

STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, April 23, 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, 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

Duncan moved the Board approve the minutes of the March 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.

BOARD EDUCATION: ACCOUNTABLE CARE ORGANIZATIONS

Leva Swim, Ph.D. shared information about SMC's ACO, including the many accomplishments of the first year (2018). An ACO ties payment to quality metrics and cost of care. All SMC physicians are a part of the ACO. Swim shared the many things our hospital is doing to ensure patients are getting the right care. She showed statistical data showing that we are at benchmark. Webber shared that because we were already performing at a high level and the benchmark is set against ourselves, we likely will not receive shared savings. Cheryl Wilkinson, ACO Compliance Officer, shared the compliance requirements and the ways in which we are meeting the requirements.

BALANCED SCORECARD REPORT

Denise Webber shared the Scorecard report. Our inpatient satisfaction scores are trending well, with work to do on the other patient satisfaction scores. CMS requires that we survey inpatients and clinic patients, but we are not required to survey outpatients or ED patients. Press Ganey surveys outpatients and ED patients on a five point scale, where Health Stream had always surveyed using a 10 point scale, counting both 9s and 10s. Due to the change in the way the Outpatients and ED patients are scored, we may consider a change in the goals of these two measures. We will look into the

data further and bring a recommendation to the Board. We are doing better on falls, and are meeting all other goals this month.

REPORTS FROM OFFICERS

ACCEPTANCE OF MARCH 2019 FINANCIAL REPORT AND APRIL 17, 2019 FINANCE COMMITTEE MINUTES

Lovelace gave a PowerPoint presentation of the summary of operations for March 2019. Admissions, including rehab, were 323, above budget of 300. Average Daily Census, including rehab, was 41, below budget of 46. Surgeries were 360 for the month, below budget of 451. Surgeries at the Surgery Center were 516 for the month, below a budget of 593.

Emergency room visits were 2,688 below budget of 3,141 and last year of 2,696. Outpatient visits, not including ER visits, were 12,162 above budget of 9,619. Births were 62 for the month, below budget of 72.

Financial assistance was \$1.18M for the month. Salaries and Wages were at \$8.4M, above budget of \$8.3M and last year of \$6.9M. FTE's were 1,292 below budget of 1,310 and above last year of 1,125. Benefits were \$2.2M above budget of \$1.7M and last year of \$1.5M. The increase in benefits was due to an error in February, which was caught up in March.

Operating Income for the Hospital is \$916,000, below budget of \$1.1M. Operating Income for the Clinics was \$310,000 compared to a budget of (\$20,000) and below last year of \$407,000. Operating Income Consolidated is \$1.2M, above budget of \$1.0 and above last year of \$1.1M.

Operating Income for Stillwater Medical - Perry in the month of March is (\$111,000) with a year to date loss in the amount of (\$438,000).

YTD Non-Operating Revenue is \$3.7M, above budget of \$275,000 and last year at \$765,000. YTD Net Income is \$7.8M, above budget of \$3.2M and last year of \$3.7M.

The BancFirst investment account increased to \$53.9. YTD Simple Return for BancFirst is 7.36%. The benchmark is 9.59%. Days in Accounts Receivable is 34.8 days. Days Cash on Hand is 136 days. Cash on hand is \$74.6M, compared to \$72.6M at year end 2018.

Lovelace stated that the Finance Committee members discussed the financials and summary of clinic operations. They recommended the Board's approval of the EBUS and Navigation System for thoracic surgery. Lovelace explained that this is a new service line for SMC. The Finance Committee also discussed the investment policy and recommended moving the investment allocation from 5% in Cash to Fixed Income. Steven Taylor presented the early release package for the surgical expansion /MCHU and the Committee recommended the Board's approval.

Anthony moved the Board approve the March financial statements and the April 17, 2019 Finance Committee minutes as presented. Haney seconded the motion, and Haney, Buchanan, Joyce, Duncan, Anthony, Barto and Couch voted in favor of the motion.

ACCEPTANCE OF THE APRIL 12, 2019 FACILITIES COMMITTEE MINUTES

Taylor updated the members on the items discussed at the April 12, 2019 meeting of the SMC Facilities Committee of which minutes were included in the packet. He shared that we are still in discussions with the contractor on the final payment for the 4th floor renovation. Due to a manufacturer's defect, the metal panels on the canopies will be replaced.

