

**Nocona General Hospital  
Board of Directors Meeting  
January 16, 2024**

**Board Members Present:**

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

**Absent:**

Cris Lemon

**Hospital Administration:**

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

**Medical Staff:**

Len Dingler, MD

**Others Present:**

Brian Jackson, Jackson & Carter, PLLC  
David Hartwell, Architect  
Tommy Davis and Steven Thummel with D&Co. (Auditors)

Meeting was called to order by President, Charles May at 12:38 PM.

**Approval of Previous Minutes from the November 21, 2023 Regular Meeting**

Ron Brown made a motion to approve both the minutes of the December 19, 2023 Regular Meeting and Chris Keck seconded. Motion passed unanimously.

**Old Business**

None

**New Business:**

**Discussion and Possible Vote on FYE 2023 Audit Presented by D&Co**

Tommy Davis and Steven Thummel with D&Co presented the final FYE 2023 audit to the board.

Chris Keck made a motion to accept the FYE 2023 Audit as presented. Ken Koontz seconded, and the motion carried unanimously.

**Discussion with Architect Regarding Clinic Expansion/ER Renovation**

David Hartwell with BYSP Architects shared with the board the updated plans for the expansion of the clinic and renovation of the ER. The project will still be broken out into four phases, and David said they should be ready to move forward with the bid process in April or May, with board approval. No action needed.

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

Lance presented the following report to the board:

For December the hospital finished with 31 admissions; 621 outpatient discharges, including 10 surgeries; 302 ER visits; 86 ambulance calls; 253 home health visits; and 1663 clinic visits. Additionally, there were 15 observation admissions. This utilization resulted in gross revenue of about \$1.95M, slightly under budget. For the year, gross revenue overall exceeds budget by 0.25%. The average daily census was 3.9 patients with an average length of stay of 4.7 days.

For year over year comparison:

- Gross revenue is exceeding budget by about 0.25% but down about 2.2% from last year and down about 11.5% from 2 years ago. Net revenue is up about 5% from last year, a great sign that I hope continues as that is where the cash is. I believe it is a combination of obviously the higher utilization thus far; but also, better collections as well. Expenses are about 13% higher than last year mostly due to the addition of Dr. Cooper's practice, lab, and pharmacy as the flu season is upon us. This overage will continue for the rest of the year due to the budget being completed prior to the agreement with Cooper. Please review Cooper's spreadsheet for where we currently stand. I will update you more at the meeting.
- The ADC is up about 0.3 patients or 9%.
- Admissions are up 11%.
- The ALOS is down about 0.1 days.
- Outpatient discharges are down 4.5%.
- ER visits are down 10% as expected.
- Ambulance calls are up 6.5%.
- Obs admissions are up 33.3%.
- O/P surgeries are up 12.5%.
- Clinic visits are down 2%.
- FTEs are about the same.

The operation loss was mostly offset from the December tax collections and QIPP payments.

Ken Koontz made a motion to accept the December 2023 financials as presented, and Ron Brown seconded. Motion carried unanimously.

#### **Discussion and Possible Vote on Calling of Election for Saturday, May 4, 2024**

Ken Koontz made a motion to call an election for May 4, 2024, and Kristal Ferguson seconded. Motion carried unanimously.

#### **Discussion and Possible Vote on the Addition of the Following RadPartners Physician: John Hebert, MD**

Ron Brown made a motion to add Dr. Hebert. Chris Keck seconded, and the motion carried unanimously.

#### **Discussion and Possible Vote to enter into the State Quality Incentive Payment Program with Sheridan Medical Lodge, located at 119 S. Red River Expressway, Burburnett, TX, including approval of all required documents to effect a change of ownership to NGH of the current nursing home license and the required management operations agreement, lease agreement, sub-lease agreement, and revenue sharing with authorizations for CEO to sign same after legal approval of needed documents**

Ron Brown made the motion as presented, contingent upon legal approval of all necessary documents. Paula Webb seconded, and the motion carried unanimously.

Paula Webb made a motion to enter into the State Quality Incentive Payment Program with Oakmont Guest Care Center as presented, and Ron Brown seconded. Motion carried unanimously.

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

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

The board dismissed to closed session at 1:41 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 1:49 PM.

