

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday March 02, 2016 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 02:20 PM, on Tuesday March 1, 2016.

TRUSTEES PRESENT:

Don Lewis, Secretary (entered meeting at 4:08) ~ Cara Bland, Chairperson ~ Susan Kanard ~ Weldon Smith ~ Mary Shannon ~ L.M. Milton, MD (entered meeting at 4:01) ~ Brent Grilliot ~ Evans McBride, Vice Chairman (entered meeting at 4:05), ~ Mark Sehgal, MD

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith, CEO, Sonya Stone, Recording Secretary ~ Darryl Linnington, CFO ~ Kandra Wells, Marketing Coordinator ~ Kim Stout, CNO ~ Christopher Whybrew, COO ~ Keith Mateychick, Facilities Director ~ Ryan Gathard, Foundation Director ~ Frank Hilbert, CIO ~ John Gallagher, Compliance Officer

OTHER ATTENDEES:

Elise Brennan, Legal Counsel ~ Mayor Steve Harrison, Dr. Jeremiah Jansen.

CALL TO ORDER:

Chairperson Bland called the meeting to order at 4:00 PM. She reported Mr. David Keith was recently recognized as a Top Rural CEO by Becker's Hospital Review. She extended congratulations to Mr. Keith on behalf of the Board. She stated it is good that our hospital is receiving recognition for accomplishments.

Public Comment:

None

Consent Agenda:

1. MRHCA Board of Trustees minutes for February 3, 2016.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments (Provisional) for one (1) year.
 - a. Paula Guinnip, MD ~ Affiliate Staff ~ Cardiovascular Surgery
 - b. Nitin Sawheny, MD ~ Active Staff ~ Internal Medicine/Hospitalist
 - c. Zubair Ahmad, MD ~ Affiliate Staff ~ Nephrology
 - d. Mark Boykin, MD ~ Affiliate Staff ~ Teleradiology
 - e. Kellley Ford, PA-C ~ Affiliate Staff ~ Physician Assistant under the supervision of Dennis Staggs, DO
 - f. Anand Khurana, MD ~ Affiliate Staff ~ Nephrology
 - g. Cody Neese, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of Twana Duncan, DDS
 - h. Jessica Perez, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of Twana Duncan, DDS
 - B. Approval of Reappointment:
 - a. Patrick Gannon, MD ~ Active Staff ~ Orthopedic Surgery
 - b. Jeremiah Jansen, MD ~ Active Staff ~ Radiology
 - c. Justin McCoy, MD ~ Active Staff ~ Radiology

d. Edward Brewer, MD ~ Affiliate Staff ~ Teleradiology

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

CEO Report:

Mr. David Keith reported he is working with the Oklahoma Hospital Association regarding Medicaid Expansion to build a plan to align the State in such a way to accept federal matching funds. He stated the goal is to put a very aggressive plan in front of the Legislators asking for their consideration in accepting federally matching funds to expand Medicaid. Mr. Keith shared the regional strategy regarding the future of the hospital. He stated the goal is to continue to move services beyond the primary service area and become a regional center. Mr. Keith reported we are graduating Family Medicine Residents a year with expectations to place our Residents out in the region to develop stronger relationships. Mr. Keith indicated a strong focus to improve the scheduling department. He stated an aggressive action plan has been developed to accelerate response times and improve customer satisfaction. A presentation on these and other improvements will be presented at the next board meeting. Mr. Keith reported having a conversation with Mr. Bruce Hall from First National Bank regarding the possibility of MRHC purchasing the Coppertop building. Mr. Hall has affirmed the bank is interested, and more discussion will be forthcoming. Mr. Keith reported that the state is favorable to our initiative to establish a virtual clinic for the school system. MRHC may be the first hospital in the State to provide this service. Mr. Keith reported the Administrative Executive Team is investigating concierge medicine in an effort to take a more retail approach to improved customer service. He reported a Business Case will be developed and presented in the near future. In closing Mr. Keith reported the hospital has received the Certificate of Need from the State for the Geri-Psych Unit. The hospital is working to recruit a Psychiatrist and develop the program. The program will serve a great need in the community.

Chief of Staff Report:

No report given.

Board QI Report:

Dr. Mark Sehgal commented on Mr. Keith's CEO report regarding scheduling. He reported scheduling has become a critical problem and a huge dissatisfier and he is glad the hospital has a plan to aggressively improve the scheduling process. Dr. Sehgal reported he is expecting results and accountability. Dr. Sehgal reported the Board QI Committee met. The HCAHP scores have not shown a great deal of improvement over the last few months; however we are in the 90th percentile. He stated he is pleased with the positive responses. He reported the hospital will be transitioning to a new national research company that will provide real time data. He expects to see an improvement in the score. He reported a group has been chosen to participate in an AIDET training program in an effort to make our patients feel like a valued customer when they are in our hospital. In closing he reported a new mid-level Nurse Practitioner was hired to lead the Transitional Care Program and will begin next week.

