

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday May 03, 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 11:58 PM, on Tuesday May 02, 2017.

TRUSTEES PRESENT:

Weldon Smith, Chairperson ~ Cara Bland ~ L.M. Milton, MD ~ Mark Sehgal, MD ~ Evans McBride ~ Susan Kanard ~ Mary Shannon, Vice Chairman ~ Kevin Priddle (arrived at 4:19 PM)

TRUSTEES ABSENT: Brent Grilliot

HOSPITAL STAFF:

David Keith ~ Sonya Stone, Recording Secretary ~ David Mak ~ Darryl Linnington ~ Shawn Howard ~ Jared Droze ~ Jason Bray ~ Kandra Wells ~ Melissa Peckio ~ Dr. Jason McElyea ~ Dr. Kristen McElyea ~ Dr. Zane Delaughter ~ Deborah Sherwood ~ Larry Auld ~ Robert Savely ~ Kim Stout

OTHER ATTENDEES:

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

CALL TO ORDER:

Chairperson Smith called the meeting to order at 4:00 PM. He handed out letters of recognition to members of the MRHC Stewardship Committee for their dedication in developing the 'Hospital Opioids Maintenance of Efficacy & Safety (HOMES) program. The program reduced opioids prescribed at MRHC by 30.3 percent its first year, resulting in fewer patient falls and adverse drug events, and reduced hospitalization time for patients. The program has received local and national recognition.

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for April 5, 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. John Durham, MD ~ Active Staff ~ Family Medicine/Hospitalist
 - b. Sanjeev Ravipudi, MD ~ Active Staff ~ Interventional Cardiology
 - c. Gagandeep Mangat, MD ~ Affiliate Staff ~ Teleradiology
 - d. Thomas Pulling, MD ~ Affiliate Staff ~ Teleradiology
 - e. Stephanie DePriest, Dental Assistant ~ Dental Assistant under the supervision of Twana Duncan, DDS.
 - B. Approval of appointment for Advancement privileges for Three (3) months per the recommendation of the Medical Executive Committee.
 - a. Paula Guinnip, MD ~ Active Staff ~ Cardiothoracic/Vascular Surgeon

- C. Approval of appointment for Advancement privileges for Two (2) years per the recommendation of the Medical Executive Committee.
- a. Robert Gunderson, MD ~ Active Staff ~ Cardiothoracic/Vascular Surgeon
 - b. Emile Beck, Dental Assistant ~ Affiliate Staff ~ Dental Assistant under the supervision of Janna McIntosh, DDS
 - c. Young Song, MD ~ Affiliate Staff ~ Teleradiology
- D. Approval of appointment for Reappointment privileges for Two (2) years per the recommendation of the Medical Executive Committee.
- a. Brent Jacobson, DO ~ Affiliate Staff ~ Teleradiology
 - b. Rajvee Shah, MD ~ Affiliate Staff ~ Teleradiology

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

Presentation: Hospital Opioids Maintenance of Efficacy and Safety (HOMES).

Dr. Jason McElyea reported the focus of this presentation is to report what the hospital is doing to decrease the use of opioids in our community. He stated everyone is impacted by drug abuse, prescription or otherwise. Overdoses and complications from drugs constitute a large part of ER visits. Dr. McElyea reported most people do fine with pain medications or drinking but for some, they become aware of their addictive nature after the first use. He reported the addiction rate is between 8-12% of those prescribed narcotics and 74% of physicians state they feel pressured to give narcotics to maintain HCAHP scores. The objective of the program is to evaluate the impact of monitoring and non-punitive recommendations on patient safety and satisfaction. Dr. McElyea reported the new program rolled out in 2015 and was monitored for one year. The results showed the patient satisfaction rates (HCAHP) increased 2.89%; Length of stay decreased 15.09%; Falls decreased 17.31%; and Adverse Drug Events per 1000 patient days went down 20.69%. Dr. McElyea added with new endeavors in place such as an opioid free emergency room, policies against refills, replacements, chronic conditions and non-emergent uses, the potential for a cost savings of \$2,732,272 exists. He closed by reporting the anticipated results for the program include: Limiting the supply of opioids in the community, a decrease in emergency room visits, more time to spend on the truly ill and a continued focus on quality outcomes for patients.

