

**NOLAN COUNTY HOSPITAL DISTRICT
BOARD OF DIRECTORS
MARCH 30, 2020**

MEMBERS PRESENT: Steve Holcomb, Linda Kite, Jose Villafranca, Carla Howard/Recorder

MEMBERS VIA ZOOM FORMAT: Rodney Foster, Mila Gibson, Kenny Maxwell, Dr. Eaker

MEMBERS ABSENT: Cheyenne Smith

OTHERS PRESENT: Donna Boatright, Rhonda Guelker, Julie Hall, Doug Dippel, Alex Gonzales-IT Supervisor

OTHERS VIA ZOOM FORMAT: Jessica Bond, Mickey Williams, Sherma Barham, Dr. Eaker, Kneeley Lawdermilk, CPA-Durbin & Co.

Steve Holcomb called the regular meeting of the Nolan County Hospital Board of Directors to order at 5:40 p.m. in the Hospital Classroom. Mr. Holcomb announced that a quorum was present, that the meeting had been duly called and that notice of the meeting has been posted for time and manner as required by law.

Mr. Holcomb conducted a verbal Roll Call.

PREVIOUS MINUTES

The minutes of the February 2020 Board meeting were reviewed. **Motion was made by Rodney Foster to approve the minutes of the February 2020 meeting and was seconded by Linda Kite; motion carried.**

The minutes of the February 27th Special Called meeting were reviewed. **Motion was made by Rodney Foster to approve the minutes of the February 27th Special Called meeting and was seconded by Linda Kite; motion carried.**

CITIZENS INPUT

Mr. Holcomb stated there were no citizen call-ins via conference call.

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MEDICAL STAFF REPORT

Dr. Eaker gave the Board an update on the preparation on the COVID-19. He stated a proposal to allow certain medical nursing staff to medical exam, such as the ER nurses or House Supervisors. He stated that this was approved by himself, Dr.'s Moore and Smola. He stated that the providers have met daily discussing needs for various supplies and equipment to help with the COVID-19. He stated they have had training from Dr. Bermudez, Internal Medicine and Tandi Riley, Cardiopulmonary Director on ventilator management.

ADMINISTRATOR'S REPORT

Mrs. Boatright gave an update on the COVID-19 and stated if anyone has any questions in regards to the hospital's preparation to contact her. She gave an update on Dr. Weatherly, Orthopedic surgeon and stated he came last week and has his first surgery tomorrow morning. Mrs. Boatright informed the Board that on Tuesday evening at 7:14pm there will be some members of our community showing their support for the hospital by parking facing the hospital and honking their horns.

Doug Dippel stated he will start interviews for the Chief Nursing Officer position next Friday. He stated there are 4 internal candidates, 1 local and 1 external.

Mrs. Guelker introduced Kneeley Lawdermilk, CPA with Durbin & Co. to the Board to present the 2019 audit. Ms. Lawdermilk noted that the audit received an overall "clean" opinion. She presented a power point presentation of the 2019 audit highlights. She stated the overall cash and cash equivalents decreased from \$1,121,935 in 2018 to \$162,316 as September 30, 2019, but also noted the debt decreased as well as, as the line of credit was almost paid off. The total Current Assets were \$8,694,629 and the Long Term Limited Assets were \$2,930,504. The Total Capital Assets, Net were \$38,021,242 and the Total Assets are \$49,646,375 in 2019.

The Current Liabilities for 2019 were \$4,768,522 compared to \$5,327,201 in 2018. The Net Patient Services Revenue increased with \$26,598,006 reported in 2019 compared to \$24,939,724 in 2018. Ms. Lawdermilk stated Salaries and Wages had

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an increase, with \$16,448,715 in 2019 compared to \$15,913,863 in 2018. Employee Benefits decreased with \$4,420,898 in 2019 compared to \$4,532,442 in 2018.

Ms. Lawdermilk stated the Operating Loss for 2019 was (\$10,352,871). Community Benefit Support was \$5,963,103 in 2019. The Total Non-operating Revenues (Expenses) was \$9,510,233 in 2019 compared to \$9,300,235 in 2018.

