

# **Exhibit “A”**





# **Exhibit “B”**

**MARY ELLEN ROBERTSON**

**CERTIFIED PUBLIC ACCOUNTANT**  
985 IH 10 NORTH, SUITE 101  
BEAUMONT, TX 77706  
409-892-8901  
FAX 409-892-3041

December 15, 2014

Board of Directors  
Winnie-Stowell Hospital District

To the Directors:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will compile monthly the statement of revenues, expenses and changes in fund net assets and annual financial statements of Winnie-Stowell Hospital District for the year ended December 31, 2015.

The objective of a compilation is to assist you in presenting financial information in the form of financial statements. We will utilize information that is your representation without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with the modified cash basis of accounting.

You are responsible for:

- a. The preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting.
- b. Designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. Preventing and detecting fraud.
- d. Identifying and ensuring that the organization complies with the laws and regulations applicable to its activities.
- e. Making all financial records and related information available to us and for the accuracy and completeness of that information.

We will conduct our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Member of the American Institute of Certified Public Accountants  
Member of the Texas Society of Certified Public Accountants

A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, we will not express an opinion or provide any assurance regarding the financial statements being compiled.

The monthly financial statements will not be accompanied by a report. Based on our discussions with you, these financial statements are for management's use only and are not intended for third-party use.

Material departures from the modified cash basis of accounting may exist and the effects of those departures, if any, on the financial statements may not be disclosed. In addition, substantially all disclosures required by the modified cash basis of accounting may be omitted. Because of the extent of material departures that may exist in, or required disclosures that may be omitted from, the financial statements, we make no representations regarding the appropriateness of such statements for your intended use or for any other purpose. Moreover, because of the nature of this engagement, we are not responsible for communicating any such departures or omissions to you.

Notwithstanding these limitations, you represent that you have knowledge about the nature of the procedures applied and the basis of accounting and assumptions used in the preparation of the financial statements that allows you to place the financial information contained in the statements in the proper context.

Furthermore, you represent and agree that the financial statements are intended solely for your information and use and are not intended to be, and should not be, used by third parties. You also represent and agree that you will not distribute the statements to such third parties.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our compilation procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

You are responsible for making all management decisions and performing all management functions. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Mary Ellen Robertson is the engagement partner and is responsible for supervising the engagement.

2. We will prepare payroll on a monthly basis and make all electronic payments for payroll taxes and prepare all monthly, quarterly and yearly reports required for payroll.
3. We will maintain a general ledger for you and record all cash receipts and disbursements as they are submitted to us. We will balance the bank statement to the check register monthly.

4. We will attend no less than four board meetings during the year.
5. Assistance with budgeting process.

We estimate that our fees for these services will be \$625 per month plus out-of-pocket and travel expenses. We generally base our fees on the time required at our regular rates for services and personnel assigned plus out of pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your account. The fee estimate is based on anticipated cooperation from your board and/or personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs. Invoices for these fees will be rendered each month and are payable net 30 days.

In addition, we will help with certain specific areas involving the UPL nursing program including but not limited to transfers of funds, cash flows, administrative assistance as needed. We have attached our fee schedule for purposes of billing all services provided for the Nursing Homes on an hourly basis. These amounts will be billed separately on a quarterly basis.

Should you require financial statements for third-party use, I would be pleased to discuss with you that requested level of service. Such engagements would be considered separate and not deemed to be part of the services described in this engagement letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of this engagement. If you have any questions, please let us know. If you agree with the terms of this engagement as described in this letter, please sign the enclosed copy and return to us.


Sincerely yours,



Mary Ellen Robertson, CPA

RESPONSE:

This letter correctly sets forth the understanding of Jefferson County Emergency Services District No. 3.

  
\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Date

Mary Ellen Robertson, CPA  
Schedule of Fees

<u>Level of Service</u>	<u>Hourly Rate</u>
Certified Public Accountant	\$125.00
Accounting Assistant	\$ 50.00
Administrative Assistant	\$ 25.00

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# **Exhibit “C”**

## QUALITY INCENTIVE FEE POLICY

### Proposed Policy:

Manager shall be eligible to receive the Quality Assurance Fee, if the Facility maintains substantial compliance (*Substantial Compliance*) with applicable nursing home regulations and state and federal survey requirements as defined below. Manager will be deemed to have met the Substantial Compliance requirement for purpose of being entitled to the Quality Assurance Fee if the Facility:

- (i) has not committed violations of nursing home regulations and state or federal survey requirements involving substandard quality of care, as that term is defined under Health Care Laws,
- (ii) achieves substantial compliance with any substandard quality of care survey allegations by state or federal surveyors within 180 days after being found out of substantial compliance by TDADS or CMS; or
- (iii) ~~(ii)~~ any substandard quality of care non-compliance findings or allegations by TDADS or CMS involving state or federal survey requirements are either overturned or remain unresolved and contested through appeals filed by Manager through applicable legal and/or regulatory appeals processes.

