

STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, August 22, 2017
Stillwater Medical Center Honska Conference Center
5:30 p.m.

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

Absent:

Others: Butch Koemel (attorney), Michelle Charles (NewsPress), Steven Cummings, MD, Mark Paden, MD (Chief of Staff), Denise Webber, Liz Michael, Alan Lovelace, Steven Taylor, Nat Cooper, Shyla Eggers, Scott Petty, Bill Arrington (Pharmacy), Necia Kimber (Infection Control), Carla Montgomery (PPM) and Cheryl Marshall (minutes)

Chairman Dan Duncan called the meeting to order at 5:31 p.m.

APPROVAL OF MINUTES

Anthony moved the Board approve the minutes of the July 25, 2017 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Noble seconded the motion and Anthony, Buchanan, Noble, Duncan and Barto voted in favor of the motion. Couch and Haney abstained as they were unable to attend the July meeting.

BOARD EDUCATION: TRANSITION OF CARE

Bill Arrington, Pharmacy Director, explained that when a patient is discharged, they can sometimes be prescribed a very expensive antibiotic or other medication that they are unable to afford. They don't realize it until they get to their pharmacy and find out how much it will cost. We would often not know if they didn't get their prescription filled until they became sicker and returned to the hospital. We have taken the opportunity to work on this issue. A local retail pharmacist volunteered to work with the hospital and our patients. We ask our patients if they want to participate in the program. The pharmacy gets a text message letting them know when the patient is almost ready to go home, and the prescription is made ready before the patient leaves the hospital. We held a meeting to discuss the program with the other retail pharmacies. Some showed interest, so we are designing a program that will work with multiple pharmacies. We have seen a slight decrease in re-admissions and the patients are pleased with the program.

BALANCED SCORECARD

Denise Webber shared the Scorecard report with the members. The inpatient satisfaction score fell just slightly. The clinic satisfaction score is above our goal. The ED score also fell slightly. We are constantly working to improve these scores. All of the quality scores look good. The physician satisfaction survey will be performed later in the year. Financially we are doing well year-to-date. We have recruited 5 providers this year.

ACCEPTANCE OF JULY 2017 FINANCIAL REPORT AND AUGUST 21, 2017 FINANCE COMMITTEE MINUTES

Lovelace explained that the decrease in the financials for the month of July was mainly due to a decrease in volume. He said that many of physicians took vacation during July; cumulatively adding up to 177 days.

Lovelace gave a PowerPoint presentation of the summary of operations for July 2017. Admissions, including rehab, were 302, above budget of 279 and last year of 299.

Surgeries were 255 for the month, above budget of 241 and below last year of 292. Surgeries at the Surgery Center were 287 for the month, below budget of 295 and above last year of 281.

Emergency room visits were 2,655 above budget of 2,337 and last year of 2,464. Outpatient visits, not including ER visits, were 10,220 above budget of 10,183 and last year of 9,695. Births were 80 for the month, above budget of 72 and above last year at 75.

Financial assistance was \$976,000 for the month. Salaries and Wages were at \$6.2M, above budget of \$6.07M and above last year of \$5.4M. Benefits were \$1.7M, above budget of \$1.68M and last year of \$1.3M.

Operating Income for the Hospital is \$537,000 below budget of \$574,000 and last year of \$771,000. Operating Income for the Clinics was (\$393,000) compared to a budget of \$79,000 and last year of (\$246,000). Operating Income Consolidated is \$144,000, below budget of \$653,000 and last year of \$525,000.

YTD Operating Income Consolidated is \$7.3M, above budget of \$4M and last year of \$7.0M. YTD Operating Margin Consolidated is 6.3%, above budget of 4% and below last year of 6.7%. YTD Non-Operating Revenue is \$3M, above budget of \$386,000 and last year at \$2.2M. YTD Net Income is \$10.4M, above budget of \$5.0M and last year of \$9.1M.

Days in Accounts Receivable looked good at 30.7 days. Days Cash on Hand is 158 days. Cash is \$78.6M, compared to \$76.6M at year end 2016.

To date, we have spent \$2.34M (91%) on the CMS project. This project is nearing completion. It will finish almost 9% under budget. Total amount approved for this project is \$2.573M. \$2.5M (39%) has been spent on the Cancer Center Project. Total amount approved for that project is \$7.643M.

