

**EMERGENCY MEDICAL SERVICES AUTHORITY – A Public Trust  
Board of Trustees Meeting**

Wednesday, May 23, 2012  
EMSA Corporate Offices  
1111 Classen Dr., OKC, OK 73103  
1417 N. Lansing Ave., Tulsa, OK 74106

**Minutes:**

**NOTICE AND AGENDA** for the meeting of the Board of Trustees of the Emergency Medical Services Authority, a Public Trust, was posted May 22, 2012 in the offices of the City Clerk of Oklahoma City at 8:24 am, and with the City Clerk of the City of Tulsa on May 22, 2012 at 8:08 am, more than 24 hours prior to the time set for the meeting.

A quorum was present. The meeting was called to order at 1:05 p.m. by Mr. Steve Williamson.

**TRUSTEES PRESENT**

Ms. Lillian Perryman  
Dr. Jim Rodgers  
Mr. Clay Bird  
Mr. Phil Lakin  
Mr. Mark Joslin  
Dr. Tyree Seals  
Mr. Larry Stevens  
Dr. Ed Shadid  
Dr. Jeffrey Goodloe

**OTHERS PRESENT**

Steve Williamson, EMSA  
Kent Torrence, EMSA  
Angie Lehman, EMSA  
Ann Laur, EMSA  
James Davis, EMSA  
Kelli Bruer, EMSA  
Tracy Johnson, EMSA  
John Peterson, Paramedics Plus  
Joanne McNeil, Paramedics Plus  
Jim Williamson, Auditor, City of OK City  
Jim Orbison, Riggs/Abney  
Jarrod Kopp, Schnake/Turnbo/Frank  
Doug Dowler, City of Oklahoma City  
Ziva Branstetter, Tulsa World  
James Gibbard, Tulsa World

**TRUSTEES ABSENT**

Mr. Joe Hodges, Mr. Gary Marrs

**CONSENT AGENDA**

**1. Approval of Regular Board Minutes of April 25, 2012**

Upon motion made by Mr. Bird and seconded by Dr. Rodgers, the Board of Trustees voted to approve the Regular Board Minutes of April 25, 2012.

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AYE: Mr. Larry Stevens, Dr. Ed Shadid, Dr. Jim Rodgers, Ms. Lillian Perryman,  
Mr. Clay Bird

NAY: None

ABSTENTION: Mr. Phil Lakin

ABSENT: Dr. Tyree Seals, Mr. Joe Hodges, Mr. Gary Marrs

**REGULAR AGENDA**

**1. Certification of Mr. Mark Joslin as EMSA's Eastern Division Non-beneficiary  
Appointee to the EMSA Board of Trustees**

Mr. Steve Williamson introduced Mr. Phil Lakin, City Councilor, City of Tulsa, and Mr. Mark Joslin, retired Fire Chief from Sand Springs, Oklahoma, to the Board. Mr. Lakin was recently appointed to the EMSA Board of Trustees by the City Council of Tulsa.

Mr. Joslin was recently approved to be the non-beneficiary appointee to the EMSA Board of Trustees by the city councils of Sand Springs, Jenks and Bixby. Mr. Joslin's appointment must be certified by a vote of the Board.

Upon motion made by Dr. Rodgers and seconded by Mr. Bird, the Board of Trustees voted to certify Mr. Mark Joslin as EMSA's Eastern Division Non-beneficiary Appointee to the EMSA Board of Trustees.

AYE: Dr. James Rodgers, Dr. Ed Shadid, Mr. Clay Bird, Mr. Phil Lakin,  
Ms. Lillian Perryman, Mr. Larry Stevens.

NAY: None

ABSTENTION: None

ABSENT: Dr. Tyree Seals, Mr. Joe Hodges, Mr. Gary Marrs

**2. Election of Officers for the EMSA board of Trustees**

Mr. Williamson explained that the Chairman's position alternates between divisions. The chairman nominated this year should be from the western division.

Dr. Shadid asked Mr. Williamson why there is not currently an attorney on the EMSA Board of Trustees, as indicated by the Trust Indenture. Mr. Williamson noted that in spite of the

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fact the Indenture specifies certain positions for the Board, it is up to the appointing entities to fill the open positions. In recent appointments, the mayors of Tulsa and Oklahoma City have not chosen to appoint an attorney.

Dr. Shadid then asked if the Trust Indenture can and should be modified. Mr. Williamson stated that several documents need to be modified, including the Trust Indenture, the Bylaws and the ordinance, and plans are to make those changes this summer.

**A. Chairman**

Upon motion made by Dr. Shadid and seconded by Mr. Bird, the Board of Trustees voted to elect Ms. Lillian Perryman as Chairman of the EMSA Board of Trustees.

AYE: Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: Ms. Lillian Perryman

ABSENT: Dr. Tyree Seals, Mr. Joe Hodges, Mr. Gary Marrs

**B. Vice Chairman**

Upon motion made by Mr. Lakin and seconded by Dr. Rodgers, the Board of Trustees voted to elect Mr. Clay Bird as Vice-Chairman of the EMSA Board of Trustees.

