

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday April 05, 2017 at McAlester Regional Health Center in the Administration Board 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 02:46 PM, on Tuesday April 04, 2017.

TRUSTEES PRESENT:

Weldon Smith, Chairperson ~ Brent Grilliot, Secretary ~ Cara Bland ~ L.M. Milton, MD ~ Mark Sehgal, MD ~ Evans McBride (Arrived at 4:03 PM) ~ Susan Kanard ~ Mary Shannon, Vice Chairman ~ Kevin Priddle

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith ~ Sonya Stone, Recording Secretary ~ David Mak ~ Darryl Linnington ~ Ryan Gathard ~ Shawn Howard ~ Amber Lassiter ~ Jared Droze ~ Jason Bray ~ Kandra Wells

OTHER ATTENDEES:

Elise Brennan, Legal Counsel ~ Dr Christopher Beene, Chief of Staff

CALL TO ORDER:

Chairperson Smith called the meeting to order at 4:00 PM. He acknowledged Mr. David Keith for receiving the '2017 60 Rural Hospital CEOs to Know' award from Becker's Health Review. He presented Mr. Keith with a plaque and photos were taken. Mr. Smith also commended Mr. Ryan Gathard for his efforts in coordinating the Foundation's "Murder Mystery" Gala.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for March 1, 2017.
2. Medical Staff credentialing appointments as follows:
 - A. Approval of appointments for Provisional privileges for One (1) year per the recommendation of the Medical Executive Committee.
 - a. Ali Tipu, MD – Active Staff – Hospitalist/Internal Medicine
3. Appointment of Lori L. Few to the Foundation Board
4. Appointment of Shawn Howard to the McAlester Renal Dialysis JV Board of Managers replacing Chris Whybrew.
5. Appointment of Dr. Kamron Torbati to the McAlester Medical Services, LLC. Board of Managers.

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

Consideration and approval of recommendation from the Electronic Medical Records (EMR) Committee and the information Systems (IS) Steering Committee to enter in contract negotiations with Meditech:

Mr. Jason Bray provided a power point regarding a new Electronic Medical Record (EMR) System recommendation. He reported that at the last Board of Trustees Strategic Planning meeting, a more

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integrated EMR was discussed that would meet the satisfaction goals for patient, employee and physicians. He added an EMR selection team was selected comprised of nurses, physicians, Information Technology staff, medical records and other key individuals. Mr. Bray reported the Committee developed requirements for the EMR selection as follows: Fully integrated System; Works well with, and accepts information easily from other systems; Tracks Meaningful Use, MIPS and other required reporting requirements; Special features for Residents and Attending Physician documentation that is required by CMS; overall easy to use. He stated a Request for Quote (RFQ) was sent out to determine which systems were in our cost structure. Demonstrations took place in January 2016. A Meditech 6.1 System was demonstrated on January 27, 2017. Surveys were distributed to those that participated in the demonstrations and the Meditech 6.1 System received very favorable feedback. The Meditech 6.1 System was vetted and approved by the EMR Selection Committee and the IS Steering Committee. It was determined to be the best option and the most cost effective decision. He reported the selection process began in October 2016 and the final contract is expected to be presented to the Board of Trustees in May 2017. Mr. Bray stated that once the agreement is in place, it will take 12 to 24 months to fully implement the System. A motion was made (Milton) and seconded (Shannon) to approve the recommendation from the Electronic Medical Records (EMR) Committee and the information Systems (IS) Steering Committee to enter in contract negotiations with Meditech as follows: Aye: L.M. Milton, MD, Mary Shannon, Cara Bland, Brent Grilliot, Susan Kanard, Kevin Priddle, Evans McBride, Mark Sehgal, MD and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

Dissolution of LifeCare Health Services, LLC; consideration and approval to recontribute patronage equity and distribution to LifeCare Alliance, LLC:

