

**STILLWATER MEDICAL CENTER AUTHORITY**  
**BOARD OF TRUSTEES**  
**Regular Meeting, October 22, 2019**  
**Stillwater Medical Center Honska Conference Center**  
**5:30 p.m.**

**Present:** Beth Buchanan, Calvin Anthony, Lowell Barto, Dan Duncan, Joe Haney, Mayor, Will Joyce and Dr. Cary Couch

**Absent:**

**Others:** CEO, Denise Webber, Cara Pence, MD, Malinda Webb, MD, Steven Cummings, MD, Alan Lovelace, Liz Michael, Steven Taylor, Keith Hufnagel, Nat Cooper, Cheryl Wilkinson, Shyla Eggers, Courtney Kozikuski, Dava Judd, Butch Koemel (Koemel Law), and Cheryl Marshall (minutes)

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**CALL TO ORDER**

Chair, Beth Buchanan, called the meeting to order at 5:31 p.m.

**APPROVAL OF MINUTES**

Duncan moved the Board approve the minutes of the September 24, 2019 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Haney seconded the motion and Anthony, Couch, Joyce, Haney, Duncan and Buchanan voted in favor of the motion. Barto abstained as he was unable to attend the September meeting.

**BOARD EDUCATION: 3D MAMMOGRAPHY**

Dava Judd, Mammography Supervisor, shared an educational overview of our 3D Mammography and 3D/2D stereotactic equipment.

**APPROVAL OF AVAYA TELEPHONE UPGRADE**

Lovelace provided a summary of quotes for the Avaya Telephone Software Upgrade. The current system is version 6 and version 8 is being released. Avaya only allows new lines to be added to the system when one version behind the latest upgrade. Option 3 is lowest and best, and is recommended by the Finance Committee in the amount of \$190,582.78.

Haney moved the Board approve the Avaya Telephone Upgrade as presented. Anthony seconded the motion, and Duncan, Barto, Buchanan, Couch, Joyce, Anthony and Haney voted in favor of the motion.

**BALANCED SCORECARD REPORT**

CEO, Denise Webber, shared the Scorecard report with the members. We continue to work on Inpatient and ED satisfaction. Patient falls are down. We are doing well on all financial and growth goals.

## **REPORTS FROM OFFICERS**

### **ACCEPTANCE OF SEPTEMBER 2019 FINANCIAL REPORT AND OCTOBER 16, 2019 FINANCE COMMITTEE MINUTES**

Lovelace gave a PowerPoint presentation of the summary of operations for September 2019. Admissions, including rehab, were 333 below budget of 355 and above last year of 287. Average Daily Census, including rehab, was 39, below a budget of 46 and above last year of 35.

Surgeries were 356 for the month, below budget of 431 and above last year of 293. Surgeries at the Surgery Center were 547 for the month, below a budget of 593 and above last year of 478.

Emergency room visits were 2,907 below budget of 3,003 and above last year of 2,805. Outpatient visits, not including ER visits, were 12,547 above budget of 10,619 and last year of 11,149. Births were 70 for the month, below budget of 72 and above last year at 69.

Financial assistance was \$905,000 for the month. Salaries and Wages were at \$8.1M, below budget of \$8.27M and last year of \$7.2M. FTE's were 1,335 above budget of 1,310 and last year of 1,209. Benefits were \$1.78M above budget of \$1.72M and last year of \$1.71M.

Operating Income for the Hospital is \$1.5M above budget of \$991,000 and last year of \$924,000. Operating Income for the Clinics was (\$249,000) compared to a budget of (\$20,000) and last year of (\$161,000). Operating Income Consolidated is \$1.34M, above budget of \$971,000 and last year of \$763,000.

Operating Income for Perry Memorial Hospital in the month of September is (\$107,000) with a year to date loss in the amount of (\$1.8M). \$40,000 in tax revenue was received. We will continue to receive tax revenue going forward.

YTD Operating Income Consolidated is \$12.3M, above budget of \$8.3M and last year of \$10.1M. YTD Operating Margin Consolidated is 6.3%, above budget of 3.8% and above last year of 6%. YTD Non-Operating Revenue is \$9.2M, above budget of \$825,000 and last year at \$2.7M. YTD Net Income is \$21.5M, above budget of \$9.1M and last year of \$12.8M.

The BancFirst investment account increased to \$56.39M. YTD Simple Return for BancFirst is 11.91%. The benchmark is 14.31%.

Days in Accounts Receivable is 38 days. Days Cash on Hand is 162 days. Cash on hand is \$92.54M, compared to \$72.6M at year end 2018.

