

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 March 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 Directors Anthony Stramecki and Sharron Burgess. 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; Charles Blan, Empower Texans; Gloria Roemer, Seabreeze Beacon; Hazel Meaux; Chris Portner, counsel for Riceland Hospital; Riceland Hospital Chief Financial Officer, Mo Danishmund; Tony King, Chambers County Sherriff’s Office; and Rebekah McDonald, the Hometown Press.

At 6:02 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 February 22, 2017 Regular Meeting. The Board reviewed the minutes and then Director Espinoza made a motion to approve the February 22,

2017 Regular Meeting minutes. This motion was seconded by Director Rollo 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; 3) Check Register; 4) Trial Balances; and 5) a list of Open 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 \$3,398,424.40 in its various bank accounts, including \$2,638,773.30 in its Prosperity Bank account. Otherwise, the District's total assets were \$9,949,459.64 and liabilities & equity of \$9,949,459.64. As for the monthly Profit & Loss statement for the year, the District has had revenues of \$123,824.54 and expenses of \$277,996.45 showing a net income of negative \$154,171.91. However, despite this overage in expenses, the District is well within in budget for the year. In regard to expenses for the month, Mrs. Norris presented the Board with \$15,204.57 in open invoices. After an extensive discussion on the District's finances by Administrator Norris and Mr. Sticker, Director Rollo made a motion to approve the payment of bills and the financial reports 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. This month, the various Committee Chairpersons informed President Murrell that they did not have anything to report. Therefore, President Murrell called on staff to present their reports pursuant to Agenda Item No. 6. Staff reports were as follows:

- a. **District Administrator:** Administrator Norris presented a letter to Genesis requesting reimbursement for legal fees incurred by the District as a result of Attorney Oxford's work on securing HUD loans for Clairmont and the Woodland's facilities. According to Administrator Norris, the District is seeking \$26,700.00 in fee expenses pursuant to its earlier agreement with Genesis to repay the District for 100% of the costs after August 2015 resulting from these two loan transactions. (See **Exhibit "B"**).
- b. **District Indigent Care Director:** The District's Indigent Care Director, Yani Jimenez then reported that in February 2016, the District was providing health care to fifty-four (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 \$31,734.00 however, if paid, the District's expenses would have been \$17,552.88 of which \$4,541.94 was actually spent on Prescription Drugs. (See **Exhibit "C"**).
- 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. Moving forward, Mr. Sticker's report will be considered during consideration of financial matters.
- d. **District General Counsel:** Attorney Oxford advised he had had a number of issues to discuss. First, Attorney Oxford reviewed a prior e-mail sent to the Board and attached hereto as **Exhibit "D-1"**. According to Attorney Oxford, the State of Texas is proposing a global settlement with all Non-State Owned Nursing Facilities to resolve any outstanding reconciliations with the MPAP program. If the settlement is approved, the amount due to the District is \$5,063,689.11, of which \$2,348,075.09 would belong to the District. Attorney Oxford explained, if this is paid, the amount the District would net off of the UPL and MPAP program would be around \$7,386,035.89. In addition, Attorney

Oxford presented the Board with the Benckenstein & Oxford, LLP legal fee summary for 2016. (See **Exhibit “D-2”**). According to Attorney Oxford, the firm’s legal invoices for 2016 equaled \$207,600.00 after the \$27,600.00 due from Genesis is paid.

- e. **Report by ECISD:** There was no East Chambers Independent School District report.
- f. **LTC Report:** LTC submitted their report for February 2017 and the report can be found in **Exhibit “(E)”**.
- 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, proposed project manager. Attorney Oxford explained that Mr. Walker requested permission to organize a meeting with the Hospital, District representatives, and proposed architects to discuss the Emergency Room project and a plan to move forward with the project in a manner that cost efficient and transparent. This meeting was tentatively set for April 4, 2017.

Following the staff reports, President Murrell asked the Board to address Agenda Item No. 7, 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. According to Attorney Oxford, there was no action to be taken on this agenda item.

President Murrell then asked the Board to consider Agenda Item No. 8, to discuss and take action, if necessary, on approving indigent care healthcare requests that fall outside of the Board’s policy. After being recognized to speak, Assistant Administrator Jimenez explained to the Board that over the last month, the District has received at least three requests for services that were not provided for in the District Indigent Care Policy (“Policy”). Specifically, one


client received a bill from the Winnie Stowell EMS, and two others needed minor surgeries. Mrs. Jiminez requested that the Board consider amending its policies to allow for healthcare treatment not currently provided for in the Policy. Since there have been fewer than ten requests per year for healthcare services that fall outside of the District's policy, Mrs. Jiminez and Attorney Oxford suggested the Board consider amending the Policy to enable the District to healthcare services not required by Chapter 61 of Texas Health and Safety Code on a case by cases basis. However, the two deferred to the Board. President Murrell then asked the Indigent Healthcare Committee to meet and consider alternatives. Otherwise, no action was taken.

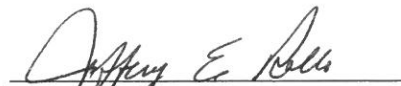
After the discussion on amending the District's Indigent Care Policy was completed, the Board was asked to consider and take action on Agenda Item No. 9, to discuss and taken action, if necessary, on authorizing staff to apply for a credit card with Prosperity Bank on behalf of the District. Per Administrator Norris, Prosperity Bank requested Board approval for the credit card application before considering the District's requests. Therefore, a motion was made by Director Rollo to allow staff to apply for a District credit card with Prosperity Bank. This motion was seconded by Director Espinoza and unanimously approved by all Board members present.

Lastly, the Board was asked to take no action on Agenda Item No. 10, to discuss receiving and approving the District's audits for 2014 and 2015 because the audits were not completed. However, Attorney Oxford informed the Board that he had talked to the Auditor, Tommy Davis and exchanged e-mails with Mr. Davis, who assured him the audit would be complete by the April 2017 Regular Meeting if he was able to obtain the last remaining pieces of information from the District's nursing home managers. (See **Exhibit "F"**).

There being no further business to discuss, President Murrell informed the Board that the next regularly scheduled meeting would be on April 19, 2017. At 7:08 p.m., a motion was made

by Director Rollo to adjourn the meeting. This motion was seconded by Director Espinoza and unanimously approved by all the Board members present.


Edward Murrell, President


Jeff Rollo, Vice-President