

STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, June 25, 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: Mark Paden, MD, Malinda Webb, MD, Steven Cummings, MD, Denise Webber, Steven Taylor, Liz Michael, Cheryl Wilkinson, Leva Swim, Ph.D., Nat Cooper, Kari Easson, Scott Petty, Chris Roark, Butch Koemel (Koemel Law), Michelle Charles and Cheryl Marshall (minutes)

Chair, Beth Buchanan, called the meeting to order at 5:32 p.m.

APPROVAL OF MINUTES

Haney moved the Board approve the minutes of the May 21, 2019 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Duncan seconded the motion and Haney, Barto, Duncan, Buchanan, Anthony and Couch voted in favor of the motion.

BOARD EDUCATION: EMPLOYEE FORUM REVIEW

CEO, Denise Webber, shared information from the Employee Forums, which was shared with all employees over the last month. Employee Forums are held every six months. She noted that Keith Hufnagel, VP of Human Resources plans to retire later next year. We are opening a temporary position to work side-by-side with him and obtain an HR certification over the coming months. The Board members were pleased to see all the information communicated to staff.

BALANCED SCORECARD REPORT

CEO, Denise Webber shared the Scorecard report. Our inpatient satisfaction and clinic satisfaction scores dipped slightly. We plan to review the satisfaction scores with the Board Oversight Committee next month to determine if the goals are appropriate considering the changes in the survey. Our patient falls scores are improving. We are reviewing the accuracy of the data for medication events. We continue to work to improve our c-diff scores. We are exceeding our visits and financial goals.

REPORTS FROM OFFICERS

ACCEPTANCE OF MAY 2019 FINANCIAL REPORT AND JUNE 19, 2019 FINANCE COMMITTEE MINUTES

Kari Easson gave a PowerPoint presentation of the summary of operations for May 2019. Admissions, including rehab, were 367 above budget of 355 and last year of 278. Average Daily Census, including rehab, was 44, above a budget of 42 and above last year of 31.

Surgeries were 350 for the month, below budget of 404 and last year of 364. Surgeries at the Surgery Center were 522 for the month, below a budget of 593 and above last year of 486.

Emergency room visits were 2,612 below budget of 2,818 and above last year of 2,684. Outpatient visits, not including ER visits, were 12,525 above budget of 11,619 and below last year of 12,559. Births were 71 for the month, below budget of 72 and above last year at 65.

Financial assistance was \$1.09M for the month. Salaries and Wages were at \$8.16M, above budget of \$8.15M and last year of \$7.2M. FTE's were 1,296 below budget of 1,310 and above last year of 1,178. Benefits were \$2.2M above budget of \$1.7M and last year of \$1.2M.

Operating Income for the Hospital is \$1.2M above budget of \$833,000 and below last year of \$1.3M. Operating Income for the Clinics was \$94,000 compared to a budget of (\$20,000) and below last year of \$284,000. Operating Income Consolidated is \$1.3M, above budget of \$813,000 and below last year of \$1.6M.

Operating Income for Perry Memorial Hospital in the month of May is (\$253,000) with a year to date loss in the amount of (\$831,000). Anthony asked the estimated benefit of the tax. Taylor said that it is estimated at \$500,000 annually.

YTD Operating Income Consolidated is \$6.4M, above budget of \$4.7M and last year of \$5.4M. YTD Operating Margin Consolidated is 6.1%, above budget of 4.6% and last year of 5.8%. YTD Non-Operating Revenue is \$3.2M, above budget of \$459,000 and last year at \$1.3. YTD Net Income is \$9.6M, above budget of \$5.2M and last year of \$6.8M.

The BancFirst investment account decreased to \$53.53M. YTD Simple Return for BancFirst is 6.61%. The benchmark is 8.08%.

Days in Accounts Receivable is 37 days. Days Cash on Hand is 132 days. Cash on hand is \$74.6M, compared to \$72.6M at year end 2018.

Easson stated that the Finance Committee members discussed the financials and summary of clinic operations. BancFirst attended the meeting to give their quarterly report on investments. The Finance

Committee recommended the Board's approval of the purchase of Medical Office space. They also reviewed the SMC Equipment Audit Report and selected Arvest to manage the funds in the SMC RE joint venture.

Anthony moved the Board approve the May financial statements and the June 19, 2019 Finance Committee minutes as presented. Barto seconded the motion, and Buchanan, Couch, Haney, Duncan, Anthony and Barto voted in favor of the motion.

ACCEPTANCE OF THE JUNE 11, 2019 FACILITIES COMMITTEE MINUTES

Steven Taylor updated the members on the items discussed at the June 11, 2019 meeting of the SMC Facilities Committee of which minutes were included in the packet.

Barto moved the Board approve the June 11, 2019 Facilities Committee minutes as presented. Haney seconded the motion, and Couch, Barto, Anthony, Duncan, Buchanan and Haney voted in favor of the motion.

APPROVAL OF PURCHASE OF PROPERTY AT 801 S. WALNUT

Taylor shared that Dr. Willis practiced at the medical clinic located at 801 S. Walnut until recently retiring. Dr. Taguchi is leasing space in that building. The purchase price was negotiated from \$462,000 to \$450,000. We plan to continue to use the space for physician clinic offices.

Anthony moved the Board approve the purchase of the property at 801 S. Walnut at a total cost of \$450,000. Duncan seconded the motion, and Buchanan, Barto, Couch, Haney, Duncan and Anthony voted in favor of the motion.

APPROVAL OF PURCHASE OF MEDITECH SOFTWARE FOR PERRY

Chris Roark explained that Stillwater Medical - Perry has been using Athena, which is a clinic based system. Meditech software is used by SMC. The installation in Perry would allow physicians and staff to access patient records more efficiently. Efficiencies would be seen across many areas. The quote for the Meditech software installation is \$322,570. Athena's current cost is \$149,000. Haney asked if this item is budgeted. Webber explained that it is not; however, we will not spend all of the money budgeted for capital items this year.

