



OSU Medical Trust Finance Committee Minutes

OSU Medical Authority and Trust
Thursday, April 25, 2024 at 10:30 AM CDT
@ OSU-CHS, 1111 W. 17th St., 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: Johnny Stephens, Billy Taylor, Doug Evans, Barry Steichen

Guests: Eric Atkinson, Ellen Buettner, Melissa Cox, Deborah Dage, Catherine Gann, Michael Herndon, Finny Mathew, Jacob McDougal, Eric Polak, Michael Rogers, Bill Schloss, Terri Tinkler

Outside attendees: Liz M Beesley with HUB (remote), Christine A. Shasteen with HUB (remote)

Absent:

Members: Jay Helm

- I. Call to order – Trustee Doug Evans, Committee Chairman

A quorum was established, and the meeting was called to order at 10:30 AM by Doug Evans. Johnny Stephens is standing in for Jay Helm and Mike Herndon is standing in for Barry Steichen until he arrives.

- II. Approval of the minutes from the January 18, 2024 meeting – Doug Evans, Committee Chairman – ACTION

 [Draft-OSU Medical Trust Finance Committee Minutes 1.18.2024.pdf](#)

Motion:

Motion to approve the minutes from the January 18, 2024 meeting.

Motion moved by Michael Herndon and motion seconded by Johnny Stephens. Aye: Stephens, Evans, Herndon, Taylor Nay: None Abstain: None

- III. Finance Reports – Eric Atkinson, CFO

- A. Review of Month to Date and Year to Date December 2023-March 2024 Financials

December 2023 - February 2024 overall highlights on page 8

- Eric Atkinson went over each month's highlights for the PS, LLC and Medical Center.

December 2023

PS, LLC

- (\$351k) on a budget of (\$263k)
- Revenue unfavorable by \$97k – Visits trailing budget by approx. 900
- SWB favorable to budget by \$28k
- Contract Services unfavorable by 25k

Medical Center

- \$2.7M on a budget of \$1.2M
- SWB & CL favorable by \$1.7M

January 2024

PS, LLC

- (\$371k) on a budget of (\$359k)
- SWB favorable budget by \$21k
- Contract Services unfavorable by \$11k

Medical Center

- \$3.7M on a budget of \$1.3M
- \$1.3M favorable in NPSR (casemix)
- \$1.4M favorable in SWB and CL

February 2024

PS, LLC

- (\$422k) on a budget of (\$347k)
- Rentals favorable due to shift to depreciation in relation to GASB 86
- \$18k increase in contract services for J Russel Consulting

Medical Center

- \$2.2M on a budget of \$2.4M
- \$4M Cost Report Payable recorded to NPSR, \$4M recorded for SHOPP and \$525k insurance settlement in Other Inc.

Melissa Cox - OSUMC PS, LLC for March:

- March visits were down due to providers having days off.
- Below budget due to loss of physician.
- FTE's over budget due to Tulsa Oilers physicals on a Saturday.
- Total visits are below due to one physician not being hired that was budgeted for and another doctor not starting at the beginning of the year.

- Consulting fee for J. Russell was not budgeted.
- The variance of Contract Services is due to OSU-CHS services billing delays, as well as an increase in services provided by WIB.
- Pain management exceeded budget.
- YTD-supplies are over budget due to increased vaccines, IUD's, and medications for pain procedures.
- Reduction in physicians from previous year driving a decrease in malpractice insurance costs to previous year.

Eric Atkinson - OSUMC for March:

- March came in favorable to admits for the month but low for the year.
- Case mix was favorable to budget for month and year.
- ER was below budget for month and year to date.
- OB dropped for the current month.
- OR 6th site went live in the middle of March.
- Mammograms increased due to 3D mammograms being offered.
- Reserves posted for current month for potential financials related to Change Healthcare disruption. Favorable variances related to CMI increases and higher volumes.
- Salaries still trending favorable for YTD.
- Shift to PS, LLC for GASB 87 Lease Accounting, Credits to the lease expenses previously residing on Hospital.
- Cath Lab supplies are over previous year by \$230K, IR supplies up \$380K, surgery supplies written off for obsolete inventory of \$780 to prior year. inflation accounts for the remainder.
- Days in AR has jumped due to the Change Healthcare.
- Acceptances remain high and denials remain low.
- RN contract FTE's increased due to a delayed winter census.

B. 2024 Insurance Increases

 [2024 Outlook Healthcare U.S. - Finance Packet.pdf](#)

Chris Shasteen and Liz Beesley with HUB joined by zoom to discuss the reasoning behind the insurance changes. Eric Atkinson went over the quote summary that shows the Healthcare Rate Outlook.

- Property insurance is increasing by 28% and the fixed fee is increasing from \$2 million to \$5 million. Our property insurance carrier is CNA and they have grandfathered us into a deductible that is a flat fee which is not

typical. Five underwriters were approached, and this is the best deal that was found.

- Our wind/hail buy back deductible is doubling.
- Cyber has doubled.
- Everything else is in market range.

Motion:


Motion to recommend to the Trust approval of the new insurance rates.

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

C. Fiscal Year 2025 Budget


Finny Mathew recommended that Management set up individual meetings with Trust members to discuss FY25 budget.


IV. Discussion, consideration, and possible vote to approve the increased budget and operational expenses related to the C-Section Suite - ACTION

 [Medical Authority C-Section Update-031224 \(1\).pdf](#)

This will be discussed at the Trust meeting by Catherine Gann.

V. Discussion, consideration, and possible vote to authorize the purchase of property in Collinsville, OK subject to the seller's provision of a clean title to the property - ACTION

 [Resolution of Board of Trustees of OSUMT \(OSUMC - PSLLC\).pdf](#)

 [Executed Collinsville land purchase agreement 11.2023.pdf](#)

 [PSLLC- Collinsville Assessment.04.24.24.pptx](#)

Bill Schloss reported:

- Growth perspectives-To secure future growth and its academic medical center ambitions, OSU must expand its primary care and specialty physician base. We have vulnerability around our reliance on ER transfers.
- Primary Care Footprint-We are considerably smaller than St. John's, Warren Clinic, and Hillcrest.
- Primary Care Growth ambitions-5-year targets and 10-year targets were set.
- Growth Targets-Collinsville, South Tulsa, Cleveland, Downtown, Sand Springs new location.


- Collinsville is the current target. This area has a lower unemployment rate, higher median income, and higher percentage employment in white collar jobs. The selected area surrounding the OSU MOB site is projected to see growth in the next 5 years.
- Collinsville represents the opportunity for specialty satellite clinics for Cardiology, Orthopedics, General Surgery, OB/GYN and other OSU specialties.
- We need to finalize due diligence by June 5, 2024 or we lose \$25K earnest money.

Motion:

Motion to recommend to the Trust the purchase of property in Collinsville, OK subject to the seller's provision of a clean title to the property.

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

- VI. Discussion, consideration, and possible vote to authorize OSUMC PSLLC management to execute an Employment Agreement with Dr. Sheldon Berger (GI)- ACTION

 [Berger proforma.4.22.24.pdf](#)

 [Berger.SBAR.4.22.24.pdf](#)


Bill Schloss discussed the reasoning behind needing this physician and how he will benefit OSU.

Motion:

Motion to recommend to the Trust OSUMC PSLLC management to execute an Employment Agreement with Dr. Sheldon Berger (GI).

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

- VII. Discussion, Consideration and Possible Recommendation to the Trust for Approval of a Contracting Management Policy for OSUMCPS, LLC - ACTION

 [Contracting Services Management EP edits 4.15.24.docx](#)

This will be discussed at the Trust meeting.

- VIII. Unfinished Business - Trustee Doug Evans, Committee Chairman

None

IX. New Business - Trustee Doug Evans, Committee Chairman
None

X. Adjournment - Trustee Doug Evans, Committee Chairman

Motion:

Motion to adjourn meeting at 12:10 pm.

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

Oklahoma State Medical Trust Finance Committee



Chairman