

**Nocona General Hospital  
Board of Directors Meeting  
October 17, 2023**

**Board Members Present:**

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

**Absent:**

Kristal Ferguson  
Paula Webb  
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 12:35 PM.

**Approval of Previous Minutes**

Ron Brown made a motion to approve both the minutes of the September 19, 2023 Public Hearing and the September 19, 2023 Regular Meeting and Ken Koontz seconded. Motion passed unanimously.

**Community Input:** None

**Old Business:** None

**New Business:**

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

Lance presented the following report on the September 2023 Financials:

For September the hospital finished with 29 admissions; 559 outpatient discharges, including 11 surgeries; 320 ER visits; 73 ambulance calls; 318 home health visits; and 1587 clinic visits. Additionally, there were 10 observation admissions. This utilization resulted in gross revenue of right on budget of just under \$2M. The average daily census was 2.9 patients with an average length of stay of 3.0 days. These utilization numbers, combined with the expenses and allowances, resulted in an operational loss of about \$250,000. September collections were up significantly, and will hopefully be the trend, as the contract with CPSI for billing and collections certainly paid off for the month. This allowed the allowances to be reduced for the month and came in well under budget. As we saw last month with the 45 admissions, a total closer to 40 shrinks the operational loss, but we remain around 7.5% under budget for inpatient gross revenue.

For year over year comparison:

- Gross revenue is under budget by about 2.3% and down about 1.5% from last year. Net revenue is up about 9% from last year; expenses are about 11% higher. Please note, September was the first full month with Dr. Cooper, so both the revenue and expense numbers are skewed both with the current budget and when comparing to last year.
- The ADC is up about 0.5 patients.
- Admissions are up 29%.
- The ALOS is down about 0.4 days.
- Outpatient discharges are down 3.4%.
- ER visits are up 1.3%, but with the new ER opening we will see a drop-off.
- Ambulance calls are up 4.7%.
- Obs admissions are up 16%.
- O/P surgeries are up 16.7%.
- Clinic visits are the same through the first quarter.
- FTEs are down 2 from this time last year. However, we are utilizing 2 travel nurses and 2 travel therapists. This will change moving forward with the addition of Cooper's staff.

The one area of concern with expenses right now when compared to the budget is for consultants. I had planned on being able to discontinue some of the traveler contracts but have not been able to at this point. Although that line item is significantly over budget, it is more than offset by salaries being 6.5% under budget. Through the first quarter overall expenses are 11% higher than last year, but again the addition of Cooper results in about a third of that overage.

We have exhausted the receivable set up for QIPP resulting in a small amount to the non-patient revenue line item. Additionally in that section you will see significant investment income as the CD/Mutual fund portfolio continues to earn around 5%.

Ron Brown made a motion to accept the October 2023 financials as presented. Chris Keck seconded, and the motion carried unanimously.

### **Discussion and Possible Vote on The Compliance Team Contract for RHC Survey and Preparation**

As discussed previously, any attempt to expand the Bowie clinic will require that clinic to become a rural health clinic (RHC) like Nocona and St. Jo. The advantages are in the Medicare reimbursement. This process has been delayed since acquiring the clinics as the Medicare percentage of visits in Bowie was relatively low. But with the addition of Dr. Benson, and potentially additional providers, the RHC is required (in Lance's opinion), as those Medicare percentages should increase. This contract will bring on a company that will prepare the clinic for the required survey for obtaining and RHC license. It will include policy and procedure updates, walk-throughs of the physical space, and review of credentialing, just to name a few. In essence they guarantee that the clinic will pass the CMS survey.

An additional benefit is we will be able to utilize their findings and updated materials for use in our Nocona and St. Jo clinics to prepare for the renewal surveys that will come at some point.

The cost of the contract is \$8200. The first installment is due upon execution of this Agreement. The second installment will be billed six months after the accreditation date and will be due upon receipt. The third installment will be billed 18 months after the accreditation date and will be due

upon receipt. Travel expenses will be billed separately after on-site evaluations and also will be due upon receipt. Brian has reviewed the contract.

Ken Koontz made a motion to enter into a contract with The Compliance Team for the purposes presented, and Ron Brown seconded. Motion carried unanimously.

**Discussion and Possible Vote on the Addition of the Following RadPartners Physician: David Fox, MD**

Ron Brown made a motion to add the RadPartners physician as presented. Ken Koontz seconded, and the motion carried unanimously.

**Discussion and Possible Vote on the 2024 Employee Health Insurance Renewal**

Information was not finalized at the time of the meeting. This item was tabled.

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

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

No Closed Session

**Administrative Report**

Lance presented the following report to the Board:

Dr. Cooper

I have included a separate spreadsheet for Dr. Cooper. September was the first full month. There were 343 visits. A couple of items to monitor as we move forward: The payer mix currently is not matching Dr. Cooper's proforma. Medicare is about 50% instead of the expected 70%.

Unfortunately, the difference appears to be in the Advantage column. On the spreadsheet you will note that I have estimated the cash receipts to give you an idea of where we stand. At this moment, only Medicare has paid as we continue to add Dr. Cooper to the Advantage and commercial plans. Based on the estimates, we are squeezing out a positive net revenue figure. As receipts are received, I will continue to update the spreadsheet until I can more accurately calculate our return. Once that occurs, we can compare to the proforma and if need be, revisit our agreement with Dr. Cooper, which he was open to.

Clinic/ER Renovation

No information to report at the time of the board meeting.

**Medical Staff Report: Nothing to Report**

**Other Business: None**

Meeting was adjourned at 1:46 PM.

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Charles May, President

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Chris Keck, Secretary