

Exhibit “A”

Winnie-Stowell Hospital District

Cash Position Report

As of April 19, 2017

Accrual Basis

	Apr 19, 17
ASSETS	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	2,007,889.77
102 Prosperity Bank - CD#0447	104,469.73
105 TexStar	655,430.18
107 Graham InterBank	100.00
Total Checking/Savings	<u>2,767,889.68</u>
Total Current Assets	<u>2,767,889.68</u>
TOTAL ASSETS	<u>2,767,889.68</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	22,697.94
Total Accounts Payable	<u>22,697.94</u>
Total Current Liabilities	<u>22,697.94</u>
Total Liabilities	<u>22,697.94</u>
TOTAL LIABILITIES & EQUITY	<u>22,697.94</u>

Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of April 19, 2017

Accrual Basis

	Jan - Dec 17	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	162,504.60	560,000.00	-397,495.40	29.0%
405 Investment Income	2,516.07	5,800.00	-3,283.93	43.4%
409 Tobacco Settlement	0.00	9,000.00	-9,000.00	0.0%
Total Income	165,020.67	574,800.00	-409,779.33	28.7%
Expense				
500 Admin-Administrative Salary	15,650.00	48,000.00	-32,350.00	32.6%
501 Admin-Security	500.00	1,200.00	-700.00	41.7%
504 Admin-Administrators PR Tax	1,682.84	4,000.00	-2,317.16	42.1%
505 Admin-Board Bonds	50.00	100.00	-50.00	50.0%
515 Admin-Bank Service Charges	80.00	360.00	-280.00	22.2%
521 Professional Fees - Acctng	8,281.25	30,000.00	-21,718.75	27.6%
522 Professional Fees-Auditing	0.00	15,000.00	-15,000.00	0.0%
523 Professional Fees - Legal	24,929.00	110,000.00	-85,071.00	22.7%
550 Admin-D&O / Liability Ins.	486.00	15,000.00	-14,514.00	3.2%
560 Admin-Cont Ed, Travel	0.00	10,000.00	-10,000.00	0.0%
561 Admin-Cont Ed-Medical Pers.	0.00	0.00	0.00	0.0%
562 Admin-Travel&Mileage Reimb.	56.71	1,000.00	-943.29	5.7%
569 Admin-Meals	1,578.22	500.00	1,078.22	315.6%
570 Admin-District/County Prom	75.68	500.00	-424.32	15.1%
571 Admin-Office Supplies/Post	441.59	3,600.00	-3,158.41	12.3%
572 Admin-Web Site	529.03	500.00	29.03	105.8%
573 Admin-Copier Lease/Contract	546.55	1,500.00	-953.45	36.4%
575 Admin-Cell Phone Reimburse	600.00	1,200.00	-600.00	50.0%
576 Admin-Telephone/Internet	684.78	2,000.00	-1,315.22	34.2%
591 Admin-Notices & Fees	0.00	100.00	-100.00	0.0%
600 East Chambers ISD Partnersh	60,000.00	180,000.00	-120,000.00	33.3%
601 IC-Pmt to Hosp Equipment	0.00	0.00	0.00	0.0%
602 IC-WCH 1115 Waiver Prog	91,335.09	275,000.00	-183,664.91	33.2%
603 IC-Pharmaceutical Costs	21,218.13	48,000.00	-26,781.87	44.2%
604 IC-Non Hosp. Cost	0.00	300.00	-300.00	0.0%
605 IC-Office Supplies/Postage	534.08	100.00	434.08	534.1%
606 IC-Pmt to Hosp-ER	0.00	2,000,000.00	-2,000,000.00	0.0%
611 IC-Indigent Care Dir Salary	9,300.00	25,000.00	-15,700.00	37.2%
612 IC-Payroll Taxes -Ind Care	388.51	2,400.00	-2,011.49	16.2%
615 IC-Software	4,236.00	12,000.00	-7,764.00	35.3%
616 IC-Travel	0.00	500.00	-500.00	0.0%
634 NH Program-Legal Fees	31,855.35			
637 NH Program-Interest Expense	49,985.75	50,000.00	-14.25	100.0%
653 Service Fee	90.00			
Payroll Expenses	378.26			
Total Expense	325,492.82	2,837,860.00	-2,512,367.18	11.5%
Net Income	-160,472.15	-2,263,060.00	2,102,587.85	7.1%