Ms. Lawdermilk presented in the Statement of Cash Flow. The Receipts from and on Behalf of Patients were \$27,176,049 in 2019 compared to \$24,946,274 in 2018. The net cash used by operating activities was (\$723,975) in 2019 vs (\$2,556,834) in 2018. She stated Cash and Cash Equivalents, End of Year were \$1,639,822 in 2019 compared \$2,167,205 in 2018.

Ms. Lawdermilk next presented the Supplemental Programs. She stated the Indigent Care Affiliation with the Service Organization of the Big Country was ending. The benefit from this program was \$757,449. The Total Incentive Payments and Other Programs for 2019 were (\$4,322,557) compared to (\$4,170,012) in 2018.

Ms. Lawdermilk then reviewed with the Board the Governance Letters. She reminded them that they are required to inform the Board and management of material weaknesses and significant deficiencies, which decreased net position by \$480,000. Material Weaknesses included a large adjustment to Accounting Estimates-Allowance for Uncollectible: Interest Expense-Also, reclassification of Bond interest Expense that had continued to be capitalized and should have been expensed at the end of construction period, which decreased net position by \$922,385.

Ms. Lawdermilk continued her report with the 2019 Cost Report Settlement and stated the Medicaid was a net payable was (\$19,982) and a net receivable from Medicare of \$94,677. Uninsured Charity on the S-10 totaled \$4,495,152 in charges, calculating to \$2,816,307 in Charity Care cost.

Motion was made by Jose Villafranca to approve the 2019 Audit and was seconded by Linda Kite; motion carried.

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FINANCE

Rhonda Guelker gave a report on the Financial Statement. She stated inpatient revenue was under budget (\$18,498) and the outpatient was under budget (\$362,016). RHC was under budget (\$95,812).

Inpatient Routine and Ancillary; some departments that were under budget were:
Med/Surg- \$29,221 ER- \$5,104

Some Inpatient areas that were over budget were:
ICU- \$11,300 Central Supply- \$54,264

Some Outpatient areas that were over budget were:
Occupational Therapy- \$25,568

Some Outpatient areas that were under budget were:
OR- \$79,178 Pharmacy- \$91,994 Cat Scan- \$115,799

Other Revenue under budget (\$22,241); total 340b received \$101,716

Contractuals-this the difference between the gross revenue and reimbursement form Medicare and Medicaid programs which were 1.6% over budget

Private Pay Discounts were -6.0% under budget

Operating Expenses- were over budget \$14,837

Salaries were over budget \$18,820; **FTEs** are under budget, but well within 10% of budget -2.3-Some departments over budget were ER \$4,035, Occupational Therapy \$4,110 and RHC \$6,078

Employee Benefits were \$85,666 under budget-Employee Health was under budget \$101,162

Physicians Fees were over budget \$110,139 due to Orthopedic surgeon bonus, Dr. Liedtke bonus and RHC bonuses

Contract Services were under \$8,397; due to ER under budget \$10,494, Lab under budget \$8,901, RHC under budget \$2,499 and Occupational Therapy was over budget \$10,336

Supplies were under budget \$9,236 due to Nuclear Med over budget \$5,047, Surgery over budget \$33,264, Lab under budget \$16,647

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Repairs were under budget \$10,705 due to Maintenance under budget \$7,305

Utilities were over budget \$5,986 due to Electricity being over budget

Other Expenses were under budget \$8,698

Operating Income (Loss) for the month was \$327,998 under budget

Dispro/DSH/UPL received payment of \$46,093 –DSH payment

Tax Collections were 93.5% end of February

Net Savings Private UPL was \$201,756

Overall Net Income for the month was \$579,165 under budget, Mrs. Guelker stated this is partly due to bond interest expense of \$357,000.

Mrs. Guelker reminded the Board that she had transferred \$4 million into the Reserve Fund last month.

Mrs. Guelker presented the Statement of Available Cash. She stated the total available cash is \$8,567,158.37 and the Private UPL Programs were \$184,804.85. She stated that the “Days Cash on Hand” were 88.

Mrs. Guelker presented the Operating Indicators. She stated that Admissions for February were at 71 and the “Patient Days” were 241. Newborns had an increase from 14 in January to 17 in February.

Mrs. Hall presented the A/R Analysis. She stated that “Days in A/R were 49 and the “Gross Net” were at 21. Hospital A/R Collections were \$1,472,870 and the RHC was \$290,186. She stated that the Hospital’s A/R decreased \$315,000, with \$189,000 in the current category. RHC’s A/R decreased by \$41,000 and \$66,000 was in the current category. The Hospital’s “Uncoded” was \$841,141 and RHC’s Uncoded” was \$51,898.

