

STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, May 21, 2019
Stillwater Medical Center Honska Conference Center
5:30 p.m.

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

Absent: Mayor, Will Joyce

Others: Andrew Hejtmanek, BKD, Mark Paden, MD, Steven Cummings, MD, Denise Webber, Alan Lovelace, Liz Michael, Cheryl Wilkinson, Leva Swim, Ph.D., Nat Cooper, Kari Easson and Cheryl Marshall (minutes)

Chair, Beth Buchanan, called the meeting to order at 5:34 p.m.

APPROVAL OF MINUTES

Couch moved the Board approve the minutes of the April 23, 2019 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Anthony seconded the motion and Haney, Barto, Duncan, Buchanan, Anthony and Couch voted in favor of the motion.

APPROVAL OF 2018 AUDIT REPORT - BKD

Andrew Hejtmanek, Audit Director, with BKD, LLP presented the 2018 Accountants' Report and Financial Statement (Audit Report). The audit included Stillwater Medical Perry and SMC Equipment (NMTC). The Cost Reports were also prepared by BKD. Hejtmanek shared the balance sheet and statement of cash flow, as well as ratios and trends. Stillwater Medical Center compared favorably with hospitals in Oklahoma and across the nation, both rural and urban, based on cost report information. Hejmanek commented that SMC's operating margin of 9.3% is very strong. The report in detail was included in the Board packet and reviewed by the members. Following the presentation, Hejtmanek answered questions of the Board. Haney commented that the Finance Committee reviewed the audit in detail and recommended the Board's approval.

Haney moved the Board approve the 2018 Audit Report as presented. Anthony seconded the motion and Duncan, Barto, Buchanan, Anthony, Couch and Haney voted in favor of the motion.

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. Falls decreased this month; however medication events increased, so we are focusing on ways to improve. Our goal of achieving Modern Healthcare's Best Places to Work was met, making it our 8th year in a row to receive this award! We are meeting all other goals this month.

REPORTS FROM OFFICERS

ACCEPTANCE OF APRIL 2019 FINANCIAL REPORT AND MAY 20, 2019 FINANCE COMMITTEE MINUTES

Lovelace gave a PowerPoint presentation of the summary of operations for April 2019. Admissions, including rehab, were 350 below budget of 355 and above last year of 332. Average Daily Census, including rehab, was 43, below a budget of 46 and above last year of 33.

Surgeries were 497 for the month, below budget of 435 and above last year of 299. Surgeries at the Surgery Center were 520 for the month, below a budget of 593 and above last year of 476.

Emergency room visits were 2,607, above last year of 2,479. Outpatient visits, not including ER visits, were 13,462 above budget of 11,619 and last year of 11,913. Births were 70 for the month, above last year at 61.

Financial assistance was \$1.5M for the month. Salaries and Wages were at \$7.9M, below budget of \$8.2M. FTE's were 1,289 below budget of 1,310. Benefits were \$2.5M above budget of \$1.7M and last year of \$1.6M. Lovelace shared that this is higher than last year as unfortunately we have several significantly ill employees.

Operating Income for the Hospital is \$1.2M above budget of \$1.0M and above last year of \$738,000. Operating Income for the Clinics was (253,000), due mainly from the linear accelerator being down as the new one is being installed. Operating Income Consolidated is \$1.0M, above budget of \$996,000 and above last year of \$812,000.

Operating Income for Perry Memorial Hospital in the month of April is (\$80,000) with a year to date loss in the amount of (\$578,000). We will start to see some relief when the funds from the tax start to come in.

YTD Operating Income Consolidated is \$5.06M, above budget of \$3.9M and last year of \$3.8M. YTD Operating Margin Consolidated is 6%, above budget of 4.6% and last year of 5.3%. YTD Non-Operating Revenue is \$4.8M, above budget of \$367,000 and last year at \$850,000. YTD Net Income is \$9.9M, above budget of \$4.3M and last year of \$4.6M.

The BancFirst investment account increased to \$55.06M. YTD Simple Return for BancFirst is 9.38%. The benchmark is 12.43%.

Days in Accounts Receivable is 34 days. Days Cash on Hand is 142 days. Cash on hand is \$79.9M, 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 256 slice CT scanner and the IT Server and Storage purchase. They also discussed the Meditech software installation for Stillwater Medical – Perry, which will be brought to the Board in June. The Finance Committee discussed the Real Estate JV. Lovelace updated the Board members on the details of the joint venture, and answered questions. Lovelace shared that the 2018 Audit Report was discussed in detail with the Finance Committee members. One change was requested in the minutes: Alan Lovelace (instead of Calvin Anthony) called the Finance Committee meeting to order.

