

**STILLWATER MEDICAL CENTER AUTHORITY  
BOARD OF TRUSTEES  
Regular Meeting, August 27, 2019  
Stillwater Medical Center Honska Conference Center  
5:30 p.m.**

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

**Absent:** Dr. Cary Couch

**Others:** CEO, Denise Webber, Cara Pence, MD, Malinda Webb, MD, Steven Cummings, MD, Alan Lovelace, Steven Taylor, Liz Michael, Nat Cooper, Leva Swim, Scott Petty, Jerri Oosting, Shelby Foster, Mary Beth Hunziker, Joey Geresi, Butch Koemel (Koemel Law), Michelle Charles (NewsPress) and Cheryl Marshall (minutes)

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**CALL TO ORDER/CALLING OF THE ROLL**

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 July 23, 2019 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Barto seconded the motion and Joyce, Haney, Barto, Duncan and Buchanan voted in favor of the motion. Anthony abstained as he was unable to attend the July meeting.

**BOARD EDUCATION**

Jerri Oosting, Surgery Manager, shared that she has been an employee of SMC for 33 years. She showed the members the thoracic computer tower which is used with tools to detect lung cancer much earlier, which allows treatment much sooner. Having this equipment is life changing. There are very few in the State. Our volume is continuing to increase. The members expressed their appreciation of this information.

**BALANCED SCORECARD REPORT**

CEO, Denise Webber, shared the Scorecard report. We are slightly below our goal in inpatient satisfaction, 84.3%, goal is 85%; clinic satisfaction score is 79.2%, goal is 80%.

Medline is working with staff on efforts to reduce falls. The C-Diff rate is 1.96 not meeting our goal of .33 per 1,000 patient days. Adverse Medication Event data is not correct at this time. We are exceeding all other goals.

## **REPORTS FROM OFFICERS**

### **ACCEPTANCE OF JULY 2019 FINANCIAL REPORT AND AUGUST 21, 2019 FINANCE COMMITTEE MINUTES**

Lovelace gave a PowerPoint presentation of the summary of operations for July 2019. Admissions, including rehab, were 358 above budget and last year. Average Daily Census, including rehab, was 42, equal to budget of 42 and above last year of 32.

Surgeries were 403 for the month, below budget of 405 and above last year of 307. Surgeries at the Surgery Center were 537 for the month, below a budget of 593 and above last year of 488.

Emergency room visits were 2,644 below budget of 2,821 and below last year of 2,649. Outpatient visits, not including ER visits, were 12,663 above budget of 10,619 and last year of 11,248. Births were 74 for the month, above budget of 72 and last year at 63.

Financial assistance was \$1.2M for the month. Salaries and Wages were at \$7.67M, below budget of \$8.16M and above last year of \$6.9M. FTE's were 1,328 above budget of 1,310 and last year of 1,206. Benefits were \$2.0M above budget of \$1.72M and last year of \$1.78M.

Operating Income for the Hospital is \$757,000 below budget of \$847,000 and below last year of \$1.1. Operating Income for the Clinics was \$313,000 compared to a budget of (\$20,000) and above last year of \$109,000. Operating Income Consolidated is \$1.0M, above budget of \$827,000.

Operating Income for Stillwater Medical Perry in the month of July is (\$197,000) with a year to date loss in the amount of (\$1.5M).

YTD Operating Income Consolidated is \$9.0M, above budget of \$6.4M and last year of \$8.2M. YTD Operating Margin Consolidated is 6.1%, above budget of 4.6% and below last year of 6.3%. YTD Non-Operating Revenue is \$5.6M, above budget of \$642,000 and last year at \$2.3. YTD Net Income is \$14.6M, above budget of \$7.1M and last year of \$10.5M.

The BancFirst investment account increased to \$55.79M. YTD Simple Return for BancFirst is 10.85%. The benchmark is 13.97%.

Days in Accounts Receivable is 38 days. Days Cash on Hand is 158 days. Cash on hand is \$89.0M, compared to \$72.6M at year end 2018.

Lovelace stated that the Finance Committee members discussed the financials, scorecard and summary of clinic operations. They recommended the Board's approval of the purchase of cardiac monitors for ICU and the Heart and Vascular Unit. They also recommended approval of fetal monitors for MCHU. Two construction projects were recommended for

Board approval: Pharmacy USP-800 Renovation and the Surgery/MCHU /East Entry Connector project.

Anthony moved the Board approve the July financial statements and the August 21, 2019 Finance Committee minutes with one change (motion seconded by Fowler). Haney seconded the motion, and Duncan, Buchanan, Joyce, Barto, Anthony and Haney voted in favor of the motion.

#### **ACCEPTANCE OF THE AUGUST 13, 2019 FACILITIES COMMITTEE MINUTES**

Steven Taylor updated the members on the items discussed at the August 13, 2019 meeting of the SMC Facilities Committee of which minutes were included in the packet.

Barto moved the Board approve the August 13, 2019 Facilities Committee minutes as presented. Haney seconded the motion, and Buchanan, Haney, Joyce, Barto, Duncan and Anthony voted in favor of the motion.