Mr. Keith reported that McAlester Regional Health Center (MRHC) has been an equity owner of LifeCare cooperative for a number of years. LifeCare is a group of hospitals who came together for scale, typically to develop purchasing opportunities. He reported times have changed and evolved into a different kind of delivery system. The world of Cooperatives in healthcare is changing. He stated the relevance of remaining a Cooperative has been the topic of discussion at LifeCare for the last year in regards to leaving the not-for-profit and moving to a for-profit organization. Mr. Keith stated the LifeCare Board of Directors determined it was time to dissolve LifeCare Health Services, LLC and move the patronage equity over to the new model. Mr. Keith provided information that showed the consolidated patronage equity calculations for each member of LifeCare Health Services, LLC. He reflected that MRHC holds a 9.91 percentage share that will be returned back to the hospital for transparency followed by a reinvestment back into the new organization. Mr. Keith reported he is seeking approval from the Board to divest from LifeCare Health Services, LLC and reinvest in the new organization. He added the operating agreement is very similar; however it will have provisions for a for-profit operation with the same mission and vision. A Motion was made (Milton) and seconded (Priddle) to approve the dissolution of LifeCare Health Services, LLC; to recontribute patronage equity and distribution to LifeCare Alliance, LLC as presented. The vote was taken as follows: Yea: L.M. Milton, MD, Kevin Priddle, Mary Shannon, Mark Sehgal, M.D, Evans McBride, Susan Kanard, Brent Grilliot, Cara Bland and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

CEO Report:

A. Strategy 2: Physician Alignment and Engagement:

Mr. Keith provided a presentation regarding physician alignment and engagement. He reported physician alignment is collaboration between physicians and their medical groups to share, understand, and work toward accomplishing the shared goal of providing quality care to patients. He stated what concerns him the most is there is a shortage of physicians throughout the nation. Surgical specialists are projected to remain stagnant while demand grows. The

decline of providers is primarily attributed to retirement but at the same time, the general population will increase in age driving growth in demand for providers. He reported that one third of the physician work force will be 65 years of age or older within the next ten years. Mr. Keith stated if the U.S. is able to improve access to care; this will put additional strain on the provider workforce in terms of numbers and diversity. He added population health goals are also driving demand. In closing, he reviewed goals that were included in the current strategic plan for physician alignment and provided the Board a detailed report on what is in progress and what has been accomplished. Chairman Smith opened the floor to Mr. Jared Droze the new McAlester Medical Services, LLC Physician Practice Manager, to share his background information with the Board.

B. CEO Report:

Mr. Keith updated an update on the Chief Medical Officer Recruitment efforts. He reported he is concerned with the State's revenue failure that will certainly force hospital and program closures. He added the States outlook does not look good and we must adjust to this environment. He stated he challenged his team to make adjustments to the strategic plan and budget that will conserve resources and maintain cash levels where they need to be. Mr. Keith reported he has just learned that CMS disapproved eligibility by Public Trusts to participate in the Upper Payment Limit program for nursing homes. OHA is appealing the ruling. He added this ruling almost certainly negates plans for MRHC to participate in long-term care. He reported another concerning factor is a plan of the Managed Care Organization to outsource Medicaid for the Aged Blind and Disabled that could result in a reduction of the Supplemental Hospital Offset Payment Program (SHOPP) funds. Mr. Keith reported because the State's financial outlook is not good, a very conservative budget will be presented in the near future. He opened the floor to Mr. Darryl Linnington to provide an update on the Blue Cross Blue Shield (BCBS) contract negotiations. Mr. Linnington reported BCBS is very challenging to providers; however negotiations are going well. He added a BCBS contract was recently signed for the Dialysis Center and the MRHC contract is expected to be completed in the next two weeks. He reported the MRHC agreement is being reviewed by legal counsel. BCBS is attempting to put the hospital on a fee schedule that appears they are trying to build their bank balances up and pay the hospital later. Negotiations are still progressing. Mr. Linnington reported there are other hospitals in the State who are refusing to sign the agreement with BCBS. Discussion was also held regarding an agreement for the McAlester Ambulatory Center with BCBS. Mr. Linnington reported Eufaula is an important market and will become more important now that Saint Francis has entered the market in Muskogee. He reported the hospital has partnered with an FQHC to create a Health Complex in Eufaula. He added the hospital will share the facility with the FQHC and will be offering Urgent Care and Diagnostic Imaging services. He reported the Finance Committee has reviewed this project and the official approvals will come to the Board in the near future. Mr. Linnington also reported an Urgent Care project is underway in Wilburton as well. Mr. Shawn Howard reported he is working with architects to develop a final rendering of the Urgent Care Facility in Wilburton that will go out for bids in the next thirty days. Mr. Keith reported there is a possibility he could shut the project down if the cost structure is not right. Mr. Keith reported the Atoka market is also an important location and strategy for the hospital. He added an RFP, in partnership with Saint Johns, was submitted to Atoka Hospital today. He stated if we get the management of that hospital, it will be an asset to patient care delivery. Mr. Keith opened the floor to Mr. David Mak who provided an update on the downtown Imaging Center Project. He reported efforts are being made to move services to an outpatient for-profit facility that will reduce costs to patients for Imaging and Lab services. In addition, he stated there is an opportunity to purchase the building from the First National Development Corp. at a very favorable amount. Mr. Keith reported plans to move the Primary Care Physicians to that

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site are being discussed to place them in the community and to be an economic driver for the downtown area. He stated he will bring a formal plan to the Board in the near future. Mr. Shawn Howard briefly provided an update on the construction projects at MRHC to include the ED building project, Surgery remodel project, Cancer Center project and Geri-Psych project. Mr. Keith provided a brief update regarding the Veterans Administration's plan to relocate the Veterans Center out of Talihina.