Anthony moved the Board approve the April financial statements and the May 20, 2019 Finance Committee minutes with the requested change. Barto seconded the motion, and Buchanan, Couch, Haney, Duncan, Anthony and Barto voted in favor of the motion.

ACCEPTANCE OF THE APRIL 24, 2019 MEDICAL STAFF INTEGRATION COMMITTEE MINUTES

Cooper updated the members on the items discussed at the April 24, 2019 meeting of the SMC Medical Staff Integration Committee of which minutes were included in the packet. He noted that Dr. Waller, psychiatrist, signed a letter of intent and plans to begin practicing here in summer 2020.

Barto moved the Board approve the April 24, 2019 Medical Staff Integration Committee minutes as presented. Duncan seconded the motion, and Couch, Barto, Anthony, Duncan, Couch and Buchanan voted in favor of the motion.

APPROVAL OF PURCHASE OF 256 SLICE CT

Greg Stackenwalt, Director of Medical Imaging, shared that we are averaging 1100 exams each month. Having one CT, it is somewhat difficult to keep up with the increased volume. Bid information was reviewed with the members. Phillips did not meet specifications. The GE model can detect very small lesions and will allow us to perform CT angiograms. One scan can produce results of both with and without contrast, which decreases radiation exposure and the need for two appointments. The wide bore CT scanner would be more comfortable for our patients. The Finance Committee recommended the Board approve the GE 256-slice CT scanner at \$1,846,981.20 plus 5-year annual service cost; total cost is \$2,625,241.20.

Anthony moved the Board approve the purchase of the GE 256 slice CT at a total cost of \$2,625,241.20. Couch seconded the motion, and Buchanan, Barto, Couch, Haney, Duncan and Anthony voted in favor of the motion.

APPROVAL OF PURCHASE OF SERVERS AND STORAGE

Alan Lovelace shared that due to our growth in additional sites and employees; additional database storage is needed and would cost \$479,772.48. This item was budgeted at \$750,000.

Haney moved the Board approve the purchase of Servers and Storage at a cost of \$479,772.48. Duncan seconded the motion, and Barto, Duncan, Buchanan, Anthony, Haney and Couch voted in favor of the motion.

APPROVAL OF MEDICAL STAFF BYLAWS

Mark Paden, MD, shared that the Bylaws Committee has been meeting for approx. a year and a half, and are recommending the changes included in the packet. Dr. Paden went over the proposed revisions with the Board members. He also shared that the Medical Executive Committee reviewed and discussed all proposed changes and recommended the Board's approval.

Anthony moved the Board approve the Medical Staff Bylaws as presented. Couch seconded the motion and Haney, Barto, Couch, Duncan, Buchanan and Anthony voted in favor of the motion.

CONSENT AGENDA

Paden updated the Board members on the policy change requests for Stillwater Medical Center listed on the Consent Agenda. All actions requested have been approved through our Medical Staff Committees.

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

Denise updated the Board members on the policy changes for Stillwater Medical - Perry listed on the Consent Agenda. All actions requested have been approved through the Medical Staff Committees. The credentialing actions were tabled and will be discussed at the June meeting.

Anthony moved that Consent Agenda items of Stillwater Medical - Perry be approved as presented. Barto seconded the motion, and Couch, Anthony, Haney, 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:

SMC NAMED BEST PLACES TO WORK 2019

Modern Healthcare announced the Top 100 Best Places to Work in Healthcare and SMC has once again made the list! We will find out where we fall on the list in September.

EMPLOYEE ANNIVERSARY AWARDS BANQUET

The 2019 Employee Anniversary Banquet on April 22th was a great success. It was a great opportunity to show appreciation to our staff for their many years of service. LaNita Plank was recognized for 45 years of service.

CELEBRATION WEEKS

We recently celebrated National Nurses Week and Hospital Week. It was a great week with activities planned each day. Everyone received a hospital week t-shirt. Family night was held at Lost Creek Safari with over 400 in attendance. It was a lot of fun.

FOUNDATION'S 2019 NURSE OF THE YEAR – HEIDI GILBERT!

