

A meeting of the McAlester Regional Health Center Authority was held at 4:00 PM, on Wednesday August 08, 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 01:43 PM on Monday August 06, 2018.

TRUSTEES PRESENT:

Evans McBride MD (arrived at 4:26 PM) ~ Susan Kanard ~ Mary Shannon, Vice Chairman ~ Brent Grilliot ~ Kevin Priddle) ~ Weldon Smith, Chairman

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

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Shawn Howard, Jim Fraser, Jason Bray, Dr. Michael Mann, Tracy Cox, Julie Powell, Dee Misrasi, Heather French, Tim Cathey, M.D.,

OTHER ATTENDEES:

Rachel Jordon, Legal Counsel, Russell Ramzel, Legal Counsel, Nicole Pant, Western Litigation.

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 July 11, 2018
2. Credentialing List as follows:

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

- a. Pedro Cardich, MD ~ Active Staff ~ Neurology/Rehabilitation ~ Provisional One Year
- b. Marvin Padnick, MD ~ Active Staff ~ Interventional Cardiology ~ Provisional One Year
- c. Andrew Lovell, DO ~ Affiliate Staff ~ Family Medicine/ED ~ Provisional One Year
- d. Chelsea Berges, DO ~ Active Staff ~ Family Medicine ~ Provisional One Year
- e. Lori Peters, DO ~ Active Staff ~ Family Medicine ~ Family Medicine ~ Provisional One Year
- f. Sejong Lee, MD ~ Affiliate Staff ~ Radiology ~ Provisional One Year
- g. Tara Walker, Dental Assistant ~ Allied Health ~ Dental Assistant under the supervision of Twana Duncan, DDS ~ Provisional One Year Provisional One Year
- h. Mary K. Sweetin, APRN-CNP ~ Allied Staff ~ Family Practice ~ Provisional One Year

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

- a. Gagandeep Mangat, MD ~ Affiliate Staff ~ Teleradiology ~ Reappointment (Advancement) Two Years.
- b. Muhammad Panezai, MD ~ Active Staff ~ Internal Medicine ~ Reappointment (Advancement) Two Years

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

- a. Michael Grossman, MD ~ Active Staff ~ Gastroenterology ~ Reappointment Two Years
- b. J. Martin Hayes, MD ~ Active Staff ~ General Surgery ~ Reappointment Two Years
- c. Stephen Riddel, MD ~ Active Staff ~ OBGYN ~ Reappointment Two Years
- d. Kenneth Miller, MD ~ Active Staff ~ Internal Medicine ~ 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, Susan Kanard, Mary Shannon and Weldon Smith. **Nay:** None. **Absent:** Evans McBride, Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the **motion** carried.

Follow up regarding State Question 788: Ms. Rachal Jordan, Legal Counsel with Crowe & Dunlevy provided a follow up report to questions posed in the previous meeting regarding State Question 788 pertaining to the Implications of Medical Marijuana for Hospitals and Providers that was discussed at the previous meeting. She reported marijuana is still illegal under federal law and listed as a Schedule 1 drug under the Controlled Substances Act. The DEA prohibits physicians from prescribing Schedule 1 drugs. She stated the State is recognizing State Question 788 as a recommendation. She shared an overview of the Oklahoma Attorney Generals Recommendations including physician registration requirements and standards including the standards that were removed from the first version of the State Question. Ms. Jordan provided an overview of the CMS Conditions of Participation and DNV Accreditation standards pertaining to the State Question and stated until there is clear guidance from CMS or DNV that would expressly permit medical marijuana in hospitals, risk remains. At a minimum, the hospital must implement clear policies and procedures that comply with CMS and DNV requirements. In closing, Ms. Jordan offered some considerations in drafting new policies for the hospital.

CEO Report: Mr. David Keith provided an overview of the August 2018 CEO report. He discussed regional and hospital strategy and gave an update on hospital operations. He opened the floor to Ms. Kim Stout, CNO/COO who provided an update on the recent DNV accreditation survey. Mr. Russell Ramzel Attorney with Conners & Winters provided an update regarding a partnership opportunity with Belfair. Mr. Keith reported a Hospitalist Group has been selected to manage the hospitalist program effective October 1, 2018. He added discussions will begin with the same group to engage our emergency program in the very near future. Mr. Keith stated he is expecting a very positive outcome with this new hospitalist model. Mr. Keith also shared an update regarding possible cardiac and orthopedic service line partnerships. Dr. Tim Cathey provided a facilities update including the parking lot project, the VA project and the near completion of the new Emergency Center. He reported a Grand opening ceremony for the new Emergency Center is planned for 10:00 AM on August 31, 2018; the doors will officially open for business in early September 2018.

Chief of Staff Report: Dr. Michael Mann reported the medical staff is doing well; however there are a few credentialing issues that are currently being addressed with the help of a new credentialing coordinator. He reported the medical staff has an overall good morale and he expects a positive change once the new hospitalist group arrives. Mr. Keith reported that Dr. Mann is working closely with Administration, hospital attorneys and the Bylaws Committee on new Medical Staff Bylaws and Rules & Regulations.

Board QI Report: Ms. Susan Kanard provided an update regarding the Board QI meeting held on July 31, 2018. She reported an HCAHPS report, DNV Primary Stroke Survey results, Infection Control Scorecard, and the DNV Hospital accreditation survey results were presented.

Personnel Committee Report: Mr. Weldon Smith provided an update regarding the Personnel Committee meeting held on July 27, 2018.

