

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, December 17, 2020
Stillwater Medical Center West Conference Room
12:00 p.m.**

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

Absent: Beth Buchanan and Dan Duncan

Others: CEO, Denise Webber, Cara Pence, MD, Malinda Webb, MD, Alan Lovelace, Steven Taylor, Leva Swim, Ph.D., Cheryl Wilkinson, Joe Akin, Scott Petty, Shyla Eggers, Doug Blessen, Greg Stackenwalt and Cheryl Marshall (minutes)

CALL TO ORDER

Chairman, Calvin Anthony, called the meeting to order at 5:30 p.m.

APPROVAL OF MINUTES

Barto moved the Board approve the minutes of the November 19, 2020 meeting of the Stillwater Medical Center Authority Board of Trustees, and the October 21, 2020 and November 16, 2020 Finance Committee minutes as presented. Couch seconded the motion and Couch, Barto, Haney, Anthony and Joyce voted in favor of the motion.

CHAIRMAN'S REPORT

Chairman Anthony let the Board members know that the CEO Performance Review link was sent via email. To discuss the results of the survey, an Executive Session will be included on the January agenda.

The Chairman reordered the agenda to accommodate those presenting capital requests.

APPROVAL OF SCW ENDOSCOPY EQUIPMENT

Doug Blessen shared that the re-processor is needed to ensure decontamination of endoscopy equipment. The new area being constructed is set for a one directional process. The equipment is located in the wall. The equipment comes through into the clean room where it is stored. Two bids were received: Medivator, \$551,160.68 and ASP, \$111,375.32. ASP did not meet bid requirements. Haney shared that the Finance Committee reviewed both bids and agreed that Medivator was the only one to meet specifications.

Haney moved the Board approve the Medivator re-processor for \$551,160.68 as presented. Barto seconded the motion, and Joyce, Barto, Haney Couch and Anthony voted in favor of the motion.

APPROVAL OF 2021 DIGITAL RADIOGRAPHY AND FLUOROSCOPY TABLE

Greg Stackenwalt shared that this equipment was budgeted for \$650,000. Due to COVID, the equipment from each of the vendors was viewed virtually. Sieman's imaging table lowers to 25" which is very helpful when moving patients with disabilities. It creates easier access when using lift equipment which increases patient and staff safety. Sieman's has two x-ray plates which increases productivity and will prevent downtime. Sieman's comes standard with Windows 10, which is an additional charge from other vendors. Bids were received from Siemens, \$444,225; Phillips, \$427,099.30; and GE, \$454,493.16. Siemens was determined to be the lowest and best bid as it will increase patient safety and efficiency.

Haney moved the Board approve the Seiman's digital radiography and fluoroscopy table for \$427,099.30. Couch seconded the motion, and Haney, Couch, Anthony, Joyce, Barto voted in favor of the motion.

BALANCED SCORECARD REPORT

Webber shared that although not meeting this year's goals, we have surpassed last year's baseline. She read a letter from a patient's wife whose husband survived COVID. She accredits his survival to the great care and compassion of our staff. The fall rate improved again this month.

REPORTS FROM OFFICERS

OCTOBER 2020 FINANCIAL REPORT/NOVEMBER FINANCE COMMITTEE REPORT

Lovelace gave a PowerPoint presentation of the summary of operations for November 2020. Admissions, including rehab, were 436, much higher than budget of 333 and last year of 358. Average Daily Census, including rehab, was 64, above a budget of 45 and last year of 42. This increase is due to the addition of the COVID-19 patients. In-patient COVID-19 cases were 93 in the month of November with the average length of stay being 6.15 days. The average amount of in-patients on a daily was 19.06. COVID-19 cases by City, as well as discharge disposition was shared with the members.

Surgeries were 362 for the month, below budget of 426 and last year of 401. Surgeries at the Surgery Center were 496 for the month, below a budget of 593 and last year of 541.

Emergency room visits were 2,373 below budget of 2,707 and last year of 2,607. Outpatient visits, not including ER visits, were 14,323 above budget of 11,109 and last year of 12,174. Births were 75 for the month, above budget of 70 and below last year at 81.

Financial assistance was \$1.38M for the month. Salaries and Wages were at \$10.3M, above budget of \$9.8M and above last year of \$9.9M. FTE's were 886 for the Hospital above budget of 882 and last year of 863. FTE's were 649 for the Clinics above budget of 566 and last year of 615. Benefits were \$1.9M below budget of \$2.372M and above last year of \$1.7M.

