

**Nocona General Hospital
Board of Directors Meeting
December 15, 2020
*Via Teleconference***

Board Members Present:

Charles May, President
Ken Koontz, Vice-President
Chris Keck, Secretary
Paula Webb
Ron Brown
Cris Lemon

Absent:

Kristal Ferguson

Hospital Administration:

Lance Meekins, CEO; Rebecca Hamilton, Admin. Assistant/HR

Others Present:

Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President, Charles May at 12:34 PM.

Approval of Previous Minutes

Ron Brown made a motion to accept both the minutes of the November 17, 2020 board meeting as presented, and Ken Koontz seconded. Charles polled those in attendance, and the motion passed unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on Semi-Annual Nurse Staffing Report

Corrie Holcomb presented the semi-annual nurse staffing report and provided an update on the number of missed days due to COVID. Additionally, she brought the board up to speed on the assistance received from the Texas Dept of Emergency (TDEM) in the form of RNs, LVNs, paramedics, EMTs, and R/Ts. She reported that, currently, she and her staff were working with the staffing agencies that supply the workers to determine the best days to utilize them. Depending on the COVID census when the workers are available, they will either be used to augment current staffing or to allow the use of PTO by staff.

Paula Webb made a motion to accept the Nurse Staffing Report as presented, and Cris Lemon seconded. Charles polled those in attendance, and the motion passed unanimously.

Discussion and Possible Vote on November 2020 Financial Statements

Lance presented the following financial information for the board's consideration:

For October the hospital finished with 37 admissions, 673 outpatient discharges, including 5 surgeries, 259 ER visits, 52 ambulance calls, 396 home health visits and 1425 clinic visits. Additionally, there

were 10 observation admissions. This utilization resulted in gross revenue of \$1,826,000, exceeding budget by about 3.36%. The average daily census was 5.0 patients. The average length of stay was 5.0 days.

For year over year comparison:

- Gross revenue is right on budget, although there are variances among the individual departments, and is running about 4.3% above last year.
- The ADC is matching last year.
- Admissions are down about 6%.
- The ALOS is the same.
- Outpatient discharges are up 29%.
- ER visits are up 19%.
- Ambulance calls are up 8%.
- Obs admissions are down 10%.
- O/P surgeries are down 51%.
- FTE's are only up .2.

On the net revenue front, the hospital benefited from the QIPP year 3 quarter 4 payments and year 4 Sept comp 2 payments of \$400,000 and the quarterly EMS county subsidy of about \$15,000. I continue to book allowances at between 62-65%, meaning we are anticipating collecting approximately \$0.35 per each dollar charged.

Expenses continue to exceed budget due to COVID. Specifically, the lab, COVID tests, and pharmacy, mainly Remdisiver, and PPE supplies exceeding budget and are the culprits when it comes to the supplies and expense line item. I believe we have done very well with salaries despite the additional overtime being paid and the COVID-19 pay we are required to provide for COVID + employees. Please remember that I still have accrued all of the COVID-19 relief funds. Once we have a better feel for what will be allowed, I will be more confident of dropping some of it to the bottom line. FTE's continue to run close to last year's number at this point in the year.

Obviously for the month the QIPP payments allowed us to show a positive bottom line despite the increased expenses and lower than expected revenue. My biggest concern right now is the collections process. Accounts receivable continues to increase. Insurance companies and self-pay are the driving factors behind this problem.

Ken Koontz made a motion to accept the financial report as presented, and Ron Brown seconded. Charles polled those in attendance, and the motion passed unanimously.

Discussion and Possible Vote on Matheson Tri-Gas, Inc. Bulk Oxygen Contract

Lance stated that, currently, the hospital utilizes a cylinder-based oxygen system that has always been sufficient for oxygen requirements in the past. He reminded the board that a compressed air system was installed during the renovation in the hopes of reducing oxygen use. At the time it was determined that much of the time compressed air could be used instead of oxygen, which was the only option at the time. In late October during the first rush of inpatient COVID patients, the hospital's oxygen use skyrocketed to the point deliveries of oxygen and cylinders had to be increased. In addition, there were concerns that the supplier would not be able to meet the increased demand. This led us to discussion to go ahead and install a bulk oxygen system which should eliminate this concern. (Since that first initial rush there have not been any additional "scares". While at times there have been the same number of patients, they have not had the same oxygen requirements as those during first run.). Once installed, the monthly cost should be approximately the same current expenses, just in different buckets. There will be a \$1500 per

month lease on the tank, but the cost of the oxygen will drop enough to offset it (\$7.64/100 ccf currently to \$2.50/100 ccf with bulk). Going forward as the oxygen usage increases, there will be a savings when compared to the cylinder-based system.

Paula Webb made a motion to enter into a bulk oxygen contract with Matheson Tri-Gas, as presented, and Ken Koontz seconded the motion. Charles polled those in attendance, and the motion passed unanimously.

Discussion and Possible Vote on Offer from the State of Texas for Purchase of Property (Right of Way) Located Approximately 0.5 Miles East of US 81 in Ringgold, Texas, for Highway Construction Purposes

An offer letter was received from Teague Nail & Perkins, Inc. on behalf of the Texas Department of Transportation concerning a right-of-way near Ringgold, Texas. This area is not in the hospital district; however, in the process of replacing a lost title some years back, the hospital was inadvertently listed for taxing purposes. While this property is not in the district, it was recommended that the board go ahead and act on the offer letter, even though nothing will likely come of it. The offer from the State is \$15,880.00.

Ron Brown made a motion to accept the State's offer as presented, and Chris Keck seconded the motion. Charles polled those in attendance, and the motion passed unanimously.

Discussion and Possible Vote to Enter into the State Quality Incentive Payment Program with Oak Manor Nursing Home and Rehabilitation, LP, Located in Denton, TX, Including Approval of All Required Documents to Effect a Change of Ownership to NGH of the Current Nursing Home License and Required Management Operations Agreement, Lease Agreement, Sub-Lease Agreement, and Revenue Sharing with Authorizations for CEO to Sign Same After Legal Approval of Needed Documents

Lance presented Oak Manor Nursing Home & Rehabilitation in Denton, Texas for change of ownership to the hospital district. It will be eligible for QIPP beginning with year 5, September 2021. This is a Senior Living Property; the hospital already holds the licenses for their facilities in Burk and Electra. The facility is rather small, with a census of under 50, so Lance stated he expects an annual IGT, based on current funding, of between \$300-350,000 with a benefit to the hospital of around \$150,000 annually.

Cris Lemon made a motion to enter into a change of ownership with Oak Manor Nursing Home & Rehabilitation, and Chris Keck seconded the motion. Charles polled those in attendance, and the motion passed unanimously.

Discussion and Possible Vote on the Early Turnover of Business Personal Property and the Amendment of the Delinquent Tax Contract with Perdue, Brandon, Fielder, Collins, & Mott, LLP

This legal firm works on delinquent property taxes for Montague County. They are asking that we follow changes to the tax code enacted several years ago that allow them to begin collection proceedings on April 1st as opposed to July 1st. In addition, they are asking that our contract with them be increased from 15% of receipts to 20%.

Ron Brown made a motion to allow the early turnover and accept the increase in percentage as requested, and Ken Koontz seconded the motion. Charles polled those in attendance, and the motion passed unanimously.

Administrative Report

Lance presented the following update on the Coronavirus to the Board:

- Averaged about 6 positive results per day in November while testing about 14 per day
- The positive results are split about 50-50, Nocona residents and non-Nocona again
- First half of November averaged 1 COVID + inpatient, 2nd half averaged 4.5
- 4 deaths
- First 8 days of December average COVID + inpatients is 4, 4.25 positive tests daily, down from 6.1 in November
- Supplies are in good shape
- Currently have 4 employees out, utilizing 1 staffing agency RN on a 13-week contract
- Still have the COVID clinic patient parking north of the clinic with tent; providers are performing visits outside to prevent utilizing clinic rooms at this time
- Have expanded our transfer agreements to include other rural hospitals
- Have purchased 2 additional bi-paps, 4 vapotherms; Renting 2 bipaps
- Additionally have 2 vents, 2 transfer vents with bipap capability
- Renting 3 beds that allow proning of the patient
- Renting additional blood pressure monitors specifically for the COVID area
- The free State testing according to Bowie News through November had tested approximately 600 with about 55 positive.

COVID	Tested	Positive	Negative
MARCH	15	0	15
APRIL	34	4	30
MAY	11	0	11
JUNE	29	5	24
JULY	60	10	50
AUGUST	103	21	82
SEPTEMBER	111	36	75
OCTOBER	278	102	176
NOVEMBER	421	183	238
DECEMBER	107	36	71
TTL	1169	397	772

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:20 PM.

Charles May, President

Chris Keck, Secretary