

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday November 01, 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 08:30 AM, on Tuesday October 31, 2017.

TRUSTEES PRESENT:

Cara Bland ~ L.M. Milton, MD ~ Evans McBride MD (arrived at 4:10 PM) ~ 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, Darryl Linnington, Heather French, Curt Rawls.

OTHER ATTENDEES:

Elise Brennan, Legal Counsel, Pete Stasiak, City Manager, Joy Figarsky, Signet Health, David Russell, Legal Counsel, Mike Trostel, Signet Health.

CALL TO ORDER:

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

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for October 04, 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. Charles Pritchard, M.D. ~ Active Staff ~ Urology
 - b. James L. Esperance, M.D. ~ Active Staff ~ Urology
 - c. Robert Bruce, M. D. ~ Active Staff ~ Urology
 - d. Jing Jiang, M.D. ~ Affiliate Staff ~ Teleradiology
 - B. Approval of appointment for Reappointment (Advancement) privileges for Two (2) years per the recommendation of the Medical Executive Committee:
 - a. Bryan Lucenta, M.D. ~ Active Staff ~ Interventional Cardiology
 - C. Approval of appointment for Reappointment (Provisional) privileges for One (1) year per the recommendation of the Medical Executive Committee:
 - a. Stanley Nwokenkwo, M.D. ~ Active Staff ~ Hospitalist
 - D. Approval of appointment for Reappointment privileges for Two (2) years per the recommendation of the Medical Executive Committee:
 - a. Gina Powers, PA-C ~ Affiliate Staff ~ Physician Assistant OB/GYN –Women’s Health.

3. Appointment of Dr. Kenneth Murphy to the McAlester Ambulatory Surgery Center Joint Venture Board of Managers (Replacing David Mak).

A Motion was made (Kanard) 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: Susan Kanard, Brent Grilliot, Mark Sehgal, M.D., Cara Bland, Mary Shannon, Kevin Priddle and Weldon Smith. Nay: None. Absent: Evans McBride. Abstain: L.M. Milton, MD. Chairperson Smith declared the motion carried

CEO Report:

1. **LifeBridge Update:** Ms. Joy Figarsky provided an update regarding the LifeBridge Senior Behavioral Health Service Line. She reported the McAlester Unit was one of the most attractive units she has seen; and mentioned how engaged the staff were including the Psychiatric Medical Director in the initial startup training which took place in June 2017. She reported the first patient was admitted on June 15, 2017. The average daily census for the first four months was 5.77 which exceeded the Performa. She added that referral contacts from the primary service area have averaged 120 per month. Patients have been admitted from seven counties including Muskogee, McIntosh, Pittsburg, Latimer, Leflore, Pushmataha and Choctaw. She stated marketing efforts are planned for other surrounding counties. Ms. Figarsky stated physician coverage consists of a Medical Director, weekend psychiatric coverage and additional medical coverage provided by the MRHC Hospitalist group. Mr. Mike Trostel provided a financial report for LifeBridge which he described as favorable and exceeding the Performa. Mr. David Keith reported LifeBridge and MRHC leadership are monitoring performance closely and will provide an update to the Board in the near future. Numerous questions from the Board were addressed.
2. **Discussion regarding Atoka Hospital Management:** Mr. Darryl Linnington reported the hospital has an interim 90-day management agreement with Atoka Hospital; however there has been a discussion with their Board regarding a long term agreement of 5-10 years. The new arrangement will provide an opportunity to share services and drive volume to Atoka and McAlester. Physician participation in the rural health setting will be attractive due to higher reimbursement opportunities. Mr. Shawn Howard reported since MRHC has taken over management, the average daily census has improved. Discussion occurred regarding MRHC staff involvement at Atoka and having sufficient staff to cover both hospitals.
3. **Meditech 6.1 Update:** Mr. Jason Bray provided an update on the Meditech 6.1 (Electronic Medical Record) progress. He reported the Board requested that legal counsel review the Meditech 6.1 agreement prior to approving. They also requested that legal counsel review the Nextgen agreement to determine the termination requirements. Mr. Bray reported it was determined a 60 day notice is required before the annual renewal period. The annual renewal period is December 1; a written notice will need to be submitted by the end of September 2018. Another component of the Nextgen agreement is a billing and collection agreement which has a 90 day out clause and no other stipulations. He added there are no third party licenses involved with Nextgen. Mr. Bray reported the Meditech 6.1 agreement will be reviewed by legal counsel within the next few weeks. He added he will be bringing a formal presentation for approval to the Finance Committee in November 2017 and to the Board of Trustees in December 2017.