Chief of Staff Report:

Dr. Christopher Beene reported the hospital has been working on narcotic utilization for over a year. Dr. Jason McElyea and the Pharmacy have spearheaded these efforts. Dr. McElyea has presented the program on a local and national level. He also submitted the program to the New England College of Medicine for publication. Dr. Beene reported other hospitals are recognizing the program and requesting a presentation. Mr. Keith reported Dr. McElyea is in Las Vegas presenting the program to Vizient today. Dr. Beene stated the physicians are very proud of Dr. McElyea's efforts. Dr. Beene reported most of the medical staff is excited about the Meditech 6.1 system and are looking forward to its implementation.

Board QI Report:

Dr. Mark Sehgal reported the Board QI met in March. The Quality Council report was provided by Ms. Julie Powell. He reported there have been coding errors that have been resolved. He reported DNV surveyed the Skilled Nursing Unit and no deficiencies were found. He added the form 'Physicians orders for life sustaining' was reviewed and discussed and the 'Moon Form' that is required by the State. He reported in an effort to improve quality scores, the quality team has chosen 3N to pilot a new initiative. The Quality Team will assign themselves to rooms to interact with patients. If the program is successful, their efforts will be adopted on other nursing units. Dr. Sehgal reported the Stroke Coordinator will be providing education to physicians and staff on Stroke protocols.

Finance Committee Report:

Mr. McBride commented on the previous presentation to enter into negotiations with Meditech 6.1. He recommended that before the contract is finalized, the Finance Committee and Board have the opportunity to review the plan to pay for the software and determine our capacity to take on this cost.

A. Consideration and approval of the February 2017 Finance Report:

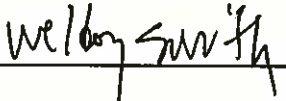
Mr. David Mak presented the February 2017 Financial reports. He reported the operating and financial results are both positive with strong patient volume and cost containment. He reported the net income exceeded budget; however the year to date budget is below budget. Efforts are being made to bring higher margins and cash reserve. He reported the Administration Team has identified over fifteen revenue enhancement and cost reduction opportunities. Enhanced efforts in revenue cycle are being made to improve on charge capturing for timely billing and more effective payment and collection plans for patients with high deductible insurances or underinsured. Mr. Mak reported the Days of Cash on hand fell at 137.8 due to slow collections. He added special teams will be focusing on working the collection accounts. Mr. McBride recommended that a minimum debt service requirement be determined, and a policy put in place, so that if finances fall below that amount we can only borrow money in an emergent situation. A Motion was made (McBride) and seconded (Grilliot) to approve the February 2017 Financial Reports as presented. The vote was taken as follows: Yea: Evans McBride, Brent Grilliot, Susan Kanard, Cara Bland, Mark Sehgal, M.D, Kevin Priddle, L.M. Milton, M.D., Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

B. Consideration and approval of CER for Ventilators for Respiratory Therapy:

Mr. David Mak reported three quotes for Non-Invasive Ventilators were received from Philips, Drager and Carefusion. Philips presented the best option for the cost. Philips presented a proposal for \$77,633.82 which is below the budgeted amount of 87,991.00. The original budgeted amount was for seven ventilators; however due to a pricing change the recommendation is for six V60 Non-Invasive Ventilators. The new ventilators will improve patient care and will be replacing aging non-supported vision Bi-Paps. The life of the ventilators will be more than eight years. A Motion was made (Priddle) and seconded (Milton) to approve the CER for six Ventilators for Respiratory Therapy as presented. The vote was taken as follows: Yea: Kevin Priddle, L.M. Milton, MD, Mark Sehgal, MD, Evans McBride, Susan Kanard, Cara Bland, Mary Shannon, Brent Grilliot, and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

New Business:**Adjournment:**

With no further questions or business to come before the Board, a motion was made (McBride) and seconded (Kanard) to adjourn at 6:26 PM. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Cara Bland, Brent Grilliot, Kevin Priddle, L.M. Milton, MD, Mark Sehgal, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

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