Operating Income for the Hospitals is \$2.5M above budget of \$1M and last year of \$2.3M. Operating Income for the Clinics was \$15,000 compared to a budget of \$83,000 and last year of (\$575,000). Operating Income Consolidated is \$2.5M, above budget of \$1.1M and last year of \$1.79M.

Operating Income for Stillwater Medical - Perry in the month of November is (\$206,000) with a year to date loss in the amount of (\$1.5M). Operating Income for Stillwater Medical - Blackwell in the month of November is (\$392,000) with a year to date loss in the amount of (\$1.5M).

YTD Operating Income Consolidated is \$1.4M below budget of \$12.9M and last year of \$17.29M. YTD Non-Operating Revenue is \$6.2M, above budget of \$698,000 and below last year at \$10.M. YTD Net Income is \$6.3M, below budget of \$13.6M and last year of \$27.4M.

The BancFirst investment account increased to \$63.4M. Month to date Simple Return for BancFirst is 8.02%. The Arvest investment account increased to \$8.7M. Month to date Simple Return for Arvest is 6.96%.

Days in Accounts Receivable is 43 days. Days Cash on Hand is 196 days. Cash on hand is \$130.2M compared to \$95.2 at year end 2019.

The total of all Relief money is \$45,016,994 and our total cash on hand less 100% of Relief money in the month of November is \$85,262,006.

Lovelace shared that the Finance Committee reviewed the financials and summary of clinic operations. They discussed the 60 Minutes program concerning hospital pricing. The Committee recommended approval of the 2021 Operating and Capital Budget, SCW endoscopy equipment, digital radiography and fluoroscopy table and the electro-physiology equipment. They also discussed and recommended self-funding the employee health plan reinsurance.

Barto moved the Board accept the Financial Report and November Finance Committee minutes. Haney seconded the motion, and Anthony, Joyce, Couch, Barto and Haney voted in favor of the motion.

APPROVAL OF 2021 OPERATING AND CAPITAL BUDGETS

Lovelace shared the 2021 Operating and Capital Budget summary. He stated that the budget does not take in consideration the slow-down or prevention of elective surgeries. Should that take place, he asked that the

budget be re-evaluated. Lovelace included a listing of all capital items projected at \$600,000 or above.

Barto moved the Board approve the 2021 Operating and Capital budgets as presented. Couch seconded the motion, and Couch, Anthony, Haney, Joyce and Barto voted in favor of the motion.

APPROVAL OF ELECTRO-PHYSIOLOGY EQUIPMENT

Lovelace shared that Dr. Nachimuthu will use this equipment to treat abnormal heart rhythms. It is a new service line for SMC. This item was included in the 2021 budget. It will be ordered in January and we will begin these procedures in February. We only had one bid that met specifications: Abbott/St. Jude Medical, \$604,700.

Haney moved the Board approve the purchase of the electro-physiology equipment from Abbot/St. Jude Medical for \$604,700. Joyce seconded the motion, and Joyce, Haney, Barto, Couch and Anthony voted in favor of the motion.

DISCUSSION AND POSSIBLE APPROVAL OF SELF-FUNDING EMPLOYEE HEALTH PLAN REINSURANCE

Lovelace shared information regarding Stop Loss expenses from 2017 through 2020. The total stop loss premiums paid during this period was \$2,068,711 and the total stop loss claims paid was \$506,290. After analyzing the risk/claims history, it was felt advantageous to self-fund and not purchase reinsurance. Lovelace was in agreement to report the expense/saving annually.

Barto made a motion to self-fund employee health, not purchasing reinsurance. Joyce seconded the motion, and Barto, Haney, Joyce, Anthony and Couch voted in favor of the motion.

APPROVAL OF ADMINISTRATIVE POLICIES

Webber shared the recommended changes to the Medicare Notification Discharge Appeal Rights, Patient Safety Evaluation System, Conflict of Interest, Disclosure Document and Medical Staff Integration Committee policies.

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

CONSENT AGENDA

Dr. Pence updated the Board members on policy change requests and credentialing actions of Stillwater Medical Health System and Stillwater Medical Center listed on the Consent Agenda. All actions listed on the consent agenda were approved through our Medical Staff Committees.

