

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday September 06, 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 10:51 AM, on Tuesday September 5, 2017.

TRUSTEES PRESENT:

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

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith ~ Sonya Stone, Recording Secretary, Shawn Howard, Jared Droze, Jason Bray, Dr. Jason McElyea, Dr. Kenneth Murphy, Darryl Linnington, Chelsea Bishop, Chris Plunkett, Kim Stout, Lindy Church, Heather French, Tiffany Roberts, Kayla Rovnak

OTHER ATTENDEES:

Elise Brennan, Legal Counsel ~ Karen Hernden, Vizient ~ Mark Gains, Light Beam Health Solutions ~ Shannon Calhoun, Caravan Health

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 02, 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. Deborah Hellinger, DO ~ Affiliate Staff ~ Teleradiology
 - b. Jennifer Kim, DO ~ Active Staff ~ Family Medicine Hospitalist
 - c. David Li, MD ~ Affiliate Staff ~ Teleradiology
 - d. Rastislav Osadsky, MD ~ Affiliate Staff ~ Teleradiology
 - e. M. Todd Reilly, DO ~ Active Staff ~ Orthopedic Surgery
 - B. Approval of appointment for Reappointment (Advancement) privileges for Two (2) years per the recommendation of the Medical Executive Committee.
 - a. Wanda Choate, APRN ~ Affiliate Staff ~ Nurse Practitioner
 - C. Approval of appointment for Reappointment privileges for Two (2) years per the recommendation of the Medical Executive Committee.
 - a. Gregory McKinnis, MD ~ Affiliate Staff ~ Sleep Medicine
 - b. Terry Shaw, PhD ~ Affiliate Staff ~ Neuropsychological testing
 - c. Kyle Walker, DO ~ Affiliate Staff ~ Teleradiology
3. Appointment of Lori Wampler to MRHC Foundation Board of Directors

4. Revisions to the Medical Staff Bylaws.

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

Discussion regarding the Medical Staff Bylaws:

Discussion followed regarding the revisions to the Medical Staff Bylaws. Dr. Jason McElyea, Chief of Staff provided an overview of the revisions that were recommended by the Bylaws Committee and the Medical Staff. He reported there were several grammatical and duplication corrections. He shared key changes as follows: Role of the Chief Medical Officer (CMO) added; CMO can act on behalf of the CEO; Physician application fees shall go to the Continuing Medical Education (CME) Committee; Defining the nature of the Medical Staff categories: Provisional Staff, Active Staff and Affiliate Staff; Removal of the Honorary Staff category; Suspension of clinical privileges for physicians who do not participate in Medicare/Medicaid; Defining the admitting privileges of Podiatrist; Adding the Chair of the Executive Committee to the Officers of the Medical Staff; Revisions to the Standing Committee composition, term limits and the dissolution/consolidation of some Committees and authorizing the Medical Records Committee to provide more oversight. Chairman Smith recommended the Bylaws be reviewed by legal counsel prior to Board approval. Dr. McElyea recommended the Board approve 'ARTICLE IX.

CORRECTION ACTION: Section E: Automatic Suspension #2: Disqualification of the practitioner to participate in Medicare or Medicaid or election of the practitioner not to participate in Medicare or Medicaid. He stated there are circumstances that are occurring that is costing the hospital money that needs to be addressed and a resolution is pending the approval of the Bylaws. Chairman Smith recommended approving the discussed paragraph and seeking legal review on the remainder of the document. Ms. Brennen stated she is in agreement the discussed paragraph should be approved in order to address the issue. A **Motion** was made (Milton) and seconded (Sehgal) to approve the one paragraph as follows: **ARTICLE IX. CORRECTION ACTION:** Section E: Automatic Suspension #2: 'Disqualification of the practitioner to participate in Medicare or Medicaid or election of the practitioner not to participate in Medicare or Medicaid' as presented. Approval of the remainder of the document is pending legal counsel review. The vote was taken as follows: Aye: L.M. Milton, MD, Mark Sehgal, MD, Susan Kanard, Brent Grilliot, Kevin Priddle, Mary Shannon, Evans McBride, and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried

Three year review of Board of Trustees Amended and Restated Bylaws:

Ms. Elise Brennen, legal counsel, reported following her review, a minimal amount of revisions were made. She stated the revisions were primarily to assure the bylaws comply with the Indenture, public trust laws and to assure they are integrated with the Medical Staff Bylaws. She stated most revisions were related to organizing and removing duplications. She reported the purpose provision was modified to incorporate expansion activity. Ms. Brennen continued with an overall review of the remainder of the revisions. She added the bylaws are for review and discussion only; to be approved at a future meeting.

