

A meeting of the McAlester Regional Health Center Authority was held at 4:07 PM, on Wednesday September 04, 2019 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 01:17 PM on Tuesday September 03, 2019.

TRUSTEES PRESENT:

Susan Kanard ~ Brent Grilliot ~ Weldon Smith, Chairman ~ Marti Fields ~ Mary Shannon ~ Evans McBride ~ James Bland ~ Mark Sehgal, MD ~ Kevin Priddle (left the meeting at 5:48PM)

TRUSTEES ABSENT:

HOSPITAL STAFF:

David Keith, Sonya Stone, Recording Secretary, Jim Fraser, Tim Cathey, M.D., Lucy Muller, Kim Stout, Shawn Howard, Whitney Hull, Darryl Linnington, Chris Plunkett, Kody Brown, Tezarah Reagan, Terri Murdaugh, Kelley Campbell, Michelle Priddle, Dr. Brandon Guthery.

OTHER ATTENDEES:

Karen Rieger, Legal Counsel, Kenneth Miller, MD

CALL TO ORDER:

Chairman Smith called the meeting to order at 4:00 PM. He reported each year, 100 nurses throughout the state of Oklahoma are recognized for their concern for humanity, their contributions to the profession of Nursing and their mentoring of others. The Great 100 Nurses Foundation has recognized two MRHC RNs, Kelley Campbell, RN and Terri Murdaugh, RN. Both will be recognized at the Annual Celebration event on September 23, 2019 at the Hard Rock Hotel & Casino in Catoosa Oklahoma. Chairman Smith introduced both RNs followed by a round of applause

Public Comment: None

Consent Agenda:

1. MRHCA Board of Trustees minutes for August 07, 2019
2. MRHC Contract Log for August 2019
3. Anesthesia Scope of Services Policy
4. McAlester Ambulatory Surgery Center Board of Managers Minutes for August 2019.

A **Motion** was made (McBride) and seconded (Grilliot) to approve the consent agenda **items one (01) and three (03)** of the consent agenda as presented. Items two and four (4) were pulled from the consent agenda for discussion. The vote was taken as follows: Aye: Evans McBride, Brent Grilliot, Mark Sehgal, MD, Susan Kanard, James Bland, Marti Fields, Mary Shannon, Kevin Priddle and Weldon Smith. Nay: None. Absent: None. Abstain: None. Chairman Smith declared the **motion** carried.

Item two (02); MRHC Contract Log for August 2019: **1.** Mr. David Keith reported one of the items on the MRHC Contract Log for August 2019 includes an agreement with Pat Youngblood, a consultant who is helping MRHC build a framework for physician recruitment, onboarding and retention. **2.** Mr. Keith reported that Dr. First is a system that will allow electronic prescription prescribing to pharmacy instead of the old fashion paper method.

Item four (04); McAlester Ambulatory Surgery Center (MASC) Board of Managers Minutes: Mr. Darryl Linnington provided a brief update regarding the bad debt discussion noted in the minutes.

A **Motion** was made (Kanard) and seconded (Priddle) to approve items **two (2)** and **four (04)** of the consent agenda as presented. The vote was taken as follows: Aye: Mary Shannon, Brent Grilliot, Mark Sehgal, MD, Marti Fields, Evans McBride, Susan Kanard, James Bland and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

MRHC Board of Trustees Education & Discussion: Module 8: Healthcare Delivery: Ms. Lucy Muller provided an overview of the presentation. She reported the Accountable Care Act brings the Accountable Care Organization (ACO), Bundled payments, CMS Center for Innovation, Value Based Purchasing, penalties.

She stated Health Care Reform began in 1912 and has evolved into what it is today. Some of the implications of Health Care Reform include costs, quality, provider alignment and integration, engagement of physician leadership, IT development, consolidation and advocacy. Ms. Muller discussed joint ventures and questions the Board should ask when faced with a joint venture proposal. The presentation covered legal considerations, structuring transactions, ownership & Governance, capital formation, patient information and termination & exit strategy. Ms. Muller reported care coordination is helping individuals with multiple chronic conditions through an individual centered interdisciplinary assessment and management of the individual's health care and social support needs. She stated it is not just physicians any more, it requires the help of Home Health, Rehab, Skilled Nursing Facilities, Long Term Acute Care, Nursing Homes and Hospice. Effective care coordination can lead to lower cost and better health outcomes. Ms. Muller closed by sharing Population Health and ACO's are on the horizon for the future. Mr. David Keith reported he plans to bring a report to the Board showing what the hospital is already doing to meet these requirements.