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Dr. Tyree Seals, Mr. Joe Hodges, Mr. Gary Marrs

**C. Secretary/Treasurer**

Mr. Williamson explained that the office of Treasurer is no longer an active office, but it is still required per the EMSA By-Laws. Also, the duties of Secretary are typically performed by the Assistant Secretary, who is currently EMSA employee, Ann Laur. Because the By-Laws allow an officer of the Board to occupy the offices of Treasurer and Secretary at the same time, Mr. Williamson recommends electing one board member for those two offices.

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Upon motion made by Mr. Bird and seconded by Mr. Lakin, the Board of Trustees voted to elect Dr. James Rodgers as Secretary/Treasurer of the EMSA Board of Trustees.

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**D. Assistant Secretary**

Upon motion made by Mr. Lakins and seconded by Mr. Bird, the Board of Trustees voted to elect Ms. Ann Laur as Assistant Secretary of the EMSA Board of Trustees.

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

Mr. Williamson then explained to the Board that the same slate of officers would be on the agenda in July, in order to comply with the Bylaws.

**3. Chairman's Report**

None.

**4. Chief Financial Officer's Report**

Mr. Kent Torrence presented an overview of the financial statements for the ten months ending April 30, 2012. The Eastern Division had a YTD net loss of profit of \$131 thousand compared to a budgeted profit of \$172 thousand. The Western Division had a YTD net loss of \$6,174 thousand compared to a budgeted net loss of \$6,076 thousand. The YTD collection rate for the Eastern Division was 59.0% compared to a budgeted collection rate of 60.0%. The YTD collection rate for the Western Division was 58.0% compared to a budgeted collection rate of 60.0%. The Eastern Division had 1,256 more emergency transports than budgeted YTD, and 1,084 less non-emergency transports than budgeted. The

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Western Division had 2,496 more emergency transports than budgeted YTD, and 605 less non-emergency transports than budgeted.

Dr. Rodgers asked why the numbers of emergency transports are increasing. Mr. Williamson replied it is due to 1) the fact about 10,000 people a day are now turning 65, and 2) people with chronic illnesses continue to be transported back to the hospitals for re-admission.

Dr. Shadid asked Mr. Williamson to briefly review what EMSA is working on to increase revenue production for the future.

Mr. Williamson stated he has been working with the Medical Director on community health medicine regarding options to slow hospital re-admissions. One possibility would be for paramedicine to contract to transport chronically ill people home, manage their medications in the evening, and then ensure they get to the doctor the following day. That would prevent an overnight stay in the hospital, thereby creating gain sharing, while saving insurance costs. With the numbers of chronically ill patients growing and less dollars available, the current medical system is not sustainable. Therefore, EMSA is considering other lines of business to help maintain the readiness and access of public health.

#### **5. Approval of Fiscal Year 2013 Annual Budget**

Mr. Kent Torrence began presenting the 2013 Annual Budget. The budget assumes transport volumes will increase two percent over estimated 2012 actuals. The two percent estimate has worked well in past years, consistently providing a fairly accurate forecast of actual versus budget numbers. Payer and service mix is assumed to remain about the same as the 2012 actuals. The joint cost (eastern and western divisions) is also assumed to be approximately the same based on unit hours, with the split being 46% (east) / 54% (west).

EMSA will increase the emergency base rates in both divisions from \$1,100 to \$1,300. The utility bill revenue forecast is based on 110,000 water taps, at \$3.64 per month, which is a conservative estimate.

Mr. Torrence told the board that even though the emergency base rate is being raised, the collection rate itself will go down. Mr. Williamson explained that in actuality, for every dollar the rate is raised, EMSA only receives eleven cents, due to private payers being such a small percentage of our payer mix.

Dr. Rodgers asked if EMSA's new rate will still be considered low in comparison to the nation. Mr. Williamson replied yes, EMSA's new rate will continue to be low for both the nation and the state.

Mr. Torrence reported that ambulance revenue will increase over revenue in 2012 due to the 2% transport volume increase and the rate increase, already discussed.

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EMSA's cost for the contractor of ambulance services is the most significant cost in the budget, currently at approximately 82% of the total operating cost. A 6.4% increase is budgeted, approximately \$3 million, due to both an increase in volume and an increase in the contractual rate.

Ms. Perryman asked if the contractor cost will continue to increase each year. Mr. Torrence replied he assumes it will continue to rise, but until the new operations contract is actually written, the costs are unknown for 2014.

Regarding other operating expenses, EMSA is projecting a \$468K increase, primarily due to a \$300K increase in the community relations budget due to costs associated with education of and improved communications with utility fee members.

Mr. Lakin asked when the TotalCare communications project is due to begin. Mr. Williamson expects to begin the process immediately after approval of the budget and throughout the fiscal year 2013. EMSA is currently working with Cole, Hargrave, Snodgrass & Associates, planning a study to determine specific needs, demographics, etc., in order to achieve maximum results.

