revised budget of \$831,200 for the generator project that includes a not-to-exceed estimate of \$20,000 from PSO to relocate transformers and previously paid engineering fees of \$13,000; and accept a bid from TGE Inc. in the amount of \$785,200 plus a performance bond of \$13,000 for a total amount of \$798,200 as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

4. **CER for roof replacement for 3S, ICU & Elevator Lobby:**

Mr. Mateychick requested approval of a CER for roof replacement over the 3South unit, ICU unit and over the elevator lobby in the amount of \$279,900. He added originally the plan was to replace the roof over the 3South and ICU units; however after a roof inspection the area over the elevator lobby was found to have significant damage and of serious concern and a decision was made to include the elevator lobby to the CER. RFPs were published for the roof replacement over the 3South unit, ICU unit and over the elevator lobby; bids were received from Alpine Roofing and Alva Roofing Company. Alpine Roofing offered the lowest bid of \$270,000. In addition to the bid from Alpine Roofing, the CER amount includes \$9,900 in associated design fees. Mr. Mateychick reported the amount of the CER is \$16,900 over the budgeted amount of \$263,000. A capital substitution of \$16,900 will be taken from the backup generator budget of \$950,000. **A motion** was made (Lewis) and seconded (Sehgal) to approve a budget of \$279,900 for roof replacement on the 3South unit, ICU unit and the area over the elevator lobby; accept the bid from Alpine Roofing in the amount of \$270,000; approve the capital budget substitution of \$16,900 from the backup generator budget of \$950,000 as presented. A vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

Personnel Committee Report:

Mr. Smith reported last year there were no incentive payouts because targets were not met. He turned the floor over to Mr. Scott Lowe to present this year's results.

1. **Incentive program results and payout for FY 2015:**

Mr. Scott Lowe reported for FY 2015 there were six targets as follows: Stewardship, SCIP-Inf-2, AMI 30 day survival rate, clean & quiet, RN communication and discharge planning. He gave an overview of the goals for target and target plus and the results for this year. Mr. Scott reported all targets were achieved with the exception of Clean & Quiet and RN Communication. On the Scoring Grid and bonus structure, he reported the AET achieved 18% and Directors and Managers achieved a \$4,000 bonus. Mr. Keith reported the targets that were not achieved will be the focus in next year's program. Discussion followed regarding improving the clean & quiet target. For information purposes only, no action taken.

2. **Roth 457b investment option**

Mr. Lowe requested approval to offer a Roth 457b plan as an additional option to the current retirement benefit for employees. He reported the 457b is a voluntary investment opportunity to choose between pretax deferrals or after tax Roth contribution. The annual contribution limit is \$18,000 in 2015 or \$24,000 if age 50 or older. The Roth contribution is not a requirement and is only made up of employee elective contributions and does not include any employer contributions. Mr. Lowe reported there are no additional fees to the hospital to participate in this plan. **A motion** was made (McBride) and seconded (Milton) to approve the Roth 457b plan option to the current employee retirement benefits as presented. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Evans McBride, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously.

3. **Employee satisfaction survey results**

Mr. Scott Lowe presented the 2015 Employee Satisfaction and Engagement results provided by HealthStream. He reported there was record participation at 91%. He reported the survey focused on three indicators: Job engagement, organizational engagement and overall satisfaction. He reviewed the results of each indicator and discussed how they compared to the national averages. Mr. Lowe reported there was overall improvement over last year and indicated the hospital is moving in the right direction. In closing he discussed opportunities for improvement and provided an action plan by administration and senior leadership to address the top ten less favorable areas of performance. Ms. Bland stated the survey results are very encouraging.

Board QI Report:

Dr. Sehgal reported the Board QI Committee met and the topic of discussion was the DNV evaluation of the hospital and stroke center. He invited Chelsea Bishop and Julie Powell who provide an overview of the results of the DNV evaluation. Ms. Bishop reported DNV returned for a second evaluation of the Primary Stroke Center. The evaluation was an accreditation survey that is performed every three years. Ms. Bishop stated the MRHC Primary Stroke Center is one of nine in Oklahoma and the only Primary Stroke Center in SE Oklahoma. Dr. Sehgal stated overall the DNV evaluations went very well.

Chief of Staff Report:

Dr. Christopher Beene reported there was a lot of concern among the medical staff regarding the Internal Medicine Residency Program coming next year. He reported Mr. Frank Hilbert and Dr. Jason McElyea presented an overview of the program to the Medical Executive Committee. He stated the presentation was very informative to the physician leadership and addressed their concerns of not having the specialty base to support the program. He added MRHC is reaching out to other facilities for support including the VA who is very interested in supporting the program. In addition a new sepsis protocol has been implemented.

CEO Report:

Mr. David Keith opened the floor to Mr. Chris Whybrew, COO and Mr. David Wright an architect with Health Facility Group to present the emergency department (ED) replacement project. The presentation outlined the importance of building a new ED, project details, building design and research involved in the planning process. Mr. Whybrew stated the presentation was previously presented to the McAlester City Council and will go on the ballot in February for financing approval of the community. The vote will not generate any tax dollars to the community. Mr. Wright provided more details of the project processes and plan design. Mr. McBride stated before going to a vote, financial parameters need to be in place. He asked Mr. Keith and Mr. Darryl Linnington to prepare the requested documents and present to the next Finance Committee and Board meetings. Mr. Keith provided an update regarding ongoing discussions with Latimer County Hospital.

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. Sentinel events and root cause analysis ~ Kim Stout, CNO

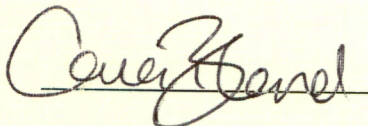
Motion was made at ~~7:30~~^{1:00} PM by (Lewis) and seconded (Shannon) to enter into Executive Session. The vote was taken as follows: Aye: Susan Kanard, Weldon Smith, Mary Shannon, Don Lewis, Mark Sehgal, MD, L.M. Milton, MD, Brent Grilliot, Evans McBride and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried unanimously. Other members present in the executive session: Elise Brennen, Legal Counsel, Chris Whybrew, David Keith, Frank Hilbert, George Rachal, Kim Stout, and John Gallagher.

A **motion** was made at 7:30 PM by (Sehgal) and seconded (Lewis) 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, Evans McBride and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

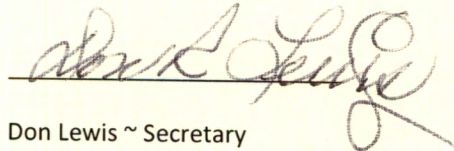
No Action was taken after Executive Session.

Adjournment:

With no further questions or business to come before the Board the meeting was adjourned at 6:30 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

* AS Amended

/sds