

Nocona General Hospital
Board of Directors Meeting
February 18, 2025

Board Members Present:

Charles May, President
Chris Keck, Secretary
Paula Webb
Ron Brown

Absent:

Ken Koontz, Vice-President
Kristal Ferguson
Cris Lemon

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

None

Meeting was called to order by President, Charles May at 12:33 PM.

Approval of Previous Minutes

Paula Webb made a motion to approve both the minutes of the January 21, 2025 Regular meeting. Chris Keck seconded, and the motion carried unanimously.

Community Input

None

Old Business

None

New Business

Discussion and Possible Vote on January 2025 Financial Statements

Lance presented the following report on the January 2025 Financials:

For January the hospital finished with 40 admissions; 681 outpatient discharges, including 7 surgeries; 369 ER visits; 67 ambulance calls; 386 home health visits; and 1886 clinic visits. Additionally, there were 8 observation admissions. This utilization resulted in gross revenue of about \$2.25M, exceeding budget by 3.5%. The average daily census was 4.5 patients with an average length of stay of 3.6 days. This type of utilization (maybe a couple more admits) appears to be close to what we are needing every month, or at least on average, to stem the tide of an ever-growing operational loss. Despite the better month, all utilization stats are in the red compared to last year.

For year over year comparison:

- Gross revenue is under budget by about 7.75% and down 1.0% from last year. Net revenue is down 9.2% from last year as bad debt continues to climb. Expenses are down 2.3%.
- The ADC is down about 0.5 patients.
- Admissions are down 11%.
- The ALOS is the same.
- Outpatient discharges are down 6%.
- ER visits are up 1%.
- Obs admissions are down 21%.
- O/P surgeries are down 17%.
- Clinic visits are down 1%.
- FTEs are up 1.
- Days Cash on Hand is up 6%.

Collections were better for the month in all areas, but for the year are lagging last year's collections. QIPP payments for year 7 for the 1st reconciliation of IGT netted us about \$430,000, and year 5 final IGT refund was about \$107,000.

Ron Brown made a motion to accept the January 2025 financials as presented, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote on Certification of Unopposed Candidates

All four incumbent board members filed for reelection to another two-year term. Chris Keck, Kristal Ferguson, Ken Koontz, and Paula Webb were unopposed.

Ron Brown made a motion to certify the unopposed candidates, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on Cancellation of May 3, 2025 Election

Ron Brown made a motion to cancel the May 3, 2025 election. Paula Webb seconded, and the motion carried unanimously.

Discussion and Possible Vote on AAPC Contract for Chart Review

Lance explained to the board the two functions this contract will serve. The first is to ensure the hospital is billing appropriately the RHC claims in preparation for the RHC certification for Bowie. Additionally, current RHC claims can be reviewed to ensure that the hospital is maximizing revenue and reimbursements. The cost should be limited as NGH is allowed to choose the number of charts to be reviewed. The estimated final cost is somewhere between \$7500 and \$10,000.

Paula Webb made a motion to approve the AAPC Contract, and Ron Brown seconded. Motion carried unanimously.

Convene to Closed Session for the Following Purposes:

- Texas Government Code Section 551.071 –Attorney Consultation & Presentation of Quality Assurance Metrics**

None

Administrative Report

Lance presented the following report to the Board:

Clinic/ER Renovation

We are nearing the end of Phase 1 as the hope is the clinic will be mostly complete by the end of February. We are preparing for Phase 2 with ongoing logistical meetings to determine the most appropriate spaces to

relocate employees and prepare for the needed patient flow for the clinic. It will be tight as Phase 2 will most likely take between 4 and 6 months. There have been some slight alterations to the phases. This may require including additional square footage in Phase 2. We are working with the contractor and architect to ensure we will have a minimum of 4 ER beds during each of the upcoming phases. We are also preparing social media and media posts to inform the public of upcoming changes in patient flow.

Parking Lot

As you can see the parking lot project has started. Hopefully it will be complete in about 4-6 weeks.

Pain Management

We are now several months into the Genesis contract for pain management, but we are still trying to work out all the kinks in the coding and billing process. It does not appear at this moment that the Genesis pro-forma has successfully estimated the per case reimbursement for the hospital, in some cases missing by over 40%. We are bringing in their billing expert to review and confirm that we are coding and billing appropriately. Once that has been determined we will meet to discuss the next steps. As you recall they offered a review of their fees once we were 90 days into the contract.

QIPP Year 8

To put it nicely, year 8 has been a cluster thus far. We are now 5 ½ months in and no payments have been received yet. Below is a summary from our consultant, Chris Dockal, which will reinforce my "cluster" comment.

HHSC has not provided any updates on the release of the QIPP Year 8 Quarter 1 Scorecards. There was a posting of the QIPP Year 8 Financial Program Calendar which indicated a delay from February release date to March 5, 2025, without any notification. This would be an expected payment in April if there are no further delays.

Although, there are expected delays beyond this that seem to make this date unachievable:

- HHSC new rules moved the metric determination to NH Compare public document, the NH Compare report has been paused by CMS. One article, indicates the pause on January will be delayed until the April refresh of the NH Compare report;
- Currently, there are 3 frozen metrics that do not have baselines and benchmarks, and HHSC will need to decide how these will be treated when there is a NH Compare report to review;
- There will be several calculation changes to the previous scorecards that have patch work fixes since QIPP Year 3 based on the links in the QIPP Year 7 scorecards. If the adjustments to change in the calculation on Components 1, Components 2, and Undispersed are not being tested, there are potentially additional delays during the testing;
- The QIPP Year 9 enrollment process will begin during March, and the first half of IGT is scheduled for June 2025.

We are aware of the cash flow issues this is currently causing for hospital operations and nursing facilities due to the change in monthly scorecards to delayed quarterly scorecards. At this point, the hospital district will have up to a year and a half of IGT being held with a possibility of a single quarterly scorecard.

One small bit of good news is the 1st half of Year 9 IGT due date may be pushed back from early June to late July. My hope was that the first 2 quarters of Year 8 would be paid prior to the Year 9 IGT being due allowing us to self-fund once again. I will most likely need to establish some form of line of credit from one of the local banks to meet the Year 9 IGT, which will total around \$18.5 million, half of which will be due in June or July.

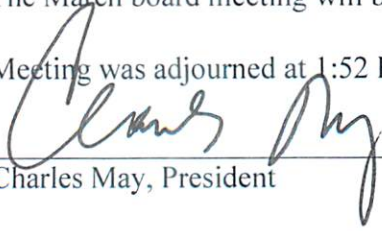
Medical Staff Report

Nothing to Report

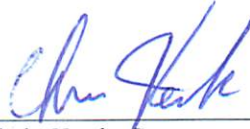
Other Business

The March board meeting will be moved to the fourth Tuesday – March 25, 2025.

Meeting was adjourned at 1:52 PM.

A handwritten signature in black ink, appearing to read "Charles May", written over a horizontal line.

Charles May, President

A handwritten signature in blue ink, appearing to read "Chris Keck", written over a horizontal line.

Chris Keck, Secretary