

**Nocona General Hospital
Board of Directors Meeting
January 17, 2023**

Board Members Present:

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

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 12:34 PM.

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the December 20, 2022 Regular Meeting and Paula Webb seconded. Motion carried unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on December 2022 Financial Statements

Lance presented the following report on the December 2022 Financials:

For the month of December, the hospital had 34 admissions; 663 outpatient discharges, including 13 surgeries; 352 ER visits; 299 home health visits; and 1785 clinic visits. Additionally, there were 10 observation admissions. This utilization resulted in gross revenue of just over \$2.3M., exceeding budget by about 18% for the month while exceeding the yearly budget through 6 months by 1.4%. The average daily census was 4.5 patients with an average length of stay of 3.9 days. These utilization numbers, combined with the expenses and allowances, resulted in a \$15,412 profit from operations.

For year over year comparison: (6 months)

- Gross revenue is about 9.5% lower than last year. Expenses are up 3%.
- The ADC is down 2.3 patients from last year.

- Admissions are down 26%.
- The ALOS is down about 1 day.
- Outpatient discharges are down 11.5%.
- ER visits are down 1%.
- Ambulance calls are down 2%.
- Obs admissions are up 12%.
- O/P surgeries are down 30%.
- FTEs are down 4.
- Receipts of patient accounts are down 7.6% for hospital accounts, down 50% for home health (but improving), and down 3.5% in the clinics.

Net operating revenue exceeded budget by 27.5% for the month but is still down 11% from last year through 6 months.

Overall expenses were under budget by about 11.5% for the month (recall the salary line item we discussed last month) but about 1.2% over budget for the year, mostly due to employee benefits and consultant fees.

Non-operating revenue included QIPP Year 6 October payments.

Paula Webb made a motion to accept the December 2022 financials as presented, and Cris Lemon seconded. Motion carried unanimously.

Discussion and Possible Vote on Calling of Election for Saturday, May 6, 2023

Ken Koontz made a motion to call for an election on Saturday, May 6, 2023, and Ron Brown seconded the motion. Motion carried unanimously.

Discussion and Possible Vote on Capital Equipment Purchase: Ultrasound Unit

Radiology Director Gaytha Thompson presented a proposal to purchase a new ultrasound machine. She stated that the current system is 16 years old and is at the end of its useful life. In addition, the vendor will no longer support it beginning this summer. Lance commented that Gaytha has done a fantastic job in reviewing and performing hands-on demos on multiple units to determine what is best for our facility. Gaytha added that the department does not perform a high volume of sonograms, but it is a service that needs to be continued.

Ken Koontz made a motion to purchase the GE P10 Ultrasound Unit as recommended, and Chris Keck seconded. Motion carried unanimously.

Discussion with David Hartwell Regarding Potential Clinic Expansion/ER Renovation

David Hartwell updated the board on the clinic expansion/renovation project. The schematics phase has been completed, so David had updated architectural drawings for review. Additionally, he had an updated cost estimate broken down by phases. No action was needed, but Lance stated that if the board agreed to continue to move forward, meetings with the engineers would begin later in the week. Timeline wise, the February or March meeting will provide the Board the opportunity to act on the final drawings and proceed to letting of bids for the project.

No action taken.

Convene to Closed Session for the Following Purposes:

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

There was no Closed Session.

Administrative Report

Lance presented the following report to the Board:

Family Medicine Program

As you are most likely aware we are on to our second resident. Dr. Mary Dacosta will be with us until January 23rd. Feedback from our first resident was very positive as we navigate the process. The apartment across the street has been furnished, and Dr. Dacosta is currently residing there.

QIPP Facilities

Unfortunately, none of the facilities I mentioned last month will be able to partner with us in the upcoming QIPP year. Our consultants were concerned that the Medicaid census for the larger facility, Oakmont, would not be high enough thus causing IGT shortfalls moving forward. Since we were unable to partner with Oakmont, I declined the other smaller facility that was outside the 150 miles which would trigger additional requirements.

On a good note, QIPP year 7 Dates to Remember document has been posted by HHSC. As currently proposed year 7 will continue with the same metrics as year 6.

State Legislative Session

The 88th legislative session begins the week of the 16th. TORCH has had productive meetings with house appropriations, senate finance, and the Lt. Gov's office this week. I've attached a one-pager of state legislative priorities from TORCH. It's always a nervous time with the legislature is in session because you just don't know what will come up. Fortunately, TORCH and THA monitor all bills being filed.

Additionally, the State is in very good shape revenue wise.

Recent Federal Legislation

Congressional lawmakers followed the urging of THA and other hospital advocates just before the new year – delaying a deep Medicare cut, extending pandemic-era patient care flexibilities, and providing struggling rural hospitals with continuing help through an omnibus bill that also funds the federal government through September.

THA advocated for many of the provisions in the bill. Provisions in the final package that will net major benefits for us include:

- Delaying for two years the Medicare “PAYGO” 4% funding cut that would have gone into effect on Jan. 1, 2023, and triggered \$38 billion in cuts to Medicare providers (6% total cut when combined with the current 2% sequestration cuts). The 4% PAYGO cuts were to be triggered by pandemic spending. Most likely this will set up a massive “cliff” situation again in two years.
- **Extending for two years the Medicare-dependent hospital program and the enhanced version of the low-volume adjustment program, two crucial rural funding extenders that were facing expiration; LVA through FFY25.**
- A two-year extension for the Medicare telehealth flexibilities that are currently tied to the federal COVID-19 public health emergency (PHE).
- Requiring state Medicaid programs to provide 12 months of continuous eligibility for children, ensuring more consistent coverage.

- Reducing the physician fee schedule cut for 2023 from 4.5% to 2%, and to around 3% for 2024.
- Adding two years of funding for the Children’s Health Insurance Program to keep it funded through 2029.
- Home Health 1% rural bump was extended through 2023, and the rural EMS 3% bump was extended through 2024.

To help pay for the package, the bill allows states to begin redeterminations for Medicaid eligibility on April 1, 2023, while outlining a phasedown of COVID-19-enhanced Medicaid state funds. It’s widely expected that the federal PHE will end in mid-April, meaning many beneficiaries receiving Medicaid under the PHE face ineligibility. Lawmakers included an additional cost-spending offset by extending Medicare sequestration cuts by six months, into the year 2032. However, the percentage of those cuts was lowered to 2% for both 2030 and 2031.

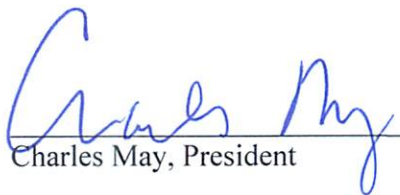
Congress also continued its scrutiny of Medicare Advantage (MA) plans by requiring increased oversight of coverage protections in post-acute care and more stringent standards on MA marketing.

With those concerns now addressed in law, THA will continue working with the new Congress to further address Medicare Advantage overreach, significant and continued workforce challenges, and behavioral health care coverage.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:52 PM.



Charles May, President



Chris Keck, Secretary