

**Nocona General Hospital
Board of Directors Meeting
June 16, 2026**

Board Members Present:

Paula Webb, President
Ken Koontz, Vice-President
Chris Keck, Secretary
Steve Bates

Absent:

Charles May
Kristal Ferguson
Shawn Patton

Hospital Administration:

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

Medical Staff:

Len Dingler, MD

Others Present:

Brian Jackson, Jackson & Carter, PLLC (*By phone*)
Kelly Nye, Germer Beaman & Brown, PLLC
Cindy Petty
Tracy Mesler

Meeting was called to order by President Paula Webb at 12:30 PM.

Approval of Previous Minutes

Ken Koontz made a motion to approve the minutes of both the May 19, 2026 Regular Meeting. Chris Keck seconded, and the motion carried unanimously.

Community Input

None

Old Business

None

New Business

Discussion and Possible Vote on Fiscal Year 2027 Operating Budget

Lance reported that the finance committee had met, and the proposed Fiscal Year 2027 Operating Budget and 3-year Capital Budget were being presented for the board's approval.

He stated that the hospital has been greatly assisted by the numerous supplemental payment programs, and continues to benefit from the QIPP, Uncompensated Care programs, low volume adjustment program, and the Sole community program.

He noted that the QIPP program certainly allows for operational decisions/purchases that may not be made if not for the program. This is reflected by the large operational loss (net revenue less expenses) that is reflected in the budget. The Finance Committee members were invited to share their thoughts.

Both Lance and Brian reiterated to the board that any salary increases noted in the budget were not an assurance of raises. Paula stated that there would be a focus on additional staff in the emergency department as well as possible raises. Brian congratulated the board on this level of financial stability and gave kudos for entering the QIPP Program when they did.

Ken Koontz made a motion to approve the Fiscal Year 2027 Operating Budget as presented and Steve Bates seconded. Motion carried unanimously.

Discussion and Possible Vote on Fiscal Years 2027-2029 Capital Budget

Lance reminded the board that this particular budget is a CMS requirement and that any capital purchases would be presented to the board for their approval prior to purchase.

Ken Koontz made a motion to approve the Fiscal Years 2027-2029 Capital Budget as presented. Chris Keck seconded, and the motion carried unanimously.

Discussion and Possible Vote on May 2026 Financial Statements

Lance presented the following report on the May 2026 Financials:

For the month of May the hospital had 40 admissions; 540 outpatient discharges, including 11 surgeries; 414 ER visits; 306 home health visits; and 1577 clinic visits. Additionally, there were 11 observation admissions. This utilization resulted in gross revenue of about \$3.6M, exceeding budget by 60% and becoming the highest gross revenue month in the hospital's history as far as I can find. For the year the hospital is exceeding budget by 19%. The average daily census was 5.3 patients with an average length of stay of 4.7 days.

For year over year comparison: (11 months)

- Gross revenue is up 23.50% from with last year and up 32% from FY24, led by the ER revenue and O/R revenue massively exceeding budget.
- Net revenue is up 7.2% and 7.1% from FY24. Expenses will exceed budget for the remainder of the fiscal year as we implement the new ER contract and pain management procedures continue to rise in the O/R. The main drivers for the increase in expenses over last year are salaries (6.5%), physician expense (21.9%), and the aforementioned supplies.
- The ADC is up slightly from the last fiscal year.
- **Admissions are up 2.5%.**
- The ALOS is up slightly.
- **Outpatient discharges are down 12% compared to last year.**
- ER visits are up 3.2%.
- Ambulance calls are up 1%.
- **Obs admissions are up 20%.**
- O/P surgeries are down 15%.
- **Clinic visits are down 7.5%.**
- FTEs are up about 4.
- Days Cash on Hand are the same as last year.
- Receipts of patient accounts are up 7% for hospital accounts (pain management), down 11% for home health, and about the same in the clinics. However, Cooper's receipts are up about 9%.

Non-operating revenue included payments for QIPP year 8 IGT reconciliation refund scorecard.

May ER Numbers

The first month was a rousing success. The hospital had 414 emergency room visits after averaging 316 per month for the fiscal year. I do not recall exceeding 400 visits previously. Gross revenue from the ER was about \$1.6M after averaging around \$725,000 per month for the first 10 fiscal year months. The hospital's Google star rating has gone from 2.5 to 3.6 in one month. We have billed a significant number of accounts already for May and are waiting on the payers to adjudicate and pay. I will hopefully have reimbursement numbers for you soon.

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

Discussion and Possible Vote to Approve All Documents Necessary for Sunny Springs Nursing & Rehab, Greenville Gardens, and Skyline Nursing Center Mortgage Refinance, Including Resolutions and Authorizations for CEO and Board Chair Signatures, Contingent on Final Legal Approval by Hospital Legal Counsel and Confirmation that Nocona General Hospital is Not a Debtor or Incurring Debt in this Transaction

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

Discussion and Possible Vote to Grant Emergency Medicine Privileges to Christopher Goodwill, MD (ACP Health)

Steve Bates made a motion to approve privileges for Dr. Goodwill pending Medical Staff approval. Ken Koontz seconded, and the motion carried unanimously.

Discussion and Possible Vote to Grant CRNA Privileges to Jeaniece Mukherjee (Genesis)

Ken Koontz made a motion to grant CRNA privileges to Jeaniece Mukherjee, pending final credentialing and Medical Staff approval. Chris Keck seconded, and the 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 1:15 PM.

Administrative Report

Lance gave the following update:

Renovation Project

We have received the final pay application for the renovation project. Once paid we will only owe the retainage of around \$340,000. This will be held until the final punch has been completed. We passed the 100% inspection of the final phase on the 10th. We will have to complete a plan of corrections for the minor issues the State had with the phase. However, we did receive permission to occupy the area, which includes the two additional ER exam rooms. For the first time we will be licensed for six beds in the ER.

QIPP Year 9

We recently received the scorecard for Year 9 Quarter 2 scorecard (Dec-Feb). These payments should be received by the end of the month.

I have included HSM's QIPP9 Quality Metrics Tracking and Performance Report. Pay close attention to pages 5-7. Our partner facilities are averaging around 70% collection of component 2-4 metrics, leaving significant dollars on the table. HSM continues to provide invaluable consulting and reporting services to

the facilities in an effort to improve that percentage. Fortunately, the facilities did receive significant lapse funds to help offset some of the missed dollars.

We will also be making the 1st half IGT for year 10 by the middle of the month. Timing on the collection of quarter two and the due date of the IGT will require us to temporarily exhaust almost all of the Legend Bank reserves, but we should be able to avoid tapping the line of credit this cycle.

Rural Health Transformation Program

I touched on this grant opportunity at last month's meeting. We successfully submitted grant applications for the Wellness Center project (Initiative 1) that we discussed, as well as the purchase of equipment (Initiative 6).

Lance also reviewed TORCH analytics and statistics with the board.

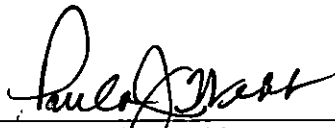
Medical Staff Report

Dr. Len Dinger discussed potential specialty physicians interested in coming to Nocona for clinics. He also stated he wanted to meet with Lance concerning the long-term plans for and marketing of the clinics. He suggested inviting other board members and administrative staff to the discussion.

Other Business

None.

Meeting was adjourned at 1:38 PM.



Paula Webb, President



Chris Keck, Secretary