



OSU Medical Trust Finance Committee Minutes

OSU Medical Authority and Trust

8/22/2024 11:15 AMCDT

@ 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

Guests: Eric Atkinson, Ellen Buettner, Melissa Cox, Michelle Finley, Catherine Gann, Michael Herndon, Finny Mathew, Jacob McDougal (remote), Eric Polak, Michael Rogers, Jessica Russell, Bill Schloss, Terri Tinkler


Absent:

Members: Billy Taylor

- I. Call to order (Presenters: Doug Evans)

A quorum was established, and the meeting was called to order at 11:23 AM by Doug Evans.

- II. Approval of the minutes from the June 20, 2024 meeting – ACTION (Presenters: Doug Evans)

 [Draft-OSU Medical Trust Finance Committee Minutes 6.20.2024.pdf](#)

Motion:

Motion to approve the minutes from the June 20, 2024 meeting.

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

- III. Discussion, consideration and possible vote to recommend to the Trust authorization for management to negotiate and execute a purchase agreement for the Hire Call building subject to the terms of the attached Letter of Intent - ACTION (Presenters: Eric Polak)

 [Hirecall LOI Fully Executed 08.20.24.pdf](#)

 [HireCall.update08.21.24.pptx](#)

Eric Polak discussed the LOI.

Bill Schloss went over the HireCall Building PowerPoint. Highlights included:

-HireCall Building located at 71st and Riverside is for sale

-Planned Development Options/Uses for the Building

- OSU Medicine Physician Office Space -11,000 sqft
- OSU/Saint Francis Dialysis JV – 18,000 - 20,000 sqft
- Future Development Space – 6,000 – 8,000 sqft

-With the closure of OSU MC MOB, OSU Medicine has very little space for expansion.

-11,000 sqft lease in the HireCall Building establishes space for 8 providers

Option 1: Cancel leases at 96th and Riverside and 61st and Sheridan to create a better single location

Option 2: Cancel lease at 96th and Riverside and keep 61st and Sheridan to create more physician office capacity

Next steps for the facility: Negotiate purchase agreement reflecting terms in the LOI.

Present detailed HireCall Building plan and budget for approval at October Trust Meeting.

Motion:

Motion to recommend to the Trust authorization for management to negotiate and execute a purchase agreement for the Hire Call building subject to the terms of the attached Letter of Intent and subject to the final approval of the OSU Medical Trust.

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

- IV. Finance Reports (Presenters: Eric Atkinson)

- A. Review of Month to Date and Year to Date June 2024 Financials (Presenters: Eric Atkinson)

 [OSUMC June 2024 Presentation - Finance Committee.pdf](#)

Eric Atkinson gave an update there are not numbers for July due to issues with Oracle going live.

Melissa Cox for PS, LLC:

- Month of June and year-to-date
- Decrease in visit volume due to provider PTO days, Dr. Hasenpflug departure, and not onboarding Dr. Whitson.
- Clinic FTE's favorable to budget.
- Net revenue unfavorable to budget due to decreased clinic and hospital volume
- Contract services unfavorable to budget due to an increase in services provided by WIB and addition of lobbying contract.
- Repairs and maintenance favorable to budget due to services not needed.
- Telephone and electric invoices higher than budgeted due to technical issues.


Eric Atkinson for OSUMC:

- Month of June
- June inpatient census was strong due to the usual summer dip not happening.
- Inpatient peak happened in February instead of December.
- Deliveries were up which aligned with our inpatient days.
- Outpatient decreased from prior year.
- Outpatient imaging remains strong.
- Volume driven favorable variances to prior year and favorable net patient service revenue variances. YTD case mix is favorable as well as recognizing a favorable payor shift.
- Additional \$207K related to ED physician billing contract change; transition to CHS from R1.
- Operating costs associated to increased parking garage spaces and shuttle services.
- Shift to PS, LLC expense for GASB 87 Lease Accounting. Credits to the lease expenses previously residing on Hospital.
- Year-to-date
- Professional fees increased to budget and PY related to ED Physician billing contract changes. YTD \$840K in income guarantee has been accrued for the transition to CHS billing.
- Rev Share exceeding budget due to favorable position of the Trust. YTD is less than PY due to PY projected Net income exceeding current year projections

- Depreciation exceeding prior year due to GASB 87 and GASB 96 changes which shifted operating expenses to depreciation. Accelerated depreciation recognized on POB assets.
- Days cash on hand is 172 days.
- Transfers acceptance is continuing to increase.
- ACR Proforma Comparison was explained.
- An update was given on the Oracle ERP implementation.

Doug Evans praised the budgeting team for their great work.

- V. Discussion on the purchase of dialysis equipment to support the transition of IP Dialysis services inhouse. (Presenters: Catherine Gann, Eric Atkinson)

 [Inpatient Dialysis Insourcing 8.22.24.pdf](#)


Catherine Gann gave an update on contract through Fresenius for inpatient dialysis and why we would like to move this to inhouse. She went over the background, assessment, staffing, equipment, supplies and on-going expenses, and a financial comparison. Management recommends converting from Fresenius services to insourcing inpatient dialysis – including hiring of staff, purchase the capital equipment for the project, and purchase of supplies necessary - with the goal of beginning operations in alignment with outpatient services cessation. Eric Atkinson informed it would be about \$100k savings the first year and then move into a \$400k savings.

- VI. Discussion on the purchase of a new nurse call light system. (Presenters: Catherine Gann, Eric Atkinson)

 [Nurse Call 8.22.24 Updated.pdf](#)

Catherine discussed the different times of nurse calls throughout the building, the ages of them, and the issues with them. Six months was spent researching different systems at different facilities. The recommendation is to move forward with the purchase of the Jeron system throughout the facility. Trustees asked for it to go forward to the Trust subject to inspection and review.

- VII. Hospital Expansion Project Update (Presenters: Eric Polak)

 [OSUMC Expansion Plan & Gov Cmte 7.17.24.pptx](#)

Eric Polak gave an update on the expansion. Highlights included:
Funds available:

- \$170 million identified
- \$50 million ARPA – award executed and funds available
- \$30 million LCF – appropriation made by legislature, contract in legal review
- \$90 million debt – will be based on the financial viability of the Trust. Debt service built into future cash flow projections.

He went through virtual pictures of the building, explained each floor and area, and discussed the reasoning behind each. He also discussed the project scope and estimate.

VIII. Unfinished Business (Presenters: Doug Evans)

IX. New Business (Presenters: Doug Evans)

X. Adjournment (Presenters: Doug Evans)

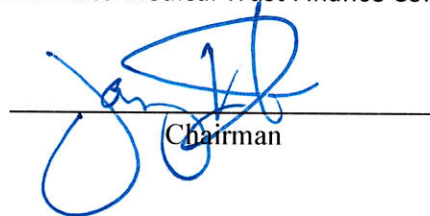
Motion:

Motion to adjourn the meeting at 1:27 PM.

Motion moved by Jay Helm and motion seconded by Barry. Aye: Helm, Evans, Steichen

Nay: None Abstain: None

Oklahoma State Medical Trust Finance Committee



Chairman