Lovelace stated that the Finance Committee members discussed the financials, scorecard and summary of clinic operations. Arvest gave a

quarterly update on SMC's investment portfolio. The Committee also discussed and recommended approval of the upgrade of the Avaya Phone System and the refinance of the 2017 and 2019 tax exempt bonds to taxable.

Anthony moved the Board approve the September financial statements and the October 16, 2019 Finance Committee minutes as presented. Haney seconded the motion, and Duncan, Barto, Buchanan, Couch, Joyce, Anthony and Haney voted in favor of the motion.

#### **APPROVAL OF SCHEDULE OF 2020 REGULAR BOARD OF TRUSTEE MEETING DATES**

Webber shared the City of Stillwater's schedule of dates in 2020 in which Open Meetings cannot be held. Next year, we are unable to meet on the fourth Tuesday of May, November and December. The members discussed meeting on the 3<sup>rd</sup> Thursday of those months.

Haney moved the Board approve Schedule of 2020 Regular Board of Trustee meeting dates as presented. Barto seconded the motion, and Haney, Duncan, Joyce, Anthony, Barton, Couch and Buchanan voted in favor of the motion.

#### **APPROVAL OF REFINANCE 2017 AND 2019 TAX EXEMPT BONDS TO TAXABLE BONDS (as part of New Market Tax Credit Funding)**

Lovelace shared financial information showing the benefit of using New Market Tax Credits. The net benefit at closing is \$7,615,000. SMCA will need to refinance the tax exempt bonds of 2017 & 2019 to taxable bonds to comply with the regulations of the New Market Tax Credit tax code. Lovelace shared the process for obtaining the credits, and answered questions of the Board members.

Anthony moved the Board approve refinancing 2017 and 2019 bonds to taxable bonds as part of the New Market Tax Credit funding. Barto seconded the motion, and Haney, Joyce, Buchanan, Anthony, Barto, Couch and Duncan voted in favor of the motion.

#### **APPROVAL OF BLACKWELL HOSPITAL TRUST LEASE AND OPERATING AGREEMENT**

Steven Taylor shared an overview of our Blackwell Hospital management agreement. The City of Blackwell passed a tax extension to build a smaller "right size" facility. They would like for us to partner with them to operate the Hospital. Taylor distributed a list of major aspects of the lease, which were reviewed by the members. The Board members inquired about the responsibility of maintenance of the building until the new building is complete. After lengthy discussion, the members agreed to table for further discussion.

Anthony made a motion to table the discussion and vote of the Blackwell Hospital Lease and Operating Agreement. Haney seconded the motion, and Buchanan, Anthony, Haney, Joyce, Barto, Couch and Duncan voted in favor of the motion.

### **APPROVAL OF RESOLUTION 2019-3**

Keith Hufnagel shared that we would like to make a change to the retirement plan. As of now, an employee must terminate to access their retirement account. This change would allow them to continue to work part time and still access their retirement. TIAA and Crowe & Dunlevy agree that this change can be made to our plan if agreeable to the Board.

Barto moved the Board approve Resolution 2019-3 as presented. Haney seconded the motion, and Anthony, Buchanan, Barto, Couch, Duncan Haney and Joyce voted in favor of the motion.

### **CONSENT AGENDA**

Dr. Pence updated the Board members on the policy change requests Stillwater Medical Center listed on the Consent Agenda. All actions requested have been approved through our Medical Staff Committees. Pence also shared that Dr. Hagan has requested to not renew his DEA or OBNDD registrations as he is no longer prescribing medications. He continues to care for patients in Cardiac Rehab.

Haney moved that Consent Agenda items of Stillwater Medical Center as presented. Joyce seconded the motion, and Buchanan, Barto, Haney, Joyce, Duncan, Anthony and Couch voted in favor of the motion.

Steven Taylor updated the Board members on the credentialing items for Stillwater Medical - Perry listed on the Consent Agenda. All actions requested have been approved through the Medical Staff Committees.

Haney moved that Consent Agenda items of Stillwater Medical - Perry be approved as presented. Anthony seconded the motion, and Anthony, Haney, Joyce, Buchanan, Couch, Duncan and Barto voted in favor of the motion.

### **CEO REPORT**

Denise Webber shared the topics of her CEO Report, which included the following:

### **BEST PLACES AWARDS GALA**

A group of employees traveled to Dallas to accept SMC's award at the Modern Healthcare Best Places to Work Awards Gala. SMC was honored with 21st place, making this the 3<sup>rd</sup> year in a row to be in the top 25.

**SMC MAKES BEST HOSPITALS U.S. NEWS & WORLD REPORT LIST  
SMC EARNED THE GOLD PLUS STROKE, TARGET STROKE ELITE  
HONOR ROLL FROM THE AMERICAN HEART ASSOCIATION**

We were awarded the Gold Plus Achievement and the Honor Roll-Elite awards from the American Heart Association for meeting quality measures in heart failure, stroke and resuscitation.

