

## THE PALO PINTO COUNTY HOSPITAL DISTRICT BOARD OF DIRECTORS' MEETING

Notice is hereby given as provided by Chapter 551, Texas Government Code, that a SPECIAL CALLED meeting of the Board of Directors' of the PALO PINTO COUNTY HOSPITAL DISTRICT will be held at the BOARD ROOM OF PALO PINTO GENERAL HOSPITAL 400 SW 25 AVENUE, in the City of Mineral Wells, Palo Pinto County, Texas, on THURSDAY, September 21, 2023 at 5:00 p.m. – PUBLIC HEARING ON THE TAX RATE AND BUDGET FOR 2023.

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Ross Korkmas, Chief Executive Officer  
Palo Pinto County Hospital District

### AGENDA

PALO PINTO COUNTY HOSPITAL DISTRICT BOARD OF DIRECTORS' SPECIAL CALLED MEETING  
THURSDAY, SEPTEMBER 21, 2023, AT 5:00 P.M.  
Palo Pinto General Hospital  
400 S.W. 25 Avenue  
MINERAL WELLS TX 76067

**PUBLIC HEARING**

ITEM #	ITEM DESCRIPTION	PAGE #
1.	Call to Order	
2.	PUBLIC HEARING ON TAX RATE AND BUDGET for 2024	
3.	ADJOURN	

NOTICE: This agenda and meeting notice is posted pursuant to Section 551.041, Sub-Chapter C, of the Texas Government Code.

NOTICE: THE BOARD RESERVES THE RIGHT TO RETIRE INTO EXECUTIVE SESSION CONCERNING ANY OF THE ITEMS LISTED ON THIS AGENDA, WHENEVER IT IS CONSIDERED NECESSARY AND LEGALLY JUSTIFIED UNDER THE OPEN MEETINGS ACT.

NOTICE: THE BOARD MAY VOTE AND/OR ACT UPON EACH OF THE ITEMS LISTED IN THIS AGENDA.

NOTICE: *Disabled persons requiring accommodations, please call 328-6403. For sign interpreters, please call at least 48 hours in advance.*

NOTICE: Palo Pinto County Hospital District extends an open invitation to members of the community to attend the meetings of the Board of Directors and to make comments and/or express their concerns.

### CERTIFICATION OF POSTING NOTICE

THIS IS TO CERTIFY THAT I, \_\_\_\_\_ PROVIDED NOTICE TO THE PPGH Marketing Department to post on the [www.ppgh.com](http://www.ppgh.com), AND THIS IS TO CERTIFY THAT I ALSO POSTED THIS AGENDA IN THE BULLETIN BOARD CASE OUTSIDE THE ELEVATOR ON THE FIRST FLOOR OF PALO PINTO GENERAL HOSPITAL, 400 SOUTHWEST 25TH AVENUE, MINERAL WELLS, TEXAS 76067, AT \_\_\_\_\_, \_\_M., ON \_\_\_\_\_, 2023.

\_\_\_\_\_  
(SIGNATURE OF PERSON POSTING AGENDA)

To: Palo Pinto County Hospital District Board of Directors

From: Buddy Whiddon, CFO

Date: September 20, 2023

Subject: Fiscal Year 2024 Operating Budget

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Dear PPGH Board Members,

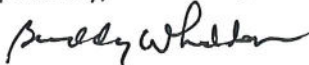
Senior Administration would like to present you with our Fiscal Year 2024 (FY24) Operating Budget for your review, consideration and approval. We have done our best to develop a reasonable, accurate budget for FY24. Each line item has Notes to help explain how we arrived at the numbers.

This will be the first full year of the reduced percentage of proceeds related to the QIPP Nursing Home program we participate in, and we are also uncertain as to the Volume Decrease Adjustment funds getting paid out as in past years. Also, our Medicare DRG base rate will increase \$400 per case. We expect strong reductions in Contract Labor and Repairs and Maintenance. The total Operating Expense budget is \$62,169,986, which is a 1.2% total increase over FY23 forecast. We expect to continue improvements in operational expense management and grow our volumes and revenues through effective Strategic Planning. With Revenue Cycle focus on denials and daily focus on the Cost Control Culture, we estimate a bottom line of \$572,127 and a positive cash flow or (Earnings before Depreciation) of \$3,388,682.

We are also proposing to accept the 2023 Tax Rate of .3021175/\$100, a decrease from prior year of -.002000 or -0.65%, (which will not require a public vote for approval).

We welcome your feedback as we prepare to start another fiscal year that will surely be filled with challenges around every corner. We have a cohesive Board and Administrative team. PPGH has strong cash reserves and a very dedicated group of employees to carry us forward.

Respectfully,



Buddy Whiddon  
Chief Financial Officer  
Palo Pinto General Hospital

PPGH Budget Analysis

	FY23 Straight		Comments	Proposed			
	2023 Aug YTD	Line Forecast		Changes	FY2024	Budget vs. PY	
Inpt Rev	32,485,521	35,439,941	Grow Volume 2%	708,797	\$ 36,148,638	708,797	2%
Output Rev	96,336,853	105,094,749	Grow Volume 2%	2,101,895	\$ 107,196,644	2,101,895	2%
Total	128,823,374	140,534,590		2,810,692	\$ 143,345,282	2,810,692	2%
Total Pt Rev	128,823,374	140,534,590		\$ 143,345,282	2,810,692	2%	
Charity Care	(11,186,730)	(12,203,705)	9% of Gross Rev	(252,962)	\$ (12,456,668)	(252,962)	2%
Patient Service	117,636,644	128,330,884		\$ 130,898,614	2,557,730	2%	
CA	84,216,343	91,872,374	65.4%	MC +\$400/case	\$ 93,285,582	1,413,207	2%
Other Allowances	54,448	59,398	0.0%		\$ 50,000	(9,398)	-16%
Provision for BD	3,130,761	3,415,376	2.7%		\$ 3,484,434	69,059	2%
Total Allowances	87,401,552	95,347,148			\$ 96,820,016	1,472,868	2%
Net Pt Service Rev	30,235,092	32,983,737	add FP	150,000	\$ 34,218,598	1,234,861	4%
Other Op Rev	10,699,930	11,672,661	VDA \$2M & QIPP -10%	1,390,656	\$ 13,053,307	1,390,656	12%
Total Revenue	40,935,022	44,656,388		\$ 47,271,905	2,615,518	6%	

OPERATING EXPENSE

Salaries and Wages	24,428,493	26,649,285	3% Merit Increase	1,286,158	\$ 27,935,423	1,286,158	5%
Contract Labor	1,318,809	1,348,809	Use last quarter	(973,361)	\$ 375,448	(973,361)	-72%
Employee Benefits	6,281,435	6,852,475	3% Increase	205,574	\$ 7,058,049	205,574	3%
Physician Fees	6,218,178	6,793,467		0	\$ 6,783,467	-	0%
Other Professional Fees	168,334	183,637			\$ 183,637	-	0%
Purchased Services	7,402,428	8,075,376		322,550	\$ 8,397,926	322,550	4%
Advertising	68,066	74,254			\$ 74,254	-	0%
Medical Supplies	6,253,819	6,822,348	3% Inflation/Medlinesavings	(45,330)	\$ 6,777,018	(45,330)	-1%
Other Supplies	392,765	428,471	3% Inflation	12,854	\$ 441,325	12,854	3%
Repairs & Maintenance	2,074,266	2,282,836	Decrease HVAC and Plumbing	(250,000)	\$ 2,012,836	(250,000)	-11%
Postage	46,567	50,800			\$ 50,800	-	0%
Leases/Rentals	296,220	323,149			\$ 323,149	-	0%
Other Expenses	(198,546)	(195,546)	Audit UE Impact		\$ 12,000	207,546	-106%
Dues & Subs	74,437	81,204			\$ 81,204	-	0%
Employee Recruiting	82,384	82,384		15,000	\$ 97,384	15,000	18%
Telephone	130,794	142,673			\$ 142,673	-	0%
Utilities	797,028	869,485			\$ 869,485	-	0%
Amortization					\$ -	-	-
Travel/Education	126,529	138,032	Cut 20%	(27,606)	\$ 110,425	(27,606)	-20%
MM Tax & Variance	85	93			\$ 93	-	0%
Insurance	394,602	430,475	3%	12,914	\$ 443,389	12,914	3%
Interest					\$ -	-	-
TOTAL OP EXPENSE	56,356,683	61,403,686		558,754	\$ 62,169,986	766,300	1.2%

Income(Loss) before Dep	(15,421,661)	(16,747,299)			\$ (14,898,081)	1,849,218	-11%
Depreciation	(2,490,176)	(2,716,556)			\$ (2,816,556)	(100,000)	4%
Income (Loss)	(17,911,837)	(19,463,854)	Add \$100,000	(100,000)	\$ (17,714,636)	1,749,218	-9%
Other Non-OP Revenue	18,735,834	21,602,728			\$ 17,801,905	(3,800,823)	-18%
Interest Income	161,595	176,285	BC Settlement -\$4.8mm	1,078,904	\$ 809,285	633,000	359%
Total Non-Operating Rev	18,897,429	21,779,013	Interest on CDs	550,000	\$ 18,611,190	(3,167,823)	-15%
NonOperating Expenses	270,356	324,427			\$ 324,427	-	0%
NET INCOME (LOSS)	715,236	1,990,732			\$ 572,127	(1,418,605)	-71%

Cash Flow

	\$ 3,205,412	\$ 4,707,288			\$ 3,386,682	Cash Flow
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