Audit & Corporate Compliance Committee Report:

Ms. Bland opened the floor to Mr. John Gallagher to provide a report on a recent Audit & Corporate Compliance Committee. Mr. Gallagher reported the committee met to discuss the compliance work plan for the upcoming year and to establish a regular meeting schedule. He stated per the compliance program all

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employees were required to complete an attestation for code of conduct. By signing the form, employees acknowledge they understand how to report compliance issues, what should be reported, and they are asked to document any compliance issue they are aware of. Department Leaders were also asked to complete an attestation form for their department acknowledging that their areas are compliant. Mr. Gallagher reported Compliance 360, a new tracking program for compliance issues went live March 1, 2016. The program will be managed by Mr. Gallagher and training on how to utilize the new program will be provided to leadership. Mr. Gallagher reported this year a primary focus will be placed on compliance education. He added he plans to attend all department meetings to familiarize the staff with recognizing the Compliance Officer and provide compliance education. In closing he reported the Compliance Committee. Mr. Gallagher reported the Compliance Team Committee made a recommendation to transition the Rehab Unit accreditation survey from CARF to DNV. The proposal will go through the approval process in the near future. He added Compliance Team Meeting will also be looking at adverse events in inpatient rehabilitation. He stated although the safety record is favorable in the inpatient rehabilitation unit, monitoring will be performed to look for opportunities to improve. In addition he reported that because OIG is placing a focus on response to natural disease and natural disasters. Likewise the compliance team will also focus on this area to make sure the hospital is meeting the minimum requirements and industry standards. Other things Mr. Gallagher will be focusing on is the electronic health system contingency plan, HIPPA security rules and making sure protocols are in place, home health billing, and the '2 to midnight rule' for inpatient stays. In closing he reported all employees will be required to complete a conflict of interest statement.

Financial Committee Report:

1. Financial Reports:

Mr. Linnington reported January was a good month. Net income exceeded budget by 8.9%; however the year to date net income for the system fell slightly short of budget. The combined revenues came in below budget by 1.7%. The overall operating expenses were consistent with the budget and the non-operating expenses took a loss due to market conditions. On the balance sheet, the Days-Cash-On-Hand increased to 166.2, an increase over the previous year of 130.2.

A **Motion** was made (Shannon) and seconded (Sehgal) to approve the financial report for January 31, 2016 as presented. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

2. Consideration of CER for Patient Beds:

Mr. Keith Mateychick presented a Capital Expenditure Request for the purchase of 22 new patient beds for the 2W unit. The beds will have built in bed alarms, scales for weight, and overhead bars for orthopedic patients. Bids were accepted from Umamo Medical, Styker Medical, Hill-Rom, and Health Care Equipment. The lowest bid from Umamo Medical was accepted in the amount of \$128,872.70. The bid comes with a 5-year parts and labor warranty. The requested amount exceeds the budget of \$92,000 by \$36,872.70. Mr. Mateychick reported the original plan was to repair the existing beds; however the beds were beyond life expectancy, replacement parts were nearing obsolescence and difficult to obtain, and some beds were unrepairable. He reported replacing the existing beds with new up-to-date beds would be a better use of fund. A **Motion** was made (Lewis) and seconded (Milton) to approve the Capital Expenditure Request for the replacement of 22 patient beds for the 2W unit at a cost of \$128,872.70 as presented. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

3. Consideration of CER for Cystoscopy Equipment:

Mr. Keith Mateychick presented a Capital Expenditure Request for cystoscopy equipment. The existing cystoscopy equipment is very old and requires frequent repairs. It is anticipated the new cystoscopy will decrease the amount of flash sterilizations required. Mr. Mateychick reported that initially the intention was to lease the cystoscopy equipment; therefore the expense was not included on the current capital budget. He reported due to high lease fees, and an inability to borrow due to the ongoing ED project, a decision was made to purchase the equipment. Bids were accepted from Richard Wolf, Karl Storz, and Olympus. Richard Wolf provided the lowest bid for the amount of \$186,786.49. Mr. Mateychick reported a capital substitution of \$186,786.49 will be taken from the CT scanner budget of \$800,000.00. He reported the equipment is being demonstrated. A **Motion** was made (Sehgal) and seconded (Grilliot) to approve the Capital Expenditure Request for Cystoscopy equipment at a cost of \$186,786.49 as presented. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