Barto moved the Board approve the April 12, 2019 Facilities Committee minutes as presented. Anthony seconded the motion, and Duncan, Haney, Couch, Barto, Joyce, Anthony and Buchanan voted in favor of the motion.

ACCEPTANCE OF THE APRIL 15, 2019 BOARD OVERSIGHT COMMITTEE MINUTES

Webber updated the members on the items discussed at the April 15, 2019 meeting of the SMC Board Oversight Committee of which minutes were included in the packet. She noted a change in the definition of falls. Haney inquired about the one finding from the Perry Lab survey that was not yet cleared. Taylor responded that the finding was not on the Lab survey, but on the hospital DNV survey. DNV requires that two physicians attend committee meetings monthly. With the limited number of physicians on Medical Staff in Perry, it has been difficult to always have two. To remedy this, we are now combining the medical staff meetings with the PI meetings.

Anthony moved the Board approve the April 15, 2019 Board Oversight Committee minutes with the one change from Lab survey to Hospital survey. Barto seconded the motion, and Couch, Barto, Duncan, Joyce, Anthony, Haney and Buchanan voted in favor of the motion.

REVIEW AND APPROVAL OF ADMINISTRATIVE POLICIES

Webber reminded the members of the changes recommended by the Finance Committee to the Investment Policy which was discussed earlier in the meeting. Barto stated that the \$4.5M was included and suggested that the \$12M be added. Lovelace agreed to do so. Webber discussed the one change requested to the Board Committee Composition and Function policy with the members.

Anthony moved the Board approve Administrative Policies with the changes requested. Barto seconded the motion, and Joyce, Barto, Duncan, Buchanan, Anthony, Haney and Couch voted in favor of the motion.

APPROVAL OF SURGERY/MCHU/EAST ENTRY CONNECTOR, EARLY RELEASE PACKAGE

Steven Taylor reminded the members that the GMP discussed last month was approx. \$3M higher than budget; therefore we wanted to take the time to review the many aspects in detail. To keep the project on track, we are requesting an early release package to get started with the earthwork, concrete piers and underground utilities for the project at a total cost of \$2,381,252. Taylor shared the details of the work that would be completed.

Anthony moved the Board approve the Surgery/MCHU East Entry Connector Early Release Package for a total cost of \$2,381,252. Couch seconded the motion and Anthony, Haney, Barto, Couch, Duncan, Buchanan and Joyce voted in favor of the motion.

APPROVAL OF ENDO BRONCHIAL ULTRASOUND (EBUS)

Nat Cooper shared that the EBUS is an endo bronchial ultrasound, which will allow us to perform bronchoscopies. This system will allow us to perform highly accurate lung biopsies. The cost of the equipment is \$450,870. The ROI is 2.73 years. Mr. Barto asked if other companies offer this equipment. Cooper said that they do not and we have a sole-source letter. Dr. Couch asked if the service contract is included. Cooper stated that we have an existing service contract with Olympus and that this equipment would be included in that contract.

Anthony moved the Board approve the purchase of the Endo Bronchial Ultrasound at a total cost of \$450,870. Barto seconded the motion, and Couch, Haney, Anthony, Buchanan, Barto, Joyce and Duncan voted in favor of the motion.

APPROVAL OF NAVIGATION SYSTEM FOR THORACIC SURGERY

Nat Cooper explained that this Navigation System will allow us to detect cancer earlier. It will guide the bronchoscopes allowing the physician to place markers on the tumor, which will allow greater accuracy with radiation. There are not a lot of hospitals with this technology. ROI is 3.6 years.

Anthony moved the Board approve the purchase of the Navigation System for Thoracic Surgery as presented. Haney seconded the motion, and Buchanan, Barto, Joyce, Duncan Couch, Haney, and Anthony 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. All actions requested have been approved through our Medical Staff Committees. Paden noted the Dr. Huskerson will begin doing platelet-rich plasma (stem-cell) injections.

Mr. Anthony asked if SMC policies are shared by Perry. Taylor explained that most are the same or very similar to SMC's. Specific policies, like clinic policies, are reviewed by the Medical Staff at Perry and are therefore listed separately on the consent agenda.

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

Steven Taylor updated the Board members on the policy changes and credentialing actions 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. Couch seconded the motion, and Couch, Anthony, Haney, Joyce, Buchanan, Duncan and Barto voted in favor of the motion.

CEO REPORT

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

HEALTHGRADES OUTSTANDING PATIENT EXPERIENCE AWARD

We were just notified by Healthgrades that we are a 2019 recipient of the Outstanding Patient Experience Award for the 6th year in a row! (2014-2019)

SMC REHAB UNIT RANKED IN TOP 10% NATIONALLY!

