STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, October 24, 2017
Stillwater Medical Center Honska Conference Center
5:30 p.m.

Present: Dan Duncan, Lowell Barto, Beth Buchanan, Calvin Anthony, Joe Haney, Mayor Gina Noble and Cary Couch, MD

Absent:

Others: Butch Koemel (attorney), Steven Cummings, MD, Mark Paden, MD (Chief of Staff), Denise Webber, Alan Lovelace, Liz Michael, Steven Taylor, Keith Hufnagel, Shyla Eggers, Scott Petty, Anna Layton (OSU journalism student), Brendan Dougherty (OSU journalism student), Ryan Reed (OSU journalism student), Skylar Wolfe (OSU journalism student), Tony Attia (OSU journalism student) and Cheryl Marshall (minutes)

Chairman Dan Duncan called the meeting to order at 5:34 p.m. He welcomed the OSU journalism students.

APPROVAL OF MINUTES
Anthony moved the Board approve the minutes of the September 26, 2017 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Barto seconded the motion and Haney, Anthony, Duncan, Barto and Buchanan voted in favor of the motion. Mayor Noble and Dr. Couch abstained as they were unable to attend the September meeting.

BOARD EDUCATION: COLLABORATIVE CARE HEALTH PLAN (CCHP)
Alan Lovelace told the members that SMC developed a plan to lower the cost of healthcare in our market. Local employers have experienced significant price increases in premiums over the past years and have had to pass on some of that cost to their employees through higher deductibles and co-pays. This plan will help reduce costs and offer great benefits for self-insured employers. Re-insurance captives take on the risk, not the hospital. The plan is not an insurance network. Anthony asked how the claims would be handled for those traveling out of the service area. Lovelace said that emergencies would be treated as tier one, which is the best level of benefits. Tier one includes services done in Stillwater and services that are not provided in Stillwater. SMC will switch to this plan in January. We are offering our employees lower deductibles and co-insurance and will still save the Hospital approximately $2.5M the first year.

BALANCED SCORECARD
Denise Webber shared the Scorecard report with the members. The inpatient satisfaction score and ER score has dipped a little and the team is

working to improve those scores. The Grievance Committee meets once a month and now includes the Emergency Department Director. We have put several new actions in place and expect to see a reduction in grievances.

ACCEPTANCE OF SEPTEMBER 2017 FINANCIAL REPORT AND OCTOBER 18, 2017 FINANCE COMMITTEE MINUTES

Lovelace gave a PowerPoint presentation of the summary of operations for September 2017. Admissions, including rehab, were 304, above budget of 299 and last year of 293. Haney asked if OSU returning to session affected the number of Admissions. Lovelace said that they mostly impact outpatient services. Webber said that patients are not considered inpatient unless they stay through two midnights.

Surgeries were 256 for the month, below budget of 304 and last year of 276. Surgeries at the Surgery Center were 317 for the month, above budget of 295 and last year of 287.

Emergency room visits were 2,735 above budget of 2,582 and last year of 2,696. Outpatient visits, not including ER visits, were 11,013 above budget of 10,183 and last year of 10,941. Births were 62 for the month, above budget of 72 and last year at 73.

Financial assistance was $1M for the month. Salaries and Wages were at $6.5M, above budget of $6.1M and above last year of $5.2M. Benefits were $1.5M below budget of $1.68M and above last year of $1.4M.

Operating Income for the Hospital is $1.1M above budget of 777,000 and below last year of $1.7M. Operating Income for the Clinics was ($472,000) compared to a budget of $83,000 and last year of $166,000. Operating Income Consolidated is $671,000, below budget of $677,000 and last year of $1.9M.

YTD Operating Income Consolidated is $9.3M, above budget of $5.4M. YTD Operating Margin Consolidated is 6%, above budget of 4.1% and below last year of 7.8%. YTD Non-Operating Revenue is $3.8M, above budget of $496,000 and last year at $2.4M. YTD Net Income is $13.1M, above budget of $6.7M and last year of $12.9M.

The BancFirst investment account increased to $66.2M. YTD Simple Return for BancFirst is 8.2%. The benchmark is 8.17%.

Days in Accounts Receivable was 30.3 days. Days Cash on Hand is 159 days. Cash is $80.3M, compared to $76.6M at year end 2016.

To date, we have spent $4.6M (60%) on the Cancer Center project. Total amount approved for this project is $7.643M.