### Requirements Per Management Agreement:

#### ARTICLE I. COMPENSATION OF MANAGER

##### 1.1 Fees and Incentive Payments.

(A) In consideration of services to be performed hereunder, each month during the Term, Hospital District shall pay Manager a fee (the "Base Management Fee"), to the extent the funds are available, which shall be an Operating Expense, equal to six percent (6%) of Ordinary Revenue recorded for such month. The amount of any Base Management Fee payment will be reduced by any payments for Operating Expenses, including payments under the Sublease, advanced by Hospital District out of funds other than Ordinary Revenue and not previously reimbursed by Manager.

(B) In addition to the Base Management Fee, to the extent the funds are available, Manager shall be entitled to receive incentive payments (the "Incentive Payments") that are equal to any Surplus Working Capital plus fifty percent (50%) of Net Operating Income.

5.1.3 In addition, Manager shall be eligible to receive a Quality Incentive Fee (herein so called) equal to ten percent (10%) of Net Operating Income for achievement of the quality incentive criteria adopted in accordance with Exhibit A. Upon receipt of any Supplemental Payments, an amount equal to ten percent (10%) of Net Operating Income shall be deposited into a Quality Incentive Reserve Account,

# **Exhibit “D-1”**

**PROPOSED POLICY AMENDMENTS  
WINNIE-STOWELL HOSPITAL DISTRICT  
INDIGENT HEALTHCARE  
POLICY & PROCEDURE STATEMENT**

Subject: Indigent Care Program  
Level: Organization  
Authorization: Board of Directors  
Effective: Date: February 18, 2015

**I. MISSION STATEMENT:** To attend to and balance the healthcare needs of the community with fiscal responsibility.

**II. PURPOSE:** To establish rules and procedure that will identify *any* qualified resident of Winnie-Stowell Hospital District (WSHD) who qualifies for the Indigent Care Assistance Program (ICAP).

**III. POLICY:**

- A. The WSHD is liable for health care services as provided by the Texas Constitution and the statute creating the District.
- B. The WSHD is the payor of last resort pursuant to Section 61.060(c) of the Health and Safety Code (i.e., Indigent Healthcare Act) and is not liable for payment or assistance to an eligible resident in the hospital's service area if any other public or private source of payment is available.
- C. If another source of payment does not adequately cover a health care service a public hospital provides to an eligible resident of the hospital's service area, the hospital shall pay for or provide the health care service for which other payment is not available.

**IV. DISCLAIMER:** In the event that any provision of this Policy and Procedure Statement is more restrictive than Chapter 61 of the Texas Health and Safety Code, it is the intent of the WSHD for Chapter 61 to supersede this Statement.

**IV. ELIGIBILITY:**

- A. Citizenship: A person applying for WSHD ICAP must be one of the following:
  - 1. A natural born citizen
  - 2. A naturalized citizen; or
  - 3. A Sponsored Alien. A "sponsored alien" means a person who has been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. Section 1101 et seq.) and who, as a condition of admission,

was sponsored by a person who executed an affidavit of support on behalf of the person. See Tex. Health & Safety Code Section 61.008(c).

4. Documented Alien: A documented alien that has a green card and has had the status for at least five (5) years from their legal entry date into the United State.
5. Legally Admitted Alien: An alien legally admitted for permanent resident who is:
  - a. An honorably discharged U.S. Veteran, or
  - b. U.S. active duty military personnel, or the spouse, or
  - c. Minor unmarried dependent child of an honorably discharged U.S. Veteran or U.S. active duty military personnel.

#### B. Residence Eligibility

1. A person must live in the WSHD when the person applies.
2. A person lives in the WSHD if the person's home or fixed place of habitation is located in the county and he intends to return to the county after any temporary absences.
3. A person with no fixed residence or a new resident in the county who declares intent to remain in the WSHD is also considered a county resident.
4. A person does not lose his residency status because of a temporary absence from the WSHD. No time limits are placed on a person's absence from the county.
5. An applicant who is absent from the WSHD for more than 180 days must re-apply for eligibility;
6. A person cannot qualify for ICAP from more than one hospital district or county simultaneously; or
7. Persons Not Considered Residents:
  - a. An inmate or resident of a state school or institution operated by any state agency;
  - b. An inmate, patient, or resident of a school or institution operated by a federal agency;
  - c. A minor student primarily supported by his parents whose home residence is in another District, county or state;
  - d. A person who moved into the WSHD solely for the purpose of obtaining health care assistance.

e. A person who maintains a residence or homestead elsewhere.

C. Verifying Residency: A resident of the WSHD must submit a minimum of two of the following documents as proof of residents within the WSHD

1. Mail addressed to the applicant, his spouse, or children;
2. Texas driver's license or other official identification;
3. Rent, mortgage payment, or utility receipt;
4. Property tax receipt;
5. Voting record;
6. School enrollment records;
7. Statement from a landlord, a neighbor, or other reliable source; or
8. Three (3) consecutive months of receipts in the name of the applicant for:
  - a. Utility bills;
  - b. Rent/mortgage payments;
  - c. Lease agreements;
9. No medical or hospital bills, invoices, nor claims may be used to prove/verify a residence.

D. Financial Eligibility

1. Services shall be provided to those residents of the WSHD who have a gross yearly income less than or equal to **150% of the Federal Poverty Income Level**, and who are not eligible for Medicare, Medicaid or any other health care assistance and/or reimbursement programs.
2. Winnie-Stowell Hospital District may request that the applicant verify his/her gross yearly income by supplying any of, but not limited to the following:
  - a. IRS Forms 1040, W-2, etc.;
  - b. Wage and Earnings Statement(s);
  - c. Last three (3) consecutive pay checks stubs for everyone in the household;

- d. Social Security Remittance; and
  - e. Workers Compensation Remittance
3. The income of all WSHD ICAP household members is considered in determining financial eligibility.
  4. Any applicant filing for ICAP who is not employed is expected to be actively seeking employment. If unable to work due to disability, he/she is expected to apply for disability or Medicaid benefits during the 180-day period of eligibility.
  5. Failure to provide information necessary to complete a financial assessment may result in a negative determination. However, an application may be reconsidered upon receipt of the required information.
- F. Applicant's Fiscal Year: The fiscal year is defined as the twelve (12) month period beginning with the applicant's acceptance into ICAP.
- G. Eligibility Renewable: An applicant once accepted into ICAP, services will be provided for twelve (12) full months or the dollar caps set forth in Section 8. Each applicant will be responsible for reapplying for benefits as required under this policy.

## V. SERVICES

- A. Winnie-Stowell Hospital District ICAP shall provide for inpatient services, only at the hospital and/or skilled nursing facility within the boundaries of the WSHD or owned by the WSHD. The services to be provided ICAP are the basic services required Section 61.028 of the Indigent Health Care Act that include the following:
1. Physician services include services ordered and performed by a physician that within the scope of practice of their profession as defined by state law.
  2. Annual physical examinations once per calendar year by a physician or a physician assistant. Associated testing, such as mammograms, can be covered with a physician referral.
  3. Immunizations when appropriate.
  4. Medical screening services include blood pressure, blood sugar, and cholesterol screening.
  5. Laboratory and x-ray services ordered and provided under the personal supervision of a physician in a setting other than a hospital (inpatient or outpatient).
  6. Family planning services or preventive health care services that assist an individual in controlling fertility and achieving optimal reproductive and general health.

7. Medically necessary Skilled Nursing Facility (SNF) services ordered by a physician, and provided in a SNF that provides daily services on an inpatient basis.
  8. Prescriptions. This service includes up to three prescription drugs per month. New and refilled prescriptions count equally toward this three prescription drugs per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
  9. Rural Health Clinic services must be provided in a freestanding or hospital-based rural health clinic by a physician, a physician assistant, an advanced practice nurse, or a visiting nurse.
  10. Medically necessary inpatient hospital services provided in an acute care hospital to hospital inpatients, by or under the direction of a physician, and for the care and treatment of patients.
  11. Medically necessary Outpatient hospital services must be and provided in an acute care hospital to hospital outpatients, by or under the direction of a physician, and must be diagnostic, therapeutic, or rehabilitative. Outpatient hospital services include hospital-based ambulatory surgical center (HASC) services.
- D. Winnie-Stowell Hospital District ICAP shall provide for prescription medications purchased from contract providers within the boundaries of the WSDH (See VIII D. Prescription Drug Information).
- E. Winnie-Stowell Hospital District ICAP shall not provide, nor be financially responsible for any other services no matter where nor by whom provided.

## VI. APPLICATION PROCEDURE

- A. The applicant shall be responsible for the completion and submission of an ICAP application. This application needs to be submitted to WSHD's Agent:

Jessica Laskoskie  
CICHP Coordinator  
Chambers County  
P. O. Box 489,  
Anahuac, Texas 77514  
Ph: 409-267-8306  
Fax 409-267-6488  
[jlaskoskie@co.chambers.tx.us](mailto:jlaskoskie@co.chambers.tx.us)

- B. An application will be considered complete only if it includes the following information:
1. The applicant's full name; physical address, mailing address;



2. The applicant's social security number;
3. Proof of income for the past three months to determine gross income;
4. The names and income of all other household members and their relationship to the applicant;
5. Information about all medical insurance, and hospital or health care benefits that household members may be eligible to receive;
6. Complete accurate information about the applicant and other household members gross income including all assets, property, and equity value of any vehicles or property;
7. Employment status of all individuals in household;
8. List of financial resources of all household members;
9. The applicant's signature and date completed;
10. List of qualified dependents; and
11. All needed verifications as requested, including authorizations to release information.

**C. Incomplete Information**

1. Incomplete applications, in any form or fashion, will be denied.
2. Denied applications may be appealed at any time a change in circumstances or conditions justify a re-determination of eligibility.
3. Person who intentionally misrepresents information to receive benefits that are not entitled to receive shall be responsible, to the fullest extent of the law, for the cost of those services received.

