

**Nocona General Hospital
Board of Directors Meeting
April 18, 2023**

Board Members Present:

Charles May, President
Chris Keck, Secretary
Ken Koontz, Vice-President
Ron Brown (*arr. 12:55 PM*)
Paula Webb

Absent:

Cris Lemon
Kristal Ferguson

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC
Tommy Davis, Durbin & Company/Discovery Healthcare Consulting Group
David Hartwell, BYSP Architects
One citizen

Meeting was called to order by President, Charles May at 12:31 PM.

Approval of Previous Minutes

Paula Webb made a motion to approve the minutes of the March 21, 2023 Regular Meeting and Ken Koontz seconded. Motion carried unanimously.

Community Input: None

Old Business: None

New Business:

Discussion and Possible Vote on FY 2022 Audit Report

Tommy Davis from Durbin/Discovery presented the Fiscal Year 2022 audit report. Lance reminded the board, since it has been a couple of years since they have presented, the financials are consolidated with the nursing facilities. The financials for the hospital only are located near the end of the report.

Ken Koontz made a motion to approve the FY 2022 Audit as presented, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote to Release for Bid Architectural Drawings for Clinic Expansion & ER Renovation

David Hartwell presented the near final drawings for the clinic expansion/renovation project for review. With a recent change in the renovated ER plans, the mechanical and electrical engineers may need an additional week or so to finalize their plans; however, these revisions will not result in significant changes to the drawings. Lance reminded the board that, as discussed in February, they will have the option to carve out phase 1 (clinic expansion) and have the contractors bid separately for that phase only. If the Board chooses to move forward, it will be time to publicly post the bid announcement. David stated that he anticipated the drawings to be complete around the first of May; however, the state review time is taking approximately two months. He recommends posting the Request for Proposals in May, with a June 1st deadline, schedule a review by a hospital staff/board committee, and present the bid to the Board for possible award at the regular June meeting.

Paula Webb made a motion to move forward with the Request for Proposals, and Ron Brown seconded. Motion carried unanimously.

Discussion and Possible Vote on TruBridge Master Services Agreement Service Addendum to Add Business Services: Insurance Billing & Follow Up

Lance reminded the Board of the previously-discussed need to upgrade business office operations for accounts receivable. Several months ago, he broached the subject of outsourcing additional duties to the hospital's EHR vendor, TruBridge. This idea was put on the back burner after researching the cost, and the hiring process to keep this position/responsibility in-house was amped up. Unfortunately, after several months and many interviews, staff has been unsuccessful in finding the right person(s) for what is becoming a much more important and tedious job. Therefore, the outsourcing option is once again a consideration. Kelly Cope presented the TruBridge addendum, which includes insurance billing and follow up. It will add a significant cost, but expect that it will pay for itself with increased receipts currently being missed due to lack of manpower. There are several details to the process/contract that Kelly covered to give the Board the full picture, including the potential cost. Of note is that a one-year contract was negotiated rather than the standard 3-year contract, which will allow some flexibility.

Ron Brown made a motion to add the Business Services/Insurance Billing Addendum to our Service Agreement with TruBridge. Chris Keck seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on March 2023 Financial Statements

Lance presented the following report on the March 2023 Financials:

For the month of March, the hospital had 39 admissions; 618 outpatient discharges, including 16 surgeries; 309 ER visits; 323 home health visits; and 1773 clinic visits. Additionally, there were 12 observation admissions. This utilization resulted in gross revenue of just over \$2M., exceeding budget by about 3.3% for the month while exceeding the yearly budget through 9 months by 0.89%. The average daily census was 3.9 patients with an average length of stay of 3.3 days. These utilization numbers combined with the expenses and allowances resulted in a \$368,000 loss from operations.

For year over year comparison: (9 months)

- Gross revenue is about 11.0% lower than last year. Expenses are up 1.2%.
- The ADC is down 2.2 patients from last year.
- Admissions are down 22%.
- The ALOS is down about 1 day.
- Outpatient discharges are down 12%.
- ER visits are down 3%.
- Ambulance calls are up 2%.
- Obs admissions are up 11%.

- O/P surgeries are down 11%.
- Clinic visits are up 2%.
- FTEs are down 2.2.
- Receipts of patient accounts are down 21% for hospital accounts, up 31% for home health, and about the same in the clinics.

Net operating revenue was well under budget by 9.3% but only 3% for the year while down 12% from last year through 9 months. Net revenue has been impacted greatly by the aging of the accounts receivable. Close to 40% of the hospital's A/R is now over 180 days old from discharge date. At 180 days auditors will require us to allow at 100%. From our review this aging is due to several factors including, slow payers, registration issues, and a lack of manpower to follow up. This lack of manpower will be addressed later in the report.

Overall expenses were under budget by about 0.6% for the month and about 2% under budget for the year, mostly due to employee benefits and consultant fees.

Several QIPP scorecards were released and paid during the month including year 6 December, year 6 January, and year 6 first quarter. This resulted in significant payments to the hospital as seen on the non-patient revenue line item. At this time, we are waiting on the year 6 February payments, as well as the year 5 IGT reallocation payments. Overall, the reallocation will net the hospital significant additional dollars; however, there are a few facilities for which recoupments will be necessary. I will have more detail for you at the meeting.

Ken Koontz made a motion to accept the March 2023 Financials as presented, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote on Tuition Reimbursement for Gaytha Thompson

Lance recommended reimbursing tuition for Gaytha Thompson, as she begins to pursue her Bachelor of Science in Radiologic Science at Midwestern State University. Cost is estimated to be approximately \$13,000 for tuition and books. Lance stated that Gaytha, the hospital's Radiology Department Head, has a long tenure with NGH and is well-deserving of the hospital's support as she advances her education.

Ken Koontz made a motion to reimburse Gaytha Thompson's tuition as presented, and Paula Webb seconded. Motion carried unanimously.

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

(A) Daniel Hankins, MD	(A) Dong Kim, MD	(A) Robert Loree, MD
(A) John Maxwell, MD	(A) Benjamin Wang, MD	
(R) Mark Halsted, MD	(R) Byron Schoettle, MD	

Paula Webb made a motion to accept the additions and removals as presented. Ken Koontz seconded the motion, and the motion carried unanimously.

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:

QIPP Facilities

We have re-enrolled all 16 facilities for QIPP year 7. The IGT estimates for year 7 should come out in May with the first half being due sometime in early June. With the end of public health emergency and, thus, the end of some of the enhanced payments for the nursing facilities, I fully expect some renegotiation efforts will be made by the nursing facilities as we have previously discussed.

State Legislative Session

Several dangerous bills have been filed, specifically by Rep. Frank from Wichita Falls, that could be financially devastating to hospitals. Brian and Lance discussed how these bills might impact rural hospitals in Texas.

NGH 50th Anniversary

Plans are now underway to celebrate NGH's 50th Anniversary coming up in 2024. The anniversary committee is busy planning monthly events for the community, including the involvement of the recently-formed NGH Foundation. Events will culminate with Hospital Week in May 2024. More specific details will be forthcoming.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 2:13 PM.

Charles May, President

Chris Keck, Secretary