

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

Wednesday, January 23, 2013

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 January 22, 2013 in the offices of the City Clerk of Oklahoma City at 8:03 am, and with the City Clerk of the City of Tulsa on January 22, 2013 at 8:11 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 1:01 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  
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  
Lara O’Leary, Paramedics Plus  
Jeannie Sacra, Paramedics Plus  
Michael Murphy, MMRS  
Jim Orbison, Riggs/Abney  
Michael Brink, Management Review Office  
Steve Turnbo, Schnake/Turnbo/Frank  
Kari Culp, Schnake/Turnbo/Frank  
Doug Dowler, City of OKC  
Jim Williamson, City of OKC  
James Blocker, Oklahoma City FD  
Ziva Branstetter, Tulsa World

**TRUSTEES ABSENT**

Mr. Phil Lakin (excused absence – business)  
Mr. Joe Hodges (excused absence – business)

**CONSENT AGENDA**

- 1. Approval of Regular Board Minutes of December 19, 2012**

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Upon motion made by Dr. Rodgers and seconded by Mr. Marrs, the Board of Trustees voted to approve the Regular Board Minutes of December 19, 2012.

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

NAY: None

ABSTENTION: None

ABSENT: Mr. Phil Lakin, Mr. Joe Hodges, Mr. Clay Bird

**REGULAR AGENDA**

**1. Chairman's Report**

Ms. Perryman deferred her report to be given under Item 3 during discussion regarding the state audit.

Mr. Jim Orbison, the Board's legal counsel, announced that Mr. Phil Lakin, Tulsa City Councilor and a member of the EMSA Board of Trustees, although absent, is listening via telephone to the meeting. Mr. Lakin will not be speaking or participating in the meeting, nor will he be texting or communicating in any way with any board member during the meeting.

**2. Medical Director's Report**

Dr. Goodloe noted his appreciation in having his report moved up on the agenda. Depending on the length of the meeting, he may have to excuse himself early due to other obligations later in the day.

Dr. Goodloe reviewed the Divert Reports for the month of December, 2012. He reported there were a surprisingly low number of diverts in the eastern division. However, he is beginning to see a significant increase in bed delays due to an early and more active flu season than anticipated. The numbers are starting to show improvement, but the hospitals have been hit hard. In the eastern division hospitals, there is essentially an exhaustion of daily capacity, let alone any consideration of surge capacity. Therefore, the EMS system has been impacted in terms of operational efficiencies. Dr. Goodloe is pleased that all aspects of the system – the fire departments, Paramedics Plus, and the Authority have worked together during these challenging weeks. Although medics received flu immunizations offered within the system, a significant part of the workforce and their families have been affected by respiratory ailments and flu, resulting in difficulties in being able to report for duty.

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Diverts numbers were a little higher in the western division, but due, as is usually the case, to the higher number of facilities and the higher population in the western division. In perspective, the numbers in both divisions are fairly low considering the active flu season.

Dr. Goodloe then reviewed the CQI Summary Report for the month of December, 2012. He stated that the EMSA report, just as the ones from the fire departments, continue to reflect excellent care. Dr. Goodloe noted the extra guests present at the meeting today and is pleased there is interest in the work of the authority and in the purpose of this EMS system. He is aware a good bit of the discussion today will be focused on the State Audit Report. Dr. Goodloe realizes the importance of the findings and deliberations of the state auditor and his staff, and does not want the statements he makes clinically to take away from the importance of operating with trust in this practice of medicine.

This system is the largest practice of medicine for unscheduled, acute, urgent, emergent medical needs in an 1100 square mile area. It makes a difference for people who don't have a dime in their pocket, and equally makes a difference for those who through hard work and fortune make tens of millions of dollars a year. Our EMS system does not choose who to take care of based on pay, location or age. Therefore, there is a distinct nobility in this practice of medicine and it lies with the 3,500 dispatchers, EMTs, paramedics and fire fighters working in concert around the clock in this challenging practice of medicine.

Dr. Goodloe underscored how well the clinical aspect of this practice works. It works in large part because of the support the Medical Control Board (MCB) provides, the Authority provides, the fire departments provide, and the cities provide. The end result is a practice of medicine many people still don't realize is the envy of so many other parts of this country and beyond.

In next month's Journal of Emergency Medical Services, there will be an article regarding the evidence-based protocols now in our state; an absolute unparalleled set of scientifically validated care that can be used throughout the entire state. The set of protocols originates directly from the foundational protocols present in this system for a long time.

The MCB met last week, and even though they just approved the set of protocols referred to, the MCB is already changing a number of those protocols based upon new research findings that were released within the last few weeks, as well as findings that have been out for a year or so, yet continue to generate more and more interest.

Dr. Goodloe told the board that the MCB has approved the use of tranexamic acid. This pharmaceutical will be given in the field effective April 1 for patients who are severely traumatized. Without the tranexamic acid, these patients would likely bleed out and die in the field or in the short period spent in the emergency department before they could be placed in an operating suite.

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This medication is already being given at OU Medical Center, Presbyterian Tower in Oklahoma City and St. John Medical Center in Tulsa. When Dr. Goodloe approached the heads of Trauma Critical Care Services of these hospitals and indicated to them that our system was up to date on this literature and he saw validity in giving this medication in the field, they were supportive and in agreement it would be a wonderful standard of care, helping people when they need it the most. This EMS system will be the first large urban EMS system in the U.S., and in all likelihood in North America, to use tranexamic acid as a standard of care.

Dr. Goodloe asked the Board, as the other non-clinical aspects of our EMS system are discussed this afternoon, not to forget what our EMS system is about in the first place – to realize that as we are deliberating this afternoon, someone is having chest pain and worried they are having a heart attack. Somebody is going to collapse from a heart attack, and somebody is going to have a serious motor vehicle collision. It could be any one of us on any given day. Dr. Goodloe cannot say enough how proud he is of the EMTs, medics, firefighters and dispatchers who work so very hard. He wants to ensure that we pay them heed and do the right things and work to maintain the trust that is necessary in this practice of medicine. He appreciates the opportunity to report today.

### **3. Presentation of State Auditor's Report**

#### **Presenters: Audit Committee and Mr. Jim Orbison**

Ms. Perryman thanked Dr. Goodloe for his report and directed the Board's attention to the Audit Report. She noted that it was the EMSA Board of Trustees who asked for this audit. It was not mandated by anyone, but a quest for the Board to improve and to respond favorably to the citizens and the cities they serve.

The report was received the previous day, January 22<sup>nd</sup>, at 1:00 pm. At 56 pages long, there is a lot of information in it related to the five questions given to the State Auditor's Office, with 19 recommendations and documentation in between.

Ms. Perryman stated that the auditors expressed their opinions, and neither the Board nor EMSA was allowed to respond. And at this point, EMSA's management has not had an opportunity to review and respond to the different issues listed in the audit. Each recommendation in the audit will be addressed by the Board, but Ms. Perryman feels they should be addressed prudently, taking time to digest the issues listed, and giving EMSA's management the opportunity to respond to the Board regarding the content.

Ms. Perryman then opened the discussion up to the Board, but requested again they take the next few weeks to carefully read and digest the audit report. She wants the public to know that it is this Board's intent to do what is necessary to gain their trust.

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Ms. Perryman proposed the February board meeting be held in Stroud, so the board can meet face to face. The board will at that time hear from Mr. Williamson and EMSA's management team regarding their responses to issues raised in the audit.

She then opened up the discussion to the other trustees, telling them she will entertain forming committees today, if they wish to do so.

Mr. Marrs stated that during the meeting held between the State Auditor's office and the Board's audit committee, it was explained this audit was a "special audit". In most audits Mr. Marrs has been familiar with, management has a chance to address the issues and respond back to the auditor with their own findings, after which the auditor can make changes or not, as they choose. Management's response is then included in the audit itself when published. This is not the case with a "special audit", therefore, Mr. Marrs feels it appropriate that Mr. Williamson and his staff have the opportunity to review the audit in detail and provide the Board with their responses. Mr. Marrs suggested the Board decide which committees to develop by going through the types of items in the audit individually.

Discussion ensued regarding common themes that could be grouped together in various committees. Ms. Perryman suggested the number of committees be limited due to the small number of trustees on the Board. This would ensure the trustees have the time to address each and every issue and recommendation.

Ms. Perryman then asked Mr. Orbison, who was also present for the audit committee meeting with the State Auditor's office, to share with the Board, as their counsel, what he and his legal staff are planning to review in response to the audit.

Mr. Orbison stated his office had begun research relating to the legal issues addressed in the audit, and will let the board know the findings when completed.

Dr. Shadid stated he is agreeable with the Board taking some time to digest the report, although he felt some of the minutiae could be discussed today. Although he would like to hear a response, he feels the information already known indicates there was a breakdown in governance by the Board. He feels there was a lack of oversight of expenditures, and there were expenditures that violate the policy of avoiding perceived conflicts of interests. He stated that although technically the audit was elective, it was clearly mandatory if there was to be any chance of establishing or re-establishing trust with the public.

Dr. Shadid stated that although clinical results are good, he feels EMSA is on the opposite side of the spectrum in terms of governance.

The audit did reveal new information Dr. Shadid was not aware of in terms of legal issues. He requested those issues be researched and a legal opinion prepared before the next meeting in Stroud, as to whether EMSA has violated the Oklahoma constitution both in

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terms of donations to non-profit entities and private entities. In addition, he would like an opinion as to whether EMSA has caused the consequence of helping private entities by subsidizing the travel expenses for the AAA. If EMSA, as a public trust, sends someone to Congress to fight to increase revenue for private corporations, is it a violation of the Oklahoma constitution? Dr. Shadid would like a very thorough analysis of this question prior to next month's meeting.

Dr. Shadid stated he cannot imagine why EMSA would make donations to non-profit or private entities, such as the \$15,000 donation to the First Tee program of OKC. Although it is a great program for the children, he does not understand why a public trust would be making such a donation. He requested an outline of donations to non-profits or private entities prior to the scope of this three-year period (1/1/2009 – 6/30/2009) looked at by the auditor.

Dr. Shadid also requested some type of quantification from the three years prior to the audit period, as to the amount of purchases EMSA made on behalf of Paramedics Plus which allowed them to avoid sales tax.

Ms. Perryman replied that it is the Board's intent to respond to every recommendation, but feels it should be done in the correct manner. She feels committee structures need to be developed to look at specific questions and recommendations and bring back their research to the board. Ms. Perryman believes this method will bring about the quickest response for the public. However, she will defer to the decision of the entire board as to how to handle the response and recommendations.

Mr. Clay Bird agrees with Ms. Perryman's recommendation regarding committees. He noted that through the Management Review Office (MRO) study, EMSA and the Board have already reviewed billing information and practices and some changes have been made accordingly. The Board itself has reviewed and adopted new policies with regard to certain items mentioned in the audit. Mr. Bird feels a Policy Development and Review Committee should be established to review all existing policies related to the recommendations in the audit. That committee could then bring forth their own resulting recommendations and policies to the Board for consideration.

Mr. Bird is concerned regarding Dr. Shadid's suggestion of going back three additional years to discover other purchases, donations and expenses. He feels the changes needed have been identified, and the Board as a whole can acknowledge there has not been the proper level of oversight needed in past years. The EMSA Board is complex, as it is not located in just one city and turnover on the board is a given. However, the Board is now much more involved and plans to remain so. Mr. Bird feels safeguards can now be put in place to ensure the same types of incidents do not reoccur. EMSA can then move forward and the employees can once again be proud of their organization.

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Dr. Shadid stated it is not his intention to recreate the entire audit for the three prior years. He would simply like the two items he addressed to be looked into for three prior years. He is addressing two specific questions. First is the potential violation of the Oklahoma Constitution by donating to non-profits or private entities. He feels it can be found out in very short order what other donations were made for whatever time period is decided. Second, he is concerned due to the fact an RFP was recently issued, and the competition for the company who will next manage the EMS system is underway. He questions if the financial model in the RFP is contingent upon EMSA making millions of dollars of purchases and allowing that entity to avoid sales tax. He wonders if this is a recent or long term practice. Dr. Shadid feels this is relevant due to the recent RFP and the competition that will begin shortly.

Mr. Bird agreed a legal opinion on these two issues is needed.

Mr. Orbison stated that preliminary reviews have begun on these legal issues. He is willing to discuss them today, if the Board would like, but suggests they consider including the legal opinions with the responses to the audit.

Mr. Bird agreed, but feels it is important with regard to the RFP, to know exactly what can and can't be done regarding the sales tax issue. He wonders if the RFP may need to be reissued once the legal opinion is complete.

Mr. Marrs does not believe the reissuance of the RFP would be necessary. He feels the award of the contract can be delayed, if necessary. However, he believes it is most important that the legal answers are obtained before the contract is awarded.

Mr. Marrs agrees with Mr. Bird regarding the importance of addressing the findings of the current audit. He is not trying to downplay Dr. Shadid's concern about past practices. If, after seeing management's response and the legal opinions, the Board feels prior years should be investigated, they can address it at that time.

Ms. Perryman again asked the Board about recommendations regarding committee structure, and asked their preference as to whether to discuss today or defer the subject to the next meeting.

Mr. Bird recommended the Policy Development and Review Committee he discussed earlier be created immediately. In addition to the policy review he addressed earlier, the committee would also review the EMSA By-laws and Trust Indenture. Mr. Bird suggested legal counsel be included as a part of the committee.

Dr. Shadid noted that the audit strongly recommended an ethics committee be formed. He asked Mr. Bird if he felt ethics would be covered by the Policy Development and Review committee or if it should be addressed by a separate committee.

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Mr. Bird stated it is his hope the Policy Development and Review Committee would be able to make recommendations as to the formation of other committees needed. He feels the formation of committees can aid in needed oversight. If the proper policies are put into place, it should take care of the concerns expressed by the state auditor's office regarding the Board.

Ms. Perryman stated that the subject of ethics can be handled in a separate committee, or it can loop in under other committees. It can be handled through policies and different HR (Human Resources) structures, as well. The audit report recommends formal training and continuing education for the Board, which could be handled by HR or a Personnel and Compensation Review Committee. Ms. Perryman also feels there should be a Financial Oversight Committee that is separate from the Audit committee.

Dr. Shadid stated the three committees recommended in the audit are a Continuing Education Committee (for training), a Strategic Planning Committee to set the organization's course over the next three to five years, and an Ethics Committee. He feels Ms. Perryman's points are valid, but believes that with the current context of the audit pointing out potential ethics conflicts, an Ethics Committee should be formed to re-establish trust with the public.

Ms. Perryman is committed to addressing ethics, but believes it can be handled within other committee structures just as fervently as it can in a separate committee.

The Audit Committee currently exists. That committee, along with policy, finance and training committees may be all that are needed. With the relatively small number of trustees, she feels the issues can be handled with a consolidated number of committees more easily. She is not trying to diminish the importance of the ethics issue; she just feels it may be able to be handled within other committee structures.

Mr. Bird pointed out the audit stated no confirmed conflicts of interest or prohibited financial benefits were discovered, and he finds that fact encouraging. However, the Board has known for months about apparent or possible existing conflicts of interest, and he feels these things need to be resolved. He recommends the Board try to set a date to have their work regarding the audit issues completed (perhaps mid-summer), so confidence can be restored and business can proceed as it should.

Mr. Marrs agreed. He was pleased the audit uncovered no illegal findings. Some of the things addressed may have begun 15-20 years ago, having been brought before the Board serving at the time. He feels it is important to get management's response before jumping to conclusions, and then move forward with the information received both from the audit as well as from staff's response.

Mr. Stevens asked if both the management response and legal opinion could be ready for the Board's review a week before the next meeting. Mr. Orbison agreed to have both the response and opinion within that time frame.



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Dr. Rodgers stated he feels Dr. Shadid's earlier statement about governance having been as bad as the clinical performance has been good, is a bit strong. He isn't sure if Dr. Shadid was referring to the Board's governance or Mr. Williamson's as CEO, but stated the board is ready to make changes and will make changes. He feels EMSA wouldn't be so successful clinically if the board wasn't doing a fairly good job of helping guide the administration of emergency services, and asked Dr. Shadid to consider amending his statement.

Dr. Shadid stated he would not amend it in any way. He feels EMSA is a public trust acting like it is being run by a private company without adequate governance. He stated if others believe the Board's governance is not bad based on the audit report, he respectfully disagrees.

Ms. Perryman asked if any other trustees would like to make a statement. She feels it is not what is in the audit that is most important, but it is what the board does with the audit. The board needs to move forward and show the public that changes will be made.

Mr. Joslin stated it has been shown that this Board has taken action on a number of things, as evidenced by action taken as a result of the MRO study. Action will also be taken as a result of the audit report, and positive results will be seen.

Mr. Stevens agreed with Mr. Bird's earlier statement regarding the establishment of an appropriate timeframe and suggests discussion continue on that issue at the next meeting.

Ms. Perryman asked the Board if they wanted to officially establish the one committee recommended by Mr. Bird today, or if they would prefer to wait until the next meeting.

Mr. Marrs suggested waiting until management's response and the legal opinions were in hand before establishing committees and their assignments.

Mr. Bird asked if the Board could receive a compilation of all existing policies relevant to the audit report, in addition to the EMSA Trust Indenture and the By-laws. Ms. Laur will provide those items to the Board.

Ms. Perryman asked that the Board review those documents and come to the next meeting prepared to discuss and develop committee structures and a timeline.

Dr. Shadid noted that Jim Williamson, the OKC City Auditor, was in attendance, and asked him if he had anything to add in terms of suggestions. Mr. Williamson stated he feels the Board is taking a reasonable approach in waiting to hear the response and legal opinions before having further discussion and actions.

The Board agreed the next meeting would be held in Stroud.

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

Mr. Kent Torrence presented an overview of the financial statements for the six months ending December 31, 2012. The Eastern Division had a YTD loss of \$934 thousand compared to a budgeted loss of \$480 thousand. The Western Division had a YTD net loss of \$3,656 thousand compared to a budgeted net loss of \$4,580 thousand. The YTD collection rate for the Eastern Division was 52.0% compared to a budgeted collection rate of 48.0%. The YTD collection rate for the Western Division was 49.0% compared to a budgeted collection rate of 46.0%. The Eastern Division had 815 more emergency transports than budgeted YTD, and 121 less non-emergency transports than budgeted. The Western Division had 699 more emergency transports than budgeted YTD, and 943 more non-emergency transports than budgeted.

Mr. Torrence then reviewed Accounts Receivable Aging, Past Due Accounts Receivable, and Cash Receipts and Disbursements for both the eastern and western divisions.

Ms. Perryman asked Mr. Williamson why the western division is now seeing an increase in non-emergency transports, when in the past few years that number has been decreasing substantially. Mr. Williamson explained that EMSA now has a contract with St. Anthony's to provide their non-emergency transports, so the aid vans are no longer doing those. Also, Mr. Williamson told the board that EMSA is making inroads and work has begun on a proposal for the Board to see regarding the possibility of EMSA getting into the stretcher aid van business.

#### **5. President's Report**

A. Mr. Williamson reviewed the compliance and exclusion reports for the month of December, 2012. In the eastern division, Priority 1, 2 and 3 categories were all in compliance. The Priority 4 category, a non-emergency category, was at 50%. The western division was in compliance in all categories (there were no scheduled transports for the non-emergency category of Priority 4). There were no areas of discrimination in either division. Mr. Williamson noted that transports began increasing in December and continue to do so, as we move toward the peak of flu season. Mr. Williamson stated that the bar has been re-set with exclusions for December, due to the fact a new contract year has just begun with Paramedics Plus.

Mr. Williamson stated that in the fiscal cliff deal (the American Taxpayer Relief Act – ATRA), passed by Congress on New Year's Day, the 2% cut in Medicare reimbursement was written into sequestration. The bill delayed the vote until March 1, 2013. As the Board is aware, cuts are planned to be across the board with the federal budget. EMSA is following the issue closely so as to plan for expenditures, etc. for capital items.

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The American Ambulance Association (AAA) is going through a process nationally with the Ways and Means Committee. MedPAC, an independent Congressional agency established to advise the U.S. Congress on issues affecting the Medicare program, asked the AAA to do a study nationally to come up with a cost reporting mechanism. Cost reporting studies are complicated and can be expensive to do, so efforts are being made to find less expensive ways to show costs going forward.

B. Mr. Williamson then briefly reviewed the KPI (Key Performance Indicator) charts with the Board. As there are 14 pages of charts, Mr. Williamson asked the Board to review them, then come back with suggestions as to which charts are most indicative of progress within the patient financial services department. He would like the Board to collectively decide on no more than five charts to review each month. The other charts will continue to be maintained and available for review at any time, if requested. Mr. Williamson will review this issue again with the Board in February, and hopes to decide upon the five charts then.

Mr. Marrs asked about any progress made on the appeal regarding the recent Medicare Audit, for which EMSA recently paid a fine.

Ms. Angie Lehman, VP of Financial Services, explained that the fine has not yet been paid, due to the fact a recoupment request letter has not yet been received by EMSA. Medicare has recently assigned EMSA to a new Medicare carrier, Novitas, and she believes the transition is the cause for the delay in receiving the letter. Once the letter is received from Novitas, the fine can be paid and the appeals process will move forward, allowing the ten charts put into question to be discussed.

**6. New Business**

None.

**7. Trustee's Reports**

None.

**8. Next Meeting - Wednesday, February 27, 2013 – 1:00 PM, Meeting Room of the Best Western Motel, 1200 N. 8<sup>th</sup> St., Stroud, OK, 74079**

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**9. Adjourn**

The meeting was adjourned at 2:11 pm.

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Ann C. Laur, Assistant Secretary