Winnie-Stowell Hospital District

Register: 100 Prosperity Bank -Checking

From 03/22/2017 through 04/19/2017

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/22/2017	2178	Tony King	Accounts Payable	Security RM- ...	100.00	X		2,638,034.78
03/23/2017			109 Bank Transfer Clea...	To Pay Genesis ...	633,534.25	X		2,004,500.53
03/23/2017			515 Admin-Bank Servic...	FEE-To Pay Ge...	20.00	X		2,004,480.53
03/23/2017		QuickBooks Payroll S...	Direct Deposit Liabilities	Created by Payr...	2,660.20	X		2,001,820.33
03/24/2017	2170	Benckenstein & Oxford	523 Professional Fees - ...	Inv 48396 (Leg...	5,504.00	X		1,996,316.33
03/24/2017	DD1044	Jimenez, Deyanira	-split-	Direct Deposit		X		1,996,316.33
03/24/2017	DD1045	Norris, Sherrie	-split-	Direct Deposit		X		1,996,316.33
03/27/2017	2169	American Express	571 Admin-Office Supp...	Inv Feb	280.88	X		1,996,035.45
03/27/2017	2172	David Sticker	521 Professional Fees - ...	Inv 19476	2,687.50	X		1,993,347.95
03/27/2017	2176	Josh Heinz	523 Professional Fees - ...	Mar 1/2 Legal ...	500.00	X		1,992,847.95
03/28/2017	2174	Hubert Oxford	523 Professional Fees - ...	Mar 1/2 Legal ...	500.00	X		1,992,347.95
03/29/2017	2171	Brookshire Brothers	603 IC-Pharmaceutical ...	IC-Feb Rx's	3,204.65	X		1,989,143.30
03/29/2017	2173	Function 4 (fka Star ...	573 Admin-Copier Leas...	Inv 522750	31.25	X		1,989,112.05
03/29/2017	2175	Indigent Healthcare S...	615 IC-Software	Inv 63874	1,059.00	X		1,988,053.05
03/31/2017			405 Investment Income	Accr Earning P...		X	601.36	1,988,654.41
03/31/2017	2177	Wilcox Pharmacy	603 IC-Pharmaceutical ...	IC-Feb Rx's	1,337.29	X		1,987,317.12
04/04/2017		Brookshire Brothers	603 IC-Pharmaceutical ...	Deposit		M	33.96	1,987,351.08
04/06/2017	995016	ECISD	600 East Chambers ISD...	Check 16 of 20	15,000.00	M		1,972,351.08
04/06/2017		QuickBooks Payroll S...	Direct Deposit Liabilities	Created by Payr...	2,716.91	M		1,969,634.17
04/07/2017	DD1046	Jimenez, Deyanira	-split-	Direct Deposit		X		1,969,634.17
04/07/2017	DD1047	Norris, Sherrie	-split-	Direct Deposit		X		1,969,634.17
04/11/2017		IRS	504 Admin-Administrat...	ACH Payment L...	1,719.20	M		1,967,914.97
04/12/2017	2179	Tony King	Accounts Payable	Security-Apr SM	100.00	M		1,967,814.97
04/14/2017		Tx Comptroller	400 Sales Tax Revenue	ACH Deposit C...		M	40,245.96	2,008,060.93
04/17/2017		Time Warner Cable	576 Admin-Telephone/L...	ACH Payment ...	171.16	M		2,007,889.77

Winnie-Stowell Hospital District
Open Invoices for Approval
As of April 19, 2017

<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Due Date</u>	<u>Open Balance</u>
American Express				
04/19/2017	Inv Mar		04/29/2017	89.31
Total American Express				89.31
Benckenstein & Oxford				
04/19/2017	Inv 48437 (Jan Legal Fees)		04/29/2017	11,057.10
Total Benckenstein & Oxford				11,057.10
Brookshire Brothers				
04/19/2017	IC-Mar Rx's		04/29/2017	5,242.90
Total Brookshire Brothers				5,242.90
David Sticker				
04/19/2017	Inv 19648		04/29/2017	2,468.75
Total David Sticker				2,468.75
Function 4 (fka Star Graphics-Contract)				
04/19/2017	Inv 529448		04/29/2017	35.22
Total Function 4 (fka Star Graphics-Contract)				35.22
Hubert Oxford				
04/19/2017	1/2 April Retainer		04/29/2017	500.00
Total Hubert Oxford				500.00
Indigent Healthcare Solutions, LTD				
04/19/2017	Inv 64017 (May)		04/29/2017	1,059.00
Total Indigent Healthcare Solutions, LTD				1,059.00
Josh Heinz				
04/19/2017	1/2 April Retainer		04/29/2017	500.00
Total Josh Heinz				500.00
Tony King				
04/19/2017	Security-RM March		04/29/2017	100.00
Total Tony King				100.00
Wilcox Pharmacy				
04/19/2017	IC-Mar Rx's		04/29/2017	1,645.66
Total Wilcox Pharmacy				1,645.66
TOTAL				22,697.94



**Corporate Card
Statement of Account**

RECEIVED

APR 05 2017

**Sign-up For Online
Statements**

www.americanexpress.com/checkyourbill

Prepared For
**SHERRIE NORRIS
WINNIE STOWELL HOSP**

Account Number
XXXX-XXXXX4-11004

Closing Date
03/30/17

Page 1 of 3

Previous Balance \$	New Charges \$	Other Debits \$	Payments \$	Other Credits \$	Balance Due \$
280.88	89.31	0.00	280.88	0.00	89.31

Please Pay By 04/14/17

For important information regarding your account refer to page 2.

Payment is due in full. Please pay by 04/14/17 to allow time for your payment to be received by us and credited to your account.

To manage your Account online or to pay your bill, please visit us at corp.americanexpress.com. For additional contact information, please see the reverse side of this page.

Corporate Card Snapshot

Card Number	Card	New Charges + Other Debits	Payments + Other Credits
XXXX-XXXXX4-11004	SHERRIE NORRIS	0.00	-280.88
XXXX-XXXXX4-11012	SHERRIE NORRIS	89.31	0.00
	Total	89.31	-280.88

Activity

Date reflects either transaction or posting date

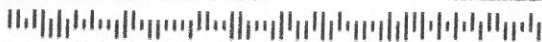
Card Number	Reference Code	Amount \$
XXXX-XXXXX4-11004		
03/25/17	PAYMENT RECEIVED - THANK YOU 03/25 04726000000	-280.88
Total for SHERRIE NORRIS	New Charges/Other Debits Payments/Other Credits	0.00 -280.88

↓ Please fold on the perforation below, detach and return with your payment ↓

Do not staple or use paper clips

Payment Coupon

AB 01 025100 91001 B 89 A



**SHERRIE NORRIS
WINNIE STOWELL HOSP
538 BROADWAY
WINNIE TX 77665**

TX 77665

Account Number
3787-512624-11004

Payable upon receipt in U.S. Dollars.

