

## 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 18th day of May 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 with the exception of Directors Espinosa and Rollo. In addition, to the above named Board members, also present at the meeting were: Sherrie Norris, District Administrator; Yani Jiminez, Indigent Care Director; Hubert Oxford, IV, Attorney; District; Deputy Tony King, Chambers County Sherriff’s Office; and citizens listed on **Exhibit “A”**.

At approximately 6:01 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. There being no public comment, Chairman Henry asked the Board to Chairman Henry asked the Board to address Agenda Item No. 3, to consider and take action on reviewing and approving the minutes from the following meeting:

- April 20, 2016 Regular Meeting
- May 12, 2016 Special Meeting

After a review of the minutes, Director Murrell made a motion to approve the minutes for April 20, 2016 Regular Meeting and the May 12, 2016 Special Meeting subject to amending the Special Minutes. This motion was seconded by Director Burgess, with the unanimous consent of all Board members present.

Chairman Henry then asked the Board to move to Agenda Item No. 6(e), to receive a report by the District's Nursing Home Consultants so that Johnathon Newman with the LTC Group can return to Austin, Texas. A summary of Mr. Newman's report is attached and made a part hereto as **Exhibit "B"**.

Following Mr. Newman's report, the Board was asked to return to Agenda Item No. 4, to review and approve financials report; payment of invoices, and amend budget, if necessary. According to Mrs. Norris, the District had a net cash position of \$2,388,650.62 in its operation's account before it paid \$63,427.84 in expenses. Included in this net cash position were: 1) \$1,627,923.05 in the District's Operating Account; 2) \$4,021.74 in the Interbank Account; 3) \$104,000.00 in a Prosperity CD; and 4) \$652,705.70 in its TexStar Account. As for the expenses, nearly half of the expenses were for legal fees but Attorney Oxford presented a report with his invoice explaining the fees were for work performed in February 2016 which included: 1) work was on the personnel manual; proxy payments; 2) QIPP program; and 3) the repayment of Loan 5. In addition, Mrs. Norris reported to the Board that during the past month, the District paid : 1) \$154,665.79 in interest; 2) \$3,610,000.00 for Loan 6; and 3) two LTC Invoices for \$276,381.60 and \$285,594.32 totaling \$4,326,641.71 in other expenses. Following the payment of these invoices and expenses, Mrs. Norris advised the District would have an ending balance of \$1,564,495.21 in its Operating Account. (See **Exhibit "C"**). In addition, Mrs. Norris explained that during the month, she paid interest for: 1) Loans 6, 7, and 8; as well as 2) the principle for

Loan 6; and 3) LTC invoices for September and October 2015. The total of these payments was \$4,326,641.71 and these payments were already accounted for in the District's net cash position. Lastly, Mrs. Norris explained that in the upcoming period between the May meeting and the June meeting, the District would be called on to make payments for November 2015's interests, LTC fees, and a payment to the Managers for \$2,383,629.31, which should net the District \$1,335,037.79 after taking into account the May expenses of \$63,427.84 and MPAP revenue of \$2,582,034.24 for November 2015. Thereafter, Director Murrell made a motion to approve the payment of bills and the financial statements presented by Mrs. Norris and to instruct the District's Administrator, Mrs. Norris, to transfer all but \$500,000.00 from the District's operations account, or \$835,037.79, into the TexStar account, which would result in a balance of \$1,487,743.49 in the TexStar account. (See **Exhibit "C"**). This motion was seconded by Director Burgess, with the unanimous consent of all Board members present.

Upon the conclusion of 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:

- **Finance Committee:** Chairman Murrell advised the committee had no report.
- **Indigent Healthcare Committee:** Chairwoman Burgess informed the Board that her committee met and deferred to discuss until Agenda Item No. 9.
- **Personnel Committee:** Director Burgess informed the Board the committee was setting up a meeting to discuss the Indigent Care Director's upcoming ninety (90) day review.
- **Hospital Liaison:** Chairman Henry, on behalf of Director Espinoza reported that the hospital ordered a pump with funds provided by the District to help stop the flooding inside the hospital during periods of heavy rainfall.

Following the brief committee reports, Chairman Henry called for the Board to return to Agenda No. 5 for the remaining staff reports. First, Mrs. Norris advised the Board that the Conference for Hospital Districts was coming on July 28<sup>th</sup>-July 30<sup>th</sup> in Fort Worth Texas and she needed find out how many directors were planning on attending. Moreover, Administrator Norris was continuing to work with the District's CPA to get the District's finances in QuickBooks.