Accountable Care Organization (ACO) presentation:

Ms. Karen Hendren reported that McAlester Regional Health Center has been a member of LifeCare since it was formed in 1997. She provided a brief background of the organization including current and historical services offered. She stated in 2014 there was significant interest in exploring a new concept in Oklahoma that resulted in reorganization. LifeCare moved from operating as a cooperative to a partnership while continuing to focus on population health for our Oklahoma communities. LifeCare also moved from a non-profit to a for-profit entity. In December 2016 LifeCare joined with Caravan Health and a journey to become an Accountable Care Organization (ACO). Ms. Hendren shared a presentation from Caravan Health whose motto is better patient care and a better bottom line. She stated to be eligible to participate in an ACO; providers must agree to be accountable for the cost and quality of care of their primary care patients and there must be 5000 "covered lives" attributed for eligibility. She stated the reasons to join an ACO include: Improving the health of friends, families and neighbors and improving the financial performance to stay independent and sustainable. In closing, Ms. Hendren shared the 2016 ACO preliminary financial results and a report showing the Impact on financial performance.

Consideration and approval of Letter of Intent for Caravan Health:

Mr. Keith reported that over the last two years the hospital has been positioning itself to enter into an ACO as outlined in the MRHC Strategic Plan. He stated that all other participating LifeCare hospitals have already signed the LOI. He reported there are other hospitals that want to join this ACO which will strengthen the organization. He stated he feels this ACO is a safer model compared to other ACOs in existence. Mr. Keith made a recommendation to the Board to approve the Letter of Intent for Caravan Health. A Motion was made (Milton) and seconded (Sehgal) to approve the Letter of Intent for Caravan Health as presented. The vote was taken as follows: Aye: L. M. Milton, MD, Mark Sehgal, MD, Cara Bland, Susan Kanard, Kevin Priddle, Evans McBride, Mary Shannon and Weldon Smith. Nay: None. Absent: Brent Grilliot. Abstain: None. Chairperson Smith declared the motion carried.

OHA Update:

Mr. Keith reported he had an opportunity to attend the Oklahoma Healthcare Authority (OHA) 2017 Advocacy Day at the Capitol in April. He shared a presentation that was presented at the conference. He reported OHA has been working since November 2014 on a campaign called 'Make Oklahoma Better' to encourage the State to accept federal funding. Mr. Keith reported Oklahoma is experiencing a budget crisis. OHA is pushing for a Cigarette Tax legislation to pass that will support the Oklahoma Health Care Authority. He reported in 2016 23 hospitals closed in the United States (four in Oklahoma); 673 hospitals are vulnerable (42 in Oklahoma); and 52% of hospitals in Oklahoma are at risk. In 2017 there are no real statistical differences in numbers but the overall situation is worsening. Mr. Keith shared the results of an OHA survey of 500 registered voters in the State of Oklahoma. The survey reflected senior citizens had an advantage over younger voters; there was a 10 point republican advantage; negative views about the direction of the state is increasing; Governor Fallin's popularity among Democrats and Republicans is increasingly negative; President Trump's numbers have dropped since the first of the year; education is a top concern; and Oklahoman's believe the answer to the budget crisis is to reduce spending. Mr. Keith closed by saying Oklahoma hospitals have incurred \$338M in Medicare cuts since 2009 and have already experienced an 18% cut in Medicaid rates over the past few years. He added there is another 24.6% proposed rate cut; any further cuts jeopardizes access to care and will result in a continued loss of jobs. Mr. Keith stated we are preparing our hospital now for the impact of additional rate cuts and identifying areas of cost savings in preparation of what is to come.

Follow up regarding physician alignment:

Mr. Jared Droze presented an update on Physician Alignment. He shared the current status of the SE Clinics in regards to physician alignment and opportunities and what the future looks like. He described care management as a collaborative process for options and services to meet an individual's and family's comprehensive health needs through communication and available resources to promote quality, cost-effective outcomes. He reported care management is important to our physicians and they are striving to improve. Physicians will be accountable for their part in care management and will receive an incentive to successfully manage. Mr. Droze reported at present there are not enough primary care physicians in place. He added that advanced practitioners are being augmented in some areas. He reported that at present primary care providers are not geographically dispersed and there is a need for more specialties such as Urology and Nephrology. The goal is for the primary care physicians to support the specialists and keep patients here instead of referring out to other facilities. Mr. Droze reported physicians are engaged in organizational strategy and efforts are being made to grow and train physician leaders. With the on boarding of the new Chief Medical Officer, plans are in place to develop a physician leadership program. He stated he is also working to provide classroom education focused on industry knowledge, management and leadership theory. Mr. Droze shared potential growth opportunities to include participating in an Accountable Care Organization (ACO), growing the Comprehensive Primary Care Plus (CPC+) Program and favorable pricing for physician services.