**VII. APPEALS PROCESS**

- A. Applicants have the right to appeal a denial of their application or eligibility.
- B. All appeals must be in writing and filed within ninety (90) days of a denial.
- C. In the event that the District and the Applicant cannot resolve the appeal, the District or its Agent, Jessica Laskoskie with the Chambers County Indigent Health Care Department, must submit a Form 106, Eligibility Dispute Resolution Request, within ninety (90) days to the Texas Commission on Health and Human Services Commission.

- D. Appeals shall be submitted to the WSHD or the Agent of the WSHD, Jessica Laskoskie with the Chambers County Indigent Health Care Department and state the reason(s) why the applicants should be considered eligible.
- E. The Chair of the Board of Directors of WSHD or his/her appointed designee serve as the Hearing Officer.
- E. The Hearing Office shall have the authority to hold an evidentiary hearing, or decide the case from the case file and documentation provided including any and all documents presented with the appeal.
- F. The Hearing Officer's decision is administratively final and non-appealable.
- G. Appellant will be notified in writing of the decision.
- H. Copies of all hearing decisions will be maintained for a period of one (1) year in the WSHD office.

#### **VIII. MAXIMUM HOSPITAL DISTRICT LIABILITY**

- A. To the extent the WSHD is financially able to do so, the maximum amount paid by WSHD to a ICAP recipient ("Client") for each Client's fiscal year for health care services provided by all assistance providers, including hospital care is:
  - 1. \$30,000; or
  - 2. The payment of 30 days of hospitalization or treatment in a skilled nursing facility, or both, or \$30,000, whichever occurs first, if the WSHD provides hospital or skilled nursing facility services to the resident.
- B. For claim payment to be considered, a claim should be received:
  - 1. Within 95 (ninety-five) days from the approval date for services provided before the household was approved or
  - 2. Within 95 (ninety-five) days from the date of service for services provided after the approval date.
- C. The payment standard is determined by the day the claim is paid. WSHD ICAP approved providers must dispense services and supplies.

#### D. Prescriptions Drug Information

1. WSHD prescription drug service includes a minimum of three medications per month regardless of the price of the medication, excluding experimental or cancer medications. In the alternative, if a Client has more than three medications and the cost of the three medications is less than \$150.00, the WSHD will pay up to a total of \$150.00 for the Client's medications.
2. For example, if a Client has six prescriptions that need to be filled each month and three prescriptions cost \$25.00 each (or \$75.00 total), the Client would have \$75.00 left over each month to use on other prescriptions.
3. The quantity of drugs prescribed depends on the prescribing practice of the provider and the needs of the Client. However, each prescription is limited to a 30-day supply.
4. New and refilled medications count equally toward the three medications per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
5. The quantity of each prescription depends on the prescribing practice of the physician and the needs of the Client.

#### E. Basic and Extended Health Care Services do not Include Services and Supplies that:

1. Are provided to a Client before or after the time period that Client is eligible for the WSHD ICAP;
2. Are payable by or available under any health, accident, or other insurance coverage; by any private or governmental benefit system; by a legally liable third party, or under other contract;
3. Are provided by military medical facilities, Veterans Administration facilities, or United State public health service hospitals;
4. Are related to any condition covered under the worker's compensation laws or any other payor source.

#### **IX. PROCEDURE TO CHANGE ELIGIBILITY OR SERVICES PROVIDED:** Pursuant to Section 61.063 of the Health and Safety Code, WSHD may not change its eligibility standards to make the standards more restrictive and may not reduce the health care services it offers unless it complies with the requirements of this section:

- A. **Publish Notice of Intent to Change:** Post Notice in Newspaper ninety (90) days before the date on which a change would take effect. This notice of the proposed change must be published in a newspaper of general circulation in the hospital's service area and set a date for a public hearing on the change. The published notice must include the date, time, and place of the public meeting. The notice is in addition to the notice required by Chapter

551, Government Code.

- B. Public Hearing: The WSHD shall have a public hearing no later than the 30th day before the date on which the change would take effect. The meeting must be held at a convenient time in a convenient location in the hospital's service area. Members of the public may testify at the meeting.
- C. Formally Adopt Policy Change: If, based on the public testimony and on other relevant information, the WSHD's Board finds that the change would not have a detrimental effect on access to health care for the residents the WSHD serves; the WSHD may adopt the change. This finding must be formally adopted.

**X. RESOURCES:** To find out more about the State of Texas's Indigent Health Program, please view the following links:

- A. Program Guide: <https://www.dshs.state.tx.us/topicrelatedcontent.aspx?itemsid=759>
- B. Q & A Indigent Program: [https://www.dshs.state.tx.us/cihcp/FAQ/cihcp\\_faq.shtm](https://www.dshs.state.tx.us/cihcp/FAQ/cihcp_faq.shtm)
- C. State Eligibility Criteria: <https://www.dshs.state.tx.us/cihcp/eligibility.shtm>
- D. Application: [https://www.dshs.state.tx.us/CIHCP/Program\\_Handbook/Revision\\_04-4/Forms\\_04-4/Formspg\\_04-4.shtm](https://www.dshs.state.tx.us/CIHCP/Program_Handbook/Revision_04-4/Forms_04-4/Formspg_04-4.shtm)
- E. Texas Benefits (assist with eligibility): <https://www.yourtexasbenefits.com>
- F. Medicare Benefits: <http://www.benefits.gov/ssa>
- G. Chapter 61 Indigent Health Care Act:  
<http://www.statutes.legis.state.tx.us/Docs/HS/htm/HS.61.htm>

County	Hospital	Address	Inpatient Rates	Outpatient Rates	Hospital SDA
Chambers	Bayside Community Hosp	200 Hospital Dr Anahuac, TX 77514	100%	71%	\$3,856.69
	Winnie Community Hospital	538 Broadway Winnie, TX 77865	76%	65%	\$3,101.52
Cherokee	East Texas Medical Center	501 S Ragsdale St Jacksonville, TX 75766	20%	16%	\$3,550.86
	Mother Frances Hospital	2026 S Jackson Jacksonville, TX 75766	29%	35%	\$3,719.51
Childress	Childress Regional Medical	901 Hwy 83 N Childress, TX 79201	67%	33%	\$3,022.81
Clay	Clay County Memorial Hospital	310 W South St Henrietta, TX 76865	88%	57%	\$2,018.31
Cochran	Cochran Memorial Hospital	201 East Grant Morton, TX 79346	90%	100%	\$3,653.47
Coleman	Coleman County Medical	310 South Pecos Coleman, TX 76834	45%	39%	\$2,676.09
Collin	Baylor Regional Medical Center	4700 Alliance Blvd Plano, TX 75093	38%	22%	\$3,794.70
	Centennial Medical Center	12505 Lebanon Rd Frisco, TX 75035	28%	16%	\$3,947.12
	Columbia Medical Center	4500 Medical Center Dr McKinney, TX 75069	19%	11%	\$3,436.11
	Columbia Medical Center	3901 W 15th St Plano, TX 75075	25%	12%	\$4,477.42
	Frisco Medical Center	5601 Warren Parkway Frisco, TX 75034	39%	26%	\$3,392.99
	Plano Specialty Hospital	1621 Colt Rd Plano, TX 75075	80%	80%	\$3,653.47
	Presbyterian Hospital of Allen	1105 Central Expy N Allen, TX 75013	42%	26%	\$3,615.21
	Presbyterian Hospital of Plano	6200 West Parker Rd Plano, TX 75093	41%	27%	\$3,465.91
	Presbyterian-Plano Center For Diagnostics	6020 West Parker Rd Plano, TX 75093	42%	61%	\$4,014.09
	The Heart Hospital Baylor - Plano	1100 Allied Drive Plano, TX 75093	41%	49%	\$4,735.91
Collingsworth	Collingsworth General	1013 15th St Wellington, TX 79095	100%	46%	\$2,731.81
Colorado	Colorado-Fayette Medical	400 Youens Dr Weimar, TX 78962	58%	47%	\$2,421.63
	Columbus Community Hospital	110 Shult Dr Columbus, TX 78934	80%	57%	\$2,264.42
	Rice Medical Center	600 S Austin Rd Eagle Lake, TX 77434	100%	93%	\$3,242.56

# **Exhibit “D-2”**

**PROPOSED POLICY AMENDMENTS  
WINNIE-STOWELL HOSPITAL DISTRICT  
INDIGENT HEALTHCARE  
POLICY & PROCEDURE STATEMENT**

Subject: Indigent Care Program  
Level: Organization  
Authorization: Board of Directors  
Effective: Date: February 18, 2015

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**IV. ELIGIBILITY:**

**A. Residence Eligibility**

- 1. A person must live in the WSHD when the person applies.
- 2. A person lives in the WSHD if the person's home or fixed place of habitation is located in the county and he intends to return to the county after any temporary

**Deleted:** There is no durational requirement for residency nor are there any citizenship requirements.

absences.

3. A person with no fixed residence or a new resident in the county who declares intent to remain in the WSHD is also considered a county resident.
  4. A person does not lose his residency status because of a temporary absence from the WSHD. No time limits are placed on a person's absence from the county.
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  7. Persons Not Considered Residents:
    - a. An inmate or resident of a state school or institution operated by any state agency;
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    - c. A minor student primarily supported by his parents whose home residence is in another District, county or state;
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  3. Rent, mortgage payment, or utility receipt;
  4. Property tax receipt;
  5. Voting record;
  6. School enrollment records;
  7. Statement from a landlord, a neighbor, or other reliable source; or



8. Three (3) consecutive months of receipts in the name of the applicant for:
  - a. Utility bills;
  - b. Rent/mortgage payments;
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10. No medical or hospital bills, invoices, nor claims may be used to prove/verify a residence.

