

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday May 04, 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 11:09 AM, on Tuesday May 03, 2016.

TRUSTEES PRESENT:

Don Lewis, Secretary (entered meeting at 4:04)~ Cara Bland, Chairperson ~ Susan Kanard ~ Weldon Smith ~ Mary Shannon ~ L.M. Milton, MD (entered meeting at 4:10) ~ 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 ~ Shawn Howard ~ Jason Bray.

OTHER ATTENDEES:

Elise Brennan, Legal Counsel ~ Dr Christopher Beene, Chief of Staff ~ Nate Ellis, Public Financing Attorney

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 April 6, 2016.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments (Provisional) for one (1) year.
 - a. Christie Griffin, APRN-CNP – Affiliate Staff – Nurse Practitioner under the supervision of Carol Gambrill, DO
 - b. Young Song, MD – Affiliate Staff - Teleradiology
 - c. Leah Torbett APRN-CNP - Affiliate Staff – Nurse Practitioner under the supervision of Carol Gambrill, DO
 - d. Hariprasad Trivedi, MD – Affiliate Staff – Nephrology
3. Appointment of Dr. Jason McElyea to Foundation Board.
4. Governance Policies as follows:
 - a. Audit Corporate & Compliance Committee policy
 - b. Ad Hoc Committee policy
 - c. Quality Improvement Committee policy
 - d. Finance Committee policy

A **Motion** was made (Smith) and seconded (Lewis) to remove item #4 from the consent agenda pending further review. 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.

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A **Motion** was made (Lewis) and seconded (Grilliot) to approve the Consent Agenda items one (1), two (2), and three (3) 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. Additional discussion was held regarding the Audit Corporate & Compliance policy. Mr. Smith questioned Paragraph C: a and b referring to a timeline for completion to the Annual Financial Audit and a timeline for reporting the Audit to the Board of Trustees. Also discussed was the Finance Committee policy. Mr. McBride reported the policy was not presented the Finance Committee. Mr. Gallagher agreed to bring the policy to the next Finance Committee for review. A **Motion** was made (Sehgal) and seconded (Lewis) to table all four Governance Policies until the next scheduled meeting as follows: Audit Corporate & Compliance Committee policy, Ad Hoc Committee policy, Quality Improvement Committee policy, Finance Committee policy. Ms. Bland requested the Chairs of each Committee communicate their recommendations with Mr. John Gallagher before the next meeting. 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.

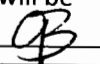
CEO Report:

1. Strategic Report:

Mr. David Keith announced Mr. Frank Hilbert will be leaving the organization in two weeks and his predecessor will be Mr. Jason Bray. Mr. Keith opened the floor to Mr. Bray who provided a brief synopsis of his background. Mr. Keith shared two board education opportunities to include a June meeting of OHA in Tulsa and a September meeting in Dallas with Vizient. Mr. Keith asked board members to attend at least one of the educational sessions. Mr. Keith also invited the Board to attend a graduation ceremony for the OSU Family Medicine Residents. The graduate ceremony takes place at the McAlester Country Club on June 23; beginning at 6 PM. Mr. Keith shared the new way finding signage and stated the signage with the new MRHC logo will be placed upon the building by July. He also shared a bulletin from the American Hospital Association which reported CMS issued a hospital inpatient perspective payment system rule that was recently deemed unlawful e.g., two midnight rule. The rule was reversed which will result in the return of 3.1 Billion to hospitals over the next 10 years, and a recoupment to MRHC of \$530,000. Mr. Keith reported the new MRHC website design provides measurable data that will reflect the number of visitors, referrals, bounce back rates, exit pages, and conversation rates. The information collected will allow the hospital to measure the Impact of Community engagement. A quarterly report will be provided to the Board by marketing representatives. Mr. Keith reported concerns about the upcoming budget and adverse impact from the following: Proposed Medicaid cut to rates of 25% which will reduce revenues by \$2.5M; reduction of BC/BS rates that would amount to over \$1M; and renegotiation of the Team Health Hospitalist contract. All of these events collectively could curtail several planned growth initiatives, capital spending and recruitment. Mr. Keith reported WebTPA has provided healthcare analytics of our employee population. As a result, Mr. Scott Lowe, Director of Human Resources has formed a team of physicians, nurses and others to use this data to develop new personnel plans and policies to favorably impact care delivery and better prepare us for our journey to "population health". The Board can expect a presentation by Mr. Scott this July or August.

