

STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, June 28, 2016
Stillwater Medical Center Honska Conference Center
5:30 p.m.

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

Absent: Calvin Anthony

Others: Denise Webber, Steven Taylor, Liz Michael, Randy Jobe, Shyla Eggers, Scott Petty, Judy Treharne, Butch Koemel, Dr. Russell, M.D., Dava Judd, Kari Easson and Michele Grant (minutes)

Chairman Dan Duncan called the meeting to order at 5:33 p.m.

APPROVAL OF MINUTES

Mayor Noble moved the Board approve the minutes of the May 24, 2016 regular meeting of the Stillwater Medical Center Authority Board of Trustees. Dr. Couch, M.D. seconded the motion, and Barto, Noble, Duncan, Couch, Buchanan, and Haney voted in favor of the motion.

BALANCED SCORECARD

Denise Webber gave the Scorecard report. The inpatient satisfaction score is 78.7%, below our goal of greater than 83%. The ER score is 72%, meeting our goal of 72%.

COPD Readmitted rate is 25% for the month above our goal of 20.2% or less. Our Major Joints Readmit rate is 0%, meeting our goal of less than 5.4%. The AMI Readmission rate is 40%, below our goal of 17.0% or less. Our Heart Failure Readmitted rate is 0%, meeting our goal of less than 22.0%. The Pneumonia Readmission rate is 0%, meeting our goal of 16.9% or less.

Our goal for Employee Turnover was 2.2% for the month. Annualized YTD Operating Performance is \$1.193M, well above our goal of \$7.273M. There were 2 provider recruits, but several are in the works.

BOARD EDUCATION: 3D MAMMOGRAPHY

Dava Judd shared the success of the 3D Mammography being offered to patients. Since May of 2016, it allows you to view the breast tissue similar to a CAT scan. It detects 41% more invasive breast cancers, compared to 2D images, it decreases the false positive recalls by up to 40%.

Dr. Russell told the Board members it has been difficult to compare new results to the older 2D reads. He also stated that very soon, he would like to request new biopsy machine that is capable of locating areas at the same level as the 3D equipment.

POSTED ITEMS

ACCEPTANCE OF MAY 2016 FINANCIAL REPORT

Kari Easson, Accounting Director, gave a PowerPoint presentation of the summary of operations for May 2016. Admissions, including rehab, were 264, below budget of 332 and below last year of 342. Observations were 80, below budget of 87 and below last year of 112.

Surgeries were 258 for the month, above budget of 233 and last year of 223. Surgeries at the Surgery Center were 299 for the month, under budget of 305 and below last year of 316. Lovelace explained the reason for the decrease in volume. He reminded the members that Dr. Scott is no longer practicing at SMC. 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.

Emergency room visits were 2,391, above budget of 2,360 and below last year of 2,456. Outpatient visits, not including ER visits, were 9,968, above budget of 9,351 last year of 8,883. Births were 69 for the month, below budget of 85 and above last year at 65.

Financial assistance was \$1M for the month. Salaries and Wages were at \$5.220M, below budget of \$5.445M and above last year of \$4.905M. Benefits were \$600,000 below budget of \$1.397M and below last year of \$1,153M.

Operating Income for the Hospital is \$1.08M, above budget of \$404,000 and above last year of \$745,000. Operating Income for the Clinics was 111,000 compared to a budget of \$43,000 and last year of (\$20,000). Operating Income Consolidated is \$1.19M, above budget of \$447,000 and last year of \$725,000.

YTD Operating Income Consolidated is \$5.148M, above budget of \$3.354M and below last year of \$5.439M. YTD Operating Margin Consolidated is 7.1%, above budget of 4.6% and below last year of 8.2%.

YTD Non-Operating Revenue is \$1.15M, above budget of \$221,000 and last year at \$826,000. YTD Net Income is \$6.30M, above budget of \$3.58M and last year of \$6.264M.

The Arvest investment account increased to \$27.495M. The BancFirst Investment Account increased to \$17.668M. Investments combined are \$45,163M. YTD Simple Return for Arvest is 3.05%; BancFirst is 3.31%. The benchmark is 2.93%.

Days in Accounts Receivable was 35.1 days. Days Cash on Hand is 179 days. Cash is \$75.500M, compared to \$74.924M at year end 2015.

To date, we have spent \$2.771M (74%) on the Total Fitness Aquatics project. Total amount approved for this project is \$3.735M. \$9.111M (70%) has been spent on the Support Services Building. Total amount approved for that project is \$13.045M.

Easson stated that the Finance Committee members discussed the financials, the summary of clinic operations and scorecard.

Lowell Barto moved the Board accept the May 2016 Financial Report and the June 15, 2016 Finance Committee minutes as presented. Mayor Noble seconded the motion, and Haney, Couch, Duncan, Noble, Barto and Buchanan voted in favor of the motion.

ACCEPTANCE OF THE JUNE 22, 2016 MEDICAL STAFF INTEGRATION COMMITTEE MINUTES

Randy Jobe gave an overview of the Medical Staff Integration Committee minutes, which were included in the Board Packets.