D. Financial Eligibility

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  2. Winnie-Stowell Hospital District may request that the applicant verify his/her gross yearly income by supplying any of, but not limited to the following:
    - a. IRS Forms 1040, W-2, etc.;
    - b. Wage and Earnings Statement(s);
    - c. Last three (3) consecutive pay checks stubs for everyone in the household;
    - d. Social Security Remittance; and
    - e. Workers Compensation Remittance
  3. The income of all WSHD ICAP household members is considered in determining financial eligibility.
  4. Any applicant filing for ICAP who is not employed is expected to be actively seeking employment. If unable to work due to disability, he/she is expected to apply for disability or Medicaid benefits during the 180-day period of eligibility.
  5. Failure to provide information necessary to complete a financial assessment may result in a negative determination. However, an application may be reconsidered upon receipt of the required information.
- F. Applicant's Fiscal Year: The fiscal year is defined as the twelve (12) month period beginning with the applicant's acceptance into ICAP.
- G. Eligibility Renewable: An applicant once accepted into ICAP, services will be provided for twelve (12) full months or the dollar caps set forth in Section 8. Each applicant will be responsible for reapplying for benefits as required under this policy.

## V. SERVICES

- A. Winnie-Stowell Hospital District ICAP shall provide for inpatient services, only at the hospital and/or skilled nursing facility within the boundaries of the WSHD or owned by the WSHD. The services to be provided ICAP are the basic services required Section 61.028 of the Indigent Health Care Act that include the following:
1. Physician services include services ordered and performed by a physician that within the scope of practice of their profession as defined by state law.
  2. Annual physical examinations once per calendar year by a physician or a physician assistant. Associated testing, such as mammograms, can be covered with a physician referral.
  3. Immunizations when appropriate.
  4. Medical screening services include blood pressure, blood sugar, and cholesterol screening.
  5. Laboratory and x-ray services ordered and provided under the personal supervision of a physician in a setting other than a hospital (inpatient or outpatient).
  6. Family planning services or preventive health care services that assist an individual in controlling fertility and achieving optimal reproductive and general health.
  7. Medically necessary Skilled Nursing Facility (SNF) services ordered by a physician, and provided in a SNF that provides daily services on an inpatient basis.
  8. Prescriptions. This service includes up to three prescription drugs per month. New and refilled prescriptions count equally toward this three prescription drugs per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
  9. Rural Health Clinic services must be provided in a freestanding or hospital-based rural health clinic by a physician, a physician assistant, an advanced practice nurse, or a visiting nurse.
  10. Medically necessary inpatient hospital services provided in an acute care hospital to hospital inpatients, by or under the direction of a physician, and for the care and treatment of patients.
  11. Medically necessary Outpatient hospital services must be and provided in an acute care hospital to hospital outpatients, by or under the direction of a physician, and must be diagnostic, therapeutic, or rehabilitative. Outpatient hospital services include hospital-based ambulatory surgical center (HASC) services.

- C. Winnie-Stowell Hospital District ICAP shall provide for prescription medications purchased from contract providers within the boundaries of the WSDH (See VIII D. Prescription Drug Information).
- D. Winnie-Stowell Hospital District ICAP shall not provide, nor be financially responsible for any other services no matter where nor by whom provided.

## VI. APPLICATION PROCEDURE

- A. The applicant shall be responsible for the completion and submission of an ICAP application. This application needs to be submitted to WSHD's Agent:

Jessical Langowski  
CICHP Coordinator  
Chambers County  
P. O. Box 489,  
Anahuac, Texas 77514  
Ph: 409-267-8306  
Fax 409-267-6488  
[jlaskoskie@co.chambers.tx.us](mailto:jlaskoskie@co.chambers.tx.us)

See Article XIII for a link to obtain a copy of the application and instructions to fill out the application.

- B. An application will be considered complete only if it includes the following information:
  1. The applicant's full name; physical address, mailing address;
  2. The applicant's social security number;
  3. Proof of income for the past three months to determine gross income;
  4. The names and income of all other household members and their relationship to the applicant;
  5. Information about all medical insurance, and hospital or health care benefits that household members may be eligible to receive;
  6. Complete accurate information about the applicant and other household members gross income including all assets, property, and equity value of any vehicles or property;
  7. Employment status of all individuals in household;
  8. List of financial resources of all household members;

9. The applicant's signature and date completed;
10. List of qualified dependents; and
11. All needed verifications as requested, including authorizations to release information.

C. Incomplete Information

1. Incomplete applications, in any form or fashion, will be denied.
2. Denied applications may be appealed at any time a change in circumstances or conditions justify a re-determination of eligibility.
3. Person who intentionally misrepresents information to receive benefits that are not entitled to receive shall be responsible, to the fullest extent of the law, for the cost of those services received.

## VII. APPEALS PROCESS

- A. Applicants have the right to appeal a denial of their application or eligibility.
- B. All appeals must be in writing and filed within ninety (90) days of a denial.
- C. In the event that the District and the Applicant cannot resolve the appeal, the District or its Agent, Jessica Langowski with the Chambers County Indigent Health Care Department, must submit a Form 106, Eligibility Dispute Resolution Request, within ninety (90) days to the Texas Commission on Health and Human Services Commission.
- D. Appeals shall be submitted to the WSHD or the Agent of the WSHD, Jessica Langowski with the Chambers County Indigent Health Care Department and state the reason(s) why the applicants should be considered eligible.
- E. The Chair of the Board of Directors of WSHD or his/her appointed designee serve as the Hearing Officer.
- E. The Hearing Office shall have the authority to hold an evidentiary hearing, or decide the case from the case file and documentation provided including any and all documents presented with the appeal.
- F. The Hearing Officer's decision is administratively final and non-appealable.
- G. Appellant will be notified in writing of the decision.
- H. Copies of all hearing decisions will be maintained for a period of one (1) year in the

WSHD office.