2. Introduction n of Susann Gersdorf, Oklahoma Cancer Specialist & Research Institute:

Ms. Susann Gersdorf with the Oklahoma Cancer Specialists and Research Institute (OCSRI) formally Tulsa Cancer Institute (TCI) shared a presentation regarding the recent formation of a new group practice. Ms. Gersdorf reported the new group practice is the result of collaboration between TCI and Saint John Health System to care for all outpatient cancer patients as one entity. OCSRI will be

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able to sustain and strengthen a physician led; physician managed organization and creates a high quality, high value offering in the value-based reimbursement climate. Ms. Gersdorf stated the combined staff has over 40 years of experience in providing cancer care to Oklahoma. She added the new group has a significant presence in the research arena with access to OU Stephenson Center, a national designation. Ms. Gersdorf stated the organization is also connected to MD Anderson. She closed by stating she is looking forward to building a stronger program in McAlester and expanding the cancer care services. Mr. Keith added that Ms. Gersdorf and Chris Whybrew are preparing a business case and plan for the expansion of cancer services for Southeastern Oklahoma. The Board can expect a presentation on the plan by August.

Chief of Staff Report:

Dr. Christopher Beene reported April was a busy month for meetings. He stated the Hospitalist has been very involved and their interactions have been positive. Their input is helping to change the way physicians provide healthcare. He also stated there was positive feedback from the medical staff regarding their meetings with Mr. Keith in regards to the future of healthcare. He reported there are several projects under development in the Medical Committees including a newly formed Trauma Committee.

Board QI Report:

Dr. Mark Sehgal reported the Quality Committee met in April. He stated a Trauma Committee was established to improve quality and the trauma services. The Committee is comprised of general and orthopedic surgeons, OB/GYN providers, and other key staff. He stated the Committee will provide structure and leadership to the service. Dr. Sehgal provided a brief overview of the hospital's quality scores.

Financial Committee Report:

1. Financial Reports for March 2016:

Mr. Linnington provided the financial report for March 2016. He reported the net income compared to budget was unfavorable with the McAlester Medical Services, LLC taking a loss. The systems operating expenses was also unfavorable by 4.6%. The ending Days-of-Cash-on-hand was 173.18. He stated that March's stronger patient volume resulted in increased hospital patient revenue that exceeded budget. A **Motion** was made (Sehgal) and seconded (Smith) to approve the financial report for March 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. Consider and take action with respect to a resolution authorizing the McAlester Regional Health Center Authority (the "Authority") to issue its hospital revenue note, series 2016 (the "note") in the aggregate principal amount of \$8,600,000; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; approving and authorizing execution of an indenture authorizing the issuance and securing the payment of the note; providing that the organizational document creating the authority is subject to the provisions of the indenture; approving and authorizing the execution of an amended lease agreement and operation and maintenance contract by and between the authority and the city of McAlester, Oklahoma pertaining to the hospital facilities; establishing the authority's reasonable expectation with respect to the issuance of tax-exempt obligations by the authority in calendar year 2016, and designating the note as a qualified tax-exempt obligation; authorizing and directing the execution of the note and other documents relating to the transaction, including professional services agreements; and containing other provisions relating thereto.

