

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday August 03, 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 03:17 PM, on Tuesday August 02, 2016.

TRUSTEES PRESENT:

Weldon Smith, Chairperson ~ Mary Shannon, Vice Chairman ~ Brent Grilliot, Secretary ~ Cara Bland ~ L.M. Milton, MD ~ Don Lewis

TRUSTEES ABSENT: Mark Sehgal, MD, Evans McBride, Susan Kanard.

HOSPITAL STAFF:

David Keith ~ Sonya Stone, Recording Secretary ~ Darryl Linnington ~ Kim Stout ~ Ryan Gathard ~ John Gallagher ~ Jason Bray ~ Scott Lowe ~ Kandra Wells ~ David Mak ~ Chris Whybrew, Chris Plunkett ~ Kelly Squyres

OTHER ATTENDEES:

Elise Brennan, Legal Counsel ~ Dr Christopher Beene, Chief of Staff ~ David Dishman, McAlester News Capital

CALL TO ORDER:

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

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for July 6, 2016.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments (Provisional) for one (1) year:
 - a. Julia Dry, MD – Affiliate Staff – Radiology
 - b. Lee Meier, CRNA - Affiliate Staff – Nurse Anesthetist
 - c. Steven Newsome, CRNA – Affiliate Staff - Nurse Anesthetist
 - d. Michael Vengrow, MD – Affiliate Staff – Neurology-EG Interpretation
 - B. Approval of Reappointment for Two (2) years:
 - a. David Doyle, MD – Active Staff – OB/Gynecology
 - b. Johnny Johnston, MD – Active Staff – Pediatrics
 - c. Norman McAlester, MD – Active Staff – Emergency Medicine
 - d. Bhavik Patel, MD – Active Staff – Internal Medicine/Hospitalist
 - e. Gerald Rana, DO – Active Staff – Family Medicine
 - f. Dennis Staggs, DO – Active Staff – Emergency Medicine/Wound Care
 - g. Jason Eves, MD – Affiliate Staff – Teleradiology
 - h. Stephanie Fassino, Dental Assistant – Affiliate Staff – Dental Assistant under the supervision of Brent Miller, DDS

- i. Diane Hamburg, Dental Assistant – Affiliate Staff – Dental Assistant under the supervision of Brent Miller, DDS
- j. Melanie Hutchins, Dental Assistant - Affiliate Staff – Dental Assistant under the supervision of Janna McIntosh, DDS
- k. Linda Mayo, Dental Assistant – Affiliate Staff – Dental Assistant under the supervision of Janna McIntosh, DDS
- l. Paul Sherman, MD – Affiliate Staff – Teleradiology
- m. Darren Shirley, MD – Affiliate Staff – Teleradiology
- n. Charles Strnad, MD – Affiliate Staff – Oncology
- o. Kevin Weibel, DO – Affiliate Staff – Oncology
- p. William Wynn, DDS – Affiliate Staff – General Dentistry

C. Approval of Advancement as follows:

- a. Victoria Keeton, DO – Active Staff – Emergency Medicine – Two years
- b. James Jang, DO – Active Staff – Family Medicine – Two years
- c. Bilal Piracha, MD – Active Staff – Family Medicine/Hospitalist- One year remain in provisional.

3. Approval of Conflict of Interest Policy

4. Appointment of Mr. Richard Lerblance to the MRHC Foundation Board of Directors

Mr. Smith recommended the removal of item #3 from the consent agenda pending further discussion. A **Motion** was made (Lewis) and seconded (Shannon) to remove item #3 from the consent agenda and approve items one (1), two (2), and four (4) of the consent agenda as presented. The vote was taken as follows: Aye: Don Lewis, Mary Shannon, Cara Bland, Brent Grilliot, and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD, Evans McBride, and Susan Kanard. Abstain: L.M Milton, MD. Chairperson Smith declared the **motion** carried.