#### VIII. MAXIMUM HOSPITAL DISTRICT LIABILITY

- A. To the extent the WSHD is financially able to do so, the maximum amount paid by WSHD to a ICAP recipient ("Client") for each Client's fiscal year for health care services provided by all assistance providers, including hospital care is:
1. \$30,000; or
  2. The payment of 30 days of hospitalization or treatment in a skilled nursing facility, or both, or \$30,000, whichever occurs first, if the WSHD provides hospital or skilled nursing facility services to the resident.
- B. For claim payment to be considered, a claim should be received:
1. Within 95 (ninety-five) days from the approval date for services provided before the household was approved or
  2. Within 95 (ninety-five) days from the date of service for services provided after the approval date.
- C. The payment standard is determined by the day the claim is paid. WSHD ICAP approved providers must dispense services and supplies.
- D. Prescriptions Drug Information
1. WSHD prescription drug service includes a minimum of three medications per month regardless of the price of the medication, excluding experimental or cancer medications. In the alternative, if a Client has more than three medications and the cost of the three medications is less than \$150.00, the WSHD will pay up to a total of \$150.00 for the Client's medications.
  2. For example, if a Client has six prescriptions that need to be filled each month and three prescriptions cost \$25.00 each (or \$75.00 total), the Client would have \$75.00 left over each month to use on other prescriptions.
  3. The quantity of drugs prescribed depends on the prescribing practice of the provider and the needs of the Client. However, each prescription is limited to a 30-day supply.
  4. New and refilled medications count equally toward the three medications per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
  5. The quantity of each prescription depends on the prescribing practice of the physician and the needs of the Client.

E. Basic and Extended Health Care Services do not Include Services and Supplies that:

1. Are provided to a Client before or after the time period that Client is eligible for the WSHD ICAP;
2. Are payable by or available under any health, accident, or other insurance coverage; by any private or governmental benefit system; by a legally liable third party, or under other contract;
3. Are provided by military medical facilities, Veterans Administration facilities, or United State public health service hospitals;
4. Are related to any condition covered under the worker's compensations laws or any other payor source.

**IX. PROCEDURE TO CHANGE ELIGIBILITY OR SERVICES PROVIDED:** Pursuant to Section 61.063 of the Indigent Health Care Act, WSHD may not change its eligibility standards to make the standards more restrictive and may not reduce the health care services it offers unless it complies with the requirements of this section:

- A. Publish Notice of Intent to Change: Post Notice in Newspaper ninety (90) days before the date on which a change would take effect. This notice of the proposed change must be published in a newspaper of general circulation in the hospital's service area and set a date for a public hearing on the change. The published notice must include the date, time, and place of the public meeting. The notice is in addition to the notice required by Chapter 551, Government Code.
- B. Public Hearing: The WSHD shall have a public hearing no later than the 30th day before the date on which the change would take effect. The meeting must be held at a convenient time in a convenient location in the hospital's service area. Members of the public may testify at the meeting.
- C. Formally Adopt Policy Change: If, based on the public testimony and on other relevant information, the WSHD's Board finds that the change would not have a detrimental effect on access to health care for the residents the WSHD serves; the WSHD may adopt the change. This finding must be formally adopted.

**Deleted: IX. PAYOR OF LAST RESORT:** Winnie-Stowell Hospital District shall always be the payor of last resort. This policy shall not alter or modify other policies regarding efforts to obtain payments from third-party payors, Client transfers or emergency care. ¶

**Deleted: II**

**Deleted: serves,**

X. **RESOURCES:** To find out more about the State of Texas's Indigent Health Program, please view the following links:

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- A. Program Guide: <https://www.dshs.state.tx.us/topicrelatedcontent.aspx?itemsid=759>
- B. Q & A Indigent Program: [https://www.dshs.state.tx.us/cihcp/FAQ/cihcp\\_faq.shtm](https://www.dshs.state.tx.us/cihcp/FAQ/cihcp_faq.shtm)
- C. State Eligibility Criteria: <https://www.dshs.state.tx.us/cihcp/eligibility.shtm>
- D. Forms: [https://www.dshs.state.tx.us/CIHCP/Program\\_Handbook/Revision\\_04-4/Forms\\_04-4/Formspg\\_04-4.shtm](https://www.dshs.state.tx.us/CIHCP/Program_Handbook/Revision_04-4/Forms_04-4/Formspg_04-4.shtm)
- E. Texas Benefits (assist with eligibility): <https://www.yourtexasbenefits.com>
- F. Medicare Benefits: <http://www.benefits.gov/ssa>
- G. Chapter 61 Indigent Health Care Act:  
<http://www.statutes.legis.state.tx.us/Docs/HS/htm/HS.61.htm>