CEO Report: Mr. David Keith provided the CEO update to the Board. He reported there is a Medicaid budget shortfall and as a result the Oklahoma Healthcare Authority is planning a 9% cut to reimbursement rates to providers this coming December. He added the Oklahoma State Department of Health is experiencing a turnover in Leadership and has begun furloughing employees. He reported the Oklahoma

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Department of Mental Health and Substance Abuse Services have announced plans to eliminate all state-funded outpatient services statewide. This comes as a result of the \$75M reduction to its budget. He cautioned to expect impact from an influx of mental health patients to our Emergency Department, Clinics and hospital. Mr. Keith mentioned that the hospital has made great strides to improve the remuneration to employees. There has been year over year merit increases, bonuses and wage increases in order to stay competitive with the market. Mr. Smith requested a report that Human Resource shared the competitive wage comparisons and how our employees' salaries rank. Mr. Keith reported that all hospitals are beginning to see the pressure of a looming Nurse shortage; he will have Kim Stout provide an update regarding a collaborative plan with Kiamichi Vo-Tech and Eastern Oklahoma State College to attract new nurses to this area. Mr. Keith reported the hospital is piloting a new Vocera program that allows caregivers to talk to each other in real time that opens up communication between physicians, nurses and patients. Additional discussion occurred regarding the Veterans Administration Clinic's transfer from Hartshorne to the McAlester Campus. Mr. Keith reported the hospital will host a Rural Health Association of Oklahoma Roundtable discussion in Atoka November 30, 2017; CEOs and legislators in our region are expected to attend. Mr. Kevin Priddle stated he fully supports the Cisco firewall that was mentioned in the CEO report. He stated he is glad to see this implementation; the typical spend is 10% to 15% over the annual Information Technology expenditures just to stay on top of the software attacks.

Chief of Staff Report:

Dr. Jason McElyea reported as the new Chief of Staff, he met with surgeons as a group to provide an opportunity to listen to any issues they may have. He reported that legal counsel has reviewed the Medical Staff Bylaws and made a few recommendations. The bylaws will be presented to the Board for approval in the near future. Dr. McElyea reported he plans to meet with the OB/PED physicians as group to offer them the same opportunity to share any concerns.

Board QI Report:

Dr. Mark Sehgal reported the Board QI met. The results of the CMS Stroke Audit were presented. He stated there were 4 NC1 findings in which two were addressed within 24 hours and two are currently being addressed. He reported the Auditors complemented the program on several areas. The Stroke Protocol group is doing very well.

Finance Committee Report:

1. Finance Report for September 2017:

Mr. Darryl Linnington presented the September 2017 Financial Reports. He reported for the month ending in September 2017 there was a net operating loss of \$582K as it compared to a budgeted net operating income of \$421K and prior year net operating loss of \$162K. From an EBIDA standpoint, MRHC reported a loss of \$284K compared to the budget of \$749K and prior year of \$190K. He reported September's volumes were lower than the prior six month run-rates in most areas, with inpatient discharges down 7.1%, outpatient registrations down 2.9%, Emergency Department visits down 9.3%, total surgeries down 13.0%, Home Health visits down 32.2% and SE Clinic visits down 12.3%; however deliveries were up 16.3%. He reported unrestricted cash balances increased by nearly \$2.2M, with operating cash-on-hand increasing to 151 days compared with 145 days in the prior year. Mr. Linnington reported there was an improvement in labor management that resulted in paid FTEs for September 2017 at 665, a reduction of 55 from prior year. He added the Administration Team and Department Leaders will be making further refinements and additions to the prior financial improvement in order to bring the organization back to FY2018 budget targets. Mr. Linnington reported that Mr. McBride requested a report on RN staffing that will be presented at the next Finance Committee. Additional discussion occurred regarding the Hospitalist Program and Southeast Clinics. Mr. Linnington reported he expects an improvement in the October finances. A Motion was made (Bland) and seconded (Priddle) to approve the September 2017 financial reports as presented. The vote

