

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, April 24, 2018
Stillwater Medical Center Honska Conference Center
5:30 p.m.**

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

Absent:

Others: Malinda Webb, MD, Mark Paden, M.D. (Chief of Staff), Steven Cummings, MD, Denise Webber, Alan Lovelace, Liz Michael, Steven Taylor, Leva Swim, Ph.D., Nat Cooper, Shyla Eggers, Butch Koemel (attorney), Greg Stackenwalt (Director of Imaging) Rick Wagner (EideBailey), Courtney Kozikuski (Blackwell/Perry CFO) Stacie Bell (Tabor student), Michelle Charles (NewsPress) and Cheryl Marshall (minutes)

Chairman Beth Buchanan called the meeting to order at 5:31 p.m. The Board welcomed Mayor Joyce.

APPROVAL OF MINUTES

Anthony moved the Board approve the minutes of the March 27, 2018 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Barto seconded the motion and Couch, Buchanan, Barto, Haney, Duncan and Anthony voted in favor of the motion. Mayor Joyce abstained as he did not attend the March meeting.

Barto moved the Board approve the minutes of the March 29, 2018 Special meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Couch seconded the motion and Barto, Haney, Couch, Duncan, Anthony and Buchanan voted in favor of the motion. Mayor Joyce abstained as he did not attend the Special meeting.

BOARD EDUCATION

Rick Wagner, CPA, EideBailey, shared that he has been working with rural facilities for 36 years. To reduce the cost of healthcare, services are moving to outpatient. A rural health clinic (RHC) is a licensed physician clinic in a rural area. RHCs are paid on an all-inclusive rate based on actual cost. Clinics must have mid-levels providing care at least 50% of the time, must offer six specific lab tests and also provide radiological services. RHC will allow the primary care clinics to be paid more reasonably by Medicare and Medicaid, as they pay a higher rate to provide services in rural areas. RHCs will become the place our rural patients access convenient care when they don't need the higher level specialists located at SMC. Anthony asked about others in Oklahoma with RHCs. Wagner said that they recently did work in

Duncan and Altus. Mayor Joyce asked the requirements for becoming a Rural Health Clinic. Wagner said that once you meet the requirements, one must complete a Medicare application (855). Once it is approved, he recommends one hire an outside accrediting agency that surveys the RHC and sends the results to CMS showing you have met the requirements. The process takes approximately 6 months.

BALANCED SCORECARD

Denise Webber shared the Scorecard report with the members. The inpatient and clinic satisfaction scores are doing well for the month. The ED is doing exceptionally well. Patient falls, c-diff rate and financials are also doing well year-to-date. The physician survey is complete with a great score of 88%. We did not meet our goal to increase the number of encounters seen at SMC from North Central Market by 10%, but are hard at work to improve this score.

REPORTS FROM OFFICERS

ACCEPTANCE OF MARCH 2018 FINANCIAL REPORT AND APRIL 18, 2018 FINANCE COMMITTEE MINUTES

Lovelace gave a PowerPoint presentation of the summary of operations for March 2018. Admissions, including rehab, were 332, above budget of 299 and below last year of 337.

Surgeries were 325 for the month, above budget of 291 and last year of 304. Surgeries at the Surgery Center were 380 for the month, above budget of 324 and above last year of 360.

Emergency room visits were 2,696 above budget of 2,690 and last year of 2,674. Outpatient visits, not including ER visits, were 12,035 above budget of 10,386 and below last year of 12,369. Births were 66 for the month, below a budget of 72 and above last year at 68.

Financial assistance was \$1.2M for the month. Salaries and Wages were at \$6.9M, below budget of \$7M and above last year of \$6M. Benefits were \$1.6M above budget of \$1.4M and last year of \$1.4M.

Operating Income for the Hospital is \$739,000 above budget of \$653,000 and below last year of \$1.32M. Operating Income for the Clinics was 407,000 compared to a budget of \$13,000 and above last year of 78,000. Operating Income Consolidated is \$1.1M, above budget of \$665,000 and below last year of \$1.4M.

YTD Operating Income Consolidated is \$3.0M, above budget of \$2.3M and below last year of \$3.5M. YTD Operating Margin Consolidated is 5.6%, above budget of 4.2% and below last year of 6.9%. YTD Non-Operating Revenue is \$920,000, above budget of \$52,000 and below last year at

\$1.3M. YTD Net Income is \$3.9M, above budget of \$2.4M and below last year of \$4.8M.

The BancFirst investment account decreased to \$67.4M. YTD Simple Return for BancFirst is (.81%). The benchmark is (1.35%).

