

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, January 26, 2021
Stillwater Medical Center Honska Conference Center
5:30 p.m.**

Present: Calvin Anthony, Lowell Barto, Joe Haney, Dr. Cary Couch, Beth Buchanan, Dan Duncan, Mayor Will Joyce and Gary Clark

Absent:

Others: CEO, Denise Webber, Cara Pence, MD, Malinda Webb, MD, Steven Cummings, MD, Alan Lovelace, Steven Taylor, Liz Michael, Nat Cooper, Cheryl Wilkinson, Scott Petty, Chris Roark, Brian Grace, Michelle Charles (NewsPress) and Cheryl Marshall (minutes)

CALL TO ORDER

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

CHAIRMAN'S REPORT

A video of appreciation for Dr. Couch's many years of service was shared with the members. An award was given and celebration held.

Chairman Anthony and Board welcomed Gary Clark as the newest member of the Stillwater Medical Board of Trustees. Clark signed an Oath of Office.

ELECTION OF OFFICERS

Chairman Anthony shared that in the past there has been discussion of officers serving for two years and that we plan to make that change in the policy later in the meeting.

Haney moved the Board re-elect the current officers: Calvin Anthony, Chair; Lowell Barto, Vice-Chair; Dan Duncan, Secretary. Buchanan seconded the motion, and Joyce, Barto, Buchanan, Haney, Anthony, Duncan and Clark voted in favor of the motion.

APPROVAL OF MINUTES

Lowell Barto moved the Board approve the minutes of the December 17, 2020 meeting of the Stillwater Medical Center Authority Board of Trustees, December 16, 2020 Finance Committee minutes and the January 18, 2021 Board Oversight Committee minutes as presented. Joe Haney seconded the motion and Barto, Haney, Anthony, Joyce and Buchanan voted in favor of the motion. Duncan and Clark abstained.

APPROVAL OF ADMINISTRATIVE POLICIES

Webber shared that a recommendation was made that the Board Officers serve for two consecutive years. This language was included in the recommended change to the BOT Bylaws. The members also reviewed the Bright Ideas Program policy.

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

APPROVAL OF SECURITY FIREWALL

Chris Roark shared that the current system is nearing end of life and does not provide the advanced capabilities required without additional security subscriptions. Bids were obtained from Palo Alto in the amount of \$203,160 and Fortinet in the amount of \$233,717. Roark shared a graph showing quality/security rankings. A 60-day comparison trial was held. Palo Alto has the highest rating with the most secure platform and is the lowest bidder.

Barto moved the Board approve purchase of the Palo Alto Security Firewall for a total cost of \$203,160. Clark seconded the motion, and Buchanan, Duncan, Joyce, Barto, Haney, Clark and Anthony voted in favor of the motion.

BALANCED SCORECARD REPORT

Webber shared year-end results with the members. Performance in most areas was above goal.

SEMI-ANNUAL CONFLICT OF INTEREST STATEMENT

The Conflict of Interest statement is completed semi-annually and filed with the Secretary of State. Signatures were secured from the Board members.

STILLWATER MEDICAL FOUNDATION ANNUAL REPORT

Scott Petty, VP/Executive Director, SMC Foundation, updated the Board members on the accomplishments of the past year. Assets rose to over \$8M in 2020; up from \$5.9M in 2014. The Board expressed their appreciation of the great work being done by the Foundation.

REPORTS FROM OFFICERS

DECEMBER 2020 FINANCIAL REPORT/JANUARY FINANCE COMMITTEE REPORT

Lovelace gave a PowerPoint presentation of the summary of operations for December 2020. Admissions, including rehab, were 446 above budget of 333 and last year of 367. Average Daily Census, including rehab, was 68, well above budget of 45 and last year of 41.

In-patient COVID-19 cases were 147 in the month of December with the average length of stay being 6.51 days. The average amount of COVID

inpatients on a daily basis is 31. A list of COVID-19 cases by City was provided.

