



OSU Medical Trust Finance Committee Minutes

OSU Medical Authority and Trust

1/23/2025 11:15 AM CST

@ OSU-CHS, North Hall 4th Floor Boardroom, 1111 West 17th Street, Tulsa

Notice of the meeting was given in writing to the Oklahoma Secretary of State more than forty-eight (48) hours prior to the meeting, and the agenda of this meeting was posted at entrances of Oklahoma State University Center for Health Sciences, 1111 West 17th Street; twenty-four (24) hours prior to such meeting, excluding Saturdays, Sundays, and legal holidays, in compliance with the Oklahoma Open Meeting Act.

Attendance

Present:

Members: Doug Evans, Jay Helm, Barry Steichen, Billy Taylor

Guests: Eric Atkinson, Ellen Buettner, Melissa Cox, Mike Fields, Catherine Gann, Michael Herndon, Finny Mathew, Jacob McDougal (remote), Michael Rogers, Jessica Russell (remote), Bill Schloss, Terri Tinkler, Erica Woolf

Outside Guests: Matt Onstott-Sellers Dorsey (remote)

I. Call to order (Presenters: Doug Evans)

A quorum was established, and the meeting was called to order at 11:16 AM by Doug Evans.

II. Approval of the minutes from the December 5, 2024 meeting – ACTION (Presenters: Doug Evans)

 [Draft-OSU Medical Trust Finance Committee Minutes 12.5.2024.pdf](#)

Motion:

Motion to approve the minutes from the December 5, 2024, meeting.

Motion moved by Billy Taylor and motion seconded by Barry Steichen. Aye: Taylor, Steichen, Evans Nay: None Abstain: None

III. Finance Reports

A. Review of Month to Date and Year to Date December 2024 Financials (Presenters: Melissa Cox, Eric Atkinson)

 [December 2024 Financial Presentation - Finance.pdf](#)

Melissa Cox PS, LLC

- Clinic visits were under budget due to the departure of the Pain Management group, as well as a few provider PTO days.
- Clinic FTE's are under budget due to Pain Management clinic closure and staff open positions.
- Staffing across the board is still a problem.
- Other revenue favorable to budget due to higher collection percentage than budgeted.
- Salaries are under budget due to lower FTE's.
- Purchased services are under budget due to savings with the closure of Pain Management and Nephrology clinics.
- Supplies are lower due to vaccine cost being lower than anticipated and not purchasing pain management supplies and medications.
- Purchased Services are under budget due the closure of the Pain Management and Nephrology clinics, as well as less expenditure with administration costs, such as bank fees.

Eric Atkinson OSUMC

Monthly and YTD

- Inpatient statistics were really right in line with what we had budgeted slightly below prior year from December.
- Admits and patient days daily census were up from prior year, but slightly down from budget, and our acuity is a little less this year than budgeted and prior year.
- Emergency room visits slower lower to prior year and below budget.
- Outpatient surgery was under budget due to outpatient urology which has not come through.
- Outpatient imaging slightly below for the month.
- Cath lab volumes for December were at 70 on a budget of 132. Cath lab is very high revenue generating as well as a high supply driving service line. This affects the rest of the financials going forward.

December financials

- Favorable variances in SHOPP and DPP income are driving a variance to prior year off \$1.2 million.
- \$285k pick-up in supplies in December related to year-end inventory counting and adjustment. Lower volumes for surgery (66) and Cath lab

(62) to budget which are major drivers of supply cost. Reduction in line with volumes.

- Purchased Services includes the Revenue Share expense in excess of budget by \$307k and less than PY by \$90k. Additional budget and PY variances largely driven from increases related to Lockton, Guidehouse, and American Parking increases.
- Lower interest income was budget based on expected cash outflows for major capital projects.
- Purchased services YTD budget variance is primarily driven from a \$1.1 million variance in Shared Services and unbudgeted outside consultant fees. PY variances driven by American Parking of \$850k and Shared Services of \$1.3million.
- Days cash on hand has decreased in line with expectations of parking garage construction and ERP Implementation.
- Depreciation exceeding prior year due to GASB 87 and GASB 96 changes which shifted operating expenses to depreciation and amortization. Additional accelerated depreciation on POB assets was budgeted higher than necessary.
- Days cash on hand sitting at 219.
- Transfers are still strong, and denials are in line with where they were expected.
- Payor mix very similar to YTD last year.

Consolidated financial statements

- Finished the month close to \$600,000 favorable for the month and \$5.2M favorable on a net income basis year-to-date.
- ACR Proforma - We are \$500,000 under reserve.
- Oracle - We have gone live. Phase 2 and 2B are sitting between watch and satisfactory, EPM is sitting in satisfactory, and Advanced Scheduling is sitting in Satisfactory. Starting an optimization list and post-go-live support discussions as hypercare ends on February 14th.
- Total Cost of Ownership of Oracle-We are \$3million favorable to where we had projected through the implementation phase. Some of that will be repurposed and we will see some additional ongoing costs that we may not have expected. The managed services and ongoing support that will be needed is not currently included within those projections.

IV. Debt Structure Update (Presenters: Eric Atkinson)

We are continuing conversations with banks. BOK communications have been paused. Eric Polak presented to Board appropriations chair this week.

- V. Discussion and consideration to enter into an engagement with Sellers Dorsey to initiate a State Plan Amendment for Managed Care GME Funding proposal (Presenters: Eric Atkinson)

 [Managed Care GME Funding Opportunity SBAR.pdf](#)

Matt Onstott and two others with Sellers Dorsey called in to discuss. Eric Atkinson gave the background of the IME State Match. The current program will not change, this is in addition to. OU is also pursuing this through Sellers Dorsey.

New program will be calculated based on Managed Medicaid population and funded similar to the current program. OSUMC match portion will be approximately \$6.7M with a federal match of approximately 67% for total receipts of \$20.4M. The State Match funds of \$6.7M will only be paid if the state plan amendment is approved by CMS and the federal funds are secured.

At this time there is no plan to request funding of the match portion of \$6.7M from the state of Oklahoma for the initial year of the new program.

Sellers Dorsey is requesting a 3.5% contingency fee based on net new funds (projected at \$13.7M/yr annually) for five years. This fee will be approximately \$480k/year or \$2.4M over five years.

Management has validated there is no risk of claw back of the federal funds once the State Plan Amendment has been accepted by CMS.

Motion:

Motion to enter into an engagement with Sellers Dorsey to initiate a State Plan Amendment for Managed Care GME Funding proposal.

Motion moved by Jay Helm and motion seconded by Barry Steichen. Aye: Taylor, Steichen, Helm, Evans Nay: None Abstain: None

- VI. Discussion and consideration to authorize OSUMCPS LLC administration to begin the complete the design of a new medical clinic in Collinsville. (Presenters: Bill Schloss)

Intent is to design a clinic that will have the ultimate capacity to house up to 8 providers at the property owned by the Trust in Collinsville, Oklahoma. Conceptual construction budget is \$5.5 million with an additional \$1 million in soft costs. A final budget will be brought to the Trust for approval at the completion of construction documents.

 [PSLLC- Collinsville Assessment.01.20.25.pptx](#)

- Bill Schloss presented the MOB.
- Compared to the other Tulsa-area healthcare systems, OSU Medicine's primary care and specialty care physician base is underdeveloped with significant growth indicated.
- 58% of OSU Admissions come from ER Transfers.
- He discussed the primary care provider numbers for us vs. St. John's, Warren Clinic, and Hilcrest.
- Targets were discussed for primary care growth and current expansion priorities.
- Discussion between 6-physician clinic vs 8-physician clinic and cost for each.
- PS, LLC Management felt confident they could recruit existing providers from the area and meet the expectations of the proforma.
- He went over the different areas of project costs and financing options.
- Jay Helm recommended building the 8-physician clinic.

Motion:

Motion to authorize OSUMCPS LLC administration to begin to complete the design of a new medical clinic in Collinsville.

Motion moved by Billy Taylor and motion seconded by Jay Helm. Aye: Taylor, Steichen, Helm, Evans Nay: None Abstain: None

VII. Unfinished Business (Presenters: Doug Evans)

VIII. New Business (Presenters: Doug Evans)

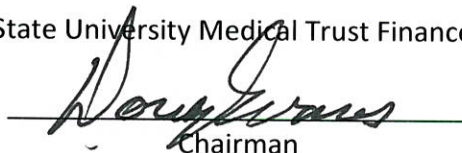
IX. Adjournment (Presenters: Doug Evans)

Motion:

Motion to adjourn the meeting at 1:07 PM.

Motion moved by Jay Helm and motion seconded by Barry Steichen. Aye: Taylor, Steichen, Helm, Evans Nay: None Abstain: None

Oklahoma State University Medical Trust Finance Committee


Chairman