

**Nocona General Hospital
Board of Directors Meeting
September 17, 2024**

Board Members Present:

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

Absent:

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
Don Miller, Foursquare Healthcare
Dan Marick, Foursquare Healthcare

Meeting was called to order by President, Charles May at 12:32 PM.

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the August 20, 2024 meeting and Chris Keck seconded. Motion passed unanimously.

Community Input

None

Old Business

None

New Business

Don Miller Foursquare QIPP Presentation

Mr. Miller, along with Dan Marick (Foursquare Director of Operations) updated the board on the QIPP partnership between Foursquare and NGH.

Discussion and Possible Vote on 2024 Hospital District Tax Rate

Lance reported that all the necessary steps have been performed to act on the hospital's 2024 tax rate. Based on previous discussions, a rate of \$0.1667/ \$100 in appraised value has been published along with all the required 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.

Ken Koontz made a motion that the Nocona Hospital District tax rate be increased by the adoption of a tax rate of \$0.1667/\$100, which is effectively an 8.4% increase in the tax rate. Chris Keck seconded, and the motion carried unanimously

Discussion and Possible Vote on August 2024 Financial Statements

Lance presented the following report on the August 2024 Financials:

For August the hospital finished with 29 admissions; 564 outpatient discharges, including 10 surgeries; 260 ER visits; 86 ambulance calls; 362 home health visits; and 1867 clinic visits. Additionally, there were 9 observation admissions. This utilization resulted in gross revenue of just over \$2M, falling short of budget by 6%. The average daily census was 4 patients with an average length of stay of 4.6 days. Please compare these August numbers with last August's utilization, which had 45 admissions, almost 700 outpatient discharges, and 18 observation admissions. Last August is basically what we need to sustain operations as currently constructed. There was a minimum operational loss, which would be wiped out with tax revenue only over the course of the year and allow us to bank most of the supplemental payments received. Obviously, I am not stating this type of utilization is possible each month, but it can give you an answer to "what do we need if expenses remain the same".

For year over year comparison:

- Gross revenue is under budget by about 12% (no pain management yet) and down slightly from last year. Net revenue is down 3.5% from last year, expenses are about 5% higher.
- The ADC is down about 0.5 patients.
- Admissions are up 31.5%.
- The ALOS is up by a day.
- Outpatient discharges are down 10%.
- ER visits are down 27%.
- Ambulance calls are up 23%.
- Obs admissions are up 60%.
- O/P surgeries are up 20%.
- Clinic visits are up 5%.
- FTEs are up 1.2.

Currently, we are moving in the wrong direction operationally; although, we are only 2 months into the new fiscal year.

Expenses overall for the month were about 3% under budget, but employee benefits, specifically health insurance claims, have skyrocketed this calendar year.

As I have mentioned, QIPP year 8 payments will not be flowing in until February. I have always booked those payments based on the month they are received until a final accrual at fiscal year-end. With such a delay, if I continue that method, the first 6 to 7 months of the fiscal year will most likely be difficult to look at, especially if utilization continue as it has for months now. If you wish, I can begin accruing a monthly amount to give a better reflection of the overall health of the financial statements due to the supplemental payments, specifically QIPP.

Ken Koontz made a motion to accept the August 2024 financial report as presented, and Kristal Ferguson seconded. Motion carried unanimously.

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:

Clinic/ER Renovation

The project is currently on schedule according to the contractor's timeline. The contractor's first payment application was received and paid.

FY24 Audit and Cost Report

Auditors were onsite completing the FY24 audit late last month. They were pleased with the processes in place and the information received. Kudos especially to Rebecca, Kelly, and Tamlyn for their work on the audit preparation. The plan is for a Board presentation in January or February.

QIPP

- Year 8 has started, and as a reminder we will not see any payments for the year until at least February due to rule changes.
- We have a significant concern regarding one facility's enrollment as an answer apparently was changed from 'Yes' to 'No' regarding RN hours. At the time of enrollment, HHSC's portal was constantly logging our users out. HHSC has been defiant in simply changing the answer. The dollars lost could be in the six figures. I have called upon TORCH, consultants, and the facility itself to make the situation known.
- As a reminder, Electra is no longer one of our partnered facilities.
- We are in the process of in-depth reviews from HHSC for FFY23 on IGT permissibility and FFY22 for Midland's active partnership. We believe we have followed all relevant rules and have submitted the requested and applicable information to HHSC.
- The Grace Care Centers have another new manager. The district holds the license to their Nocona and Henrietta facilities. There is some concern regarding the new managers that I will detail at the meeting.

Pain Management

Medical staff met once again with Genesis to discuss the pain management program. As you recall the Board has approved the contract pending legal review, but the process has been delayed by changes within Genesis that required some additional vetting.


Medical Staff Report

Nothing to Report

Other Business

None

Meeting was adjourned at 1:58 PM.



Charles May, President



Chris Keck, Secretary