

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 06, 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 03:31 PM, on Tuesday April 05, 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 4:04) ~ Brent Grilliot ~ Evans McBride, Vice Chairman ~ Mark Sehgal, MD

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith ~ Sonya Stone, Recording Secretary ~ Darryl Linnington ~ Kandra Wells ~ Kim Stout ~ Christopher Whybrew ~ Keith Mateychick ~ Ryan Gathard ~ Frank Hilbert ~ John Gallagher ~ Stephanie Shelton ~ Dee Misrasi ~ Julie Powell ~ Shawn Howard.

OTHER ATTENDEES:

Elise Brennan, Legal Counsel (via Conference phone) ~ Shawn Keef, Dr Christopher Beene

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 March 2, 2016.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments (Provisional) for one (1) year.
 - a. Wesley Updike, MD ~ Active Staff ~ Emergency Medicine
 - b. Robert Gunderson, MD ~ Affiliate Staff ~ Orthopedic Surgery
 - c. Ewa Sawheny MD ~ Affiliate Staff ~ Pulmonology/Critical Care Medicine

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, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilliot, Don Lewis, and Cara Bland. Nay: None. Absent: L.M. Milton, MD. Abstain: None Chairperson Bland declared the **motion** carried.

CEO Report:

- A. **Strategic Report:** Mr. Keith reported last year hospitals took a 7.3/4% reduction in Medicaid rate, a 3% cut at the beginning of this fiscal year and it appears after a recent State decision there will be another 25% cut. The impact to this hospital will be approximately \$2.5M. He stated the Medicaid rate cuts is crippling the healthcare infrastructure of the state. Mr. Keith reported the Oklahoma Hospital Association (OHA) is working hard to push a campaign, Make OK Better.org, to raise awareness of the State's decision to not accept Federal matched funds from the Federal Government. He shared an OHA sponsored video showing how Medicaid rate cuts are affecting rural Oklahoma hospitals and families. He stated the OHA is doing everything they can to influence the State Legislators to accept Federal matched funds that will reduce the

Initials 

deficit and the impact on Sooner care and Medicaid. He reported Medicaid is approximately 15% of the revenue for MRHC and the next fiscal year budget beginning in June 2016 will start out \$2.5M in the hole. Mr. Keith made a commitment to the Board that patient safety and care will be protected; therefore reductions will be considered in other areas such as supply chain and the curtailing of initiatives and spending ~ Mr. Keith reported next month experts will arrive to help negotiate deals with BCBS. He reported there are several dynamics involved including the City of McAlester and Pittsburg County that could be affected. Mr. Keith stated he will provide more information in the near future ~ Mr. Keith reported he is considering telecommunication for report writers, coders, financial responsibilities, etc. in search of innovated ways to move forward in a cost effective way. He stated finding talent for certain positions is critical to our operation. Other organizations in the industry are utilizing telecommunication groups very successfully. In addition he is considering building the foundation for a consolidated telecommunication Business Office. He reported other hospitals are asking for our help with their revenue cycle and the telecommunication business office is a way to increase our expansion in SE Oklahoma, curve cost, and develop scale. He stated a Business Case will be presented to the Board in the near future ~ Mr. Keith reported the functional review for the surgery project has been submitted to the State and overall is progressing favorably ~ Jason Bray has accepted the position of Chief Informational Officer replacing Frank Hilbert. Mr. Bray is expected to arrive on April 25, 2016.

B. Follow up to Board Self-Assessment:

Mr. Keith provided a progress report regarding a Board Self-Assessment report that was developed by the Governance Institute approximately six months ago. He reviewed action plans and the current status for each area identified for improvement. The identified targets were found in the following areas: fiduciary duty of obedience, quality oversight, strategic direction, management oversight, community benefit and Board development.

C. Draft governance policies: Draft Audit Corporate & Compliance Committee, Draft Ad-Hoc Committees, Draft Quality Improvement Committee, and Draft Finance Committee.

Mr. John Gallagher reported following an update to the Board of Trustee By-Laws, it was determined that the Audit, Corporate & Compliance Committee, Quality Improvement Committee and Finance Committee would be the only standing committees; all others would be considered Ad-Hoc Committees. He stated the draft governance policies were updated to tie them to the Strategic Plan. The finalized policies will be presented for approval at the next Board of Trustee meeting. Mr. McBride recommended the policies be presented to the sub committees for review before coming back to the Board for final approval.

Chief of Staff Report:

Dr. Christopher Beene reported the Stewardship Committee met to discuss antibiotic usage and adverse outcomes which has been very successful. He added antibiotic usage has declined which decreased the hospital acquired infections which is very positive results. Dr. Beene stated the ST-segment elevation myocardial infarction (STEMI) program is growing and looking very promising for the future. Further discussion was held regarding the Cardiology program. Dr. Beene also reported the Medical Staff met to discuss the need for a Chief Medical Officer (CMO). He stated the CMO could help manage the medical staff, as well as help with consistency and communication. Mr. Keith proposed looking for a part time CMO with the educational component to grow into a full time position. He stated the medical staff will be intimately involved in the selection process.

