

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, March 26, 2019
Stillwater Medical Center Honska Conference Center
5:30 p.m.**

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

Absent:

Others: Malinda Webb, MD, Mark Paden, MD, Steven Cummings, MD, Denise Webber, Alan Lovelace, Liz Michael, Cheryl Wilkinson, Leva Swim, Ph.D., Steven Taylor, Nat Cooper, Shyla Eggers, Scott Petty, Butch Koemel, Michelle Charles (NewsPress) and Cheryl Marshall (minutes)

Chair, Beth Buchanan, called the meeting to order at 5:30 p.m.

APPROVAL OF MINUTES

Couch moved the Board approve the minutes of the February 26, 2019 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Haney seconded the motion and Anthony, Joyce, Haney, Barto, Duncan, Buchanan and Couch voted in favor of the motion.

BALANCED SCORECARD

Denise Webber shared the Scorecard report. Our inpatient satisfaction scores are trending well, with work to do on the other patient satisfaction scores. We do not feel these scores are statically valid yet. We continue to work on reducing falls, medication errors and c-diff. The Modern Healthcare survey will go out soon, but we will not have the results until later in the year. We are exceeding our Operating Income, number of encounters in north central Oklahoma and providers goals.

REPORTS FROM OFFICERS

ACCEPTANCE OF FEBRUARY 2019 FINANCIAL REPORT AND MARCH 20, 2019 FINANCE COMMITTEE MINUTES

Lovelace gave a PowerPoint presentation of the summary of operations for February 2019. Admissions, including rehab, were 341, above budget of 300. Average Daily Census, including rehab, was 48, above a budget of 44.

Surgeries were 342 for the month, below budget of 413. Surgeries at the Surgery Center were 459 for the month, below a budget of 593. Emergency room visits were 2,682 below budget of 2,878 and last year of 2,857. Outpatient visits, not including ER visits, were 10,900 above budget of

9,619 and last year of 10,478. Births were 63 for the month, below budget of 72 and above last year at 71.

Financial assistance was \$849,000 for the month. Salaries and Wages were at \$7.3M, below budget of \$8.2M and above last year of \$6.14M. FTE's were 1,269 below budget of 1,310 and above last year of 1,131. Benefits were \$1.2M below budget of \$1.7M and last year of \$1.3M.

Operating Income for the Hospital is \$1.9M, above budget of \$895,000 and last year of \$1.2M. Operating Income for the Clinics was (\$335,000). Operating Income Consolidated is \$1.6M, above budget of \$875,000.

Operating Income for Perry Memorial Hospital in the month of February is (\$129,000) with a year to date loss in the amount of (\$341,000). Haney inquired about the upcoming tax vote in Perry. Webber explained that if the tax passes, it would raise approximately \$500,000 annually. It would start in July, so would be about \$250,000 for this year.

YTD Operating Income Consolidated is \$2.7M, above budget of \$1.86M and last year of \$1.88M. YTD Operating Margin Consolidated is 6.8%, above budget of 4.9% and last year of 5.3%. YTD Non-Operating Revenue is \$3.3M, above budget of \$184,000 and last year at \$1.1M. YTD Net Income is \$6.1M, above budget of \$2.0M and last year of \$3.0M.

The BancFirst investment account increased to \$53.5M. YTD Simple Return for BancFirst is 6.57%. The benchmark is 8.02%. Days in Accounts Receivable is 33.8 days. Days Cash on Hand is 133 days. Cash on hand is \$72.5M, compared to \$72.6M at year end 2018.

Lovelace stated that the Finance Committee members discussed the financials, the summary of clinic operations and SMC Equipment, Inc. They also discussed the investment policy and decided to meet again to review it in detail and recommend changes. BancFirst presented on our investments at this meeting. They are scheduled to present on a quarterly basis. Steven Taylor gave the members an update on construction.

Anthony moved the Board approve the February financial statements and the March 20, 2019 Finance Committee minutes as presented. Barto seconded the motion, and Buchanan, Joyce, Duncan, Anthony, Barto and Couch voted in favor of the motion. Haney abstained.