Barto moved the Board approve the purchase of Meditech Software for Stillwater Medical - Perry at a cost of \$332,570. Anthony seconded the motion, and Barto, Duncan, Buchanan, Anthony, Haney and Couch voted in favor of the motion.

APPROVAL OF ADMINISTRATIVE POLICIES

The Administrative policy was tabled for further review.

CONSENT AGENDA

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

Calvin Anthony thanked Dr. Paden for his dedicated service and leadership as Chief of Staff. Anthony moved that Consent Agenda items of Stillwater Medical Center as presented. Haney seconded the motion, and Anthony, Barto, Couch, Haney, Buchanan and Duncan voted in favor of the motion.

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

Barto moved that Consent Agenda items of Stillwater Medical - Perry be approved as presented. Duncan 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:

LIZ MICHAEL NOMINATED FOR MARCH OF DIMES NURSE OF THE YEAR

Liz Michael has been nominated for the March of Dimes Nursing Administration Nurse of the Year. March of Dimes pays tribute to the nursing profession by recognizing extraordinary nurses throughout the state of Oklahoma.

AMERICAN HEART ASSOCIATION AND AMERICAN STROKE ASSOCIATION AWARD

SMC has been awarded the 2019 American Heart Association's Get With The Guidelines® Stroke Gold Plus Target Stroke Elite Honor Roll recognition. This demonstrates SMC's commitment to providing stroke care that consistently adheres to the latest research-based treatment guidelines.

JONATHAN DRUMMOND, MD - DISTINGUISHED ALUMNI AWARD OSU Alumni Association names 2019-20 award recipients

The OSU Alumni Association is recognizing 11 Oklahoma State University alumni with awards in the upcoming 2019-20 academic year. On Sept. 6, Dr. Drummond will receive the Distinguished Alumni Award, which recognizes those who attain distinctive professional success and/or perform outstanding community service. Congratulations to Dr. Drummond on this prestigious award.

SHERRY CROCKETT – OAHC 2019 EXECUTIVE OF THE YEAR!

TREY RATZLAFF – OAHC 2019 THERAPY ASSISTANT OF THE YEAR!

We were excited to learn that Sherry Crockett, Director of Karman Legacy Hospice was named the OAHC Executive of the Year for 2019 and Trey Ratzlaff, PTA at Stillwater Medical Center Home Health Services was named the OAHC Therapy Assistant of the Year for 2019.

WEBBER NAMED VISIONARY FINALIST BY TOP WOMEN IN HEALTHCARE

Denise Webber has been named a finalist in the Top Women in Healthcare Awards presented by PR News and Access Intelligence. This prestigious group represents the women trailblazers who are making a tremendous impact in healthcare communications and marketing through their innovation and leadership.

KARMAN LEGACY HOSPICE OPEN HOUSE

Karman Legacy Hospice held their Ribbon cutting/Open House Celebration held May 23, 2019 at their new location at 1311 South Western Road (Fountain Square).

US BIRTHS LOWEST IN 3 DECADES

The Oklahoman, May 16, 2019 states that the nation's birth rates last year reached record lows for women in their teens and 20s, leading to the fewest babies in 32 years. In light of construction planned, we looked at the births in our area and believe the volume expected constitutes continuing on as planned.

CITY OF PERRY SHARES THEIR APPRECIATION

Larry Pannell, City Manager, City of Perry, reached out to let us know how much they appreciate Steven Taylor's great effort and hard work regarding the passing of the sales tax.

STILLWATER MEDICAL – PERRY OPEN HOUSE

Webber invited the Board members to the Perry Open House being held on June 26th from 4:00 to 6:00 pm.

LIFECARE UPDATE

Our Lifecare group continues to strategize around our ACO as well as other CMS programs available through CMMI (Centers for Medicare & Medicaid Innovation). Specifically, the group has agreed to voluntarily enroll in an information gathering process around BPCI (Bundled Payment Care Initiative) – Advanced. This will provide us the opportunity to review our data around multiple bundled payment services and determine if any of them would be something we should consider formally enrolling in.

CAMPAIGN LAUNCHED FOR MEDICAID EXPANSION BALLOT INITIATIVE

Earlier this week, a growing coalition of which OHA is a part, announced the launch of Oklahomans Decide Healthcare. This move kicks off the campaign to give voters a direct say on Medicaid expansion.

OPIOID PRESCRIBING GUIDELINES

The Oklahoma Board of Medical Licensure and other licensure boards distributed an important document to physicians clarifying some of the details around the 2018 opioid laws found in SB 848. This document is an attempt to alleviate the confusion surrounding the passage of SB 1446 (2018) and has been updated with the SB 848 (2019), which limited the writing of prescriptions of all opioids by physicians.

PATIENT COMPLIMENTS

Webber shared a few comments received from our patients.

UPDATE ON MANAGEMENT OBJECTIVES

Webber updated the Board on the progress of each of the Management Objectives, which was included in the Board packet.

UPCOMING EVENTS

Webber reminded the Board members of the upcoming events: Vizient Leadership/CEO/Trustee Conference, Board Retreat and OHA Convention & Trade Show.

The Board members congratulated Webber and Michael on their nominations.

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. Duncan 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>Medical Executive Committee</i>	5/08/2019
<i>Surgery/Anesthesia Section</i>	5/09/2019
<i>Nominations Committee</i>	6/3/2019
<i>Peer Review Committee</i>	6/5/2019

SM – Perry:	
<i>Medical Staff Committee</i>	6/12/2019

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 6:30 p.m.



Secretary of the Board



Chairman of the Board