Barto moved the Board approve the Consent Agenda items of Stillwater Medical Health System and Stillwater Medical Center as presented. Haney seconded the motion and Barto, Couch, Joyce, Anthony and Haney voted in favor of the motion.

Steven Taylor updated the Board members on the policy changes and credentialing actions for Stillwater Medical – Perry and Stillwater Medical – Blackwell. Taylor noted the change of providers in Perry, now using providers from Concord Medical.

Barto moved the Board approve the Consent Agenda items of Stillwater Medical - Perry as requested. Haney seconded the motion and Joyce, Haney, Couch, Anthony, and Barto voted in favor of the motion.

Haney moved the Board approve the Consent Agenda items of Stillwater Medical - Blackwell as requested. Joyce seconded the motion and Barto, Anthony, Couch, Haney and Joyce in favor of the motion.

CEO REPORT

Webber shared the CEO Report, which included the following:

SANTA VISITS STILLWATER MEDICAL

Stillwater Medical hosted Santa at the Plaza. Santa made appointments for outdoor photos and instead of personally visiting with each child, he asked them to deliver letters to his North Pole mailbox. This event went really well.

VIRTUAL HOLIDAY EVENT FOR OUR MEDICAL STAFF

We hosted a virtual holiday event for our medical staff on December 4th. It was well-attended and everyone had fun.

STILLWATER MEDICAL FOUNDATION VIRTUAL GALA

The Foundation hosted their annual gala virtually on Thursday, November 19th. Overall the event was a success, with a net income of \$105K raised from sponsorships, the online auction and the live auction.

COMPUTED TOMOGRAPHY ANGIOGRAPHY

On November 11th of this year, SMC performed our first Computed Tomography Angiography or CTA. This study uses our new state of the art CT scanner to map the blood vessel in and around the heart.

STILLWATER MEDICAL PSYCHIATRY AND COUNSELING

Stillwater Medical Psychiatry and Counseling has been seeing patients just over two months and have provided almost 500 patient visits and treatments and still have a list of over 200 referrals that continues to grow each day. It is a much needed service for our community.

TECUMSEH

Our Tecumseh Health Reciprocal Risk Retention Group had a board meeting to review performance. RRGs must form as liability insurance companies under the laws of at least one state—its charter state or domicile. Membership is limited to organizations or persons engaged in similar businesses or activities, thus being exposed to the same types of liability. Stillwater Medical's experience modifier is good and the program has been very successful for us. It shows that we are providing great quality care.

COVID UPDATE

Webber shared that we have had a high of 39 COVID patients system-wide. Prior to the pandemic, we had 40% available ICU beds in the State. Currently, we have around 5%. We will be converting the West Conference Room into clinic space to be used for patient care. An emergency purchase was made for additional monitors. Due to our volume in COVID patients increasing, we are experiencing staffing challenges. We currently have 48 staff members out on FFCRA. Good news is that a new medication seems to be effective for some patients, shortening the length of the illness. Front-line staff members are starting to receive the vaccine.

MANAGEMENT OBJECTIVES

The Management Objectives were reviewed with the Board. Some of the objectives will be delayed due to the resources needed for COVID.

CONSTRUCTION UPDATE

A construction update was shared with the members.

PATIENT COMPLIMENTS

Patient compliments were shared with the members.

OTHER BUSINESS

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

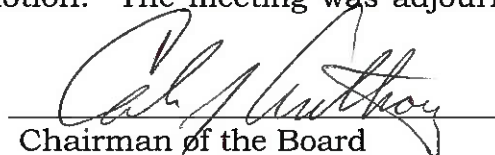
<i>SMC:</i>	<i>PI and Patient Safety</i>	<i>11/17/2020</i>
	<i>Cancer Committee</i>	<i>10/29/2020</i>
	<i>Pediatrics Section</i>	<i>11/5/2020</i>
	<i>Surgery/Anesthesia Section</i>	<i>11/12/2020</i>
	<i>ED Section</i>	<i>11/12/2020</i>

ADJOURN

There being no further business, Couch moved that the meeting be adjourned. Joyce seconded the motion, and Barto, Haney, Couch, Joyce and Anthony voted in favor of the motion. The meeting was adjourned at 7:12 p.m.



Secretary of the Board


Chairman of the Board