#### **ACCEPTANCE OF THE AUGUST 5, 2019 BOARD OVERSIGHT COMMITTEE MINUTES**

CEO, Denise Webber updated the members on the items discussed at the August 5, 2019 meeting of the SMC Board Oversight Committee of which minutes were included in the packet.

Barto moved the Board approve the August 5, 2019 Board Oversight Committee minutes as presented. Anthony seconded the motion, and Barto, Joyce, Duncan, Haney, Buchanan and Anthony voted in favor of the motion.

#### **APPROVAL OF ADMINISTRATIVE POLICIES**

Webber shared the suggested changes to the Tobacco Use policy. The Charge Reconciliation, Letterhead and Behavioral Standards policies were reviewed with no changes.

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

#### **APPROVAL OF PURCHASE OF CARDIAC MONITORS FOR ICU AND THE HEART AND VASCULAR UNIT**

Mary Beth Hunziker, ICU Director, shared that our current cardiac monitors are nearing their end of life. The Heart and Vascular unit will open soon, so additional monitors are needed for that unit. Three bids were received: Phillips, GE and Mindray. Mindray was the low bidder. Our team toured a hospital in Kansas that is currently using Mindray monitors, and believes they will work well in our facility.

Anthony moved the Board approve the purchase of Cardiac Monitors for ICU and the Heart and Vascular Unit from Mindray at a total cost of

\$608,295.74. Haney seconded the motion, and Duncan, Haney, Joyce, Buchanan, Anthony and Barto voted in favor of the motion.

#### **APPROVAL OF PURCHASE OF FETAL MONITORS**

Shelby Foster, MCHU Director, shared that we have had the current monitors for ten years, so they are nearing end of life. The current monitors are further reaching and allow patients to walk around. They will also take and record blood pressure. One bid was received at \$233,991.99. Duncan asked if this item is budgeted. Foster explained that \$200,000 was budgeted. Two other capital items, equaling \$170,000 will not be purchased this year.

Duncan moved the Board approve the purchase of Phillips fetal monitors at a total cost of \$233,991.99. Anthony seconded the motion and Anthony, Barto, Buchanan, Duncan, Haney and Joyce voted in favor of the motion.

#### **APPROVAL OF PHARMACY USP-800 RENOVATION**

Steven Taylor shared that our current Pharmacy does not meet requirements for compounding. To have enough space, we are relocating the Pharmacy across the hall. Four bids were received. Rick Scott was the low bidder. We have worked with them in the past and have been pleased with their work.

Haney moved the Board approve the construction of the Pharmacy USP-800 by Rick Scott for a total cost of \$1,051,200. Anthony seconded the motion and Buchanan, Duncan, Anthony, Haney, Joyce and Barto voted in favor of the motion.

#### **APPROVAL OF SURGERY/MCHU/EAST ENTRY CONNECTOR PROJECT**

Steven Taylor went over the Flintco GMP with the members. He shared that the bids were higher than expected, so we rebid the mechanical portion which reduced the cost by \$2M, and Flintco also reduced their fees. We increased the square footage by 4,400 square feet. We don't believe we will use the entire amount designated for allowances and contingencies. The amount not used would come back to the hospital. Joe Haney asked if the project was budgeted, and Lovelace stated that it is. Denise Webber shared that in the Facilities Committee meeting, parking was discussed and we are working to make our patients and customer parking needs a priority. We are creating a parking lot on 12<sup>th</sup> Street and plan to shuttle some employees when necessary.

Anthony moved the Board approve the Surgery/MCHU/East Entry Connector Project for a total cost of \$41,257,268. Barto seconded the motion and Haney, Anthony, Buchanan, Joyce, Barto and Duncan voted in favor of the motion.

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

Steven Taylor explained that this will allow him to sign the necessary documents to obtain the property approved at the July meeting.

Haney moved the Board approve Resolution 2019-3. Barto seconded the motion and Barto, Anthony, Haney, Buchanan, Duncan 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.

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

Taylor updated the Board members on the policy changes and 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. Duncan seconded the motion, and 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:

#### **NEW MRI INSTALLED**

SMC's new 3 Tesla MRI has been installed. Lots of improvement has been made in the equipment and it is much more comfortable for our patients.

#### **SMC HOSTS CHAMBER AFTER HOURS**

We had an excellent turn out at our Chamber After Hours Event held at Stillwater Medical Urgent Care and Occupational Medicine.

#### **HEALTH PLAN COST PMPM**

Stillwater Medical Center moved its employees and dependents to the Stillwater Collaborative Care plan in 2018. As a result of this, we reduced our health plan spend.

#### **VALUE BASED PURCHASING SCORES**

Medicare's Value Based Purchasing program seeks to reward hospitals for improving the quality of care, following best clinical practices, enhancing patient's experiences of care as well as controlling cost. The program redistributes Medicare payment among them so that hospitals with higher

performance receive a greater proportion of the payment than do the lower performing hospitals. SMC's Value-Based Payment Adjustment factor for fiscal year 2020 is 1.004364086 indicating that SMC will be paid a little more than what was withheld for next year's Medicare payments.

