

## **EMERGENCY MEDICAL SERVICES AUTHORITY – A Public Trust**

### **Board of Trustees Meeting**

Wednesday, February 27, 2013

Meeting Room

Best Western Hotel

1200 N. 8<sup>th</sup>, Stroud, OK 74079

### **Minutes:**

**NOTICE AND AGENDA** for the meeting of the Board of Trustees of the Emergency Medical Services Authority, a Public Trust, was posted February 26, 2013 in the offices of the City Clerk of Oklahoma City at 10:09 am, and with the City Clerk of the City of Tulsa on February 26, 2013 at 10:08 am, more than 24 hours prior to the time set for the meeting.

A quorum was present, and the meeting was called to order at 1:00 p.m. by Ms. Lillian Perryman.

### **TRUSTEES PRESENT**

Mr. Gary Marrs  
Mr. Clay Bird  
Dr. Jim Rodgers  
Ms. Lillian Perryman  
Dr. Ed Shadid  
Mr. Mark Joslin  
Mr. Larry Stevens  
Mr. Phil Lakin  
Mr. Joe Hodges  
Dr. Charles Foulks  
Dr. Jeff Goodloe

### **OTHERS PRESENT**

Steve Williamson, EMSA  
Kent Torrence, EMSA  
Angie Lehman, EMSA  
Ann Laur, EMSA  
Frank Gresh, EMSA  
Kelli Bruer, EMSA  
Tracy Johnson, EMSA  
John Peterson, Paramedics Plus  
Joanne McNeil, Paramedics Plus  
Jason Whitlow, Paramedics Plus  
Lara O’Leary, Paramedics Plus  
Ron Schwartz, Paramedics Plus  
Mark Postma, Paramedics Plus  
Vic Albert, Conner & Winters  
Michael Murphy, MMRS  
Jim Orbison, Riggs/Abney  
Kris Koepsel, Riggs/Abney  
Blake Loepp, Schnake/Turnbo/Frank  
Kari Culp, Schnake/Turnbo/Frank  
Rebecca Williamson  
Ziva Branstetter, Tulsa World  
KOTV, Tulsa  
KJRH, Tulsa  
KOKH, Oklahoma city

### **TRUSTEES ABSENT**

None.

**CONSENT AGENDA**

**1. Approval of Regular Board Minutes of January 23, 2013**

Upon motion made by Mr. Marrs and seconded by Mr. Bird, the Board of Trustees voted to approve the Regular Board Minutes of January 23, 2013.

AYE: Ms. Lillian Perryman, Dr. Jim Rodgers, Mr. Clay Bird, Mr. Gary Marrs, Mr. Mark Joslin, Mr. Joe Hodges, Mr. Larry Stevens

NAY: None

ABSTENTION: Dr. Charles Foulks

ABSENT: Mr. Phil Lakin, Dr. Ed Shadid

**REGULAR AGENDA**

**1. Chairman's Report**

None.

**2. An Executive Session of the Board of Trustees for the purpose of confidential communications with its attorneys concerning potential claims or investigations resulting from matters raised in the Special Audit Report issued as of January 22, 2013, by the Oklahoma State Auditor & Inspector to the Emergency Medical Services Authority for the time period of January 1, 2009, through June 30, 2012, as authorized by Title 25, Section 307 B.4 of the Oklahoma Statutes, and a determination by counsel and the Board of Trustees that disclosure to the public of the communications in such executive session will seriously impair the ability of the Board of Trustees to process any such potential claims or investigations in the public interest.**

Upon motion made by Mr. Stevens and seconded by Mr. Marrs, the Board of Trustees voted to enter into an Executive Session upon advice of legal counsel, for the purpose of confidential communications with its attorneys concerning potential claims or investigations resulting from matters raised in the Special Audit Report issued as of January 22, 2013, by the Oklahoma State Auditor & Inspector to the Emergency Medical Services Authority for the time period of January 1, 2009, through June 30, 2012, as authorized by Title 25, Section 307 B.4 of the Oklahoma Statutes. Such motion was made after a determination during the meeting by counsel and the Board of Trustees that disclosure to the public of the

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communications in such executive session will seriously impair the ability of the Board of Trustees to process any such potential claims or investigations in the public interest.

AYE: Mr. Gary Marrs, Mr. Joe Hodges, Dr. Jim Rodgers, Mr. Phil Lakin, Mr. Clay Bird, Mr. Larry Stevens, Dr. Charles Foulks, Ms. Lillian Perryman, Mr. Mark Joslin

NAY: None

ABSTENTION: None

ABSENT: Dr. Ed Shadid

- 3. After a return by the Board of Trustees to the public meeting, vote upon any item of business which concerns any above-described potential claims or investigations and is considered during the Executive Session.**

Upon return from Executive Session, Ms. Lillian Perryman announced no action is to be taken at this time as a result of the Executive Session. However, Mr. Stevens stated he would like to make a motion to release the Legal Opinion issued by Riggs/Abney regarding the State Audit Report to the public.

Upon motion made by Mr. Stevens and seconded by Dr. Foulks, the Board of Trustees voted to release to the public the Legal Opinion Relating to Matters Raised in the Special Audit Report Issued January 22, 2013 by the Oklahoma State Auditor & Inspector to the Emergency Medical Services Authority for the Time Period of January 1, 2009 through June 30, 2012.

AYE: Mr. Phil Lakin, Ms. Lillian Perryman, Dr. Jim Rodgers, Mr. Clay Bird, Dr. Ed Shadid, Mr. Mark Joslin, Dr. Charles Foulks, Mr. Joe Hodges, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs

- 4. Oklahoma State Auditor & Inspector Special Audit Report, responses thereto of EMSA staff and legal opinions of EMSA counsel relating to matters raised in such Special Audit Report.**

Mr. Williamson apologized to the Board for actions taken in the past that have been construed as outside the scope of a public trust. The responses to the State Audit Report will add some context to those actions, but he regrets the scrutiny they caused for the Board.

Mr. Williamson then made a presentation responding to Objectives I-V listed in the State Audit Report.

**Objectives I and II: Investigate whether a conflict of interest exists between EMSA executives or its staff and any of its contractors, or whether EMSA executives, staff, or other related parties received personal financial benefits from any of its contractors, which is prohibited by applicable laws on regulations, EMSA policies and procedures, the EMSA Trust Indenture, the EMSA by-laws or the EMSA Code of Conduct.**

Under these two objectives, the allegations referred to by the Audit Report are:

- (1) An investigation into a conflict of interest between Mr. Williamson and Works & Lentz, EMSA's primary collection firm.
- (2) Travel costs of Mr. Williamson, as president of the American Ambulance Association (AAA), are partially subsidized by EMSA, and the Board was unaware of the scope of the costs.
- (3) EMSA's contractor, Paramedics Plus (P+), had sponsored a portion of Mr. Williamson's travel costs as president of the AAA.

The conclusions resulting from Objectives I and II of the State Auditor's Investigative Audit revealed: "No confirmed conflicts of interest or prohibited financial benefits were discovered during our procedures. However, both the relationship between Mr. Williamson and Works & Lentz and the P+ sponsorship of a portion of Mr. Williamson's travel costs could appear to be conflicts of interest..." and "Failure to disclose potential conflicts of interest or relationships which might appear to represent conflicts, is direct violation of Principles 5 and 6 of EMSA's Code of Conduct."

Four recommendations were given in the Audit Report as a result of the findings of Objectives I and II.

**Recommendation #1: Disclose Any Potential Financial Benefits or Conflicts of Interest.**

EMSA has amended the Code of Conduct to require all employees to submit annually a report disclosing all actual and apparent conflicts of interest, including all personal and business relationships that may constitute an actual or apparent conflict of interest.

**Recommendation #2: Assess Costs and Benefits of Organizational Membership.**

In response, EMSA's management will now annually provide costs and benefits of organizational memberships to the Board of Trustees as part of the annual budget approval process.

**Recommendation #3: Properly Address Potential Sponsorships.** In response to #3, Mr. Williamson feels certain he has addressed sponsorships in the past. As an example, he produced an email from himself to Jim Couch, City Manager of Oklahoma City, written in July, 2010, stating he had obtained sponsorship for a portion of his travel as president of the

American Ambulance Association. Although Mr. Williamson feels certain he also told the EMSA Board of Trustees about this sponsorship, there is no corresponding documentation that can be found in the minutes to corroborate that fact. EMSA board meetings are now being transcribed word for word, so there will not be any question regarding the full content of discussion in future meetings.

**Recommendation #4: Consider Bidding Process for Collection Services.** In response, EMSA will issue an RFP for attorney services for the collection of patient accounts.

**Objective III: Investigate the extent and nature of any erroneous billing or collection practices by EMSA or any of its contractors.**

Three allegations were listed under Objective III in the State Audit report. They are:

- (1) Patients who were TotalCare members may have received bills when their memberships should have resulted in any outstanding account balances being eliminated.
- (2) Statements mailed to patients who were TotalCare members may have been misleading by suggesting the patients pay their balances even when not appropriate.
- (3) TotalCare member accounts may have been turned over to collection agencies inappropriately.

The auditors reviewed electronic records in detail from a number of transports. As they talked with our employees, they realized there were procedures they didn't previously have an understanding of. As a result of their audit, the following Observations for Objective III are listed in the Report:

**(1) Inherent Difficulties with Utility Program Address Data**

“Our procedures led us to the understanding that EMSA’s difficulty in identifying TotalCare members does not necessarily result from human error, but from problems inherent to the organization of relevant address data.

“We encountered several patient account representatives who have developed complex methods for identifying TotalCare members in the utility database. Methods may include searching for addresses using different formats, verifying addresses with the US Postal Service, and even using images from Google maps to determine the names of apartment complexes.”

Mr. Williamson is proud of the initiative used by EMSA employees to do everything possible to locate correct address information for patients.

**(2) Misleading Language in Past Account Statements**

“During the time period reviewed, EMSA used a system of prepared statements and letters to contact patients by mail. In some cases the statements could have been

confusing to patients because the specific messages or instructions may not have been immediately noticeable (messages were below the billing information and dollar amounts) and because the phrase “due from patient” was present on the statement even if the patient should not actively be paying at the time of receipt. (However, there was also a “due from insurance” line on the statement, and the balance was printed here when appropriate.)”

“EMSA has already taken steps to improve its statements, though the changes occurred after the time period covered by our procedures. The new statements appear to clearly state whether the patient has been identified as a TotalCare member, and if the statement is not a bill, it clearly states “This is not a bill.”

Mr. Williamson agreed the statements EMSA used during the audit period may have been confusing or misleading at times to patients, due to size or placement of the text containing specific instruction and explanation. Therefore, a letter was included with the statements, explaining the steps to be taken for TotalCare members.

He told the Board that EMSA contracted with a different vendor to revamp its statements during the period covered by the audit, but the new statements were delayed due to Medicare 5010 requirements. Therefore, the new statements began going out in October, 2012.

Mr. Williamson presented a handout to the Board indicating the changes made from the prior statements and containing inserts from the new statements.

**(3) Allegations of Inappropriate Suits Against Utility Members Not Supported**

“We examined a list of 163 allegedly wrongful lawsuits and reviewed EMSA’s explanations for each of the related accounts. According to EMSA, the majority of these accounts belonged to patients who were not in fact utility members on their dates of service, or who were turned to collection for an appropriate reason.”

“These explanations align with the processes, timelines, and issues we observed during our procedures. We reviewed the account details for a judgmentally selected sample of 16 of these cases, including the four cases in which EMSA admitted error. With respect to the items tested, EMSA’s explanations were supported, and its cases of human error appeared to be similar in cause to those found in our initial test work.”

Mr. Williamson noted the State Audit Report confirmed the majority of the 163 allegedly wrongful lawsuits were accounts of patients who were not utility members on their dates of service, or they were turned to collections appropriately.

The conclusions resulting from Objective III of the State Auditor's Investigative Audit stated: "While our test work revealed that some billing errors did occur, they do not appear to have been intentional. Some failures to identify TotalCare members may be due to error on the part of the patient account representative or incorrect information provided by the patient, but utility address data also plays a large role in the difficulty of the member identification process. With clear and concise statement language and continued improvements to the utility address data, these billing issues should improve."

Five recommendations (numbered 5, 6, 7, 8 and 9) were given in the Audit Report as a result of the findings of Objective III.

**Recommendation 5: Improve Address Data System.** EMSA responded that it is important to note that the audit found no systemic, erroneous patient billing. In addition, it was found that there had been no wrongful collection lawsuits. However, all parties agree that the system of using utility addresses for TotalCare membership is inherently difficult. EMSA's management is currently working with the city of Tulsa's utility department, along with the MRO office, to determine different ways this task can be accomplished. A TotalCare unique identifier system is currently being investigated and EMSA is working with the city of Tulsa to implement apartment code enforcement.

**Recommendation 6: Enhance Patient Outreach Efforts.** Mr. Williamson responded to this recommendation, stating EMSA will continue to work closely with the cities' utilities departments in an effort to inform TotalCare members regarding the benefits and responsibilities of the program. EMSA has already engaged the services of research and advertising firms to develop improved communication opportunities and tools. The initial phase is complete. Management and the Public Relations committee are currently evaluating the firms' recommendations. EMSA's staff is also in the process of creating a pamphlet that each patient will receive upon transport which will provide specific information about TotalCare and their bill.

Ms. Perryman asked when the pamphlet would be ready. Ms. Kelli Bruer, EMSA's Director of Communications and Public relations explained there are two pamphlets currently being considered. The first is a discharge-type spread sheet, which explains to the patient that they will receive a statement in the mail. It will be ready very soon. The other is a brochure-type pamphlet that explains TotalCare, and has a later release time due to the time needed to produce the brochure.

**Recommendation 7: Enforce Contractual Requirements.** EMSA's management is meeting with Paramedics Plus to develop a process using the new Zoll ePCR system and their run ticket auditors to ensure they have more accurate demographic information. The new process can, with additional staff time, track run tickets which do not have the correct information and include a procedure for holding the contractor accountable.

Mr. Williamson told the Board that EMSA will be using a different ePCR vendor, and information from the ePCR will go directly into the billing system. This new system should be in place in May.

EMSA is also involved with MyHealth, a company which provides electronic sharing patient information between hospitals and health systems. They are working with EMSA to provide access to insurance information for all of the patients in their system.

**Recommendation 8: Address Potential Conflicts with Related-Party Accounts.** EMSA's management will develop a written policy and have the staff sign a formal statement of understanding of the policy. However, in addition to this, the recommendation doesn't give clear direction regarding the management approval process. Management currently approves all technical, insurance, and administrative adjustment write-offs. Management does not currently approve utility write-off adjustments.

There are approximately 1000 utility write-offs per month. Utility write-offs are taken at the time EMSA identifies the TotalCare member is self-pay, or at the time the insurance, Medicaid, or Medicare payment is received leaving a balance to the patient. These are reviewed monthly as a KPI (Key Performance Indicator). This process is also part of EMSA's Compliance Plan and will be audited quarterly and reported to the Compliance Committee. Management suggests that the quarterly compliance audit findings could be reported to the board in a compliance summary each quarter.

**Recommendation 9: Automate Discounts.** Currently, EMSA's Zoll billing system does not have this capability. EMSA contacted Zoll to determine if a process could be developed. There would be an associated cost with this enhancement; therefore, a cost benefit analysis would need to be performed. Currently, the Zoll system can only take an automated/contractual discount on the primary payor, which in most cases is Medicare, Medicaid or insurance. The 40% TotalCare discount usually comes into play on the patient's balance after the primary payor has paid.

**Objective IV: Determine if EMSA's policies on board governance reflect industry best practices and make policy recommendations, as appropriate.**

Conclusions of the State Audit Report regarding Objective IV state: "Certain EMSA policies reflect best practices, where others demonstrate an opportunity for improvement. In general, policies and practice related to board meeting reflect industry standards, with the exception to trustee attendance, and the Board appears committed to a greater degree of participation in the future. Training, delegation and oversight represent areas that currently receive some attention, but not to a level which might be expected of a public entity. And finally, strategic planning and thinking represent areas in which the Board is not currently engaged, but should be. Mr. Williamson stated EMSA management will work through various avenues to aid in the increase of board participation."



Six recommendations (numbered 10, 11, 12, 13, 14 and 15) were stated in the Audit Report as a result of the findings of Objective IV.

**Recommendation 10: Strengthen Trustee Attendance Policies.** Mr. Williamson stated this recommendation requires further board discussion. EMSA's staff will work with the board to implement their directives.

**Recommendation 11: Create More Committees to Address Specific Issues.** Mr. Williamson stated this recommendation, as well, requires further board discussion, and EMSA's staff will work with the board to implement their directives. The formation of committees will, in fact, be addressed in the meeting today.

**Recommendation 12: Enhance Financial Oversight by Reviewing Single-item Purchases over a Certain Threshold.** In response, Mr. Williamson stated that per the EMSA purchasing policy, a purchase requisition is completed for all purchases greater than \$2500.00. Currently, these requirements are signed by the originator, the President and the Chief Financial Officer. Also, all checks greater than \$10,000.00 are currently included in the Board of Trustees monthly financial packet and posted on the EMSA website for review. EMSA's staff recommends any requisition \$25,000 or greater be approved by the Board of Trustees and signed by the Chairman.

**Recommendation 13: Formalize Policy Whereby the Board Approves Purchases Over \$25,000.** This recommendation was addressed in the response to Recommendation 12.

**Recommendation 14: Adopt a Policy for Formal Evaluation of the CEO.** Mr. Williamson stated that this recommendation requires further board discussion. EMSA's staff will work with the board to implement their directives.

**Recommendation 15: Perform Self-Assessments.** EMSA's staff will work with the board to implement their directives.

**Objective V: Assess expenditures for economy and public purpose.**

Four recommendations (numbered 16, 17, 18 and 19) were stated in the Audit Report as a result of the findings of Objective V

**Recommendation 16: Realign Expenditure Expectations.** Mr. Williamson responded that EMSA has recently created new policies for travel, retirement celebrations and purchasing.

Mr. Williamson reviewed a list of detailed descriptions of expenses listed in the State Audit Report. He stated that EMSA has addressed the retirement parties listed previously at length. The spa charges listed were purchased for two employees, one Paramedics Plus employee and one EMSA employee, as a result of two major programs that were implemented. The

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first project was for CAAS (Commission on Accreditation of Ambulance Services) accreditation. There are 140 ambulance services in the U.S. accredited by CAAS. This employee spent a year in developing our application, working with both EMSA and Paramedics Plus management and employees to ensure each and every aspect of the extensive requirements were met. EMSA was accredited in one visit, receiving a rare score of 100%.

The second employee was responsible for implementing the utility fee program. This program was begun as a way to avoid using the general fund to pay for EMS. The program was implemented in all 16 cities, and this employee was key in the discussions with city officials and the development of the program, down to the last details. The management staff of both Paramedics Plus and EMSA decided to express their appreciation to these two employees for the efforts given above and beyond the scope of their jobs, and it was decided a spa package would be purchased for each. Mr. Williamson purchased the packages, as both employees live in Tulsa, and Paramedics Plus reimbursed EMSA for those.

Mr. Williamson then explained that the expense of \$28,000 for Sirius radio was for the purpose of having the ability to follow national news in the event of natural disasters. The events of 9/11 made clear the importance of having at least one sure method of being able to do so. The radio service is provided in two IT trucks (one in each division).

Mr. Williamson also explained the \$35,190 expense listed for floral services. \$28,000 of that total was for three years of plant rental and minimum service for the administrative offices located in Tulsa and Oklahoma City. The remaining amount was spent on floral arrangements for both divisions over three years; for medics who died, police and fire graduations, hospitalized employees and occasionally for their direct family members who were seriously ill.

Dr. Shadid mentioned several instances in which he feels there was a lack of documentation for expenses, such as the \$23,875 paid to an employee's wife for fitness services. He asked how EMSA is improving their documentation.

Mr. Williamson replied that EMSA now has policies in place to require better documentation, and those policies were not yet in place for the time period covered by this audit. Dr. Shadid feels EMSA and the Board would have wanted written justification for these types of expenses prior to six months ago.

Dr. Shadid raised various items listed in the State Audit Report, such as EMSA employees making purchases with personal reward cards, and charitable donations of First Tee. Mr. Williamson responded that employees now have corporate credit cards. Regarding First Tee, EMSA was contacted by employees within the Oklahoma City government (both the Mayor's office and council office) the first year of the program, requesting EMSA

participate with a contribution. He has been contacted each year since (total of five years), asking EMSA to continue their participation.

Mr. Clay Bird acknowledged there is now a practice in place to require board approval for any expense over \$25,000, but would like to request that figure be lowered to \$5,000. When asked for discussion, Dr. Shadid stated the Audit Report suggests forming a committee to go through line items. There was no other discussion among the board. Mr. Williamson stated that whatever amount the board decides to approve can be included in the list previously noted with the \$10,000 expenditures.

Dr. Shadid posed several questions for Mr. Williamson regarding maintenance of EMSA administrative vehicles. After discussion, it was confirmed that EMSA administrative vehicles are not maintained by Paramedics Plus. The vehicles of the OMD (Office of the Medical Director) are serviced by the fleet department of Paramedics Plus.

Mr. Bird asked for an explanation of the \$349.90 item paid to Uncommon Goods, as a gift for a Medicare consultant. Mr. Williamson stated that EMSA's longtime Medicare consultant provided a unique legal review of EMSA's subscription program at no charge to EMSA. Mr. Williamson purchased a gift for him to be presented at a birthday gathering, to show EMSA's appreciation for the work he has done over the previous 10 years, as well as for providing this specific project to EMSA at no charge. In hindsight, Mr. Williamson agrees he should not have purchased the gift.

Dr. Shadid asked Mr. Williamson about the \$1,100 dinner purchased for the board members of the American Ambulance Association. Mr. Williamson responded that board members took turns paying for the dinners. Mr. Williamson had not sponsored a dinner in ten years.

**Recommendation 17: Review All of the CEO's Expenditures.** EMSA's response is that all of the expenditures of the CEO are now being approved by the Chair or Vice Chair of the Board of Trustees.

**Recommendation #18: Enhance Expenditure Transparency.** Mr. Williamson, in response, stated that EMSA now posts on its website all checks written during the month over \$10,000.00.

**Recommendation #19: Seek Legal Counsel Regarding Certain Questionable Expenditure Practices.** EMSA's response: Legal opinions have been received.

Mr. Williamson asked Mr. Jim Orbison to address the Legal Opinion.

Mr. Orbison stated the seventeen page Legal Opinion was drafted as a result of analysis, research and description of state laws and regulations. The questions addressed were those

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that the EMSA Board asked to have addressed. It was also recommended in the Audit Report that EMSA's legal counsel look into these items.

The first item legal addressed was the reimbursement of \$7.1 million for items purchased by EMSA and reimbursed by Paramedics Plus. Mr. Orbison stated that it was found by the Legal Opinion that 97% of these items were for purchases where no tax would be due. Regarding fuel, it is the purpose and use of the fuel that determines whether it is taxable, not the entity which purchased it. When the fuel is purchased for the exclusive benefit of municipalities through EMSA, the purchase is non-taxable. There are several other items listed in the Opinion upon which no tax would be due. Mr. Orbison stated approximately 3% of the items listed within the \$7.1 million questioned, could arguably be taxable if they were purchased by Paramedics Plus.

Mr. Orbison explained there is a gain-sharing agreement between EMSA and the contractor (Paramedics Plus). When Paramedics Plus' income exceeds 10.5%, according to the agreement, the excess is returned to EMSA. Therefore, everything EMSA can do to help the contractor save money ultimately comes back to EMSA, for the benefit of the communities served by EMSA. However, it was recommended in the Legal Opinion that the items comprising the 3%, which may or may not be taxable, should not be reimbursed going forward.

Legal counsel also looked into the question of payment of the membership dues by EMSA to the American Ambulance Association (AAA). The Opinion states the dues paid to the AAA are allowable under the Oklahoma Constitution and in accordance with the indenture that created EMSA. It is the Board's decision as to whether or not they want to continue the practice.

Next Mr. Orbison addressed the charitable contributions made by EMSA. They were less than \$30,000 in total, over half of which was the \$15,000 paid to First Tee. Whether these charitable contributions are in accordance with the constitution is determined by whether or not the donations came from public or private funds. EMSA receives both public and private funds, and Mr. Orbison stated the charitable contributions were most likely not made in accordance with the Trust Indenture. It is the recommendation of legal counsel that going forward, EMSA not make any charitable contributions.

Mr. Lakin then asked if motions relevant to items just discussed could be entertained at this time. Ms. Perryman agreed.

Upon motion made by Mr. Lakin and seconded by Dr. Shadid, the Board of Trustees voted to create a policy or amend an existing policy to ensure no charitable contributions be made by EMSA going forward.

AYE: Mr. Phil Lakin, Ms. Lillian Perryman, Dr. Jim Rodgers, Mr. Clay Bird,

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Dr. Ed Shadid, Mr. Mark Joslin, Dr. Charles Foulks, Mr. Larry Stevens

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs, Mr. Joe Hodges

Mr. Lakin stated he would like to make a motion related to the portion of State Audit Recommendation # 19, “Seek legal Counsel Regarding Certain Questionable Expenditure Practices”, which pertains to the practice whereby EMSA currently pays for tax exempt items such as fuel and medical supplies, and is then reimbursed for those purchases by the contractor, Paramedics Plus.

Mr. Lakin believes EMSA should pay for the fuel charges and all other tax exempt transactions directly. He believes this change can be enacted with a net zero effect on EMSA. The current contract between EMSA and Paramedics Plus will need to be amended, as well as the current RFP that is now out for consideration, and Mr. Lakin would like the necessary amendments, along with a timeline needed to enact the changes, be brought before the Board for consideration at the next EMSA Board of Trustees meeting. Mr. Williamson agreed to his request.

Upon motion made by Mr. Lakin and seconded by Dr. Foulks, the Board of Trustees voted to enter into an amendment of the current contract between EMSA and Paramedics Plus and the RFP currently out for bid, to ensure EMSA is responsible for all tax exempt transactions directly, putting an end to the reimbursement process currently in place.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs, Mr. Joe Hodges

Mr. Clay Bird then addressed the Board, stating he would like to request a list of all disbursements by EMSA be provided each month for their review.

Upon motion made by Mr. Bird and seconded by Dr. Shadid, the Board of Trustees voted to require EMSA to provide a monthly list of each disbursement made to the Board of Trustees before each regularly scheduled EMSA Board of Trustees meeting.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs, Mr. Joe Hodges

Mr. Lakin stated he would like to recommend EMSA implement the 19 recommendations listed in the State Audit Report and create policies for those recommendations by the next Board meeting.

Mr. Bird suggested EMSA and the Board ascertain that there whether any of the recommendations could prove detrimental for the organization, before voting to implement all 19 recommendations. Mr. Williamson stated there was reason for concern on Recommendation 9, which would automate the 40% TotalCare discount. He feels a price analysis of this item needs to be performed to determine if it is feasible financially.

It was decided, after discussion, that EMSA would review the recommendations before the next Board meeting, and proceed to implement them unless cause for concern is indicated on an item. In that case, the concern for the recommendation in question would be brought before the Board for discussion on March 27.

Upon motion made by Mr. Lakin and seconded by Dr. Foulks, the Board of Trustees voted for EMSA to review and implement, by March 27, each recommendation presented in the state audit, unless a substantial, logical reason to prevent the implementation of a certain recommendation becomes evident and is explained to the Board of Trustees at the next meeting.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs, Mr. Joe Hodges

Mr. Williamson had one final point for the Board. He recognizes that an organization can always get better, but doesn't want to lose sight of the fact that EMSA, as a system, has worked hard for 35 years. The dispatch center is accredited; the system has received CAAS accreditation, and EMSA has one of the lowest costs for transports in the country. EMSA is

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arguably one of the finest clinical services in the United States, and possibly the world. Mr. Williamson stated there have been some judgment calls made in error. Technically this system is not broken, nor is it corrupted, as some have said. He will continue to work to see that EMSA improves.

Dr. Foulks stated that scrutiny and press such as EMSA has recently received tends to be very difficult on the people who work for EMSA and deliver the care to patients. He has lived and been in multiple medical care systems throughout the country and EMSA is the finest EMS service he has seen. He stated he would be happy for any member of his family to be cared for by EMSA. Although there needs to be better oversight, etc., he assures the Board this service is the best to be found.

Mr. Williamson stated that the employees working on the financial side (the billing side) of the business have been affected by the recent issues, as well, and he hopes the Board recognizes the fine job they do, and the stress the recent issues have caused them, as well.

Ms. Perryman hopes it is apparent to the citizens that the Board is committed to cleaning up and resolving all outstanding issues. She appreciates the efforts of the trustees and thanked them for their dedication.

#### **5. Paramedics Plus response regarding items in the Special Audit Report issued January 22, 2013 , by the Oklahoma State Auditor**

Mr. Ron Schwartz, president of Paramedics Plus, addressed the board regarding items in which their company was mentioned within the Special Audit Report. Mr. Schwartz stated the recent audit and newspaper article indicated that Paramedics Plus had been involved in some inappropriate activities. Paramedics Plus immediately consulted their legal counsel, as they wanted to be sure business was being conducted legally and properly.

The purchase of fuel has been taking place in the same way for 35 years. It didn't begin with Paramedics Plus, as they have only been the provider to EMSA for the past 14 years. Paramedics Plus is, however, the only provider in the last 35 years to have a profit cap in place. All savings which have taken place through EMSA's purchasing system (avoiding sales tax, etc.) have come directly back to EMSA.

Mr. Schwartz stated allegations made referring to corrupt practices within EMSA had a direct effect on Paramedics Plus employees. Their employees are proud to represent EMSA and the Board of Trustees. Paramedics Plus works closely with EMSA, but has an independent financial review every year to verify everything is above board financially, and the money that should be rebated to EMSA is rebated. Mr. Schwartz, after becoming president one and a half years ago, has made 18-20 trips to the area from Tyler, Texas, where the home office of Paramedics Plus is located. He and Mr. Mark Postma, vice

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president of Paramedics Plus, have implemented changes to improve the system and Mr. Schwartz is confident EMSA is a complete system and works extremely well.

Mr. Lakin asked Mr. Schwartz what the Board may be able to do to let Paramedics Plus know of their support.

Mr. Schwartz replied that the editorial recently published containing Ms. Perryman's interview had been helpful. Employees recognized the fact she was speaking on the Board's behalf.

Dr. Shadid asked Mr. Schwartz if it was his understanding that the current method of purchasing fuel saved sales tax expenditures. He also asked Mr. Schwartz that if Paramedics Plus were to purchase the fuel directly, did he feel Paramedics Plus would or would not be obligated to pay sales tax?

Mr. Schwartz replied it is his understanding that EMSA may purchase fuel without paying sales tax. Paramedics Plus then reimburses EMSA for the cost of the fuel. He stated they are purchasing the fuel, through EMSA, and purchase it in the same method for other public utility models they provide service for.

Mr. Orbison re-stated that it is the use of the fuel that determines whether it is taxable or not.

Dr. Shadid then asked Mr. Schwartz if he had any comment regarding the \$25,000 donation to EMSA for Mr. Williamson's AAA travel. Mr. Schwartz stated he was not president of Paramedics Plus when that donation was made. It is hard to speculate as to what he would have done at the time, but today, in retrospect after the Audit Report, he would make the donation directly to the American Ambulance Association and specify it as travel expense.

Dr. Shadid asked Mr. Schwartz if he can explain why Paramedics Plus reimbursed EMSA \$5,000 for the donation to First Tee. Mr. Schwartz responded that he was not president of Paramedics Plus at that time.

Dr. Shadid asked if Paramedics Plus either makes political donations or offers to donate or make contributions to the city council. Mr. Schwartz stated that since he assumed presidency, 18 months ago, no contributions or donations have been made to the city council.

**6. Appointment of Board of Trustees Committees**

Mr. Lakin asked that Item #6 be combined in discussion with Item #7 (New Policies and Policy Revisions) on the Board agenda. Ms. Perryman agreed.



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Mr. Lakin stated EMSA has been asked to pay for the State Audit, and its findings and recommendations have been made and reviewed, and he feels the vast majority need to be implemented immediately. He feels the necessary committees and policies should be put in place as soon as possible.

Mr. Lakin gave his thoughts on how to organize the committees needed, detailing tasks to be undertaken, and the types of committees to handle those tasks. To start the discussion, he recommended five committees, with tasks, as follows.

- Finance/Investment Committee.  
Tasks falling under this committee would include general finance and investments of EMSA, the monitoring of expense reports (not just for travel), the review of EMSA's disbursements, all to be done on at least a quarterly basis.
- Legal Review, Compliance and Audit Committee.  
Tasks to be covered by this committee would include legal matters, oversight of the audit process, and oversight of compliance. After discussion by the board, it was noted that ethics could be under this committee, as well.
- Public Relations and Communications Committee.  
This committee would work with the Director of Communications and Public Relations, third parties and others to oversee public relations and all external communications of the Authority, including those for TotalCare and communications regarding billing.
- Nominating and Education Committee.  
This committee would be involved with the training of board members, as well as helping to determine the selection of new Trustees. Mr. Lakin acknowledged that the Trust Indenture dictates the makeup of the Board, but feels current board members should get involved to review skill sets and aid in the recommendation of new trustees.
- Personnel and Compensation Committee.  
This committee would aid in setting the compensation of executives and staff. Committee members would work with EMSA staff to deal with personnel issues, as well.

Discussion ensued among the board regarding the above suggestions. The Trustees expressed concern that the Board, with only 10 board members (11 with the Medical Director), would have difficulty finding the time to serve on so many committees.

Dr. Shadid asked Mr. Orbison about the possibility of having committee meetings via conference call. Mr. Orbison replied that the EMSA Board must follow the Open Meeting Act, and conference calls would not suffice in the case of committee meetings. However, they can be held via video conference.

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Dr. Goodloe stated he is concerned the Board could create too many committees, as well, and if oversight were to be parceled out into discrete “twos and threes”, it would work against the recent intent of bringing cohesiveness to the Board. In addition, Dr. Goodloe is happy to be a clinical consultant (a technical expert to any of the committees), but does not wish to be highly involved in any specific committees, due to time constraints.

Mr. Lakin feels it imperative that committees meet at least monthly, due to the recent investigative audit.

After more discussion, Dr. Foulks suggested the five committees could be narrowed down into two basic committees.

Mr. Bird agreed, and suggested the committee meetings be held on the same day as the Board meetings. In addition to convenience, it would allow other board members to sit in on the committee meetings they were not a member of, if they so desired. Mr. Lakin and Ms. Perryman expressed their agreement, as well.

Mr. Lakin began discussion of the division of tasks for the two committees, and made his recommendation regarding such. Mr. Bird would like the Board members to give some thought as to which committee they would be willing to serve on. If possible, he would like to poll board members before the next meeting, to have a basic idea regarding committee structure.

After discussion, it was decided that a special meeting would be scheduled for noon on March 27, 2013, the date of the next regularly scheduled EMSA Board of Trustees meeting, to further discuss the formation of the two recommended committees.

Upon motion made by Mr. Bird and seconded by Mr. Joslin, the Board of Trustees voted to form two new committees, one to manage financial, investment, nomination, and personnel issues and the other to oversee legal issues, ethics and public relations.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Gary Marrs, Mr. Joe Hodges

## **7. New Policies and Policy Revisions**

Discussed under Item 6

**8. Approval of Revision to the EMSA Code of Conduct, to Include an Employee Conflict of Interest Form**

Mr. Lakin stated that both Items 8 and 9 were included in the Board packet on the website. He has reviewed each, and hopes the other trustees reviewed them before the meeting, as well. If so, he would like the Board to approve both items.

Upon motion made by Mr. Lakin and seconded by Dr. Foulks, the EMSA Board of Trustees voted to Approve the Revision to the EMSA Code of Conduct, to Include an Employee Conflict of Interest Form.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**9. Approval of EMSA's Reassignment of Related-Party Accounts Policy/Procedure**

Upon motion made by Mr. Lakin and seconded by Dr. Foulks, the EMSA Board of Trustees voted to Approve EMSA's Reassignment of Related-Party Accounts Policy/Procedure

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Joe Hodges, Mr. Gary Marrs

**10. An Executive Session of the Board of Trustees for the purpose of discussing personnel issues relating to the President and CEO, as authorized by Title 25, Section 307 B.1 of the Oklahoma Statute**

Upon motion made by Mr. Lakins and seconded by Mr. Bird, the EMSA Board of Trustees voted to enter into an Executive Session upon advice of legal counsel for the purpose of discussing personnel issues relating to the President and CEO, as authorized by Title 25, Section 307 B.1 of the Oklahoma Statutes.

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

NAY: None

ABSTENTION: None

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

**11. After a return by the Board of Trustees to the public meeting, vote upon any item of business which concerns any above-described personnel issues and is considered during the executive session.**

Upon return from Executive Session, Ms. Lillian Perryman announced no action is to be taken at this time as a result of the Executive Session. She reported that a healthy, substantive discussion had taken place during the Executive Session, and there are no recommendations at this time.

Ms. Perryman asked the Trustees if they felt the remaining things on the agenda needed to be addressed. She stated the items and corresponding back up are online for the Board's review.

Mr. Bird suggested that in the interest of time, and in lieu of the fact all items are online, that the Board advance to Item # 18, Adjournment.

Ms. Perryman and the rest of the Board were in agreement.

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

Not presented – the financial report is on the EMSA website for the Board's review.

**13. President's Report**

Not presented – the Compliance Reports and Exclusion Reports are on the EMSA website for the Board's review.

**14. Medical Director's Report**

Not presented – the Divert Reports and Quality Improvement Summary are on the EMSA website for the Board's review.

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**15. New Business**

None.

**16. Trustee's Reports**

None.

**17. Next Meeting - Wednesday, March 27, 2013 – 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)**

**18. Adjourn**

The meeting was adjourned at 5:36 pm.