Chairman Smith recommended the approval of the Conflict of Interest Policy pending further review of the addendums to the Policy. He recommended the addendums be placed on the next agenda. A **Motion** was made (Milton) and seconded (Grilliot) to approve the Conflict of Interest Policy as presented pending further review of the addendums to the policy. The vote was taken as follows: Aye: L.M. Milton, MD, Brent Grilliot, Cara Bland, Don Lewis, Mary Shannon and Weldon Smith. Nay: None. Absent: Mark Sehgal, MD, Susan Kanard, and Evans McBride. Abstain: None. Chairperson Smith declared the **motion** carried.

Education:

1. **Performance Improvement Analysis for Home Health:**

Ms. Kim Stout introduced Mr. Chris Plunkett, Marketing Director and Ms. Kelly Squyres, Home Health Director who presented a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis for Home Health. Mr. Plunkett reported the MRHC Home Health markets physicians in seventeen (17) counties, or sixty five (65) mile radius from McAlester. Highlights of the presentation included the implementing a new McKesson computer

software program which will improve assessment and other documentation more accurately and efficiently. Mr. Plunkett and Ms. Squyres indicated a need to develop a long-term business plan to expand services across the Region. Currently, McAlester Home Health services primarily McAlester and Eufaula. The plan will also include the expansion of Hospice services. Mr. Smith made a suggestion to include revenue trending, timelines, milestones, goals, and quality measures to future presentations.

2. MACRA /MIPS update

Ms. Stout reported that MRHC would need to make a commitment by the end of this calendar year to either engage in MIPS (Merit-based Incentive Payment System) or APM (Alternative Payment Model), as part of the MACRA (Medicare Access and Chip Reauthorization Act of 2015.) MACRA is the quality payment program devised by CMS (Centers for Medicare and Medicaid) to promote a value based system for physicians, much like the VBP (Value Based Purchasing) program for

hospitals. MACRA replaces the former physician SGR payment system (Sustainable Growth Rate). In essence, beginning January 2017, physician payments will be tied more directly to quality and

value than fee-for service. Over the next few weeks, Administration will need to determine if MRHC participates in the MIPS or APM program. The Board can expect additional presentation(s) on both MIPS and APMS in the very near future.

CEO Strategic Report:

1. CEO verbal update:

Mr. Keith provided the Board a verbal update. He reported Heartland Risk Reciprocal and the Indiana Risk Reciprocal Groups have decided to move forward with a merger. The merger, which will conclude by January 2017 will increase the number of hospital participants from five to ten. Mr. Keith stated he was invited to sit on the Board of this newly established group. The Sale of the McAlester Regional Dialysis Center is still ongoing and expected to wrap up in the next thirty (30) days. Mr. Keith stated the hospital will sell all fifty percent (50%) shares in the Joint Venture. He stated the hospital will remain involved with Dr. McCauley in a real estate joint venture of mutually owned property. Mr. Keith reported the hospital is very close to an agreement with Eastern Oklahoma Medical Center in Poteau to provide management services.. He added MRHC is also having discussions with other hospitals interested in our services, e.g., revenue cycle. Mr. Keith reported the Atoka hospital has reached out to our hospital for help following the resignation of their CEO. Mr. Keith stated he will share more information as it becomes available. The Eufaula property has been cleared and construction is expected to begin by October. He reported the Team Health transition is going smoothly with seventeen (17) out of nineteen (19) physician commitment letters received. Mr. Keith added he does not expect to have gaps in service that require the need for locum coverage. In closing he stated the Business and Service Line Development Committee will meet next week to review a proposal on the Cancer Center expansion project.

2. Strategy: Physician Alignment & Engagement:

Mr. Keith presented a status report on Strategy 1: physician alignment and engagement. The presentation described activities related to the following five goals: Strategy 1's goals and objectives, which included establishment of a physician LLC and organization; establish compensation models that incentivizes quality, customer service and efficiency, and align the interest of physicians and hospital; establish a primary care provider plan that meets the community need and increases patient access; establish a specialty physician plan that meets the community need for local access to specialist and subspecialists; and achieve high levels of physician satisfaction, cooperation, and retention.