Motion was made by Rodney Foster to approve February 2020 financial statements and was seconded by Jose Villafranca; motion carried.

Motion was made by Linda Kite to approve February 2020 accounts payable and payroll and was seconded by Jose Villafranca; motion carried.

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Motion was made by Jose Villafranca to approve February 2020 bad debt write off list in the amount of \$154,018.79 and was seconded by Linda Kite; motion carried.

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EXECUTIVE SESSION

Motion was made at 7:03 p.m. to enter into Executive Session by Jose Villafranca and was seconded by Linda Kite as authorized by Government Code Section §161.032 of the Texas Health and Safety Code for the purpose of discussing the following matter; to wit:

- A. Credentialing Files
- B. 3rd Quarter 2019 Quality Report
- C. Patient Experience Report

Motion was made by Rodney Foster at 7:10 p.m. to reconvene to the regular session and was seconded by Linda Kite; motion carried.

JOINT CONFERENCE

Motion was made by Linda Kite to approve the Credentialing Files, 3rd Quarter 2019 Quality Report, the Patient Experience Report and was seconded by Jose Villafranca; motion carried.

NEW BUSINESS

Motion was made to approve the cancellation of the 2020 Board of Directors election was made by Rodney Foster and was seconded by Mila Gibson; motion carried.

Mrs. Boatright presented the Board with a Resolution that pertains to TML for hail damage to the hospital's roof in 2018. She stated they have had several discussions with TML and they refuse to settle the claim. The Resolution is to seek legal

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attorney's advice from Green & Klein of Attorneys to pursue any and all claims against Texas Municipal League Intergovernmental Risk Pool on behalf of loss property. The Board had a lengthy discussion and agreed to table the Board Resolution with Green & Klein Power of Attorney until next month's meeting while local attorneys could be contacted.

Motion was made by Kenny Maxwell to table the Board Resolution and was seconded by Rodney Foster; motion carried.

Ms. Barham presented the purchase of an Oximeter Kit for Cardiopulmonary. She stated this is for carbon monoxide testing for carbon monoxide poisoning. She stated this was in the Capital budget.

Motion was by Mila Gibson to approve the purchase of Oximeter Kit and was seconded by Linda Kite; motion carried.

Ms. Barham presented the purchase of 2 OPTI Blood Gas Analyzers. She stated these will replace the two current ones due to not being able to purchase cartridges.

Motion was made by Linda Kite to approve the purchase of 2 OPTI Blood Gas Analyzers and was seconded by Jose Villafranca; motion carried.

Mrs. Guelker stated that Dr. Weatherly, new orthopedic surgeon had requested some surgical equipment.

Motion was made by Jose Villafranca to approve the purchases of Hip Positioner, Ultra Shoulder Positioner, Knee Positioner, a Kinetic Spectra Knee CPM and the Flyte Hemet and was seconded by Mila Gibson; motion carried.

Mrs. Boatright stated an email with policies was sent earlier in the week for their review. She stated that these policies needed Board approval.

Motion was made by Linda Kite to approve the Patient Care, Administration, HIPPA, Hospital Plans, Human Resources, Business and Safety and was seconded by Kenny Maxwell; motion carried.

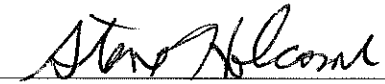
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Mrs. Boatright stated they had two emergency purchases and used the Board policy on Board approval. She stated she had contacted Steve Holcomb, Chairman and the Finance Committee Chairman, Cheyenne Smith with their approval to purchase the ExOzone Appliance and 9 CAPR Systems. She stated the cost for both purchases were \$21,000 and is part of the contractual obligation. She also stated these items were needed for the preparedness of the COVID-19.

Mrs. Boatright stated that for the month of April or longer, we will defer our normal Committee meetings and the Board meeting will be in the Zoom Format. She stated that the IT department will help anyone with this process. She encouraged all Board members to be safe.

Notes of Appreciations were distributed.

There being no further business to come before the Meeting body, the meeting was adjourned at 7:45 p.m.



Steve Holcomb, Chairman