

EMERGENCY MEDICAL SERVICES AUTHORITY – A PUBLIC TRUST

Regular Board of Trustees Meeting

JUNE 24, 2020 at 1:00 p.m. via Videoconference/Teleconference

1111 Classen Drive, Oklahoma City, OK

1417 North Lansing Avenue, Tulsa, OK

Minutes:

NOTICE AND AGENDA for the Regular Meeting of the Board of Trustees for Emergency Medical Services Authority, a Public Trust, were filed June 23, 2020 at 9:12 a.m. with the City Clerk of Tulsa and with the City Clerk of Oklahoma City on June 23, 2020 at 9:07 a.m., more than 24 hours prior to the time set for the meeting.

Trustees Present:

Mr. Larry McAtee, Teleconference
Chief Bryan Wood, Teleconference
Ms. Jan Slater, Teleconference
Ms. Tammy Powell, Teleconference
Ms. Allison Petersen, Teleconference (1:03 p.m.)
Ms. Kelly Brader, Teleconference
Mr. Wiley Williams, Teleconference
Mr. Larry Stevens, Teleconference
Mr. Scott Vaughn, Videoconference
Mr. Phil Lakin, Videoconference

Others Present:

Jim Winham, EMSA-Videoconference
Angela McLain-Johnson, EMSA-Videoconference
Lora Conger, EMSA-Videoconference
Frank Gresh, EMSA-Videoconference
John Graham, EMSA-Teleconference
Johna Easley, EMSA-Videoconference
Adam Paluka, EMSA-Videoconference
Bryan Jones, EMSA-Videoconference
James Davis, EMSA-Videoconference
Jeremy Coombs, AMR-Videoconference
Heath Wright, AMR-Videoconference
Jim Orbison, Riggs Abney-Teleconference
Kris Koepsel, Riggs Abney-Teleconference

Trustees Absent:

Dr. Jeffrey Goodloe, Excused

A quorum was present, and the meeting was called to order at 1:00 p.m. by Chairman Phil Lakin.

CONSENT AGENDA

1. Approval of Board Minutes from the EMSA Board of Trustees Special Meeting dated May 27, 2020 via tele/videoconference

Ms. Slater asked for a correction on the third page, there was a duplication of a phrase and she asked for that to be deleted.

*** Ms. Peterson joined the meeting.***

Mr. Lakin asked that absences be noted as excused. Mr. Paluka said he would make those corrections. A motion made by Ms. Slater and seconded by Mr. Vaughn, the Board of Trustees voted to approve the Regular Meeting Board Minutes from May 27, 2020.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

REGULAR AGENDA

1. **Chairman's Report** – Mr. Lakin yielded to Ms. Slater to discuss items from the May EMSA Board of Trustees Meeting about which she would like an update. The first was an update from Ms. Easley following up with the University of Oklahoma Health Sciences Center about the contract of the Medical Director and their direct and indirect costs related to that contract. Second, she asked for an update about the building purchase in Oklahoma City. Ms. Easley said has been working with OUHSC to better identify what they consider administrative costs and to be able to line those items out in the future invoices they send to EMSA for our utilization of Dr. Goodloe's services. She said EMSA has not received clarification yet, but she continues to work to get those items. Ms. Slater offered her assistance as an OU School of Community Medicine faculty member to get answers from the University. Ms. Easley said currently she is communicating with the CFO, but she would

be happy to add Ms. Slater to those conversations so there could be the opportunity to get faster clarification.

Mr. Williams said he would be able to discuss updates about the purchase of the new headquarters property in Oklahoma City. He said he has been communicating with the seller's attorney, McAfee and Taft, and has been working on a response to their counter contract offer. He said he plans to work with the City of Oklahoma City to understand their concerns, and he is hoping there is a final contract to present to the City of Oklahoma City and EMSA by the July Board of Trustees Meeting.

2. **Approval of Professional Services Agreement between the City of Oklahoma City and Emergency Medical Services Authority** – Mr. Lakin asked Mr. Winham for a brief description of the Professional Services Agreement. Mr. Winham said this is an annual contract between EMSA and the City of Oklahoma City. Mr. Winham asked Ms. Conger to tell the Board about the change on this year's agreement. Ms. Conger said the only change relates to the new EMSA building planned for Oklahoma City, she said there would be a minimal rental fee charged by the City of Oklahoma City. Ms. Slater asked how much the City of Oklahoma City retains from EMSAcare monthly charges on City of Oklahoma City utility accounts for rate stabilization and how are those monies are used. Ms. Conger said that the subsidy fee for the City of Oklahoma City is set is based on the deficit that is projected after budget calculations. Ms. Conger said she provides cities in the EMSA system with their subsidy amount for the Western Division Operations and based on population, that amount is divvied up among the cities in the Western Division. The City of Oklahoma City will pay EMSA based on the agreed amount on a monthly basis. Ms. Slater asked if the money from the EMSAcare collections aren't enough to cover the subsidy amount, would the City of Oklahoma City utilize the rate stabilization fund. Ms. Conger said it is her understanding that when the City of Oklahoma City set their EMSAcare rate, they set it a little higher than necessary to account for annual increases in the subsidy amount they would owe. However, she continued, over the last several years, EMSA's subsidy amount has not increased as quickly as expected, and because of that there is an approximate \$9 million balance in the fund. Ms. Conger said that is the fund the City of Oklahoma City would be tapping to purchase the new headquarters building in the Western Division. Ms. Slater asked if she was correct in remembering communication stating that EMSA would be asking for a rate increase this year. Ms. Conger said that has been discussed, but increasing the non-emergency transport rate is the only rate increase that is being considered at the present time.

A motion made by Mr. Williams and seconded by Mr. Stevens, the Board of Trustees voted to approve the Professional Services Agreement between the City of Oklahoma City and Emergency Medical Services Authority.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

3. **Approval of Addendum to the Master Service Agreement between EMSA and ESO** – Mr. Lakin asked Mr. Winham to explain this addendum. Mr. Winham said he would explain the high points of the addendum and Mr. Gresh could discuss specifics. He said EMSA is looking to change the way it field crews communicate with the hospitals/receiving facilities. Currently, Mr. Winham said there are two ways those crews communicate: radio communication and a dedicated line to each hospital facility. He said those phones are commonly referred to as red phones and they are analog and funneled to the hospital via AT&T. He said without warning, AT&T has increased the cost of those phone lines to EMSA and would result in a \$580,000 annual impact. He said those increases forced EMSA to look at alternatives, something it was planning to do in 2021. Mr. Winham said EMSA can utilize ESO to communicate with the hospital and not pay that \$580,000 fee. The cost for the ESO platform would be \$225,000. Mr. Winham said a letter was sent to Board Members explaining this decision. Mr. Gresh said this was AT&T's way to move people away from the old analog system. Mr. Gresh said it has been a 150% cost increase for EMSA to utilize the analog phones over the past nine years. Mr. Winham said the Medical Director has given his blessing for this change, but the Medical Control Board will also vote on this as it impacts clinical care. He also mentioned these calls and communications are recorded and through implementing ESO, EMSA field crews will be able to share more patient information with hospitals. Ms. Slater asked if hospitals will pay for the upgrades needed for their users. Mr. Winham explained that EMSA would cover those costs as the Authority has done in the past for upgrades to the red phones. Mr. Winham said this is still a direct line and will be cohesive to the other elements of the ESO system that EMSA is implementing. It will simplify communication to the hospital as well, as multiple people can receive the notification with the ESO system.

A motion made by Chief Wood and seconded by Ms. Slater, the Board of Trustees voted to approve the Addendum to the Master Service Agreement between EMSA and ESO.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

4. **President's Report**

- a. **Operational Compliance Report**-Frank Gresh, Chief Information Officer – Mr. Gresh presented the Response Time Compliance Report to the Board. Mr. Gresh said the only areas out of compliance in May were Priority 3 calls in the Western Division Beneficiary and Non-Beneficiary jurisdictions. He said less than one percent of all calls are excluded from the Compliance Report in both divisions.
- b. **Financial Report**-Lora Conger, Chief Financial Officer – Ms. Conger first discussed the consideration of non-emergency transport rate increase because she has assumptions about the potential rate change imbedded in the budget. Ms. Conger told Board Members that EMSA's current non-emergency transport rate is significantly below the market rate for such transports based on the market value study EMSA had done in July 2019. Ms. Conger said

EMSA is losing money per each non-emergency transport, \$59/transport in the Eastern Division and \$23/transport in the Western Division. She recommended that EMSA set its rates at market value or above.

Ms. Conger asked Ms. McLain-Johnson to discuss further. Ms. McLain-Johnson recommended that EMSA's rates be at market value, and by doing that cost-analysis we know our costs are below fair market value. She said EMSA has one of the lowest rates in the entire state of Oklahoma. Mr. Vaughn asked where EMSA is in terms of Medicare allowable rate. Ms. McLain-Johnson said it depends on the patient. If the patient is a specialty care patient, Medicare currently pays EMSA \$700. If it is not a specialty care patient, that range is \$300-\$350 with mileage.

Ms. Conger said what EMSA is proposing is raising the non-emergency transport rate to \$900. She said this would put EMSA at the average of the other providers who were included in the market analysis. Ms. Conger said this would put the estimated income/transport at a place where EMSA is not losing money – EMSA setting a non-emergency transport rate of \$900 would result in EMSA making net \$15.16 per transport. Ms. Powell asked who EMSA used to benchmark its rates in the study. Ms. McLain-Johnson said the company who conducted the cost analysis used our records to find other area companies operating in the EMSA service area. Ms. Slater asked if the City of Tulsa and the City of Oklahoma City would need to approve this rate increase if it is approved by the EMSA Board of Trustees. Ms. McLain-Johnson said this would go before both city councils. Ms. Slater asked if there was any fear that the cities would not approve this rate increase. Mr. Williams said there would be a few Oklahoma City Councilmembers who would be concerned about any kind of rate increase, but he would take the time to explain the need for the increase. Mr. Lakin said it is important and there is an urgency to correct the Non-emergency rate. Mr. Lakin said the Finance Committee also noted it is important these rates are evaluated annually so there is not a large rate increase like this in the future. Mr. Vaughn asked how the proposed \$900 non-emergency rate compares to the Medicare Allowable rate. Ms. McLain-Johnson said it depends on the level of service the patient needs. Ms. Conger said the proposed rate increase will not help with collecting money from Medicare or Medicaid, rather this new rate will help EMSA collect money from private payers. Money, she said, that is being left on the table.

Ms. Conger presented two budget scenarios related to raising the non-emergency Transport Rate to \$900. One would raise the rate on December 1, 2020 and the second would implement a tiered increase – one half on December 1, 2020 and the second half on June 1, 2021. The option instituting the rate increase fully on December 1, 2020 would result in approximately \$250,000 more to EMSA. Ms. Conger said she supports that scenario because she thinks it would be easier to implement and she would rather go to the cities with the less complicated of the two options. Ms. Slater asked if Ms. Conger thinks the cities may be more willing to support the two-step increase. Ms. Conger said the second option was included in case the city leaders were hesitant to approve such a large rate increase. Ms. Powell asked about the budgetary constraints for the cities and the need for them to put this increase in their respective budgets. Ms. Conger said she understood those concerns and that is why they plan to wait to implement either option until December 1st, also she feels the cities will not be impacted by this rate increase in terms of their budgets. Instead, she said EMSA might be forced to request an increased subsidy amount should this increase not be implemented because of the loss ratio on non-emergency transports. Ms. Slater proposed voting on the full