Consideration and approval of Performance Incentive Plan:

Ms. Kim Stout reported the FY 2017 Performance outcomes were presented at a previous meeting in which the approved targets were not met. She continued with a presentation of the FY 2018 Performance Incentive Plan. She reported the incentive structure will align to three primary MRHC initiatives: Stewardship, quality and customer service with stewardship as the trigger. She added the structure is performance based, payout is different for Directors, Managers and Supervisors, payout percentages remain

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the same for executive members and percentages apply to base salary. No payouts will be distributed unless the hospital achieves a favorable EBIDA. Ms. Stout provided an overview of the financial goals and outcome based goals for middle management and executives. Ms. Cara Bland stated the Performance Incentive Plan usually goes through the Finance Committee prior to the approval of the Board. Mr. Evans McBride agreed he would like to see it go through the Finance Committee as well. He stated he is comfortable with the targets however he would like to know the overall financial impact before approving. Chairman Smith recommended tabling the plan until next month pending review of the Finance Committee. A **Motion** was made (McBride) and seconded (Sehgal) to **Table** the approval of the Performance Incentive Plan pending a review by the Finance Committee. The vote was taken as follows: Aye: Evans McBride, Mark Sehgal, MD, Susan Kanard, Brent Grilliot, Cara Bland, Kevin Priddle, L.M. Milton, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried

CEO reports:

A. Presentation: MRHC Accountable Care Organization (ACO) selection:

Ms. Karen Hendren, President/CEO of LifeCare introduced and opened the floor to Shannon Calhoun from Caravan Health to provide an overview of their services and how it will impact MRHC as part of an Accountable Care Organization (ACO). Ms. Calhoun reported recently receiving an application from MRHC to join the ACO in which MRHC. She added MRHC will be joining a community of 14,000 providers to help navigate the challenges of value-based payments. She stated the ACO has identified quality, cost and practice economics as target areas for improvement. She described an ACO as requiring 5000 covered lies to be eligible, provider accountability, financial opportunities for providers, effective management of population health and MIPS reporting advantages. Ms. Calhoun reported the results of participating in an ACO include new revenue streams and improved quality scores.

B. Quality re-organization:

Dr. Kenneth Murphy reported the Medical Staff is in the process of reorganizing. He added the accreditation body considers the Medical Staff is responsible for the quality of patient care. To date there is a Quality Committee that functions on middle ground between the Board and the Medical Staff. Dr. Murphy stated he approached the Medical Staff with a recommendation to create a Quality Committee for the Medical Staff that answers to the Medical Executive Committee. This recommendation was approved by the Bylaws Committee. The new committee will provide structure and organization, but more important it will promote accountability. Dr. Murphy shared two organizational charts defining quality functional alignment and Structural Hierarchy. He stated he will encourage a more streamlined reporting process with less spreadsheet and more trend lines. Dr. Murphy added he will take the lead role in driving the structural re-organization with a goal of having the new structure in place by the end of the year if not sooner.

C. CEO report:

Mr. David Keith opened the floor to Chris Plunkett who provided an update on the new 3D Mammography system and the marketing plan to promote this new service. Mr. Keith reported the hospital is now managing Atoka County Medical Center. He opened the floor to Mr. Shawn Howard updated the board on the first overall assessment. He reported the first thirty days have been strategized and the team is working on a day by day basis to address issues as they are discovered. Mr. Keith opened the floor to Mr. Darryl Linnington to provide an update on the RFP for the VA relocation. Mr. Linnington reported he is actively working on the RFP to meet the deadline. He added the proposed location is in the Medical Office Building and if the RFP is accepted they will lease one and a half floors for their clinic. Mr. Keith reported he is working with the City of McAlester on a possible sale tax that will fund a Cancer Center expansion project. He added at the City's request, his team is working on a formal proposal. Mr. Keith opened the floor to Mr. Jason Bray who provided a status

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report on the Meditech 6.1 project. Mr. Jarod Droze provided an update on the Southeast Clinics. He reported he is working to finalize the contract with Urology Specialist of Oklahoma (USO). He added the goal is have the clinic up and running by November 1, 2017. Mr. Keith reported a strategic planning task force is working on a working strategic plan to bring before the Board at the next Board of Trustees Strategic Planning Session to be held on October 31, 2017.