ACCEPTANCE OF THE MARCH 15, 2019 FACILITIES COMMITTEE MINUTES

Taylor updated the members on the items discussed at the March 15, 2019 meeting of the SMC Facilities Committee of which minutes were included in the packet. He noted that the hallway going from the front lobby to the ER will be shut down for approximately 5 weeks to install the new HVAC. The H&VI completion date was extended from September to October. Webber

said that construction on the south will start a short time before the front is complete. We are working on a plan for physician and staff parking, which will be moved. Patient and visitor parking should not be affected.

Barto moved the Board approve the March 15, 2019 Facilities Committee minutes as presented. Haney seconded the motion, and Duncan, Haney, Couch, Barto, Joyce, Anthony and Buchanan voted in favor of the motion.

ACCEPTANCE OF THE FEBRUARY 27, 2019 MEDICAL STAFF INTEGRATION COMMITTEE MINUTES

Cooper updated the members on the items discussed at the February 27, 2019 meeting of the SMC Medical Staff Integration Committee of which minutes were included in the packet. Anthony remarked that the Primary Care recruit is "Drew Anthony" instead of "Luke Anthony."

Haney inquired about Grand Lake Mental Health moving into the 6th & Walnut location. Webber said that their lease was expiring in a different location, so we agreed to lease them space at that location.

Anthony moved the Board approve the February 27, 2019 Medical Staff Integration Committee minutes with the name change noted. Couch seconded the motion, and Duncan, Haney, Couch, Barto, Joyce, Anthony and Buchanan voted in favor of the motion.

REVIEW AND APPROVAL OF ADMINISTRATIVE POLICIES

Webber updated the members on the changes requested for the Contracted Services policy. Our contracted services are required to meet our same standards. The Board members reviewed the changes. No changes were requested in the Investment policy; however, it will be reviewed in detail by the Finance Committee and changes will be recommended at an upcoming meeting.

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

APPROVAL OF RESOLUTION 2019-2:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF AN OBLIGATION IN THE PRINCIPAL AMOUNT OF \$12,000,000 FOR PURPOSES OF FINANCING THE EXPANSION AND REMODELING OF THE WOMEN'S LABOR AND DELIVERY CENTER; APPROVING A SERIES 2019B SUPPLEMENTAL BOND INDENTURE AUTHORIZING THE ISSUANCE AND SECURING THE PAYMENT OF SAID OBLIGATION; WAIVING COMPETITIVE BIDDING AND AUTHORIZING THE SALE OF SAID OBLIGATION BY NEGOTIATION; AUTHORIZING AND DIRECTING THE EXECUTION OF OTHER DOCUMENTS RELATING TO THE ISSUANCE OF SAID OBLIGATION AND CONTAINING OTHER PROVISIONS RELATING THERETO.

Lovelace shared that this financing was discussed and approved last month. The Resolution will formalize the approval and allow us to close on the \$12M financing. Webber reminded the Board that this financing will be used for construction of the Women Health Center and Surgery area.

Haney moved the Board approve Resolution 2019-2 as presented. Joyce seconded the motion and Anthony, Joyce, Haney, Barto, Duncan, Buchanan and Couch voted in favor of the motion.

APPROVAL OF ANNUAL REPORT ON COMPLIANCE ACTIVITY

Wilkinson updated the members on the Compliance Activities included in the packet. She noted that an IT Security Risk Assessment was performed. We were the victim of a cyber-attack; however we did well and no patient information was compromised. As of January 1, our hospital, as required by CMS, posted our prices online. A privacy assessment was completed. We have purchased a product to help us monitor access to patient information.

Duncan moved the Board approve the annual report on compliance activity as presented. Anthony seconded the motion, and Joyce, Couch, Haney, Anthony, Buchanan, Barto and Duncan voted in favor of the motion.

CONSENT AGENDA

Paden updated the Board members on the policy change requests and the credentialing actions for Stillwater Medical Center listed on the Consent Agenda. Paden noted specific changes made in the Medical Marijuana policy. All actions requested have been approved through our Medical Staff Committees.

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

CEO REPORT

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

SMC NAMED AS TOP 100 HOSPITALS BY IBM WATSON – 2 YEARS IN A ROW!

We were once again recognized in the Top 100 hospitals by IBM Watson. Of the Top 100, SMC is one of 15 Everest award winners. This study spotlights the best-performing hospitals in the U.S. using publicly available data for clinical, operational, and patient satisfaction metrics. Hospitals do not apply for awards, and winners do not pay to market this honor.

