

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, January 28, 2025
Stillwater Medical Center, Honska Conference Center
5:30 p.m.**

Present: Dan Duncan, Lowell Barto, Denise Weaver, Dr. Todd Green, Gary Clark, Cheryl Wilkinson and Mayor Will Joyce

Absent:

Others: Denise Webber, Dr. Mark Paden, Dr. Matthew Payne, Dr. Daniel Roton, Alan Lovelace, Kayla Isaacs, Jovan Smith, Dawn Kregel, Steven Taylor, Shawn Howard, Tamie Young, Michal Shaw, Necia Kimber, Joe Ogle, Brian Grace, John Koemel (attorney) Chris Peters (Stillwegian) and Cheryl Marshall (minutes)

CALL TO ORDER

Chairman, Dan Duncan, called the meeting to order at 5:34 p.m.

The Mission, Vision and Values statement was included for review.

APPROVAL OF MINUTES

Wilkinson made a motion to approve the December 19, 2024, Board of Trustees minutes, December 18, 2024, Finance Committee minutes, November 7, 2024, Facilities Committee minutes and December 16, 2024, Medical Staff Integration Committee minute as presented. Barto seconded the motion and Barto, Duncan, Weaver, Joyce, Wilkinson, Clark and Green voted in favor of the motion.

BOARD EDUCATION: PULMONARY SERVICES

Dr. Daniel Roton shared the great need for lung screenings in Oklahoma and across the nation. Cancer is often not discovered until it is in the late stages with low survival rates. He shared a video of the ION Endoluminal System, which is a robotic bronchoscopy system that allows physicians to biopsy lung nodules without surgery. These biopsies allow us to diagnose and treat cancer in its earliest stages. A low-cost CT scan was offered to the community in December and 417 patients were screened. 17 patients have undergone a bronchoscopy, and some have already received treatment for cancer. This is life-saving technology.

2024 ORGANIZATIONAL SCORECARD REPORT

CEO Webber shared the final performance ratings for 2024 in each category, ending the year at 4.3 out of 5 in overall performance. It has been an exceptional year.

2025-2027 STILLWATER MEDICAL STRATEGIC PLAN AND 2025 ORGANIZATIONAL PERFORMANCE SCORECARD

Webber shared the 2025-2027 Strategic Plan and the 2025 Performance Scorecard with the members. She shared that our goals are centered around our patients, and providing them great quality care, increased access and broader services to help meet the needs of our communities.

BOARD COMMITTEE ASSIGNMENTS

Chairman Duncan shared that this item would be discussed further at the next meeting.

ACCEPTANCE OF REPORTS FROM OFFICERS

APPROVAL OF QUALITY ASSURANCE PERFORMANCE IMPROVEMENT (QAPI) REPORT

Denise Webber shared new reports from the Clinical Data Base (CDB). These reports are received quarterly, versus the CMS Star Rating based on 18-month-old data. The CDB data also includes all patients, not just Medicare patients. This data is closer to real time and allows us to focus on areas needing improvement much sooner. Overall performance has improved significantly this quarter. The CBD data will be shared going forward.

DECEMBER 2024 FINANCIAL REPORT/JANUARY FINANCE COMMITTEE REPORT

Alan Lovelace provided a PowerPoint summary of operations for December 2024. Admissions, including rehab, were 468 above last year of 425. Average Daily Census, including rehab was 56, above last year of 54.

Surgeries were 479, below budget and last year of 526. Surgeries at the Surgery Center West were 571, above last year of 558.

Emergency room visits were 2,915, slightly below last year of 2,968. Outpatient visits, not including ER visits, were 14,750 above budget of 13,495 and last year of 12,177. Clinic Visits were 24,955, above last year of 21,917. Births were 49 for the month, below last year at 54.

Financial assistance was \$1.37M for the month. Salaries and Wages were at \$13.2M, above budget of \$12.5M, and last year of \$11.6M. FTE's were 1,608, above last year of 1,492. Benefits were \$2.3M below budget of \$2.9M and above last year of \$3.6M.

Operating Income Consolidated is \$655,000, below budget of \$672,000 and above last year of \$161,000. Operating Income for the Hospitals is \$960,000 below last year of \$2.5M. Operating Income for Stillwater Medical is \$1.19M, above budget of \$1.18M and below last year of \$2.1M. Operating Income for Stillwater Medical Perry is (\$123,000) compared to a budget of \$12,000 and last year of \$181,000. Operating Income for Stillwater Medical Blackwell is (\$107,000), below budget of \$58,000 and last year of \$210,000. Operating

Income for the Clinics is (\$305,000) compared to a budget of (\$587,000) and last year of (\$2.3M).

Operating Income for the Hospitals year to date is \$15.3M compared to last year of \$17.4M. Operating Income for the Clinics year to date is (\$5M) compared to a budget of (\$8.4M) and last year of (\$11.3M). Operating Margin for the Hospitals is 5.8% compared to last year of 7.2%. Operating Margin for the Clinics is -4.3% compared to last year -11.1%.

YTD Operating Margin Consolidated is 2.94%, compared to a budget of 2.79% and last year of 1.91%. YTD Non-Operating Revenue is \$6.7M, above budget of \$2.1M and below last year at \$15.1M. YTD Net Income Consolidated is \$17M, above budget of \$12.1M and below last year of \$19.7M.

The BancFirst investment account decreased to \$87.1M and year to date is -2.56%. The Arvest investment account decreased to \$10.1M and year to date is -3.30%. The Commerce investment account decreased to \$16.8M and year to date is -2.11%. Consolidated Investments for December is \$114.0M.

Days in Accounts Receivable is 37 days. Cash Collections-AR was \$30.5M compared to \$27.0M in the 3rd quarter. Net AR Balance Consolidated was \$42.4M. Cash on Hand is \$134.7M at yearend 2024. Days Cash on Hand was 148 in December.

A YTD Operating Income Summary vs Budget and Investment Bank Performance was provided.

Lovelace shared that the Finance Committee reviewed the financials and summary of clinic operations. Arvest presented SMC's investment portfolio update. The Committee recommended approval of the loan for the building purchase.

JANUARY 2025 MEDICAL STAFF INTEGRATION COMMITTEE REPORT

Joe Ogle shared the Medical Staff Integration Committee report. He noted that the First Year Peer Program guidelines were approved by the Committee. The Committee reviewed the recruitment needs and discussed a possible Medical Staff Development Plan review later in the year.

Weaver made a motion to accept the standing reports. Clark seconded the motion, and Duncan, Joyce, Weaver, Wilkinson, Clark, Green and Barto voted in favor of the motion.

APPROVAL OF RESOLUTION NO. 2025-01

The Board discussed a Resolution approving and authorizing the Chief Financial Officer to negotiate NMTC equity capital for the purpose of utilizing an allocation of \$20M in New Market Tax Credits by REI

Development Corp. (REI Oklahoma) and the sale and purchase of New Market Tax Credits (NMTC's) in the amount of \$7.8M to BancFirst, for the purposes of financing construction of the Orthopedic Center of Excellence in Stillwater, Oklahoma and ratification of actions previously taken by the Chief Financial Officer; and waiving competitive bidding and authorizing financing obligations by negotiation; and directing the execution and delivery of documents on behalf of Stillwater Medical Center Authority.

Lovelace reminded the Board that NMTC program is federally funded and is available for those in severely distressed economic areas of which Stillwater Medical is located. There is a \$5M benefit to help fund the Ortho Center of Excellence. Lovelace explained the NMTC process and shared that we plan to close in March.

Barto made a motion to approve Resolution No. 2025-01 as presented. Clark seconded the motion, and Weaver, Wilkinson, Duncan, Barto, Green, Joyce and Clark voted in favor of the motion.

APPROVAL OF LOAN FOR REAL ESTATE PURCHASE

Alan Lovelace shared a loan analysis to fund the Surgery Center West and OrthoOklahoma properties. Four bids were received of which BankNA was determined best. The loan would be for 3 years at 4.9% interest. BankNA would also allow us to deposit \$8M at the CD rate of 4.2% for 3 years earning \$1.1M, which would cover the cost of the interest and insurance. Additional FDIC insurance would be purchased to fully insure the deposit.

Barto made a motion to approve the 3-year, \$8M loan through BankNA at an interest rate of 4.9%. Green seconded the motion, and Barto, Wilkinson, Green, Joyce, Clark, Duncan and Weaver voted in favor of the motion.

SEMI ANNUAL CONFLICT OF INTEREST STATEMENT

The conflict-of-interest statement was signed by all Board members in attendance.

No action is required.

APPROVAL OF ADMINISTRATIVE POLICIES

Denise Webber shared the minor changes to the Board Committees and Development of New Hospital Services policies. She shared that the other policies included in the packet will be further reviewed and brought forward next meeting. Barto shared that the Bylaws state that the Board appoints the members. Since leadership terms are now every other year, the Chairman will determine the frequency of the Committee Appointments.

Clark made a motion to approve the Board Committees and Development of New Hospital Services policies as presented. Barto seconded the motion, and Green, Wilkinson, Weaver, Barto, Joyce, Clark and Duncan voted in favor of the motion.

CONSENT AGENDA

Dan Duncan updated the Board members on all Consent Agenda items for Stillwater Medical Center and Rural Emergency Hospitals in Blackwell and Perry. All actions listed on the consent agenda were approved through our Medical Staff Committees.

Joyce moved the Board approve the Consent Agenda. Clark seconded the motion and Weaver, Wilkinson, Barto, Clark, Green, Duncan and Joyce voted in favor of the motion.

ITEMS REMOVED FROM THE CONSENT AGENDA

No action was taken.