Strategic Discussion:

1. CEO Report: Mr. Keith provided an overview of the CEO Report. He discussed the new CMS model to reduce avoidable transports to the ED and unnecessary hospitalizations called EMS triage, treatment and transfer (ET3). He expressed concerns about this strategy and the impact it will have on the hospital. He stated local EMS services have applied for this CMS Innovation Center strategy. Mr. Keith reported MRHC has entered into a Reciprocity Agreement with Northeastern Health System for central sterile support. The Oklahoma Health Care Authority approves 5% rate increase for acute care hospitals and physicians as of October 1, 2019. Mr. Keith discussed current and future physician recruitment efforts. He shared Home Sleep Testing rolled out; service will expand to six nights this coming October 2019. Plans for renovation and installation of a new PET-CT in the former Emergency Room is underway; a mobile unit will arrive in September 2019. A group is coming in to do penetration testing to identify vulnerability in our IT security. Mr. Keith reported the project design and drawings are complete for the Down Town Imaging Center and we are awaiting bid results for demolition and construction. The Million Building architect is being selected; MRHC is hosting community input on the building's full potential. MRHC is working towards opening an Acute Dialysis Unit for inpatients. Davita will provide support and guidance over the next 12 months. MRHC achieves real-time customer service feedback with new survey tool for outpatient service.

2. Strategic Plan Update: Ms. Kim Stout introduced Mr. Kody Brown, RN who is a new member to the Nursing Leadership Team. Mr. Brown is leading the acute dialysis initiative. She reported a Strategic Plan Task Group has been working on updating the current strategic plan. This group has worked very hard and to revise, format and assign the task to executives. She reported she will schedule a meeting with MRHC leadership and the Strategic Planning Committee of the Board in the near future. The Goal is to have the plan finalized and ready for review by the full Board of Trustees in November.

Initials _____

Chief of Staff Report: Dr. Kenneth Miller updated the Board on the re-instated Cancer Conference. He reported the first meeting will be held on September 23, 2019 at noon. He stated this conference has been very successful in the past and is a good source for continuing education tool. Dr. Miller reported in the beginning of his career the 5 year survival rate was 20-25%. Now in Oklahoma and this part of the United States, the 5 year survival rate is 75-80% with improved techniques and treatment plans. Dr. Brandon Guthery, Board Certified Anatomic and Clinical Pathologist provided a presentation on the role of a pathologist. He shared that Anatomic Pathology includes Surgical, Forensics and Cytopathology. Clinical Pathology includes clinical chemistry, transfusion medicine, microbiology and hematology. The presentation also included examples of testing methods and pictures.

Board QI Report: Ms. Susan Kanard opened the floor to Ms. Whitney Hull who provided an overview of the Board QI Minutes of the August 27, 2019. She reported internal audits were assigned in areas of focus for this fiscal year, discussion was held on the DNV surveys, Infection Control Scorecard was reviewed and the Hospital Value Based Purchasing Program was discussed.

1. **Hospital Value Based Purchasing Program (HVBP):** Ms. Whitney Hull reported HVBP is a CMS program that was designed to promote better clinical outcomes as well as improve the quality and safety of care patients receive. HVBP is funded through a reduction of the participating hospital's DRG payments for the applicable fiscal year. Ms. Hull reported the HVBP metrics include clinical outcomes, person and community engagement, safety and efficiency and cost reduction. She shared the baseline and performance periods, scoring methodology and the MRHC payment summary report. MRHC will receive a value-based incentive payment percentage of 2.8% for FY 2020.

Audit & Corporate Compliance Report: Ms. Susan Kanard provided an overview of the Audit & Corporate Compliance Minutes from August 27, 2019. She stated items reviewed and discussed included the 2019 OIG Work Plan, HIPAA Privacy, Compliance Worksheet, Conflict of Interest Policy and the Risk Management Report.

Personnel Committee Report: Ms. Mary Shannon provided an overview of the Personnel Committee Minutes from August 29, 2019. She reported a draft FY2020 Incentive Plan was reviewed and discussed; a finalized plan will be coming to the Board next month. Ms. Shannon also reported that performance evaluations for managers were reviewed and revisions were made to the CEO job description to satisfy a recommendation from DNV. She opened the floor to Ms. Lucy Muller who provided an overview of employee pharmacy benefits.

1. **Pharmacy Review/Employee Benefits:** Ms. Lucy Muller shared data on employee pharmacy benefits that reflect the hospital's wellness program is having a positive impact. She provided a utilization summary quarterly trend dating back to quarter four of 2017. Ms. Muller shared the top medications paid by plan with a breakdown showing medications by RX count and drug type.