Mr. McBride reported the Finance Committee reviewed and recommended the resolution be forwarded to the Board of Trustees for approval. A **Motion** was made (McBride) and seconded

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(Smith) to approve the resolution authorizing the McAlester Regional Health Center Authority (the "Authority") to issue its hospital revenue note, series 2016 (the "note") in the aggregate principal amount of \$8,600,000; waiving competitive bidding and authorizing the note to be sold on a negotiated basis; approving and authorizing execution of an indenture authorizing the issuance and securing the payment of the note; providing that the organizational document creating the authority is subject to the provisions of the indenture; approving and authorizing the execution of an amended lease agreement and operation and maintenance contract by and between the authority and the city of McAlester, Oklahoma pertaining to the hospital facilities; establishing the authority's reasonable expectation with respect to the issuance of tax-exempt obligations by the authority in calendar year 2016, and designating the note as a qualified tax-exempt obligation; authorizing and directing the execution of the note and other documents relating to the transaction, including professional services agreements; and containing other provisions relating thereto 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 Construction Project Expenditure (CPER) for Health Facility Group (HFG) project architectural fees as follow: Surgery/SPD project, Geri-Psych project, ED Replacement project:


Mr. Keith Mateychick presented three Construction Project Expenditure Requests for HFG architectural project fees for a Surgery/SPD project for \$120,000, Geri-Psych project for \$85,500, and ED Replacement project for \$502,450 as presented. A **Motion** was made (Shannon) and seconded (Sehgal) to approve the Construction Project Expenditure Requests for the following: HFG Fees for Surgery/SPD project for \$120,000, HFG fees for Geri-Psych project for \$85,500, HFG fee for ED Replacement project for \$502,450 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 Construction Project Expenditure Request (CPER) for Manhattan Construction Management fees as follows: Surgery/SPD, Geri-Psych, ED Replacement:

Mr. Keith Mateychick presented three Construction Project Expenditure Requests for Manhattan management project fees for a Surgery/SPD project for \$78,750, Geri-Psych project for \$78,750, and ED Replacement project for \$462,000. A **Motion** was made (Milton) and seconded (Sehgal) to approve the Manhattan management project fees for a Surgery/SPD project for \$78,750, Geri-Psych project for \$78,750, and ED Replacement project for \$462,000 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.

5. Consideration of CPER for McFarland Fees for 3West Renovation:

Mr. Keith Mateychick presented a Construction Project Expenditure Request for McFarland Architectural Fees for 3West Nursing Unit renovation at a cost of \$56,500. A **Motion** was made (Sehgal) and seconded (Lewis) to approve the Construction Project Expenditure Request for McFarland Architectural Fees for 3West Nursing Unit renovation at a cost of \$56,500 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.

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6. Consideration of CPER for Wynn Fees for Eufaula Urgent Care:

Mr. Keith Mateychick presented a Construction Project Expenditure Request for Wynn Associates architectural fees for Eufaula Urgent Care project at a cost of \$31,500.

A **Motion** was made (Grilliot) and seconded (Sehgal) to approve the Construction Project Expenditure Request for Wynn Associates architectural fees for Eufaula Urgent Care project at a cost of \$31,500 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.

7. Consideration of CER for Tissue Processor:

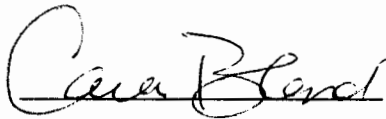
Mr. Keith Mateychick presented a Capital Expenditure Request for TissueTek VIP 6 Tissue Processor. He stated this is a replacement item at a cost of 55,000 after a \$500 trade in recoupment.

A **motion** was made (Sehgal) and seconded (Kanard) to approve the Capital Expenditure Request for TissueTek VIP 6 Tissue Processor at a cost of \$55,000 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.

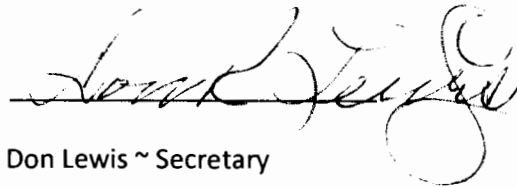
New Business:

Mr. Nate Ellis, Public Financing Attorney requested signatures from each Board member. Mr. Ellis distributed a form, "Acceptance of the role of MRHCA Board of Trustee", that correlates with agenda Item #2 of the Financial Report. Mr. Ellis stated the form is official procedure that will be included in the financial portfolio.

With no further questions or business to come before the Board the meeting was adjourned at 6:04 PM.



Cara Bland ~ Chairperson



Don Lewis ~ Secretary

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