

**STILLWATER MEDICAL CENTER AUTHORITY
BOARD OF TRUSTEES
Regular Meeting, December 20, 2022
Stillwater Medical Center Honska Conference Center
5:30 p.m.**

Present: Lowell Barto, Gary Clark, Dan Duncan, Beth Buchanan, Mayor Will Joyce and Dr. Todd Green

Absent: Joe Haney

Others: CFO, Alan Lovelace, Dr. Dan Brown, Dr. Malinda Webb, Steven Taylor, Liz Michael, Joe Akin, Shyla Eggers, Michal Shaw, Joe Ogle, Tamie Young, Doug Blessen, Brian Grace, Butch Koemel (attorney), Christa Louthan (OSU), Dani Comstock (student), Chris Peters (Stillwater NewsPress) and Cheryl Marshall (minutes)

CALL TO ORDER

Chairman, Lowell Barto, called the meeting to order at 5:47 p.m. Webber sent her regrets for being unable to attend the meeting. Barto was happy to announce that Dan Duncan had been reappointed by the City of Stillwater for an additional three-year term. The Board shared their appreciation of Duncan's service.

APPROVAL OF MAJOR FOUNDATION GIFT NAMING AGREEMENT - ONCUE NEONATAL INTENSIVE CARE UNIT

Michal Shaw, Stillwater Medical Foundation Executive Director, shared that a Press Conference was held yesterday announcing OnCue's generous and most appreciated gift of \$1M to help fund the level 2 neonatal intensive care unit. A clip of the Press Conference was shared with the members. The members reviewed the naming agreement.

Clark made a motion to approve the naming of the Level 2 NICU as Oncue Neonatal Intensive Care Unit. Duncan seconded the motion and Clark, Barto, Green, Duncan, Buchanan and Joyce voted in favor of the motion.

APPROVAL OF MINUTES

Joyce moved the Board approve the minutes of the November 29, 2022, Board of Trustees meeting, November 16, 2022, Finance Committee minutes and the November 8, 2022, Facilities Committee meeting as presented. Buchanan seconded the motion and Duncan, Green, Clark, Buchanan, Joyce, and Barto voted in favor of the motion.

STRATEGIC PERFORMANCE SCORECARD

CFO, Alan Lovelace shared the current scores in each category with the members.

REPORTS FROM OFFICERS

Chairman Barto let the members know that the Blue Cross Blue Shield negotiations item on the agenda is not ready for discussion and asked that it be tabled.

Duncan made a motion to table the Blue Cross Blue Shield Negotiations discussion. Joyce seconded the motion, and Barto, Joyce, Buchanan, Clark, Green and Duncan voted in favor of the motion.

NOVEMBER 2022 FINANCIAL REPORT/DECEMBER FINANCE COMMITTEE REPORT

Lovelace provided a PowerPoint handout of the summary of operations for November 2022. Admissions, including rehab, were 425 above budget of 402 and below last year of 432. Average Daily Census, including rehab, was 54, below a budget of 63 and last year of 58.

Surgeries were 412 for the month, below budget of 529 and last year of 423. Surgeries at the Surgery Center West were 702 for the month, above a budget of 622 and last year of 561.

Emergency room visits were 2,890 above last year of 2,643. Outpatient visits, not including ER visits, were 13,524 below last year of 14,023. Births were 66 for the month, above budget of 65 and below last year at 67.

Financial assistance was \$853,000 for the month. Salaries and Wages were at \$12M, above last year of \$11.2M. FTE's were 1,574 below last year of 1,618. Benefits were \$2.3M below last year of \$2.62M.

Operating Income Consolidated is (\$724,000), below budget of \$1.1M and last year of \$1.8M. Operating Income for the Hospitals is \$767,000 below last year of \$1.3M. Operating Income for Stillwater Medical is \$917,000, below last year of \$1.4M. Operating Income for Stillwater Medical Perry is (\$97,000) above last year of (\$101,000). Operating Income for Stillwater Medical is (\$52,000), above last year of (\$201,000). Operating Income for the Clinics is (\$1.4M) compared to last year of \$563,000. The Cancer Center loss was due primarily to the increasing costs of pharmaceuticals.

Operating Income for the Hospitals year to date is (\$764,000) compared to a budget of \$17.2M and last year of \$18.7M. Operating Income for the Clinics year to date is (\$7.6M) compared to last year of (\$2.4M). Operating Margin for the Hospitals is 0.36% compared to a budget of 7.2% and last year of 8.8%. Operating Margin for the Clinics is -8.4% compared to last year, 2.9%.

YTD Operating Margin Consolidated is -2.3%, compared to a budget of 4.2% and last year of 5.3%. YTD Non-Operating Revenue is (\$11.5M), below budget of \$4.5M and last year at \$6.6M. YTD Net Income Consolidated is (\$18.4M), below budget of \$17.9M and last year of \$22.8M.

The BancFirst investment account increased to \$87.5M. The Arvest investment account increased to \$8.7M. The Commerce investment account increased to \$13.8M.

Days in Accounts Receivable is 41 days. Days Cash on Hand is 172 days. Cash on hand is \$142.7M compared to \$151.1M at year end 2021.

A YTD Operating Income Summary vs Budget was provided showing YTD operating income at a loss of (\$6,868,693).

Lovelace shared that the Finance Committee reviewed the financials and summary of clinic operations. Commerce Bank presented SMC's investment portfolio update. The arthroscopic video tower was recommended for approval. The Committee also recommended approval of the 2023 Operating and Capital Budgets.

NOVEMBER MEDICAL STAFF INTEGRATION COMMITTEE REPORT

Joe Ogle updated the members on the November Medical Staff Integration Committee meeting. He shared that Lifton & Associates completed the Medical Staff Development Plan and that it had been discussed in detail with the Committee.

DECEMBER FACILITIES COMMITTEE REPORT

Steven Taylor updated the members on the December Facilities Committee meeting. He shared that the OSDH survey has been delayed due to the need to move three electrical panels closer to the OR. Phase I of the Cancer Center MR Linac project is moving forward.

Buchanan made a motion to accept the November 2022 Financial Report, December Finance Committee Report, November Medical Staff Integration Committee report and December Facilities Committee report as presented. Duncan seconded the motion, and Buchanan, Duncan, Joyce, Dr. Green, Clark and Barto voted in favor of the motion.

APPROVAL OF PURCHASE OF SCW ARTHROSCOPIC VIDEO TOWER

Doug Blessen shared that SCW has had two video towers over 23 years. Due to the age of the equipment, replacement parts are difficult to obtain. There were 3 bids received: Storz, \$367,081.21; Stryker, \$317,507.78; and Arthrex, at \$260,082.08 plus 3-year service contract \$47,520 (total \$307,602.08). The bid of choice by surgeons and staff is the low bidder, Arthrex.

Clark made a motion to approve the arthroscopic video tower from Athrex at a total cost of \$307,602.08 as presented. Joyce seconded the motion, and Green, Joyce, Barto, Duncan, Clark and Buchanan voted in favor of the motion.

APPROVAL OF 2023 OPERATING AND CAPITAL BUDGETS

Alan Lovelace shared that the Finance Committee went over the 2023 Operating and Capital Budgets in detail. He shared the projected revenue and expenses. Budgeted operating income consolidated is projected at \$5.07M, 1.24% margin. We plan to bring several capital projects to completion and start only necessary projects, such as roof replacement. Capital purchases for 2023 are budgeted at \$47.1M. Each project will come back to the Board for approval.

Duncan made a motion to approve the 2023 Operating and Capital Budgets as presented. Buchanan seconded the motion, and Clark, Buchanan, Green, Joyce, Duncan and Barto voted in favor of the motion.

CONSENT AGENDA

Dr. Daniel Brown updated the Board members on the Consent Agenda items for Stillwater Medical Health System and Stillwater Medical Center. All actions listed on the consent agenda were approved through our Medical Staff Committees.

Joyce moved the Board approve Consent Agenda for Stillwater Medical Health System and Stillwater Medical Center. Clark seconded the motion and Duncan, Joyce, Buchanan, Barto, Green and Clark voted in favor of the motion.

Dr. Brown shared the credentialing actions requested which included reappointment applications. He asked that the initial appointment of Caleb Scheckel, DO be tabled until further information is obtained.

Buchanan moved the Board approve the requested Stillwater Medical Center credentialing actions, excluding initial appointment of Caleb Scheckel, DO. Duncan seconded the motion and Joyce, Green, Buchanan, Duncan, Barto, and Clark voted in favor of the motion.

Steven Taylor updated the Board members on the Consent Agenda items for Stillwater Medical Perry and Stillwater Medical Blackwell. All actions listed on the consent agenda were approved through our Medical Staff Committees.

Joyce moved the Board approve Consent Agenda items for Stillwater Medical Blackwell and Stillwater Medical Perry as presented. Clark seconded the motion and Barto, Clark, Green, Duncan, Buchanan and Joyce voted in favor of the motion.

CEO REPORT

CFO, Alan Lovelace shared the following report with the members:

STILLWATER MEDICAL FOUNDATION RECEIVES HISTORIC \$1M GIFT!

We are beyond thrilled and humbled to receive this most generous gift of \$1M from OnCue for our soon coming Level 2 NICU! Together with Oklahoma Children's our infants and families will remain close to home!

STILLWATER MEDICAL FOUNDATION GALA

SMF's largest fundraising event of the year, The Gala, took place on December 9th. Over \$546,000 was raised which is more than double the highest earning gala in SMF history!

STILLWATER HOLIDAY PARADE OF LIGHTS

Stillwater Medical took first place in the Best Commercial/Business entry category! We were so pleased with the planning, organizing and work done by Kathy Carroll and a team of 25 plus staff members. The Webbers graciously served as the Grand Marshals.

STILLWATER MEDICAL RECEIVES WOMEN'S CHOICE BEST HOSPITAL 2023 AWARD!

We were recently notified that we are a recipient of the Women's Choice Best Hospital Award for 2023! This award is an evidence-based quality designation based on CMS data and accreditations that only the Top 10% of hospitals in the nation can qualify for.

VOLUNTEER HOLIDAY RECEPTION

We took the opportunity to thank our many wonderful volunteers from Stillwater Medical, Karman Legacy Hospice, and Karman Korner, at a holiday luncheon held in their honor. Over seventy volunteers were in attendance and were applauded for their hours of service.

SANTA VISITS STILLWATER MEDICAL!

Santa made his annual visit to Stillwater Medical Plaza. Employees' children and grandchildren were able to talk to Santa, receive a bag of goodies, and get a free picture with Santa. We are thankful that we can provide this fun activity for our families each year.

SMC RECEIVES HEARTFLOW CT QUALITY AWARD

HeartFlow is a FFRct software that takes a Cardiac CTA and processes it with AI (artificial intelligence) to visualize the coronary artery blood flow. This workflow helps create a more effective treatment plan for our Cardiac patients. To qualify for this award, we have to have 92% of our submitted cases pass rigorous quality standards. This award places SMC in the top 17% of all participating hospitals worldwide for quality standards.

DNV STROKE SURVEY

DNV was at SMC on November 29-30th for the annual primary stroke survey. The program and staff did very well with only 2 minor findings. Overall, the surveyor was very impressed.

NOVEMBER 2022 EMPLOYEE OF THE MONTH – TINA BARTLEY

Tina Bartley was nominated by her peers as our December Employee of the Month. Her coworkers said, “Tina is a go-getter in every sense of the word. She is committed to excellence and considered an all-star.” Congratulations Tina!

CEO ANNUAL PERFORMANCE SURVEY COMING YOUR WAY SOON

A survey will be sent to Board Members in the next couple of weeks.

EXECUTIVE SESSION

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

Those present in Executive Session included: Board members, Barto, Buchanan, Clark, Duncan, Joyce, Green and Webb (Medical Staff Liaison) as well as Alan Lovelace, CFO; Joe Ogle, Physician Recruiter and Cheryl Marshall, Executive Assistant.

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

RETURN FROM THE EXECUTIVE SESSION

Chairman, Barto 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>November 14, 2022</i>
<i>Surgery/Anesthesia Section</i>	<i>December 8, 2022</i>
<i>QA/PI Committee</i>	<i>November 22, 2022</i>
<i>Peer Review Committee</i>	<i>December 6, 2022</i>

Stillwater Medical Perry:

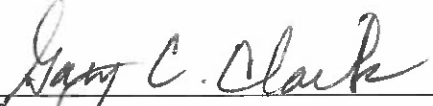
Performance Improvement Committee November 23, 2022

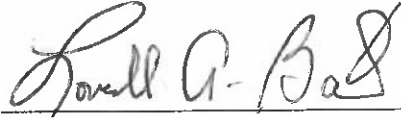
NEW BUSINESS

None.

ADJOURN

There being no further business, Clark moved that the meeting be adjourned. Duncan seconded the motion, and Buchanan, Green, Joyce, Duncan, Clark and Barto voted in favor of the motion. The meeting was adjourned at 7:04 p.m.


Secretary of the Board


Chairman of the Board