Key performance measurements are Higher Survival Rates, Fewer Complication and Infections, Shorter Length of Stay, Shorter Emergency

Dept. Wait Times, Lower Inpatient Expenses, Higher Profit Overall Margin and Higher Patient Satisfaction.

STILLWATER MEDICAL CENTER NAMED IN NATIONAL RURAL HEALTH ASSOCIATION TOP 20 RURAL COMMUNITY HOSPITALS FOR 2019

SMC was also named in the National Rural Health Association Top 20 Rural & Community Hospitals, which was based on an evaluation conducted by The Chartis Center for Rural Health using iVantage Health Analytics' Hospital Strength INDEX.

The Hospital Strength INDEX® utilizes publicly available data sets to quantify overall hospital performance in eight pillars: Inpatient Market Share, Outpatient Market Share, Quality, Outcomes, Patient Perspective, Cost, Charge and Financial Stability.

STILLWATER MEDICAL URGENT CARE – NORTHSIDE OPEN!

The north-side Urgent Care opened on Monday, March 18th. Their hours are Monday through Friday from 7 am to 7 pm and on Saturday and Sunday from 9:00 am to 5 pm. Our team there includes Dr. Mueller, MD, Karen Webster, PA and Nicole Avilez, PA.

LANITA PLANK PLANS TO RETIRE

Lanita Plank, RN in Labor and Delivery (MCHU), dedicated her work to healthcare for over 45 years. She became an employee of SMC in 1974, and just recently surpassing her 45th year! She has been a true asset to SMC and MCHU! We thank her for her many years of service.

SHERRY GAZAWAY - RETIRING AFTER 50 YEARS IN HEALTHCARE

Sherry Gazaway, RN at Stillwater Surgery Center, plans to retire at the end of this month. Sherry has been an SMC employee for over 20 years and has worked in healthcare for just over 50 years! We thank her for her many years of dedication to helping others.

SMC FOUNDATION WOMEN'S COUNCIL

Our First Annual Women's Council Luncheon was held on February 28th. It was a dedicated time for women to come together to learn about topics important to Women's Health. This year's focus was on Heart Disease. We had great attendance despite an icy day with around 200 joining us.

TEMPORARY MRI

In order to install the new MRI, we have to remove the current MRI. A temporary mobile MRI has been placed by the Emergency Department to use during this transition.

IVANTAGE HEALTH ANALYTICS

iVantage Performance Manager (iPM) is a benchmarking and performance tool used to identify cost variation, off-quality costs, clinical variation, and

improvement opportunities, which allows us to compare SMC's performance to others. Webber shared some of the initial reports with the members.

LEGISLATIVE SESSION KICKS OFF

Marijuana provisions: The Oklahoma Senate passed HB 2612, known as the Unity Bill. This bill was a group effort to address concerns such as the ability of the employer to drug test employees in safety sensitive positions including employees who provide direct patient care.

SB 801, changes the current requirement that a CRNA work under the supervision of a physician. SB 801 failed the deadline for a Senate floor hearing.

PATIENT COMPLIMENTS

Webber directed the Board's attention to several compliments included behind her report. She also shared events coming up, and information from the Freedom of Information Act provided by the Stillwater League of Women Voters.

Stillwater Medical Center has grown significantly over the last 10 years. Webber shared the many service lines, technology enhancements and the many awards received during that period. She encouraged the members to share the information with community members when asked about the growth of the Hospital.

NEW BUSINESS

Anthony shared that OSU Medicine received a \$200M settlement from Pharma for treatment of opioid addiction and crisis management.

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

SMC: <i>Medicine Section</i>	<i>2/14/2019</i>
<i>E-Medical Record Committee</i>	<i>2/22/2019</i>
<i>Medical Executive Committee</i>	<i>3/13/2019</i>

ADJOURN

There being no further business, Anthony moved that the meeting be adjourned. Barto seconded the motion, and Buchanan, Couch, Barto, Haney, Duncan, Joyce, and Anthony voted in favor of the motion. The meeting was adjourned at 6:31 p.m.



Chairman of the Board



Secretary of the Board