

**Nocona General Hospital
Board of Directors Meeting
August 20, 2024**

Board Members Present:

Charles May, President
Chris Keck, Secretary
Paula Webb
Ron Brown
Kristal Ferguson
Cris Lemon

Absent:

Ken Koontz, Vice-President

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC
David Hartwell, BYSP Architects

Meeting was called to order by President, Charles May at 12:31 PM.

Approval of Previous Minutes from the July 16, 2024 Regular Meeting

Paula Webb made a motion to approve the minutes of the July 16, 2024 Regular Meeting, and Ron Brown seconded. Motion carried unanimously.

Community Input

None

Old Business

None

New Business

Discussion with David Hartwell – RE: Construction Update

David Hartwell presented a project update to the Board. He also asked for some input on both the monument signs for the front of the clinic and the directional signs to be placed at the entrances to the hospital's campus. The Phase 1 timeline projection shows a substantial completion date of late December. David felt this timeline might be a bit aggressive; however, the contractor is on schedule so far.

Discussion and Possible Vote on Required Workplace Violence Prevention Plan

Lance stated that during the last session, the Texas legislature passed the requirement for all hospitals to develop and implement a Workplace Violence Prevention Plan by September 1, 2024. He assigned the project to Kennan Fleming, who serves as the hospital safety officer. Kennan was

tasked with creating a Safety Committee, and they were tasked to establish a plan to work in conjunction with the existing Workplace Violence Policy. Kennan attended the meeting to present the background for the requirement as well as the plan itself.

Ron Brown made a motion to approve the Workplace Violence Prevention Plan as presented, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote on July 2024 Financial Statements

Lance presented the following report to the board:

For the month of July, the hospital had 21 admissions; 520 outpatient discharges, including 9 surgeries; 232 ER visits; 73 EMS calls; 337 Home health visits; and 1537 clinic visits. Additionally, there were 4 observation admissions. This utilization resulted in gross revenue of about \$1.77M, missing budget by about 18%. Please remember the budget includes the initiation of the pain management service which has been delayed. This is apparent under the line for Other O/P revenue and O/P surgery. The average daily census was a low 2.6 patients with an average length of stay of 3.6 days. These utilization numbers, combined with the expenses and allowances, resulted in a \$362,250 loss from operations, requiring about \$400,000 to be transferred from savings for operations. There was a 3rd biweekly payroll during the month which always creates a cash flow issue.

For year over year comparison: (keep in mind, it is the first month of the fiscal year)

- Gross revenue is up 21.7% from with last year and up 5.7% from FY23.
- Net revenue is up 30.4%, and up 15.6% from FY23.
- The ADC is down 0.4 patients from last year and down 0.8 from 2023.
- **Admissions are down 25%; up 1%, but down 52% from FY23**
- The ALOS is up about 0.8 days.
- **Outpatient discharges are up 1.6% compared to last year, but down 12% from 2 years ago.**
- ER visits are down 28%.
- Ambulance calls are up 22%.
- **Obs admissions are down 73%.**
- O/P surgeries are down 25%.
- Clinic visits are up 11%.
- FTEs are up 2.2.
- Receipts of patient accounts are up 20% for hospital accounts, up 122% for home health, and up around 28% in the clinics when Cooper's stats are removed.

Net operating revenue missed budget by about 16%, again mostly due to the lack of the new service line that was budgeted.

Overall expenses were under budget by about 9%.

You will notice that non-patient revenue was a negative for the month. This is due to all QIPP dollars being posted against the receivable while netting the consultants' expenses against the QIPP revenue (which was zero for the month).

