

Exhibit “A”

WINNIE-STOWELL HOSPITAL DISTRICT
Statement of Revenues, Expenditures and Changes in Net Position
Modified Cash Basis
For the 7 Months Ended July 31, 2015

	General Operating Fund	Nursing Home Program	Total
REVENUE:			
Sales Tax Revenue	\$ 325,918	\$ -	\$ 325,918
Investment Income	1,977	-	1,977
Other Revenue	13,182	-	13,182
Loan Proceeds - Building & Land (2107 Hwy 124)	320,000	-	320,000
Loan Proceeds - UPL Program	-	15,410,000	15,410,000
Nursing Home - UPL Program	-	8,889,637	8,889,637
TOTAL REVENUE	661,077	24,299,637	24,960,714
EXPENSES:			
Administrative Salary	15,240	-	15,240
Administrative Services(Contract Basis & Security)	9,272	-	9,272
Administrative Expenses	2,449	-	2,449
Bank Service Charges	20	-	20
Bonds	150	-	150
District/County Promotion	1,500	-	1,500
Continuing Education, Travel & Seminar	7,740	-	7,740
County Indigent/1115 Wavier/Uncompensated Care Program	87,895	-	87,895
Salary - Indigent Care Administrator	14,152	-	14,152
Depreciation Expense	4,102	-	4,102
Meals	436	-	436
Insurance	8,448	-	8,448
Insurance - Property	3,695	-	3,695
Interest - Building	7,128	-	7,128
Notices & Fees	301	-	301
Travel - Indigent Care	1,548	-	1,548
Professional Fees - Acctg.	10,398	-	10,398
Professional Fees - Legal	71,484	-	71,484
Principal Payments on Building	12,890	-	12,890
Principal Payments on UPL Program Loans	-	7,120,000	7,120,000
Project Cost - Nursing Home - UPL Program	-	1,990,080	1,990,080
Nursing Home Program - Legal Fees	-	80,879	80,879
Nursing Home Program - Mgmt. Fees	-	2,887,308	2,887,308
Nursing Home Program - Bonds	-	4,300	4,300
Nursing Home Program - Interest Expense	-	605,342	605,342
Software Cost - Indigent Care	3,177	-	3,177
Office Supplies/Postage	4,728	-	4,728
Taxes - Payroll	1,695	-	1,695
Taxes - Payroll - Indigent Care	1,134	-	1,134
Telephone/Internet	1,367	-	1,367
Web-Site	655	-	655
Hwy 124 - Property Expenses	4,252	-	4,252
Purchase of Land and Building	411,150	-	411,150
Payment to Hospital for Equip.,Furn. & Improv.	-	2,000,000	2,000,000
TOTAL EXPENSES	687,006	14,687,909	15,374,915
INCREASE (DECREASE) IN NET POSITION	(25,929)	9,611,728	9,585,799
NET POSITION, BEGINNING OF PERIOD	2,702,978	-	2,702,978
NET POSITION, END OF PERIOD	\$ 2,677,049	\$ 9,611,728	\$ 12,288,777

For management purposes only.

Winnie-Stowell Hospital District

SUPPLEMENTARY INFORMATION

WINNIE-STOWELL HOSPITAL DISTRICT
Supplementary Information - Comparison Actual to Budget
Modified Cash Basis