**Discussion and Possible Vote Regarding Disposition of Excess Tax Proceeds from Sale of Property Located at 104 Saint Jo Terrace, Nocona, TX**

NGH tax attorneys have asked the board for guidance on how to handle the excess proceeds from a property sold at a Sheriff's sale on October 5, 2021 due to back taxes. The sale resulted in excess proceeds of \$21,837.97, \$2,183.80 of which would be the hospital's share. The excess proceeds were deposited with the Montague District Clerk's office on October 21, 2021 and the Clerk sent a notice to all the defendants in the case on October the 27, 2021. On October 18, 2023, the defendant heirs filed a Petition claiming the excess proceeds. Just prior, PBF filed a motion to have the excess proceeds distributed to the taxing entities, as more than two (2) years had passed since the Sheriff's sale of the property. The Tax Code states that a claim for the excess proceeds must be filed within two (2) years of the date of the Sheriff's sale. This Notice provided by the Clerk's office includes the section of the Tax Code that states this very clearly. If no claim is made in a timely manner, the excess proceeds are to be distributed to the taxing entities that were included in the judgment. The attorney for the claimants has stated about the late filed claim, that "surely the governmental units would not deprive my clients of their money", stating that her clients were confused because of the date the proceeds were deposited with the Clerk. It is not a significant amount of money, but by law the heirs are not entitled to the excess proceeds.

The board chose to table this item.

**Administrative Report**

Lance presented the following report to the Board:

QIPP

Everything is on track to add the facilities approved last month. For year 8 we will have 20 nursing homes. I hired Kristina Stotts, former administrator at Grace Care Center, as the hospital's new QIPP Coordinator. She has hit the ground running and will begin site visits as early as the middle of the month. The final revised rules have been finalized. As expected, the State shoved through their proposed rules with no changes despite the voluminous number of comments and recommendations from stakeholders. Having Kristina on board will allow us to stay in compliance. The summary of the rules follows. Note the quarterly payments for all components now. Whereas the IGT has been returned monthly to the NSGO, those payments now will be quarterly as well, creating an initial cash flow issue with future IGT submissions.

The changes are to be effective January 30, 2024. This effective date is significant since there are QIPP Year 8 enrollment requirements that may be required to be completed in January to be eligible to enroll in March. QIPP Year 8 changes:

- Component Changes:
  - Component 1 will move to a performance measurement using MDS quality metrics and moving to quarterly payments versus monthly.
  - Component 2 will be based on actual staffing, and the RN telehealth will not be included to earn the metrics. The measurement on achievement requirement will progressively increase over the next 3 related to the earning per metric. Additionally, this is moving to a quarterly payment.
  - Component 3 will remain as an MDS Quality Measurement.
  - Component 4 will move to MDS Quality Measurement related to infection control.

- Funding percentage per components is changing:
  - Component 1 is moving to a straight percentage of 44% total funding versus 110% of IGT.
  - Component 2 is moving to a straight percentage of 20% total funding and increase over previous years.
  - Component 3 is moving to a straight percentage of 30% of total funding.
  - Component 4 will remain 16% of total funding.
- Active Partnership changes: (this is a significant change)
  - Active Partnership will be required for all NSGO NFs that have not been with the NSGO for more than 4 years and are not located in the same or adjacent county of the NSGO.
  - The active partnership must be demonstrated starting in January 2024 including monthly virtual/in-person meetings, quarterly training, and annual visits.
  - For new NSGO the requirement will be for an annual visit of NSGO quality assurance team and monthly meetings starting in January. The quarterly training program and schedule must be submitted to be eligible to enroll in the program.
  - For Year 8 must be started 2 months prior to demonstrate an active partnership that have occurred in the prior two months before application as well as a detailed plan for maintaining the partnership in the months following the application date through the end of the program period.
  - For Year 9 must be started 9 months prior to demonstrate an active partnership that have occurred in the prior two months before application as well as a detailed plan for maintaining the partnership in the months following the application date through the end of the program period.
  - If the NF as not been with the NSGO for more than 4 years the location should be reviewed and an active partnership starting in January is imperative.
- Change of Ownership: (this is a significant change)
  - For enrollment, the CHOW complete package must be received no later than 30 days prior to first day of enrollment (January 30, 2024).
  - For QIPP Year 8, if an enrolled NF changes ownership, including to a new class of facility following the enrollment period or during the program period, the NF under the new ownership must meet the eligibility requirements described in this section for the new owner's facility class to continue QIPP participation during the program period. This will include the active partnership requirements for changes to an NSGO.
  - For QIPP Year 9 if the enrolled NF changes class during the program, the NF will be removed from the QIPP Program as of the effective date of the CHOW.

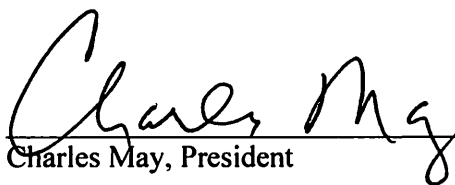
**EMS Survey**

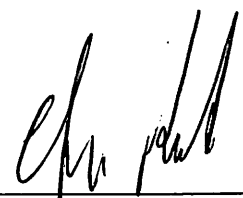
EMS was recently surveyed by the State, the first survey in many years and the first for Kennan as its director.

**Medical Staff Report: Nothing to Report**

**Other Business: None**

Meeting was adjourned at 2:01 PM.

  
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 Charles May, President

  
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 Chris Keck, Secretary