

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 25th day of July 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 Director Espinoza. In addition, to the above named Board members, also present at the meeting were: Sherrie Norris, District Administrator; Yani Jiminez, Indigent Care Director; and Hubert Oxford, IV, General Counsel; and citizens listed on **Exhibit “A”**.

At approximately 6:07 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 address Agenda Item No. 3, to consider and take action on reviewing and approving the minutes from the following meeting:

- June 29, 2016 Regular Meeting

After a review of the minutes, Director Murrell made a motion to approve the minutes for the June 29, 2016 Regular Meeting. This motion was seconded by Director Rollo, with the unanimous consent of all Board members present.

Next, 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 \$5,163,373.10 in its various accounts after the payment of \$52,876.38 in expenses. Included in this net cash position were: 1) \$1,984,938.58 in the District's Operating Account; 2) \$2,474,101.68 in the Interbank Account; 3) \$104,089.64 in a Prosperity CD; and 4) \$653,119.58 in its TexStar Account. In addition, Mrs. Norris reported to the Board that during the past month, the District paid \$151,480.75 in interest and has three payments coming due before the next meeting to: 1) the LTC's December 2015 and January 2016 invoice totaling \$571,188.64; 2) repay Loan 7 in the amount of \$3,610,000.00 on August 4, 2016; and 3) Genesis in the amount of \$760,269.23 for meeting their incentive and quality incentive goals. However, Mrs. Norris explained that the District was still receiving MPAP funds for the second month of Eligibility Period 2nd Quarter and the funds are all expected to be received before Loan 7 is due on August 4, 2016. (See **Exhibit "B"**). Thereafter, Director Murrell made a motion to approve the payment of bills and the financial statements presented by Mrs. Norris. (See **Exhibit "B"**). This motion was seconded by Director Rollo, with the unanimous consent of all Board members present.

After the approval of financial report and payment of invoices, Chairman Henry called on the Committee Chairman to provide reports, if any. The reports by each Committee Chair are as follows:

- **Finance Committee:** Chairman Murrell advised the committee had no report.
- **Indigent Healthcare Committee:** Vice President Rollo advised the Indigent Healthcare Committee had nothing to report.
- **Personnel Committee:** Vice President Rollo informed the Board his committee needed to meet to discuss the Administrator's salary.

- **Hospital Liaison:** Director Espinoza was not at the meeting to give a staff report but Director Burgess did requests that the hospital representatives at the meeting investigate a misdiagnosis involving her grandson in hopes of preventing a similar situation for other patients of the hospital.

Chairman Henry then called on staff to address Agenda Item No. 6, to discuss and take action on reports by staff. Mrs. Norris was first asked to give the Administrator's report. According to Mrs. Norris, the District received a request on the day of the meeting for information from its auditors so that the auditor could complete the 2014 and 2015 audit. Also, Mrs. Norris finalized travel plans for the upcoming THT Texas Healthcare Trustees Conference.

After Mrs. Norris's report, the District's Indigent Care Director presented the Board with monthly indigent care reports. These reports are attached as **Exhibit "C"**. 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 May 2016 for forty-three (44) clients, up from forty-three (43) clients, was \$12,961.83. Of this, \$5,393.95, or 41.61%, was actually paid to cover prescription costs. The Board inquired about Emergency Room Costs and was informed by the Indigent Care Director that the number of clients being treated in the Emergency Room was far less than those being treated in the clinic and the reason for the increase costs were due to the fact that emergency rooms costs are higher than clinics. In addition, Attorney Oxford advised that he has received confirmation that the Hospital did not seek reimbursement for Uncompensated Care payments through the emergency room for any of the District's clients. The concern, according to Attorney Oxford, was whether the Hospital was being paid by the District for indigent care and also getting paid for Uncompensated Care through the 1115 Waiver Program.

At the completion of Indigent Care Report, Attorney Hubert Oxford gave his Attorney's report. Attorney Oxford reported to the Board that there has not been much movement since the last meeting concerning the future of the Quality Improvement Payment Program ("QIPP") and the extension of Minimum Payment Amount Program ("MPAP). In particular, he has raised questions with LTC and state officials regarding whether QIPP program violated Article III, Section 52 of the Texas Constitution by pledging the credit of the State of Texas and whether the program, as being discussed, requires political subdivisions of the State of Texas to pledge public funds for private entities without receiving anything in return. Otherwise, Attorney Oxford advised the Board that he had two additional issues to discuss in Executive Session regarding litigation.

Next, Chairman Henry requested the Board to attend to Agenda Item No. 7, to discuss and take action, if necessary; on approving the election contract with the Chambers County Clerk's Office and approve any necessary notices of publication. However, he was informed by Attorney Oxford that this agenda item needed to be tabled because the District had not received the proposed contract from the County. Thus, no action was taken on this agenda item.

Upon the conclusion of all the Agenda Items, Chairman Henry asked the Board to go into Executive Session at 7:16 p.m. to for the purpose of consulting with legal counsel pursuant to Chapter 551.071 of the Texas Government Code and to discuss personnel matters per Chapter 551.074 of the Texas Government Code. The Board came out of Executive Session at 8:42 p.m. and took no action.

Immediately after the Executive Session, Chairman Henry asked the Board if there was any further business. There being none, Chairman Henry advised the Board that the next Regularly Scheduled Board meeting would be on August 17, 2016 at 6:00 p.m. At 8:28 p.m., a motion was then made by Director Rollo to adjourn the meeting. This motion was seconded by Director Murrell, with the unanimous consent of all Board members.



Elroy Henry, Chairman



Jeff Rollo, Vice-Chairman