**Please Pay By
04/14/17**

Enter 15 digit account number on all payments.

**Amount Due
\$89.31**

Checks or drafts must be drawn against banks located in the U.S.

Check here if address, telephone number, or e-mail address has changed. Note changes on reverse side.

Mail Payment to:



**AMERICAN EXPRESS
P.O. BOX 650448
DALLAS TX 75265-0448**



0000378751262411004 000008931000008931 30HH

1197

Payments: Your American Express® Corporate Card statement is payable in full upon receipt. Payments received after 5:00 pm may not be credited until the next day. Payments must be sent to the payment address shown on your statement and must include the remittance coupon from your statement. Payments must be made in US currency, with a single draft or check drawn on a US bank and payable in US dollars or with a single negotiable instrument payable in US dollars and clearable through the US banking system, or through an electronic payment method clearable through the US banking system. Your Account number must be included on or with all payments. If payment does not conform to these requirements, crediting may be delayed and additional Charges may be imposed. If we accept payment made in a foreign currency, we will choose a conversion rate that is acceptable to us to convert your remittance into US currency, unless a particular rate is required by law. Please do not send post-dated checks. They will be deposited upon receipt. Our acceptance of any payment marked with a restrictive legend will not operate as an accord and satisfaction without our express prior written approval.

Authorization for Electronic Debit: We will process checks electronically, at first presentment and any re-presentments, by transmitting the amount of the check, routing number, account number, and check serial number to your financial institution, unless the check is not processable electronically or a less costly process is available. By submitting a check for payment, you authorize us to initiate an electronic debit from your bank or asset account. When we process your check electronically, your payment may be debited to the bank or asset account as soon as the same day we receive your check, and you will not receive that cancelled check with your bank or asset account statement. If we cannot collect the funds electronically we may issue a draft against the bank or asset account for the amount of the check. If you currently send in an individual payment for expenses on the Corporate Card, please note that you are eligible to pay your bill online.

Authorizations for Electronic Payments: By using Pay by Computer, Pay by Phone or any other electronic payment service of ours, you will be authorizing us to initiate an electronic debit to the financial account you specify in the amount you request. Payments received after 5:00 pm may not be credited until the next day.

Transactions Made in Foreign Currencies: If you incur a Charge in a foreign currency, it will be converted into US dollars on the date it is processed by us or our agents. Unless a particular rate is required by applicable law, we will choose a conversion rate that is acceptable to us for that date. Currently the conversion rate that we use for a Charge in a foreign currency is no greater than (a) the highest official conversion rate published by a government agency, or (b) the highest interbank conversion rate identified by us from customary banking sources, on the conversion date or the prior business day, **in each instance increased by 2.5%**. This conversion rate may differ from rates in effect on the date of your Charge. Charges converted by establishments (such as airlines) will be billed at the rates such establishments use.

In Case of Errors or Questions About Your Bill: If you think your bill is incorrect, or if you need more information about a transaction on your bill, please call 1-800-528-2122 or the number on the back of your Card. You can also write us on a separate sheet of paper at the Customer Service address noted to the right. Requests for refunds of credit balances (designated "CR") should be made by calling us at 1-800-528-2122 or the number on the back of your Card. Billing disputes can also be initiated online. This applies to Corporate Cards only, not Cards issued under the Corporate Defined Express Program.

In Case of Errors or Questions About Electronic Transfers: Please contact us by calling 1-800-IPAY-AXP for Pay By Phone, Pay By Computer issues and automatic payment issues.

When Contacting Us Regarding Errors or Questions: We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. When contacting us, please give us the following information: 1. Your name and account number; 2. The dollar amount of the suspected error; 3. Describe why you believe there is an error. If you need more information, describe the item you are unsure about. You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.



Manage your Card account online at:
www.americanexpress.com/checkyourbill



For all further inquiries or to pay by phone, please call the number on the back of your Card.

If your Card has been lost or stolen, please call 1-800-528-2122

International Collect:
 1-336-393-1111

Hearing Impaired Services:
 TTY: 1-800-221-9950
 FAX: 1-800-695-9090

Large Print and Braille Statements:
 1-800-528-2122



Customer Service
 P.O. Box 981531
 El Paso, TX
 79998-1531

Payments
 P.O. BOX 650448
 DALLAS TX
 75265-0448

Change of Address
 If correct on front do not use

Name																								
Company Name																								
Street Address																								
City, State																								
Zip Code																								
Area Code and Home Phone																								
Area Code and Work Phone																								
Email																								

Providing your email address to American Express will enable you to receive special offers, suited to your needs.



Prepared For
SHERRIE NORRIS
WINNIE STOWELL HOSP

Account Number
XXXX-XXXXX4-11004

Closing Date
03/30/17

Page 3 of 3



Activity Continued

Card Number XXXX-XXXXX4-11012		Reference Code	Amount \$
03/01/17	GOOGLE *SVCSAPPS_WSH CC@GOOGLE.COM REF# A05DASTS ADVERTISING	CA 03/01/17	25.00
03/03/17	INTUIT *PAYROLLEE US 800-446-8848 T1-E7240- T1-E7240-8 92129 ROC NUMBER T1-E7240-8 TAX	CA 03/03/17 \$0.33	4.33
03/17/17	USPS PO 4898150665 0 WINNIE REF# 07516100207 8002758777 POST SVCS GO ROC NUMBER 07516100207	TX 03/16/17 07516100207	55.65
03/30/17	INTUIT *PAYROLLEE US 800-446-8848 T1-EB9C4- T1-EB9C4-0 92129 ROC NUMBER T1-EB9C4-0 TAX	CA 03/30/17 \$0.33	4.33
Total for SHERRIE NORRIS		New Charges/Other Debits Payments/Other Credits	89.31 0.00

BENCKENSTEIN & OXFORD, L.L.P.

