Nocona General Hospital
Board of Directors Meeting
May 19, 2026

Board Members Present:
Charles May, President
Ken Koontz, Vice-President
Chris Keck, Secretary
Kristal Ferguson
Paula Webb
Steve Bates (director-elect)
Shawn Patton (director-elect)

Absent:
De Brown *(outgoing director)*
Ron Brown *(outgoing director)*

Hospital Administration:
Lance Meekins, CEO
Rebecca Hamilton, Admin Asst./HR

Medical Staff:
Len Dingler, MD

Others Present:
Brian Jackson, Jackson & Carter, PLLC
Chris & Cindy Petty
Robert Fenoglio
Tim Brong
Tracy Mesler

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

Approval of Previous Minutes
Ken Koontz made a motion to approve the minutes of both the April 21, 2026 Regular Meeting and the May 12, 2026 Special Meeting. Kristal Ferguson seconded, and the motion passed unanimously.

Community Input
None

Old Business
None

New Business

Conduct Oath of Office for Newly-Elected Directors
Rebecca Hamilton administered the oath of office to the three directors elected in the May 2, 2026, election: Steve Bates, Charles May, and Shawn Patton.

Discussion and Possible Vote on Election of Officers
Ken Koontz moved to nominate Charles May for the position of Board President. The motion failed due to the absence of a second. Chris Keck then moved to nominate Paula Webb for Board President, and the

motion was seconded by Shawn Patton and Steve Bates. The motion passed with five affirmative votes. Paula Webb and Charles May abstained from voting.

Chris Keck made a motion to nominate Ken Koontz for Vice President, and Kristal Ferguson seconded. Motion carried unanimously.

Kristal Ferguson made a motion to nominate Chris Keck for Secretary, and Shawn Patton seconded. Motion carried unanimously.

Discussion and Possible Vote on April 2026 Financial Statements
Lance presented the following report on the April 2026 Financials:

For April the hospital had 18 admissions; 559 outpatient discharges, including 9 surgeries and 45 pain management procedures; 333 ER visits; 56 ambulance calls; 335 home health visits; and 1528 clinic visits. Additionally, there were 11 observation admissions. This utilization resulted in gross revenue of about $3.1M, exceeding budget by 39%. The average daily census was only 2.4 patients with an average length of stay of 4 days.

For year over year comparison:

- Gross revenue is exceeding current budget by about 14.5% and up 19.7% from last year, the majority of it due to the 5% price increases and the remainder in pain management and surgery. As you can tell from the income statement, O/R gross revenue has soared with the addition of new pain management procedures. Net revenue is exceeding budget by 12% and up about 7% from last year. Expenses are over budget by 3.75% and up 9.9% from last year. As is the case for gross revenue, pain management consult fees and the associated supplies are the drivers for this increase, although the net revenue for those procedures is exceeding cost.
- The ADC is the same as last year.
- Admissions are the same.
- The ALOS is the same.
- Outpatient discharges are down 12.2%.
- ER visits are the same.
- Obs admissions are up 22%.
- O/P surgeries are down 15.6%.
- Clinic visits are down 8%.
- Pain management procedures have increased 200%.
- FTEs are up 4.
- Days Cash on Hand is up slightly (QIPP driven).
- Collections on hospital patient accounts are up 7% (pain mgmt.) Clinic collections overall are up slightly despite the drop-in clinic visits, helped by Cooper.

A couple of notes on the expenses. Consultant fees and supplies are over budget due to the pain management procedures. The admin and general line items are due to the amortization of audit and cost report fees for last year. We also received a benefit of an advanced DSH payment of around $52,000).

Ken Koontz made a motion to approve the financials as presented, and Shawn Patton seconded. Motion carried unanimously.

Discussion and Possible Vote to Approve Apex Healthcare Properties and Their Designated Affiliate as the New Operator/Manager of Advanced Rehabilitation and Healthcare of Bowie, Including Approval of Management Transfer Agreement and Other Documents, and Also Authorize CEO to Sign Same Contingent on Approval by Legal Counsel

Chris Keck made a motion to approve the request as presented. Shawn Patton seconded, and the motion carried unanimously.