Surgeries were 445 for the month, above budget of 426 and last year of 406. Surgeries at the Surgery Center were 489 for the month, below a budget of 593 and last year of 620.

Emergency room visits were 2,167 below budget of 2,693 and last year of 2,855. Outpatient visits, not including ER visits, were 13,833 above budget of 11,109 and last year of 12,459. Births were 64 for the month, below budget of 70 and last year at 65.

Financial assistance was \$3.09M for the month. Salaries and Wages were at \$11M, above budget of \$9.79M and last year of \$8.9M. FTE's were 932 for the Hospital above budget of 882 and last year of 830. FTE's were 643 for the Clinics above budget of 566 and last year of 541. Benefits were \$2M below budget of \$2.37M and last year of \$2.29M.

Operating Income for the Hospitals is \$3.8M above budget of \$1M and last year of \$1.7M. Operating Income for the Clinics was (\$599,000) compared to a budget of \$84,000 and last year of (\$218,000). Operating Income Consolidated is \$3.2M, above budget of \$1.1M and last year of \$1.57M.

Operating Income for Perry Memorial Hospital in the month of December is (\$6,000) with a year to date loss in the amount of (\$1.5M). Operating Income for Blackwell Regional Hospital in the month of December is (\$236,000) with a year to date loss in the amount of (\$1.7M).

YTD Operating Income Consolidated is \$4.6M below budget of \$14M and last year of \$19.38M. YTD Operating Margin Consolidated is 1.6%, below budget of 4.7% and last year of 7.3%. YTD Non-Operating Revenue is \$8.4M, above budget of \$761,000 and below last year at \$11.4M. YTD Net Income is \$13M, below budget of \$14.8M and last year of \$30.3M.

The BancFirst investment account increased to \$65.2M. Month to date Simple Return for BancFirst is 2.93%. The Arvest investment account increased to \$8.9M. Month to date Simple Return for Arvest is 2.61%.

Days in Accounts Receivable is 43 days. Days Cash on Hand is 210 days. Cash on hand is \$140.7M compared to \$95.2 at year end 2019. The total of all Relief money is \$45,460,277 and our total cash on hand less 100% of Relief money in the month of December is \$95,313,723.

Lovelace shared that the Finance Committee reviewed the financials and summary of clinic operations. The Committee recommended approval of the security firewall and the purchase of real property. They discussed refinancing and received an update from Arvest.

JANUARY 2021 FACILITIES COMMITTEE REPORT AND MINUTES

Steven Taylor shared the Facilities report with the members. He noted that the connector would be complete between the two buildings in mid-February. Webber shared that although we believe that COVID numbers will be more manageable over time, the virus has caused a need for more ICU space.

Barto moved the Board accept the December Financial Report, January Finance Committee minutes and January Facilities Report and minutes. Joyce seconded the motion, and Clark, Anthony, Buchanan, Joyce, Barto and Duncan voted in favor of the motion. Haney voted no to this motion.

DEBT REFINANCING DISCUSSION AND POSSIBLE APPROVAL

Lovelace shared information regarding refinancing our current debt. The purpose of this is to lower interest rates, extend terms to preserve \$15M in cash and make room for future debt that we may acquire.

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

CONSENT AGENDA

Dr. Pence updated the Board members on the credentialing actions of 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 Center as presented. Haney seconded the motion and Barto, Joyce, Anthony, Duncan, Buchanan, Clark and Haney voted in favor of the motion.

Steven Taylor updated the Board members on the policy changes and credentialing actions for Stillwater Medical – Blackwell.

Buchanan moved the Board approve the Consent Agenda items of Stillwater Medical – Blackwell as requested. Clark seconded the motion and Haney, Clark, Anthony, Joyce, Duncan, Barto and Buchanan voted in favor of the motion.