ATTORNEYS AT LAW
BBVA COMPASS BANK BUILDING
3535 CALDER AVENUE, SUITE 300

Hubert Oxford, IV

BEAUMONT, TEXAS 77706
TELEPHONE:(409) 833-9182
FAX: (409) 833-8819

hoxfordiv@benoxford.com

April 18, 2017

Mr. Edward Murrell
President
Winnie Stowell Hospital District
825 State Hwy 124
Winnie Texas 77665

Re: Winnie Stowell Hospital District; Billable Invoice for January 2017 less Retainer;
Our File No. 87250.

Dear President Murrell,

Attached, please find the invoice for Benckenstein & Oxford, LLP for work performed in November 2016. The invoice is for \$12,057.10; however, the amount owed is \$11,057.10 after taking into account the \$1,000.00 retainer that has previously been paid. We request that this invoice be paid at either the upcoming April 18, 2017 Regular meeting.

With this said, I had hoped to get this invoice to you sooner but I have been without a computer at my office for the last week. Therefore, we understand any reluctance to approve this invoice at tomorrow's meeting and if that is the case, please feel free to hold your payment until the next meeting. Regardless, whenever the invoice is paid, the amount due is for January 2017 is \$11,057.10.

In the meantime, I am nearly complete with February and March 2017 and should be nearly caught up by the next meeting. As always, if you have any questions or concerns, please do not hesitate to contact me.

BENCKENSTEIN & OXFORD, L.L.P.

ATTORNEYS AT LAW
BBVA COMPASS BANK BUILDING
3535 CALDER AVENUE, SUITE 300

Hubert Oxford, IV

BEAUMONT, TEXAS 77706
TELEPHONE:(409) 833-9182
FAX: (409) 833-8819

hoxfordiv@benoxford.com

April 18, 2017

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President
Winnie Stowell Hospital District
825 State Hwy 124
Winnie Texas 77665

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In the meantime, I am nearly complete with February and March 2017 and should be nearly caught up by the next meeting. As always, if you have any questions or concerns, please do not hesitate to contact me.

With best wishes, I am

Sincerely,

BENCKENSTEIN & OXFORD, L.L.P.

By: _____


Hubert Oxford, IV

Enclosure

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue
Suite 300
Beaumont, TX 77706

April 18, 2017

INVOICE #: 48437 **HOIV**
Billed through: January 31, 2017
Client/Matter #: WSHD 87250

Winnie-Stowell Hospital District
P.O. Box 1997
Winnie, TX 77665

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

01/10/17	HOIV	Participated in multiple conference calls with Staff, President Murrell, and LTC Group regarding request to acquire six (6) HMG facilities.	1.80 hrs
01/10/17	HOIV	Read and reviewed six (6) e-mails from LTC Group regarding six (6) HMG facilities.	0.80 hrs
01/11/17	HOIV	Prepared draft minutes for Budget Public Hearing and Minutes for the December 2017 Regular Meeting minutes.	3.00 hrs
01/11/17	HOIV	Read and reviewed draft Confidentiality Agreement with HMG and made changes on behalf of the District.	0.70 hrs
01/12/17	HOIV	Traveled to Austin to meet with New Light in order to receive briefing on the QIPP program and to obtain information on the District obtaining an addition six (6) nursing homes.	3.50 hrs
01/13/17	HOIV	Met with New Light regarding QIPP program and obtaining additional six (6) nursing homes owned and operated by HMG and returned home.	8.00 hrs
01/18/17	HOIV	Received and reviewed notice of July 2016 Proxy Payment for the MPAP program and verified its accuracy.	0.80 hrs
01/19/17	HOIV	Reviewed spreadsheet submitted by the State of Texas for the July 2016 MPAP payment and revised the spreadsheet in order to illustrate the total number nursing homes owned by the various Governmental Entities during Eligibility Period 2.	0.80 hrs
01/19/17	HOIV	Conference call with LTC Group regarding variables in QIPP program, specifically, the potential number of nursing homes participating and the basis for LTC's pro-forma logic.	0.70 hrs
01/19/17	HOIV	Exchanged five (5) e-mails with counsel for Genesis Healthcare regarding the status utilizing new accounts for Clairmont and the Woodland's facilities resulting from HUD transactions for the facilities.	0.60 hrs
01/19/17	HOIV	Exchanged four (4) e-mails with Riceland Hospital regarding the status of upcoming IGT for the Uncompensated Care Program.	0.40 hrs