#### **LEADERSHIP DEVELOPMENT INSTITUTE (LDI)**

Our leadership team took the day to learn evidenced-based leadership tactics as part of our continued Good to Great journey.

#### **DEMENTIA PATIENT CARE IMPROVEMENT INITIATIVE**

A team started meeting in March, 2019 to identify gaps in the care of dementia patients and their family members. The team has identified and is working on several initiatives.

#### **2019 WALK TO END ALZHEIMER'S – STILLWATER, NOVEMBER 9<sup>TH</sup>**

November is Alzheimer's Awareness month and the team has made arrangements for a First Friday presentation by the Alzheimer's Association on Nov. 1<sup>st</sup>. SMC will be a sponsor for the first Stillwater Alzheimer's Walk to be held on the 9<sup>th</sup>. And, planning is underway for a Dementia Community Outreach Event on Nov. 19<sup>th</sup>.

#### **MEDICAL-LEGAL PARTNERSHIP AT STILLWATER MEDICAL CENTER**

SMC has signed a memorandum of understanding with the Legal Aid Society of Oklahoma to initiate a Medical-Legal Partnership. This program uses legal advocacy to address the social determinants of health in patients referred to them by health care providers. An attorney will have an office on-site to assist low income patients with health-harming legal needs.

#### **SMC VOLUNTEERS RAISE MONEY FOR MOBILE MEALS**

Stillwater Medical Center volunteers held a very successful fundraiser to benefit Stillwater Mobile Meals. They raised \$3,509.84.

#### **ACO UPDATE**

Our ACO scored a perfect 100/100 for the 2018 Merit-based Incentive Payment System (MIPS), which translates to a +1.68% increase in Medicare Part B payments beginning in January, 2020.

With the new Pathways to Success program rolled out by CMS (Centers for Medicare and Medicaid), some of our Lifecare hospitals are strategizing next steps. The Pathways program has limited the amount of time an ACO can be in a non-risk ACO type. As many others, Norman Regional is not interested in taking full risk for a Medicare ACO at this time and requested to join our ACO as we have another year available in Track 1. This request was vetted and our ACO Board approved the addition of Norman Regional on 8/21/19.

### **VIRTUAL HEALTHCARE**

Our team is participating in a multi-phase planning session to create a strategy around virtual physician office visits. We are already providing virtual visits in some settings and this exercise will help us to strategize a plan to grow those and expand to other opportunities.

### **LEGACY VILLAGE**

Nat Cooper and Liz Michael met with the Legacy Village. They have built Clinic space into the project, and we plan to provide some clinic services there. We will continue to have discussions with them as they get closer to completion.

### **UPDATE ON PHYSICIAN RECRUITMENT**

We have had several doctors and advanced practice clinicians joining our team with several others signing contracts or letters of intent.

### **RURAL HEALTH ROUNDTABLE**

SMC hosted the Rural Health Association of Oklahoma (RHAO) Board for their quarterly meeting. The RHAO goal is to serve as a unified voice for rural Oklahomans in the promotion of rural health issues. Many of our community leaders attended. The RHAO will summarize the issues discussed and plans to send a summary to our legislators.

### **OSMA LEGISLATIVE UPDATE**

SMC hosted OSMA leaders, our local legislators and several members of our medical staff for an open discussion about the challenges around healthcare. It was a well-attended session and we are very appreciative of our legislators for spending time to discuss issues and patient concerns.

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

Advocates began collecting signatures to place SQ 802 on the ballot. It would expand to provide health insurance coverage to approx. 200,000 Oklahomans. The program is 90% funded by the federal government; Oklahoma would be responsible for only 10% of the cost.

### **PATIENT COMPLIMENTS**

Webber read one of the many compliments received.

### **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, Duncan, Joyce, Anthony and Barto voted in favor of the motion.

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

Community Outreach, Joey Geresi, PPM Administrator and Cheryl Marshall, Executive Assistant.

Barto moved the Board return to Open Session. Joyce seconded the motion and Anthony, Haney, 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**

Webber shared an email concerning the Oklahoma Opioid Trial Ruling with the members. The State of Oklahoma asked for \$17 billion in damages, but was awarded \$572 million.


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

SMC: <i>Medical Executive Committee</i>	7/10/2019
<i>Medical Executive Committee</i>	7/14/2019
<i>PI and Patient Safety</i>	7/23/2019
<i>Peer Review Committee</i>	8/7/2019
<i>Surgery/ Anesthesia Section</i>	7/11/2019
<i>ED Section</i>	7/11/2019
<i>E-Medical Records Committee</i>	7/26/2019
<i>Radiology Section</i>	8/9/2019
<i>Medicine Section</i>	8/12/2019

SM - Perry:  
*Medical Staff Committee* 8/14/2019

### **ADJOURN**

There being no further business, Barto moved that the meeting be adjourned. Anthony seconded the motion, and Barto, Haney, Duncan, Anthony, Buchanan and Joyce voted in favor of the motion. The meeting was adjourned at 6:49 p.m.

  
Chairman of the Board

  
Secretary of the Board