CEO REPORT

Webber shared the CEO Report, which included the following:

INTERNAL MEDICINE RESIDENCY PROGRAM UPDATE

We will submit our internal medicine residency application partnering with Oklahoma State University this week. We should hear if it is approved by the end of April. The medical staff welcomed the challenge and are excited to create excellent physicians engrained with our culture.

MEDICAL STAFF RECRUITMENT UPDATE

Webber shared the many providers who have recently joined our team.

COVID UPDATE

Webber was pleased to share that our COVID admissions are down in comparison to the last month. We have averaged around 35 in house on a daily basis and are now under 20. ICU continues to remain full. 47% of test results were coming back positive and just recently were down to 4%. We are now offering bamlanivimab (BAM), which is a monoclonal antibody.

NEW TEMPORARY HOME FOR ADMINISTRATION

We are looking at possible space in the old Health Information Services area.

NEW VIZIENT OK/AR LEADER CHANGE – JASON SPRING

Dave Robertson recently retired and a new leader for our OK/AR Vizient Network has been selected, Jason Spring.

KELSEY SMITH, MD PRACTICE CHANGES

Direct Primary Care

Dr. Smith is changing her practice to a direct primary care clinic as of July 1, 2021. The direct primary care (DPC) model is an alternative to fee-for-service insurance billing, typically by charging patients a monthly, quarterly, or annual fee.

CLINICAL INTELLIGENCE

SMC has recently engaged consultants to help us evaluate and make improvements to the case management and discharge planning processes. We are looking at their recommendations to enhance the program.

LEGISLATIVE UPDATE

Managed Medicaid

OHCA met recently to discuss managed care. They discussed increasing SHOPP funding by 4%. We are not yet sure if the State will move to this new model.

Presidential Change of Leadership

With the recent Presidential change, we expect changes in health care to come forth.

Patient compliments were shared with the members.

EXECUTIVE SESSION

Barto moved the Board convene to Executive Session according to Title 25, Oklahoma Statutes, §307 (B)(3) of the Oklahoma Open Meeting Act for the purposes of discussing the items on the agenda. Haney seconded the motion, and Haney, Buchanan, Clark, Joyce, Barto, Anthony and Duncan voted in favor of the motion.

Those present in Executive Session included: Board members, Anthony, Barto, Buchanan, Duncan, Haney, Clark, Joyce and Webb (Medical Staff Liaison) as well as Denise Webber, CEO; Nat Cooper, VP, Business Development and Cheryl Marshall, Executive Assistant.

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

RETURN FROM EXECUTIVE SESSION

Chairman Anthony stated that nothing other than what was listed on the agenda had been discussed in Executive Session, and that no votes had been taken.

POSSIBLE APPROVAL TO PURCHASE REAL PROPERTY

Haney made a motion to purchase real property located at 103 East William, Perkins, Oklahoma in the amount of \$352,000. Duncan seconded the motion and Haney, Barto, Clark, Joyce, Buchanan, Anthony and Duncan voted in favor of the motion.

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

Those present in Executive Session included: Board members, Anthony, Barto, Buchanan, Duncan, Haney, Clark, Joyce and Webb (Medical Staff Liaison).

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

RETURN FROM EXECUTIVE SESSION

Chairman Anthony stated that nothing other than what was listed on the agenda had been discussed in Executive Session, and that no votes had been taken.

OTHER BUSINESS

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

SMC:	<i>Medical Exec. Committee</i>	<i>1/13/2021</i>
	<i>Peer Review Committee</i>	<i>1/12/2021</i>
	<i>COVID Ethics Committee</i>	<i>1/7/2021</i>

Perry: *Medical Executive Committee* 1/19/2021

Blackwell: *Medical Executive Committee* 12/16/2020

ADJOURN

There being no further business, Barto moved that the meeting be adjourned. Joyce seconded the motion, and Haney, Buchanan, Anthony, Duncan, Barto, Clark and Joyce voted in favor of the motion. The meeting was adjourned at 7:43 p.m.


Secretary of the Board


Chairman of the Board