01/23/17	HOIV	Received four e-mails from Caring Healthcare with proposed HUD documents for four facilities; briefly reviewed the documents; and filed in folder for more detailed review at a later date.	0.60 hrs
01/23/17	HOIV	Received and reviewed QIPP spreadsheet from LTC with projected income and costs; participated in conference call with LTC group regarding QIPP projections; variables for QIPP; and LTC's proposal for services and fees nursing facilities during the QIPP program and began working on presentation for upcoming Board meeting.	2.70 hrs
01/23/17	HOIV	Read, reviewed, and made extensive revisions to Letter of Intent prepared by HMG Counsel.	1.60 hrs
01/23/17	HOIV	Read, reviewed, and revised proposed Secretary Certificate requested by Caring Healthcare; participated in conference call with Gary Klein regarding Secretary Certificate; and drafted e-mail providing copies of the documents referenced in the Certificate as Exhibits.	1.20 hrs
01/24/17	HOIV	Met with LTC Group to discuss QIPP; loans terms; MPAP Extension and timing of all payments.	4.00 hrs
01/24/17	HOIV	Began review of QIPP assessment prepared by LTC Group for the District's thirteen nursing homes and proposed additional nursing facilities; and modified the spreadsheet in order to study basis for projections and other other potential outcomes.	3.00 hrs
01/25/17	HOIV	Prepared for meeting by exchanging multiple conference calls with Hospital Personnel, LTC Personnel to discuss QIPP, and staff.	2.40 hrs
01/25/17	HOIV	Prepared for and attended Regular Monthly Meeting.	3.50 hrs
01/25/17	HOIV	Continued working on presentation for Board meeting for QIPP by modifying projections in QIPP spreadsheet and working with Caring Healthcare on formulas to assist the Board assess the facilities belonging to the District that have 100% achievement; and created spreadsheet that compared QIPP revenue to UPL/MPAP revenue.	3.40 hrs
01/26/17	HOIV	Gathered documents and prepared response to Gloria Roemer's requests at January 2017 Regular Board Meeting.	1.00 hrs
01/26/17	HOIV	Exchanged six e-mails with Riceland staff regarding IGT for upcoming Uncompensated Care Payment.	0.60 hrs
01/27/17	HOIV	Read, reviewed, and revised letter of intent with HMG for CHOW process and QIPP program.	3.00 hrs
		Total fees for this matter	\$12,025.00
DISBURSEMENTS			
01/31/17		Messenger Service	32.10
		Total disbursements for this matter	\$32.10

BILLING SUMMARY:

Oxford, IV Hubert	48.10 hrs @	\$250.00 /hr	\$12,025.00
TOTAL FEES			\$12,025.00
TOTAL DISBURSEMENTS			\$32.10
TOTAL CHARGES FOR THIS INVOICE			\$12,057.10
RETAINER			\$1,000.00 CR
TOTAL BALANCE NOW DUE			\$11,057.10

Federal ID# 74-1646478

Invoice Terms: Net 10 Days Upon Receipt
Please Reference Invoice Number on Your Check

David Sticker & Co. P.C.
Certified Public Accountant
2180 Eastex Freeway
Beaumont, TX 77703
(409) 899-3000

Invoice
submitted to:
Winnie Stowell Hospital District
PO Box 1997
Winnie, TX 77665

04/18/2017

Invoice # 19648

Professional Services

	<u>Amount</u>
04/18/17 3-20-17 Review books and make necessary adjustments. Check reconciliations and review audit letter from Texas Mutual Ins. 5.25 Hrs.	2,468.75
3-22-17 Analyse accruals and adjust books for monthly N.H. Revenue. Prep for meeting, run reports, assist in bills and various other matters. 6.50 Hrs.	
3-28-17 Meet with District auditor and bankers. 1.50 Hrs.	
3-30-17 Meet with Sherrie and complete adjustments to books for Public Information Request. Other accounting matters. 5.00 Hrs	
4-13-17 Review and modify Public Information Request on Salaries. 1.25 Hrs.	
4-17-17 - Review payroll. .25 Hrs.	
TOTAL 19.75 Hrs. @ \$125.00 = \$2,468.75	
For professional services rendered	<u>\$2,468.75</u>
Balance due	<u><u>\$2,468.75</u></u>



CONTRACT INVOICE

Invoice Number: INV529448
 Invoice Date: 04/18/2017

Bill To: Winnie - Stowell Hospital District
 PO Box 1997
 Winnie, TX 77665

Customer: Winnie - Stowell Hospital District
 538 Broadway
 Winnie, TX 77665

Account No	Payment Terms	Due Date	Invoice Total	Balance Due	
3A0064	Net 30	05/18/2017	\$35.22	\$35.22	
Contract Number	Contact	Contract Amount	P.O. Number	Start Date	Exp. Date
4457-01		\$32.54		01/26/2016	01/25/2021
Remarks					

Summary:

Contract base rate charge for this billing period	\$0.00
Contract overage charge for the 03/26/2017 to 04/25/2017 overage period	\$32.54**
	\$32.54

**See overage details below

Detail:

Equipment included under this contract

KM/227

Number	Serial Number	Base Adj.	Location						
3A2812	A7AK011001716	\$0.00	Winnie - Stowell Hospital District 538 Broadway Winnie, TX 77665						
Meter Type	Meter Group	Begin Meter	End Meter	Credits	Total	Covered	Billable	Rate	Overage
B\W	3A2812 - B\W	31,639	34,328		2,689	0	2,689	\$0.012100	\$32.54
									\$32.54

Please include invoice number on check.
 Remit Payment To:
 12560 Reed Rd, Suite 200
 Sugar Land, TX 77478

Invoice SubTotal	\$32.54
Tax:	\$2.68
Invoice Total	\$35.22
Balance Due:	\$35.22

Indigent Healthcare Solutions, Ltd.
2040 North Loop, 336 West, Suite 304
Conroe, TX 77304

RECEIVED

Invoice # 64017

Phone # (800) 834-0560
Fax # (936) 756-6741

APR 03 2017

Date: 4/1/2017

WINNIE STOWELL HOSPITAL DISTRICT
P O BOX 1997
WINNIE, TX 77665

Terms: Net receipt of invoice

Professional services for the month of May 2017

1,059.00

Total

\$1,059.00

PLEASE REMIT PAYMENT TO
INDIGENT HEALTHCARE SOLUTIONS, LTD
ATTN: KELLEY ASTOLOS
3011 ARMORY DRIVE, SUITE 190
NASHVILLE, TN 37204

THANK YOU FOR YOUR BUSINESS!!!

IHS

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 03/31/17-03/31/17

Wilcox Pharmacy
 P. O. Box 1850
 Winnie, TX 77665

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,645.66
	Expenditures	1,645.66
	Reimb/Adjustments	0.00
	Grand Total	1,645.66

9 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2778*18651*27	WSHD	03/06/17	159.21	75.67	
036-2783*18651*70	WSHD	03/27/17	177.06	177.06	
036-2783*18651*70	WSHD	03/27/17	116.33	45.26	
036-2783*18651*70	WSHD	03/27/17	81.87	39.84	
036-2833*18651*86	WSHD	03/02/17	415.29	328.07	
036-2833*18651*86	WSHD	03/02/17	18.93	10.44	
036-2942*18651*68	WSHD	03/03/17	359.69	284.32	
036-2942*18651*68	WSHD	03/03/17	43.09	21.42	
036-3364*18651*37	WSHD	03/24/17	16.23	9.02	
036-3364*18651*37	WSHD	03/24/17	54.86	54.86	
036-3364*18651*37	WSHD	03/24/17	22.85	22.85	
036-3364*18651*37	WSHD	03/24/17	24.00	24.00	
036-3364*18651*37	WSHD	03/24/17	20.00	20.00	
1007*18651*2	WSHD	03/21/17	54.63	27.10	
1008*18651*11	WSHD	03/02/17	53.12	26.31	
1008*18651*11	WSHD	03/02/17	26.85	14.69	
1008*18651*11	WSHD	03/08/17	75.00	43.36	
1020*18651*9	WSHD	03/30/17	205.68	205.68	
1040*18651*4	WSHD	03/27/17	57.72	57.72	
1040*18651*4	WSHD	03/27/17	79.56	79.56	
1040*18651*4	WSHD	03/27/17	165.18	78.43	
	***		2,227.15	1,645.66	
	***		2,227.15	1,645.66	

21 records listed.

9 total invoices



Sherrie Norris <sherrie@wshd-tx.com>

Sherry Stern Loan Assistance Request

1 message

sherrybox1@aol.com <sherrybox1@aol.com>

Mon, Apr 17, 2017 at 2:42 PM

To: sherrie@wshd-tx.com

Dear Sherrie

Please find an attached letter of request, if it doesn't open I will bring a hard copy tomorrow along with my latest loan balance form.

Thank you very much for your time and assistance.

Sherry Stern PA-C



Winnie Stowell District.odt

3K

TO WHOM IT MAY CONCERN

I have been employed by the Winnie Community Hospital since January 5, 2016 as a clinical physician assistant. I greatly enjoy my work, the people and staff I work with on a daily basis, and lastly, enjoy the patients I see everyday. I am very thankful for finding this position and am rewarded daily by a great work environment and community.

I recently became informed on the Winnie-Stowell Hospital District's loan assistant program for medical providers. I would like to ask in assistance for the possibility of applying for this loan aid program.

My initial loan balance 11/2006 was a total of \$21,177.28 of which I have been paying monthly and as of 3/21/17 it is now \$12,346.39.

Again, I am very blessed to have such a rewarding job, great people to work with and a wonderful community that has made me feel very welcomed. I plan on working for the Winnie Community Hospital for as long as they will have me.

Thank you for your time and attention.

Sincerely,



Sherry Stern PA-C



April 4, 2017

MONTHLY BILL

Name: SHERRY STERN
Account Number: 92 5529 5461

Payment Summary	
Last Payment Received	03/21/2017
Current Payment Due	\$150.14
Total Due by 04/25/2017	\$150.14

YOUR LOAN DETAILS

Loan Sequence	Date Disbursed	Loan Program	Original Balance	Current Balance	Outstanding Interest	Interest Rate	Monthly Payment	Current Due
*1002	11/29/2006	SUBCNS	\$13,150.00	\$7,456.11	\$10.72	3.750%	\$90.67	\$90.67
*1001	11/29/2006	UNCNS	\$8,625.28	\$4,890.28	\$7.03	3.750%	\$59.47	\$59.47

Outstanding interest accrued as of 04/04/2017

*Late fees will be assessed in accordance to the requirements set forth by the loan owner. Each unique owner/loan program may have differing late fee requirements. The owner will assess late fees on any loans listed above that are identified with an asterisk. If there are dates listed below the heading 'Received After This Date', which are prior to the date you are making your payment, the following late fee will be assessed.

Received After This Date	Late Fee to be Assessed
05/09/2017	\$7.50

Would you rather receive this statement electronically?

Sign in to Account Access at AesSuccess.org and update your Account Profile preferences if you would prefer that we send you an email reminder instead of a paper statement.

Total paid since your last statement	\$150.14
Interest Satisfied	\$42.22
Principal Satisfied	\$107.92

As of today, you've paid on your loans	\$11,110.36
Total Interest Satisfied	\$3,753.30
Total Principal Satisfied	\$7,357.06

You may be required to remit your full monthly installment amount, even if your loan(s) are paid ahead, in order to maintain reduced interest rate eligibility under any applicable Repayment Incentive Program offered by your lender(s). Contact us for details.