Mr. Williamson then asked Ms. Kelli Bruer, EMSA's director of communications and public relations, to review steps being taken regarding TotalCare education and communication through June of this year. Ms. Bruer reported that EMSA has arranged for new printed envelopes, an additional mailer (stand-alone postcard), and a re-designed water bill insert for utility members. Those items were created and printed for approximately \$50,000. In addition, efforts to increase public awareness through website improvements and media attention are ongoing.

Mr. Lakin would like to visit with Mr. Williamson and Ms. Bruer in the near future regarding the TotalCare program and improvements that may be made in future years. He asked where the \$50,000 used for current TotalCare communications was taken from. Mr. Williamson explained the money was already in the community relations budget, and the budget was re-arranged in order to spend this amount specifically on TotalCare.

Mr. Bird stated it has been proposed that a portion of the \$300,000 approved by the board for TotalCare communications and education could be used to cover the cost of an audit, should the Board approve that line item.

Mr. Torrence continued with the presentation of the budget, presenting presented a historical prospective of emergency transports. In the eastern division, the average increase from 2008 – 2012 has been 6% per year. In the western division, the average increase for the same time period has been 9%.

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For non-emergency transports, there has been a large decline in the western division, due to aggressive stretcher aid van services in that area.

Dr. Goodloe, EMSA's medical director, then spoke to the board about stretcher aid van services. There is a significant concern from a clinical impact on the patients being transported in the stretcher aid vans. The intent of the State regulation is to allow these services to transport individuals who don't need active medical surveillance or care. It is the widespread opinion based on observations that the services are transporting patients at a higher acuity of medical issues than the regulation was designed to allow.

The State Department of Health is conducting a comprehensive review and rewrite on all EMS related regulations. Dr. Goodloe is participating on that group, and during a recent meeting, issues with stretcher aid vans were discussed for four hours. In the new regulations, patients in the vans will no longer be referred to as patients, but as passengers. There should be no difference between a stretcher aid van and a wheelchair van other than the position of the occupant – that is, supine on a stretcher versus sitting in a wheelchair. The hope is not to restrict appropriate business enterprise of the stretcher aid vans, but to curtail inappropriate transports for patient safety.

Mr. Williamson has been in direct communication with the State Department of Health with concerns in multiple levels regarding the vans. Dr. Goodloe believes it is just too difficult a process for the State Department of Health to send someone out to get photographic evidence of inappropriate transports and therefore, the current regulations are difficult to enforce. He hopes better rules will result in fewer instances of wrongdoing.

Dr. Rodgers asked if the stretcher aid vans currently have another person on board to help with patients other than the driver. Dr. Goodloe told the board the current regulation requires an EMT basic on the van. It begs the question why skilled medical providers are required for someone who needs no medical care. That is one of the things being addressed in the rewrite of the regulations.

Mr. Torrence then reviewed a comparison of EMSA's profit and loss statements, budget to actual. Net patient service revenues for 2013 are expected to be approximately the same as 2012, in both the east and the west. Operating expenses are expected to increase in the east and west due to the increase in the contractor cost due to volume and rate. In the east, there will be some additional expense associated with public relations efforts. There will be a decline in depreciation in both divisions due to the fact EMSA is changing from a 5 year to six year replacement schedule on ambulances. In the east, there is also an item in the budget for non-operating income (expense). This item is the interest associated with the financing (over 10 years) of the Lansing facility expansion planned to begin in 2013. The western division has a working capital loan that will be paid down in 2013, therefore there will be less interest paid, as the balance of the loan decreases. The loan originated three years ago for the purchase of the Lifepak 15's.

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Payer mix was then reviewed. Mr. Torrence explained that 60% of transports are comprised of Medicare and Medicaid patients, 21% are private pay patients who do not pay, 15% have private insurance, and 4% are self-pay who pay a whole or partial payment. In reality, the only increase in revenue received from a rate increase (11 cents per dollar, as previously discussed) comes from the 15% category of patients with private insurance.

Mr. Williamson explained that most metropolitan ambulance services receive 80% of their funding from subsidy and 20% from patient revenue. EMSA, historically, has been the reverse of that. The type of system used here is much more efficient, resulting in lower costs per transport and higher revenue collected.

Mr. Torrence reviewed Cash Projections for the years 2013 – 2017 for both divisions.

Assumptions for the projections are:

- Transports will increase by two percent annually through 6/30/2017.
- No change is expected in payer mix or service type mix.
- Collection rates are assumed to be the same throughout the five years.
- Joint costs are split between the east and west 46/54 through 2016.
- Other operating expenses are increased three percent per year for inflation.
- TotalCare revenues are predicted to decline 5% in base subscription receipts, with no change anticipated in subscription rates.
- Utility fee rates assumed to remain at \$3.64 per month with 110,000 water taps.
- Eastern forecast includes \$1,750,000 of first responder capital/supply costs and \$3,435,000 of first responder related personnel costs over the five years.
- The western division will subsidize the projected cash deficits.
- The western cash projection includes a reserve to provide a cushion against future cash flow uncertainties and potentially eliminate the need for interdivisional borrowings.

