

**Nocona General Hospital  
Board of Directors Meeting  
November 19, 2024**

**Board Members Present:**

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

**Absent:**

Cris Lemon  
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 12:32 PM.

**Approval of Previous Minutes**

Ken Koontz made a motion to approve both the minutes of the October 15, 2024 Regular meeting. Chris Keck seconded, and the motion passed unanimously.

**Community Input**

None

**Old Business**

None

**New Business**

**Presentation and Discussion: David Hartwell, BYSP Architects**

David Hartwell brought the board up to date on the ongoing clinic expansion.

**Discussion and Possible Vote on Capital Purchase: Pain Management Table**

Lance reported that the pain management contract has been signed, the logistical meeting has been completed, and we should be seeing patients by the first of December. Admin has been notified of the need for a pain management surgical table. Unfortunately, this was not brought up during the negotiation phase. Additionally, a C-Arm laser has been requested but is not required. Neither of these items are terribly expensive, but it will be an investment. Gaytha Thompson, Radiology Director, was present to describe each item and answer questions regarding the need for both items.

The board asked Gaytha to investigate warranty and shipping information on the refurbished equipment option presented. Paula Webb made a motion to approve the MedStone 2 Table up to \$10,000. Ron Brown seconded, and the motion carried unanimously.

#### **Discussion and Possible Vote on Capital Purchase: C-Arm Laser**

Paula Webb made a motion to approve the purchase of a C-Arm Laser at a price of \$3,519.00, and Ken Koontz seconded. Motion carried unanimously.

#### **Discussion and Possible Vote on October 2024 Financial Statements**

Lance presented the following report on the October 2024 Financials:

For October the hospital finished with 23 admissions; 603 outpatient discharges, including 15 surgeries; 352 ER visits; 81 ambulance calls; 410 home health visits; and 1754 clinic visits. Additionally, there were 17 observation admissions. This utilization resulted in gross revenue of \$1.9M, falling short of budget by 11.6%. The average daily census was 2.4 patients with an average length of stay of 3.2 days. All utilization stats are in the red compared to last year with the exceptions of EMS calls and clinic visits.

For year over year comparison:

- Gross revenue is under budget by about 13.3% (no pain management yet) and down 5.8% from last year. Net revenue is down 13.5% from last year as bad debt continues to climb. Expenses are about 4.2% higher.
- The ADC is down about 1 patient.
- Admissions are down 30%.
- The ALOS is up slightly.
- Outpatient discharges are down 1.5%.
- ER visits are down 15.6% but were up about 100 in October due to the closure.
- Ambulance calls are up 8.5%.
- Obs admissions are down 27%.
- O/P surgeries are the same.
- Clinic visits are up 5%.
- FTEs are up 0.6.
- Days Cash on Hand is up 6.9%.

Expenses overall for the month were about 1% under budget, but employee benefits, specifically health insurance claims, continue to run well above average. Supplies and expenses were over budget by 4.4%. Part of the past anesthesia invoices were paid as Genesis has started billing us the daily rate. With it being flu season, both lab and pharmacy experienced higher than usual expenses for testing supplies.

October is the first month for the tax collections to increase as we saw about \$53,000 paid. Additionally, the investment portfolio continues to produce a yield of about 4.8%, although this will most likely diminish as the Feds have recently cut rates and are eyeing additional cuts. I will most likely ladder any new CD's to longer terms (12 months) in expectation of these changes. QIPP payments for the month were \$170,000 for year 7 July and August payments. We will see the 4<sup>th</sup> quarter totals reported in November. Our next large IGT for year 8 will be in early December. I have the funds set aside, but our investment portfolio will take quite the hit until the larger Year 8 payments arrive in late February (hopefully).

Ken Koontz made a motion to accept the October 2024 financial report as presented, and Paula Webb seconded. Motion carried unanimously.

**Discussion and Possible Vote on Approval of the 2024 Tax Totals**

Chris Keck made a motion to approve the 2024 tax totals, and Paula Webb seconded. Motion carried unanimously.

**Discussion and Possible Vote on Employee Health Insurance Renewal for 2025**

Lance reminded the board of his fears concerning this renewal as the 2024 claim year has not been good. Net claims paid are up almost \$400,000 from last year. He included his spreadsheet (which I know is somewhat confusing and busy! It is more for my evaluation of the renewals). He stated that he was quite relieved to only see a 13% increase for the renewal as he was expecting much higher due to the six over specific claims and what appears to be an aggregate attachment point claim as well.

He recommended the board adopt option number 1, which maintains the \$50,000 specific deductible but increases fixed costs by about \$30,000.

Additionally, as discussed in previous years, Lance stated that the plan is extremely good for the employees, with low premiums and low deductibles. The plan has not changed in several years, but it could warrant a discussion. Any changes to employee responsibility will not change the quotes, but move some of cost increase from the hospital to the employee. One calculation he noted is to offset the cost of the fixed costs only, an increase of around \$30 per month per employee is needed. The hospital would still take on the cost of claims solely.

Paula Webb made a motion to approve Option 1 for the 2025 Health Insurance Renewal (at the same \$50,000 deductible) with no increase in employee premiums. Ron Brown seconded, and the motion carried unanimously.

**Discussion and Possible Vote Employee Incentive Payments**

Paula Webb made a motion to approve retention payments to employees, with a cap of \$110,000, and Chris Keck 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

We finally got the steel issued straightened out and the shell of the new clinic is nearing completion. We had significant flooding issues in the current clinic due to the new structure’s design and not having the gutter system in place (due to the steel delay). Electricians have started the wiring process.

QIPP Year 8

The first quarter for year 8 will soon be completed. With rule changes affecting the reporting periods for various metrics, it has become more urgent to oversee the facilities’ activities. Although the use of HSM and the hiring of our own nursing facility administrator comes at a hefty price, the advantage of having both is significant. For example, one facility was in the process of not meeting any metrics for the first quarter which would have meant the hospital would have lost its IGT for that quarter, over \$100,000. Fortunately, this issue was caught and remedied in the allowed time frame to satisfy the metrics. This is just one small example of the risks that I have been foreboding about for the past year or so and is one reason I wish to maintain all agreements at our current splits.

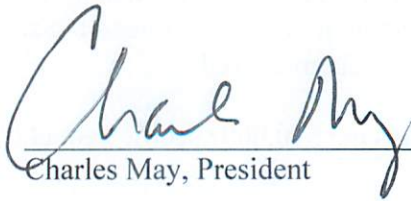
**Medical Staff Report**

Nothing to Report

**Other Business**

None

Meeting was adjourned at 1:58 PM.



Charles May, President



Chris Keck, Secretary