

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday September 07, 2016 at McAlester Center in the Administration Board Room. Public notice, setting forth thereon the day, time and place for Regional Health this regular meeting had been delivered to the office of the City Clerk at 02:06 PM, on Tuesday September 06, 2016.

**TRUSTEES PRESENT:**

Weldon Smith, Chairperson ~ Brent Grilliot, Secretary ~ Cara Bland ~ L.M. Milton, MD ~ Don Lewis ~ Mark Sehgal, MD ~ Evans McBride ~ Susan Kanard.

**TRUSTEES ABSENT:** Mary Shannon, Vice Chairman

**HOSPITAL STAFF:**

David Keith ~ Sonya Stone, Recording Secretary ~ Darryl Linnington ~ Kim Stout ~ Jason Bray ~ Scott Lowe ~ Kandra Wells ~ David Mak ~ Chris Whybrew ~ Shawn Howard ~ Greg McNall

**OTHER ATTENDEES:**

Elise Brennan, Legal Counsel ~ Dr Christopher Beene, Chief of Staff ~ Dr. David Kendrick, OHA

**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 August 3, 2016.
2. Medical Staff credentialing appointments as follows:
  - A. Approval of appointments of (Provisional) privileges for one (1) year per the recommendation of the Medical Executive Committee.
    - a. Lee Alice Goscin MD – Affiliate Staff – Internal Medicine
    - b. Bret Frey, MD - Active Staff – Orthopedic Surgery
    - c. Bryan Lucenta, MD – Active Staff - Cardiovascular Disease
    - d. David Board, MD – Affiliate Staff – Teleradiology
    - e. Blake Wilson, CRNA \_ Affiliate Staff – Nurse Anesthetist
  - B. Approval of Reappointment privileges for Two (2) years per the recommendation of the Medical Executive Committee.
    - a. Richard Beatty, DPM – Affiliate Staff – Podiatry
    - b. Richard Carregal, DO – Affiliate Staff – Teleradiology
    - c. Morgan Haile, MD – Affiliate Staff – Teleradiology
    - d. Stanley Higgins, MD – Affiliate Staff – Teleradiology
    - e. Thomas Seay, MD – Affiliate Staff – Teleradiology
    - f. Smitha Sonni, MD – Affiliate Staff - Teleradiology
  - C. Approval of Advancement as follows per the recommendation of the Medical Executive Committee.
    - a. Yunus Moosa, MD – Active Staff – Cardiovascular Disease
    - b. Mario Topolko, MD – Active Staff – Family Medicine/Hospitalist
3. Appointment of Teresa Jackson to the MRHC Foundation Board of Directors

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4. Statement of Commitments: Trauma Center
5. Conflict of Interest policy exhibits

Mr. Smith recommended the removal of item #4 from the consent agenda pending further discussion. A **Motion** was made (Kanard) and seconded (Grilliot) to remove item #4 from the consent agenda and approve items one (1), two (2), three (3) and five (5) of the consent agenda as presented. The vote was taken as follows: Aye: Susan Kanard, Brent Grilliot, Mark Sehgal, MD, Evans McBride, Cara Bland, Don Lewis, and Weldon Smith. Nay: None. Absent: Mary Shannon. Abstain: L. M. Milton, MD. Chairperson Smith declared the **motion** carried.

Chairman Smith requested additional information regarding the Statement of Commitment for the Trauma Center. Mr. Whybrew, Chief Development Officer stated that the Medical Staff established a sub-committee for trauma services to address recommendations from a recent trauma survey. The survey recommended the development of a more robust trauma service to coincide with the new Emergency Center. The Medical Staff would like to begin formalizing and building trauma services over the next ten to fifteen years that meets the American College of Surgeons recommendations for Trauma Services. He stated as part of these recommendations the Board of Trustees, Medical Staff, and respected physicians will be asked to sign the Statement of Commitment. Mr. Keith stated the Statement of Commitment is non-binding and only articulates our support. Mr. Keith reminded the Board that increasing our Trauma services is strategic in nature. A **Motion** was made (Milton) and seconded (Grilliot) to approve the Statement of Commitment for the Trauma Services as presented. The vote was taken as follows: Aye: L.M. Milton, MD, Brent Grilliot, Mark Sehgal, MD, Evans McBride, Don Lewis, Susan Kanard, Cara Bland, and Weldon Smith. Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

#### Education:

##### **Alternative Payment Models:**

Mr. Jason Bray, Chief Information Officer introduced Dr. David Kendrick as an affiliate of OU Medical Center, a practicing pediatrician, and an expert on the My Health Access Network program. Dr. Kendrick briefly described how Meaningful Use, Affordable Care Act, and MACRA legislation is driving electronic payments based on clinical and outcomes performance. He reported that physicians will be required to enter into value based programs by January 1, 2016 – similar to hospital value based programs. Physicians will have two routes which they can participate in the Medicare program. MACRA allows for participation in Merit-Based Incentive Payment System (MIPS) program, which factors in 4 weighted performance categories to determine a Composite Performance Score. Dr. Kendrick also described the Alternative Payment Models (APMs), which are risk-based models that reimburse for quality and value outcomes. Dr. Kendrick indicated the choice for physicians basically relates to the quality of their electronic medical record and IT systems. Dr. Kendrick provided an overview of the program and how components work together to improve quality and values, incentivizes physicians, and reduce cost. Kim Stout, Chief Nursing Officer indicated that MRHC will be evaluating MIPS and APM; however will most likely pursue an existing Oklahoma APM called CPC Plus.