CEO REPORT

CEO, Denise Webber shared the following report with the members:

2025 NEW YEAR'S BABY

The New Year's baby was born at 4:40 am on January 1st! We presented the family with a gift basket filled with baby essentials and a gift card.

BRAD HORST SELECTED VICE PRESIDENT OF HUMAN RESOURCES

Brad Horst started with us as interim, so we have had the privilege of getting to know him over the last 90 days. Brad comes to us with over 25 years of experience in Human Resource leadership.

BEST IN KAY COUNTY AWARDS!

Blackwell Primary Care's own Sarah-Beth McGuire, APRN and Robin Simmons, LPN received best in Kay Country Awards for Best Practitioner and Best Nurse!

EMPLOYEE FORUMS/PASSPORT TO EXCELLENCE

The Employee Forums/Passport to Excellence sessions were well attended by our team. The senior team reflected on 2024 achievements and shared an exciting vision for 2025, reinforcing that our team is at the heart of our success. A video from the Forums was shared with the members.

SHIFT WIZARD

In response to requests from our team, we are in the process of installing scheduling software (developed by nurses) that gives centralized oversight and communication across multiple departments, locations, and facilities. This is a cloud-based staff scheduling and productivity software that will streamline scheduling.

NICU RIBBON CUTTING SCHEDULED!

The ribbon cutting for our new NICU is scheduled for February 26th at 10:30.

NURSING RANKED AS THE MOST ETHICAL AND HONEST PROFESSION FOR THE 23RD YEAR IN A ROW

For an impressive 23rd year, nursing was rated as the most ethical and honest profession once again in 2024, according to a Gallup poll. 76% of U.S. adults believed nurses have “very high” or “high” honesty and ethical standards.

FEBRUARY IS HEART MONTH!

We have a variety of activities planned to educate and bring awareness to the importance of "Doing your part by knowing your heart." We are offering \$50 cardiovascular and calcium screening tests that are available without a physician order. Our cardiology team has put together a free community class titled "Function Not Failure" that will be held on Feb 12. It is open to the public and they are looking forward to the opportunity to connect and educate the participants on how to maintain a healthy heart.

NEWSPRESS SMCA SPOTLIGHT ARTICLES

Webber shared recent NewsPress healthcare articles.

INDUSTRY UPDATE

Webber shared information from a recent OHA article concerning open enrollment in Medicare Advantage.

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. Weaver seconded the motion, and Clark, Duncan, Barto, Joyce, Wilkinson, Green and Weaver voted in favor of the motion.

Those present in Executive Session included: Board members, Barto, Duncan, Clark, Wilkinson, Green, Joyce and Weaver; Medical Staff Liaison, Dr. Mark Paden, as well as Denise Webber, CEO, Joe Ogle, Physician Recruiter and Cheryl Marshall, Executive Assistant.

Barto moved the Board return to Open Session. Weaver seconded the motion and Barto, Wilkinson, Joyce, Clark, Duncan, Green and Weaver voted in favor of the motion.

RETURN FROM THE EXECUTIVE SESSION

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

OTHER BUSINESS

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

Stillwater Medical Center:

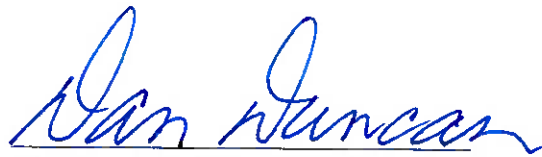
<i>Medical Executive Committee</i>	<i>December 11, 2024</i>
<i>Surgery Anesthesia Section</i>	<i>November 14, 2024</i>
<i>Emergency Dept. Section</i>	<i>December 12, 2024</i>
<i>Medicine Section</i>	<i>December 12, 2024</i>
<i>Credentials Committee</i>	<i>December 3, 2024</i>
<i>Peer Review Committee</i>	<i>December 3, 2024</i>
<i>Credentials Committee</i>	<i>January 7, 2025</i>

Stillwater Medical Perry:

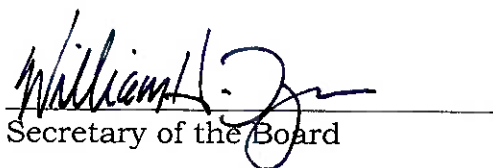
<i>Medical Executive Committee</i>	<i>November 19, 2024</i>
<i>Medical Executive Committee</i>	<i>December 17, 2024</i>
<i>Patient Safety & Quality</i>	<i>December 11, 2024</i>
<i>Patient Safety & Quality</i>	<i>January 8, 2025</i>

ADJOURN

There being no further business, Barto moved that the meeting be adjourned. Weaver seconded the motion, and Duncan, Joyce, Weaver, Barto, Green, Clark and Wilkinson voted in favor of the motion. The meeting was adjourned at 7:15 p.m.



Chairman of the Board



Secretary of the Board