Uniform Data System (UDS) compares over 800 Rehab Units with regard to quality outcomes for each program. The SMC Rehab Unit received "#3 Overall Rank in the Nation" and "Top 93rd Percentile for Program Evaluation Model (PEM) score" certificates of achievement!

DOCTORS DAY

In honor of Doctors Day, a group of physicians volunteered for a Habitat for Humanity "build," giving them an opportunity to help others in our community.

OSMA 2019 INAUGURAL

Dr. Woody Jenkins was awarded the Ed L. Calhoon, M.D., Leadership in Organized Medicine Award by the Oklahoma State Medical Association on April 5th, 2019. Dr. Jenkins does a lot at the State and Federal level. He is very deserving of this honor.

PHYSICIAN MEET & GREET

On Tuesday, April 2nd, a physician and provider meet and greet was held at Meditations. The event was designed for new providers to be introduced and providers to meet face to face. We had about 100 in attendance.

RESIDENCY PROGRAM

Dr. Steve Cummings, Dr. Gil Emde and Denise Webber went on a site visit to learn more about the Internal Medicine Residency Program at Tahlequah Hospital. We were able to sit down with their administrative and medical leadership to learn about starting a program. Our next steps are to work on a feasibility analysis to get a better idea on the financial implications and resources necessary to build a residency program here at Stillwater Medical.

LEGACY VILLAGE (formerly known as The Ranch)

Liz Michael, Nat Cooper, and Denise Webber recently met with the new owners and management team of Legacy Village. They toured the facility and talked about how Stillwater Medical can serve as a resource to future residents for medical care needs.

MEDICINE DAY AT THE CAPITOL – April 16th

OHA ADVOCACY DAY – April 17th

We had back to back advocacy days this year with our team of physicians kicking off our legislative advocacy efforts. Our physicians and team met with six of our legislators covering North Central Oklahoma. The legislators are looking at a Medicaid Expansion Bill and the Opioid Bill.

RETIREMENT RECEPTION FOR DR. PHIL RUSSELL & DR. RANDY WILLIS

Dr. Phillip Russell and Dr. Randy Willis will be retiring soon. They have given so much to our community and we wish them our best. A retirement reception will be held on May 14 from 4-6 pm in the Stillwater Medical Honska Conference Room.

VOLUNTEER SERVICE AWARDS BANQUET

Stillwater Medical Center recently held its Annual Volunteer Awards Banquet. SMC paid tribute to their 183 volunteers who donated more than 22,927 hours of their time in 2018. Shirley Brownlee has been volunteering the longest at 27 years and Dorothy Akin at 22 years. Dorothy will be retiring soon and will be greatly missed. We had two Volunteers of the Year – Sharon McLafferty and Don Bickford. They do a tremendous job.

OHA RECOGNIZES HOSPITALS AND CLINIC PARTNERS FOR STRIDES IN REDUCING TOBACCO USE

OHA recognized our hospital and 8 others for achieving notable benchmarks in reducing tobacco use in Oklahoma. We had 300 Helpline referrals.

PATIENT COMPLIMENTS

Webber share some nice comments from our patients.

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. Joyce seconded the motion, and Buchanan Haney, Joyce, Anthony, Duncan, Couch and Barto voted in favor of the motion.

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

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

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

None

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

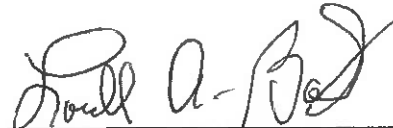
SMC: <i>Peer Review Committee</i>	3/6/2019
<i>Medical Executive Committee</i>	3/13/2019
<i>Surgery Section</i>	3/14/2019
<i>ED Section</i>	3/14/2019
<i>PI & Patient Safety</i>	3/26/2019
<i>E-Medical Records Committee</i>	3/29/2019
<i>Peer Review Committee</i>	4/3/2019
<i>OB Section</i>	4/4/2019
SM – Perry:	
<i>Medical Staff Committee</i>	4/10/2019

ADJOURN

There being no further business, Anthony moved that the meeting be adjourned. Haney seconded the motion, and Couch, Barto, Haney, Duncan, Joyce, Anthony and Buchanan voted in favor of the motion. The meeting was adjourned at 7:24 p.m.



Chairman of the Board



Secretary of the Board