

## **MINUTES OF THE SPECIAL 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 5:30 p.m. on the 12th of April, 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. In addition, to the above named Board members, also present at the meeting were: Sherri Norris, District Administrator; Hubert Oxford, IV, General Counsel; Yani Jiminez, Indigent Care Director; Wade Thibodeaux, Hometown Press; Gloria Roemer, Seabreeze Beacon; and Deputy Tony King, Chambers County Sheriff’s Office.

At approximately 5:30 p.m., a quorum was established and President Murrell made introductions that were followed by a request for public comment. There being no public comment, President Murrell asked the Board to address Agenda Item No. 3, to discuss and take action, if necessary, on hiring Denton Firm to prepare a legal opinion regarding the funding of Intergovernmental Transfers. Attorney Oxford presented the Board with an engagement letter and explained that he recommended the Board engage Charles Luband with the Dentons firm for an attorney opinion concerning whether funds received from a nursing home upper payment limit program that have been deposited through a government receivable account and then a commercial account becomes fungible, the same way

other government receivables do, so that these funds can be used as collateral for other loans. (See **Exhibit “A”**). If the opinion is rendered that these funds are fungible and subject to be used as collateral, the District would have additional lending opportunities that would cost far less than the prior nursing home loans. Attorney Oxford further explained that a legal opinion by a respected lawyer who has expertise in an area, such as Mr. Luband has with Medicare and Medicaid, can be relied on by the District for legal precedent. He also explained that this opinion would be used by Post Oak Bank in evaluating any loans to the District. Thereafter, a motion was made Director Burgess to approve the engagement letter by Mr. Charles Luband with the Dentons firm as set for the in **Exhibit “A”** to render a legal opinion on whether former supplemental funds from the District’s participation in the Upper Payment Limit Program and Minimum Payment Amount Program (“MPAP”) can become fungible and appropriate to use as collateral for a loan. This motion was seconded by Director Rollo and approved by all Board members present.

Following the discussion on the legal opinion, President Murrell called on Attorney asked the Board to address agenda Item No. 4, to discuss and take action, if necessary, on considering settlement offer from the State of Texas for Eligibility Period 1 and 2 of the Minimum Payment Amount Program. Again, Attorney Oxford was called on to explain this agenda item. Per Attorney Oxford, the State of Texas set an April 14, 2017 deadline for Non-State Owned Governmental Entities (“NSGOs”) participating in the MPAP program to approve the settlement offer by the Texas Health and Human Services Commission to resolve all outstanding reconciliations due from the MPAP program. (See **Exhibit “B”**). Attorney Oxford presented the Board with the proposed settlement and settlement figures proposed by the State and explained that he did not anticipate the numbers changing but suggested that the form of the settlement may

change to an "Interlocal Agreement" among NSGOs. After the discussion, a motion was made by Director Burgess to accept the settlement offer by the State of Texas for the MPAP reconciliations with all the NSGOs. This motion was seconded by Director Rollo with the unanimous consent of all Board members present.

There being no other business, President Murrell advised the Board that the next Regularly Scheduled Board meeting would be on April 19, 2017 at 6:00 p.m. At 6:45 p.m., a motion was then made by Director Espinosa to adjourn the meeting. This motion was seconded by Director Burgess, with the unanimous consent of all Board members.

  
Edward Murrell, President

  
Jeff Rollo, Vice-President