Days in Accounts Receivable is 33.4 days. Days Cash on Hand is 181 days. Cash on hand is \$85.8M, compared to \$81.3M at year end 2017.

Lovelace stated that the Finance Committee members discussed the financials, the summary of clinic operations and scorecard. They recommended the Board approve the purchase of the PET-CT. He also updated them on the new market tax credit endeavor.

Duncan moved the Board accept the March 2018 Financial Report and the April 18, 2018 Finance Committee minutes as presented. Anthony seconded the motion, and Barto, Haney, Joyce, Buchanan, Couch, Anthony and Duncan voted in favor of the motion.

APPROVAL OF PURCHASE OF PET/CT

Greg Stackenwalt, Director of Radiology, provided the Board bid information from each vendor. PET-CT service has been provided here for the last 12 years through a mobile imaging service that comes to the hospital a few days each week. Purchasing a PET-CT would allow us to provide the service in house at the Cancer Center. Of the three bids received, Siemens was the highest at \$1.599M. However, they are the bid of choice due to providing higher image quality (gold standard in time of flight) and the largest bore, which provides additional space for patient comfort. They were deemed the lowest and best bid by the Finance Committee after consideration of the quality and bore size. The Board reviewed images showing the bore size and the quality of image comparison. Anthony asked the life expectancy and time of payback. Stackenwalt said that we expect the equipment to last at least 10 years. Payback time is 3 ½ years.

Anthony moved the Board approve the purchase of the PET/CT from Siemens at total cost of \$1,599,999 as presented. Couch seconded the motion, and Haney, Anthony, Buchanan, Couch, Joyce, Duncan and Barto voted in favor of the motion.

ACCEPTANCE OF APRIL 10, 2018 FACILITIES COMMITTEE MINUTES

Steven Taylor updated the members on the items discussed at the April meeting of the Facilities Committee of which minutes were included in the packet. Taylor stated that the 4th Floor north wing will be complete in two to three weeks. Site and canopy work is going well and is on time. Perry Clinic is complete. Both bids received for the main campus infrastructure were over budget, so we looking again at this entire project.

Barto moved the Board accept the April 10, 2018 Facilities Committee minutes as presented. Anthony seconded the motion, and Anthony, Duncan, Buchanan, Joyce, Couch, Barto and Haney voted in favor of the motion.

APPROVAL OF APRIL 16, 2018 BOARD OVERSIGHT COMMITTEE MINUTES

Webber updated the members on the items discussed at the April 16, 2018 meeting of the SMC Board Oversight Committee of which minutes were included in the packet. Webber noted that the accreditation survey findings were reviewed. Quality indicators from the hospital, Cimarron Medical, Home Health and Hospice were all reviewed, as well as the complaints and grievances. The pending legal cases were also discussed.

Barto moved the Board approve the April 16, 2018 Board Oversight Committee minutes as presented. Anthony seconded the motion, and Duncan, Barto, Buchanan, Couch, Anthony, Haney and Joyce voted in favor of the motion.

APPROVAL OF ADMINISTRATIVE POLICIES

The Conflict of Interest policy was tabled as further review was needed. The policies listed on the agenda were included in the packet and reviewed by the members. Each recommended policy change was discussed in detail.

Anthony moved the Board approve the Administrative Policies as presented, with the exception of the Conflict of Interest policy, which was tabled. Haney seconded the motion, and Anthony, Haney, Duncan, Joyce, Buchanan, Barto and Couch voted in favor of the motion.

REVIEW OF BOARD OF TRUSTEES SELF-EVALUATION RESULTS

A new survey was prepared this year. CEO Webber shared the results in detail. Most all results were good, with the Board members being in agreement.

CONSENT AGENDA

Dr. Paden updated the Board members on the policies and credentialing actions listed on the Consent Agenda, and answered questions of the Board members.

Haney moved that Consent Agenda items be approved. Duncan seconded the motion, and Buchanan, Joyce, Barto, Anthony, Duncan, Couch and Haney voted in favor of the motion.

CEO REPORT

Topics of CEO Webber's Report included the following:

WINS TO SHARE

Webber shared several compliments.

HEALTHGRADES 2018 OUTSTANDING PATIENT EXPERIENCE AWARD

Our team's hard work and dedication to an outstanding patient experience have put us in the nation's top 15% for patient experience for the fifth year in a row. Our Orthopedics Team was also recognized by Healthgrades for their excellence as a Five-Star Recipient for Total Knee Replacement for 4 years in a row.

LETTER FROM CMS RECOGNIZING OUR DIABETES CARE PROGRAM

SMC Diabetes Care Services received full recognition from the CDC for our diabetes prevention program. The success of our program makes an invaluable contribution to the prevention of type 2 diabetes. Webber expressed her appreciation of the team's hard work.

2018 BEST PLACES TO WORK IN HEALTHCARE

Our survey is currently underway and we'll have our results in the fall of this year.

DOCTORS DAY

National Doctors' Day was March 30. We honored our medical staff with a breakfast. We also hosted our providers and their families to a tailgate and OSU Cowboy baseball game. Dr. Terry Brown was selected to throw out the first pitch!

CANCER CENTER OPEN HOUSE

Our Cancer Center Open House was well attended. Webber expressed her appreciation to all who were able to attend.

OPIOID STEWARDSHIP COLLABORATIVE

SMC has recently enrolled in an Opioid Stewardship Program Collaborative through our Vizient Membership. We will be working with the collaborative to reduce the opioid epidemic.

FREE CANCER SCREENING

We held a free community Oral, Head & Neck Cancer Screening event. We expected around 50 participants and saw more than 100. Webber expressed her appreciation of Dr. Crawley and Dr. Goff, as well as the staff that volunteered who went above and beyond to make sure no one was turned away. It was a tremendous event for our community.

JOEY GERESI

Joey Geresi has finished his Master's Degree program in Health Care Administration and is re-joining the SMC Team for a one-year fellowship.

ACO

We held our first Accountable Care Organization (ACO) Board Meeting this past month. This first meeting was mostly putting in place our operating documents and structure.

SMC FOUNDATION DONOR APPRECIATION BANQUET

Stillwater Medical Foundation held their Annual Donor Appreciation Banquet at Meditations, recognizing our donors and thanking them for their generous charitable support of our hospital and health system. The guest speaker was Becky Burch, RN. She told her inspiring story about working her way up through several positions at SMC in our Maternity Unit.

OHA ADVOCACY DAY

A group from SMC (Shyla Eggers, Liz Michael and Joy Haken), attended the OHA Legislative reception at the Oklahoma Historical Society. This was an opportunity for Hospital leadership to interact with our State's Legislators to discuss pending bills, and the most serious concerns of the healthcare community. Due to the Teacher's walkout the actual Advocacy Day at the capital was cancelled, but they were able to have great discussions with Senator Tom Dugger.

STILLWATER COLLABORATIVE CARE (SCC)

There has been a lot of activating during the past month. We have quote requests from nine different employers.

PERRY UPDATE

Our team's efforts continue as we work to transition Perry Memorial into our operations. In the first week of the transition, COLA arrived for an inspection of the Perry Memorial Hospital Laboratory. We should have their report soon.

LEGISLATIVE UPDATE

The OHA, along with four other provider groups including nursing homes, home health and providers for individuals with developmental disabilities, are urging Oklahoma lawmakers to take advantage of increased federal funding for Medicaid available for FY2019, which begins July 1.

SMC AND UNITEDHEALTHCARE RENEW NETWORK RELATIONSHIP

Stillwater Medical Center and UnitedHealthcare have agreed to a new multi-year relationship, ensuring continued network access to Stillwater Medical Center and its physicians for UnitedHealthcare members enrolled in employer-sponsored and individual plans.

UPCOMING EVENTS & AREA ANNOUNCEMENTS

The Employee Anniversary Awards Banquet celebrating years of service will be held on April 26th. Hospital Week and National Nurses Week will be celebrated May 6th – 12th.

EXECUTIVE SESSION

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

Those present in Executive Session included: Board members, Buchanan, Barto, Duncan, Anthony, Haney, Couch and Joyce, Malinda Webb, MD (physician representative) as well as CEO Denise Webber, 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 Haney, Duncan, Barto, Buchanan, Couch, Anthony 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

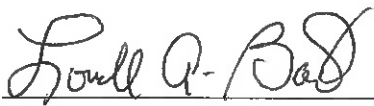
Prior to the meeting, Board members reviewed the following Medical Staff meeting minutes:

<i>E-Medical Records Committee</i>	<i>03/13/2018</i>
<i>ED Section</i>	<i>03/14/2018</i>
<i>Medical Executive Committee</i>	<i>03/14/2018</i>
<i>Performance Improvement and Patient Safety</i>	<i>03/27/2018</i>
<i>Peer/Policy Review Oversight Committee</i>	<i>04/04/2018</i>
<i>Medical Education Committee</i>	<i>04/05/2018</i>
<i>Medical Executive Committee</i>	<i>04/11/2018</i>

ADJOURN

There being no further business, Barto moved that the meeting be adjourned. Haney seconded the motion, and Anthony, Duncan, Haney, Couch, Buchanan, Joyce and Barto voted in favor of the motion. The meeting was adjourned at 6:52 p.m.


Chairman of the Board


Secretary of the Board