Nocona General Hospital
Board of Directors Meeting
January 21, 2020

Board Members Present:
Charles May, President
Ken Koontz, Vice-President
Chris Keck, Secretary
Melissa Murphey
Ron Brown
Kristal Ferguson
Cris Lemon

Absent:
None

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

Medical Staff:
Len Dingler, MD

Others Present:
David Hartwell, BYSP Architects
Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President, Charles May at 12:33 PM.

Approval of Previous Minutes
Melissa Murphey made a motion to accept the minutes from the December 17, 2019 board meeting. Ken Koontz seconded. Motion carried unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on SCU Renovation Project
David Hartwell with BYSP Architect firm presented the budget for the SCU renovation and took questions from the board. Since the project includes the isolation room, Lance recommended that the board move forward on the project.

Melissa Murphey made a motion to accept the budget for the SCU renovation and move forward with the project, and Ron Brown seconded the motion. Motion passed unanimously.

Discussion and Possible Vote on November 2019 Financial Statements
Lance presented the following report for the month of November:
For the month of December, the hospital had 41 admissions, including 1 swingbed, 507 outpatient discharges, including 17 surgeries, 246 ER visits, 53 ambulance calls, 399 home health visits, 1650 clinic visits, and 17 observation admissions. The average daily census was 5.8 patients overall including 4.6 average acute patients. The average daily census for the year is up 0.7 patients resulting in a 16% increase in patient days compared to last fiscal year. Admissions have increased 7.7%, and discharges have increased 8.4%. Outpatient discharges are up 18%, ambulance calls are up 16.5%, and observation admissions are up to 84, a 75% increase over last year. Outpatient surgeries, as expected, have dropped off with the loss of Dr. Aujla. Overall from a utilization standpoint the hospital has certainly improved from last year in almost all areas.

This utilization resulted in gross revenue of $1,866,413, which puts the hospital about 3.5% above budget for the year and about 32% above last year. For apples to apples comparison, once the clinic revenue is removed, the hospital is still ahead of last year's pace by about 17%. On the outpatient side, a majority of the departments are hitting budget expectations, but we may have reached a bit when budgeting for radiology and the clinic. Physical therapy continues to have a great year and set an outpatient visit high in December. A question was raised last month regarding the ER revenue as it continues to outpace last year's number and this year's budget significantly. While visits are up about 4%, the majority of the increase can be attributed to much better charge capture and documentation. As briefly explained last month, we have a leveling system in place based on the documentation to charge out the visit. While the increased revenue is great, it is also a driving force for contractuals being over budget as reimbursements in the ER, as a percentage of revenue, run less than 20%.

On the net revenue front, the hospital benefited from the QIPP year 3 October and partial November component 2 payments of about $30,000 as well as about $46,000 from the year 2 IGT refund payments. As of now all of year 2 has been completed and our total IGT returned to us. I am sure we will have additional adjustment payments going forward, but those will be minimal. The benefit of the program since we joined (July 2014) now sits at $7.5 million.

Overall expenses jumped up for the month. There were 3 major factors. We received the consulting invoice from DMN for the entire year as we worked on the clinic transition. This amounted to about $30,000. This invoice also included payments for 3rd party consultants for chart review and the RHC mock survey for the Bowie clinic. Laboratory exceeded budget by $15,000 as it was their quarterly reagent purchase month along with additional purchases of supplies to prepare for the upcoming CLIA inspection. The hospital also had a very heavy month of employee health claims.

Ken Koontz made a motion to accept the December 2019 financial report as presented, and Melissa Murphey seconded. Motion carried unanimously.

Discussion and Possible Vote on Calling of Election for Saturday, May 2nd
Melissa Murphey made a motion to call an election for Saturday, May 2nd, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on Joint Election Agreement & Lease Agreement of Election Equipment with the City of Nocona, Nocona ISD, and Montague County
Ron Brown made a motion to enter into the Joint Election Agreement & Lease Agreement with Montague County and other entities. Cris Lemon seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on Revised Governing Board By-Laws
Chris Keck made a motion to accept the revised by-laws as presented, and Ron Brown seconded the motion. Motion carried unanimously.

Discussion and Possible Vote on the Following Administrative Policies:

a. **Transfer Policy**
b. **Tobacco Policy**
c. **Charity Care Policy**
d. **Confidentiality of Medical Staff Records Policy**
e. **Records Retention Policy**
f. **Non-Discrimination Policy**
g. **Public Funds Investment Policy**
h. **Payment Policy**
i. **Tuition Forgiveness Policy**
j. **Concealed Carry Policy *(New)***
k. **Service Animal Policy *(New)***

Several administrative policies that have either been updated or reviewed that are ready for Board approval. Lance noted that Rebecca Hamilton had worked with Brian and Craig to review them and add any updates needed, with the exception of the Concealed Carry Policy. This policy was presented as a frame work from which the Board could begin a discussion. Rebecca noted to the board that there were other safety-related NGH policies, but they are still under review and will be presented at a later date. After discussion, the board opted to form a committee of three board members to further discuss the Concealed Carry Policy and ask Brian to review before returning it to the board for review and vote.
Melissa Murphey made a motion to accept policies (a) through (i) and (k). The Concealed Carry Policy (j) will be tabled until further review by the committee. Ken Koontz seconded the motion, and the motion carried unanimously.

Convene to Executive Session for the Following Purpose:

(a) Texas Government Code Section 551.071-Consultation with Attorney
(b) Texas Health and Safety Code Section 161.032 – Presentation of Records and Proceedings of a Medical Committee or Medical Peer Review Committee

Dismissed to Executive Session at 1:21 PM.

Reconvene to Open Session and Take Action as Follows:

(a) Discussion and Possible Vote on Matters Related to Consultation with Attorney
(b) Texas Health and Safety Code Section 161.032 – Presentation of Records and Proceedings of a Medical Committee or Medical Peer Review Committee

Reconvened to Open Session at 1:41.

Ken Koontz made a motion to accept the Quality Assurance Program results as presented, and Kristal Ferguson seconded the motion. Motion carried unanimously.

Administrative Report
Lance presented the following report to the Board:

Medicaid Fiscal Accountability Rule
As discussed last month, comments need to be submitted to CMS regarding the proposed MFAR. I have attached my comments to your packets. Below are the instructions on submitting your own comments with additional bullet points that would be helpful. Feel free to utilize my letter, but if possible, make some changes, as CMS has the ability to identify form letters and remove them. We need as many comments against this proposed rule as possible.

Your comments don't have to be lengthy. The deadline is now February 1st. To comment on the proposed rule labeled as Medicaid Fiscal Accountability Regulation (MFAR), go to: https://www.regulations.gov/searchResults?rpp=25&so=DESC&sb=postedDate&po=0&cs=30&dct=PR&cat=HCFP&cp=O&a=CMS

Click on the "Comment Now" box. Also, refer to file code CMS-2393-P in your comments.

Here are some additional bullet points, some of which you may want to include with your hospital specific comments:

- Supplemental payment programs such as the 1115 waiver, Disproportionate Share Hospitals, and rate enhancements must be maintained at current levels. If abolished or reduced, the dollars must be replaced through alternative approaches or hospitals will close.
- As direct services payment rates in Medicare and Medicaid fall behind the cost to provide services, and as the levels of uninsured remain high (as much as 30% in some Texas rural areas), the supplemental payments minimize losses and keep hospital doors open.
- Most Texas rural hospitals report that 1/4th to 1/3th of their annual income is from supplemental payment programs.
- Reducing supplemental payment levels without a direct equal adjustment in payments for services and some type of financial offset for uncompensated care will reduce revenue for hospitals and directly drive up rural hospital closures.
- The proposed rule appears to challenge a number of matching fund methodologies used by states such as Texas, although those funding mechanisms have previously been approved by CMS.
- Eliminating or reducing the use of local government hospital funding will only serve to reduce the matching fund levels in states such as Texas where it is highly unlikely the state legislature will (or can) increase appropriations of state dollars for this purpose.
- Participation by non-government hospitals, which often treat similar levels of uninsured and Medicaid patients, will be limited or even eliminated if there is no vehicle for their matching dollars to channel (directly or indirectly) into the program.
- Hospitals support a move for more transparency in supplemental payment programs and are comfortable with providing more detail on how funds are spent.

Audit Presentation
Tommy with Durbin and Company should be at the February meeting to present the fiscal year 2019 audit and cost report.

QIPP
I have included the QIPP year 3 performance report for the first quarter (Sept-Nov). We have not received the payments for component 3 and 4 yet, but I was pleasantly surprised to see that most of our partner facilities met a majority of the metrics.

Also, the QIPP year 4 eligibility list recently was released. As of now the metrics and components all remain the same. As was the case last year, 9 of our 14 partner facilities have enough Medicaid utilization to go private, thus eliminating our partnership. I have not heard of any thinking of going that route. As a reminder there are several negatives for choosing the private route including a CHOW requirement which delays Medicare/Medicaid payments. Also, there are component dollars that only NSGO facilities are eligible to receive.

Medical Staff Report
Nothing to report.

Other Business: None

Meeting adjourned at 1:47 PM.

_____ _____

Charles May, President Chris Keck, Secretary