Dr. Shadid inquired about the first responder related personnel costs - the \$600,000 per year built into the cash projections for the next five years in the eastern division. Mr. Williamson explained that the City of Tulsa in recent years has asked for additional funds from EMSA to help with their budget, as economic times were difficult for the City. Those funds were taken strictly from the eastern division. Mr. Williamson noted that from 2008 – 2012, EMSA has given back \$7,052,000 to the City of Tulsa. The non-beneficiary cities of the eastern division (Bixby, Sand Springs and Jenks) also received a proportional share of funds.

Mr. Torrence then explained that projected cash balances for the east are consistent with the new ordinance, as EMSA is endeavoring to maintain a cash balance that is 10% of its estimated disbursements for the years. In the west, the projected deficits are given, but Oklahoma City is now allowing a cushion to build up a cash reserve in the years 2013 and 2014. It was noted that interdivisional transfers have not occurred for several months.



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Dr. Shadid inquired about the 3.6% employee compensation and benefits increase included in the budget. Details regarding determinants used to arrive at the employee compensation and benefits increase were discussed. They included future employee projections, new processes to reduce employee overtime even as volumes increase, the consumer price index, the cost of benefits provided to employees and attention to industry salary surveys.

Mr. Lakin brought forth the possibility of forming a personnel and compensation committee in the future to look through salary recommendations and bring them to a vote of the entire Board. He asked the appointment of such a committee be placed on the agenda for the next board meeting. It was agreed.

Mr. Bird then proposed a committee also be formed to review the Trust Indenture in order to provide recommendations for revisions to that document. Mr. Williamson suggested the Board allow Mr. Jim Orbison, counsel for the EMSA Board of Trustees, to recommend the changes he feels are necessary to the Board for their review, edits and approval. All agreed.

Mr. Lakin asked about a line item of \$13,000 in the budget listed for the state fair in the eastern division. Mr. Williamson explained this item is an annual event where EMSA teams up with Citizens CPR and provides health screening, as well as CPR training and public health education to the public. The money is paid directly to the fair board.

Mr. Lakin then asked about the line item of \$19,000 in the budget listed for offsite storage. Mr. Williamson expects this line item to be greatly reduced in the future as EMSA has begun the process of digitizing all records. In addition, the anticipated capital expansion will reduce the need for offsite storage, as well.

Mr. Lakin also asked about a fee in the budget regarding a charge by the eastern division to the western division. Mr. Torrence explained the fee came about when seven non-beneficiary cities in the western division were added to EMSA's service area. It was decided that instead of adding associated unit hours into the calculations, the western division would be charged the incremental cost of billing and collections (sending out statements, etc.). Calculations are made each year as to what the actual incremental cost per run is. Mr. Lakin requested some time with Mr. Williamson in the future in order to better understand this issue.

Dr. Rodgers then asked why non-disposal equipment supplies and medical supplies are so much more in the eastern division than the western. Mr. Torrence replied that the supplies for the first responders in the East are included in the number.

Dr. Shadid said it is his understanding that all software costs have now been paid regarding the Cad2Cad system in Oklahoma City. He asked if any additional costs could arise should more problems surface with the interface. Mr. Williamson and Mr. Torrence both agreed no more costs are expected to be incurred due to the interface.

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Upon motion made by Dr. Rodgers and seconded by Mr. Bird, the Board of Trustees voted to approve the Fiscal Year 2013 Annual Budget.

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**6. President's Report**

Mr. Williamson reviewed the compliance and exclusion reports for the Board. Due to the length of the agenda, he suggested the Board move ahead to the next items regarding policies. It is his intent to bring all policies before the board this year for review to ensure all are up to date and any needed changes implemented. Policies will then be placed on EMSA's website, and going forward, only the policies needing to be updated will be brought before the Board.

**7. Approval of EMSA's Administrative Write-off Policy**

Mr. Williamson explained that the Administrative Write-off Policy has been in use for years, but EMSA's counsel found after review that no changes are needed to it.

Upon motion made by Mr. Stevens and seconded by Dr. Shadid, the Board of Trustees voted to approve EMSA's Administrative Write-off Policy.

AYE: Mr. Larry Stevens, Mr. Mark Joslin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Ms. Lillian Perryman

NAY: None

ABSTENTION: None

ABSENT: Mr. Phil Lakin, Mr. Joe Hodges, Mr. Gary Marrs

**8. Approval of EMSA's Auto Safety Program**

Mr. Williamson noted counsel has recently reviewed this policy and a few changes have been made, which are marked in red. Dr. Goodloe expressed concern with this policy being applied to the Office of the Medical Director. Mr. Williamson reassured Dr. Goodloe that

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EMSA's Auto Safety Program applies only to EMSA, and not to the Office of the Medical Director.

Mr. Lakin felt the language in Section VII, 5., F., regarding use of texting, emailing or use of electronic devices other than prescribed in Section VII, A-E, should be stronger. He suggested using "shall not use" rather than "refrain from". The Board agreed to approve EMSA's Auto Safety Program with the language amended in Section VII, item F.

Upon motion made by Mr. Stevens and seconded by Mr. Lakin, the Board of Trustees voted to approve EMSA's Auto Safety Program with the language in Section VII, F. to read, "Drivers shall not use other electronic devices, text or email while operating the vehicle. Use of other electronic devices, texting or emailing is authorized when the vehicle is safely parked. Electronic devices includes but is not limited to MP3 players, iPods, iPads, PDAs, and Laptop or Tablet computer devices.

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**9. Approval of EMSA's Court and Jury Leave Policy**

EMSA's counsel has reviewed the Court and Jury Leave Policy and no changes are needed.

Upon motion made by Dr. Rodgers and seconded by Mr. Lakin, the Board of Trustees voted to approve EMSA's Court and Jury Leave Policy.

AYE: Mr. Phil Lakin, Dr. Tyree Seals, Ms. Lillian Perryman, Dr. Ed Shadid, Dr. Jim Rodgers, Mr. Clay Bird, Mr. Larry Stevens, Mr. Mark Joslin

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**10. Approval of EMSA’s Dress Code Policy**

Counsel has reviewed EMSA’s Dress Code Policy and no changes are needed. Dr. Rodgers asked if EMSA’s Dress Code Policy is the same policy the City of Tulsa follows. Mr. Williamson answered no, this policy was developed by EMSA and is used for its administrative employees. Paramedics Plus has a separate dress code policy. Dr. Rogers asked if the Board could see the Paramedics Plus dress code policy, as he is interested in comparing the portions of it dealing with piercings and tattoos with the policies of the hospitals.

Mr. Lakin noted that the word “khaki” is misspelled in the policy and asked that it be corrected.

Mr. Bird agreed to accept the Dress Code Policy, but noted the Board should probably, at some point, look at the portion of the policy regarding tattoos and piercings, as time has brought about changes.

Upon motion made by Dr. Rodgers and seconded by Mr. Lakin, the Board of Trustees voted to approve EMSA’s Dress Code Policy, providing the spelling of “khaki” within the policy is corrected.

AYE: Mr. Mark Joslin, Dr. James Rodgers, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Larry Stevens, Mr. Clay Bird, Mr. Phil Lakin, Ms. Lillian Perryman

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**11. EMSA Board of Trustees’ Audit Committee Report and Recommendation to Define a Scope of Work for an Audit of EMSA’s Travel, Capital Expenditures and TotalCare Billing System/Process**

**A. Jim Williamson, City Auditor, City of Oklahoma City**

Mr. Bird, Chairman of the EMSA Board of Trustees Audit Committee (consisting of Mr. Bird, Mr. Stevens and Dr. Shadid), told the Board the committee had met on May 15, 2012, and had agreed upon a basic scope of work they felt would be acceptable for an audit. Following the meeting, Mr. Bird asked Mr. Orbison to review the scope and provide any recommendations or revisions he felt needed to be made. Dr. Shadid thought it would be beneficial for the Board to hear from Mr. Jim Williamson, City Auditor of Oklahoma City, due to his experience and familiarity with audits. Mr. Williamson was present and spoke to the Board.

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He began by addressing the objectives in the proposed scope. The first objective, board governance, is essentially a consulting service. The second objective, regarding billings and collections, is considered attestation work and can be performed one of two ways. 1) There can be agreed-upon procedures, where the client specifies the nature and extent of the testing performed, and the firm is limited to the client's specifications or 2) it can be examination work where the auditor defines the procedures to be performed, and those procedures are sufficient for the firm to then give an opinion on material compliance with the policy. The two objectives regarding conflict of interest and investigative work would both be considered consulting work for a public accounting firm. The last objective is more of a judgmental assessment of the appropriateness of the expenditures. That, too, would be considered consulting work. In terms of crafting an RFP and targeting firms to respond, Mr. Williamson believes the Board must understand the type of work they are asking to be performed.

Mr. Williamson felt the wording of the objectives seemed very broad, and suggested the board may want to consider re-wording the objectives to be more specific.

Dr. Shadid stated it was his understanding that there is a difference between examination, which is looking at actual numbers, and consulting. If the Board wants policy recommendations or to know if an expenditure was appropriate (complying with existing policy), those types of things are considered consulting as opposed to an audit.

Mr. Williamson agreed. He explained that when an RFP is issued, the Board would not want to require the person doing the work to follow auditing standards, because they are not applicable to consulting work.

Dr. Shadid then asked Mr. Williamson to speak to the different entities that can provide an audit.

At this point, Mr. Williamson indicated he was trying to separate his topics of discussion to "fit" under Board Agenda Item 11 or 12 on the agenda, but it is difficult, as both items are related. It was decided to go ahead and discuss both agenda items at the same time, and then relegate any action the Board deems necessary under Item 12.

Therefore, for purposes of these minutes, discussion regarding the audit will be reflected under Item 11, and action taken by the board on the audit will be placed under Item 12.

Mr. Williamson explained that the crux of the issue for public accounting firms is that they need clearly defined criteria to apply if they are going to do attestation work. If something is a matter of judgment, criteria cannot be applied in performing their tests.

Government auditors have experience in assessing appropriateness of expenditures without clear criteria. Mr. Williamson is of the opinion that the state auditor may be the best option

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for an audit of EMSA, given the objective regarding the assessment of expenditures for economy and public purpose. He stated the state auditor's office also has experience performing investigations on conflicts of interest and with oversight of board best practices. In addition, the state auditor is an independent entity.

Mr. Williamson feels many public accounting firms will shy away from this type of audit, as it is very subjective. Consulting firms and law firms may be interested in performing this audit and could do so, if AICPA standards are deleted from the RFP.

The state auditor will not respond to an RFP. Instead, the Board would need to request them to perform the audit, and they would then meet with whomever the Board designates to refine a scope of work.

Mr. Bird stated that the Board's counsel, Mr. Jim Orbison, had expressed similar concerns, had identified items he felt would fall under consulting, and suggested adding language to two items under the scope.

Mr. Orbison feels Mr. Williamson explained the differences between an audit vs consultant very well. Mr. Orbison stated the additional language he has provided to Mr. Bird will establish needed criteria to make a determination by the entity performing the audit.

Dr. Shadid asked to confirm with Mr. Williamson his understanding that if the state auditor is used, no RFP is necessary and the state auditor's office will discuss and identify the scope with the Board and go from there. Mr. Williamson agreed. He believes the scope proposed by the Audit Committee is enough to provide to the state auditor, and they would then come in and engage the board to discuss concerns, objectives, etc. The state auditor may also go in a direction not covered by the scope, as they have the authorization to investigate other areas, should they see something during their audit that prompts them to do so. With a consultant, restrictions can be made as to areas to be audited. With the state auditor, the Board will not have that type of control.

Dr. Shadid asked Mr. Williamson if he had an estimate of the cost of a state audit. Mr. Williamson replied a ballpark estimate would be \$5,000 per week. Their rate is \$50 per hour, which is exceptionally reasonable.

Mr. Lakin asked about the timeframe of having the state auditor perform the audit. Mr. Williamson believes it would be about 60 days from the date of the request.

Discussion began as to the length of an audit, once started. Mr. Williamson explained that with an RFP, the length of the audit could be somewhat specified. If the state auditor comes in, they would need to be paid for as long as they are engaged in the audit, and once the audit begins, the Board does not have the ability to stop them.

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Mr. Bird asked the price with the state auditor could be capped. Mr. Williamson replied EMSA would receive an estimate from the state auditor's office, and it is exceptionally unusual for them to bill more than the estimate.

Dr. Rodgers stated he feels the public may hold the state auditor in higher regard than they would a private firm.

Mr. Lakin said the concern he has is from the standpoint of allowing the staff to define the scope of work for either an auditing firm or the state auditor. He feels it is incumbent upon the Board to make sure the scope of work is correct from a transparency standpoint.

Ms. Perryman believes it was the intent of the committee to do just that. Mr. Stevens and Dr. Shadid agreed that was the goal of the committee.

Dr. Shadid is most comfortable going with the state auditor, as they cannot be limited to areas investigated, and he feels that gives them more legitimacy. If that fact is explained to the public, it would result in more confidence in EMSA. Also, he feels policy recommendations should be addressed in the audit.

Mr. Bird stated the Board may want to consider issuing two separate RFP's, one to deal with policy and one to deal with investigation. Mr. Williamson reminded the Board that it is standard practice for the state auditor to assess policies.

Discussion ensued as to how to go about writing an RFP, who might be able to assist with writing an RFP, the amount of time it may take to write, the time it would take to put it out to bid, etc.

Mr. Bird stated it is his desire to get the audit completed as quickly as possible.

Dr. Shadid stated he believes a private firm will be more expensive than the state auditor. Mr. Stevens and Ms. Perryman agreed.

Mr. Lakin stated he has no problem with hiring the state auditor, but wants to assure enough data is provided to make the best decision.

Mr. Stevens stated that if the board could obtain an estimated cost and timeframe from the state auditor before the next board meeting, they could then be at a place to make a decision.

Mr. Orbison stated he is concerned from a legal standpoint in that it is his understanding that the state auditor has no jurisdiction over a public trust, including EMSA. He will research to confirm, but believes they can only audit EMSA if EMSA requests them to do so. There are several issues that have surfaced in discussion that need to be researched and confirmed. One such issue is whether the scope of work can be limited by the state auditor if EMSA

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requests it to be, just as it can if using a private firm. Mr. Orbison believes the Board needs to be fully informed before they assume the state auditor can come in and do the audit.

Mr. Stevens asked if it would be possible to have an employee from the state auditor's office visit with the Board or the Audit Committee. Mr. Williamson answered yes. Ms. Perryman stated perhaps it would be better to have the committee visit with them and bring the answers back to the next meeting.

Mr. Bird stated perhaps the Board should go ahead and approve the scope of work and then contact the state auditor's office to get them engaged contingent upon a certain price cap. He stated that in the meantime, perhaps Mr. Orbison can get a legal opinion on just what the state auditors can do and just how much direction we have over them once we get them engaged.

Dr. Shadid is in favor of approving the scope of work, presenting it to the state auditor, meeting with their office and being prepared to have a final vote in 30 days.

Mr. Lakin agreed the scope could be approved today, but he wonders if a motion to approve it is too early in the process without getting some expertise to help define the scope, as he does not feel he has the experience needed in this area.

Mr. Bird asked Mr. Jim Williamson if he is comfortable with sending the current scope to the state auditor. Mr. Williamson replied yes. He feels very broad scope statements will work for the state auditor, as they are going to hone those statements anyway.

Dr. Shadid stated that ultimately, the state auditor would be making recommendations, and the Board is not obligated to do anything they recommend, necessarily. He wouldn't want to restrict it to just the law, as there are plenty of examples of boards where things are technically legal, but perhaps aren't ethical or in good judgment, or they erode public confidence.

Mr. Orbison stated the language is there, but the Board needs to remember that if the state auditor sees something they want to address other than what is in the scope, it can be addressed. He believes it important that something be in the scope defining criteria to be met, even with the state auditor. Also, he wonders if this is something the state auditor would have experience with and normally do. When hiring a private firm, you ask if the companies have the ability based upon the experience of having audited hospitals or medical providers, including ambulance providers.

Ms. Perryman stated she is not sure the Board is clear enough to make a decision today.

Mr. Lakin stated he could go ahead with a decision.



Dr. Shadid agreed, saying he is prepared to vote today and move forward.

Mr. Bird agreed, as well. However, he would like the suggested language Mr. Orbison recommended included. He explained to the Board that Mr. Orbison suggested the following language be tagged on to items 2 and 3 on the scope; “which is prohibited by applicable laws or regulations, EMSA policies and procedures, the EMSA Trust Indenture, the EMSA By-laws or the EMSA Code of Conduct.”

Dr. Shadid agreed with the added language, as did Mr. Stevens.

**12. Audit of EMSA’s Travel, Capital Expenditures, and TotalCare Billing System/Process**

The Board, having agreed to vote today to engage the state auditor with the proposed scope of work, then discussed the final language to include in the motion and made the decision to make the motion contingent on the cost being estimated at \$75,000 or less. If the cost estimate exceeds that amount, then it would be taken to the board again in 30 days for approval.

Ms. Perryman reminded the Board that the additional language proposed by Mr. Orbison needs to be included in the motion.

Upon motion made by Dr. Shadid and seconded by Mr. Bird, the Board of Trustees voted to engage the state auditor based on the following scope of work, contingent upon the estimated cost of the audit being \$75,000 or less; if the estimated cost is above \$75,000, the EMSA Audit Committee will then meet with the state auditor for discussion, and another vote will be taken by the Board in 30 days, based on the state auditor’s estimated cost.

- **Determine if:**
  1. EMSA policies on board governance reflect industry best practices and make policy recommendations as appropriate
  
- **Investigate whether:**
  1. Determine the extent and nature of any erroneous billing or collection practices by EMSA or any of its contractors
  2. A conflict of interest exists between EMSA executives and/or its staff and any of its contractors, which is prohibited by applicable laws or regulations, EMSA policies and procedures, the EMSA Trust Indenture, the EMSA By-laws or the EMSA Code of Conduct.

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3. EMSA executives, staff or other related parties received personal financial benefit from any of its contractors, which is prohibited by applicable laws or regulations, EMSA policies and procedures, the EMSA Trust Indenture, the EMSA By-laws or the EMSA Code of Conduct.

- **Assess expenditures for economy and public purpose**

AYE: Ms. Lillian Perryman, Mr. Phil Lakin, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Dr. Jim Rodgers, Mr. Joe Hodges, Mr. Gary Marrs

**13. EMSA's Participation in the American Ambulance Association**

Mr. Williamson directed the Board's attention to the document in the packet showing the cost of participation in the American Ambulance Association (AAA) and the revenue produced as a result of Medicare reimbursement provisions advocated and won by the American Ambulance Association. The cost of participation from January 1, 2010 through March 31, 2012, has been \$132,854. Revenue produced (direct effect on EMSA's cash receipts) over the same time period equates to \$2,100,000.

Dr. Shadid asked if the cost of travel listed (\$106,000) was strictly limited to the work on the Medicare Ambulance Relief Extension and the Geographic Price Cost Index Extension. Mr. Williamson stated the cost was for travel to meetings regarding the billing and collection of these funds, the work required to ensure both the AAA and EMSA continue to be diligent and informed, as well as payment of his expenses as President of the American Ambulance Association.

Board Agenda Item 13 is to determine whether the Board desires EMSA to stay active in the American Ambulance Association, and Item 14 is to determine if the Board wants EMSA to continue to pay for travel expenses associated with involvement with the AAA.

Upon motion made by Mr. Bird and seconded by Dr. Shadid, the Board of Trustees voted to approve EMSA's Participation in the American Ambulance Association.

