

**Nocona General Hospital
Board of Directors Meeting
January 20, 2026**

Board Members Present:

Charles May, President
Ken Koontz, Vice-President
Paula Webb
Kristal Ferguson
Ron Brown

Absent:

Chris Keck, Secretary

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC
Tommy Davis, D & Co.
De Brown

Meeting was called to order by President, Charles May at 12:35 PM.

Approval of Previous Minutes

Ron Brown made a motion to approve the minutes of the December 16, 2026 Regular Meeting, and Paula Webb seconded. Ken Koontz made a motion to approve the minutes of the January 9, 2026 Special Meeting, and Kristal Ferguson seconded. Both motions passed unanimously.

Community Input

None

Old Business

None

New Business

Discussion and Possible Vote to Appoint Board Member to Fill Current Vacancy

Ron Brown made a motion to appoint De Brown to fill the current vacancy on the board, and Paula Webb seconded. Motion carried unanimously.

Discussion and Possible Vote on FYE 2025 Audit Presentation by Durbin & Co.

Tommy Davis with D & Co. presented the findings from the FYE 2025 audit to the board. Paula Webb made a motion to approve the audit as presented, and Ken Koontz seconded. Motion carried unanimously.

Discussion and Possible Vote on December 2025 Financial Statements

Lance presented the following report on the December 2025 Financials:

For December the hospital finished with 29 admissions; 526 outpatient discharges, including 8 surgeries; 313 ER visits; 74 ambulance calls; 401 home health visits; and 1535 clinic visits. Additionally, there were 10 observation admissions. This utilization resulted in gross revenue of \$2.3M, exceeding budget by 5%, significantly helped by OR utilization for pain management. The average daily census was 3.1 patients with an average length of stay of 3 days. These utilization numbers combined with the expenses and allowances resulted in a \$338,767 loss from operations. Net operating revenue exceeded budget by 10.6%. We continue to battle the aging of our receivables due to multiple reasons, and I will go into further detail about this at the meeting. Expenses were 2% over budget due travelers in the nursing and physical therapy department, as well as, the laboratory. Supplies were over budget due to the ramping up of new procedures for pain management. We have started to implant spinal cord stimulators which come at a hefty price, but the reimbursement has greatly exceeded the expense. Since these procedures have shown to be profitable, we are moving forward with additional ones, as there is quite the waiting list. This will impact the expenses moving forward, but these will be more than offset by the net revenue associated with them.

For year over year comparison:

- Gross revenue is exceeding budget by about 7.2% and up 23% from last year. Net revenue is also up about 15% from last year. Expenses are up 5%.
 - The ADC is up about 1.2 patients.
 - Admissions are up 13% but down 8% from 2 years ago.
 - The ALOS is the same.
 - Outpatient discharges are down 8.3% despite the pain management procedures.
 - ER visits are up 7.3% and are about the same from fiscal year 2024.
 - Ambulance calls are up 9%.
 - Obs admissions are up 5.5% but down from 2024.
 - O/P surgeries are down 25%.
 - Clinic visits are down 4%.
 - FTEs are up 5 mainly in nursing and EMS.
- Days Cash on Hand is down 4% from last year.

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

Discussion and Possible Vote on Calling of Election for Saturday, May 2, 2026

The deadline to file for a place on the ballot for the May 2026 election and the deadline to order the May election fall on the same date, February 13, 2026, just prior to the February board meeting. Therefore, it is necessary to go ahead and order the election, regardless of who files. Ken Koontz made a motion to order an election for Saturday, May 2, 2026. Ron Brown seconded, and the motion carried unanimously.

Discussion and Possible Vote on the Clinical Affiliation Agreement Between NGH and Texas Women's University to Participate in Their Clinical Placement Program for the School of Physical Therapy
Paula Webb made a motion to approve the agreement with TWU, and Ron Brown seconded. Motion carried unanimously.

Convene to Closed Session for the Following Purposes:

- a) **Texas Government Code Section 551.071 – Consultation with Attorney**
None.

Administrative Report

Lance gave the following update:

QIPP Yr 8 Quarter 4

The hospital benefit for quarter 4 was about \$2M. The total benefit for all four quarters for Year 8 was about \$7.7M. We will have additional scorecards for year 4 to reconcile and adjust the year, resulting in additional revenue for the hospital.

I also sent the IGT for the second half of year 9, about \$9.7M, the first week of January. I have secured loan from Legend Bank as well for \$3M. This will assist us potentially with operations down the line as we start the new contract with ACP Health and help offset the growing operational loss during the first few months of the contract. The initiation fee was 0.5% but there is no carrying cost for the secured amount. Interest on any amount utilized is prime plus 3%.

I have included our consultant's report for QIPP year 8. Of greatest concern is limited census in a couple of our partner facilities and the missed QIPP dollars especially in the Foursquare homes. I will detail more at the meeting.

Clinic/ER Renovation

Work has been limited over the past couple of weeks as we have been waiting on cabinets to arrive. We did not have a pay application, so we still stand at 91% complete. The 100% inspection for the current phase is set for the week of February 15th.

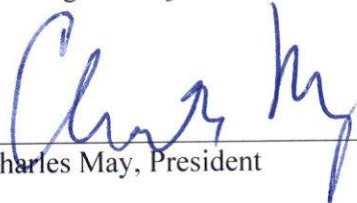
Medical Staff Report

Nothing to Report.

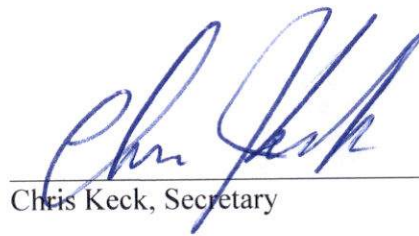
Other Business

None.

Meeting was adjourned at 2:02 PM.



Charles May, President



Chris Keck, Secretary