Haney asked if the financials for the Clinics are better so far this month. Lovelace said that he did not have an opportunity to look at that in depth before the meeting. Anthony agreed that the Clinic financials need to be watched closely. Webber said that the CPC program was incentivized more heavily the first four years to build the program. We are now in the 5th year of the program and are not as financially incentivized. We must work to find ways to ensure reparation for this extra expense.

Lovelace stated that the Finance Committee members discussed the financials, the summary of clinic operations and scorecard. They also discussed and recommended approval of the purchase of the defibrillators and vital sign monitors.

Haney moved the Board accept the September 2017 Financial Report and the October 18, 2017 Finance Committee minutes as presented. Couch seconded the motion, and Noble, Duncan, Couch, Anthony, Barto, Haney and Buchanan voted in favor of the motion.

APPROVAL TO PURCHASE DEFIBRILLATORS

Liz Michael told the members that we have 20 defibrillators that are approximately 12 years old and are in need of replacement. Bids were sent out and two received: Physio-Control, $237,750.70 and Zoll's, $286,378.70. After reviewing all the specifications, it was determined that the lowest bidder, Physio-Control, met all of the requirements and was therefore recommended by the team.

Anthony moved the Board approve the purchase of the 20 defibrillators from Physio-Control for a total cost of $237,750.70. Noble seconded the motion, and Couch, Anthony, Haney, Buchanan, Barto, Noble and Duncan voted in favor of the motion.

APPROVAL OF PURCHASE OF VITAL SIGNS MONITORS

Liz Michael told the members that 39 Vital Sign Monitors are needed to replace the current monitors that have experienced extensive use. New monitors are able to integrate into the EMR, which will improve work flow and efficiencies. The new monitors will eliminate manual documentation and will help improve nursing staff productivity, allowing an additional 40 minutes back to patient care for every 4 hour period. The new monitors are also capable of measuring respirations. Bids were sent out and two were received: Phillips, $247,117.58 and Mindray, $192,702.07. The lowest bid, Mindray, is the preferred choice for nursing and IT staff for ease of use.

Dr. Couch moved the Board approve the purchase of 39 vital sign monitors from Mindray at a total cost of 192,702.07. Anthony seconded the motion, and Buchanan, Duncan, Couch, Anthony, Barto, Noble and Haney voted in favor of the motion.

ACCEPTANCE OF AUGUST 23, 2017 MEDICAL STAFF INTEGRATION COMMITTEE MINUTES

Cummings updated the members on the Medical Staff Integration Committee minutes included in the packet. He noted that we are working on finalizing plans with Dr. Rademaker, urologist. We are working to recruit two GI physicians, a spine surgeon and a Hospitalist.

Anthony moved the August 23, 2017 Medical Staff Integration Committee Minutes be approved as presented. Haney seconded the motion, and Buchanan, Haney, Noble, Duncan, Anthony, Barto and Couch voted in favor of the motion.

DISCUSSION AND APPROVAL OF NOMINATING COMMITTEE MEMBER

Chairman Duncan told the Board that Beth Buchanan, Cary Couch, MD and Joe Haney are nearing the end of their 3-year term on the Board. He asked two members to serve on the nominating committee alongside the two members of the City. Barto and Anthony agreed to serve on the Nominating Committee. Noble said that she and Vice-Mayor Darlington would likely serve as the City members of this Committee.

DISCUSSION AND APPROVAL OF 2018 REGULAR MEETINGS SCHEDULE

The members reviewed the schedule of calendar dates for 2018 Board meetings. The December meeting was changed to the third Tuesday due to the holiday. The City Clerk's office must be notified of the Schedule of Regular meetings prior to December 15th.

Barto moved the Board approve the 2018 Schedule of Regular meetings as presented. Haney seconded the motion, and Duncan, Buchanan, Anthony, Haney, Barto, Couch and Noble voted in favor of the motion.

CEO REPORT

Topics of CEO Webber's Report included the following:

SMC RANKED 25TH AT BEST PLACES TO WORK AWARDS GALA

For the 6th year in a row Stillwater Medical Center was honored to be named as a "Best Places to Work in Healthcare" by Modern Healthcare! We are pleased that SMC ranked 25th on the healthcare provider list improving from our last year rank of 63rd. We are planning an internal celebration in November. Anthony asked if this is a national award. Webber said yes. They survey our employees directly and we find out months later whether we made the list.

LEADERSHIP DEVELOPMENT INSTITUTE

We held our last LDI of 2017 on October 5th with 115 leaders attending. Pam Beitlich R.N., a national speaker with the Studer Group, delivered a message on communication. Our leaders felt that it was a needed message and voiced their appreciation.

LEGISLATIVE UPDATE – FEDERAL & STATE

A RECENT HEADLINE - TRUMP ADMINISTRATION TAKES ACTION TO ABIDE BY THE LAW AND CONSTITUTION, DISCONTINUE CSR PAYMENTS

We do not feel this is good news nationally, although it might not hurt Oklahoma in the short-term as we did not participate in the exchange.

SOONERCARE RATE CUTS PLANNED FOR DECEMBER 1ST

If the State does not find a way to fund Mental Health, organizations like Edwin Fair, will likely close. These cuts will be felt in our Emergency Department, primary care clinics and in our jails and police departments. Webber stated that she has been visiting with Cory Williams at the Capitol about these issues. Anthony said that he is optimistic that they will reach a solution.

CATHLAB UPDATE

Our Cathlab equipment is in the process of being replaced with the new equipment, so at this time we are not offering cathlab services. The mobile cathlab unit should be set-up and running on November 7th. We anticipate our new cathlab equipment installation to be completed on November 20th.

STRATEGIC PLANNING – SMC

Our strategic planning process for 2018 is well underway. Your feedback is appreciated as the retreat agenda will be shaped by the results of the pre-retreat survey. We look forward to our Strategic Planning Board Retreat on Nov. 17th.

STRATEGIC PLANNING – BLACKWELL

SMC Executives and a group of Blackwell Regional Hospital Board Trustees have been working on the development of a strategic plan for BRH. The plan is close to being finalized with the final approval of the Blackwell Regional Board of Trustees at their upcoming Board Meeting.

POPULATION HEALTH STRATEGY – LEVA SWIM PROMOTED

Webber said that our efforts in the population health/collaborative care area have grown considerably in the last few years. We felt it imperative that we have the right leadership in place to coordinate these efforts and provide leadership and organization to ensure our success in each area (CCHP, ACO, etc.). Leva Swim, Ph.D has been working with each of these programs since inception and has done a tremendous job thus far. In addition to her existing role in strategic direction, she has accepted the position of VP of Population Health and Informatics.

UPDATE ON XENEX DISINFECTION ROBOTS

Implementation and training for the 6 Xenex UV disinfection robots is complete. Robots have been strategically placed in various departments to

ensure that our patients are being cared for in the safest, cleanest environment possible.

HEIDI GILBERT NAMED NURSE EDUCATOR OF THEY YEAR
Heidi Gilbert is a great asset to our hospital. She helped launch our Critical Care Conference. She was awarded the Oklahoma March of Dimes Nurse Educator of the Year award. We are fortunate to have Heidi on our team.

CONGRATULATIONS TO OUR EMERGING LEADERS!
Lauren Bowlan, Katie Roberts, Jennifer Unruh, Dr. John Wedlaeke and Dr. Larissa Smith were all nominated Emerging Leaders Under 40. Katie Roberts placed in the Top 12.

FLU SHOT –EMPLOYEE VACCINATION RATE
We have been in the process of giving employee flu shots over the past few weeks and are nearing 100% compliance.

OK2030 - STATE CHAMBER
Liz Michael, Nat Cooper and Webber spent an afternoon participating in a strategic planning session the State Chamber is leading to develop an OK2030 plan for our state. The afternoon was worthwhile and encouraging to see planning efforts for our state's future taking place.

NEW BUSINESS
Dr. Paden shared that Dr. Ferrell, Dr. Wuller and Adam Huskerson attended the cross-country meet Jamboree. One of the athlete's father had a heart attack and the physicians administered CPR and worked together to successfully resuscitate him.

Webber told the Board that Dr. Lauvetz was chosen as HealthStream's Top Urologist for patient satisfaction for the second year in a row! This is a great honor and we are planning to celebrate him soon.

Chairman Duncan said that the OSU journalism students present this evening would like to ask questions of the Board members following the meeting.

ADJOURN
There being no further business, Anthony moved that the meeting be adjourned. Barto seconded the motion, and Buchanan, Duncan, Barto, Anthony, Haney, Couch and Noble voted in favor of the motion. The meeting was adjourned at 6:22 p.m.

Chairman of the Board

Secretary of the Board