Make checks payable to American Education Services and include your 10 digit account number.

Customer Statement (IF LATE, SEE ABOVE)

Account Number: 92 5529 5461 Due Date: 04/25/2017 Amount Enclosed: Do not write dollar sign in boxes below or on check. Total Amount Due: \$150.14

\$

--	--	--	--	--	--	--	--	--	--

20170940192552954611000015014000000000000000009

#BWNDHKB
#B612 1327 2504 04L7#
SHERRY STERN
9302 EAGLES LNDG
MAGNOLIA TX 77354-6865



AMERICAN EDUCATION SERVICES
PAYMENT CENTER
HARRISBURG PA 17130-0001



REGISTRATION FORM

PRE-CONFERENCE WORKSHOPS

THURSDAY, JULY 20 (PLEASE CHECK ONE)

- Advanced Board Training Orientation and Refresher

	EARLY (on or before June 3)	REGULAR (after June 3)
<input type="checkbox"/> Member	\$195	\$255
<input type="checkbox"/> Non-Member	\$240	\$300

GOLF TOURNAMENT

- Individual Golfer - \$100 Golf Tournament questions? Contact Joby Strobo at jstrobo@tha.org For more information visit www.tht.org.

HEALTHCARE GOVERNANCE CONFERENCE

FRIDAY-SATURDAY, JULY 21-22 (PLEASE CHECK ONE)

	EARLY (on or before June 3)	REGULAR (after June 3)
Member		
<input type="checkbox"/> Full Conference	\$315	\$350
<input type="checkbox"/> Friday Only	\$195	\$255
Non-Member		
<input type="checkbox"/> Full Conference	\$390	\$430
<input type="checkbox"/> Friday Only	\$250	\$325
<input type="checkbox"/> Guest* (all events Thurs.-Sat.)	\$150	\$150

Grand Hyatt San Antonio

600 E. Market St., San Antonio, TX 78205 • **855/476-6976**
\$182 single/double, free self-parking, \$30 daily valet parking

THT Works with a third-party organization, **Connections Housing**, to manage hotel reservations. Please call the number above to make a hotel reservation. Do not call the hotel direct. You can also book online at www.tht.org.

Cut-off date for room reservations is **June 27**. Conference registration refunds until **June 26** with written notice.**

*The conference guest rate is strictly for attendee spouses allowing them access to meal functions during the conference such as breakfast, lunch and receptions. **This is not for trustees, hospital employees or vendors.**

PAYMENT MUST ACCOMPANY REGISTRATION FORM. (PLEASE PRINT)

Name _____

Nickname for badge _____

Guest name _____
(required ONLY if purchasing a Guest Ticket)

Title _____

Institution _____

Address _____

City/State/ZIP _____

Phone _____

Fax _____

Attendee Email _____
(confirmation will be sent to both emails)

Alternate Email _____
(confirmation will be sent to both emails)

Enclosed is my check payable to the Texas Healthcare Trustees for

\$ _____

or I authorize THT to charge my:

- MasterCard VISA American Express

Account # _____

Expiration date _____ CVV _____

Print name (as shown on card) _____

Signature _____
(must be signed to charge)

Billing address _____

ONLINE: www.tht.org

FAX: 512/692-2653

MAIL: Texas Healthcare Trustees
1108 Lavaca, Suite 700, Austin, TX 78701-2180

The registration fee, less a 20 percent administrative charge, is refundable if notice of cancellation is received in writing by 5 p.m. on **June 26, 2017. No refunds will be issued for cancellations received after this date. **To cancel, send an email to registrar@tha.org or fax to 512/692-2653.** Conference events may be photographed or videotaped. Your registration will indicate your consent for the use of such photograph and/or videos for educational and/or promotional purposes.

VENDOR ATTENDANCE

Vendor attendance is limited to those companies/firms participating as a sponsor for the respective events. Contact Joby Strobo at jstrobo@tha.org or Noelle Parsons at nparsons@tht.org for more information.

SPECIAL NEEDS

If you have special needs (physical, dietary or otherwise) that require accommodation please contact registrar@tha.org.

For more information, call **512/465-1057** or visit www.tht.org.

Accounting Use Only

Seminar #502 (Pre-Conference Workshops)
#501 (Annual Conference)

Check # _____ Amount \$ _____



Yani Jimenez <yjimenez@wshd-tx.com>

Modified: Enterprise Rent-A-Car Reservation 2013292149 at IHI-10 BEAUMONT

Enterprise Reservations <No-Reply@enterprise.com>
To: YJIMENEZ@wshd-tx.com

Wed, Apr 19, 2017 at 8:26 AM



Visit enterprise.com

YOUR RESERVATION HAS BEEN MODIFIED

Thank you for your reservation
Your confirmation number is [2013292149](#)

Pick-Up Details

Location	IHI-10 BEAUMONT
Date & Time	Wednesday, April 26, 2017 @ 5:00 PM
Address	1225 INTERSTATE 10 ACCESS RD BEAUMONT, TX 77701-4732
Phone	(409) 899-2878
Hours	Wed 7:30 AM-6:00 PM

Return Details

Location	IHI-10 BEAUMONT
Date & Time	Friday, April 28, 2017 @ 5:00 PM
Address	1225 INTERSTATE 10 ACCESS RD BEAUMONT, TX 77701-4732
Phone	(409) 899-2878
Hours	Fri 7:30 AM-6:00 PM

Renter Details

Name	YANI JIMENEZ
Email	YJIMENEZ@WshD-TX.COM
Phone	(409) 296-1003

Save Time At the Counter

[Provide additional information now and save time when you arrive.](#)

Pricing Details

Vehicle Class	Intermediate Hyundai Elantra or Similar
----------------------	---

Rates

Vehicle

TIME & DISTANCE	2 DAILY @ \$57.00	\$114.00
Taxes and Fees		
TX MVR TAX (10.0%)		\$11.76
VLf REC		\$3.58

Estimated Total **\$129.34**

[VIEW](#) / [MODIFY](#) / [CANCEL](#)

Need a ride from your place to ours? No problem.

