

**Nocona General Hospital
Board of Directors Meeting
September 17, 2019**

Board Members Present:

Charles May, President
Chris Keck, Secretary
Melissa Murphey
Ron Brown

Absent:

Ken Koontz, Vice-President
Cris Lemon

Hospital Administration:

Lance Meekins, C.E.O.; Rebecca Hamilton, Admin. Assistant/HR

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President, Charles May at 1:00 PM.

Approval of Previous Minutes

Chris Keck made a motion to accept the minutes from the August 20th regular meeting, and the September 5th and September 10th Public Hearings. Ron Brown seconded. Motion carried unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on Appointment of New Board Member

Melissa Murphey made a motion to appoint Kristal Ferguson to fill Charlie Brown's unexpired term as a member of the Board of Trustees. Ron Brown seconded, and the motion carried unanimously.

Conduct Oath of Office and Complete Statement of Officer for New Board Member

Mrs. Ferguson was sworn in as a new Board Member and completed the Statement of Officer.

Discussion and Possible Vote on 2019 Hospital District Tax Rate

Lance reported that all the necessary steps were performed to act on the hospital's 2019 tax rate. He went on to say that, based on previous discussions, a rate of \$0.1725/ \$100 in appraised value was published, along with all the required public notifications in the newspaper. He reminded the Board that they could vote to set a lower tax rate at this meeting but can go no higher without

additional publication of its intent. This rate would produce a levy of \$728,000, an increase of approximately \$60,000. He included the following from last month's report just as a reminder.

<u>RATE</u>	<u>LEVY</u>
.1725 (current)	\$728,000
.1599 (effective)	\$667,000
.1726 (rollback)	\$728,500

Lance stated that, as a taxing district, the hospital is required to provide indigent care based on a written hospital charity care policy. In addition, he included in the Board's packet the latest statewide tax booklet detailing every hospital district's 2018 rates. He pointed out that NGH is still in lowest 15-20% statewide in both tax levy and tax rate.

Ron Brown made a motion to set the motion that the property tax rate be increased by the adoption of a tax rate of \$.1725, which is effectively a 7.879925% increase in the tax rate. **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.879925 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$12.60.** Melissa Murphey seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on August 2019 Financial Statements

Lance reported that, for the month of August, the hospital had 28 admissions including 2 swingbeds, 447 outpatient discharges, including 17 surgeries, 234 ER visits, 55 ambulance calls, 506 home health visits and 1583 clinic visits. Additionally, there were 15 observation admissions. This utilization resulted in gross revenue of \$1,686,011, exceeding budget slightly, and an average daily census of 5.3 patients overall including 3.7 acute patients. He reminded the Board that it is difficult to compare year to year numbers due to the clinic acquisition.

He stated that, on the net revenue front, the hospital benefited from two quarterly county EMS payments totaling about \$31,000. He commented that one issue he was concerned about with the clinic business was the clinic personnel's inability to balance its accounts receivables and receipts each month. He stated that he believes this is due mostly to their inexperience in having to balance and the clinic software system that is less than stellar when it comes to financial reporting. Although each month has been a headache for hospital staff to reconcile, August numbers were materially out of balance. With our auditors performing the yearly audit this week, Lance stated that he hopes they can assist in the process of ensuring we can satisfy auditing standards moving forward. He pointed out that he brought this up as the allowances/contractuals are impacted by this issue.

Lance reported that overall expenses came in on budget, with a couple of line items over budget including the consultant fees. Fortunately, the majority of this overage was due to an increase in MRIs for the past two months. The invoices for both months were posted in August. The lease expense is for two months as well. He went on to state that the hospital has started to directly pay the Bowie clinic utility, phone, etc. bills directly instead of adding them to lease. This will skew the budget numbers somewhat for the lease and utility line items each month.

Cash Position

Current Savings	\$1.3M
LOC outstanding	\$0
Outstanding QIPP IGT	\$4M
Outstanding QIPP IGT receivable	\$100,000 (estimate)
Outstanding QIPP receivable (Comp 2, 3 year 2,3), 3qtrs	\$1M
Current Cash Position	\$6.4M

(This position does not take into account any possible need to supplement operations with savings or vice versa)

We owe about \$92,000 on the construction contract. We are holding this amount as JC Commercial completes the final punch list.

Melissa Murphey made a motion to accept the financial report as presented, and Ron Brown seconded the motion. Motion passed unanimously.

Discussion and Possible Vote on Capital Equipment Purchase: LEEP Unit

Lance presented the purchase a new LEEP units for the surgery department for the Board’s consideration. Dr. Dingler stated that the current LEEP Unit is 25 years old and in need of parts which are no longer available due to its age. He added that the new unit offers more advanced technology. Dr. Dingler went on to explain that the unit is primarily used for removal of skin lesions and to control bleeding on delicate areas of the skin, as well as many other procedures.

Chris Keck made a motion to purchase the LEEP unit. Melissa Murphey seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on Recredentialing the Following to Consultant Medical Staff: (1) Edgardo Agrait-Bertran, MD, (2) Sarah Orrin, MD, (3) Justin Boe, MD, (4) James Cunningham, DO, (5) Stephanie Font-Diaz, MD, (6) Jack Drew, MD, (7) Anoop Duggal, MD, (8) Elisa Foster, DO, (9) Mark Halsted, MD, (10) Christopher Hendrix, DO, (11) Jorge Ramirez, MD, (12) Samir Shah, MD, (13) John Patrick Sullivan, MD, (14) Benson Tran, MD, (15) Stephen Parvan, MD, (16) Russ Savit, MD, (17) Phoebe Hope Dann, MD, (18) Erik Richter, MD, (19) Jeremie Karsenti, DO, (20) Jason Ahskan Akrami, MD

Ron Brown made a motion to recredential the physicians noted. Melissa Murphey seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on Granting Active Medical Staff Privileges to Kelly Roden, MD

Ron Brown made a motion to extent active medical staff privileges to Dr. Roden, and Chris Keck seconded. Motion passed unanimously.

Discussion and Possible Vote on QAPI Reporting Contract with HSM

Lance reminded the Board of previous discussions concerning the new metrics required for QIPP year 3, one of which, is the additional reporting requirements for the QAPI (Quality Assurance) meetings and the need for the hospital district to show more involvement in the process. He stated that our consultants, HSM, have developed such a reporting tool by hiring former nursing home administrators to aggregate the required data from each facility and provide a monthly report to the hospital district. The contract covers these terms as well as the cost of the process. He pointed out that this metric must be met monthly or risk the loss of IGT funds for any month that the metric fails. On average this is a \$20,000 per month risk.

Melissa Murphey made a motion to move forward with the agreement with HSM. Ron Brown seconded the motion, and the motion passed unanimously.

Convene to Executive Session for the Following Purpose:

(a) Texas Government Code Section 551.071-Consultation with Attorney

The Board did not convene to Executive Session.

Administrative Report

Lance reported that he continues to work with Brian Jackson on a concealed handgun policy along with a process for granting the privileges. He reminded the Board that the open house is coming up Sunday, September 22nd beginning at 2:00 PM. He stated that JC Commercial has completed its punch list, so the final contingency payment will be released once the architects have signed off. Following that, the Board will need to turn its attention next to the special care unit.

Lance brought up past discussions regarding the fact that many in our community apparently do not truly realize the services our hospital has to offer. He announced that he reached an agreement with Channel 6 to sponsor their new Nocona Weather camera, which will be placed on top of the Horton's house downtown. This agreement will give the hospital access to their production time and will include a significant digital presence throughout the county as well as 15 second commercial spots through the day.

Lance stated that the most recent IGT for UC and the 1115 waiver last week of about \$765,000 has been sent. About \$265,000 is for uncompensated care and will result in a payment back to us of about \$650,000, which should be received by the end of the month. The remainder was for the waiver program and most likely will be the last IGT for the program. He commented that the good news is that IGT will prolong the benefit of the service organization through December 2020, which is about \$20,000 per month. However, the downside is that it will not leave enough of a reserve to self-fund the next round of QIPP IGT coming up in November. Although he didn't have an exact number, he calculated that he will have to draw at least \$1M from the line of credit to satisfy the \$3.4 IGT.

On a final note, Lance informed the Board that the auditors will be onsite the week of September 16th to perform the yearly audit and gather cost report information.

Medical Staff Report

Dr. Dingler reported that Dr. Aujla has notified staff that he will be discontinuing his surgical practice as soon as the currently-scheduled cases are complete. Discussions are ongoing concerning alternatives.

Other Business: None

Meeting was adjourned at 2:03 PM.

Charles May, President

Chris Keck, Secretary