County	Hospital	Address	Inpatient Rates	Outpatient Rates	Hospital SDA
Chambers	Bayside Community Hosp	200 Hospital Dr Anahuac, TX 77514	100%	71%	\$3,856.69
	Winnie Community Hospital	538 Broadway Winnie, TX 77665	76%	65%	\$3,101.52
Cherokee	East Texas Medical Center	501 S Ragsdale St Jacksonville, TX 75766	20%	18%	\$3,550.66
	Mother Frances Hospital	2026 S Jackson Jacksonville, TX 75766	29%	35%	\$3,719.51
Childress	Childress Regional Medical	901 Hwy 83 N Childress, TX 79201	67%	33%	\$3,022.81
Clay	Clay County Memorial Hospital	310 W South St Henrietta, TX 75855	88%	57%	\$2,018.31
Cochran	Cochran Memorial Hospital	201 East Grant Morton, TX 79348	90%	100%	\$3,653.47
Coleman	Coleman County Medical	310 South Peaco Coleman, TX 76834	45%	39%	\$2,576.09
Collin	Baylor Regional Medical Center	4700 Alliance Blvd Plano, TX 75093	38%	22%	\$3,794.70
	Centennial Medical Center	12505 Lebanon Rd Frisco, TX 75035	28%	16%	\$3,947.12
	Columbia Medical Center	4500 Medical Center Dr McKinney, TX 75069	19%	11%	\$3,436.11
	Columbia Medical Center	3901 W 15th St Plano, TX 75075	25%	12%	\$4,477.42
	Frisco Medical Center	5801 Warren Parkway Frisco, TX 75034	39%	26%	\$3,392.99
	Plano Specialty Hospital	1821 Colt Rd Plano, TX 75075	80%	80%	\$3,653.47
	Presbyterian Hospital of Allen	1105 Central Expy N Allen, TX 75013	42%	26%	\$3,815.21
	Presbyterian Hospital of Plano	6200 West Parker Rd Plano, TX 75093	41%	27%	\$3,465.91
	Presbyterian Plano Center For Diagnostics	6020 West Parker Rd. Plano, TX 75093	42%	61%	\$4,014.09
	The Heart Hospital Baylor - Plano	1100 Allied Drive Plano, TX 75093	41%	49%	\$4,735.91
Collingsworth	Collingsworth General	1013 15th St Wellington, TX 79085	100%	46%	\$2,731.81
Colorado	Colorado-Fayette Medical	400 Youens Dr Weimar, TX 78962	58%	47%	\$2,421.63
	Columbus Community Hospital	110 Shult Dr Columbus, TX 78934	80%	57%	\$2,264.42
	Rice Medical Center	600 S Austin Rd Eagle Lake, TX 77434	100%	93%	\$3,242.56



# **Exhibit “E”**

1638

DATE 2-18-15

TO Hubert Oxford

FOR 1/2 Retainer Jan

TOTAL	
THIS CHECK	500 <sup>00</sup>
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE

1640

DATE 2-18-15

TO Lisa Stramecki

FOR Website ~~for~~  
1/2 down pmt

TOTAL	
THIS CHECK	500 <sup>00</sup>
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE

1641

DATE 2-18-15

TO Elroy Henry

FOR Travel Mileage  
To/From Austin  
Feb 9-11

TOTAL	
THIS CHECK	268 <sup>52</sup>
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE

1639

DATE 2-18-15

TO Josh Heinz

FOR 1/2 retainer Jan

TOTAL	
THIS CHECK	500 <sup>00</sup>
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE

1642

DATE 2-18-15

TO Jeff Rollo

FOR Travel Mileage  
To/From Austin  
Feb 9-11

TOTAL	
THIS CHECK	270 <sup>83</sup>
OTHER TRANS. +/-	
BALANCE	

TAX DEDUCTIBLE

1643

DATE 2-18-15

TO Mary Ellen Robertson  
CPA

FOR Inv #s

150211  
150213  
150214  
150215

TOTAL

THIS CHECK

4400<sup>00</sup>

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

1646

DATE 2-18-15

TO Tony King

FOR Deputy Services  
Feb Reg Mtg

TOTAL

THIS CHECK

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

1644

DATE 2-18-15

TO Quill Office Supplies

FOR Inv #s

1219494  
1102901  
1113780

TOTAL

THIS CHECK

373<sup>10</sup>/<sub>100</sub>

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

1647

DATE 2-18-15

TO LTC Group LLC

FOR July through Oct

TOTAL

THIS CHECK

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

630839<sup>9</sup>

1645

DATE 2-18-15

TO Time Warner Cable

FOR Service Period

1/05 to 2/04

TOTAL

THIS CHECK

170<sup>10</sup>

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

1648

DATE 2-18-15

TO VMG Health

FOR Valuation Services

TOTAL

THIS CHECK

OTHER TRANS. +/-

BALANCE

TAX DEDUCTIBLE

DEPOSITS

37000<sup>00</sup>