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was taken as follows: Aye: Cara Bland, Kevin Priddle, Brent Grilliot, Susan Kanard, Evans McBride, L.M. Milton, MD, Mark Sehgal, MD, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

2. **Consideration and approval of CER for Eufaula MMS Imaging Table:** Mr. Darryl Linnington presented a CER for the purchase an Imaging Table for Eufaula MMS physicians in the Eufaula Clinic/Urgent Care. He reported bids were received from three vendors: Siemens Medical Solutions USA, Inc., Shimadzu Medical Systems and Carestream. He made a recommendation to purchase the Siemens Imaging Table who presented the lowest bid of \$102, 572. He reported the Siemens Imaging Table has a one year parts and labor warranty and the life expectancy is five to seven years. He reported other equipment at the Eufaula Clinic/Urgent Care is also Siemens which will be cost effective and a convenience in regards to service calls. He reported there is a service plan at a cost of \$25,373 available after the one year warranty expires. Mr. Linnington reported there is an Imaging Equipment Budget of \$500,000; the requested Imaging Table will be the first capital item to be purchased, leaving \$397,428 in the budget. A Motion was made (Milton) and seconded (Grilliot) to approve the CER for the purchase an Imaging Table for Eufaula MMS physicians in the Eufaula Clinic/Urgent Care at a cost of \$102,572 as presented. The vote was taken as follows: Aye: L.M. Milton, MD, Brent Grilliot, Mary Shannon, Mark Sehgal, M.D., Evans McBride, Kevin Priddle, Susan Kanard, Cara Blank and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried
3. **Consideration and approval of Performance Incentive Plan:** Mr. Darryl Linnington reported the Performance Incentive Plan was presented previously and additional information was requested in regards to the financial impact of the incentive payout. He provided a report that outlined bonus opportunities for Executives, Directors, Managers and Supervisors if targeted goals are met. A Motion was made (McBride) and seconded (Milton) to approve the Performance Incentive Plan as presented. The vote was taken as follows: Aye: Evans McBride, L.M. Milton, MD, Susan Kanard, Brent Grilliot, Cara Bland, Mark Sehgal, M.D., Kevin Priddle, Mary Shannon and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

New Business: None

Executive Session:

A Motion was made (Priddle) and seconded (Sehgal) to enter into Executive Session at 5:47 PM. The vote was taken as follows: Aye: Kevin Priddle, Mark Sehgal, M.D., Evans McBride, Susan Kanard, Cara Bland, L.M. Milton, M.D., Mary Shannon, Brent Grilliot and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairperson Smith declared the motion carried.

Executive Session (25 O.S. § 307(B)) – Discussion and Action – 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. Update and discussion regarding a pending legal case ~ David Russell, Legal Counsel

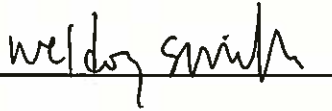
A Motion was made (McBride) and seconded (Shannon) to come out of Executive Session at 6:09 PM. The vote was taken as follows: Aye: Evans McBride, Mary Shannon, Mark Sehgal, M.D., L.M. Milton, M.D., Kevin Priddle,

Susan Kanard, Brent Grilliot, Cara Bland and Weldon Smith. Nay: None. Absent: None. Abstain: None.
Chairperson Smith declared the motion carried.

No action was taken during the Executive Session.

Adjournment:

With no further questions or business to come before the Board, the meeting adjourned at 6:10 PM



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds