

MINUTES OF THE PUBLIC HEATING AND 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 ten days prior to the meeting in the Hometown Press pursuant to Section 286.125 of the Texas Health & Safety Code and Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 5:00 p.m. on the 22nd day of February 2017, 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:

Ed Murrell, President
Jeff Rollo, Vice-President
Raul Espinosa, Secretary
Sharon Burgess, Director
Anthony Stramecki, Director

All said Board members were present with the exception of Vice President Rollo. In addition, to the above named Board members, also present at the meeting were:; Sherrie Norris, District Administrator; Yani Jiminez, District’s Indigent Care Director, Hubert Oxford, IV, General Counsel; David Sticker, District CPA; Mr. Mo Danishmund, Riceland Hospital Chief Financial Officer; Tony King, Chambers County Sherriff’s Office; Rebekah McDonald, the Hometown Press; and Gloria Roemer.

At 6:04 p.m., President Murrell called the Regular Meeting of the Board of Directors of Winnie Stowell Hospital District to order. After a quorum was established, since there was no public comment, President Murrell asked the Board to consider and take action on Agenda Item No. 3, to review and approve the minutes of the January 25, 2017 Regular Meeting. The Board reviewed the minutes and then Director Burgess made a motion to approve the January 25, 2017

Regular Meeting minutes. This motion was seconded by Director Espinosa with the unanimous consent of the entire Board.

After the approval of the minutes, the Board was asked to address Agenda Item No. 4, to review and approve financials report; payment of invoices, and amend budget, if necessary. Mrs. Norris and the District's CPA, David Sticker, provided the Board with a number of documents including 1) Balance Sheet; 2) year to date Profit Loss Statement; and 3) and a list of invoices, along with the invoices attached, to be approved by the Board. (*See Exhibit "A"*). Per Administrator Norris, as of the meeting, the District had a total \$5,271,533.19 in its various bank accounts, including \$2,400,493.21 in its Prosperity Bank account. Otherwise, the District's total assets were \$10,681,698.60 and liabilities of \$9,031,270.48 and equity of \$1,668,428.12. In regard to expenses for the month, Mrs. Norris presented the Board with \$31,989.44 in expenses and informed the Board that she was still expecting the District's August 2016 final MPAP payment after which the District would pay: 1) its Managers for the incentive fees pursuant to the Management Agreements and 2) LTC for its final invoice, August 2016. After an extensive discussion on the District's finances by Administrator Norris and Mr. Sticker, Director Burgess made a motion to approve the payment of bills and the financial statements presented by staff. (*See Exhibit "A"*). This motion was seconded by Director Espinosa, with the unanimous consent of all Board members present.

Next up for consideration was Agenda Item No. 5, Committee reports. There were no committee reports but Director Espinosa updated the Board, as the Hospital's Liaison, on the status of the preventative measures to stop the Hospital flooding issues. As reported last month, Director Espinosa, followed up on his report regarding Hospital flooding issues by informing the Board that the pumps purchased by the hospital to resolve the flooding issues have been installed and are

working and the pipelines have been replaced. Therefore, flooding should no longer be a problem at the hospital.

Moving to staff reports as set forth in Agenda Item No. 6, President Murrell called on staff as follows:

- a. District Administrator: Administrator Norris had nothing to report.
- b. District Indigent Care Director: The District's Indigent Care Director, Yani Jimenez then reported that in January 2016 the District's indigent client count was at 54 clients. She also reported that if the District were to receive invoices from the Hospital and local pharmacies, the bills would have amounted to \$26,221.03 however, if paid, the District's expenses would have been \$10,750.61 in addition to the 1,703.82 actually paid to Wilcox pharmacy for the pharmaceutical needs of the District's indigent clients. (See **Exhibit "B-6(b)-1"**). In addition, Ms. Jimenez presented the Board with a PowerPoint presentation prepared by Attorney Oxford for his meeting with Commissioner Gore and President Murrell. (See **Exhibit "B-6(b)-2"**). Per Mrs. Jimenez, the presentation summarizes the District's service to indigent from 2011 to 2016. In 2016, the average cost per indigent client was \$2,596.93. Lastly, Mrs. Jimenez informed the Board that the Rose Mobile Mammogram program was scheduled to take place on March 2, 2017. So far, there were thirteen (13) residents signed up to receive free mammograms.
- c. District Accountant/CPA: Per Mr. Sticker, he had nothing further to report as he gave his presentation during the discussion of Agenda Item No. 4.
- d. District General Counsel: Attorney Oxford advised he had had a number of issues to discuss but he also requested to go into Executive Session in order to enable the Board to consult with their attorney as provided for in Chapter 551.071 of the Texas Government

Code. However, outside of Executive Session, Attorney Oxford presented the Board with an update on the MPAP extension in the form of a proposed Press Release and expressed optimism that the extension for Eligibility Period 3 will move forward. (See **Exhibit “B-6(d)-1”**). Likewise, he submitted a copy of an extensive e-mail to the District’s Auditor explaining the need for the completion of the 2014 and 2015 Audits. (See **Exhibit “B-6(d)-2”**). Additionally, he informed the Board of an upcoming meeting with a potential new lender that is a traditional bank who has expressed interest in working with the District to assist in nursing home operations cash flow, including intergovernmental transfers for the Quality Incentive Payment Program.

- e. Report by ECISD: There was no East Chambers Independent School District report.
- f. LTC Report: LTC submitted their report for January 2017 and the report can be found in **Exhibit “B-6(f)”**.
- g. Hospital Report: Lastly, President Murrell called on Mo Danishmund to give the Hospital report. Mr. Danishmund asked that Attorney Oxford report to the Board on his conversations with the proposed project manager for the Emergency Room, Bob Walker. Attorney Oxford explained that he had reached to Mr. Walker to verify his interest in working with the District and the Hospital and to find out the next step in the planning phase for the construction of an emergency room. According to Attorney Oxford, Mr. Walker recommended that the District, or the Hospital, hire an architect to design the emergency room. The architect recommended was Joe Niles with the Morris firm. After an architect completed the drawings, Mr. Walker informed Attorney Oxford he was available to assist the District to manage the construction of the facility so that all the

District's funds would be properly accounted for and spent as specified. (See **Exhibit "B-6(g)"**).

Following the reports, President Murrell called the Board into executive session for consultations with legal counsel pursuant Chapter 551.071 of the Texas Government Code at 7:08 p.m. The Board reconvened in open meeting at 8:13 p.m. No action was taken in executive session.

After the return from executive session, President Murrell asked the Board to address Agenda Item No. 8, to discuss and take action, if necessary, on the District's participation in the nursing home Quality Incentive Payment Program ("QIPP") and the acquisition of additional nursing facilities. Attorney Oxford gave the Board an update on the QIPP program and explained that he had been working with HMG to process the Change of Ownership ("CHOW") forms for the six (6) additional nursing homes discussed at the last Board meeting but was also recently approached about acquiring four three (3) additional facilities. However, these three facilities were outside of the 150 mile rule from the District and if the District were to acquire these facilities, the District and the facilities would have to obtain a waiver from the State so that they CHOW could move forward. Regardless, attorney Oxford recommended moving forward with all of the CHOWs because the District had until April 1, 2017 to make a final decision on whether to finalize the acquisitions. During this time, Attorney Oxford informed the Board that he would be working with the nursing facilities to obtain information on their ability to perform in the QIPP and to negotiate the transfer documents for each facility. Lastly, Attorney Oxford informed the Board that he was almost ready to for a special meeting so that he could provide more accurate information on the QIPP program as well as its costs and potential revenue. With this, Attorney Oxford asked for a motion to 1) affiliate with nursing homes listed below; 2) approves the

execution of associated transactional documents; 3) the opening of new bank accounts as needed to proceed through CHOW applications; and 4) to prepare to participate in QIPP.

