

**Nocona General Hospital
Board of Directors Meeting
November 15, 2022**

Board Members Present:

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

Absent:

Cris Lemon

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

None

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

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the October 18, 2022 Regular Meeting and Paula Webb seconded. Motion carried unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on October 2022 Financial Statements

Lance presented the following report on the October 2022 Financials:

For October the hospital finished with 26 admissions; 620 outpatient discharges, including 9 surgeries; 313 ER visits; and 1649 clinic visits. Additionally, there were 9 observation admissions. This utilization resulted in gross revenue of about \$1.7M, about 13.5% under budget. The average daily census was 3.2 patients with an average length of stay of 4.1 days. These utilization numbers combined with the expenses resulted in a \$500,000+ loss from operations. Days cash on hand dropped by 13 days from last month. Collections on patient accounts are like last year through October apart from Home Health. The current issue is with utilization being down, the accounts receivable is aging due to delinquent dictation and collection issues. As you will read later, we have made some personnel changes to ramp up collections and improve follow up of billed accounts. About 38% of A/R is older than 180 days old, the point at which

auditors require full balance allowance write-off. This leads to higher-than-normal contractual allowances.

For year over year comparison:

- Gross revenue is down 14%, and expenses are about the same.
- The ADC is down 3 patients from last year or 50%.
- Admissions are down 35%.
- The ALOS is down 1.2 days.
- Outpatient discharges are down 16%.
- ER visits are down 4%.
- Observation admissions are up 24%.
- O/P surgeries are down 40%.
- Clinic visits are down 5%.
- FTEs are down 4.9 from this time last year.

In the non-operating revenue, the hospital received QIPP payments for August of Year 5 for about \$115,000. We also capitalized the new roof, which resulted in a \$623,000 non-cash benefit. This will be offset by the monthly depreciation expense over 20 years. Additionally, the DY11 UC benefit of about \$150,000 was also recorded. These non-operating revenues offset the large operational loss resulting in a healthy bottom line while bringing us back to about break even for the year.

Overall expenses were over budget by 2.5% and now sit about 3.5% over budget for the year. The majority of this is due to employee health claims spiking over the past 3-4 months resulting in that line item being 77% over budget for the year and up 116% from this time last year.

Ron Brown made a motion to accept the October 2022 financials as presented. Ken Koontz seconded, and the motion carried unanimously.

Discussion and Possible Vote on Approval of 2022 Tax Totals

Paula Webb made a motion to approve the 2022 Tax Totals as presented, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on Additions (A) and Removals (R) of the Following RadPartners Physicians:

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|--------------------------------|------------------------------------|
| a) Rebhi Awad, MD (A) | e) Linh Pham, MD (A) |
| b) Tariq Hashmy, MD (A) | f) Cynthia Stearnds, MD (A) |
| c) Jack Drew, MD (A) | g) Nuha Krad, MD (A) |
| d) Henry Jones, MD (A) | h) Benoit Luyckx, MD (R) |

Paula Webb made a motion to approve the Approvals and Removal of the RadPartners Physicians as presented. Ken Koontz seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on Agreement for Pathology Services with North Texas Medical Laboratory

As previously noted, our long-time pathologists have retired effective the first of November. John Boykin, our Lab Director, was able to secure a new pathologist, Susan Strait, out of Wichita Falls. John has worked with Dr. Strait previously and highly recommends her. We will see an increase of \$600 per month for the services, but John states that amount is what the market is demanding.

Ken Koontz made a motion to enter into an agreement with North Texas Medical Laboratory for pathology services. Kristal Ferguson seconded, and the motion carried unanimously.

Discussion and Possible Vote on Contract with Care Consultants Better Solutions, Inc. for Release of Information Services

Discussion and Possible Vote on Contract with 24Data7 for Transcription Services

In the reorganization of part of the front office, an opportunity presented itself to outsource some of the medical records responsibilities. About 75% of duties of one employee is transcription and copying medical records for insurance companies. By outsourcing these duties, it will allow us to create a position to handle the other 25% of the duties and utilize the other 75% for insurance follow up. Overall, it will probably add about \$20-25,000 to the budget, but my theory is this will be more than offset by better collections. The two contracts on the agenda are to outsource all medical records copying and transcription duties. For the release of information contract, the company will perform these duties for the copying fees we would receive if we continue to do them inhouse. The transcription costs will be \$.08 per line. We estimate the monthly cost will be about \$750-\$1000 depending on utilization. As a side note this process was set in motion due to our long-time medical records director, Robin Bowles, retiring at the end of the year. Her second in charge, Sandra Woods, has been promoted to fill her spot, with Sandra's spot as the main coder being filled by Tresa Woods, our longtime transcriptionist.

Chris Keck made a motion to enter into contracts with Care Consultants Better Solutions, Inc. for release of information services and 24Data7 for transcription services, and Ken Koontz seconded. Motion carried unanimously.

Discussion and Possible Vote to Amend Contract with Discovery Medical Network to Add Tyler Benson, MD as a Clinic, Hospital and ER Physicians as Well as Grant Privileges for Him at Nocona General Hospital

A letter of intent was recently extended to Dr. Benson. Board action is required to officially extend an offer to him through our contract with DMN.

After a brief discussion, Ron Brown made a motion to amend the contract with Discovery Medical Network to add Tyler Benson, MD, as presented with the following specifications: (1) offer \$50,000 up front as a sign-on bonus (payout date to be determined), (2) offer a guarantee for year one of \$200,000, beginning in August 2023, and (2) offer a guarantee of \$225,000 annually for years two and three. Paula Webb seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on Letter of Agreement with HCA Medical City Healthcare UNT-TCU GME Consortium (Medical City Arlington) to Participate in Their Family Medicine Residency Program

NGH has officially been approved by the HCA GME program to host the rural rotation of their residency program. The Letter of Agreement is included in your packets. Brian has reviewed and made a couple of minor adjustments. At this time, I do not have a timeline on when we could expect the first resident.

Ken Koontz made a motion to accept the Letter of Agreement as presented. Kristal Ferguson seconded, and the motion carried unanimously

Discussion and Possible Vote on Creation of an NGH Foundation

Ron Brown presented the proposal to establish a foundation for the hospital. Having experience with foundations, Ron offered to oversee the process (filing necessary documents, establishing bylaws, etc.)

Paula Webb made a motion to establish the Nocona General Hospital Foundation, enlisting current NGH board members to establish the initial board, and authorizing Ron Brown to move forward with the necessary legal steps. Ken Koontz seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on Employee Retention Payments

Chris Keck made a motion to authorize Lance to move forward with employee retention payments totaling approximately \$125,000, and Ron Brown 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:

Congressional Aide Visit

We had what I felt like a very productive meeting with Ronny Jackson's congressional aide. We spoke at length regarding the issues we encounter with Medicare Advantage and the importance of extending the LVA program. From talking with several other area administrators, it appears we all hit on the same bullet points.

Potential New QIPP Nursing Facility

Foursquare, with whom we have 5 facility partnerships in the QIPP program, is potentially purchasing a new facility. If the purchase comes to fruition, they wish to partner with us again. The yearly annual IGT appears to be about \$700,000.

Feasibility Study with State on Expansion/Renovation Project

We hit a few roadblocks after the initial conversation with the State. David Hartwell is currently preparing potential remedies to each of the initial issues. I will bring you up to speed at the meeting.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:45 PM.

Charles May, President

Chris Keck, Secretary