Finance Committee Report:

1. **Consideration and approval of June 2019 Financial Reports:** Mr. Fraser reported for the month ending July 31, 2019, McAlester Regional Health Center reported a net operating income of \$54k, as compared to a budgeted net loss of \$133k and a prior year net loss of

\$55k. From an EBIDA (earnings before interest, depreciation and amortization) standpoint, MRHC reported an income of \$478k, compared with a budgeted EBIDA of \$591k and a prior year EBIDA of \$424k. The month's volumes were positive, with inpatient discharges up to 345 from 328 prior year, outpatient registrations up to 7,053 from 6,236 prior year, emergency department visits are up to 2,298 from 2,091 prior year, total surgeries up to 270 from 247 prior year. Unrestricted cash balances have decreased to 127 days from 149 from prior year. Beginning in September, the hospital will be working towards converting our Physician clinics to provider base rural health clinics to obtain a higher reimbursement per visit. Additionally, we are also reexamining the ability to use the 340B program for drug pricing and reimbursement. A **Motion** was made (Fields) and seconded (Bland) to approve the July 2019 Financial report as presented. The vote was taken as follows: Aye: Marti Fields, James Bland, Brent Grilliot Susan Kanard, Evans McBride, Mark Sehgal, MD., Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

2. **Consideration and approval of CER for PET-CT:** Mr. Fraser reported the existing Siemens 6 slice Biograph PET CT became end of life 3 years ago. Service has been placing band aids on this system keeping it running for the last 3 years. The second week of July 2019 the system failed completely and is unable to be repaired. Several quotes were received pricing new, refurbished and mobile equipment from Medical Modality Services, LLC, Duke Medical Equipment International and Siemens Medical Solutions USA, Inc. Following appropriate vetting a decision to purchase a refurbished GE 64 Slice PET CT from Medical Modality Services to be placed in the hospital which will also be utilized as a second CT and reduce a backup in outpatient CT scheduling. The quote also includes a Mobile PET for 2 months to help with downtime during installation. The PET CT comes with 2 full years of service parts and warranty. The cost of the proposal is \$650,000. He reported there was an emergency approval for the PET CT at the last scheduled Board Meeting followed by a formal presentation to the Finance Committee in August and final approval at today's meeting. A **Motion** was made (Shannon) and seconded (Grilliot) to approve the CER for a refurbished GE 64 Slice PET CT from Medical Modality Services, LLC at a cost of \$650,000 as presented. The vote was taken as follows: Aye: Mary Shannon, Brent Grilliot, Mark Sehgal, MD, Marti Fields, Evans McBride, Susan Kanard, James Bland and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

3. **Consideration and approval of Cash Infusion for Belfair Investment:** Mr. Fraser provided estimated cash infusion figures from our Belfair partners. He stated there are major causative factors of a cash infusion needed to replenish the operating account for Belfair of McAlester. Those factors were listed and discussed. The cash infusion replaces the capital expenditure costs and allows the operations to continue as expected to approximately May 2020, where the expected breakeven point will occur. With the breakdown by ownership our portion would be \$149,910.00. A **Motion** was made (McBride) and seconded (Segal) to approve the Cash Infusion for Belfair of \$149,910.00 as presented. The vote was taken as follows: Aye: Evans McBride, Mark Sehgal, MD, Susan Kanard, Brent Grilliot, James Bland, Marti Fields, Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

New Business: None

Initials _____

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

A **Motion** was made (Sehgal) and seconded (Shannon) to enter into executive session at 6:22 PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Mary Shannon, Evans McBride, Susan Kanard, James Bland, Marti Fields, Brent Grilliot and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

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

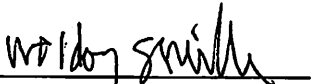
1. Physician employment discussion

A **Motion** was made (Sehgal) and seconded (Grilliot) to come out of executive session at 7:12PM. The vote was taken as follows: Aye: Mark Sehgal, MD, Brent Grilliot, James Bland, Susan Kanard, Evans McBride, Marti Fields, Mary Shannon and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.

No action was taken in executive session.

Adjournment:

A **Motion** was made (Fields) and seconded (Shannon) to adjourn at 7:13 PM. The vote was taken as follows: Aye: Marti Fields, Mary Shannon, Mark Sehgal, MD, Evans McBride, Susan Kanard, Brent Grilliot, James Bland and Weldon Smith. Nay: None. Absent: Kevin Priddle. Abstain: None. Chairperson Smith declared the **motion** carried.



Weldon Smith ~ Chairperson
/sds


Mary Shannon ~ Secretary