

**Nocona General Hospital  
Board of Directors Meeting  
July 27, 2021**

**Board Members Present:**

Charles May, President  
Ken Koontz, Vice-President  
Chris Keck, Secretary  
Paula Webb  
Kristal Ferguson

**Absent:**

Ron Brown  
Cris Lemon

**Hospital Administration:**

Lance Meekins, CEO

**Medical Staff:**

Len Dingler, MD

**Others Present:**

Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President, Charles May at 12:30 PM.

**Approval of Previous Minutes**

Kristal Ferguson made a motion to approve the minutes of the June 16, 2021 meeting and Chris Keck seconded. Motion passed unanimously.

**Community Input:** None

**Old Business:** None

**New Business:**

**Discussion and Possible Vote on June 2021 Financial Statements**

Lance presented the following report on the June 2021 Financials:

Another fiscal year is in the books, and despite the many uncertainties faced throughout the year, the hospital finished financially in good position. For June the hospital finished with 25 admissions; 554 outpatient discharges, including 14 surgeries; 295 ER visits; 342 home health visits; and 1,568 clinic visits. Additionally, there were 9 observation admissions. This utilization resulted in gross revenue of just over \$2M, exceeding budget by about 13.5%. Please note a large amount of this overage was in the ER and thus required an increase in the allowances to offset the lower payments. As a side note, most of the outpatient/ER revenue is allowed for on average at about 80%, while the inpatient revenue is allowed for at around 25-30%. The average daily census was 3.9 patients, with an average length of stay of 4.4 days. These utilization numbers, combined with the expenses, resulted in a rather large \$325,000 loss from operations.

For year-over-year comparison:

- Gross revenue is about 14% higher than last year, resulting in allowances being up about 15% due to the revenue mix and longer length of stays. Expenses are up about 10%.
- The ADC is down 15% from last year.
- Admissions are down about 7%.
- The ALOS is down .4 days.
- Outpatient discharges are up 22%.
- ER visits are up 12%.
- Ambulance calls are similar.
- Obs admissions are down 18%.
- O/P surgeries are down 30%.
- FTEs are down slightly.
- Clinic Operational Loss up to \$375,000 from \$320,000.

On the non-operating revenue front, the hospital benefited from QIPP payments from the payments for Year 4 May. For the month, the hospital recorded a \$237,000 benefit from QIPP. These payments are included near the bottom of the income statement, now under non-patient revenue. Additionally, I accrued the quarter 3 expected payments (Mar-May) and the June monthly payments in order to record them in the proper year. This accrual was about \$535,000. Due to this accrual, there most likely will not be any QIPP benefit on the July financial statements. June is also the month the business office and social work department finalize the charity for the year. You will note that most of the charity was already written off to bad debt, thus there is a minimum effect to the bottom line as it is simply reclassified. As we have discussed previously, the increase in charity will hopefully increase future uncompensated care payments.

Overall expenses exceeded budget by about 15%. With the window closing on June 30 to make purchases with COVID funds, I had the department heads purchase additional PPE and testing kits. This is reflected in the supplies and expenses line item. Consultant fees were over budget due to utilizing travelers in physical therapy.

Overall, the loss from operations of over \$2.8M has been offset by the supplemental payments (QIPP, UC, DSRIP) of almost \$5M.

### **Year to Year Comparison of Stats:**

	<b>FY21(unaudited)</b>	<b>FY2020 (unaudited)</b>	<b>FY2019</b>	<b>FY2018</b>
Net Patient Rev	\$9,414,000	\$8,200,000	\$7,794,019	\$6,188,329
Admissions	392	420	363	363
O/P Discharges	7,343	6,034	5,264	4,676
Total Expenses	\$12,205,000	\$11,082,000	\$9,506,312	\$8,018,464
Change Net Position	\$3,205,000	\$2,100,000	\$872,056	\$310,281
FTEs	113	113	96.3	101.1
Days Cash on Hand	484	460	222	295

Ken Koontz made a motion to accept the financial report as presented, and Kristal Ferguson seconded. Motion passed unanimously.

### **Convene to Closed Session for the Following Purposes:**

- a) Texas Government Code Section 551.071 – Consultation with Attorney**  
No Closed Session.

## **Administrative Report**

Lance presented the following report to the Board:

### Certified Tax Rolls

We are in receipt of the certified tax roll from the appraisal district. The hospital district's values went up about \$31 million. Receipt of the roll begins the clock on the tax rate setting process. Although no action is need for this month, we will provide the timeline to you at the board meeting. Last year's rate was \$0.18/\$100 valuation.

### June Coronavirus Update

- Total of 7 positive results
- Tested 82
- 0 COVID admissions, 0 observation
- Through first 14 days of July had 3 positive tests out of 37 tested
- State recalled all vaccination clinics and testing sites

**Medical Staff Report:** Nothing to Report

**Other Business:** None

Meeting was adjourned at 2:00 PM.

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Charles May, President

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Chris Keck, Secretary