##### CEO Strategic Report:

Mr. Keith, Chief Executive Officer offered to forgo an overview of his report, due to time constraints. He encouraged the Board to read his report and ask questions they may have at the conclusion of the Board meeting.

##### Chief of Staff Report:

Dr. Christopher Beene reported that August was a busy month. He reported a multidisciplinary group traveled to Saint Francis and OU Medical Center to observe their trauma services in an effort to build a more robust program at MRHC. He stated the hospital is a Level III Trauma Center and the primary goal at this time is to streamline trauma services to provide better care and improve processes for our patients. Dr. Beene stated the Statement of Commitment that was approved earlier in the meeting is to bring attention and recognize the development towards a more advanced Level II Trauma Center over the next 10-15 years.

**Board QI Report:**

Dr. Mark Sehgal stated he was not present for the Board QI Committee meeting; however he deferred the report to Ms. Cara Bland. Ms. Bland reported the HCAHPS report was not available for the meeting; however an unfavorable Surgical Site Infection report card was presented and discussed. She opened the floor to Ms. Kim Stout who provided a report regarding a recent trip to Charleston, West Virginia. Ms. Stout reported Charleston Area Medical Center (CAMC) was awarded the 2015 Malcolm Baldrige National Quality Award, one of the most prestigious national awards for performance excellence. She reported CAMC opens their doors for other hospitals to visit their site and observe their successful performance strategies. Ms. Stout was joined by Ms. Chelsea Bishop and Ms. Heather French on the trip to CAMC. The group brought back an abundance of information which will be helpful as we evaluate MRHC's quality management program. Ms. Stout reported she was very proud of our hospital while touring CAMC because she discovered our hospital is ahead of them in other areas, such as ISO certification.

**Personnel Committee Report:**

**FY 2016 Performance Incentive Plan Results:**

Mr. Scott Lowe, Human Resource Director presented the 2016 Performance Incentive Plan Results, ending June 30, 2016. He reported the hospital fell short of meeting the trigger goals in stewardship, patient safety, workforce, hospital environment, patient experience, and transitional care. He added as a result there will be no performance bonuses awarded to the Administration Executive Team or to Managers and Directors.

Mr. Keith reported the targets that were set at the National Benchmark at the beginning of the fiscal year were stretch goals and perceived unachievable. He added our hospital was competing against other hospitals that were improving as/more rapidly. He stated although we fell slightly short of the target goals set, we continue to trend favorably year over year. Mr. Keith reported aside from the performance incentive opportunity that was not achieved by leadership, there will be a merit pay increase and a \$200 bonus issued to all MRHC employees.

**FY 2017 Performance Incentive Plan for Leadership and Executives:**

Mr. Scott Lowe presented the 2017 Performance Incentive Plan. He outlined who will have the opportunity to participate in the incentive plan and the guidelines for achievement. He reported the incentive targets for FY 2017 include indicators in the following Categories: Safety, Quality, Customer Service, Financial and Human Resources.

**Leadership:**

Mr. Lowe shared a scoring grid for Leadership that outlined the payout for the proposed target/target plus goals. The significant changes this year include lowering the trigger, such that other measures other than the financial goal, would be eligible for payout; and more weighted emphasize will be placed on quality and customer service indicators. Following discussion regarding the scoring grid, Mr. Evans McBride recommended a 75 Days Cash on Hand trigger to be included in the FY 2017 plan. Following direction of the Board, Mr. Keith recommended increasing the total achievable target for Leaders (middle management) from \$8,000 to \$10,000, and spreading the balance among the quality and customer services indicators proportionately among target and target plus.

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A **Motion** was made (Milton) and seconded (Sehgal) to approve the FY 2017 Performance Incentive Plan for Managers as presented to include the following revisions: increase the total achievable target from \$8,000 to \$10,000 and spreading the balance among the quality and customer services indicators proportionately among target and target plus, and adding the indicator of 75 Days Cash on Hand to the plan.

The vote was taken as follows: Yea: L.M. Milton, M.D., Mark Sehgal, M.D., Cara Bland, Brent Grilliot, Susan Kanard, Don Lewis, Evans McBride, and Weldon Smith Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

#### **Executives:**

Mr. Scott Lowe presented the Scoring Grid for Executives. Following review, Mr. Evans McBride recommended approving FY 2017 Performance Incentive Plan as presented with the addition of a 75 Days Cash on Hand. A **Motion** was made (Milton) and seconded (Sehgal) to approve the FY 2017 Performance Incentive Plan for Executives as presented with the addition of a 75 Days Cash on Hand. The vote was taken as follows: Yea: Evans McBride, L.M. Milton, M.D., Cara Bland, Brent Grilliot, Susan Kanard, Don Lewis, Mark Sehgal, M.D., and Weldon Smith Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

#### **FY 2017 Medical Plan for Employees:**

Mr. Scott Lowe presented a review of the 2016 Health Plan and recommendations for the 2017 Health Plan. He provided the Board statistics on claims for employees and dependents to include ER visits, hospital admissions, and hospital bed days. Mr. Lowe stated several ER visits and inpatient admissions can be preventable and there could be a significant cost savings by steering employees and dependents away from the ER and towards Urgent Care and Primary Care Clinics. He shared the top 5 chronic conditions based on claims data and described how new plan will provide disease management for chronic health groups. He added the new plan is structured to focus on preventive care. Mr. Lowe added the plan offer rewards for participating in wellness initiatives that could result in lower insurance premiums and other incentives for being healthy or improving health.

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

#### **Finance Committee Report:**

##### **Financial Report for July 2016:**

Mr. McBride reported an investment review was provided to the Finance Committee. He stated for the last twelve months the yield is respectable and he is very pleased with the investment performance. He turned the floor over to Mr. David Mak who provided an overview of the financial report for July 2016. Mr. Mak reported the month of July was close to budget and financially positive. Days Cash on Hand trended upward at 161 days; Debt Service Coverage Ratio was 1:8 which is far above the requirement due to notes payable for the ED project. Mr. Mak reported patient volume fell slightly in admissions and surgeries in July; however volume is picking up in August. He reported the patient revenue and costs per admissions has increased 10% per patient over the past three years and Accounts Receivable Days increased from the prior year. In closing Mr. Mak provided an overview of the Statement of Operations. A **Motion** was made (McBride) and seconded (Milton) to approve the July 2016 Financial reports as presented. The vote was taken as follows: Yea: Evans McBride, L.M. Milton, M.D., Susan Kanard, Brent Grilliot, Cara Bland, Mark Sehgal, M.D., Don Lewis, and Weldon Smith. Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

**CER for Hitachi CT Scanner Replacement:**

Mr. Greg McNall presented a CER for a CT scanner to replace the current equipment. MRHC appropriately advertised resulting in bids from Hitachi Medical Systems, Siemens Healthcare and Philips. Philips did not meet RFP specifications. Mr. McNall requested Board approval for the Hitachi Medical Systems with the lowest bid of \$695,000. A **Motion** was made (McBride) and seconded (Milton) to approve the CER for CT scanner from Hitachi Medical Systems at a cost of \$695,000 as presented. The vote was taken as follows: Yea: Evans McBride, L.M. Milton, M.D., Mark Sehgal, M.D., Susan Kanard, Cara Bland, Don Lewis, Brent Grilliot, and Weldon Smith. Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

**CER for Echo Machine:**

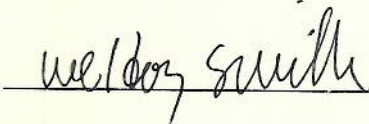
Mr. Greg McNall presented a CER for two (2) cardio echo machines to replace the current echo units. MRHC appropriately advertised and bids were received from Phillips, GE Healthcare, and Siemens Healthcare Diagnostic. GE Healthcare submitted the lowest bid of \$219,228.85 for two units. Mr. McNall reported only one cardiac echo unit was budgeted at \$160,000; however a second echo unit will improve reliability, workflow, and physician and patient satisfaction. He added purchasing two units at a negotiated price will yield a cost savings of \$308,000. Mr. Darryl Linnington reported a budget substitution was made by postponing an ultrasound machine and a surgery table to provide the additional funds for the purchase of two units. Mr. McNall requested the approval of the Board to approve the CER for the purchase of two cardiac echo machines from GE Healthcare at a cost of \$219, 228.85 and approve the substitution of an ultrasound machine and surgery table as presented. A **Motion** was made (Sehgal) and seconded (Milton) to approve the CER for two cardiac ECHO machines at a cost of \$219,228.85 from GE Healthcare and the substitution of an ultrasound machine and surgery table as presented. The vote was taken as follows: Yea: Mark Sehgal, M.D., L.M. Milton, M.D., Cara Bland, Brent Grilliot, Susan Kanard, Don Lewis, Evans McBride, and Weldon Smith. Nay: None. Absent: Mary Shannon. Abstain: None. Chairperson Smith declared the **motion** carried.

**New Business:**

Mr. Shawn Howard provided a management update on Latimer County Hospital.

**Adjournment:**

With no further questions or business to come before the Board, a **motion** was made to adjourn the meeting 7:12 PM.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

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