

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday July 11, 2018 at McAlester Regional Health Center in the Administration Board Room. Public notice, setting forth there on the day, time and place for this regular meeting had been delivered to the office of the City Clerk at 02:00 PM on Monday July 09, 2018.

TRUSTEES PRESENT:

Evans McBride MD ~ Susan Kanard ~ Mary Shannon, Vice Chairman ~ Brent Grilliot ~ Kevin Priddle (left the meeting at 5:45 PM) ~ Weldon Smith, Chairman

TRUSTEES ABSENT: Ray Dixon, M.D ~ Mark Sehgal, MD

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Darryl Linnington, Shawn Howard, Kim Stout, Jim Fraser, Jason Bray, Dr. Michael Mann, Tracy Cox, Julie Powell.

OTHER ATTENDEES:

Rachel Jordon, Legal Counsel, Dr. Christopher Beene,

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 June 06, 2018
2. Credentialing List as follows:

Approval of appointments for Provisional privileges per the recommendation of the Medical Executive Committee:

- a. John Tedesco, MD ~ Active Staff ~ General Surgery/Cosmetic ~ Provisional One Year
- b. Bob Burleson, PA ~ Allied Health ~ Family Practice ~ Provisional One Year
- c. Rachelle Bradford, APRN ~ Allied Health ~ Family Practice ~ Provisional One Year
- d. Angella Tolleson, CNP ~ Allied Health ~ Family Practice ~ Provisional One Year
- e. Pedro Cardich, MD ~ Active Staff ~ Neurology/Physical Medicine and Rehabilitation ~ Provisional 90 days
- f. Marvin Padnick, MD ~ Active Staff ~ Internal Medicine/Cardiovascular Disease/Interventional Cardiology ~ Provisional 90 days
- g. Kelly Davis, MD ~ Active Staff ~ Internal Medicine ~ Provisional One Year

Approval of appointments for Reappointment (Advancement) privileges per the recommendation of the Medical Executive Committee:

- a. Roy Moss, MD ~ Affiliate Staff ~ Teleradiology ~ Reappointment (Advancement) Two Years.
- b. Sean Keenan, MD ~ Affiliate Staff ~ Teleradiology ~ Reappointment (Advancement) Two Years.
- c. Richard Beatty, DPM ~ Affiliate Staff ~ Podiatry ~ Reappointment (Advancement) Two Years

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Approval of appointments for Reappointment privileges per the recommendation of the Medical Executive Committee:

- a. Misty Branam, DO ~ Active Staff ~ Internal Medicine ~ Reappointment Two Years
- b. Karen Siren, MD ~ Active Staff ~ Emergency Medicine ~ Reappointment Two Years
- c. Michael Mann, MD ~ Active Staff ~ General Surgery ~ Reappointment Two Years
- d. Justin Plaxico, MD ~ Active Staff ~ General Surgery ~ Reappointment Two Years
- e. Jeremiah Jansen, MD ~ Active Staff ~ Radiology ~ Reappointment Two Years
- f. Agnel Raparathi, MD ~ Active Staff ~ Internal Medicine/Hospitalist ~ Reappointment Two Years

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

Consideration and approval of Resolution to authorize CEO to act on behalf of the Board of Trustees to negotiate, execute and deliver agreements for the purchase of Warren Clinic's 50% ownership interest in McAlester Ambulatory Surgery Center, LLC (MASC): Mr. David Keith reported the hospital is in negotiations with Saint Francis/Warren Clinic to purchase their 50% ownership interest in the MASC. He reported this resolution will allow him to act on behalf of the Board to finalize the negotiations and complete the deal. Mr. Russell Ramzel, Esquire was available by phone to answer questions from the Board. Mr. Keith reported the purchase will be funded through money held in reserve with the MASC, LLC. A motion was made (Bland) and seconded (Shannon) to approve the Resolution authorizing the CEO to act on behalf of the Board of Trustees to negotiate, execute and deliver agreements for the purchase of Warren Clinic's 50% ownership interest in McAlester Ambulatory Surgery Center, LLC as presented. The vote was taken as follows: **Aye:** Cara Bland, Mary Shannon, Brent Grilliot, Susan Kanard, Kevin Priddle, Evans McBride and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD. **Abstain:** None. Chairperson Smith declared the **motion** carried.