Discussion and Possible Vote on Hospitalist Contract
Brian presented a draft agreement between NGH and Indian ER Physician Group for hospitalist coverage beginning May 1, 2026. Shawn Patton made a motion to approve the contract contingent upon final legal review, and Chris Keck seconded. Motion carried unanimously.

Discussion and Possible Vote on the Following Privileging Requests:

1) **RadPartners (Teleradiology):**
   a) **Clayton McCuiston, DO (Add)**
   b) **Faheem Hussain, MD (Add)**

Ken Koontz made a motion to approve the addition of the two RadPartners Physicians pending Medical Staff approval. Steve Bates seconded, and the motion carried unanimously.

2) **Emergency Medicine:**
   a) **Tyler Benson, DO (Add – *Revised Request*)**
   b) **Scott Dieste, MD (Add – *Revised Request*)**

Shawn Patton made a motion to approve the two revised requests as presented pending Medical Staff approval, and Steve Bates seconded. Motion carried unanimously.

3) **Spinal Surgery:**
   a) **James H. Stanley, MD (Add)**

Shawn Patton made a motion to approve privileges for Dr. James Stanley pending Medical Staff approval, and Ken Koontz seconded. Motion carried unanimously.

Convene to Closed Session for the Following Purpose:

a) **Texas Government Code Sec. 551.071 – Consultation with Attorney**

The board dismissed to closed session at 1:12 PM.

Reconvene to Open Session and Take Action as Follows:

a) **Discussion and Possible Vote on Matters Related to Consultation with Attorney**

The board reconvened to open session and adjourned the meeting at 2:06 PM.

Administrative Report
Lance gave the following update:

Clinic/ER Renovation
Great news from our 80% final phase inspection that we were concerned about. It lasted about 20 minutes (it all depends on the surveyor) and had limited issues to deal with prior to the 100% inspection. As of right now we are on schedule for that inspection to be in early June. If that inspection goes well (again it could depend on the surveyor as different ones focus on different aspects) we should receive the green light to occupy the final 2 exam rooms and the dirty linen room. At that point the final punch list can be performed and the final touches on the project can be completed.

QIPP Report
The 1st IGT reconciliation refund for year 8 that was due out in December was finally published in early May. These non-quarterly scorecards are much smaller, but the hospital did receive a benefit of about $335,000 which will be on the May financials.

A recent meeting with HHSC and nursing home industry leaders revealed a request that has been made to increase the size of the program from $1.75b to $2b in 2027 (we are approaching the end of the 3-year program approval from CMS). Additionally, there has been a request of HHSC to delay the next IGT

settlement date until after the next quarterly payment. Currently the IGT is due about 2 weeks prior to the scorecard publication date.

A couple of significant concerns regarding this and the future of QIPP:

HHSC spoke to the realities of IGT capacity, but cautioned the group a little on CMS scrutiny of IGT recycling, borrowing against future revenue, etc. HHSC also reminded the group that the CMS response to the NSGO IGT concern has generally been "fund it with state GR" which isn't realistic for Texas currently.

HHSC is looking for an indication of priority and consensus - if possible - regarding the requests and is sensitive to IGT calendar edits. If the current schedule creates situations where NSGOs are unable to fund the IGT, the program will collapse and be deemed illegal by CMS.

Another somewhat lesser concern is the scrutiny being placed on these types of programs across the nation, particularly Utah at the moment. Although its program is built differently (Texas has managed Medicaid with a program focusing on quality improvements), it is still a nursing home program being funded by governmental hospitals. The scrutiny arises from how the dollars are distributed between the entities.

Rural Health Transformation Program

As we have discussed in prior meetings the RHTP has been funded in Texas for 6 initiatives, 3 of which specifically deal with rural hospitals alone. The State has issued the RFAs for these initiatives. One is a direct award to each hospital district, while the other 2 are competitive bid arrangements. The process the State has implemented for these grants is quite intimidating specifically with regard to the short application window, just 2-3 weeks from the release of the RFAs to application deadline. The applications are quite involved, but the funds are significant. TORCH has been a tremendous help, and we are currently working with a couple of vendors to assist us with our decisions. I should have more information for you at the meeting.

Medical Staff Report

Nothing to report.

Other Business

None.

Meeting was adjourned at 2:09 PM.

Paula Webb, President

Chris Keck, Secretary