

**Nocona General Hospital
Board of Directors Meeting
October 19, 2021**

Board Members Present:

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

Absent:

Kristal Ferguson

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC

Meeting was called to order by President, Charles May at 12:32 PM.

Approval of Previous Minutes

Paula Webb made a motion to approve the minutes of the September 21, 2021 meeting and Chris Keck seconded. Motion passed unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on Removal of RadPartners Physician Uma Reddy

Ron Brown made a motion to approve the removal of Uma Reddy, and Ken Koontz seconded. Motion passed unanimously.

Discussion and Possible Vote on 2021 Tax Totals

Cris Lemon made a motion to approve the 2021 Tax Totals. Ron Brown seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on September 2021 Financial Statements

Lance presented the following financial report to the Board:

The hospital had one its best utilization months in years in September. For the month the hospital had 52 admissions; 841 outpatient discharges, including 22 surgeries; 349 ER visits; 383 home health visits; and 1745 clinic visits. Additionally, there were 6 observation admissions. This utilization resulted in

gross revenue of \$2.6M, exceeding budget by about 42%. The average daily census was 9.5 patients with an average length of stay of 6.3 days. These utilization numbers combined with the expenses and allowances resulted in a \$95,000 loss from operations.

For year over year comparison: (3 months)

- Gross revenue is about 22% higher than last year resulting in allowances being up about 30% due to the revenue mix and the aging of Accounts Receivable. Expenses are up 2%, half of which is due to salaries.
- The ADC is up 1.5 patients from last year.
- Admissions are up about 50%.
- The ALOS is about the same.
- Outpatient discharges are up 25% (covid testing, antibody therapies).
- ER visits are up 25%.
- Ambulance calls are the same.
- Obs admissions are down 29%.
- O/P surgeries are up 30%.
- FTEs are up 3.

Net operating revenue exceeded budget by 32% for the month. I'm a bit disappointed that with the utilization and gross revenue achieved during the month that we would still show an operational loss. As you would expect, with gross revenue exceeding budget, the allowances would also exceed budget. Unfortunately, with the accounts receivable aging as it has over the past 90 days, I had to allow for an additional amount (meaning post more bad debt and contractual expense). I am confident that once records are caught up and we get the new office personnel trained on follow up that I will be able to recoup these additional amounts.

Overall expenses were under budget by about 2% for the month and 3.2% for the year, but up 2% from last year.

Non-operating revenue was greatly benefitted by significant QIPP payments during the month. QIPP year 4 August payments as well as QIPP year 4 IGT reconciliation payments arrived during the month. Another 40% of these two payments will be posted in October.

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

Discussion and Possible Vote on Employee Health Insurance Renewal

Lance stated that he had included his normal spreadsheet showing the various quotes received, reminding the board that the process for renewing is twofold. This month the Board needs to lock in the renewal rates currently quoted as any additional lag time would allow the carriers to update their quotes, possibly leading to higher numbers if employee claims increased during the time frame. The second step, which can be completed later, but before the end of year, would involve decisions on the plan design and any updates to the premiums charged to the employees. Lance reported that he was pleased to see an option that would only lead to a 2% increase to the plan. This option would require the hospital to change the PPO currently utilized (Heathsmart) to PHCS. Our current TPA (Group Resources) recommends the change, as they have had good luck working with PHCS. Lance commented that his concern when switching PPOs is the disruption report, which compares the network claims between the two PPOs. However, the current report shows that 90% of the current claims covered as in network with Heathsmart would also be covered under the PHCS network. He pointed out that there are no other differences in the quotes aside from the change in PPO, but the cost is

significantly lower with PHCS. This is due to PHCS having much better contracts with providers according to Group Resources. He reported that the hospital's net cost for 2021 is projected to be approximately \$405,000 including the pharmacy cost. For 2020 the hospital net cost was about \$420,000.

Ken Koontz made a motion to approve the 2021 Employee Health Insurance renewal as presented, changing from the HealthSmart PPO network to PHSC. Chris Keck seconded the motion, and the motion passed unanimously.

Discussion and Possible Vote on Capital Equipment Purchase: OR Light

Lance reported that, as was the case for the purchase of the new operating table, the age of the current OR light can no longer be pushed out. He presented a quote from OR Director Bonnie Robertson to replace the current light, as it is becoming more and more of a hazard. Also of note, Dr. Khaira performed nine procedures last month and is on the board for 5 so far this month, some of which were scopes.

Paula Webb made a motion to approve the purchase of a new OR Light, and Chris Keck seconded. Motion passed unanimously.

Convene to Closed Session for the Following Purposes:

- a) **Texas Government Code Section 551.071 – Consultation with Attorney**

The board dismissed to Closed Session at 1:15 PM.

Reconvene to Open Session and Take Action as Follows:

- a) **Discussion and Possible Vote on Matters Related to Consultation with Attorney**

The board reconvened to Open Session at 1:19 PM. No action taken.

Administrative Report

Lance presented the following report to the Board:

September Coronavirus Update

- 417 Tests performed (338 August)
- 117 Positive (152 August), 300 Negative (236 August)
- Positives:
 - Bowie 34
 - Montague 6
 - Nocona 50
 - Sunset 6
 - Saint Jo 4
 - Several with 1 or 2
- 20 Covid+ admissions (17 August) plus 4 inpatients admitted in August still admitted in September resulting in 148 inpatient days (82 August)
 - Nocona 7
 - Knox City 1
 - Sunset 2
 - Bowie 5
 - Ryan 1
 - Gainesville 1
 - Montague 3
- 16 unvaccinated inpatients, 4 vaccinated

- 3 deaths, all unvaccinated
- 27 Regeneron outpatient IV therapy

First half of October: 19 positives out of 91 tested.

Pain Management

NGH staff and Board representatives met recently with Nick Rose regarding his pain management business. Those who met with Mr. Rose reported on issues discussed and stated that research into this possibility is ongoing.

Clinic Renovation

The building committee has met twice with our architect. While still not quite to the point of having the Board officially take action on any possible project, Lance presented a preliminary drawing for them to review as members of the committee gave an update.

Vaccine Mandate

Information seems to come out each day regarding the vaccine mandate. TORCH did a survey on vaccination rates in member hospitals that Lance included in the Board's packet. The percentages are all over the board. Lance reported that the NGH staff rate is at about 70%.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:50 PM.

Charles May, President

Chris Keck, Secretary