Chief of Staff Report:

Dr. Jason McElyea reported the Medical Staff is onboard for the re-organization and focus on quality that Dr. Murphy discussed previously. He reported the Hospitalist is showing improvement in patient retention by keeping more patients here at this hospital. Dr. McElyea provided an update on the Residency Program and retention efforts. He reported he is focusing on confidence building and training for the Residents.

Board QI Report:

Dr. Mark Sehgal reported the Board QI Committee met on November 29, 2017. He stated the Vizient group provided a presentation on the TCPI initiative; a quality tool that shows quality progression and allows us to compare to other facilities. He reported the hospital is part of the HEN program in which new goals have been established. Dr. Sehgal reported the Quality Scorecard was reviewed and discussed in detail. He added the new initiatives that were reported earlier by Dr. Murphy should start moving the quality scores in a positive direction by putting boots on the ground to drive improvement. Dr. Sehgal reported that a Continuing Medical Education was also provided regarding communicating end of life issues with patients and families. Dr. Murphy added this is something that needs to be pushed out to the community and suggested the Board use their influence to open up opportunities to share this information.

Finance Committee Report:

1. Finance Report for June 2017:

Mr. Darryl Linnington provided an overview of the June 2017 Financial reports. He reported the hospital had a good year in a tough healthcare environment. He added inpatient admissions were up 2.5%; Outpatient registrations were down slightly by 1.9% and hospital expenses were lower than the prior year. Mr. Linnington reported clinics incurred a large loss for the year. He discussed operations, revenues, expenses, salaries and wages, Balance Sheet, Cash Flow statement and cash and investments. He added the month ended with a Days Cash of Hand at 136.42. In closing, Mr. Linnington discussed the property plant and equipment, the SHOPP funded depreciation account and reinvestments and long term debt.

A Motion was made (Bland) and seconded (Shannon) to approve the June 2017 financial reports as presented. The vote was taken as follows: Aye: Cara Bland, Mary Shannon, Brent Grilliot, Susan Kanard, Kevin Priddle, Evans McBride, L.M. Milton, MD, Mark Sehgal, MD and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

2. Consideration and approval of FY 2018 Budget:

Mr. Darryl Linnington provided an overview of the Budget for fiscal year 2018. He reported the key assumptions for the budget include: A Medicaid rate reduction of 5%, Steady referrals/admissions to Geri-Psych, a 2% general supply inflation, a 2% wage adjustment, a significant reduction in contract labor, the elimination of a 4th hospitalist shift & associated locum expenses, an operational improvement in clinics, and a new cardiology arrangement. In closing, Mr. Linnington reported the total Capital Budget allocation for FY 2018 is \$3.5M.

A **Motion** was made (Priddle) and seconded (Milton) to approve the FY 2018 Budget as presented. The vote was taken as follows: Aye: Kevin Priddle, L.M. Milton, MD, Mary Shannon, Mark Sehgal, MD, Evans McBride, Susan Kanard, Brent Grilliot, Cara Bland and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried.

Personnel Committee Report:

Ms. Susan Kanard reported the Personnel Committee met to discuss the CEO's evaluation and retention.

Business & Service Line Development Committee Report:

Mr. Weldon Smith opened up the floor to Ms. Kim Stout who provided a report regarding a proposed Medical Spa that was presented to the Business & Service Line Development Committee. The proposal is still in the planning stages. A more formal report will be provided to the Board in the near future.

New Business: None

Executive Session:

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

25 O.S. § 307(B) (1): "Discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any individual salaried public officer or employee."

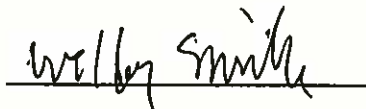
A. Discussion regarding CEO evaluation and retention.

A **motion** was made at 7:51 PM by (Bland) and seconded (Kanard) to enter into Executive Session. The vote was taken as follows: Aye: Cara Bland, Susan Kanard, Mark Sehgal, MD, Evans McBride, L.M. Milton, MD, Mary Shannon, Kevin Priddle, Brent Grilliot and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried unanimously.

No action was taken during the Executive Session. A **motion** was made at 8:20 PM by (Priddle) and seconded (Kanard) to conclude the Executive Session. The vote was taken as follows: Aye: Kevin Priddle, Susan Kanard, Mary Shannon, Mark Sehgal, MD, L.M. Milton, MD, Evans McBride, Brent Grilliot, Cara Bland and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the **motion** carried.

Adjournment:

With no further questions or business to come before the Board, the meeting adjourned at 8:25 PM



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

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