AYE: Mr. Phil Lakin, Ms. Lillian Perryman, Dr. Ed Shadid, Dr. Tyree Seals, Mr. Clay Bird, Mr. Mark Joslin

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NAY: None

ABSTENTION: None

ABSENT: Dr. Jim Rodgers, Mr. Larry Stevens, Mr. Joe Hodges, Mr. Gary Marrs

**14. Payment of EMSA's American Ambulance Association Related Travel**

As stated earlier, Item 14 is to determine if the Board wants EMSA to continue to pay for travel expenses associated with involvement with the AAA. Mr. Williamson's term as president of the Association will be ending in November, 2012. He will then be past president for two years. Due to his two year term as president, travel cost has increased, but should decrease again after his term ends.

Mr. Lakin asked what measures Mr. Williamson has taken to minimize related costs. Mr. Williamson explained there are four to five nationwide meetings per year related to education, changes in legislation, Medicare reimbursement, updates, etc. EMSA only sends top management employees (two to three) to conferences. They then return and educate others.

Dr. Shadid asked if the cost split of 46/54 percent between the eastern and western divisions pertains to this travel. The answer is yes.

Mr. Phil Lakin asked if every effort was being taken to book the travel at times when fares would be least expensive. Mr. Williamson assured Mr. Lakin that is the case, whenever possible. In some instances, the American Ambulance Association does not have much advance notice of legislative meetings.

Mr. Williamson explained to the Board that EMSA's corporate cards with American Express now allow us to use "points" for travel, so EMSA is not currently spending any cash on air travel.

Mr. Lakin said it appears EMSA is receiving a high return on its investment in the American Ambulance Association.

Dr. Shadid said he is going to vote no on this item, based primarily on the comments made at the previous Board meeting by Ms. Maria Bianchi, executive vice president of the American Ambulance Association. He feels an organization such as the AAA should pay for the travel of its president, as the focus of the organization is to lobby Congress. He feels EMSA is subsidizing other EMS organizations by paying for the AAA travel expenditures.

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Mr. Bird said it is his preference, as well, that the AAA pay for Mr. Williamson's travel, but he understands it is not possible at this time, and believes Mr. Williamson's involvement with the American Ambulance Association needs to continue.

Mr. Williamson stated that the AAA does pay for his hotel cost while he is acting president. He shared with the board reasons why it is necessary for him to travel first class (related health issues), and told the board he doesn't believe the AAA's travel policy would cover first class airfare, even if they did pay for air travel.

Mr. Williamson feels participation in the American Ambulance Association is extremely important for EMSA. MedPAC is now looking at EMS for the first time. It is the group that recommends to Congress how Medicare should pay, and various measures and considerations are currently being discussed.

Dr. Shadid asked if Paramedics Plus is planning on offsetting any of the travel cost in the future. Mr. Williamson answered no.

Mr. Lakin stated he would make a motion, but would amend the motion to include language that indicates AAA travel costs be paid by EMSA, to the extent the costs are tied to revenue that remains in excess of the expenses incurred. He also wants to be sure every measure is taken to minimize those expenses by using common, sensible business practice.

Upon motion made by Mr. Lakin and seconded by Mr. Bird, the Board of Trustees voted to approve Payment of EMSA's American Ambulance Association Related Travel, Provided Travel Expenses are Tied to Revenue that Remains in Excess of Expenses Incurred; and Every Measure is Taken by EMSA to Minimize Expenses by Applying Sensible Business Practices.

AYE: Mr. Phil Lakin, Dr. Tyree Seals, Ms. Lillian Perryman, Mr. Clay Bird, Mr. Mark Joslin,

NAY: Dr. Ed Shadid

ABSTENTION: None

ABSENT: Dr. Jim Rodgers, Mr. Larry Stevens, Mr. Joe Hodges, Mr. Gary Marrs

**15. Medical Director's Report**

Dr. Goodloe stated the meeting has been long. He told the Board that EMSA is a clinical practice of medicine, and he does not want them to lose focus of that fact. He stated the medical care being given is very good, and the Office of the Medical Director is in relentless pursuit of making it even better. The divert report numbers for April are better than

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anticipated. The Clinical Quality Improvement Summary reflects good care. The Cardiac Arrest Report indicates exemplary outcomes from the new approach to cardiac arrest resuscitation, and at this point, Dr. Goodloe feels 2012 will be EMSA's best year yet for cardiac arrest outcomes.

Ms. Perryman told Dr. Goodloe she feels EMSA has one of the best programs in the United States and also doesn't want the Board to lose sight of the fact that excellent medical care is what EMSA provides to our citizens.

16. New Business

None.

17. Trustees' Reports

None.

18. Next Meeting – Wednesday, June 27, 2012 – 1:00 PM via video conference – EMSA Administrative Offices, 1111 Classen Drive, Oklahoma City, OK 73103 (Western Division) and 1417 N. Lansing Ave., Tulsa, OK 74106 (Eastern Division)

19. Adjourn.

The meeting was adjourned at 4:17 pm.

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Ann C. Laur, Assistant Secretary

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Date: