

**WESTERN PAYNE COUNTY AMBULANCE TRUST AUTHORITY BOARD
REGULAR MEETING
Stillwater Medical Center Honska Conference Center
1323 W. Sixth Street
Stillwater, Oklahoma**

**August 25, 2010
5:00 p.m.**

Present: Gary Clark, Rex Horning, Rick Jarvis, Bill Sasser and Jerry Moeller

Others: Steve Athey, Kelly McCauley (LifeNet), Silas Allen (NewsPress)
and Susan Taylor

CALL MEETING TO ORDER

Jerry Moeller, Chairman of the Western Payne County Ambulance Trust Authority (WPCATA) Board, called the meeting to order at 5:00 p.m.

APPROVAL OF MINUTES OF JULY 19, 2010 SPECIAL MEETING

Copies of the minutes of the July 19, 2010 special meeting of the WPCATA Board were distributed and reviewed. Clark moved the Board approve the minutes as presented. Horning seconded the motion, and Horning, Sasser, Jarvis, Clark and Moeller voted in favor of the motion.

UPDATE ON CONTRACT DISCUSSIONS

On August 18th, Clark, Horning and Athey met with LifeNet representatives to discuss the contract. Clark reported that he was very impressed with the tenor of the meeting, and was happy that LifeNet's Chairman and Vice Chair of the Board of Directors were in attendance to express their commitment to the relationship with WPCATA.

Discussions went well, without any disagreements between the two parties, and it was agreed that LifeNet would revise the contract to track the contractual language from the RFP and from LifeNet's proposal. When this task is completed, the contract will come back to us. Clark said that he anticipates that we will not have a difficult negotiation at all.

LifeNet even talked about the possibility of taking a post look each year at the subsidy to see if they didn't need as much as was called for. If that were true, a rebate might be arranged. Athey said that the contract is actually in the hands of LifeNet's attorney at this time, and after discussion with the attorney, we can expect to see a price subsidy tradeoff. Year to year, if call volume increases above a certain boundary, LifeNet will be willing to reduce the subsidy. At our next discussion with LifeNet, we will discuss a price subsidy tradeoff based on

the rates proposed. We will also take into consideration what the impact will be on the subsidy if the rates go up or go down.

Horning mentioned that LifeNet had asked for a defined boundary of the service area. This has never been clearly defined. Athey reported that he had met with LifeNet after the meeting to discuss working out a written description of the boundaries. Contractually, and for risk and responsibility, LifeNet would like to know exactly where those boundaries are. State law dictates that the closest ambulance must respond, whether or not it is in the boundary, Athey told the group.

Clark also mentioned that the group had discussed a start date for ambulance services. February 1, 2011 was the start date in the RFP. The group talked about (1) moving the start date up or (2) having a transitional time of 2-3 months where LifeNet might take over transports with some type of interim arrangement before launching into the full-scale agreement. Moeller stated that our agreement with Life EMS for transports is a month-to-month contract, so this would be simple to transition LifeNet into that service.

Clark said that he felt very positive about the overall discussion with LifeNet, and feels that we will be able to negotiate a contract that is fair and reasonable to both the Western Payne County Ambulance Trust Authority and to LifeNet.

Horning pointed out that LifeNet's Letter of Credit that was included in the RFP expired the end of July 2010. Athey replied that the Letter of Credit was part of the performance security package, and when the contract gets signed, an updated Letter of Credit will have to be provided.

Bill Sasser, WPCATA Secretary/Treasurer, provided a Treasurer's Report at tonight's meeting. Sasser pointed out that the regular payments to Health Care Visions (Steve Athey – consultant) are in the amount of \$2,000. May's payment in the amount of \$2,300 covered some reimbursement for advertising that we did in reference to the project. Clark moved that the Treasurer's Report be approved as presented. Jarvis seconded the motion, and Horning, Moeller, Clark, Jarvis and Sasser voted in favor of the motion.

Board members discussed how much longer Athey's services might be warranted. This will be discussed further by the Board at future meetings.

DECISIONS ON MEMBERSHIP PLAN

Moeller distributed a copy of the document detailing the possible collection of annual ambulance membership fees on utility bills. This update was provided by Dan Galloway of the City of Stillwater. Galloway mentioned that the only problem would be how many Perkins and Glencoe residents were actually customers of CREC. Moeller said that there were only 12, so for all practical purposes, this data should be reliable.

WPCATA Board members reviewed the data provided. Moeller expressed how important it will be to set the membership fee high enough in the beginning, so we will be able to meet the subsidy requirements. Moeller also suggested starting the membership plan as soon as possible so that we could begin collecting fees and have some working capital.

Athey discussed his concerns regarding the assessment and membership plan. Athey reiterated that with the membership plan, people will pay a certain amount each year, and for that they will receive medically necessary ambulance services without any out-of-pocket expenses. In EMSA's experience, they spent a lot of time and a lot of money marketing their plan, only to get 12% of the people to sign up. As they needed to reduce their subsidy so that the cities could use that money in other places, an assessment plan was developed. The assessment plan was attached to a water bill; everyone was opted in with a membership benefit; the option to opt out was offered. Athey said that you really need to look at this as a package – an assessment and a membership plan. Athey said that the WPCATA Board could likely develop the plan and move forward with it, but it's the logistics of it that concern Athey. That is where a knowledgeable consultant who has done this before should be considered. Athey agreed that we should start early and build some infrastructure money. There will be expenses associated with operating the Trust and overseeing the ambulance organization.

Horning discussed with Athey how the collections from the utility companies would be handled. Athey responded that CREC and others will collect the assessments from the utility bills, they will receive some compensation for doing so, and then the money will be distributed to the Trust. This wire or automatic deposit will go into the WPCATA account, and then LifeNet will be paid monthly from said account.

LifeNet's Medical Director will work closely with SMC's Medical Director to make sure that all protocols are met. There is an oversight responsibility where LifeNet will be reporting to the Trust their response time compliance and any other clinical reports we desire. These reports will require some oversight responsibility, whether it be from the CEO, Mr. Athey, or someone else.

Clark voiced concern about the assessment amount, and what the City Council might be agreeable to in that regard. Horning reported that he had reviewed the audited report from LifeNet, and based on his "unscientific" review, just to have the ambulance system in place, we would need to generate \$430,000 - \$450,000 every year. That is approximately \$1.75 per meter that would need to be assessed. Horning then discussed the membership plan cost. If you had an 80% opt in at \$3.00, the year 3 supplement (the highest cost) would be covered. Board members discussed the philosophy of Horning's findings. It was discussed that the assessment might be increased to \$2.00, so that any

household opting into the membership plan would incur a total charge of \$5.00/month. If this was just a straight assessment of \$4.50/meter, at 100% participation, the subsidy would not be covered. Board members also discussed what we might do regarding an assessment for OSU, and whether or not that amount might be based on historical usage. Moeller asked Horning if a \$2.00 assessment and 80% participation at \$3.00 would cover the subsidy. Horning responded that this would just barely cover the subsidy, but if we had some sort of monetary input from OSU or elsewhere, that would allow some cushion.

Board members also discussed whether or not CREC *could* levy an assessment, and whether or not Perkins and Glencoe would be willing to do the same. Horning said that he would work with Athey to prepare a page of bullet points so that each member of the WPCATA Board would have the same talking points when they approach the utility companies and municipalities. Moeller said that he would be willing to speak with the City Council, or have them come to visit with the WPCATA Board. Moeller is also scheduled to speak with CREC in October. Sasser and Jarvis will follow up with the Perkins City Manager.

REVIEW AND POSSIBLE DECISION ON USE OF CONSULTANT FOR INITIATION OF MEMBERSHIP PLAN

Moeller told Board members that Tina Wells, a consultant who had worked with EMSA, would be available to work with the WPCATA Board regarding initiation of the membership plan. Steve Athey and SMC's Marketing Director, Shyla Eggers, visited with Ms. Wells in Tulsa regarding starting up such a campaign. Ms. Wells is now employed with Schnake Turnbo Frank in Tulsa. Moeller and Athey assured the Board that some of the details of Wells' proposal could be handled by SMC personnel, which would bring down the cost.

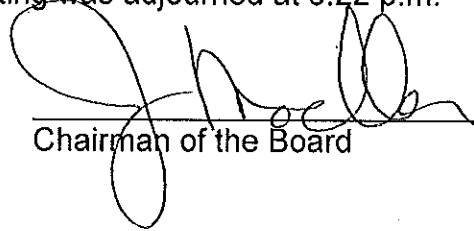
Clark moved that Moeller negotiate with Tina Wells for consulting services with the idea of adapting a scope of work to help the WPCATA Board put together a program to maximize participation in the program, with a price not to exceed \$15,000. Sasser seconded the motion, and Horning, Clark, Jarvis, Sasser and Moeller voted in favor of the motion.

Board members discussed the need for working capital and the possibility of getting a line of credit from a bank and drawing on that. Moeller asked Horning (who is President of Stillwater National Bank) if he could assist with a line of credit at Stillwater National Bank, to which Horning replied that as long as it was not a conflict, he would certainly be willing. Moeller said that he thought there are exceptions to the Conflict of Interest for bankers who are members of a public trust. Sasser said that as long as the disclosure is made to the Board, it should be fine. Clark added that Horning should recuse himself from any action that the WPCATA Board takes in regard to procuring the line of credit from Stillwater National Bank. Clark moved the Board authorize Moeller to enter into negotiations with a suitable bank to establish a line of credit of up to \$25,000 to cover the expense of consulting services, third party billings, educational


programs, marketing, etc. Sasser seconded the motion. Clark, Jarvis, Sasser and Moeller voted in favor of the motion. Horning abstained from the vote.

ADJOURN

There being no further business, Clark moved the meeting be adjourned. Horning seconded the motion, and Moeller, Jarvis, Clark, Sasser and Horning voted in favor of the motion. The meeting was adjourned at 6:22 p.m.



Chairman of the Board



Secretary/Treasurer of the Board