4. Consideration of ED Financing with Arvest Bank:

Mr. Linnington presented a proposal from Arvest Bank to finance the purchase of a Series 2016 Building Note to fund the new Emergency Department Project. Arvest Bank provided two options: A Bank-Qualified Series 2016 Note and a Non-Bank Qualified Series 2016 Note. Mr. McBride explained the difference in the two options are the hospital is a public trust entity of the City of McAlester, to qualify for a bank-qualified note the amount must be within the borrowing limit of the City of McAlester per fiscal year. Mr. McBride stated the Non-Bank Qualified Note offers a 20 year fixed interest rate of 3.23% which is an exceptional rate as well. He recommended acting as quickly as possible while interest rates are down. A **motion** was made (McBride) and seconded (Milton) to go forward with the financing offering by Arvest Bank either for Bank Qualified or Non-Bank Qualified based on the term sheet included in the meeting packet with a condition of acquiring an opinion from the City of McAlester's Bond Council on the tax exempt nature and whether it is Bank Qualified or Non-Bank Qualified. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

5. Consideration of Eufaula land purchase:

Mr. Chris Whybrew reported the Administrative Executive Team has been working on the regional strategy that places a focus on two communities; Eufaula and Atoka. He stated .46 acres of land has been located at 323 South Main Street in Eufaula, OK for \$115,000 plus some additional split closing costs. Mr. Whybrew reported a site plan is being developed by Winn and Associates to build a clinic on the property. He added the plan is to develop a Family Medicine Clinic with Urgent Care type services and a limited Imaging Center. Mr. Whybrew reported the closing date is scheduled for March 3, 2016 pending approval by the Board. He added the appraisal of the property did not arrive in time for the Board meeting but is expected to arrive prior to the closing meeting. A **motion** was made (Milton) and seconded (Sehgal) to approve the purchase of .46 acres of land located at 323 South Main Street in Eufaula, Oklahoma at a cost of \$115,000 plus additional split closing cost, pending receipt of an expected appraisal with a satisfactory amount. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

Presentation: Campus signage:

Mr. Chris Whybrew presented a power point regarding facility branding and way finding. He reported approximately 70,000 people traffic through our hospital per year. He stated at present our campus does not have a very good display of our brand, wayfinding is difficult and all the buildings look the same. Mr. Whybrew reported he is working with architects to identify some areas of improvement. He shared slides with examples of proposed monuments with branding options and locations. He stated the branding options will differentiate the main hospital from the SE Clinics, etc. In response to a question by Mr. Smith regarding wayfinding inside the hospital, Mr. Keith stated a plan is in place to utilize new employees to walk through the hospital and report difficulties with navigation. He added the interior wayfinding will be addressed at a later date.

Presentation: Ransomware attacks by Hackers:

Mr. Frank Hilbert reported one of the most common forms of malware is "ransomware" – cybercriminals trying to extort money from victims either by locking their devices and demanding a fee to release them, or by accusing them of various unpleasant crimes. He stated the growth of one particular strain of ransomware, Cryptolocker, accounts for over half of the ransomware encrypts that hold people's files for ransom and then demands money to unencrypt them. He added that holding encrypted files for ransom is not entirely new and has previously proven problematic for criminals to actually receive the ransom money. However recently, ransomware creators have started leveraging online and electronic payment systems such as Bitcoins, Webmoney, Ukash, and greendot (MoneyPak) to get around this challenge. Criminals like the relative anonymity and convenience of electronic payments and these are already readily available, putting businesses and consumers at greater risk from losing data, files or memories.

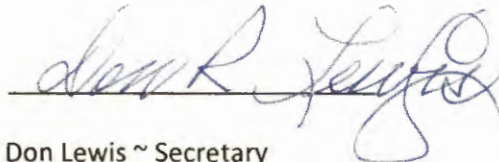
Mr. Hilbert reported ransomware can certainly be frightening, but there are many benign problems that can cause just as much destruction. He stated that is why it has always been, and always will be, best practice to protect yourself against data loss with regular backups and no matter what happens, you will be able to restart your digital life quickly. He closed by adding it is his hope that if anything good can come out of this ransomware trend, it is an understanding of an importance of performing regular, frequent backups to protect our valuable data. Mr. Keith reported he is working with the MRHC Foundation to generate support from the community to hold the cost of this project down.

New Business:

With no further questions or business to come before the Board the meeting was adjourned at 5:52 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

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