

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, February 23, 2016
Stillwater Medical Center Honska Conference Center
5:30 p.m.**

Present: Lowell Barto, Joe Haney, Dan Duncan, Beth Buchanan, Steven Cummings, M.D., Cary Couch, M.D. and Mayor Gina Noble

Absent: Calvin Anthony

Others: Denise Webber, Alan Lovelace, Motaz El Kelani, Shyla Eggers, Steven Taylor, Scott Petty, Cheryl Wilkinson, Necia Kimber, Butch Koemel, Michelle Charles (NewsPress), Suanne Gersdorf (TCI) and Susan Taylor

Chairman Dan Duncan called the meeting to order at 5:34 p.m.

APPROVAL OF MINUTES

Mayor Noble moved the Board approve the minutes of the January 26, 2016 regular meeting of the Stillwater Medical Center Authority Board of Trustees. Couch seconded the motion, and Barto, Haney, Duncan, Buchanan, Noble and Couch voted in favor of the motion.

PRESENTATION OF TCI COLLABORATION – Suanne Gersdorf

CEO Webber introduced Suanne Gersdorf, CEO of Tulsa Cancer Institute, to the Board and others attending the meeting. Ms. Gersdorf spoke to the Board about the potential collaboration between TCI and Stillwater Medical Center. We are negotiating the purchase price and collaboration agreement. She told the members that TCI is working to collaborate with St. John's, who is affiliated with MD Anderson. Once their collaboration is finalized, TCI will become Oklahoma Cancer Specialists & Research Institute. More information will be available at next month's Board meeting.

BALANCED SCORECARD AND CORE MEASURES SCORECARD

CFO Alan Lovelace reported on the balanced scorecard. The inpatient satisfaction score is 83.6%, meeting our goal of greater than 83%. The ER score is 68.2%, slightly below our goal of 70%.

COPD Readmitted rate is 33.3% for the month, failing to meet our goal of 20.2% or less. One patient of three returned. Our Major Joints Readmit rate is 0%, meeting our goal of less than 5.4%. The AMI Readmission rate is 0.0%, meeting our goal of 17.0% or less. Our Heart Failure Readmitted rate is 0.0%, meeting our goal of less than 22.2%. The Pneumonia Readmission rate is 0.0%, meeting our goal of 16.9% or less.

The Employee Turnover was 1.6% for the month, meeting our goal of 22.8% or less. Annualized YTD Operating Performance is \$12.849M, well above our goal of \$7.273M. Being early in the year, we have not yet recruited any new physicians for 2016.

POSTED ITEMS

ACCEPTANCE OF JANUARY 2016 FINANCIAL REPORT

Lovelace gave a PowerPoint presentation of the summary of operations for January 2016. Admissions, including rehab, were 286, below budget of 372 and last year of 374. Observations were 66, below budget of 87 and last year of 107. Admissions plus observations were 352, below budget of 459 and last year of 481.

Surgeries were 257 for the month, above budget of 250 and last year of 238. Surgeries at the Surgery Center were 283 for the month, below budget of 305 and last year of 308. Lovelace explained the reason for the decrease in volume. He reminded the members that Dr. Scott is now practicing in Edmond. He usually performed 70 to 80 scopes each month at the Surgery Center. The general surgeons are working to pick up some of those scopes. Dr. Swafford does all of his scopes at the hospital.

Emergency room visits were 2,389, below budget of 2,509 and last year of 2,663. Outpatient visits, not including ER visits, were 9,971, above budget of 9,351 and below last year of 10,132. Births were 52 for the month, below budget of 75 and last year at 87.

Financial assistance was \$575,000 for the month. Salaries and Wages were at \$5.279M, below budget of \$5.522M and above last year of \$4.788M. Benefits were \$1.984M, above budget of \$1.397M and last year of \$1.8M.

Operating Income for the Hospital is \$1.044M, above budget of \$563,000 and last year of \$915,000. Operating Income for the Clinics was \$27,000 compared to a budget of \$43,000 and last year of \$57,000. Operating Income Consolidated is \$1.071M, above budget of \$606,000 and last year of \$660,000.

YTD Operating Income Consolidated is \$1.071M, above budget of \$606,000 and last year of \$972,000. YTD Operating Margin Consolidated is 7.4%, above budget of 4.2% and last year of 7.2%. YTD Non-Operating Revenue is (\$1,049M), below budget of \$44,000 and last year at (\$213,000). YTD Net Income is \$22,000, below budget of \$650,000 and last year of \$759,000.

The Arvest investment account decreased to \$26.186M. The BancFirst Investment Account decreased to \$16,701M. Investments combined are \$42,887M. YTD Simple Return for Arvest is (2.26%); BancFirst is (2.42%). The benchmark is (2.77%).

Days in Accounts Receivable was 32.7 days. Days Cash on Hand is 171 days. Cash is \$70.627M, compared to \$74.924M at year end 2015.

Lovelace also reported on the February 17, 2016 Finance Committee meeting, copies of the minutes were included in the Board packets. Lovelace told Board members that the Finance Committee members recommended the approval of the Hologic 3D mammography equipment at a cost of \$656,340 to the Board. They discussed the financials, summary of clinic operations and scorecard. They also discussed the Liquidity Support Agreement (LSA) with the Ranch which was not approved.

After discussion, Barto moved the Board accept the January 2016 Financial Report as provided and the February 17, 2016 Finance Committee minutes. Buchanan seconded the motion, and Noble, Buchanan, Barto, Couch, Duncan and Haney voted in favor of the motion.

APPROVAL OF PURCHASE OF 3D MAMMOGRAPHY EQUIPMENT

Steven Taylor told Board members that the radiologists and medical imaging staff have worked together over the last two years to research 3D mammography. More and more women are becoming aware of 3D mammography and are beginning to ask for it. We believe that we may be losing some business to out-of-town providers. Compression time and radiation dosage are lessened with this equipment. We have studied the technology and have made site visits. The Finance Committee is recommending approval of the purchase of the Hologic 3D mammography equipment at a total bid price of \$656,340.00. Budget for the equipment is \$700,000.00.

Haney moved approval of the purchase of the 3D mammography equipment from Hologic at a cost of \$656,340.00, noting that this is under budget and can be installed in a reasonable amount of time. Noble seconded the motion, and Buchanan, Haney, Couch, Duncan, Noble and Barto voted in favor of the motion.

ACCEPTANCE OF THE SMC COMPLIANCE MEMO

Cheryl Wilkinson, SMC's Performance Improvement Director, presented the Report of 2015 compliance activities to the Board. A copy of the memo was included in the Board packet.

No action was required.

REVIEW OF SMC INFECTION CONTROL PROGRAM 2015 ANNUAL EVALUATION

Necia Kimber, SMC Infection Control Nurse, presented the annual Infection Control Program evaluation and shared the goals for 2016.

No action was required.

CONSENT AGENDA

Topics of the Consent Agenda included the following:

Credentialing Actions:

Approval of William Bendure, MD (Telemedicine – Neurology)

Review/Approval of New/Revised Policies:

- Administration of Intradermal and Topical Local Anesthetic Agents for IV Starts
- Discharge Pass and Voucher Medication
- Organ and Tissue Donation and Donation after Cardiac Death
- Peer Review Plan
- Focused Professional Practice Evaluation and FPPE Summary Form
- 2016 Infection Control Plan
- Airborne Precautions
- Type/Duration of Precautions for Selected Infections and Conditions
- 2016 Risk Analysis
- Infection Control PI Activities and Measures
- Blood-Borne Pathogen Exposure Control Plan
- Policy on Residents
- Disaster Privileges
- Emergency Transfusion Policy
- Staffing Requirements in the Cath Lab
- Extended Fluoroscopy Time/Radiation-Induced Skin Injury
- Gadolinium-Based MRI Contrast Management and Administration
- 2015 Delinquent Chart Summary by Provider
- Policy on CPAP/BiPAP Units Brought From Home
- Peripheral Thrombolysis
- Acute Patient Transfers to SMC
- Hypoglycemia Policy

Dr. Steve Cummings discussed the items on the Consent Agenda, and then Couch moved that the Consent Agenda be approved in its entirety. Barto seconded the motion, and Buchanan, Couch, Haney, Barto, Noble and Duncan voted in favor of the motion.

REVIEW AND APPROVAL OF SMC FOUNDATION ANNUAL REPORT AND POSITION STATEMENT

SMC Foundation Director Scott Petty addressed the Board to present the annual report and position statement.

No action was required.

Mayor Noble had to leave the meeting at 6:25 p.m., due to another meeting she needed to attend.

CEO REPORT

Topics of Ms. Webber's CEO Report included the following:

Newspaper Articles

CEO Webber shared two newspaper articles with the Board. The first article was about the Oklahoma State Department of Health and their planned employee buyout to help them deal with budget cuts. At least 100 employees are expected to take a buyout that includes a \$5,000 lump-sum payment.

The second article, from Wayne Greene, compares Oklahoma and Arkansas' health stats, and then health insurance coverage. Arkansas took the "Obamacare" money, but put a unique twist on things.

Patient Compliments

Webber told Board members that it is not unusual for us to receive patient compliments; in fact, they come in every week! Some of the most recent letters were included in the Board packet for the Board members to enjoy.

Susan Taylor to Retire

CEO Webber said that it is bittersweet to announce and congratulate Susan Taylor as she retires. Her last day will be February 26th. She has been an integral part of SMC for the last 23 years and has been such a tremendous part of our team. Her contributions will always be valued and remembered. Her hard work, commitment, and dedication are worthy of admiration. While we are very excited for her, she will be greatly missed by all. As a tribute, we are hosting a reception the afternoon of the 26th from 2:30p to 4p. We wish her all the best as she retires.

Cheryl Marshall Promoted

Webber announced the promotion of long-time team member Cheryl Marshall to the position of Executive Assistant to the CEO within our organization. Cheryl has been a dedicated team member here at SMC for more than 20 years. She has previously served as an administrative assistant for our department, and most recently served as our Patient Advocate. Cheryl consistently overachieves and has helped us earn a reputation as a strong patient advocate throughout the community. Please join me in congratulating Cheryl.

Savings through AROK and Upper Midwest GPO Consolidation

Webber commented that it's been a busy and successful six weeks since AROK joined UMCSC. In that time, SMC has seen \$336,709 in annualized savings through rebates and market share utilization. Throughout the next nine weeks, we have additional savings opportunities of an annualized \$698,578 identified. This is all in an effort to increase efficiencies and reduce expenses by aggregating spending and redesigning supply chain processes. The transition has gone very well so far. Alan Lovelace is the liaison for our specific cohort and serves on the Finance Committee for UMCSC.

DNV Survey Completed

Our annual reaccreditation survey took place on January 26th-29th and once again SMC did very well. Three surveyors from DNV thoroughly surveyed our facilities, policies and procedures and staff. Every third year DNV does a deep dive and digs a little deeper to insure that a facility should remain accredited.

We did very well. All of our non-conformities from last year were cleared. We did have 10 non-conformities from this year's survey to work on. All of them are areas in which we know we can improve. Remember, most facilities receive between 20-30 nonconformities. The surveyors always remind us that the number of nonconformities is not what to focus on but having a process for continuous improvement. Areas of improvement include policies and procedures in the area of administering anesthesia, discharge orders in surgical services, and some environmental issues. We will complete our plan of correction and continue onward on our journey of providing the best of care to our patients.

The surveyors were extremely complimentary of our staff that showed pride in their work and demonstrated what it means to be part of the SMC family. Everyone did a tremendous job!

Employee of the Month – Jeffery Corbett

We recently recognized Jeffery Corbett as SMC's February Employee of the Month. Jeffery has worked at SMC since 1994, starting in the kitchen, and has invested the last 18 years in the SMC Foundation. As you well know, his dedicated efforts enabled our ship to remain steady during the Stillwater Strong campaign. While we prepared for our Annual Gala Nov. 14th, he still helped coordinate nearly 900 donations, prepared gift receipts, wrote thank you notes and ramped up deposits significantly. Our team verified and tracked nearly 60 unique public, private and civic fund raising efforts. In approximately 68 days (between Oct. 24 and Dec. 31) we secured over \$475,000 to benefit victims of the OSU Homecoming Accident.

Jeffery is an engaged, friendly and experienced team member committed to helping grow charitable resources for our hospital. Please join me in congratulating him when you see him next.

Interventional Cardiologist Visit

Webber told the Board that Dr. Ajay Pachika is an interventional cardiologist who came in for a visit on Feb. 2nd and would be able to join SMC in late summer. He is originally from India where he attended medical school. He completed his internal Medicine residency at Drexel and then worked as a hospitalist for a few years before beginning his Cardiology Fellowship at the University of Louisville. He is currently completing his Interventional Cardiology Fellowship at OU and will finish in July. His visit went very well and we feel he would complement our current team very well. We are currently in the process of checking references on him.

Bright Ideas Reaches 500 Ideas Submitted

Exciting news! We have reached 500 submitted Bright Ideas! Bright Ideas is a program of encouraging and harvesting staff-generated ideas on how to improve the organization and the care it provides. Bright Ideas taps into front line employee creativity and ownership to generate ideas on how to better serve patients and each other. It is a Commitment to Excellence program that promotes, tracks, implements and rewards creative problem solving.

Stillwater Medical Center possesses a vast amount of potential in our most important resource: our employees. Our promise to become an organization Committed to Excellence involves Bright Ideas, a formalized system that encourages employees to submit ideas on a regular basis and a process through which to implement these ideas.

This process not only lets employee share ideas directly with the people who can facilitate change, but it allows employees to receive recognition and rewards for their creativity. Through this process, employees can strive to improve any aspect of life around Stillwater Medical Center.