- 1. Consideration and approval of FY Performance Incentive Plan: TABLED.** Mr. Weldon Smith and Ms. Heather French presented to the Board the FY 2018 Performance Incentive Plan reviewed in the Personnel Committee. Discussion occurred regarding the proposed target percentages and the strategy of tying the top six quality and customer service charter initiatives to the performance plan that was developed by Administration and Leadership. Mr. Evans McBride recommended adding an achievable trigger to the plan to assure the Hospital's financial status is such to support the performance bonuses. He suggested doubling the amount of the bonus payout to determine the trigger. Ms. French agreed to work with the Mr. Fraser, CFO to revise the plan according to the recommendation and follow up with the Personnel Committee to review. Mr. McBride recommended the trigger, days cash on hand and debt service coverage ratio considered in next year's Performance Incentive Plan. Mr. McBride also suggested using the net total on the "Regional Development Expansion: Middle Management" slide for next year's plan.
- 2. Consideration and approval of Employee wage increases:** Mr. Kevin Priddle presented a proposal for employee wage increases. He reported the overall increase is approximately 1.5%. The Personnel Committee determined the percentage to be very reasonable. Mr. McBride agreed. Mr. Jim Fraser reported there are exclusions to the wage increases to including staff under contract, staff receiving more than a 5% increase since September 2017, Staff hired after January 1, 2018 and joint venture employees. A Motion was made (Priddle) and seconded (Shannon) to approve employee wage increases as presented. The vote was taken as follows: **Aye:** Kevin Priddle, Mary Shannon, Evans McBride, Susan Kanard, Brent Grilloit and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the motion carried.

Investment Committee Report: Ms. Mary Shannon reported the first quarterly meeting of the Investment Committee was held on July 24, 2018. She reported Morgan Stanley Investment Group will have quarterly phone calls with the Investment Committee. She reported the current Investment Policy was reviewed and will be modified over the coming months. Ms. Shannon reported Morgan Stanley will also be providing an update to the Board of Trustees in November 2018. Mr. Jim Fraser added discussion occurred regarding conservatively investing a portion of SHOPP funds with Morgan Stanley.

Consideration and approval of Finance Report for June 2018: Mr. Jim Fraser provided an overview of the June Financial Reports. He reported for the month of June, the hospital recorded a net operating loss; however the EBIDA was positive. Volumes were mixed with inpatient discharges, outpatient registrations and surgeries down and emergency department visits up from prior year. He added he expects an improvement in volume in the near future with the addition of an orthopedic surgeon and a cardiologist. Mr. Fraser reported the unrestricted cash balances have increased to 136.3 days cash on hand up from 134.6 from prior year. He added labor management continues to show improvement resulting in paid FTEs running 622, a reduction of 89 from prior year. Mr. Fraser reported the hospital continues to look for areas to cut expenses including the addition of a productivity system for leaders. A Motion was made (Shannon) and seconded (Kanard) to approve the June 2018 Financial Reports as presented. The vote was taken as follows: **Aye:** Mary Shannon, Susan Kanard, Brent Grilloit, Kevin Priddle, Evans McBride and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the motion carried.

Consideration and approval of FY 2019 Operating Budget: Mr. Jim Fraser presented the FY 2019 Operating Budget included in the preliminary meeting packet. Discussion occurred. A **Motion** was made (McBride) and seconded (Shannon) to approve the FY 2019 Operating Budget as presented. The vote was taken as follows: **Aye:** Evans McBride, Mary Shannon, Susan Kanard, Kevin Priddle, Brent Grilliot and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the **motion** carried.

Consideration and approval of FY2019 Capital Budget: Mr. Jim Fraser presented the FY Capital Budget included in the preliminary meeting packet. Discussion occurred. Mr. Keith reported a request will be brought forward to the Finance Committee in the near future to utilize SHOPP funds for the parking lot project. A **Motion** was made (McBride) and seconded (Priddle) to approve the FY 2019 Capital Budget as presented. The vote was taken as follows: **Aye:** Evans McBride, Kevin Priddle, Susan Kanard, Mary Shannon, Brent Grilliot and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the **motion** carried.

New Business: None

Executive Session:

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

1. Discussion regarding the renewal of Chief Executive Officer's agreement

25 O.S. § 307(B)(3): "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. Claims review ~ Nicole Pant, Western Litigation

25 O.S. § 307(C)(10): "All nonprofit foundations, boards, bureaus, commissions, agencies, trusteeships, authorities, councils, committees, public trusts, task forces or study groups supported in whole or part by public funds or entrusted with the expenditure of public funds for purposes of conferring on matters pertaining to economic development, including the transfer of property, financing, or the creation of a proposal to entice a business to remain or to locate within their jurisdiction if public disclosure of the matter discussed would interfere with the development of products or services or if public disclosure would violate the confidentiality of the business."

1. Review of Letter of Intent for McAlester Ambulatory Surgery Center.

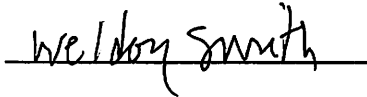
A **Motion** was made (Priddle) and seconded (Kanard) to enter into Executive Session. The vote was taken as follows: **Aye:** Kevin Priddle, Susan Kanard, Brent Grilliot, Evans McBride, Mary Shannon and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:**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

A **Motion** was made (Priddle) and seconded (Shannon) to come out of Executive Session. The vote was taken as follows: **Aye:** Kevin Priddle, Mary Shannon, Susan Kanard, Brent Grilliot, Evans McBride and Weldon Smith. **Nay:** None. **Absent:** Ray Dixon, MD, Mark Sehgal, MD, Cara Bland. **Abstain:** None. Chairperson Smith declared the **motion** carried.

No action was taken during Executive Session

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



Weldon Smith ~ Chairperson



Mary Shannon ~ Secretary

/sds