Board QI Report:

Dr. Mark Sehgal reported the Stroke Protocol Team has a new nurse coordinator with a vast amount of experience from Saint Johns in Tulsa. He stated under the guidance of the new coordinator the program will continue to grow. Dr. Sehgal reported the Board QI Committee discussed ways to improve quality scores including the new AIDET initiative. Ms. Stout provided an overview of the AIDET program. Dr. Sehgal stated he can already see results of the AIDET program and he looks forward to sharing favorable reports in the future.

Education Presentation: Community Health Needs Assessment:

Ms. Kim Stout and Ms. Julie Powell presented a Community Health Needs Assessment. Ms. Stout reported a year ago when her team was working on the Transitional Care Program they realized grants were available; however a community Health needs assessment was needed before they could apply. Ms. Powell and Ms. Chelsea Bishop began working with the Pittsburg County Health Department to develop a team consisting of multiple healthcare providers, and business leaders in Pittsburg County. The team researched other community assessments and over a nine month period developed an assessment for Pittsburg County. Ms. Powell provided an overview of the assessment results. She added the results of the community assessment correlate with the direction the hospital has identified in the Strategic Plan. She closed by saying the Assessment will provide the needed information to begin applying for grants to grow the Transitional Care Program.

Education Presentation: New Website:

Mr. Chris Whybrew and Mr. Frank Hilbert provided a preview of the new website for the Board that went live on April 1, 2016. Mr. Whybrew reported the hospital utilized the Pleth Company to develop the website. He stated the website was designed to be interactive for patients from viewing medical records, finding a physician, donating to the Foundation, online bill paying, maps, or shopping on the online gift shop to list a few. Mr. Whybrew reported the Marketing Department will monitor the website for the next twelve months to assure all content is updated by each responsible department.

Education Presentation: Centralized Scheduling:

Mr. Linnington reported a team was put in place to determine a plan to resolve scheduling issues. He opened the floor to Ms. Dee Misrasi and Ms. Stephanie Shelton to present the plan to the Board. Ms. Shelton reported since implementing new protocols, answered phone calls has gone from 72-75% to 90-100% on a daily basis. Missed calls are being answered within a 48 hour window and productivity has increased by 45%. Ms. Misrasi reported new call system software will be implemented in two phases the first on April 26, 2016 that will track statistics that could not be done before. Phase 2 will provide a self-scheduling opportunity and will be implemented in September 2016.

Financial Committee Report:**1. Financial Reports for February 2016:**

Mr. Linnington provided an overview of the February 2016 financial reports. He reported the system and hospital net income for February fell short of target. The total operating expenses came in just slightly below budget as well. The ending total cash balance was \$36.237M, and the Days-of-cash-on-hand improved at 176.19. He stated total patient revenues came in unfavorably below budget. Mr. Linnington added as a result of evaluating supply contracts and moving some to a new GPO, the supplies were significantly lower, coming in at \$650,000 lighter than a year ago. He reported capital spending has been light so far; however there are several significant projects coming up. Additional discussion was held regarding a financial loss in the OB service line due to State cuts in Medicaid. Mr. Keith reported team members will evaluate the services and report back to the Board. A **Motion** was made (Grilliot) and seconded (Sehgal) to approve the financial report for February 2016 as presented. The vote was taken as follows: Aye: Susan Kanard, Evans McBride,

Initials



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 Portable Digital X-Ray:

Mr. Keith Mateychick presented a Capital Expenditure Request for a Digital Portable X-Ray Unit. The Digital Portable X-Ray Unit replaces an aging analog portable x-ray unit with a digital unit that minimizes patient delays and meets regulatory requirements. The new unit will allow ER and surgery physicians to see images once the exposure is made. Bids were accepted from Swissray and Carestream. Mr. Mateychick recommended the Swissray Company who presented the lowest bid of \$135,353 and who agreed to provide the requested two year warranty requirement. The Digital Portable X-Ray Unit bid came in below the budgeted amount of \$150,000. A **Motion** was made (McBride) and seconded (Shannon) to approve the Capital Expenditure Request for a Digital Portable X-Ray Unit from Swissray at a cost of \$135,353 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 Intra-Aortic Balloon Pump (IABP):

Mr. Keith Mateychick presented a Capital Expenditure Request for an Intra-Aortic Balloon Pump (IABP). Only one bid was received from Maquet Medical Systems in the amount of \$63,437.50. The IABP is need to transition from diagnostic program to an interventional cardiac program. The hospital is required to maintain an IABP on standby in the Cardiac Catheterization Unit. The IABP was not placed on the current Capital Budget as the need was not identified until after the budget was complete and approved. The capital is being taken from the purchase of the CT scanner. The CT scanner will not be purchased until the start of the upcoming fiscal year. Mr. Mateychick reported the IABP will travel on the helicopter with the patient. A **Motion** was made (Sehgal) and seconded (Lewis) to approve the Capital Expenditure Request for an Intra-Aortic Balloon Pump at a cost of \$63,437.50 from Maquet Medical Systems as presented. The amount requested will be substituted from the capital budget designated for a CT scanner. 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 CER for Bronchoscopy Tower:

