

**Nocona General Hospital
Board of Directors Meeting
September 19, 2023**

Board Members Present:

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

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 August 15, 2023 meeting and Paula Webb seconded. Motion passed unanimously.

Community Input: None

Old Business: None

New Business:

Department Update: EMS (Kennen Fleming)

Discussion and Possible Vote on Capital Purchase: Ambulance Gurneys

Kennen Fleming updated the board on happenings in the EMS department. Additionally, he asked the Board to consider the purchase of new gurneys for both ambulances. The current ones are around 15 years old and beginning to have mechanical issues which could lead to employees' injuries. Kennen explained the quotes recommended the Stryker Power Pro 2 and related accessories and explained his reasoning behind the recommendation.

Ken Koontz made a motion to approve Kennen's recommendation as presented, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on 2023 Hospital District Tax Rate

Lance reported that all the necessary steps have been performed to act on the hospital's 2023 tax rate. Based on our previous discussions a rate of \$0.1669/ \$100 in appraised value has been published along

with all the required public notifications in the newspaper. As a reminder, the Board can vote to set a lower tax rate at this meeting but can go no higher without additional publication of its intent. The proposed tax rate would result in a tax levy of slightly over \$1M. The public hearing will begin prior to the regularly scheduled Board meeting at 11:30.

Chris Keck made a motion that the property tax rate be **increased** by the adoption of a tax rate of **\$.1669**, which is effectively a **3.6 percent increase** in the tax rate. This tax rate will **raise** more taxes for Maintenance & Operations than last year's tax rate. The tax rate will effectively be **increased by 3.6 percent** and will **raise** taxes for Maintenance & Operations on a \$100,000 home by approximately **\$47.00**. Ron Brown seconded the motion, and the motion carried unanimously.

Discussion and Possible Vote on the Addition of the Following RadPartners Physicians:

- a) **Brett Heller, MD**
- b) **David Dean Wilson, MD**
- c) **Ashton Regalado-Magdos, MD**

Ron Brown made a motion to add the three RadPartners physicians as presented. Cris Lemon seconded, and the motion carried unanimously.

Discussion and Possible Vote on August 2022 Financial Statements

Lance presented the following report on the August 2023 Financials:

For August the hospital finished with 45 admissions; 695 outpatient discharges, including 12 surgeries; 354 ER visits; 63 ambulance calls; 361 home health visits; and 1849 clinic visits. Additionally, there were 18 observation admissions. This utilization resulted in gross revenue of \$2,355,297, exceeding budget by about 19%. (This includes a partial month of Dr. Cooper's nursing home visit which I will detail later). The average daily census was 4.8 patients with an average length of stay of 3.5 days. These utilization numbers, combined with the expenses and allowances, resulted in a \$164,606 loss from operations. The 45 admissions were a welcome sight and gives us an indicator as to what the monthly number needs to be closer to in order to hit the needed revenue. It appears we need to be averaging at a minimum 10 more admissions per month than the average we have seen over the past several years. Hopefully, with Dr. Benson onboard, we will be able to hit that mark more consistently.

For year over year comparison:

- Gross revenue is under budget by about 3.6% and down about 4.5% from last year. Net revenue is down 5.3% from last year; expenses are about 9.6% higher. Please note these comparisons will become more skewed as we move forward due to Dr. Cooper's revenue and expenses being included.
- The ADC is up about 0.5 patients.
- Admissions are up 22%.
- The ALOS is down about 0.2 days.
- Outpatient discharges are about the same but we should see an increase moving forward with Dr. Benson.
- ER visits are up 3%.
- Ambulance calls are down 11%.
- Obs admissions are up 50%.
- O/P surgeries are up 14.3%.
- Clinic visits are down 1.4%, but again, Dr. Benson's clinic should move the needle up.

- FTEs are down 2 from this time last year. However, we are utilizing 2 travel nurses and 2 travel therapists.

Expenses overall are within 0.75% of budget, although the variances are widespread amongst the individual line items. Year over year expenses, as previously mentioned, are about 9.5% higher. About 50% is due to physicians (Dr. Cooper to a small degree) and travel personnel, and the new business office collections expense made up about half the difference with the rest coming from supplies, mainly pharmacy. We also booked about \$1M in QIPP payments; however, these payments were for fiscal year 2023 so they posted against the QIPP receivable.

I also included on your clinic spreadsheet a simple estimate for Dr. Cooper's visits. It is still early so we have no reimbursement figures yet. My only early concern right now is the payer mix only showing about 50% Medicare for the two weeks of info we currently have posted.

Ron Brown made a motion to accept the August 2023 financial report as presented, and Cris Lemon seconded. Motion carried unanimously.

Discussion and Possible Vote on the Opening of a New Depository Account with Merchants Bank of Indiana (MBI) on Behalf of Oak Manor Nursing & Rehabilitation of Commerce

Lance stated that one of our partner Nursing Facilities is refinancing and needs to utilize a bank outside of the District in order to satisfy the lenders. We previously did this with Skyline in order to create the control accounts required. Time to close is always the issue, as the process with Wells Fargo is quite extensive. Utilizing Merchants Bank will speed up the process and allow the facility to close at the designated time. Brian has been working with Oak Manor's attorneys to ensure protection of any District's funds.

Ron Brown made a motion to open the depository account with MBI on behalf of Oak Manor as presented. Paula Webb seconded, and the motion carried unanimously.

Convene to Closed Session for the Following Purposes:

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

The board convened to closed session at 1:12 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 1:28 PM

Discussion and Possible Vote to Approve Payment to Cook Children's Hospital for Final Resolution of All Outstanding Claims and Proceedings Regarding Payment for Medical Treatment Previously Provided to Members of the Nocona Hospital District Health Insurance Plan

Lance reported that mediation in the case with Cook Children's was held on Friday, September 8, 2023. He stated that the case was settled dependent on board approval.

Chris Keck made a motion to approve a final payment to Cook Children's Hospital in the amount of \$375,000, and Ron Brown seconded. Motion carried unanimously.

Administrative Report

Lance presented the following report to the Board:

Clinic/ER renovation

No update currently regarding the renovation potential. David Hartwell is still fine-tuning the plan based on our conversation last month.

FY23 Audit and Cost Report

Auditors were onsite completing the FY23 audit. The plan is for a Board presentation in January or February.

QIPP Year 7

Year 7 begins in September, and as is the case most of the time now, HHSC is contemplating substantial changes that could negatively affect the program in my opinion. The biggest concern is transitioning the component 1 payments, which includes our IGT, to a pay for performance metrics. Obviously, this could put our IGT, which in the past has basically been guaranteed to be returned to us, at risk due to Nursing Home performance. There are currently stakeholder meetings ongoing, but as is the case with HHSC, it appears they have basically made the decision to move forward already.

HHSC will also be ramping up its reviews of “active partnerships,” a term used for those facilities that fall out of the 150-mile rule. As you recall we currently have one, Midland Medical Lodge, with Foursquare. Although these audits have always been in the rule, HHSC has not performed any during prior years. I do believe we are following the additional requirements; however, when dealing with the State there is always the concern that we are not interpreting the rules the same.

Medical Staff Report: Nothing to Report

Other Business: None

Meeting was adjourned at 1:37 PM.

Charles May, President

Chris Keck, Secretary