Initials _____

CEO report:

Mr. Keith reported Dr. Ken Murphy accepted the position of Chief Medical Officer and is due to arrive on or before July 1, 2016. He is a surgeon by trade and brings experience in physician leadership. Mr. Keith reported an offer was presented to the Atoka Board of Trustees to manage their facility. He added our hospital is up against multiple contenders; however our presentation went very well. Mr. Keith reported the hospital has been offered an opportunity to purchase a building from the First National Development Corporation that we are currently leasing for imaging services. Discussions are being held to determine the best avenue for purchasing the building. Mr. Keith reported the hospital is considering the possibility of jettisoning the Skilled Nursing Unit and transitioning it to a Swing Bed Unit. This will require reducing the number of licensed beds. He stated Skilled Nursing is already provided in the Community and if the hospital is awarded the management contract in Atoka, Skilled Nursing patients can be sent there as well. Mr. Keith reported a 340B consultant was brought in to assess our eligibility to participate in the program. The 340B program is a government program that provides a significant discount on pharmaceutical products. Mr. Keith reported a few physicians are interested in offering SPA services. He added discussions are being held to determine the feasibility of offering the services. Mr. Darryl Linnington updated the Board regarding efforts to expand the Assisted Living Center by partnering with Belfair Assistant Living & Memory Center. In closing Mr. Keith invited the board to attend a ribbon cutting ceremony for the new Life Bridge Geri-Psych Unit on May 16th, 2017.

Chief of Staff Report:

Dr. Christopher Beene reported that Dr. Ken Murphy accepted the position of Chief Medical Officer and physicians are looking forward to his arrival. He reported nominations are being received for the offices of Chief of Staff and Vice Chief of Staff. He added physicians have been more engaged and several are interested in leadership positions. Dr. Beene reported the arrival of the new CMO has stimulated a review of the Medical Staff By-Laws and he found some changes are necessary. A By-Laws Committee meeting is scheduled in the near future.

Board QI Report:

Dr. Mark Sehgal reported the Board QI met in April. There was no significant information to report.

Finance Committee Report:

Mr. David Mak provided an update regarding the March 2017 financial reports. He reported the net income for March 2017 was significantly lower than the same time last year. He provided the top five negative variances which included: The termination of the Teamhealth agreement, increase of uninsured payer mix, Dialysis joint venture, termination of the 340B program. He shared the impact of the variances to the FY2017 financial performance. Mr. Mak shared the top Administration Executive Team (AET) financial improvement initiatives to drive improvement. Mr. Mak reported for the month of March the revenue and expensed is in line with budget. The overall patient service volume continued an upward trend. The day of cash on hand was recorded at 134.7 and the debt service coverage ratio fell at 6.8%. A motion was by (Bland) and seconded (Priddle) to approve the Finance Report as presented. The vote was taken as follows: Aye: Cara Bland, Kevin Priddle, Mary Shannon, Mark Sehgal, MD, L.M. Milton, MD, Evans McBride, Susan Kanard and Weldon Smith. Nay: None. Absent: Brent Grilliot. Abstain: None. Chairperson Smith declared the motion carried unanimously.

New Business: None

Executive Session:

A motion was made at 6:31 PM by (Shannon) and seconded (Priddle) to enter into Executive Session. The vote was taken as follows: Aye: Mary Shannon, Kevin Priddle, Susan Kanard, Cara Bland, Mark Sehgal, MD, L.M. Milton, MD, Evans McBride, and Weldon Smith. Nay: None. Absent: Brent Grilliot. Abstain: None. Chairperson Smith declared the motion carried unanimously. Other members present in the executive session: Darryl Linnington, David Keith, Jason Bray, Shawn Howard, David Mak, Jared Droze, Kim Stout, Elise Brennan, Attorney.

25 O.S. § 307(B) ~ Consideration and discussion – Weldon Smith, Chairman

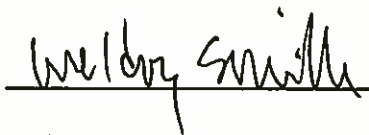
25 O.S. § 307(B)(4): “Confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.”

1. Discussion regarding BCBS Agreement

A motion was made at 07:21 PM by (Priddle) and seconded (Shannon) to conclude the Executive Session. The vote was taken as follows: Aye: Kevin Priddle, Mary Shannon, Mark Sehgal, MD, Evans McBride, Susan Kanard, Cara Bland, L.M. Milton, MD, and Weldon Smith. Nay: None. Absent: Brent Grilliot. Abstain: None. Chairperson Smith declared the motion carried. No action was taken in executive session.

Adjournment:

With no further questions or business to come before the Board, a motion was made (McBride) and seconded (Kanard) to adjourn at 7:25 PM. The vote was taken as follows: Aye: Evans McBride, Susan Kanard, Cara Bland, Kevin Priddle, L.M. Milton, MD, Mark Sehgal, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: Brent Grilliot. Abstain: None. Chairperson Smith declared the motion carried.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds