STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, March 28, 2017
Stillwater Medical Center Honoka Conference Center
5:30 p.m.

Present: Dan Duncan, Calvin Anthony, Lowell Barto, Beth Buchanan, Mayor Gina Noble and Dr. Cary Couch

Absent: Joe Haney

Others: Melanie Compton, Kelsey Wegener and Michael Cromaz (Rees), Charles Olson, MD, Butch Koemel (attorney), Denise Webber, Alan Lovelace, Steven Taylor, Randy Jobe, Keith Hufnagel, Cheryl Wilkinson, Shyla Eggers, Scott Petty and Cheryl Marshall (minutes)

Chairman Dan Duncan called the meeting to order at 5:32 p.m.

APPROVAL OF MINUTES
Barto moved the Board approve the minutes of the February 28, 2017 regular meeting of the Stillwater Medical Center Authority Board of Trustees as presented. Anthony seconded the motion and Barto, Buchanan, Duncan, and Anthony voted in favor of the motion. Mayor Noble and Dr. Couch abstained as they were unable to attend the February meeting.

PLAN DEVELOPMENT FOR SITE AND CANOPY REDESIGN
Steven Taylor introduced Melanie Compton, Kelsey Wegener and Michael Cromaz with Rees Associates. The members of the Board viewed renderings of the site plans for the exterior renovation and canopy redesign. The frontage would be updated similarly to the current renovation of the Cancer Center. The Heart and Vascular Center as well as the Surgery expansion were viewed. New staff parking is needed and would be a priority before major construction would begin. The project will be done in phases. Anthony asked if cost estimates are known. Compton stated that this project will move forward to Flintco Construction tomorrow and they will begin cost estimation and will build a timeline. The members were impressed with the renderings shown of the possible upcoming projects.

BOARD EDUCATION: EMPLOYEE SAFETY REPORT
Steven Taylor distributed information on the Employee Safety Program. The Safety Risk Committee meets regularly to manage safety for our patients, staff and visitors. Since 2010, total incidents have decreased from 97 to 79. Employees are asked to report even minor events as we investigate each to look for ways to prevent any future incidents. Lifting injuries have decreased significantly from 14 in 2013 to on 3 in 2016. OSHA injury rates have also significantly decreased. SMC is well below the best practice and
benchmark in direct losses in comparison with state and national averages, and is doing very well.

**BALANCED SCORECARD**

Denise Webber shared the Scorecard report with the members. The inpatient satisfaction score has come up some from the 77.5% shown. The clinic satisfaction score is 89.1% and is above our goal of greater than 85%. The ER score is 72.3% and is also above our goal. We are meeting our Medicare Readmission rate goal and are continuing to look at patient falls and C-Diff daily in the safety huddle meeting. A rheumatologist and an OB/GYN have both been recruited and are committed to coming.

**REPORTS FROM OFFICERS**

**ACCEPTANCE OF FEBRUARY 2017 FINANCIAL REPORT AND MARCH 15, 2017 FINANCE COMMITTEE MINUTES**

Lovelace gave a PowerPoint presentation of the summary of operations for February 2017. Admissions, including rehab, were 292, below budget of 332 and last year of 331. Observations were 62, below budget of 87 and last year of 91.

Surgicases were 282 for the month, below budget of 295 and last year of 324. Surgeries at the Surgery Center were 259 for the month, above budget of 233 and below last year of 275.

Emergency room visits were 2,671 above budget of 2,471 and above last year of 2,551. Outpatient visits, not including ER visits, were 10,855 above budget of 10,183 and last year of 10,639. Births were 58 for the month, below budget of 72 and last year at 78. OB clinic visits are up, so we are expecting an increase in births.

Financial assistance was $1M for the month. Salaries and Wages were at $5.4M, below budget of $6M and above last year of $5M. Benefits were $1.11M below budget of $1.68M and below last year of $1.58M.

Operating Income for the Hospital is $1.2M above budget of $164,000 and below last year of $1.4M. Operating Income for the Clinics was ($156,000) compared to a budget of $79,000 and below last year of ($375,000). Operating Income Consolidated is $1M, above budget of $243,000 and equal to last year of $1M.

YTD Operating Income Consolidated is $2.1M, above budget of $1M and last year of $2M. YTD Operating Margin Consolidated is 6.6%, above budget of 3% and below last year of 7.3%. YTD Non-Operating Revenue is $1.2M, above budget of $110,000 and last year at ($992,000). YTD Net Income is $3.4M, above budget of $1M and last year of $710,000.

The Arvest investment account increased to $29M. Lovelace explained that this is in progress of being moved to BancFirst. Duncan asked if it would be
liquidated as a percentage was held in equities. Lovelace said that it will be moved in kind and then liquidated by BancFirst. The BancFirst Investment Account increased to $19M in February. An additional $15M was added to the investment account in March. February investments combined are $48.2M. YTD Simple Return for Arvest is 2.18%; BancFirst is 1.69%. The benchmark is 2.81%.

Days in Accounts Receivable were 34 days. Days Cash on Hand is 165 days. Cash is $80.5M, compared to $76.6M at year end 2016.

To date, we have spent $1.3M (52%) on the CMS project. Total amount approved for this project is $2.573M. $955,525 (13%) has been spent on the Cancer Center Project. Total amount approved for that project is $7.643M.

2017 Commerce Bank Bonds beginning balance $35M. YTD Repayments $1.5M (4%), leaving an ending balance of $33.4M. To meet tax exempt guidelines, 85% must be spent by January 27, 2020.

Lovelace stated that the Finance Committee members discussed the financials, the summary of clinic operations and scorecard. BancFirst presented information regarding active versus passive investment management and fee structures. They requested that we review the investment policy as it has not been updated in the last several years. They also discussed and agreed upon moving to electronic packets.

Anthony moved the Board accept the February 2017 Financial Report and the March 15, 2017 Finance Committee minutes as presented. Noble seconded the motion, and Noble, Couch, Barto, Duncan, Buchanan and Anthony voted in favor of the motion.

**REVIEW AND APPROVAL OF ADMINISTRATIVE POLICIES**

The Board reviewed the two policies brought forth: Medical Staff Development Committee and Allied Health Practitioners Staff Appointments. Webber pointed out the changes requested in both. Barto pointed out the need to also change the title and subtitle of the Medical Staff policy to reflect the current name of the committee. Under guidelines, the word “specializes” would change to “specialties.” The changes in the Allied Health Practitioners policy were reviewed and accepted as stated.

Barto moved the Board approve the administrative policies with the additional changes noted. Couch seconded the motion, and Duncan, Buchanan, Anthony, Couch, Barto and Noble voted in favor of the motion.

**REPORT OF COMPLIANCE ACTIVITIES**

Cheryl Wilkinson went over the report of compliance activities with the Board. She pointed out the new regulations required by the Centers for
Medicare and Medicaid (CMS). The members expressed appreciation of the report.

CONSENT AGENDA
Dr. Olson updated the Board members on the policies and credentialing actions listed on the Consent Agenda. Anthony asked about the Rounding Log. Olson explained that the nurses round hourly on each ER patient to see how they are doing and let them know of any delays, etc. This has made a positive impact.

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

CEO REPORT
Topics of Ms. Webber’s CEO Report included the following:

PARTNERS IN PROGRESS AWARD
Webber stated that we were honored to receive Central Tech’s Partner for Progress award. This award recognizes businesses and industries that have made outstanding contributions to the improvement, promotion, development and progress of careers. We have a great partnership with our technology centers. Last year we were honored to receive the award from Meridian Technology.

FLAG CEREMONY
Webber said that she attended the Flag Ceremony honoring Jana Benningfield. Through organ donation, she was able to save the lives of three people. The ceremony was very touching.

WELLNESS PROGRAM UPDATE
Our wellness program has seen continued growth with our employee participation rate at 53% which is higher than national average for similar programs at 40%. Of the 617 participants, 74% qualified for the healthy normal bonus & 28% lost weight. 36% of our total workforce is considered healthy normal compared to 20% when the program started in 2009.

HOSPICE UPDATE
The Hospice transition is in progress. A team of SMC and Judith Karman personnel met for the first time on Thursday, March 23rd to dig in to all that must take place for the transition.

UPL UPDATE
Lovelace said that the have been working on risk protection with Grace Living Center. They have been reluctant to obtain a Letter of Credit. The Oklahoma HealthCare Authority just received word that Public Trusts are not considered non-state governmental organizations and will not be allowed
to participate in the program. We are researching and continuing to pursue options.

**LEAN TEAM REPORT**
Webber said that our Lean Teams have been working hard. The Board members reviewed the process improvements made and upcoming projects.

**ALTERNATE PAYMENT MODELS – STUDY SESSIONS**
Study Sessions are being scheduled. Webber said that information on alternative payment models for the sessions will be sent via Folia.

**DR. ALLEN – BLACKWELL**
We've had our first successful recruitment of a physician to join the team at Blackwell Regional, Dr. Melinda Allen, DO (Internal Medicine). She will join them this summer.

Webber distributed Freedom of Information forms to the members as requested by the League of Women Voters. Forms were signed by each member in attendance. Marshall agreed to mail the forms back to the League.

Webber congratulated Mayor Noble on her phenomenal job at the Mayoral State of the City.

**EXECUTIVE SESSION**
Anthony 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. Barto seconded the motion, and Couch, Barto, Duncan, Noble, Buchanan and Anthony voted in favor of the motion.

Those present in Executive Session included: Board members, Duncan, Buchanan, Noble, Anthony, Barto and Couch as well as CEO Denise Webber and Cheryl Marshall, Executive Assistant.

Anthony moved the Board return to Open Session. Barto seconded the motion and Couch, Buchanan, Noble, Duncan, Barto and Anthony 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:

*ED Section*  
2/8/2017
ADJOURN

There being no further business, Couch moved that the meeting be adjourned. Barto seconded the motion, and Anthony, Barto, Couch, Buchanan, Noble and Duncan voted in favor of the motion. The meeting was adjourned at 7:19 p.m.

[Signatures]

Chairman of the Board

Secretary of the Board