Since its introduction in 2013 employees have submitted 500 Bright Ideas making improvements in each pillar: People, Service, Quality, Finance and Growth. Through the Bright Ideas program our employees have saved the organization \$1,909,737.25 while maintaining quality services.

Medicine Day at the Capitol

Once again, SMC provided transportation to the State Capitol on February 16th for "Medicine Day at the Capitol". We had a good-sized group attend to advocate for health care legislation. Liz Michael and Steven Taylor accompanied Dr. Woody Jenkins, Dr. Cary Couch, Dr. Scott Martin, Dr. Dwight Sublett, Dr. Malinda Webb, Dr. Chris Goff, Dr. Mary Clarke, Dr. Steve Smalley, Dr. Robert Phillips and others. In all, 15 representatives of Stillwater Medical Center participated. Appointments had been pre-scheduled with Representative Williams and Representative Denney. It was a productive trip and it ended with a reception at the Oklahoma State Medical Society's office with a presentation from our very own Dr Woody Jenkins, OSMA President. A follow-up meeting with Representative Dennis Casey is being planned here at Stillwater Medical Center.

Regional "Communities of Care Organizations" Proposed

Webber provided an OHA bulletin that highlights a proposed program targeted for release in 2018. Currently, the Oklahoma State Department of Health is seeking comments on a draft plan to use regional managed care organizations to deliver health care to Oklahomans covered by Medicaid and all public employee health plans which makes up about one-quarter of our state's population. This is a part of the State Innovation Model grant, Affordable Care Act programs, designed to help states deliver care while reducing costs. Karen Hendren,

LifeCare Alliance President, sits on a recently formed committee working to understand and provide input on the proposed program.

Meridian Technology Strategic Planning

On Feb 9th and 10th, our CEO participated in Meridian Technology Center's Strategic Planning Event as a Community Partner. As part of the Department of Education's focus, Meridian engaged in the state level Baldrige National Quality Award criteria as a measure to create a culture of continuous improvement. Webber said that she has reviewed the Baldrige criteria from time to time but we have never really officially used it at SMC. It was great to see it in use as the Meridian team worked on strategy. Webber said that she could see its benefits to an organization and plans to review it again. There are many synergies between Healthcare and Education and it was a good to continue to enhance our partnership with Meridian. They have been very helpful to us in many areas for Stillwater Medical Center as well as our community.

BOARD EDUCATION

Webber included an article on Preventing Physician Burnout, as well as handouts detailing the percentage of burned-out physicians by specialty and the causes thereof. She also indicated that Wayne Sotile, a Studer speaker/psychologist, has been booked to speak to our Medical Staff on October 5th of this year.

EXECUTIVE SESSION

At this time, Barto moved the Board convene to Executive Session according to Title 25, Oklahoma Statutes §307 (B) (1) of the Oklahoma Open Meeting Act for the purpose of discussing the items on the agenda. Couch seconded the motion, and Couch, Barto, Haney, Duncan and Buchanan voted in favor of the motion.

Those present in Executive Session included: Board members Duncan, Barto, Haney, Couch, Buchanan and Cummings, as well as Denise Webber and Susan Taylor.

Barto then moved the Board return to Open Session. Buchanan seconded the motion, and Couch, Buchanan, Barto, Haney and Duncan voted in favor of the motion.

Chairman Duncan stated that nothing other than what was listed on the agenda had been discussed in Executive Session, and that no vote had been taken.

NEW BUSINESS

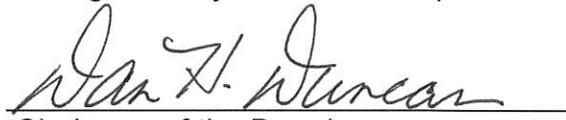
None.

Prior to the meeting, Board members reviewed the following Medical Staff meeting minutes:

<i>Med Exec Committee</i>	<i>Feb. 10, 2016</i>
<i>Med Exec Committee</i>	<i>Jan. 13, 2016</i>
<i>Peer/Policy Review Oversight Committee</i>	<i>Feb. 3, 2016</i>
<i>Infection Control Committee</i>	<i>Jan. 20, 2016</i>
<i>E-Medical Record Committee</i>	<i>Jan. 27, 2016</i>
<i>ER Section</i>	<i>Jan. 13, 2016</i>
<i>Radiology Section</i>	<i>Feb. 3, 2016</i>
<i>Pediatrics Section</i>	<i>Feb. 4, 2016</i>
<i>Credentials Committee</i>	<i>Jan. 25, 2016</i>

ADJOURN

There being no further business, Couch moved that the meeting be adjourned. Buchanan seconded the motion, and Buchanan, Duncan, Couch, Haney and Barto voted in favor of the motion. The meeting was adjourned at 7:20 p.m.


Chairman of the Board


Secretary of the Board