Lowell Barto moved the Board accept the June 22, 2016 Medical Staff Integration Committee minutes. Dr. Couch seconded the motion, and Couch, Duncan, Barto, Buchanan, Noble and Haney voted in favor of the motion.

APPROVAL OF REQUEST FOR RADIOLOGY RECRUITMENT ASSISTANCE

We have received an official request from Dr. Russell and Dr. Horner for recruitment assistance for an additional Radiologist, due to an increase in volume. This is an authorization to bring in candidates and discuss offering assistance. When further details are decided upon, they will be brought to the board for approval.

Joe Haney moved the Board approve the request for radiology recruitment assistance. Lowell Barto seconded the motion, and Haney,

Couch, Duncan, Noble, Barto and Buchanan voted in favor of the motion.

CONSENT AGENDA

Topics of the Consent Agenda included the following:

- A. Medical Staff – Credentialing Actions
 - i. Core Privileges for Endocrinology
- B. Medical Staff - Review/Approval of New/Revised Policies:
 - i. Revised Performance Improvement Plan
 - ii. Revised Tobacco Policy
 - iii. Revised Assessment Policy

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

MARKETING CAMPAIGN PREVIEW

Shyla told the Board members that there will be a large marketing campaign beginning in August. She revealed a sixty second commercial that will be airing in Payne, Noble, Kay, and Creek counties, as well as in the Cushing area. Billboards, print and radio time will also be a part of this campaign.

CEO REPORT

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

MEDICAID UPDATE

Webber told the committee the OHCA received \$991 million for state fiscal year (SFY) 2017. Unfortunately, mental health received \$20 million in cuts which will likely cause some additional delays for those needing services. Webber shared there is ongoing work with OHA to address this.

LIFECARE ALLIANCE

Webber shared information from the May Lifecare Alliance meeting, Alex Miley with the Oklahoma State Health Department presented an overview of the "*OKLAHOMA STATE INNOVATION MODEL*" which is Oklahoma's proposed plan to move Medicaid and state employees into a value based model by 2020. The subsidy for this comes from a federally funded State Innovation Model grant. The state plans to foster the development of Regional Care Organizations (RCOs) as local area, risk-bearing care delivery entities that are accountable for the total cost of care for patients within a particular region of the state. SMC will continue to look into their plans and stay involved as this progresses.

Chris Murphy with BKD also presented the proposed OHCA state plan amendment which would allow non-state government organizations (such as public trust hospitals) to receive nursing facility fees at the Medicare equivalent rate or upper payment limit. Multiple discussions are ongoing between nursing home facilities, attorneys and public trust hospitals to determine the potential opportunities.

SHERMAN SMITH FAMILY FOUNDATION GIFT

Webber shared that the Stillwater Medical Center Foundation received a \$250K gift from the Sherman Smith Family Foundation members to assist in our plans to expand our Cancer Center with OCSRI. The gift will honor their mother's memory by memorializing the healing garden in her name.

COMMITMENT TO EXCELLENCE STANDARDS REVISION

Webber shared the revised Commitment to Excellence Standards handbook with the Board.

PLANS FOR SMC CLINIC AT THE RANCH

Webber said that she had attended the groundbreaking ceremony for The Ranch on June 23rd. She shared an overview of the on-site clinic SMC plans to set up for residents as well as others nearby in the new facility.

EMPLOYEE FORUMS

Webber shared Employee Forums were held June 7th, 15th and were a great success as our team celebrated the many awards we have received over the last few months.

PASSING OF DR. RICK CRENSHAW

Webber shared the passing of Dr. Rick Crenshaw. A memorial service was held in his honor on Wednesday, June 8 at 10 am in the Woodland High School Auditorium in Fairfax, OK. Webber shared a nice thank you note from the Crenshaw Family.

VOLUNTEER AWARDS BANQUET

Webber said she attended our Volunteer Awards Banquet on June 2nd at Meditations. Mary Williams was named our 2016 Volunteer of the Year. She started volunteering when SMC was still at 9th and Walnut.

VIZIENT (VHA) PHYSICIAN/CEO/BOARD CONFERENCE

Webber shared details about the annual Vizeint (VHA) Conference in Dallas on September 29th and 30th. At the last Vizient Board meeting, it was decided to use Vizient equity pool funds to pay for up to 10 attendee registrations and 2 nights/attendee hotel accommodations.

ZIKA VIRUS

Webber shared information to the Board members regarding the Zika Virus.

NEW BUSINESS

Lowell Barto expressed appreciation to Dr. Randy Baker, M.D. for his two years of service on the Medical Executive Committee.

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

<i>Med Exec Committee</i>	<i>May 11, 2016</i>
<i>Performance Improvement/Patient Safety</i>	<i>May 26, 2016</i>
<i>Peer/Policy Review Oversight Committee</i>	<i>June 1, 2016</i>
<i>Med Exec Committee</i>	<i>June 8, 2016</i>

ADJOURN

There being no further business, Joe Haney moved that the meeting be adjourned. Lowell Barto seconded the motion, and Anthony, Buchanan, Couch, Haney, Barto, Noble and Duncan voted in favor of the motion. The meeting was adjourned at 6:19 p.m.



 Secretary of the Board



 Chairman of the Board