

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 6:00 p.m. on the 20 day of January 2016, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to wit:

Elroy Henry, Chair
Jeff Rollo, Vice-Chair
Ed Murrell, Secretary
Sharon Burgess, Director
Raul Espinosa, Director

All said Board members were present. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Hubert Oxford, IV, Attorney; Mary Ellen Robertson, CPA District; Deputy Tony King, Chambers County Sherriff’s Office; Chris Portner and Mo Danishmund, Winnie, and citizens listed on **Exhibit A**.

At approximately 6:12 p.m., a quorum was established and Chairman Henry made introductions that were followed by a brief moment of silence, the Pledge of Allegiance, and then a request for public comment. Danny Thompson requested to make a statement and requested the Hospital District Board please consider paying for his services to the District’s indigent clients while the patient is in the hospital.

After the public comment, Chairman Henry asked the Board to consider and take action on Agenda Item No. 3, to review and approve the minutes from the following meeting:

- December 20, 2015 Regular Meeting;
- January 6, 2015 Budget Workshop/Public Forum; and
- January 6, 2015 Special Meeting.

Director Murrell then made a motion to approve the minutes for December 20, 2015 Regular meeting; January 6, 2016 Budget Workshop; and January 6, 2016 Special Meeting. This motion was seconded by Director Espinoza, with the unanimous consent of all Board members.

Next, Chairman Henry asked the Board to consider Agenda Item No. 4, to review and approve financial reports and payment of invoices. According to Mrs. Norris, the District had a balance of \$2,051,056.82 in its operation's account after the payment of \$59,232.31 in expenses, including \$15,000.00 for the District's first payment to East Chambers Independent School District ("ECISD"). In addition, the District had \$2,531,598.22 in its Texnet account at Interbank in Graham, Texas, in order to prepare for the repayment of Loan 5 due in February 2016, and \$103,908.62 in a CD at Prosperity Bank and \$152,520.87 in a TexStar Account. Lastly, Mrs. Norris advised the Board that the Board still had payments in August 2016 to its Managers to be paid for Eligibility Period 1, 2nd Quarter and funds due both Managers in the amount of \$496,000.00 resulting from the excess IGT payment as well as \$534,785.17 owed to Genesis for Eligibility Period 1, 1st Qtr. See **Exhibit B**. Following a review of the invoices and account balances, Director Murrell made a motion to approve the payment of bills and the financial statements presented by the District's CPA and set forth in **Exhibit B**. This motion was seconded by Director Rollo, with the unanimous consent of all Board members.

After the presentation of the District's financials, Chairman Henry asked the Board to return to Agenda Item No. 5 and called on the Committee Chairman to give committee reports. The reports by each Committee Chair are as follows:

- **Building Committee:** Chairman Espinoza asked to defer to Agenda 7..
- **Finance Committee:** Chairman Murrell reported that the committee was waiting on the year end close out for 2015 before they could evaluate the 2016 Budget for any amendments needed.

- **Indigent Healthcare Committee:** No report.
- **Personnel Committee:** Chairwoman Burgess reported the committee was interviewing five (5) potential candidates the next morning for the Indigent Director's position.
- **Hospital Liaison:** Director Espinoza reported that there was an upcoming IGT for the Uncompensated Care Program that would need to be approved by the Board next Monday. He informed the Board that the IGT could be as much as \$251,000.00.

Following the brief committee reports, Chairman Henry called for reports by the District's Administrator, Attorney, and Certified Public Accountant. The only report was by Attorney Oxford who advised that the District had been contacted by a nursing home in Jasper, Texas who wanted to explore partnering with the District for the QIPP program. Attorney Oxford stated that the District had just been contacted and it was too early to make a determination of whether this would be in the best interests of the District.