Joint Venture Update for McAlester Regional Dialysis Center (MRDC): Mr. Darryl Linnington provided an update on the MRDC. He reported the Center is managed by Renal Physicians of North Texas whose responsibilities include billing and quality oversight. Mr. Linnington stated the group initiated mock surveys for the McAlester and Eufaula Dialysis Centers to identify areas for improvement and assure the Centers are in compliance with CMS regulations. He reported the McAlester Center received five (5) stars and the Eufaula scored three (3) stars which is average. Mr. Linnington reported he has been seeking and negotiating network agreements with major payers to improve the revenue and profitability. He also reported the Dialysis Centers recently initiated an Audit with EideBailly for FY 2015/2016 that resulted in a clean opinion. He added EideBailly is currently performing an Audit for 2017. Mr. Linnington reported according to the most recent Financial Report the net income is positive and doing well overall.

Quality Scorecard Presentation: Ms. Whitney Hull provided a Quality Scorecard update. She shared some potential issues that surround the gathering of accurate data. She provided examples of organizations such as CMS and Leapfrog that gather hospital data and push it out to the population. She added some of these organizations are currently under scrutiny for inaccurate information. Ms. Hull reported hospitals support transparency. Scorecards need to be a tool among many to help with making informed decisions regarding healthcare. The advantages and disadvantages of scorecards should be considered. The increased number of scorecards has caused confusion for hospitals and consumers. She closed by stating the American Hospital Association along with other national hospital associations have called for creating scorecards with well-defined purposes, valid metrics and transparent methodologies. Mr. David Keith reported our scorecard reflects continual improvement in our organization. Ms. Hull stated according to the current HCAHPS reporting system,

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the Hospital only receives credit when the survey questions are answered with 'always'. The majority of our customers are answering the survey questions with 'usually' instead of 'always'. She added in an effort to improve our customer service, each frontline staff is working on a hands-on performance improvement project related to customer satisfaction and receiving positive responses from our customers.

Recruitment Update: Ms. Tracy Cox provided an update on the recruiting process including a physician needs analysis, compliancy, organizational goals and needs, organizational approval, recruitment and hiring physicians that fit the organization and measuring our success. She shared the overall key to success is to quickly recruit the right doctors. She stated the estimated turnover costs can be as much as \$1Million per physician after factoring in recruitment, start-up and lost revenue costs. She added a solid recruitment plan will enable us to find the right doctors for the right positions at the right time. Ms. Cox shared an overview of the MRHC recruitment package, MGMA benchmarking examples, contract and salary types, service areas and the current utilization by specialty. Ms. Cox closed by sharing the most current recruitment efforts and the onboarding of new physicians to MRHC.

CEO Report: Mr. David Keith provided an overview of the CEO report for July 2018. He reported DNV surveyors are currently on site for an accreditation survey; however he expects the results to be favorable. He discussed the recent passing of State Question 788 and expects legal action against the State to occur due to the way the question was presented to the public and then modified following its passage. Mr. Keith reported the hospital is very close to making a selection on a Hospital Group. During this process, he does not expect to lose any of the current Hospitalists and hopes to gain Hospitalist through the selected company. Mr. Linnington provided an update on Hospitalist Group candidates that were recently evaluated with a focus on the selected group. He reported he hopes to have an agreement in place within the next week. Ms. Kim Stout added the selected group is young and has the cultural mix, passion and ambition that this facility needs to be successful from a clinical standpoint. She stated with this group we expect to see an improvement in customer service. Mr. Keith reported the renovation continues for the Veteran's Administration (VA) Clinic. Efforts are being made to satisfy the City of McAlester's code requirements and complete the project prior to an expected October 1, 2018 open date. He added the VA Clinic is getting a lot of attention in the community. Mr. Keith reported a bid was put out for the Parking Lot Project; however there was not a single bid submitted. He stated other options are being vetted with a focus on completing the project as soon as possible. He reported the new Emergency Room Project is on budget; however the opening may be delayed due to the replacement of damaged doors. The targeted opening is early to mid-September. Mr. Jason Bray provided an update on the Southeast Imaging in Eufaula. He reported there continues to be a steady growth, volumes are increasing and an agreement was signed recently with the Creek Nation to provide imaging services. Mr. Bray also provided an update regarding the transition to WAV 11 a new hosting vendor for the MRHC website. He reported three Residents graduated in June and will be replaced with four new Residents on July 1, 2018. Mr. Bray reported the implementation of the new electronic medical record software, Meditech 6.1, continues with a targeted go live for February 2020. Ms. Kim Stout reported the Stroke Center is awaiting the results of a recent DNV stroke survey. She also reported during rounds with the DNV surveyors currently on site, they spoke very highly of the clinical care provided to our patients. She reported Interventional Cardiology services began on June 18, 2018. Additional staff is being trained to allow for around the clock services. Mr. Shawn Howard reported a strategic planning meeting was held at the Atoka Hospital. The development of a strategic plan is part of a contractual obligation between Atoka and McAlester. He reported a 5-year strategic plan was developed that aligns with the MRHC strategic plan. Mr. Howard provided an update regarding MRHC's failed efforts to provide cost effective therapy services to the McAlester Public Schools.

