

**Nocona General Hospital
Board of Directors Meeting
June 21, 2022**

Board Members Present:

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

Absent: None

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 12:34 PM.

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the May 17, 2022 meeting and Chris Keck seconded. Motion passed unanimously.

Community Input: None

Old Business: None

New Business:

Department Update

Department Director Kelly Cope presented an update to the board on the Clinic and Hospital operations.

Discussion and Possible Vote on Fiscal Year 2023 Operating Budget

Lance reported the following concerning the NGH budget:

NGH has experienced 7 consecutive years of overall financial success that we have been able to plow back into the facility with hopefully more to come. As you know we were assisted mightily by the numerous supplemental payment programs, and we continue to benefit from the QIPP and Uncompensated Care programs. Additionally, we have benefitted from the Low Volume Program, which currently will end September 1st. As I stated at last month's meeting, we are confident that the program will be renewed; therefore, I have included its benefit (by not increasing the contractual allowances to offset its loss) in the budget.

Due to this inherent uncertainty of healthcare reimbursement, especially on a federal level, the proposed Fiscal Year 2023 Operating Budget reflects a conservative nature while still attempting to provide the necessary resources to continue to provide quality and compassionate healthcare to our community. I will note that the QIPP program certainly allows for operational decisions/purchases that may not be made if not for the program. This is reflected by the large operational loss (net revenue less expenses) that is reflected in the budget. I will provide greater detail on the specifics of the budget at the meeting. Additionally, the finance committee members will relay on their thoughts from the meeting.

Ron Brown made a motion to accept the Fiscal Year 2023 Operating Budget as presented. Paula Webb seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on Fiscal Years 2023-2024 Capital Budget

Ken Koontz made a motion to accept the Fiscal Years 2023-2024 Capital Budget as presented, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on Access Control Door Locks

This subject was tabled at last month's meeting as we worked to obtain additional quotes on an expanded system. The proposed system is significant in its ability to safeguard the facility and those within the facility. It also includes an expanded camera system, The cost obviously increased substantially, but we do have the necessary funds to implement. Due to recent events, a question was asked through TORCH by a CEO about security. Many responses included having implemented this type of code/badge access system. The previous quote with the more limited features is still available. The vendor of the new quote stated work could begin in less than 90 days from approval. Todd Sutton was present to offer explanation and answer questions

Paula Webb made a motion to move forward with the expanded badge/camera security system as presented, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on Revision to Handgun Policy

Due to changes in required handgun signage, the NGH Handgun Policy has been updated to remove specific reference to signage, and replaced with the statement "pursuant to Texas Law".

Paula Webb made a motion to accept the revised policy as presented, and Ron Brown seconded. Motion carried unanimously.

Discussion and Possible Vote on May 2022 Financial Statements

CEO Lance Meekins presented the following report to the board:

For May the hospital finished with 23 admissions; 544 outpatient discharges, including 14 surgeries; 328 ER visits; 60 ambulance calls; 420 home health visits; and 1542 clinic visits. Additionally, there were 13 observation admissions. This utilization resulted in gross revenue of \$1,812,792, slightly under budget by about 1%. The average daily census was only 2.7 patients with an average length of stay of 3.9 days. These utilization numbers combined with the expenses and allowances resulted in a \$426,333 loss from operations.

For year over year comparison:

- Gross revenue is exceeding budget by about 19.5% this year and up about 10.8% over last year. Net revenue is about the same as last year; expenses are about 1% higher.
- The ADC is up slightly from last year.
- Admissions are up 8%.

- The ALOS is the same.
- Outpatient discharges are up 10%.
- ER visits are up 18%.
- Ambulance calls are up 15%.
- Obs admissions are the same.
- O/P surgeries are up 36%.
- Clinic visits are up 10%.
- FTEs are unchanged from this time last year.

Net Revenue was hit hard by additional allowances for bad debt and a significant percentage of gross revenue being outpatient for the month. Expenses were well under budget for the month as predicted due to the salary accrual being reversed that we spoke of last month. QIPP Year 5, 2nd quarter payments were received in addition to the monthly payments resulting in close to a \$1M benefit to the hospital.

Ken Koontz made a motion to accept the May 2022 financial report as presented, and Cris Lemon seconded. Motion carried unanimously.

Convene to Closed Session for the Following Purposes:

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

The board convened to Closed Session at 1:33 PM.

Reconvene to Open Session for the Following Purposes:

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

The board reconvened to open session at 1:37 PM. No action was taken.

Administrative Report

Lance presented the following report to the board:

Parking Lot Addition

The new fire line has been installed. Additionally, the water sprinkler lines have been relocated. We have already had a change order on the installation. The installers had to perform a hot tap because the city was not able to valve off the line in the street so they had to tap it under pressure. Originally the City told Keith Scales there was no tap fee but then decided to charge \$1,000. The contractor charged \$2500 for the hot top and \$2000 for the post indicator that will most likely be required by the building code inspectors. The overall total for the change was \$5,775. We are currently waiting on a walk through with the contractor to begin the construction of the parking lot.

Roof

Reclaim Construction continues to work with our property insurance company for the replacement of the roof for the north end of the building. It has been escalated to a senior claims adjuster who has made a second visit by the insurance company to the facility. We are currently awaiting his report.

Coronavirus Update

- 79 Tests performed (72 April; 73 March; 152 February; 484 January; 309 December)
- 5 Positive, (0-April; 2-March; 32-February; 313-January; 74-December; 25-November)
- Supplies chain issues continue as reported last month. We can now include global shortages for IV iodinated contrast utilized by the radiology department. At this time, we are in better shape than most based on current inventory.
- Cases and admissions State wide have increased over the past 3 weeks.

May Update thus far: 7 positives; no admissions

Clinic Remodel

Lance shared the latest drawings from the architect for the proposed clinic/ER/Lab remodel. While no action was needed, the board indicated their interest in having Lance move forward with the next steps involved with this project.

Press Ganey Survey – May 2022

Lance highlighted the May Press Ganey survey for the board's attention.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 2:03 PM.

Charles May, President

Chris Keck, Secretary