

**Nocona General Hospital
Board of Directors Meeting
September 20, 2022**

Board Members Present:

Charles May, President
Chris Keck, Secretary
Paula Webb
Cris Lemon
Kristal Ferguson

Absent:

Ken Koontz, Vice-President
Ron Brown

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 12:45 PM.

Approval of Previous Minutes

Paula Webb made a motion to approve the minutes of the August 16, 2022 meeting and Kristal Ferguson seconded. Motion passed unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on 2022 Hospital District Tax Rate

Lance stated that all necessary steps had been performed to act on the hospital's 2022 Tax Rate. Based on previous discussions, a rate of \$0.1611/\$100 in appraised value has been published along with all the required public notifications in the newspaper. He reminded the board a lower tax rate could be set at this meeting, but not a higher rate without additional publication of intent. The proposed tax rate would result in a tax levy of about \$925,000.

Paula Webb made a motion that the property tax rate be **decreased** by the adoption of a tax rate of **\$.16110**, which is effectively a **12.44 percent decrease** in the tax rate. This tax rate will **raise** more taxes for Maintenance & Operations than last year's tax rate. The tax rate will effectively be **decreased** by **12.44 percent** and will **raise** taxes for Maintenance & Operations on a \$100,000 home by approximately **\$0**. Cris Lemon seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on Lot Sales:

- a) Lot 347, Block 1, Oak Shores Addition**
- b) Lot 346, Block 1, Oak Shores Addition**

Cris Lemon made a motion to accept the resale bid of \$5,000 (total) for these two properties, and Chris Keck seconded the motion. Motion carried unanimously.

Discussion and Possible Vote on the Following RadPartners Physicians Additions, Removals, and Reappointments:

- a) Mary Betterman, MD (R)**
- b) Samir Shah, MD (R)**
- c) Jennifer Veltkamp, MD (R)**
- d) Lester Gerson, MD (A)**
- e) Jose Arjona, MD (Reappointment)**
- f) Michael LaPointe, MD (Reappointment)**
- g) Benoit Luyckx, MD (Reappointment)**
- h) Sunthosh Madireddi, MD (Reappointment)**

Paula Webb made a motion to accept the additions, removals, and reappointments of the RadPartners physicians as presented. Chris Keck seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on August 2022 Financial Statements

Lance presented the following report on the August 2022 Financials:

For August the hospital finished with 28 admissions; 631 outpatient discharges, including 12 surgeries; 330 ER visits; and 1734 clinic visits. Additionally, there were 6 observation admissions. This utilization resulted in gross revenue of about \$2.3M, about 16% over budget. The ER revenue was skewed somewhat as we were able to charge out many older accounts. The process for charging the accounts has been slower due to the ER director position being vacant for quite some time. The average daily census was 3.2 patients with an average length of stay of 3.7 days. These utilization numbers combined with the expenses resulted in a \$32,694 loss from operations. The allowances were also skewed significantly as we were finally able to post the fiscal year 2020 and 2021 audit adjusting entries. Within these entries were two that were needed to bring the allowances up to the audited number after review. This resulted in the allowances (balance sheet account) being increased by about \$300,000 on those previous financials. Without that previous year adjustment, the allowances for this month would have significantly higher resulting in most likely at \$200,000+ loss for the month.

For year over year comparison:

- Gross revenue and expenses are about the same.
- The ADC is up 1.3 patients from last year or 29%.
- Admissions are down 14%.
- The ALOS is down 1 day.
- Outpatient discharges are down 15%.
- ER visits are up down 7%.
- Obs admissions are the same.
- O/P surgeries are down 30%.
- FTEs are down 4.5 from this time last year.

In the non-operating revenue, the hospital received its DSRIP payment of about \$62,000, as well as uncompensated trauma payments.

Overall expenses were under budget by 6%.

Paula Webb made a motion to accept the Financial Report as presented, and Kristal Ferguson seconded. Motion carried unanimously.

Discussion and Possible Vote on Capital Purchase: Radiofrequency Generator for OR

This is the second piece of equipment needed to begin performing pain management procedures in the operating room. Lance included in the board packet a product overview from Stryker that details what the unit can do.

Chris Keck made a motion to purchase the RF Generator as presented, and Paula Webb seconded. Motion carried 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:

Parking Lot/Roof Updates

All that is left for the parking lot is the striping and a bit of groundskeeping. We are also adding lighting to the backside of the current light poles so that the new area is lit well.

After a few minor issues to start the roof project, it has sailed along. As of this writing the Wellness Center and original north part of the hospital are complete with the radiology wing remaining. It has been a bit noisy and dusty, but the staff has worked through it. Reclaim sends me a daily update on the progress, and the latest one is included in your packet.

Financial Audits

The fiscal year 2020 and 2021 audits are now complete. I will have a copy of those in your packets. Unless the Board wishes otherwise, I will wait for the auditors to complete the 2022 audit and cost report before they come out for a presentation.

Electricity Contract

Included in your packet is a quick glance at the savings the hospital has achieved with its decision several years ago to lock in a 10-year contract with TXU. To this point in time, it has been a very good decision. As you can see on the graph the hospital has saved approximately \$30,000 during the first 17 months of the contract. These savings are based on what the market has done over that same time frame. We still have about 8 ½ years to go on the contract. The energy charge for the contract period is \$0.033/KwH.

HCA GME Rural Family Medicine Residency Program

We have been in discussion with HCA (Medical City) about becoming part of their residency program for Family Medicine whereby residents would perform their rural medicine rotation here. Len and I will give you an update at the meeting on the latest meeting with them and the advantages we could see with such a partnership.

Two Concerns

Once again, the current Low Volume Adjustment (LVA) criteria, which adds anywhere from 20-25% to our inpatient payments, is set to expire at the end of the month and revert to the original criteria for qualification (less than 200 total discharges and 25+ miles from a like hospital). And once again it appears nothing will be done to extend it prior to it reverting. There is currently a bill in the House that would extend the current criteria an additional 5 years. At this point the feeling is nothing will be done prior to

the November elections, but once the new year begins the bill will be attached to a larger spending/reconciliation bill. If that occurs, claims will be re-processed. I have sent a letter to Ronny Jackson urging his support. I have a form letter that each of you can send to Jackson and our Senators if you wish. As a reminder the LVA adds approximately \$500,000 to our inpatient payments.

Additionally, Year 8 (we are currently in year 11) of the uncompensated care payments (UC) has been audited. As you may recall the same audit took place with year 7 and required a significant recoupment from the hospital due to the changing of rules from a lawsuit which was not finalized until after the payments for both years had been made. (Payments that originally were not required to be included in the UC calculation were then required to be included). This will result in a \$79,000 recoupment.

Rural Emergency Hospital Program

We discussed this briefly at last month's meeting so I included additional information for you. I certainly do not believe this is needed for us now, but I feel the board needs to be aware of the program if down the road our inpatient side of the business continues to remain static or sees an additional drop off.

Coronavirus Update

- 154 Tests performed (167 July; 121 June; 79 May; 72 April; 73 March; 152 February)
- 29 Positive (65 July; 20 June; 5 May; 0 April; 2 March; 32 February)
- 4 admissions
- Cases and admissions state-wide continue to decrease slowly.

September update thus far: 4 positives, 1 admission

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:32 PM.

Charles May, President

Chris Keck, Secretary