

**Nocona General Hospital  
Board of Directors Meeting  
February 18, 2020**

**Board Members Present:**

Charles May, President  
Ken Koontz, Vice-President  
Chris Keck, Secretary  
Ron Brown

**Absent:**

Melissa Murphey  
Cris Lemon  
Kristal Ferguson

**Hospital Administration:**

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

**Medical Staff:**

Len Dingler, MD

**Others Present:**

Tommy Davis, Durbin & Company, LLP  
Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President Charles May at 12:48 PM.

**Approval of Previous Minutes**

Ron Brown made a motion to accept the minutes from the January 21, 2020 board meeting. Chris Keck seconded. Motion carried unanimously.

**Community Input:** None

**Old Business:** None

**New Business:**

**Discussion and Possible Vote on Fiscal Year 2019 Audit Report**

Tommy Davis of Durbin & Company, LLP presented the 2019 Audit Report to the board. After a brief discussion, Chris Keck made a motion to accept the audit as presented. Ken Koontz seconded the motion, and the motion passed unanimously.

**Discussion and Possible Vote on January 2020 Financial Statements**

Lance presented the following report for the month of January:

For the month of January, the hospital had 47 admissions, including 1 swingbed, 603 outpatient discharges, including 9 surgeries, 253 ER visits, 73 ambulance calls, 329 home health visits, 2001 clinic visits and 11 observation admissions. The average daily census was 6.7 patients overall including 5.5 average acute patients. The average daily census for the year is up 0.8 patients resulting in an 18% increase in patient days compared to last fiscal year. Admissions have increased 14% and discharges have increased 17%. Outpatient discharges are up 19%, ambulance calls are up 24%, and observation admissions are up 67%.

This utilization resulted in gross revenue of \$1,962,927, a high for the fiscal year, which puts us about 5.55% above budget for the year and about 28% above last year. Outpatient departments were once again busy. EMS set a record with the number of calls received, while physical therapy once again had a record number of visits. You will note a reduced Home Health revenue number. In October CMS once again changed the reimbursement methodology for all home health agencies. We are still attempting to clarify how these payments will work; thus, we took an extremely conservative approach to the month's revenue. I believe once reimbursements begin, we will see the need to increase the revenue number. The clinics also had their best month since the hospital took over with the highest number of visits and revenue.

On the net revenue front the hospital benefited from the QIPP year 3 December and January component 2 payments, as well as, the quarterly EMS subsidy from the county.

You will also note on the clinic cost centers that the adjustments actually increased the overall monthly revenue. During the month the hospital received not only the fiscal year 2019 cost report settlement of about \$93,156 (reduced from the as-filed cost report of \$115,000), but also lump sum payments for the reprocessed claims from July 1 forward with the new all-inclusive rate. On a side note, CMS arbitrarily reduced our all-inclusive rate by 20%. According to our auditors there is no legislative guidelines to do this, but only a decision by CMS. Although we should receive the additional 20%, it would not occur until we file our FY20 cost report and receive settlement payments this time next year. We have asked Congressman Thornberry's office to submit what is called a congressional inquiry with the hopes of forcing CMS to release the funds immediately. It has been successful with other new RHCs in the past. The 20% cut becomes 10% next year and 5% the following.

Overall expenses exceeded budget by about 4% due mainly to pharmacy as we had several high-expense drug purchases during the month including those utilized for strokes and heart attacks. Additionally, we had a couple of unpaid invoices from Peyton's Project for anti-venom. Consult fees are high as we continue to use contract physical therapists, but should begin the lower as we hired another PRN P/T who may transition for full time in the future.

Ron Brown made a motion to accept the financial report as presented, and Ken Koontz seconded. 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**

There was no Executive Session.

**Discussion and Possible Vote on Concealed Carry Handgun Policy**

The handgun policy developed by a committee of Chris Keck, Ron Brown, and Melissa Murphey was presented to the board for consideration. The policy has been reviewed by legal counsel.

Ken Koontz made a motion to approve the Concealed Carry Handgun Policy as presented, and Ron Brown seconded. Motion carried unanimously.

**Administrative Report**

Lance presented the following report to the Board:

Election

At the time of this writing only the three incumbents have filed for the election. We will know by the time of the meeting as to whether we will can cancel the election. If we do not have any additional candidates, I will list the cancellation on next month's agenda.

#### SCU Remodel

We are having to submit an application for a "minor renovation" to the State. There is no fee, and only a handful of documents must be submitted, one of which is called a Functional Program document which basically details what the area is utilized for on a daily basis. The architects and CNO Corrie Holcomb are currently working on submitting this, so it has delayed the start of the project.

#### Medicaid Fiscal Accountability Rule

This is still a scary situation. The latest update from TORCH stated that over 4,000 comments were received by CMS, which, by their recollection, is the greatest number received by CMS regarding any potential policy. However, it may not have moved the needle enough, as TORCH also stated there remains broad support for the policy change due to the "transparency" strengths in it. They believe it will now take congressional intervention to block it, and if legislators are truly only concerned about not being seen as a proponent of transparency and not about the devastating effects on healthcare it would release, then we could be in trouble. Mac Thornberry's DC office is fully aware of the situation, so if any of you have any pull with his office now is the time to contact him.

#### QIPP

I have included the QIPP year 3 performance report for the first quarter (Sept-Nov). Please note that our facilities were able to capture over 85% of the available funds through the metric reporting (about \$200,000 was left on the table). Once combined with the lapse funds received, we actually exceeded 100% of potential funds.

#### Medical Staff Report

Nothing to report.

**Other Business:** None

**Meeting adjourned at 1:48 PM.**

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Charles May, President

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Chris Keck, Secretary