

**Nocona General Hospital  
Board of Directors Meeting  
July 15, 2025**

**Board Members Present:**

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

**Absent:**

Cris Lemon  
Kristal Ferguson

**Hospital Administration:**

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

**Medical Staff:**

Len Dinger, MD

**Others Present:**

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

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 June 17, 2025 Regular meeting. Paula Webb seconded, and the motion carried unanimously.

**Community Input**

None

**Old Business**

None

**New Business**

**Discussion and Possible Vote on June 2025 Financial Statements**

Lance presented the following report on the June 2025 Financials:

For the month of June, the hospital had 17 admissions; 537 outpatient discharges, including 10 surgeries; 261 ER visits; 317 home health visits; and 1,457 clinic visits. Additionally, there were 12 observation admissions. This utilization resulted in gross revenue of about \$2.150M, missing budget by about 1%. Gross revenue was only off 0.27% from the yearly budget or less than \$71,000 on a budget of \$26M. The average daily census was a low 2.3 patients with an average length of stay of 4.1 days. These utilization numbers, combined with the expenses and allowances, resulted in a \$251,392 loss from operations. As you probably will notice on the Operating Indicators worksheet, all metrics were in the red slightly when comparing to fiscal year 2024. The good news is the financial summary indicators are all in blue compared to last year as shown below in the bullet points. Additional good news is that we cut the operational loss down slightly due to decreased expenses in admin and general (insurance) and consulting fees (travelers). These decreases

helped offset increases in physician expenses (clinic RVUs were up and Cooper) as well as the increase in employee health insurance claims.

For year over year comparison: (12 months)

- Gross revenue is up 8.1%.
- Net revenue is up 0.25%.
- The ADC is down 0.1 patients from last year but down 1.5 from 2023.
- **Admissions are down 4% from last year.**
- The ALOS is the up slightly.
- **Outpatient discharges are down 3% compared to last year.**
- ER visits are up 11%.
- Ambulance calls are down 2%.
- **Obs admissions are down 8%.**
- O/P surgeries are down 13%.
- Clinic visits are down 2%.
- FTEs are up 1.4.
- Days Cash on Hand ended up being down only 6 days despite capital expenditures and project payments of \$4.8M throughout the year. Thank you QIPP!!
- Receipts of patient accounts are down 8% for hospital accounts, up 25% for Home Health, and up around 18% in the clinic (12 months of Cooper in FY25 compared to 9 months in FY24).

Net operating revenue exceeded budget by 2.5% for the month but was under budget by 4% for the year.

Overall expenses were under budget 5% for the month and 4.6% under budget for the year.

Non-operating revenue included an accrual of about \$1.75 for QIPP year 8 that has not been received yet. Additionally, we booked about \$2.8M in QIPP funds for Year 8 quarter 2. We also booked a grant of about \$135,000 for broadband/IT upgrades.

Ken Koontz made a motion to approve the June 2025 financial report as presented, and Paula Webb seconded. Motion carried unanimously.

#### **Discussion and Possible vote on Amendment to Genesis Contract to Add Surgical Services**

This item was tabled.

#### **Discussion and Possible Vote on the Following Change Orders:**

a) **Change Order #003: Addition of Concrete Columns at New North ER Entry**

b) **Change Order #004: Addition of Med Gas Isolation Valves in ED and Additional Demo**

Lance shared that, with the June pay application, the project is 70% complete from a money standpoint. Phase 2 continues to proceed. David Hartwell gave the Board a more detailed report and went over the change orders that were listed on the agenda. David pointed out that Change Order #003 would be a wash: we will pay for it up front, but BYSP will deduct that expense from their fee to cover it. Lance also noted that David is retiring in August so the project has been assigned to one of the partners in the firm that has significant experience in healthcare, overseeing several URHCS projects.

Ken Koontz made a motion to approve both Change Orders as presented. Chris Keck seconded, and the 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:

### Big Beautiful Bill

The following is a summary from THA regarding the BBB. It does not appear to affect us to a great degree. The DSH cuts will harm us, but since this was the first year we have received those funds, the damage will be minimal. Our directed payment programs, specifically QIPP, do not appear to be at risk from this bill. And there is a new Rural Program allotting \$50B with details to come.

*Congress passed the legislation commonly known as the One Big Beautiful Bill Act with language related to provider taxes that won't upend Texas' local tax structure for funding Medicaid, contrary to what THA and other advocates feared during negotiations over the sprawling legislation.*

*During Senate consideration of the bill last weekend, fervent advocacy from THA helped preserve around \$10 billion in annual funding for Texas Medicaid that would have been lost under earlier drafts of the Senate bill. The House passed the Senate's version by a 218-214 vote following a 51-50 passage in the Senate on Tuesday, in which Vice President J.D. Vance cast the tiebreaking vote.*

*Bill drafters reworked the Medicaid provider tax piece following a ruling last week by the Senate parliamentarian that the bill's previous provider tax restrictions violated a key Senate rule on budgetary legislation. The final bill contains the following relevant provisions for Texas hospitals:*

- **Provider taxes** – All taxes “enacted and imposed” by states or local units of government by date of enactment for the bill will be recognized and allowed to continue. The existing 6% “safe harbor” maximum for these taxing arrangements will remain in place for Texas and other states that have not expanded Medicaid. This means that localities looking to maximize their provider tax financing have until tomorrow's enactment date to increase their own percentages to 6%, if a locality has not already done so. Landing on this arrangement for provider taxes protects about \$7 billion in Texas Medicaid funds that might have been forfeited if local taxes were not acknowledged.
- **State-directed payments (SDP)** – Preprints for SDPs submitted before the bill's date of enactment will be grandfathered in, a benefit for Texas' Medicaid program with an estimated impact of about \$3 billion protected.
- **Rural Health Transformation Program** – During Senate negotiations on the bill, lawmakers inserted this new funding source, which allocates a total of \$50 billion in funding to states – \$10 billion for each of the next five years – for rural health care transformation, including relief for rural hospitals.
- **Medicaid Disproportionate Share Hospital (DSH) cuts** – The final legislation does not include a delay for these planned cuts to DSH hospital funding, which will go into effect this October without further action. The version previously passed by the House included a two-year delay.

*With help from Sens. John Cornyn and Ted Cruz, the governor's office and the Texas Health and Human Services Commission, THA and its advocates secured critical edits in the final legislation. The bill includes a lengthy timeline to implement provisions related to new SDPs, giving THA and other advocates a window to pursue needed changes to these provisions before they take effect.*

### Year to Year Comparison of Stats:

	FY 2025 (Unaudited)	FY2024	FY2023	FY2022
Net Patient Rev.	\$9,897,313	\$9,424,558	\$8,493,578	\$9,425,267
Admissions	345	360	356	425
O/P Discharges	7,199	7,408	7,150	7,958
Total Expenses	\$13,632,025	\$14,190,991	\$12,505,971	\$12,143,856
Change Net Pos.	\$6,218,288	\$2,110,245	\$4,447,202	\$4,740,387

FTE's	113	112	110	113
Days Cash on Hand	688	694	683	54

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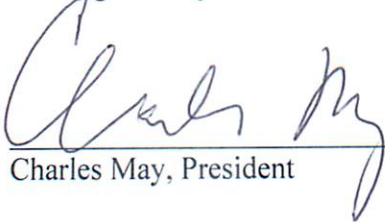
**Medical Staff Report**

Nothing to Report.

**Other Business**

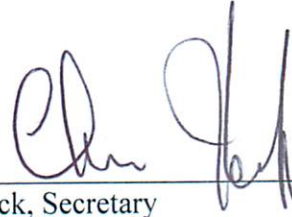
None.

Meeting was adjourned at 1:22 PM.



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Charles May, President



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Chris Keck, Secretary