Mr. Keith Mateychick presented a Capital Expenditure Request for a Bronchoscopy Tower. The Bronchoscopy Tower will be used in the Pulmonology Clinic. One bid was received from Olympus in the amount of \$172,416.78. The Bronchoscopy Tower was not included in the current capital budget due to the fact that the need was not addressed by the Pulmonologist until after the budget was completed and approved. The requested amount was substituted from the allocated capital budget for a CT scanner. A **Motion** was made (Sehgal) and seconded (Grilliot) to approve the Capital Expenditure Request for a Bronchoscopy Tower at a cost of \$172,416.78 from Olympus as presented. The amount requested will be substituted from the capital budget designated for a CT scanner. 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 CER for Nurse Communication System:

Mr. Keith Mateychick presented a Capital Expenditure Request for an Integrated Nurse Communication System. The Integrated Nurse Communication System will provide improved processes and communication with technology to improve nursing productivity and satisfaction. More time will be spent at the patient bedside, decreased noise levels, and quicker response times. One bid was received from Vocera in the amount of \$121,617.00. The Integrated Nurse Communication System was not included in the current capital budget due to the fact that the need was not discovered until after the budget was completed and approved. The requested amount was substituted from the allocated capital budget for the OB remodel. A **Motion** was made (Sehgal) and seconded (Lewis) to approve the Capital Expenditure Request for an Integrated Nurse Communication System at a cost of \$121,617.00 from Vocera as presented. The amount requested will be substituted from the capital budget designated for an OB remodel. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilloit, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

6. Consideration of CER for 3West Roof Replacement:

Mr. Keith Mateychick presented a Capital Expenditure Request for 3 West total Roof Replacement. The Roof Replacement on the 3West patient wing will be done by Alpine Roofing. Alpine Roofing offered a discounted rate of \$118,000 for the 3West roof because they were already on sight replacing the roof on the 3South wing. The roof replacement will have a 30 year warranty. Cost savings to the hospital is \$20,000. The requested amount for the 3West Roof Replacement was not placed on the Capital Budget due to fact it is an emergency purchase. The amount is being substituted for an allocated amount designated to a Sterilizer Upgrade that will be purchased in the next fiscal year. A **Motion** was made (McBride) and seconded (Milton) to approve the Capital Expenditure Request for an Integrated Nurse Communication System at a cost of \$121,617.00 from Vocera as presented. The amount requested will be substituted from the capital budget designated for a Sterilizer Upgrade. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilloit, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

7. Consideration of Office Leases for Suites 201, 204, and 3rd floor NW Corner:

Mr. Keith reported a policy is being developed that will allow Hospital administration to approve property leases without Board of Trustee approval; however lease renewals will be shared with the Board as informational purposes only. A **motion** was made (McBride) and seconded (Sehgal) to **table** approval of leases for room #201, room #204, and 3rd floor NW Corner and bring back to the Board as information only. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, Mary Shannon, Mark Sehgal, MD, Brent Grilloit, L.M. Milton, MD, Don Lewis, and Cara Bland. Nay: None. Absent: None. Abstain: None. Chairperson Bland declared the **motion** carried.

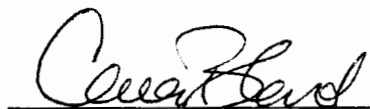
8. Consideration of Global Service Agreement for Radiology Equipment:

Mr. Keith Mateychick requested approval on a multi-vendor service agreement. Bids were opened from Jannx and Siemens. The bid from Jannx is recommended at a cost of \$680,643 for a one year agreement. This agreement will consolidate fifty one (51) pieces of equipment that are currently with eleven (11) vendors, under one service agreement. The hospital is currently paying \$980,602 for service agreements. A cost savings of \$ 299,959 will be generated the first year from the consolidation. Mr. Mateychick reported there will be additional cost savings opportunities in

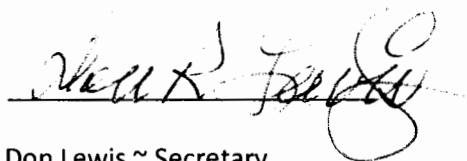
the near future when upgrades are completed on current equipment. A **motion** was made (McBride) and seconded (Shannon) to approve the global service agreement from Jannx at a cost of \$680,643 for the first year as presented. The vote was taken as follows: Aye: Susan Kanard, Evans McBride, Weldon Smith, 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.

New Business: None

With no further questions or business to come before the Board the meeting was adjourned at 6:17 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

/sds

Initials