### **MARY BETH HUNZIKER, MARCH OF DIMES NURSE OF THE YEAR!**

Mary Beth Hunziker, Director of ICU and Cardiopulmonary Services, was awarded the Nurse of the Year for Nursing Management at the March of Dimes Nurse of the Year Gala. It is a well-deserved honor!

### **EMPLOYEE ENGAGEMENT/SATISFACTION SURVEY**

We are excited to learn that the predominant measures of employee engagement and employee satisfaction each ranked at the 98th percentile; this is benchmarked to a national data base of about 1.6 million healthcare employees. An especially positive result is seen in the employed physician group as almost every survey item ranked at the 99th percentile.

### **SMC FOUNDATION GALA**

Webber thanked those who attended the Gala. Including sponsorships the event raised over \$196,780 for the Heart and Vascular Institute making it the second highest grossing event the Foundation has directed. A survey monkey was sent out after the event, which yielded many positive comments.

### **VOLUNTEER APPRECIATION BRUNCH**

We held an appreciation brunch for the volunteers to let them know how special they are.

### **A CHANGING OF THE GUARD**

Bill Arrington will be retiring as Pharmacy Director, but plans to still work part time. We are thankful for Bill's great service to SMC and will hold a celebration for him soon.

Allan Hale has been chosen as the new Pharmacy Director. He comes to us from Cushing and had worked here previously in the 90s.

### **LEADERSHIP DEVELOPMENT INSTITUTES (LDIs)**

National speaker, Elizabeth Woodcock spoke at the Clinic LDI in October, about best practices for patient access and clinic workflow. She gave us tips on time management with our patients and helping the physicians with workflow. On October 24th, the entire leadership team will attend LDI on future trends of healthcare with Studer Group speaker, Amer Kaissi.

### **COMMITMENT TO EXCELLENCE SESSIONS BEING HELD**

Our final Commitment to Excellence sessions for 2019 covered what it means to demonstrate a "Sense of Ownership" at Stillwater Medical. We were reminded that the people we hold most dear in our lives are often the

people that come in our doors and also inspire us to take ownership of the care and service we provide here. The sessions were very well attended.

#### **VIZIENT TRUSTEE/PHYSICIAN/CEO LEADERSHIP CONFERENCE**

Webber thanked the Board members who joined her at the annual Vizient Leadership Conference in Arizona. The members expressed that it was interesting and uplifting.

#### **TRUMP ADMINISTRATION MAY SEEK A STAY IF FEDERAL APPEALS COURT INVALIDATES ACA**

The Washington Post reported the Trump administration “plans to seek a stay if a federal appeals court invalidates all or part of the Affordable Care Act in the coming weeks.” The article said the Trump administration has “no viable plan for replacing critical health benefits for millions of Americans,” so they “may try to delay a potential Supreme Court hearing on the matter until after the 2020 presidential election, according to current and former administration officials.” (OHA)

#### **SQ 802 - MEDICAID EXPANSION**

Signature gathering efforts for the initiative to put Medicaid expansion on the ballot, SQ 802, have now received the required 178,000 signatures.

#### **PATIENT COMPLIMENTS**

Webber shared patient comments and important dates coming up.

#### **EXECUTIVE SESSION**

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

Those present in Executive Session included: Board members, Buchanan, Anthony, Barto, Duncan, Haney, Couch and Joyce, Dr. Webb (medical staff liaison) as well as CEO, Denise Webber, Nat Cooper, VP Business Development and Community Outreach and Cheryl Marshall, Executive Assistant.

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

#### **REPORT FROM THE EXECUTIVE SESSION**

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

**NEW BUSINESS**

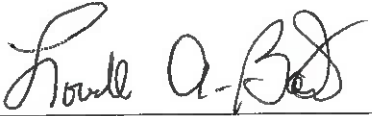
Prior to the meeting, Board members reviewed the following Medical Staff meeting minutes:

SMC: <i>Medical Executive Committee</i>	9/11/2019
<i>Performance Improvement Committee</i>	9/24/2019
<i>Peer Review Committee</i>	10/2/2019
<i>Surgery/Anesthesia Section</i>	9/12/2019
<i>ED Section</i>	09/12/2019
<i>E-Medical Records Committee</i>	09/27/2019
<i>OB Section</i>	10/03/2019
<i>Medical Education Committee</i>	10/04/2019

**ADJOURN**

There being no further business, Barto moved that the meeting be adjourned. Joyce seconded the motion, and Haney, Duncan, Anthony, Barto, Buchanan, Couch and Joyce voted in favor of the motion. The meeting was adjourned at 6:59 p.m.

  
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Chairman of the Board

  
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Secretary of the Board