

**Nocona General Hospital  
Board of Directors Meeting  
August 15, 2023**

**Board Members Present:**

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

**Absent:**

Cris Lemon  
Kristal Ferguson

**Hospital Administration:**

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

**Medical Staff:**

Chance Dingler, MD

**Others Present:**

Brian Jackson, Jackson & Carter, PLLC  
One community member

Meeting was called to order by President Charles May at 12:36 PM.

**Approval of Previous Minutes**

Ron Brown made a motion to approve the minutes of the July 18, 2023 Regular Meeting and Paula Webb seconded. Motion carried unanimously.

**Community Input:**

None

**Old Business:**

None

**New Business:**

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

Lance presented the following report on the July 2023 Financials:

For July the hospital finished with 28 admissions; 512 outpatient discharges, including 12 surgeries; 324 ER visits; 60 ambulance calls; 314 home health visits; and 1385 clinic visits. Additionally, there were 15 observation admissions. This utilization resulted in gross revenue of \$1,458,500, under budget by about 26%. (There was a significant issue with lab revenue that I will discuss below.) The average daily census was 3.0 patients with an average length of stay of 2.8 days. These utilization numbers combined with the expenses and allowances resulted in a \$486,000 loss from operations.

For year over year comparison (and please consider we are only talking about one month thus fa):

- Gross revenue is under budget by about 26% and down about 13.3% from last year. Net revenue is down 11.3% from last year, expenses are about 7% higher.
- The ADC is down almost 0.4 patients.
- Admissions are down 12.5%.
- The ALOS is down about half a day.
- Outpatient discharges are down 12%.
- ER visits are down 1.5%.
- Ambulance calls are about the same.
- Obs admissions are the same.
- O/P surgeries are up 33.3%.
- Clinic visits are down 10.5%.
- FTEs are down 6 from this time last year. However, we are utilizing two travel nurses and 2 travel physical therapists.

A system error reversed about \$200,000 in lab revenue in July instead of June. This “revenue” was the result of test accounts which are used for various reasons. The system normally reverses these charges at the end of the month; however, the error was not caught until after June had been closed out. This may require an audit adjustment with a prior period adjustment. It also affected the bad debt/charity line item as these charges were self-pay resulting in an over allowance previously. Most likely the net revenue is close to accurate as these two items would have come close to washing each other out. Net Revenue was under budget by almost 21%. Expenses were about 3% under budget but about 7% higher than last July due to the purchase of COVID-19 tests in lab and the late billing from the vendor for 3 additional months of the radiology room and portable x-ray machine. We also booked about \$150,000 in QIPP payments, as well as, the quarterly county EMS subsidy.

Ken Koontz made a motion to approve the July 2023 financials as presented. Chris Keck seconded, and the motion carried unanimously.

### **Discussion and Possible Vote on the 2023 Certified Tax Appraisal Roll**

Lance reminded the Board that if they were to consider a tax rate that exceeds the no new revenue tax rate (effective rate) then the vote must be recorded and public hearing(s) be set. This vote does not tie the Board to the rate proposed, but must be done at the August meeting. He stated that Kathryn Phillips with the Montague County tax office has calculated both the no new revenue tax rate (effective) and the voter approval tax rate (rollback tax) rates for 2023. The hospital’s 2023 net certified tax rolls increased approximately \$35 million to \$610,452,929. The hospital’s current rate is \$0.1611 producing a tax levy of close to \$922,000. Several items were included in the board packet from Ms. Philips including various tax rates and their corresponding levies. Lance also included a timeline detailing the process. Kathryn will take care of publishing the hospital’s notices in the paper once informed of the rate the Board is considering.

Lance also reminded the Board that, as a taxing district, the hospital is required to provide indigent/charity care based on a written hospital policy. A small change in the charity care policy could vastly change the identification of bad debt or charity. The tax levy is the main option to pay for those “free services.”

Ron Brown made a motion to approve the 2023 Certified Tax Appraisal Roll. Paula Webb seconded, and the motion carried unanimously.

### **Discussion and Possible Vote to Propose the Hospital Tax Rate for 2023 and Schedule the Required Public Hearings**

Ron Brown made a motion to adopt a tax rate of \$.1669 and schedule the public hearing for Tuesday, September 19, 2023, at 11:30, immediately preceding the September board meeting. Ken Koontz seconded the motion, and the motion carried unanimously.

**Discussion and Possible Vote to Approve and Authorize CEO to Participate in a Nursing Facility Supplemental Payment Program with Cheyenne Medical Lodge, Including Execution of CHOW Documents to Assume Facility Licenses and Management Agreements as They Are Approved by the District's Counsel**

Lance reported that Foursquare has reached out wanting us to partner with another facility in Mesquite. Cheyenne Medical Lodge is not currently in the QIPP program and would not be eligible until QIPP year 8 which would begin in September 2024. Changing the ownership this early will allow the State to have plenty of time to change it over and correctly calculate the required IGT. At this time, it appears, based on its Medicaid census, that the yearly IGT would be around \$500,000 with potentially a \$300,000-\$400,000 yearly return for the hospital.

Paula Webb made a motion to authorize the CEO to move forward with the partnership with Cheyenne Medical Lodge as discussed. Ron Brown seconded, and the motion carried unanimously.

**Discussion and Possible Vote on Amendment to the Operator Representative Agreement Between NGH and Health Support Management, LLC**

Ken Koontz made a motion to approve the amendment and Chris Keck seconded. The motion carried unanimously.

**Discussion and Possible Vote on Auditor Engagement Letter for Fiscal Year 2023**

Paula Webb made a motion to engage Durbin & Co, LLP for the Fiscal Year 2023 audit. Ken Koontz seconded, and the motion carried unanimously.

**Discussion and Possible Vote on Amendment to Oasis Management Agreement and Authorize the CEO to Execute Necessary Documents as They are Approved by the District's Counsel**

Ron Brown made a motion to approve the amendment 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**

The Board adjourned to Closed Session at 1:15 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 1:55 PM. No action was taken.

**Administrative Report**

Lance presented the following report to the Board:

Renovation Project

We met with David Hartwell to discuss options on reducing the scope of the project. He is currently reviewing our notes and will bring back several new options that the building committee will then review. Most of the discussion revolved around a facelift for the entire area with some minor changes in the ER, along with a smaller clinic expansion. We will see what David brings back for further discussion.

Family Medicine Rural Rotation Resident

The middle of August will bring another resident from Medical City's Family Medicine Residency program. It will be a two-week stint.

**Medical Staff Report:** Nothing to Report

**Other Business:** None

Meeting was adjourned at 2:19 PM.

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Charles May, President

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Chris Keck, Secretary