

**Nocona General Hospital
Board of Directors Meeting
May 16, 2023**

Board Members Present:

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

Absent: None

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 12:40 PM.

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the April 18, 2023 Regular Meeting and Chris Keck seconded. Motion carried unanimously.

Community Input:

Lance brought the board up to speed on a drainage concern raised by the residents directly to the south of the hospital. Discussions will be ongoing.

Old Business: None

New Business:

Conduct Oath of Office for Newly-Elected Trustees

Rebecca Hamilton swore in newly re-elected directors Paula Webb, Chris Keck, Kristal Ferguson, and Ken Koontz.

Discussion and Possible Vote on Election of Officers

Cris Lemon made a motion that there be no change in the slate of officers: Charles May, President; Ken Koontz, Vice-President; and Chris Keck, Secretary. Ron Brown seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on April 2023 Financial Statements

Lance presented the following report on the April 2023 Financials:

For the month of April, the hospital had 25 admissions; 464 outpatient discharges, including 7 surgeries; 285 ER visits; 279 home health visits; and 1463 clinic visits. Additionally, there were 9 observation admissions. This utilization resulted in gross revenue of about \$1.6M., missing budget by about 20% for the month while missing the yearly budget through 10 months by 1.2%. The average daily census was 3.3 patients with an average length of stay of 4.3 days. These utilization numbers combined with the expenses and allowances resulted in a \$437,000 loss from operations.

For year over year comparison: (10 months)

- Gross revenue is about 11.3% lower than last year. Expenses are down 2%.
- The ADC is down 2.1 patients from last year.
- Admissions are down 20%.
- The ALOS is down about 1 day.
- Outpatient discharges are down 13%.
- ER visits are down 2%.
- Ambulance calls are down 1%.
- Obs admissions are up 5%.
- O/P surgeries are down 13%.
- Clinic visits are up 1%.
- FTEs are down 3.1.
- Receipts of patient accounts are down 25% for hospital accounts, up 17% for home health, and down 9% in the clinics.

Net operating revenue was well under budget by 27% and about 5% for the year while down 15% from last year through 10 months.

Overall expenses were under budget by about 3.6% 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 5 adjustment period 1, and year 5 comp 1 reallocation, as well as year 6 February. This resulted in significant payments to the hospital as seen on the non-patient revenue line item of just under 41M.

Ken Koontz made a motion to accept the April financial report 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

There was no Closed Session

Administrative Report

Lance presented the following report to the Board:

Budget

The fiscal year 2024 operating budget has been slow to develop. I will need to convene a meeting of the finance committee soon. I will be meeting with each of the department directors to discuss any potential changes operationally that could affect the upcoming budget.

Renovation Project Timeline

The bid timeline has been updated to reflect a couple of last-minute changes to the plans. Bids will be due by June 13th with David presenting those bids to the Board at the regularly scheduled June 20th meeting. If a bid is approved contracts are scheduled to be signed on or before June 27. A contractor pre-proposal meeting will be held on Thursday May 25th. All interested contractors will have the opportunity to visit the site and ask questions. The final plans and application should be sent to the State the week of the 15th. For recent projects, David stated that the State is taking up to 60 days to issue approval.

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. Total IGT should be around \$9.7M.

Several additional scorecards have been issued by HHSC including the year 5 IGT refund, year 6 2nd qtr, year 6 March, and year 5 comp 1 reallocation. You will be seeing the benefit of these on the April and May financials.

Preliminary Tax Values

I have also included our 2023 preliminary tax values showing the district's appraisals have increased from last year's certified numbers. There currently is an increase of about \$34 million. Again, these are preliminary numbers and most likely will decrease once the appeals process is completed.

State Legislative Session

As you are probably aware, things are picking up steam in Austin as the final month of the session is upon us. Several dangerous bills have moved forward including the government rate setting bill by Frank. I will provide a more details at the meeting as more information comes to me.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:44 PM.

Charles May, President

Chris Keck, Secretary