Chief of Staff Report: Dr. Michael Mann reported there are new Residents that started July 1, 2018. He stated he recently toured the new Emergency Room and was very pleased. Dr. Mann reported the medical staff is working with Administration to vet Hospitalist Groups and they are looking forward to working with the

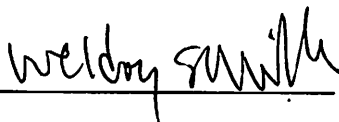
new group. He reported the medical staff is working closely with the Credentialing Department to polish up the process with the new Credentialing Coordinator. Mr. Keith reported credentialing will be automated in the very near future which will streamline the process.

Board QI Report: Meeting cancelled/No Quorum.

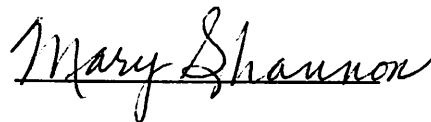
Consideration and approval of Finance Report for May 2018: Mr. Jim Fraser provided an overview of the Financial Reports. He stated in regards to an earlier conversation regarding Quality Matrix, he reported it is important to say that reimbursements in the future will be tied to quality scores and we need to focus and understand them. He reported for the month of May, a net operating loss was reported primarily due to the onboarding of new physicians. He stated from an earnings before interest, depreciation and amortization (EBIDA) standpoint, MRHC recorded positively. Volumes were mixed with inpatient discharges down to 326 from 398 in the prior year; outpatient registrations were up to 6,683 from 6,519; emergency department visits were up to 1,985 from 1,961 in the prior year and total surgeries were down to 219 from 304 in the prior year. Mr. Fraser reported the unrestricted cash balances decreased to 143.6 days cash on hand from 146.4 in the prior year. He stated there continues to be improvement in labor management that resulted in paid full time employees running 631, a reduction of 80 from the prior year. A **Motion** was made (Bland) and seconded (Shannon) to approve the May 2018 Financial Reports as presented. The vote was taken as follows: **Aye:** Cara Bland, Mary Shannon, Evans McBride, Susan Kanard, Brent Grilliot, and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Kevin Priddle. **Abstain:** None. Chairperson Smith declared the **motion** carried.

New Business: Mr. David Keith reported an issue arose today during the DNV Survey regarding the need for the MRHCA Board of Trustees to approve and allow the Customer Service Relation Coordinator to initiate appropriate responses for the resolution of grievances. Mr. Keith stated he would like to hand DNV the approval by the close of day in order to fulfill the requirement. A **motion** was made (Kanard) and seconded (Shannon) to approve the designation and allow the Customer Service Relation Coordinator to initiate appropriate responses for the resolution of grievances. The vote was taken as follows: **Aye:** Susan Kanard, Mary Shannon, Evans McBride, Cara Bland, Brent Grilliot and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Kevin Priddle. **Abstain:** None. Chairperson Smith declared the **motion** carried.

Adjournment: With no further questions or business to come before the Board, a motion was made (McBride) and seconded (Grilliot) to adjourn the meeting at 6:02 PM. The vote was taken as follows: **Aye:** Evans McBride, Brent Grilliot, Susan Kanard, Cara Bland, Kevin Priddle, Mary Shannon and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD. **Abstain:** None. Chairperson Smith declared the **motion** carried unanimously.



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds

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