implementation on December 1, 2020 and if there is pushback from the municipal governments, revisiting the issue at that time. Ms. Slater said she believed that made the most fiscal sense. Ms. Conger said she agreed and additionally implementing the full increase at one time would be easier for the budget, and that is how the increase is figured into the FY21 EMSA Budget. Mr. Williams said that was also the recommendation of the Finance Committee. Mr. Vaughn asked to clarify the three sources of revenue for EMSA, commercial payers, individuals, and the EMSAcare program. He wanted to make sure that if this rate increase was not approved by the Board or Trustees, the money to fund the FY21 budget would have to come from some other increase. He also said that while this feels like a large increase, this is within the benchmarks of the market study and is the right thing to do. Mr. McAtee said he feels it is very important EMSA stays current with these rates in future, and the reason this increase feels so large is because the rate was not evaluated annually. Mr. Vaughn suggested that there is a standing agenda item each year to review these rates and make adjustments as needed.

Ms. Conger then presented the FY2021 budget to the Board of Trustees. She noted that the budget does account for an approval of the non-emergency transport rate. The total budget for FY21 is approximately \$74.6million. Ms. Conger said there is a 15% reduction in transport volume for the first half of FY21 factored into this budget due to COVID-19. She said in the second half of the FY21 budget, transport volume is budgeted to return to normal levels. Ms. Conger said it is difficult to do projections with the amount of uncertainty related to COVID-19 and its impact on EMSA operations. She said there were not many other changes in the expense structure depicted in the budget, and there was less than a one-percent increase in expenses compared to the previous budget cycle. Additionally, she said there is a \$2.3million net income budgeted for the upcoming fiscal year excluding capital purchases, which would put the budget in a break-even position. Ms. Slater asked about the Capital Expenditure Budget of \$5.1million and if that money will be spent when it appeared that money wasn't spent in year's past. Ms. Conger said that many of the capital expenditures come down to timing. She said some of those allocated for FY20 will roll into FY21. She continued to say that the big capital expense is the purchase of 10 new ambulances per division, and that is where the timing has been adjusted in the current fiscal year. Mr. Winham said that ambulances are taken out of service to be refurbished, and EMSA cannot take ten ambulances out of the divisional fleet at one time. He said that is what affects the timing of those capital expenditures.

Ms. Conger then discussed the line of credit renewal. She that this is something that is not new, EMSA has had this existing line of credit for some time. Ms. Conger said it is a \$2million line of credit and as far as she knows it has been not been utilized. She said it is renewed annually, and if there was any borrowing throughout the year it would need to be paid off in that same year if it were to be renewed. She said there is Board approval needed to renew the line of credit through Prosperity Bank. Ms. Conger said the current rate is 5.5% and it has a floor of 5.25%. Mr. Williams asked Mr. Orbison if this requires the approval of the cities to enter into the indebtedness or if that approval came in the past and rolls over. Mr. Orbison said all debt has to be approved by the beneficiaries. Mr. Williams said he would discuss this with Mr. Orbison after the meeting. Ms. Conger said the bond attorney said this renewal did not fall into the category of needing municipal approval. Mr. Vaughn asked if the rate could be revisited as it seems high. Ms. Conger said she has not communicated with Prosperity about the line of credit rate, but she would be more than happy to discuss that. She said that

has not been a priority since EMSA has never used the line of credit. Mr. McAtee asked if Board Members can get a history of when the line of credit has been used. Ms. Conger said she could check with bank and could easily get that answer. Mr. Winham said he knew it had not been used in the last 10 years and would verify that for the Board. Mr. Lakin asked Legal Counsel about the best course of action on renewing the line of credit. Mr. Orbison said the Board can move to approve the line of credit renewal subject to any requirements of approval from the beneficiary cities.

A motion made by Mr. Williams and seconded by Ms. Petersen, the Board of Trustees voted to authorize the renewal of the line of credit knowing any borrowings under the line of credit will require approval by both beneficiary cities.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

A motion made by Mr. Williams and seconded by Ms. Slater, the Board of Trustees voted to approve the Non-emergency rate increase to \$900 effective December 1, 2020.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

A motion made by the Finance Committee and seconded by Ms. Slater, the Board of Trustees voted to approve the Fiscal Year 2021 Budget.

AYE: Ms. Petersen, Mr. McAtee, Ms. Petersen, Ms. Powell, Ms. Slater, Mr. Stevens, Mr. Williams, Chief Wood, Mr. Vaughn, Mr. Lakin

NAY: None

ABSENT: None

The motion is passed.

- c. **Patient Financial Services Report-** Angela McLain-Johnson, Chief Revenue Officer – Ms. McLain-Johnson said call volume for FY20 is trending below budget in both divisions, mainly

due to COVID-related decreases in April. She said COVID did have an effect on calls and transports in March and April. Ms. McLain-Johnson said cash collections are increasing in the most recent month with records. Ms. Slater asked if cash collections are lagging, and because of COVID EMSA would see a decrease in cash collections in the coming months. Ms. McLain-Johnson said that is correct.

- d. **Key Performance Indicators Report** – Adam Paluka, Deputy Chief Public Affairs – Mr. Paluka said Patient Satisfaction Scores still look very good in both divisions. He said community relations numbers are still down because educational demonstrations are still suspended due to COVID. Mr. Paluka did say event planners are moving to socially distanced events or drive thru events, and EMSA is trying to participate in those events when possible.
- e. **President Commentary** – Jim Winham, Chief Executive Officer – Mr. Winham said the President’s Rally and counter demonstrations in Tulsa went very well. He praised EMSA medics, operations, and local partners. He said this was a great example of collaboration with other agencies. He said there was significant planning, and EMSA, along with others, were ready for anything that could, but thankfully did not happen.

Mr. Winham said there was one positive COVID case at EMSA in the Eastern Division. At the time of the meeting, six total Team Members are in quarantine, two in the Eastern Division and four in the Western Division. Since March 15th, EMSA has had 68 people quarantined across both divisions. He said medics, support staff, and all Team Members are doing an excellent job treating patients and caring for the communities EMSA serves under very difficult circumstances.

Mr. Winham told the Board Members they may or may not receive a letter from AMR/GMR. Mr. Winham said the letter was addressed to Board Members and EMSA received it on June 22nd, but the letter was dated June 5th. He said the letter outlines some actions AMR/GMR will take and some options that would take a collaborative approach from the Authority and the Office of the Medical Director. Mr. Winham said he has met with the Chief Medical Officer and with a think tank of members of the EMSA Leadership Team and Office of the Medical Director. He said he wanted the Board to know the Authority was aware of this and was handling the situation. Mr. Winham did not want the Board to be caught off guard if they received the letter. He said most of these would be things AMR/GMR would implement, others would be things that would require a change to the trust indenture.

In closing, Mr. Winham gave praise to the EMSA crews working the in the field. He said this in uncharted territory, and they are doing an excellent job taking care of the crews.

- 5. **Chief Medical Officer’s Report**- Dr. Jeffrey Goodloe, Chief Medical Officer – None.
- 6. **New Business** – No new business.
- 7. **Trustees’ Reports** – Mr. Vaughn said he understand the EMSA field crews are under intense stress. He recounted a story about an ambulance crew interacting with children and thanking them for wearing their bicycle helmets. Mr. Orbison also shared a story about his experience with an EMSA crew after his car was hit by a drunk driver.

8. **Next Meeting** – Wednesday, June 24, 2020 at 1:00 p.m. via videoconference/teleconference.
9. **Adjourn** – The meeting was adjourned by Mr. Lakin at 2:12 p.m.

Adam Paluka, Assistant Secretary

Date