	7 Months Ended 7/31/2015 Actual	Annual Budget	Over (Under) Budget	% of Budget Used
Revenue				
Sales Tax Revenue	\$ 325,918	\$ 695,000	(369,082)	47.00%
Investment Income	1,977	2,500	(523)	0.00%
Other Revenue	13,182	13,182	-	0.00%
Loan Proceeds - Building & Land (2107 Hwy 124)	320,000	320,000	-	0.00%
Loan Proceeds - UPL Program	15,410,000	19,640,000	(4,230,000)	78.46%
Nursing Home - UPL Program	8,889,637	35,675,000	(26,785,363)	24.92%
Total Revenue	<u>24,960,714</u>	<u>56,345,682</u>	<u>(31,384,968)</u>	<u>44.30%</u>
Expenses				
Administrative Salary	15,240	31,200	(15,960)	48.85%
Administrative Services(Contract Basis & Security)	9,272	11,200	(1,928)	82.79%
Administrative Expenses	2,449	2,500	(51)	97.96%
Bank Service Charges	20	150	(130)	13.33%
Bonds	150	350	(200)	42.86%
District/County Promotion	1,500	1,500	-	100.00%
Continuing Education, Travel & Seminar	7,740	8,000	(260)	96.75%
Continuing Education - Medical Personnel	-	12,000	(12,000)	0.00%
County Indigent/1115 Wavier/Uncompensated Care Program	87,895	280,000	(192,105)	31.39%
Salary - Indigent Care Administrator	14,152	36,500	(22,348)	38.77%
Meals	436	750	(314)	58.13%
Insurance	8,448	6,000	2,448	140.80%
Insurance - Property	3,695	6,000	(2,305)	61.58%
Interest - Building	7,128	10,584	(3,456)	67.35%
Notices & Fees	301	2,500	(2,199)	12.04%
Travel - Indigent Care	1,548	2,500	(952)	61.92%
Professional Fees - Acctg.	10,398	30,000	(19,602)	34.66%
Professional Fees - Legal	71,484	100,000	(28,516)	71.48%
Principal Payments on Building	12,890	19,442	(6,552)	66.30%
Software Cost - Indigent Care	3,177	7,413	(4,236)	42.86%
Office Supplies/Postage	4,728	5,000	(272)	94.56%
Taxes - Payroll	1,695	2,500	(805)	67.80%
Taxes - Payroll - Indigent Care	1,134	2,800	(1,666)	40.50%
Benefits - Employee	-	2,000	(2,000)	0.00%
Telephone/Internet	1,367	2,000	(633)	68.35%
Web Site	655	1,500	(845)	43.67%
Hwy 124 - Property Expenses	4,252	8,000	(3,748)	53.15%
Purchase of Land and Building	411,150	411,150	-	100.00%
Contingency	-	200,000	(200,000)	0.00%
Principal Payments on UPL Program Loans	7,120,000	19,640,000	(12,520,000)	36.25%
Project Cost - Nursing Home - UPL Program	1,990,080	3,381,150	(1,391,070)	58.86%
Nursing Home Program - Legal Fees	80,879	100,000	(19,121)	80.88%
Nursing Home Program - Mgmt. Fees	2,887,308	19,875,000	(16,987,692)	14.53%
Nursing Home Program - Bonds	4,300	3,500	800	122.86%
Nursing Home Program - Interest Expense	605,342	1,621,456	(1,016,114)	37.33%
Payment to Hospital for Equip.,Furn. & Improv.	2,000,000	3,750,000	(1,750,000)	53.33%
Total Expenses	<u>15,370,813</u>	<u>49,574,645</u>	<u>(34,203,832)</u>	<u>31.01%</u>
Revenue Over(Under) Expenses	<u>\$ 9,589,901</u>	<u>\$ 6,771,037</u>		

\$46,999

For management purposes only.

WINNIE-STOWELL HOSPITAL DISTRICT
Supplementary Information - Cash and Cash Equivalents
As of July 31, 2015

Cash and Cash Equivalents

Prosperity Bank - Checking	\$	533,613
Petty Cash		150
TexStar		152,445
Wells Fargo - WSHD Transfer Account		587,857
Graham InterBank		<u>100</u>
Total Cash and Cash Equivalents	\$	<u>1,274,165</u>

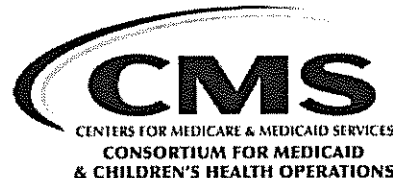
WINNIE-STOWELL HOSPITAL DISTRICT
Supplementary Information - Due to Nursing Homes
As of July 31, 2015

