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OLNEY-HAMILTON HOSPITAL DISTRICT
BOARD OF DIRECTORS
AUDIT MEETING MINUTES
August 20, 2019
12:15 p.m.

The Olney-Hamilton Hospital Board of Directors met in the Education Center Tuesday, August 20, 2019 at 12:15 p.m. Those present were Dale Lovett, Bob Craig, Ron Rogers, Rita Choat, Russell Altmiller, Lyndsey Miller, Anneta Buenger and Lonnie Rue Also present were Barry Gober and Mickey Schoenhals with First State Bank, Deborah Whitley, CPA, BKD, Travis Skinner, CPA, BKD, Stasha Siegert, Sam Isbell, CNO, Cindy Goldsmith, Coy Noles, Grace Perez and Michael Huff, CEO.

Not present was Dr. Johnson.

Called to order

Mr. Lovett called the meeting to order at 12:20 p.m.

Audit Report

Ms. Whitley and Mr. Skinner, both with BKD, presented the 2019 audit results for Hamilton Hospital. Some highlights were that this was one of Hamilton Hospital's greatest years. She pointed out that the hospital has benefited from the Medicaid 1115 Waiver program, adding that the 1115 Waiver has now been extended an additional 5 years. However, under the new extension CMS has put new stipulations on the definition of uncompensated care. Also, that the hospital does an instrumental job in capturing what meets the definition of uncompensated care. Another new program is the Uniform Hospital Rate Improvement Program (URIP) which is in its second year. She added that rural hospitals have not yet benefited from the URIP program. However, by October 1, 2019 we should begin, on behalf of rural hospitals, see some benefit. For every Medicaid claim submitted to managed care we will get an enhancement rate to supplement the additional Medicaid dollars uncompensated. Another beneficial program is the SONT program. By putting up IGT dollars, on behalf of United Regional, we share in some of the benefits of the federal funded match. Due to the uncertainty of SONT, a new program was established called the Local Provider Participation Fund (LPPF). United Regional will remain with SONT through 2020. Also, beginning January 1, 2019 Pricing Transparency rules has been placed on the hospital's web page where patients can access pricing information. She also addressed the Medicare advantage plans and as the Medicare advantage plans grow they will diminish the CAH benefits. There was a quick overview of what happened over the year beginning with total cash being higher, the gross patient service revenue went down, collecting improved, 340B revenue was higher, there was more 1115 Waiver funds, more sources of revenue, and expenses decreased. The operating loss showed a 1M dollar improvement compared to the previous year. The QIPP program was a very profitable program. The cost report settlement booked a positive adjustment of \$355,000 with an adjusted net income of \$400,000. She then addressed the hospital tax cap (\$.25) that it is low

compared to the majority of other hospitals. Also, that the total bad debt and charity care was 4.2M compared to the \$780,000 tax revenue meaning we are overcoming a tremendous amount of burden from the community. Therefore, she encouraged the board to revisit the tax cap. She also pointed out the importance of the billing and collections process that makes net patient service revenue grow. She then addressed tracking the URIP and UC funding changes beginning October 1, 2019. The 340B program, which has been beneficial to the hospital, is being scrutinized by CMS; therefore, measures to assure the program will survive an audit are in place.

Adjourn

The meeting adjourned at 01:22 p.m.

Respectfully submitted,

Dale Lovett
Chairperson