3. Long Term Care Proposal:

Mr. Linnington presented a proposal for Long Term Care. He reported a new Long Term Care facility is needed in the area and makes sense due to the following factors: an aging population; local owners are selling to out of state owners; local facilities are aging and less attractive; state rates have not kept pace; and a potential funding opportunity is available with the UPL (Upper payment limit). . Mr. Linnington reported primary goals have been set that will enhance long term care options for the people of the City of McAlester and will garner resources by entering the UPL program through lease or operating agreements with long term care providers. He also added the ultimate goal is to build a new attractive and state of the art facility on our campus through a

partnership. Mr. Linnington explained what UPL is, how it works, and eligibility requirements that are being vetted by the hospital attorney. He described the benefits and opportunities of a partnership, Long Term Care market, the structure of the partnership, and pre-conditions that will

be addressed in advance of a partnership. Mr. Linnington reported a Long Term Care Facility on campus will enhance the transition of care and continuity of care for our patients.

Chief of Staff Report:

Dr. Christopher Beene reported the Team Health transition is going well and the Medical Staff is very pleased. He stated new Resident Program Interns started last month and he is hearing positive feedback. He reported the Stewardship program is showing successful results in reducing falls and rapid responses.

Board QI Report:

In the absence of Mark Sehgal, MD, the Board QI report was tabled.

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

Mr. David Mak provided the financial report for June 2016. Mr. Mak reported the June 2016 is a preliminary unaudited end of the year report. At Present, a team of auditors are

performing an audit and they are expected to conclude in two weeks. He stated the hospital has had very good financial performance in FY 2016, Mr. Mak reported the fiscal year closed with 160.1 Days of Cash On Hand and the unrestricted cash increased from the prior year. He reported the Debt Service Coverage Ratio ended the year at 13.8 which is a decrease from last year due to the addition of \$8.6M notes payable for the ED Project. Mr. Mak shared the Patient Revenue and Costs per Admission showing a slight increase over last year. He stated the report clearly reflects the need to decrease labor and supply cost. He added the increase also was the result of several non-recurring projects and consulting expenses. Mr. Mak provided an overview of the Payor Mix percentage and emphasized the need to maintain commercial insurance utilization. He closed his presentation by stating the combined net accounts receivable decreased from the prior year.

A motion was made (Bland) and seconded (Grilliot) to approve the May 2016 Financial Reports as presented. The vote was taken as follows: Yea: Cara Bland, Brent Grilliot, Don Lewis, L.M. Milton, MD, Mary Shannon, and Weldon Smith. Nays: None. Abstain: None. Absent: Evans McBride, Mark Sehgal, MD, and Susan Kanard. **Motion carried.**

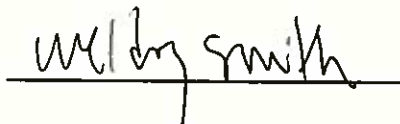
2. Corrected FY 2017 Capital Budget:

Mr. Darryl Linnington reported there was an error on the FY 2017 Capital Budget that was previously presented. He provided a corrected FY 2017 Capital Budget for approval. He reported the items removed were as follows: Lab equipment item, ultrasound bariatric bed, carpet replacement, and an EKG. The items added were as follows: roof replacement for Van Buren House and Sleep Lab & Outpatient Rehab Services, and replacement of cooling tower. A Motion was made (Bland) and seconded (Lewis) to approve the FY 2017 Operating and Capital Budget as presented. The vote was taken as follows: Yea: Cara Bland, Don Lewis, Mary Shannon, L.M. Milton, MD, Brent Grilliot, and Weldon Smith. Nay: None. Absent: Evans McBride, Mark Sehgal, MD, and Susan Kanard. Abstain: None. Chairperson Smith declared the motion carried.


New Business: None

Adjournment:

With no further questions or business to come before the Board, a motion was made to adjourn the meeting at 6:43 PM. The vote was taken as follows: Mary Shannon, L.M. Milton, MD, Don Lewis, Brent Grilliot, Cara Bland, and Weldon Smith. Nays: None. Abstain: None. Absent: Evans McBride, Mark Sehgal, MD, and Susan Kanard. **Motion carried.**



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

Initials _____