Liabilities - Due to Nursing Homes

Marshall Manor West - Due to/from	\$	42,649
Golden Villa - Due to/from		32,745
Monument Hill - Due to/from		13,414
Oakland Manor - Due to/from		23,611
Oak Manor - Due to/from		12,610
Spring Branch - Due to/from		55,568
Clairmont - Due to/from		29,026
The Woodlands - Due to/from		68,813
Garrison - Due to/from		21,891
Hallettsville - Due to/from		11,370
Marshall Manor Nursing - Due to/from		187,331
Highland Park - Due to/from		<u>87,937</u>
Total Liabilities	\$	<u>586,965</u>

Exhibit “B”

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH

July 20, 2015

DEFERRAL TX/2015/2/E/02/MAP

Kay Ghahremani
State Medicaid Director
Texas Health and Human Services Commission
Mail Code: H100
P.O. Box 13247
Austin, Texas 78711

Dear Ms. Ghahremani:

The Centers for Medicare and Medicaid Services (CMS) has completed the review of expenditures claimed on the Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64) for the quarter ended March 31, 2015. Based upon this review, CMS is deferring \$58,667,995 Federal financial participation (FFP) for Line 6 for claims made regarding Nursing Facility Supplemental Payments.

The deferral was taken on a grant award dated July 20, 2015 in the amount of \$58,667,995 FFP and represents claims for HHSC expenditures made in the 2015 Federal fiscal year (FFY) and not previously reported on the CMS-64 expenditure report.

CMS identified claims in the amount of \$56,950,178 FFP that are directed to an entity that is different from the registered provider of the services and appears to deviate from 42 Code of Federal Regulations (CFR) 447.207 and deviates from the requirement that the provider will receive and retain the full payment for the services provided. Additionally, the supplemental payments in this expenditure report appear to deviate from the State Plan Amendment requirement that only non-state government-owned nursing facilities are eligible to receive supplemental payments.

The payments in question are made for 100 separate nursing facilities and directed to 30 local units of government. In comparing the nursing home ownership with the May 14, 2015 **MEDICARE nursing home data files**, it has been determined that each of the 100 nursing homes maintains an ownership status that does not qualify for receipt of the supplemental payment under the State Plan (see attached exhibit). Therefore, until a change of ownership is submitted and accepted by CMS, no change in provider ownership is recognized for the claims presented on the Q2FFY2015 CMS-64. Accordingly, please submit the Medicaid Contract and Licensure information for each of the nursing facilities. In addition to the submission of the above information, please provide a narrative to address the following questions:

- Regarding the apparent discrepancy in ownership status between Medicare and Medicaid, please describe how the State can observe a nursing facility maintaining a dual ownership status (private and government) when the Medicare payment is being sent to the private entity while the Medicaid payment is being claimed at the governmental entity.
- How does an entity claim a change of ownership from a private organization to a governmental organization without changing the Internal Revenue Service (IRS) tax status of the nursing facility?
- As it specifically pertains to “for profit publically traded entities,” and the change of ownership; please describe in detail the method of ownership change to a governmental entity when the underlying private entity remains a publically traded organization and still maintains an IRS tax status of a for profit corporation.
- CMS observes that in several of the real estate contracts, assignments are only permitted between the various parties of the initial agreement and that any significant change to those terms, including ownership or operations, would require approval from the financing entity (the bank / Department of Housing and Urban Development. etc). Please describe what actions the governmental entity, that has acquired ownership, taken with both the property owner and lien holder to acquire the rights to own or operate the nursing facility being that the governmental entity was not a party to the initial transaction that acquired the necessary financing to acquire the nursing home facility.