Attorney Oxford reported on a number of issues. First, he had an extensive conference call with FHQC and Associates concerning the proposed draft report that was submitted. Attorney Oxford informed the Board that the report was very generic and did not provide the information requested. Therefore, he returned the report with a number of corrections, modifications, and questions. With this said, Attorney Oxford did advise the Board that the report confirmed the District's indigent care study levels at 50%, 125%, and 150%. Secondly, Attorney Oxford reported on meetings with the consultants for the hospital. According to Attorney Oxford, Edward Murrell and he met with the consultants that were performing a feasible study for the Hospital and learned that the consultant's preliminary assessment was to create short term, mid-term, and long term plan for the Hospital to become more profitable and provide better healthcare for the District's residents. In the short term, the consultant's recommendations were most likely going to focus on increasing hospital overnight stays by: 1) obtaining additional needed healthcare providers; 2) implementing new programs; and 3) updating the emergency room. Lastly, Attorney Oxford informed the Board that he was going to arrange a meeting with the LTC Group in the upcoming month to discuss their fees.

The final report was given by District's Indigent Care Director who presented the Board with monthly indigent care reports .These reports are attached as **Exhibit "D"**. In summary, the

District's indigent care cost that would have been incurred without an indigent care agreement with the Winnie Community Hospital during the month of April 2016 for thirty-nine (39) clients was \$9,951.95. Of the \$9,951.95, \$2,988.10, or 30%, was actually paid to cover prescription costs. The Board also noted that the hospital reported \$3,011.45 or 30% of the Hospital's costs was for Emergency Room expenses at the Medicare rate.


After the staff reports, Chairman Henry asked the Board to begin considering the action items on the Agenda. First, he asked the Board to consider Agenda Item No. 7, to discuss and take action, if necessary, on authorizing the District's Administrator to serve as the District's election officer for the November 2016 election and to prepare and post all notices orders required by the Texas Elections Code. According to Administrator Norris, three Board members were up for election in November 2016 and there were upcoming deadlines for the District to meet, including the Appoint an Agent as required by Section 31.123, Texas Election Code. Thereafter, a motion was made by Director Murrell to appoint Sherrie Norris as the District's agent in charge of District's obligations and duties for the upcoming November 6, 2016 election. This motion was seconded by Director Burgess, with the unanimous consent of all Board members present.

Next, Chairman Henry moved to Agenda Item No. 8, to discuss and take action, if necessary, on receiving the FQHC & Associates feasibility report. Since this matter was previously discussed by Attorney Oxford, no action was taken.

Finally, Chairman Henry asked the Board to discuss and take action, if necessary, on Agenda Item No. 9, to amend the District's Indigent Care Policy. In so doing, he asked Attorney Oxford to explain the need for this agenda item. Per Attorney Oxford, the Board needs to consider amending its Indigent Policy in order to provide ambulance services and to decide

whether to reduce the poverty rate from 150% to 50% in order to be able to provide increased healthcare services to the program participants. As such, Attorney Oxford requested a meeting with the Indigent Care Committee to consider some changes and additions to the programs he has identified after studying other governmental entities' programs. In regard to the ambulance service, Attorney Oxford explained that he understood the basis for any funding request from Winnie Stowell EMS ("EMS") was due to the amount of uncompensated care incurred by the EMS. Fortunately, Attorney Oxford advised the Board that there was a program through the State of Texas and the federal government to receive uncompensated reimbursements named the Ambulance Service Upper Payment Limit Program. Participants in this program do not have to make intergovernmental transfers and receive a proportion of the uncompensated care payments reimbursed by the state. However, he continued by explaining that in order for the EMS to participate in the program, the service providers must be employees of a governmental entity such as the local emergency services district. Given the history of each entity, Attorney Oxford suggested that he did not think merging the EMS into the Chambers County Emergency Service District No. 1 or any other entity was a viable option. After Attorney Oxford's explanation, several Board members informed those in attendance that the District was working toward establishing a grant program and the District would welcome grant request by the EMS service for equipment. Also, the District's Board advised that it still wanted to amend its Indigent Care Policy to reimburse the EMS for the cost of transporting the District's indigent clients. Otherwise, no action was taken.

Upon the conclusion of all the action items, Chairman Henry announced that the Board would meet again on June 29, 2016, not June 22, 2016, for its regularly scheduled meeting in June 2016. At 7:08 p.m., A motion was then made by Director Murrell to adjourn the meeting. This motion was seconded by Director Burgess, with the unanimous consent of all Board members.

  
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Elroy Henry, Chairman

  
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Jeff Rollo, Vice-Chairman