



OSU Medical Trust Finance Committee Minutes

OSU Medical Authority and Trust

Dec 14, 2023 at 11:15 AM CST

@ OSU Medical Center, 2nd Floor Administrative Boardroom, 744 W. 9th 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 all 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: Michael Herndon, Billy Taylor, Doug Evans, Jay Helm (remote), Barry Steichen


Guests: Eric Atkinson, Melissa Cox, Catherine Gann, Finny Mathew, Jacob McDougal, Eric Polak, Michael Rogers, Bill Schloss, Terri Tinkler, Erica Woolf

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

The meeting was called to order at 11:21 AM by Chairman Doug Evans.

Michael Herndon is voting on behalf of Jay Helm.

- II. Approval of the minutes from the October 26, 2023 meeting – Doug Evans, Committee Chairman – ACTION

 [Draft-OSU Medical Trust Finance Committee Minutes 10.26.2023.pdf](#)

Motion:

Motion to approve the minutes from the October 26, 2023 meeting.

Motion moved by Michael Herndon and motion seconded by Doug Evans. AYE: Herndon, Evans, Taylor NAY: None ABSTAIN: None

- III. Finance Reports – Eric Atkinson, CFO

- A. Review of the MTD and YTD October 2023 Financials

 [OSUMT Financial Statements October Finance.pdf](#)

Melissa Cox-OSUMC PS, LLC

- Hospital and clinic visits were down due to network disruption.
- FTE's were slightly higher to budget due to being fully staffed.
- Contract services were higher due to some old bills that were not accrued for and pain management services increased from 3 days a week to 5 days a week.

Eric Atkinson-OSUMC

- Admits, average daily census, surgeries, er visits, and net revenue were unfavorable to budget due mainly to network disruption. We came off of divert on 10/31/2023.
- A forensic accountant has been hired to look into financial impact of network disruption.
- YTD is trending on track.
- Favorable shift out of contract labor into hospital employee FTE's.
- YTD supplies are trending over due to inflation and increased volumes in cath lab.
- Transfer analysis-denials increased due to network disruption.
- Slight shift in payor mix moving into commercial from Medicaid/Medicare.

B. Discussion on the financial impact of the recent IT Disruption

Eric Atkinson reported an estimated loss calculated for October and November inpatient volume to be around \$800,000 and 60 admits. The outpatient side had a drop in surgeries, ED visits and other ancillary services which equaled around \$400,000. The total estimated impact is approximately \$1.2 million.


C. Cash Flow Projections - New Construction impact on cash

A discussion was had on the pros and cons of keeping 90 days cash on hand or changing that number.

IV. Discussion of resident compensation philosophy and timing for approval of market increases

A discussion was had on the pros and cons of a Resident salary increase being set to happen each year. The Finance Committee philosophically recognized that the facility would need to agree to resident increases prior to final approval of the budget, and these would need to be incorporated into the budget vs. optional.

- V. Discussion, consideration, and possible vote to approve the OSU Medical Center parking garage at an approximate cost of \$32M.

 [Trust Parking 20231212.pdf](#)

Catherin Gann went through the parking garage PowerPoint presentation on page 29. The garage would have 1203 total spaces with 1027 in the parking garage and 176 surface level for a total cost of \$32,283,001.00.


Motion:

Motion to recommend to the Trust the approval of the OSU Medical Center parking garage at an approximate cost of \$32M.

Motion moved by Michael Herndon and motion seconded by Billy Taylor. AYE: Herndon, Evans, Taylor, Steichen NAY: None ABSTAIN: None

- VI. Discussion, consideration, and possible vote to approve the contractual agreement with American Parking

 [SBAR American Parking Service Agreement.pdf](#)

 [American Parking Agreement Presentation.pdf](#)


Catherine Gann went into detail on page 34 for the entire plan on how parking will be shuffled during the garage construction, the need for off campus parking, and the breakdown of cost.

Motion:

Motion to recommend to the Trust the approval of the contractual agreement with American Parking.

Motion moved by Michael Herndon and motion seconded by Barry Steichen. AYE: Steichen, Herndon, Evans, Taylor NAY: None ABSTAIN: None

- VII. Discussion, consideration, and possible vote to approve the HBO clinic - ACTION

 [HBO Services 12.12.23.pdf](#)

Erica Woolf stated these ceased in 2021 so this is a restart. This would purchase 2 new chambers to replace the 3 old past end of life chambers. A proforma was completed and showed \$295,000/year. This was budgeted capital, but the financial impact is unbudgeted.

Motion:

Motion to recommend to the Trust the approval of the HBO clinic.

Motion moved by Billy Taylor and motion seconded by Michael Herndon. AYE: Steichen, Herndon, Evans, Taylor NAY: None ABSTAIN: None

VIII. Discussion, consideration, and possible vote to approve the Red Canary contract and reallocation of capital for backup storage - ACTION

 [SBAR Additional IT Security Trust 20231213.pdf](#)

Finny Mathew gave the background of the IT disruption and our current security abilities.

- Red Canary watches your company 24/7.
- Carbon Black categorizes the threats.
- RECOMMENDATION:


1. Contract monitoring services (Red Canary/Carbon Black): Estimated Cost - \$202k per year with a 36-month agreement. The company also offers an 18-month agreement at a higher cost, but the breakeven point is 30 months.
2. Hire a security analyst who will focus on security tasks: Estimated cost \$80k- \$110k per year (plus benefits)
3. Purchase of additional hardware for the storage of immutable backups: Estimated Cost – \$280K Hardware and \$42k per year (offsite storage)
4. Implementation of a robust solution for email filtering: Estimated Cost – \$80K per year
5. Professional services for the health check and assessment of proper setup of security infrastructure: Estimated Cost – \$15k

Motion:

Motion to recommend to the Trust the approval of the Red Canary contract and reallocation of capital for backup storage.

Motion moved by Michael Herndon and motion seconded by Barry Steichen. AYE: Steichen, Herndon, Evans, Taylor NAY: None ABSTAIN: None

IX. Discussion, consideration, and possible vote to approve an Internal Medicine employment contract with Dr. Zack Griffin

 [Zack Griffin, DO Proforma- Riverside Clinic.pdf](#)

Melissa Cox gave the background of Dr. Griffin along with the volume of revenue he would bring in, the monthly/annually expenses, and the provider loss/gain.

Motion:

Motion to recommend to the Trust the approval of an Internal Medicine employment contract with Dr. Zack Griffin.

Motion moved by Barry Steichen and motion seconded by Billy Taylor. AYE: Steichen, Herndon, Evans, Taylor NAY: None ABSTAIN: None

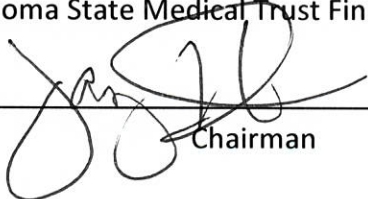
- X. Unfinished Business - Trustee Doug Evans, Committee Chairman
- XI. New Business - Trustee Doug Evans, Committee Chairman
- XII. Adjournment - Trustee Doug Evans, Committee Chairman

Motion:

Motion to adjourn at 1:09 PM,

Motion moved by Billy Taylor and motion seconded by Michael Herndon. AYE: Steichen, Herndon, Evans, Taylor NAY: None ABSTAIN: None

Oklahoma State Medical Trust Finance Committee



Chairman