Additionally, an additional **\$1,717,817 FFP** has been identified as five payments that are made to an entity in Foothill Ranch, California. These payments appear to be diverted to an out of state private entity and may not comply with the State Plan requirement or the associated Section of the Social Security Act and underlying regulations. These claims appear to be a direction of payment and deviates from 42 CFR 447.207 in which the provider “is to receive and retain the full amount of the total computable payment...” Additional information is needed to determine if the State is operating under the approved State Plan in which the “non-state government owned” provider is the only eligible recipient of supplemental payments. CMS is requesting assistance from the Health and Human Services Commission to obtain additional information to review the supplemental payments for the nursing facilities that have payments directed to a private entity in Foothill Ranch, California. To fulfil this request, CMS requests the following information: 1) all contracts/memorandum of understandings / consent agreements / or like documents between the non-state government owned and the California entity; 2) All payments and receipts made by the non-state owned entity to the California entity between January 1, 2015 and March 31, 2015; 3) All payments and receipts made by the California entity to the non-state government entity between January 1, 2015 and March 31, 2015; 4) any documentation that supports the “ownership” of the nursing facility; 5) Documentation that demonstrates that the government entity is operating in California, i.e. bank statement in which the medical payments are sent to; and 6) and the appropriate point of contacts at both the non-state government and California entity that will be able to assist with any follow-up questions regarding the content of the documentation provided to support the claim on the CMS-64.

The State’s fiscal impact statement for any supplemental payments for nursing facilities indicated approximately nine million dollars and the most recent UPL demonstration failed to identify the exponential increase of nursing facility participation in the supplemental payment program. Please provide a revised Nursing Facility Upper Payment Limit demonstration that sufficiently describes the scale of the payment methodologies employed. Within in this demonstration, please include and identify all Medicare payments, by nursing facility, that Medicaid is supplementing. CMS needs to evaluate if the Medicaid portion of the Medicare payment is being excluded from the supplemental payments being made, as Medicare for many of the nursing homes does not pay the government entity,

and as such the government entity is not eligible to receive the supplemental payment tied to that Medicare payment.

In accordance with 42 CFR 430.40, the State has 60 days from the receipt of this letter to submit further documentation to support the subject administration claims in order to avoid a possible disallowance. If you determine that additional time is necessary, the State may request, in writing, an extension of up to 60 days.

If you have any questions, please call Dorothy Ferguson at (214) 767-6385. Her e-mail address is Dorothy.ferguson@cms.hhs.gov

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

cc: Debbie Wilson / HHSC
Richard Bartlett / HHSC
Michael Doerr / DADS
Meghan Young / HHSC

Exhibit 1:

GOVT	Nursing Facility	FFP Amount
NOCONA HOSPITAL DISTRICT	ADVANCED REHAB & HEALTHCARE OF BOWI	\$1,011,590.77
BAYLOR COUNTY HOSPITAL DISTRICT	ADVANCED REHABILITATION AND HEALTHCARE OF VERNON	\$376,889.38
CHILDRESS COUNTY HOSPITAL DISTRICT	APEX SECURE CARE	\$406,861.63
UVALDE COUNTY HOSPITAL AUTHORITY	BRIARCLIFF NRSG & REHAB C#1026035	\$2,486,287.50
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	BROOKSHIRE RES & REHAB CENTER	956659.79
UVALDE COUNTY HOSPITAL AUTHORITY	CEDAR HILLS GERIATRIC CENTER #10259	\$548,983.70
CHILDRESS COUNTY HOSPITAL DISTRICT	CHILDRESS HC CTR 5040 C#1026206	\$283,225.65
DECATUR HOSPITAL AUTHORITY	CITYVIEW CARE CTR C#1026056	\$1,828,077.97
WINNIE-STOWELL HOSPITAL DISTRICT	CLAIRMONT BEAUMONT C#1026108	\$955,627.83
PALO PINTO COUNTY HOSPITAL DISTRICT	CLYDE NURSING CENTER	\$337,479.68
PARKER COUNTY HOSPITAL DISTRICT	COLLEGE PARK REHABILITATION & CARE	\$333,701.03
LIBERTY COUNTY HOSPITAL DISTRICT NO 1	COLLEGE STREET HEALTH CARE CTR	\$193,122.75
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	COLONIAL MANOR NRSG CTR C#1026213	\$1,285,702.66
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	COPPERAS COVE HOLLOW NURSING & REHABILITATION CTR	\$519,845.79
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	CORPUS CHRISTI NURSING & REHAB C#1026419	\$353,013.32
MCCULLOCH COUNTY HOSPITAL DISTRICT	CRANE NRSG & REHAB FAC#4272 C#1025911	\$456,303.84
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	CRESTVIEW HC RES C#1026187	\$1,026,557.20
DECATUR HOSPITAL AUTHORITY	DFW NURSING & REHAB	\$193,012.48
HEMPHILL COUNTY HOSPITAL	EDWARD ABRAHAM MEMORIAL HOME	\$63,343.94
NOCONA HOSPITAL DISTRICT	ELECTRA HEALTHCARE CENTER	\$115,622.00
SEMINOLE HOSPITAL DIST OF GAINES CO	ELSIE GAYER HEALTH CARE CENTER	\$345,625.45
NOCONA HOSPITAL DISTRICT	EVERGREEN HEALTHCARE CENTER	\$235,813.80
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	FAIRVIEW HC RES C#1026191	\$226,558.09
DEWITT MEDICAL DISTRICT	FLORESVILLE RES & REHAB CTR	\$760,218.38
DECATUR HOSPITAL AUTHORITY	FORT WORTH CTR OF REHAB C#1026023	\$815,950.15
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	GARDENDALE REHAB & NURSING CTR	\$670,214.70

WINNIE-STOWELL HOSPITAL DISTRICT	GARRISON NRSG & REHAB C#1026192	\$603,848.83
WINNIE-STOWELL HOSPITAL DISTRICT	GOLDEN VILLA C#1026193	\$478,795.87
SEMINOLE HOSPITAL DIST OF GAINES CO	GOLDEN YEARS NRSG & REHAB C#1026246	\$374,948.10
NOCOANA HOSPITAL DISTRICT	GRACE CARE CENTER OF HENRIETTA	\$465,682.97
NOCOANA HOSPITAL DISTRICT	GRACE CARE CENTER OF NOCONA	\$264,456.58
OLNEY-HAMILTON HOSPITAL DISTRICT	GRACE CARE CENTER OF OLNEY	\$124,481.89
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	GRANBURY REHAB & NURSING	\$571,592.01
SEMINOLE HOSPITAL DIST OF GAINES CO	GREENVIEW MANOR C#1026268	\$844,105.58
MEDINA COUNTY HOSPITAL DISTRICT	GUADALUPE VALLEY NURSING CENTER #10	\$817,202.52
WINNIE-STOWELL HOSPITAL DISTRICT	HALLETTSVILLE REHABILITATION & NRSG	\$532,035.85
HAMILTON COUNTY HOSPITAL DISTRICT	HAMILTON HEALTHCARE CENTER	\$145,856.66
THROCKMORTON COUNTY	HASKELL HEALTHCARE CENTER	\$300,774.61
PALO PINTO COUNTY HOSPITAL DISTRICT	HERITAGE HOUSE AT KELLER REHAB & NURSING	\$997,566.38
WINNIE-STOWELL HOSPITAL DISTRICT	HIGHLAND PARK CARE CENTER	\$562,568.30
STRATFORD HOSPITAL DISTRICT	HILLSIDE HEIGHTS REHAB SUITES	\$288,459.22
STAMFORD HOSPITAL DISTRICT	HOMEPLACE MANOR	\$109,364.78
JACK COUNTY HOSPITAL DISTRICT	JACKSBORO HEALTHCARE CENTER	\$347,742.66
LIBERTY COUNTY HOSPITAL DISTRICT NO 1	JEFFERSON NURSING & REHABILITATION	\$281,676.67
GOODALL-WITCHER HOSPITAL AUTHORITY	JEFFREY PLACE HEALTHCARE CENTER	\$433,025.72
DECATUR HOSPITAL AUTHORITY	KINDRED TRANS CARE & REHAB GRAPEVINE	\$464,874.43
DECATUR HOSPITAL AUTHORITY	KINDRED TRANS CARE & REHAB MANSFIELD	\$427,719.54
DECATUR HOSPITAL AUTHORITY	KINDRED TRANS CARE & REHAB RIDGMAR	\$669,294.89
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	KINGSVILLE NURSING AND REHABILITATION CENTER	\$294,102.82
SEMINOLE HOSP DIST OF GAINES CO	LAKE SHORE VILL HC C#1026252	\$1,057,251.30
SEMINOLE HOSPITAL DIST OF GAINES CO	LEVELLAND NRSG & REHAB C#1026247	328485.57
CHILDRESS COUNTY HOSPITAL DISTRICT	LOCKNEY HEALTH AND REHABILITATION CENTER	\$288,427.56
STRATFORD HOSPITAL DISTRICT	LUBBOCK HOSPITALITY NRSG & REHAB	\$778,543.60
GONZALES HEALTH CARE SYSTEMS	MAGNOLIA LIVING & REHABILITATION	\$254,903.00
WINNIE-STOWELL HOSPITAL DISTRICT	MARSHALL MANOR WEST C#1026049	675604.35

