

**Nocona General Hospital  
Board of Directors Meeting  
February 21, 2023**

**Board Members Present:**

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

**Absent:**

Kristal Ferguson  
Cris Lemon

**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**

Paula Webb made a motion to approve the minutes of the January 17, 2023 Regular Meeting and Chris Keck seconded. Motion carried unanimously.

**Community Input:** None

**Old Business:** None

**New Business:**

**Discussion and Possible Vote on January 2023 Financial Statements**

Lance presented the following report on the January 2023 Financials:

For the month of January, the hospital had 27 admissions; 611 outpatient discharges, including 6 surgeries; 309 ER visits; 354 home health visits; and 1620 clinic visits. Additionally, there were 14 observation admissions. This utilization resulted in gross revenue of just over \$2.1M., exceeding budget by about 5% for the month while exceeding the yearly budget through 7 months by 2%. 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 and allowances, resulted in a \$317,274 loss from operations.

For year over year comparison: (7 months)

- Gross revenue is about 11.6% lower than last year. Expenses are up 1.65%.
- The ADC is down 3 patients from last year.

- Admissions are down 32%.
- The ALOS is down about 1 day.
- Outpatient discharges are down 14%.
- ER visits are down 4%.
- Ambulance calls are down 4%.
- Obs admissions are up 14%.
- O/P surgeries are down 25%.
- Clinic visits are down less than 1%.
- FTEs are down 3.
- Receipts of patient accounts are down 8% for hospital accounts, up 4% for home health (and still improving), and down 2% in the clinics.

Net operating revenue was slightly under budget by 2% for the month and down 15% from last year through 7 months.

Overall expenses were under budget by about 2% for the month but about 1.3% under budget for the year, mostly due to employee benefits and consultant fees.

Non-operating revenue included QIPP Year 6 November payments. The investments contributed about \$20,000 in interest this month. Additionally, I moved another \$5M into the portfolio invested in a Fidelity money market earning about 4%. This would be a Stable NAV fund. The money market fund is \$1 NAV, inception during the mid-80's and never having broken the buck since. The stable net asset value (NAV) is the predominant safety feature of money market funds. A stable NAV means that the chance of the fund losing principal or "breaking a buck" is minimized because it always maintains a \$1.00 value (investors will receive \$1.00 back for every \$1.00 invested). The fund is managed towards that goal. It also allows me to withdraw any funds at no charge and anytime, i.e., for large QIPP IGT or potential renovation payments.

Ken Koontz made a motion to approve the January 2023 financial report as presented, and Ron Brown seconded. Motion carried unanimously.

### **Discussion and Possible Vote on Amendment to the NGH Employee Retirement Benefit Plan**

Rebecca explained that the amendments to the retirement plan simply involved adjusting the language to clarify the original intent. There are no significant changes to the plan.

Chris Keck made a motion to adopt the amendment to the NGH Retirement Plan as presented, and Ken Koontz seconded. Motion carried unanimously.

### **Discussion and Possible Vote on Certification of Unopposed Candidates**

As only the four incumbents filed a place on the May 6, 2023 ballot, the candidates will be certified and the election cancelled.

Ken Koontz made a motion to Certify the Unopposed Candidates, and Paula Webb seconded. Motion carried unanimously.

### **Discussion and Possible Vote on Cancellation of May 6, 2023 Election**

Ron Brown made a motion to cancel the May 6, 2023 election, and Ken Koontz seconded. Motion carried unanimously.

## **Discussion and Possible Vote on the Addition (A) and Removal (R) of the Following RadPartners Physicians:**

- a) **(R) Elisa Margret Foster, DO (eff. 12/18/2022)**
- b) **(R) Mario Vela, MD**
- c) **(A) David Patterson, MD**

Paula Webb made a motion to approve the removals and addition of the named physicians, and Ron Brown seconded. Motion carried unanimously.

### **Administrative Report**

Lance presented the following report to the Board:

#### Renovation Project

We held meetings in the past couple of weeks with the mechanical and electrical engineers. David Hartwell continues to make weekly visits to tie up loose ends. He is projecting an April or May date to finalize the plans for Board approval with the bid process beginning sometime in May if the Board gives final approval to that process.

#### QIPP Facilities

It's been a hectic few weeks for the program with potentially large changes coming our way. It seems changes are occurring daily, so I will wait to bring you a full report at the meeting.

#### State Legislative Session

At this time, I do not have much new information for you regarding the session. Brian has been at the Capitol most of the month, so he will bring you up to speed on the latest.

#### CMS and Medicare Advantage Plans

Below is an interesting article that came this week from the Texas Hospital Association concerning Medicare Advantage plans:

#### ***THA Backs Proposed CMS Crackdown on Prior Auth in Medicare Advantage***

*Medicare is proposing new enforcement and oversight to hold Medicare Advantage plans accountable for onerous, overly restrictive prior authorization requirements, and THA is strongly supporting those proposals.*

*In a [comment letter](#) sent Monday to the Centers for Medicare & Medicaid Services (CMS), THA lauded several steps the agency is contemplating, including a proposal to sharply restrict Medicare Advantage organizations (MAOs) from implementing more restrictive prior authorization requirements than traditional Medicare. In fact, MAOs would only be able to create their own internal criteria for medical necessity in a narrow set of circumstances. THA noted that MAOs "often classify their medical necessity criteria as proprietary, do not share specifics with hospitals, and modify their criteria without warning."*

*"Eliminating MAO flexibility to apply differential and opaque criteria when determining medical necessity – which today are often inconsistent with Medicare coverage rules – would be significantly beneficial for MA patients," THA added in the letter to CMS Administrator Chiquita Brooks-LaSure.*

*Another key rule proposal – supported by THA – would require MAOs to make sure medical necessity determinations come from clinicians with medical expertise that is relevant to that particular medical service. THA commended that update to required clinician qualifications, and*

*urged CMS to specify that the new rule would apply to not just standard prior authorization requests, but also peer-to-peer calls and expedited reviews. CMS also earned THA's support on a proposal to require prior authorizations to be valid for the entirety of a prescribed treatment, and to require MA plans to honor existing prior authorizations for at least 90 days of patient enrollment.*

*THA's letter did oppose one CMS proposal, which would amend the legal standard for identifying and correcting an overpayment. The proposal, THA said, would "result in an unrealistic strict 60-day timeline to return overpayments once they have been identified. This new proposed timeline will be nearly impossible to meet, subjecting organizations to unnecessary False Claims Act liability even when we are acting in good faith to comply."*

*CMS drafted the proposed rules after an [April 2022 report](#) by the federal Office of the Inspector General (OIG) said MAO audits have uncovered "widespread and persistent problems related to inappropriate denials of services and payment." (Anna Stelter/Heather De La Garza, J.D.)*

**Convene to Closed Session for the Following Purposes:**

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

The board adjourned to closed session at 1:10 PM.

**Reconvene to Open Session and Take Action as Follows:**

**a) Discussion and Possible Vote on Matters Related to Consultation with Attorney**

The board reconvened to open session at 1:29 PM.

No action taken.

**Medical Staff Report:** Nothing to Report

**Other Business:** None

Meeting was adjourned at 1:30 PM.

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Charles May, President

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Chris Keck, Secretary