Chairman Henry then asked Board to turn its attention to Agenda Item No. 7, discuss and take action, if necessary, to discuss and take action, if necessary, on authorizing the sale of land and property belonging to the District on Highway 124 to the East Chambers Independent School District ("ECISD") and to develop a potential partnership with the school district for healthcare related student services. Attorney Oxford was asked by Chairman Henry to review the Interlocal Agreement for the five (5) programs approved by the Board in which the District was going to start paying ECESD \$15,000.00 per month in January 2016, or \$180,000.00 per year. *See Exhibit "C"*. Moreover, Attorney Oxford presented the Board with a Sale and Purchase Agreement for the District's Property on Highway 124. *See Exhibit "D"*. According to Attorney Oxford and Chairman Murrell, the Finance Committee met with the ECESD Superintendent and agreed to recommend selling the property to School District for \$325,000.00 as is and the ECESD was to bear all the closing costs. After a brief discussion of the transactions

and the documents, Director Rollo made a motion to approve the Interlocal Agreement and the sale of the Highway 124 Property as set forth in the Sale and Purchase Agreement. This motion was seconded by Director Burgess, with unanimous consent of all Board members.

After the agreements with ECISD discussed and approved, Chairman Henry asked the Board to discuss and take action, if necessary, on providing assistance to Winnie Stowell Volunteer EMS. In so doing, Chairman Henry called on EMS Board member Steve Fitzgerald to explain the requests. According to Mr. Fitzgerald, the EMS was seeking financial assistance for the transport of uninsured patients. Afterwards, a discussion ensued about the District's duty's to serve the qualified indigent in the District, not just the uninsured but the Board did express an interest in providing assistance for transports of those registered in the District's indigent healthcare program. Mr. Fitzgerald was going to go back to his Board and convey the interest and seek to meet with the Finance committee to work out an arrangement. Otherwise, no action was taken.

Next, Chairman Henry asked the Board to turn to Agenda Item No. 9, discuss and take action, if necessary, on approving Letters of Agreement with various Managed Care Organizations for the Quality Incentive Payment Program administrated by the Texas Commission on Health and Human Services. In so doing, Chairman Henry called on Attorney Oxford to give the Board an explanation of this Agenda Item. Per Attorney Oxford, the Letters of Agreement ("LOA") with the Managed Care Companies ("MCOs") were the first step in the Quality Incentive Payment Program ("QIPP") scheduled to start in September 2016. Specifically, Attorney Oxford explained that these Agreements were nothing more than a commitment to work with the various MCOs, in the QIPP program, should the District agree to participate in the QIPP program. Moreover, Attorney Oxford explained that there was no

commitment to participate in the QIPP program until the end of March 2016. As such, Attorney Oxford requested the Board give Chairman Henry to sign these LOAs once they were finalized. A motion was then made by Director Rollo to approve give Chairman Henry authority to sign the LOAs after they have been reviewed and approved by Attorney Oxford. This motion was seconded by Director Murrell, with unanimous consent of all Board members.

Chairman Henry also asked Attorney Oxford to address Agenda Item No. 10, to discuss and take action, if necessary on amending the District's Transfer Policies and Procedures. Attorney Oxford reported to the Board that the counsel for Neches Capital, LTC, and himself had worked extensively since August to establish a procedure for Neches Capital to secure their loans if Neches Capital had to relinquish their existing Control Agreements on the District's depository accounts in light of the requirements by the HUD Lenders for the District's nursing homes to establish Control Agreements on the District's Depository Accounts at Wells Fargo. Attorney Oxford explained that the solution, found in the District's 2nd Amended Transfer Policies and Procedure set forth in **Exhibit "E"**, was to deposit the checks for the MPAP payments, the District is now receiving from all the MCOs except Amerigroup directly into the District's Interbank account in Graham, Texas until there is sufficient funds in the account to cover the respective loan for the period in which the District was receiving MPAP funds. By doing this, the District's MPAP funds would not be subject to any Control Agreements by a HUD Lender on the District's Depository Accounts and there should be no more issues concerning Neches Capital's security of their loans. Following this explanation, a motion was made by Director Murrell to adopt the 2nd Amended Transfer Policies and Procedures found in **Exhibit "E"**. This motion was seconded by Director Espinoza, with unanimous consent of all Board members.

Thereafter, at 7:46 p.m., Chairman Henry called the Board into Executive Session pursuant to Chapter 551.071 of the Texas Governmental Code to discuss Personnel matters. The Board came out of Executive Session at 8:37 and took no action.

Immediately following, Chairman Henry advised the next regularly scheduled meeting would be held on February 13, 2016 at 6:00 p.m. A motion was then made by Director Espinoza at 8:38 p.m. This motion was seconded by Director Burgess, and with the unanimous consent of all Board members to adjourn.



Elroy Henry, Chairman



Jeff Rollo, Vice-Chairman