

**Nocona General Hospital  
Board of Directors Meeting  
July 19, 2022**

**Board Members Present:**

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

**Absent:**

Kristal Ferguson  
Ron Brown

**Hospital Administration:**

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

**Medical Staff:**

Len Dingler, MD

**Others Present:**

Brian Jackson, Jackson & Carter, PLLC  
David Hartwell, BYSP Architects

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

**Approval of Previous Minutes**

Ken Koontz made a motion to approve the minutes of the June 21, 2022 meeting and Paula Webb seconded. Motion passed unanimously.

**Community Input:** None

**Old Business:** None

**New Business:**

**Department Update**

None

**Discussion and Possible Vote on June 2022 Financial Statements**

CEO Lance Meekins presented the following report to the board:

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 30 admissions; 516 outpatient discharges, including 13 surgeries; 308 ER visits; 308 home health visits; and 1573 clinic visits. Additionally, there were 8 observation admissions. This utilization resulted in gross revenue of just under \$1.7M, about 7.5% under budget. The average daily census was 3.2 patients with an average length of stay of 2.9 days. These utilization numbers, combined with the expenses, resulted in a \$267,318 loss from operations.

For year over year comparison:

- Gross revenue is about 8.5% higher than last year. Expenses are down about 0.5%.
- The ADC is up 5% from last year.
- Admissions are up 8%.
- The ALOS is the same.
- Outpatient discharges are up 8%.
- ER visits are up 17%.
- Ambulance calls are up 15%.
- Obs admissions are the same.
- O/P surgeries are up 31%.
- FTEs are the same.

On the non-operating revenue front the hospital benefited from QIPP payments from the payments for Year 5 April. Additionally, I accrued the quarter 3 expected payments (Mar-May) and the May and June monthly payments in order to record them in the proper year. This accrual was about \$1,200,000. 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 were under budget by 7%.

Overall, the loss from operations of over \$2.8M has been offset by the supplemental payments (QIPP, UC, DSRIP) of almost \$6.3M.

Ken Koontz made a motion to accept the June 2022 financials as presented, and Paula Webb seconded. Motion carried unanimously.

### **Discussion and Possible Vote on Contract for Architect Services with Bundy, Young, Sims & Potter**

#### **Discussion and Possible Vote on Authorizing Bundy, Young, Sims & Potter to Produce Biddable Architectural Drawings for Potential Clinic/ER Renovation Project**

David Hartwell from BYSP was presented and shared with the board an estimated cost for the entire project. Lance pointed out to the Board they could move forward with the project or scale it back to a smaller version. After considering a variety of options and the financial investment, the board was agreeable to move forward with the full project.

Ken Koontz made a motion to accept a Letter of Intent from Bundy, Young, Sims & Potter for their architectural services. Cris Lemon seconded the motion, and the motion passed unanimously.

Chris Keck made a motion to authorize Bundy, Young, Sims & Potter to move forward with the preparation of the necessary drawings to put the full project out for bid. Paula Webb seconded the motion, and the motion carried unanimously.

### **Discussion and Possible Vote on the Addition/Credentialing of the Following RadPartners Physicians: Lester Gerson, MD and Byron Schoettle, MD**

Paula Webb made a motion to accept the addition of these physicians and Chris Keck seconded. Motion carried unanimously.

### **Discussion and Possible Vote on Resolution Establishing Wells Fargo Advisors Investment Account**

Lance reminded the Board about last month's discussion of the opportunity to reinvest a portion of the hospital's reserves as interest rates have increased. He pointed out that the Board would need to authorize the opening of a new investment account. The investment plan will include a laddered approach not to exceed 12 months at this time. Three-month rates are around 2%, increasing to about 3% for 12 months. Lance stated that, with the amounts to be invested as discussed last month, the hospital should see approximately \$100,000-\$125,000 yearly income.

Ken Koontz made a motion to approve the Resolution to open a Wells Fargo investment account, 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**

None

### **Administrative Report**

Lance presented the following report to the board:

#### Parking Lot Addition

Progress continues on the new parking lot with the rock base being laid on the 12<sup>th</sup> and 13<sup>th</sup>. We have made the initial payment on the contract of about \$44,000. There is a 5% retainage on each payment.

#### New Physician

The Medical Staff and a Board committee met separately with a potential new physician for the hospital and clinic. Dr. Dingler gave the background and explained the possible arrangement and time line involved, and Charles and Paula shared their input.

#### Timeline for Adoption of Tax Rate

A draft timeline for the adoption of the 2022 Tax Rate was presented to the Board. However, the preferred deadline for adoption set by the Montague County Tax Assessor-Collector is prior to the regularly-scheduled September Board meeting, which would fall on September 20<sup>th</sup>. The Board should be considering whether they would prefer to move the September Board meeting back a week to 9/13/2022 or hold a special meeting for the hearing (if needed) and adoption. This will be discussed at the August Board meeting and a timeline finalized.

#### Coronavirus Update

- 121 Tests performed (79 May, 72 April, 73 March, 152 February, 484 January)
- 20 Positive, (5-May, 0-April, 2-March, 32-February, 313-January)
- 1 admission for 2 days
- Cases and admissions State wide continue to increase slowly.

July Update thus far (through the 12<sup>th</sup>): 65 tests with 27 positives. No admissions.

Year to Year Comparison of Stats

	<u>FY22(unaudited)</u>	<u>FY21(unaudited)</u>	<u>FY2020 (unaudited)</u>	<u>FY2019</u>
Net Patient Rev.	\$9,301,101	\$9,414,000	\$8,200,000	\$7,794,019
Admissions	425	392	420	363
O/P Discharges	7958	7343	6034	5264
Total Expenses	\$12,144,506	\$12,205,000	\$11,082,000	\$9,506,312
Change Net Pos.	\$4,450,745	\$3,205,000	\$2,100,000	\$872,056
FTE's	113	113	113	96.3
Days Cash on Hand	574	484	460	222

Press Ganey Survey – June 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 1:55 PM.

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Charles May, President

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Chris Keck, Secretary