The Stillwater Medical Foundation Board members created the Nurse of the Year award. A committee of Foundation Board members and hospital leadership had the painstaking responsibility of narrowing the list. Heidi Gilbert was selected as the 2019 Nurse of the Year. She is an excellent nurse and brought the Critical Care Conference and Stop the Bleed to SMC. It was a great honor and we are so happy for Heidi.

SG2 EVALUATES ACO SCENARIOS

Through Lifecare, we have enlisted the assistance of Sg2 to evaluate the various Medicare Shared Savings Program opportunities (e.g, Comprehensive Primary Care +, Accountable Care Organization, Rural Health Clinics) to help us determine the best program for SMC.

DR. ZUBAIR ASHRAF, RHEUMATOLOGY CHANGES

Dr. Ashraf recently shared with us his plans to change his practice to a Tulsa location later this summer. He intends to continue to provide practice time here in Stillwater as well.

RESILIENCY PROGRAM

Members of our Stillwater Medical Team attended the recent Payne County Resiliency meeting. They heard presentations concerning resiliency initiatives from other areas in our state. With the new psychiatrist and mental health service, we can foresee how that addition will be supportive to this initiative.

PONCA CITY RIBBON CUTTING

The Ponca City Chamber of Commerce held a ribbon cutting at our Ponca City Specialty Clinic. Specialty services offered at the clinic include ENT, Cardiology, Non-operative Orthopedics and Medical Oncology.

PALLIATIVE CARE

We are looking into the feasibility of offering a Palliative Care Program. Palliative care is focused on relief from the symptoms and stress of a serious illness. The goal is to improve quality of life for both the patient and the family. Dr. Jennifer Clark works at the University of Tulsa Oxley College of Health Sciences. We have had an initial meeting with Dr. Clark and plan to continue to explore the feasibility.

FACILITIES UPDATE

Due to all of the recent rains, we have had some construction delays. The Emergency Department entrance is close to complete. The hallway going to Registration is back open.

OSDH - OPERATION SOONER SURGE 2019

On May 7, 2019, Stillwater Medical participated in "Operation Sooner Surge 2019." The Oklahoma State Department of Health (OSDH) and the Region II Medical Emergency Response Center (MERC) conducted a Coalition Surge Test with Region II participating hospitals and EMS agencies. This drill will help to better preparing us in case of an incident. We were recently in the Command Center due to the tornados around Perry. They evacuated to the basement on a couple of occasions.

2018 AWARD OF EXCELLENCE – OKLAHOMA CERTIFIED HEALTHY BUSINESS

Stillwater Medical Center was recognized for the sixth year in a row as a Certified Healthy Business in 2018.

WORKHEALTHY HOSPITAL SPOTLIGHT

OHA WorkHealthy Hospital Spotlight featured Stillwater Medical Center for our innovative approach to removing barriers for employees to eat healthy. *Try It Tuesday* lunch showcases unique healthy options at the lowest price in the cafeteria. Congratulations to our Wellness Team and Nutrition Team for a job well done and making a difference in the health of others!

FAIRFAX COMMUNITY HOSPITAL

As you know, the Fairfax hospital has been struggling for some time. We launched a drive to help their employees. Donations came in from so many. The Washington Post recently showcased their continued struggle. The article is very moving and really brings to light the seriousness around the declining state of rural healthcare in our area.

PATIENT COMPLIMENTS

Webber shared several patient compliments.

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

Those present in Executive Session included: Board members, Buchanan, Barto, Duncan, Anthony, Haney and Couch 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 and Buchanan 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

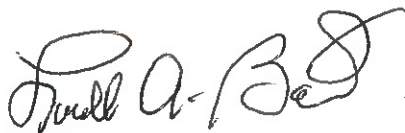
Prior to the meeting, Board members reviewed the following Medical Staff meeting minutes:

SMC: <i>Surgery/Anesthesia Section</i>	4/11/2019
<i>Medicine Section</i>	4/11/2019
<i>Infection Control Committee</i>	4/17/2019
<i>Cancer Committee</i>	4/18/2019
<i>Radiology Section</i>	4/24/2019

SM – Perry:	
<i>Medical Staff Committee</i>	5/8/2019

ADJOURN

There being no further business, Couch moved that the meeting be adjourned. Anthony seconded the motion, and Couch, Barto, Haney, Duncan, Anthony and Buchanan voted in favor of the motion. The meeting was adjourned at 7:09 p.m.



Secretary of the Board


Chairman of the Board