	Facility	Address
1.	Garrison Nursing Home and Rehabilitation Center, LLC	333 North Fm 95, Garrison, TX 75946
2.	Golden Villa Healthcare, LLC	1104 S William St, Atlanta, TX 75551
3.	Highland Park Health Center	2714 Morrison Street, Houston, Texas 77009
4.	Marshall Manor Nursing & Rehabilitation Center	1007 S Washington Ave, Marshall, TX 75670
5.	Marshall Manor West	207 W Merritt St, Marshall, TX 75670-6240
6.	Rose Haven Retreat	200 Live Oak St, Atlanta, TX 75551
7.	Spring Branch Transitional Care Center, LLC	1615 Hillendahl Blvd, Houston, TX 77055
8.	Clairmont Beaumont	1020 S 23rd St, Beaumont, TX 77707
9.	Hallettsville Rehabilitation and Nursing Center	825 Fairwinds St, Hallettsville, TX 77964
10.	Monument Hill Rehabilitation and Nursing Center	120 Texas 71, La Grange, TX 78945
11.	Oak Manor Nursing Center	624 N Converse St, Flatonia, TX 78941
12.	Oakland Manor Nursing Center	1400 N Main St, Giddings, TX 78942
13.	The Woodlands Healthcare Center	4650 S Panther Creek Dr, Spring, TX 77381
14.	Park Manor of Conroe	1600 Grad Lake Drive Conroe, TX 77304
15.	Park Manor of CyFair	11001 Crescent Moon Drive Houston, TX 77064
16.	Park Manor of Cypress Station	420 Lantern Bend Drive Houston, TX 77090
17.	Park Manor of Humble	19424 McKay Drive Humble, TX 77338
18.	Park Manor of Quail Valley	2350 FM 1092 Missouri City, TX. 77459
19.	Park Manor of Westchase	11910 Richmond Ave Houston, TX 77082
20.	Heritage at Longview Healthcare Center	Longview, Texas
21.	Marshall Health and Rehabilitation Center	Marshall, Texas
22.	Bonner Street Plaza	Jacksonville, Texas.

This motion was made by Director Espinosa and seconded by Director Stramecki and unanimously approved by all members present.


Given this approval to move forward with the CHOWs for each of the nursing homes, President Murrell then asked the Board for approval of Agenda Item No. 8, to discuss and take action, if necessary, on the payment of one-half the cost of Fair Market Value Appraisals for new facilities. President Murrell then explained that as with the original thirteen (13) nursing homes, the District would need to have fair market value appraisals performed on the Management Agreements for the additional nine (9) nursing homes and requested authority to pay up to one-half of these appraisals as was done in the past. After this explanation, a motion was made by Director Espinosa to approve the payment for up to half of the Fair Market Value appraisals for the Management Agreements in anticipation of the CHOW Process and QIPP Program for the following facilities:

	Facility	Address
1.	Park Manor of Conroe	1600 Grad Lake Drive Conroe, TX 77304
2.	Park Manor of CyFair	11001 Crescent Moon Drive Houston, TX 77064
3.	Park Manor of Cypress Station	420 Lantern Bend Drive Houston, TX 77090
4.	Park Manor of Humble	19424 McKay Drive Humble, TX 77338
5.	Park Manor of Quail Valley	2350 FM 1092 Missouri City, TX. 77459
6.	Park Manor of Westchase	11910 Richmond Ave Houston, TX 77082
7.	Heritage at Longview Healthcare Center	Longview, Texas
8.	Marshall Health and Rehabilitation Center	Marshall, Texas
9.	Bonner Street Plaza	Jacksonville, Texas.

This motion was seconded by Director Stramecki and unanimously approved by all the Board members present.

There being no further business to discuss, President Murrell informed the Board that the next regularly scheduled meeting would be on March 22, 2017 in order to compensate for Spring Break. Then, at 8:19 p.m., a motion was made by Director Espinosa to adjourn the meeting. This

motion was seconded by Director Burgess and unanimously approved by all the Board members present.


Edward Murrell, President


Jeff Rollo, Vice-President