The Finance Committee minutes were distributed to the Board members, as the meeting was held just one day prior to the Board meeting. The financials were discussed in detail. The committee recommended the Board approve the purchase of UV disinfection robots which will be discussed in detail later in this meeting. Lovelace also updated the Finance members on the Collaborative Care initiative. A BCBS update was also given. The sub-committee met and discussed a communication plan. Lovelace said that he reached out to BlueCross and asked for a ten-day response time; however, he has not received a response. Lovelace said that he had communicated to the physicians that the contract will expire November 30th. Integris has not yet reached an agreement with BlueCross.

Haney moved the Board accept the July 2017 Financial Report and the August 22, 2017 Finance Committee minutes as presented. Buchanan seconded the motion, and Noble, Duncan, Anthony, Barto, Couch, Haney and Buchanan voted in favor of the motion.

ACCEPTANCE OF AUGUST 8, 2017 FACILITIES COMMITTEE MINUTES

Taylor updated the members on the items discussed at the August 8, 2017 meeting of the SMC Facilities Committee of which the minutes were included in the packet. Taylor noted that rezoning approval was received by the City of Stillwater for the parking lot. Haney inquired about the automatic door at the entrance not currently working. Taylor said that he is working with the company to make the repairs quickly.

Barto moved the Board accept the August 8, 2017 Facilities Committee minutes as presented. Couch seconded the motion, and Anthony, Haney, Buchanan, Couch, Barto, Noble and Duncan voted in favor of the motion.

APPROVAL OF UV DISINFECTION ROBOTS

Necia Kimber, Infection Preventionalist, told the Board that the clinical effectiveness of Xenex and Clorox was evaluated for c. diff, MRSA, VRE and surgical site infections. Xenex outperformed Clorox in each category. We have concerns with the Clorox equipment in patient and worker safety due to mercury in the bulbs and the heat risk. Material damage was also less with Xenex exposure. Xenex would provide us with infection reports and would be onsite for implementation. Xenex also offers a guarantee of 10% reduction in patient infection at a cost of \$22,000. With over 300 in place and no requests for warranty use, Kimber feels that purchasing the guarantee would not be necessary. Norman reduced their infection rate by 35%. Xenex offered a PR Grant of \$10,000. Dr. Couch asked about

exposure time. Kimber explained the time in surgery and the unit rooms. It will add about 20 minutes in surgery and about 10 minutes per unit room. A robot will be used for every discharge (2nd, 3rd, 4th and 5th floor and ICU), in Surgery, Wound Care, Endoscopy, Radiology and the Emergency Department. The total cost of 4 Xenex robots minus the guarantee is \$415,928. Anthony said that he realizes that four robots would be stretched to reach all of these areas. He asked if we would receive a price break if additional units were purchased. Kimber agreed to find out.

Anthony moved the Board approve the purchase as presented and recommended purchasing more if a significant discount could be received. Couch seconded the motion, and Couch, Buchanan, Duncan, Anthony, Noble, Barto and Haney voted in favor of the motion.

ACCEPTANCE OF AUGUST 21, 2017 BOARD OVERSIGHT COMMITTEE MINUTES

Webber told the members that the group discussed the accreditation survey findings and our response to each. The members also reviewed quality indicators (medication errors, falls, etc.) for the hospital as well as Cimarron Medical Services and Home Health. Home Health currently holds a 5-star rating. Various grievances were discussed and data reviewed by department and category. The pending legal cases were also reviewed.

Barto moved the Board accept the August 21, 2017 Board Oversight Committee minutes as presented. Noble seconded the motion, and Couch, Duncan, Barto, Noble, Anthony, Haney, and Buchanan voted in favor of the motion.

REVIEW AND APPROVAL OF ADMINISTRATIVE POLICIES

Webber told the members that there were no changes made to the Employee Wellness Program policy. The policy was reviewed by the members.

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

UPDATE OF 2017 MANAGEMENT OBJECTIVES

Webber went through each objective and updated the members of the accomplishments made to date. She noted that she is pleased with the NOC program and feels it has been a great addition. Anthony asked about the tele-psych program. Webber said that it would be a part of the CPC program. A social worker will be a liaison for the program.

BLUECROSS/BLUESHIELD CONTRACT NEGOTIATIONS

Lovelace discussed contract negotiations earlier in the meeting. He agreed to keep the Board members up to date on any progress.

CONSENT AGENDA

Dr. Paden updated the Board members on the policies and credentialing actions listed on the Consent Agenda.

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

CEO REPORT

Webber started her report with three nice compliments from our patients.

Topics of CEO Webber's Report included the following:

NEWSPRESS READERS CHOICE AWARDS

Webber told the Board of the many Readers Choice Awards won by our physicians and various departments of the hospital.

SMC PLAZA LABORATORY RECOGNIZED FOR QUALITY SERVICE!

Stillwater Medical Center Plaza Laboratory has met all criteria for Laboratory Accreditation by COLA, a national healthcare accreditation organization receiving a score of 100. The surveyor commented that it is rare that a startup laboratory receives a perfect score. Webber stated that this is the first time she remembers receiving a score of 100, so we are excited!

AIR METHODS HELICOPTER SERVICE BASED AT SMC

Air Methods helicopter service will soon be based at Stillwater Medical Center. Air Methods provides service for the majority of our patients that need to be transferred to another facility. With the helicopter based here and the flight crew housed just across the street, transfers can occur faster in an effort to get patients the additional care needed.

COMPLIMENTARY VALET SERVICE COMING SOON

With the major projects we have starting over the next couple of months; we have decided to start a complimentary valet service in October. It will be provided Monday-Friday from 7:30-5:30. We feel this will be beneficial to our patients and give us an opportunity to improve our service. We looked at references and chose a company that will hire locally. We understand that hospitals using valet service reduce their number of falls.

TECUMSEH HEALTH RECIPROCAL RISK RETENTION GROUP MEETING

The merger between the Indiana and Oklahoma group is complete bringing overall savings to both groups. Highlights from the meeting included an initial look into possibly expanding the captive to include Healthcare Regulatory Liability coverage and evaluating the possibility of expanding

coverage for physician and provider medical malpractice. Both of these expansion possibilities will be analyzed further as potential strategies for reducing exposure risk to members.

WHAT'S RIGHT IN HEALTHCARE

A group attended the What's Right in Healthcare Conference Aug 1st – 3rd. The conference is hosted by the Studer Group. We brought back many ideas that will be implemented and used to educate staff through our Commitment to Excellence program. It was a great conference.

DR. LLOYD MOORE RETIRING

Webber let the Board know that Dr. Lloyd Moore has decided to retire from Stillwater Medical Center. He is an amazing physician who has served our community for over 30 years as well as served our country.

VIZIENT QUARTERLY EXECUTIVE BOARD MEETING

Webber attended the Vizient Oklahoma/Arkansas Quarterly Board Meeting. The group discusses significant trends to watch in 2017. Telemedicine and e-visits were discussed and the lack of penetration they currently have in the market. More inpatient procedures are becoming outpatient procedures.

STATE LEGISLATIVE UPDATE - CIGARETTE 'FEE' RULED UNCONSTITUTIONAL BY OKLAHOMA SUPREME COURT

Webber said she has not yet heard when the Special Session will be held. She expects cuts to come.

BLACKWELL REGIONAL HOSPITAL

It's been one year since we started our management partnership with Blackwell Regional. This first year was spent mostly on transitioning or in a lot of specific areas building new infrastructure to operationalize Blackwell Regional Hospital. We will begin strategic planning this week with Blackwell leaders to continue and hone efforts for sustaining long-term access to health care in the Blackwell service area.

UPCOMING EVENTS

Webber told the Board that she will be unable to attend the Trustee conference; however, Lovelace will join the Board members for the conference.

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

Those present in Executive Session included: Board members, Duncan, Buchanan, Noble, Anthony, Haney, Couch and Barto as well as CEO Denise Webber, Steven Cummings, MD, VP, Physician Practices, Nat Cooper, VP, Business Development, Cheryl Marshall, Executive Assistant.

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

Chairman Duncan 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

None.

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

<i>ED Section</i>	<i>7/12/2017</i>
<i>Medical Executive Committee</i>	<i>7/12/2017</i>
<i>Surgery/Anesthesia Section</i>	<i>7/13/2017</i>
<i>Infection Control Committee</i>	<i>7/19/2017</i>
<i>E-Medical Records Committee</i>	<i>7/28/2017</i>
<i>Peer/Policy Review Oversight Cte.</i>	<i>8/2/2017</i>
<i>Pediatrics Section</i>	<i>8/3/2017</i>

ADJOURN

There being no further business, Couch moved that the meeting be adjourned. Anthony seconded the motion, and Buchanan, Barto, Couch, Anthony, Noble, Duncan and Haney voted in favor of the motion. The meeting was adjourned at 6:55 p.m.

Chairman of the Board

Secretary of the Board