MEDINA COUNTY HOSPITAL DISTRICT	MEDINA VALLEY HEALTH & REHAB CTR	\$974,015.48
BAYLOR COUNTY HOSPITAL DISTRICT	MONTEREY CARE CENTER	\$846,305.00
WINNIE-STOWELL HOSPITAL DISTRICT	MONUMENT HILL REHABILITATION & NRSG	\$666,237.24
UVALDE COUNTY HOSPITAL AUTHORITY	OAK CREST NURSING CENTER	\$644,073.37
WINNIE-STOWELL HOSPITAL DISTRICT	OAK MANOR NURSING CENTER #5166	\$371,761.24
WINNIE-STOWELL HOSPITAL DISTRICT	OAKLAND MANOR NRSG CTR C#1026104	\$514,160.74
COUNTY OF THROCKMORTON	OLNEY HEALTHCARE CENTER	\$63,657.21
CHILDRESS COUNTY HOSPITAL DISTRICT	PALO DURO NURSING HOME	\$258,528.57
PALO PINTO COUNTY HOSPITAL DISTRICT	PALO PINTO NURSING CENTER	\$637,833.37
SEMINOLE HOSPITAL DIST OF GAINES CO	PAMPA NURSING CENTER	\$171,260.61
SEMINOLE HOSPITAL DIST OF GAINES CO	PEACH TREE PLACE C#1026267	\$518,523.41
VAL VERDE COUNTY HOSPITAL DISTRICT	PEARSALL NURS & REHAB CTR - NORTH	\$402,783.47
STRATFORD HOSPITAL DISTRICT	PLAINVIEW HEALTHCARE CENTER	\$164,598.70
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	QUALITY CARE OF WACO	\$1,451,701.71
GOODALL-WITCHER HOSPITAL AUTHORITY	REGENCY MANOR HEALTHCARE CENTER	\$542,218.95
WINNIE-STOWELL HOSPITAL DISTRICT	ROSEHAVEN RETREAT C#1026050	\$496,310.52
STRATFORD HOSPITAL DISTRICT	SAGE HEALTHCARE CENTER	\$206,344.89
SEMINOLE HOSPITAL DIST OF GAINES CO	SAGECREST ALZ CC C#1026080	\$225,141.23
PALO PINTO COUNTY HOSPITAL DISTRICT	SANTA FE HEALTH & REHAB CENTER	\$733,410.90
LIBERTY COUNTY HOSPITAL DISTRICT NO 1	SENIOR REHAB & SKILLED NURSING CTR	\$545,458.08
BAYLOR COUNTY HOSPITAL DISTRICT	SEYMOUR REHABILITATION AND HEALTHCARE	\$311,645.58
CITIZENS MEDICAL CENTER COUNTY OF VICTORIA	SHADY OAK NURSING & REHABILITATION #1025771	\$341,502.62
UVALDE COUNTY HOSPITAL AUTHORITY	SNYDER OAKS CARE CENTER	\$460,629.25
WINNIE-STOWELL HOSPITAL DISTRICT	SPRING BRANCH TRANSITIONAL CARE CEN	\$2,386,647.99
CITIZENS MEDICAL CENTER COUNTY OF VICTORIA	STEVENS NRSG & REHAB CTR OF HALLETTSVILLE #1025711	\$595,842.59
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	STOCKDALE RESIDENCE AND REHABILITATION CENTER	\$378,455.75
GOODALL-WITCHER HOSPITAL AUTHORITY	SUNSET HOME #1025615	\$594,223.59
GONZALES HEALTH CARE SYSTEMS	TEXAN NURSING & REHAB OF GONZALES	\$132,490.19
GONZALES HEALTH CARE SYSTEMS	THE HEIGHTS OF GONZALES #001025657	\$534,581.49

CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	THE MANOR HC RES C#1026184	\$238,505.77
WINNIE-STOWELL HOSPITAL DISTRICT	THE WOODLANDS HEALTHCARE CENTER	\$1,787,522.44
CITIZENS MEDICAL CENTER COUNTY OF VICTORIA	TWIN PINES NURSING AND REHABILITATION #1025772	\$1,545,006.10
VAL VERDE COUNTY HOSPITAL DISTRICT	VAL VERDE NURSING & REHABILITATION CENTER	\$260,639.86
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	VICTORIA RESIDENCE AND REHABILITATION CTR	\$626,119.30
CORYELL COUNTY HOSPITAL AUTHORITY	WALNUT HILLS NURSING & REHAB	\$742,601.86
SEMINOLE HOSPITAL DIST OF GAINES CO	WEATHERFORD HC CTR C#1026266	\$734,054.75
PALO PINTO COUNTY HOSPITAL DISTRICT	WEDGEWOOD NURSING HOME	\$1,002,765.54
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	WESTERN HILLS HC RES C#1026186	\$371,727.42
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	WESTVIEW MANOR #1025709	\$1,018,239.24
CITIZENS MEDICAL CENTER COUNTY OF VICTORIA	WHARTON NURSING C#1025686	\$658,569.00
PALO PINTO COUNTY HOSPITAL DISTRICT	WHITE SETTLEMENT NURSING CENTER	\$831,498.98
CORYELL COUNTY MEMORIAL HOSPITAL AUTHORITY	WINDSOR HC RES C#1026188	\$349,505.42
VAL VERDE COUNTY HOSPITAL DISTRICT	WINDSOR MISSION OAKS	\$496,700.94
VAL VERDE COUNTY HOSPITAL DISTRICT	WINDSOR NURSING & REHAB CENTER OF SEGUIN	\$313,548.16
DEWITT MEDICAL DISTRICT/CUERO COMMUNITY HOSPITAL	WINDSOR NURSING & REHAB CTR OF CORPUS CHRISTI	\$348,837.37

Exhibit 2:

NAME	Nursing Facility
UVALDE COUNTY HOSPITAL AUTHORITY	SOUTHWOOD CARE CENTER
UVALDE COUNTY HOSPITAL AUTHORITY	SOUTHWOOD CARE CENTER
MEDINA COUNTY HOSPITAL DISTRICT	GUADALUPE VALLEY NURSING CENTER #10
MEDINA COUNTY HOSPITAL DISTRICT	DBA TOWN AND COUNTRY MANOR
UVALDE COUNTY HOSPITAL AUTHORITY	SOUTHWOOD CARE CENTER
MEDINA COUNTY HOSPITAL DISTRICT	DBA TOWN AND COUNTRY MANOR
MEDINA COUNTY HOSPITAL DISTRICT	GUADALUPE VALLEY NURSING CENTER #10