Chris Keck made a motion to accept the July 2024 financials as presented, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote 2024 Certified Tax Appraisal Roll

Ron Brown made a motion to accept the 2024 Certified Tax Appraisal Roll as presented, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote to Propose the Hospital Tax Rate for 2024 and Schedule the Required Public Hearings

The Board was presented with information to review in order to set the hospital district's tax rate. Lance stated that if the Board considered a tax rate that exceeds the no new revenue tax rate (effective rate) then the vote must be recorded and public hearing(s) set. This vote does not tie the Board to the rate proposed. This is a requirement that must be done at the August meeting. 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 2024. Lance reported that the hospital's 2024 net certified tax rolls increased by approximately \$64 million to \$674,170,287. The hospital's current rate is \$0.1669, producing a tax levy of close to \$1,017,000. The no new revenue rate is \$0.1538, and the voter approval rate is \$0.1668 (levy would be about \$1,125,000). He included a timeline detailing the process. Kathryn will take care of publishing the hospital's notices in the paper once I instruct her as to the rate the Board is considering.

Lance 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." He included in the packet the latest tax rate booklet which shows every hospital tax rate. He noted that NGH is still in the lower 25th percentile for both tax rate and tax levy.

Ron Brown made a motion to set the 2024 NGH tax rate at \$.1667 per \$100 and schedule the required Public Hearing for Tuesday, September 17th at 11:45 AM to be followed by the regular board meeting at 12:30 PM, during which the vote would be taken to establish the 2024 tax rate. Cris Lemon seconded, and the motion carried unanimously.

Discussion and Possible Vote on Auditor Engagement Letter for Fiscal Year 2024

Paula Webb made a motion to engage D & Co., Certified Public Accountants (formerly Durbin & Company) to perform the audit for fiscal year end 2024. Ron Brown seconded, and the motion carried unanimously.

Discussion and Possible Vote on HSM ORA

Lance reminded the Board that we utilize the services of Health Support Management for the QIPP program. For the current facilities under the agreement, HSM monitors QA activities, compliance, tracking of all revenue and receipts, compile financial statements, and when necessary, intervenes in disputes with the State. Additionally, HSM monitors all QIPP activities and prepares payment information for the distribution of QIPP payments. For the last several years, they have also assisted with the Foursquare facilities, which are not a part of the current agreement. Although the assistance is limited to QIPP distribution reports, Chris Dockal has advised the hospital on multiple issues, at no additional cost. With the Foursquare facilities becoming a larger percentage of the hospital's overall number of QIPP facilities, it has come to the point that HSM will need to begin charging for these services. It is a reduced rate from what is charged for the current homes, as they will not be doing the accounting work. Additionally, Foursquare has agreed to split the monthly cost with us. This new agreement would begin on September 1st, the start date for QIPP year 8.

Ron Brown made a motion to approve the updated Operator Representative Agreement with HSM as presented. Paula Webb seconded, and the motion carried unanimously.

Discussion and Possible Vote on Opioid Settlement Resolution

The State of Texas entered into agreements with multiple companies to assist with the costs associated with the opioid crisis in Texas, like the Tobacco Settlement agreements from a couple of decades ago. The Texas Opioid Abatement Fund Council was created to oversee the distribution of these payments. The council requires a Board resolution prior to distributing the funds from each hospital district. It appears the hospital will receive an initial payment of around \$100,000 as the State utilized Uncompensated Care data to estimate the costs attributable to the opioid crisis for each district. As always there will be reporting requirements to verify the use of the funds in an appropriate matter.

Cris Lemon made a motion to approve the Opioid Settlement Resolution as presented. Ron Brown seconded, and the motion carried unanimously.

Discussion and Possible Vote on Contract for Dr. Caraleigh Buxie

Lance reported that as of meeting time, the contract and necessary arrangements were still being reviewed. This item was tabled for future consideration.

Convene to Closed Session for the Following Purposes:

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

No Closed Session

Administrative Report

Lance had no additional information to present to the Board.

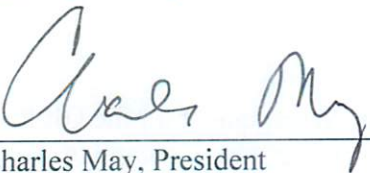
Medical Staff Report

Nothing to Report.

Other Business

None

Meeting was adjourned at 1:28 PM.



Charles May, President



Chris Keck, Secretary