Just call us and provide your confirmation number and/or account number. We can pick you up from many convenient locations.

Please note: This service must be requested 24 hours in advance of the pick-up time indicated on your reservation. Geographic and other restrictions may apply.

Renter Requirements

All renters and additional drivers must be 21 or older, have a valid driver's license and a major credit card in their name. Driver's licenses are accepted from any USA state or territory, from a Canadian province or from an international country. Licenses from outside the USA or Canada also may require an international driver's permit. International driver's permits are valid only if presented with the original local license. Individuals with learner's permits are not eligible to rent. U.S. government employees ages 18 or older will not incur a young driver surcharge when renting for authorized government travel. This is only a summary. For additional details, please reference the Driver's License Information Policy.

AGE –

The underage surcharge for drivers between the ages of 21 and 24 is \$10 per day. Renters between the ages of 21 and 24 may rent the following vehicle classes: Economy through Full Size cars, Intermediate SUVs, Minivans and Pickup Trucks.

NON CREDIT CARD DEPOSITS –

Debit cards, prepaid cards and money orders are accepted at time of rental with proof of employment, as well as a current copy of one of the following (dated within the last 30 days and with no past due balance): telephone bill, electric bill, gas bill, sewer bill or water bill, in the renter's name with his or her current address. . The renter's name and address must match their driver's license, and their driver's license must have been issued from the local area of the renting branch. Renters using a debit card as a deposit may rent the following vehicle classes: Economy through Full Size cars, Intermediate SUVs, Minivans and Pickup Trucks.

DEPOSIT AMOUNT –

A deposit of either an additional two days more than the cost of the rental or \$350 total, whichever is greater, will be taken at the time of rental pickup. The deposit funds will not be available for use until after the vehicle has been returned. Cash is not an acceptable form of rental deposit.

Forms of Payment

The following forms of payment are accepted at the end of the rental.

VISA®
MasterCard®
American Express®
Discover Network®
Debit Card
Travelers Check
Prepaid Gift Card
Money Order

Please read the Renter Requirements Policy for details pertaining to deposits and general rental requirements at this location. Additional authorizations from your account will be obtained to cover the cost of the rental charges. Enterprise is not responsible for any overdraft fees incurred.

Additional Driver

Additional drivers must meet same rental qualifications as the renter, except spouse or domestic partner. Additional drivers must appear at the rental counter with the primary renter. There will be an additional charge of \$10 per day for each additional authorized driver other than a spouse or domestic partner, unless other contractual conditions apply. There is a limit of one additional driver per rental contract. Additional drivers must be 21 or older.

Damage Waiver

Damage Waiver -DW- for this branch is 19.99 - 24.99 USD per day. - DW is offered at the time of rental for an additional daily charge. If the renter accepts DW, Enterprise waives or reduces the renters responsibility for loss of, or damage to, the rental vehicle -including but not limited to towing, storage, loss of use, administrative fees and, or diminishment of value- subject to the terms and conditions of the rental agreement and applicable laws. DW is not insurance. The purchase of DW is optional and not required to rent a car. The protection provided by DW may duplicate the renters existing coverage. Enterprise is not qualified to evaluate the adequacy of the renters existing coverage, therefore the renter should examine his or her credit card protections, automobile insurance policies or other sources of coverage that may duplicate the protection provided by DW.

Personal Accident Insurance

PERSONAL ACCIDENT INSURANCE (PAI) FOR THIS BRANCH RANGES BETWEEN \$3.00 AND \$7.00 PER DAY. - PERSONAL ACCIDENT INSURANCE (PAI) IS OFFERED AT THE TIME OF RENTAL FOR AN ADDITIONAL DAILY CHARGE. IF ACCEPTED, PAI PROVIDES THE RENTER AND PASSENGERS WITH ACCIDENT MEDICAL EXPENSE, ACCIDENTAL DEATH AND AMBULANCE EXPENSE BENEFITS. BENEFITS ARE PAYABLE IN ADDITION TO ANY OTHER INSURANCE COVERAGE THE RENTER OR PASSENGERS MAY HAVE. THIS IS A SUMMARY ONLY. PAI IS SUBJECT TO THE PROVISIONS, LIMITATIONS AND EXCLUSIONS OF THE PAI POLICY UNDERWRITTEN BY EMPIRE FIRE AND MARINE INSURANCE COMPANY. THE PURCHASE OF PAI IS OPTIONAL AND NOT REQUIRED TO RENT A CAR. THE COVERAGE PROVIDED BY PAI MAY DUPLICATE THE RENTER'S EXISTING COVERAGE. ENTERPRISE IS NOT QUALIFIED TO EVALUATE THE ADEQUACY OF THE RENTER'S EXISTING COVERAGE; THEREFORE THE RENTER SHOULD EXAMINE HIS OR HER PERSONAL INSURANCE OR OTHER SOURCES OF COVERAGE THAT MAY DUPLICATE THE COVERAGE PROVIDED BY PAI.

Supplemental Liability Protection

SUPPLEMENTAL LIABILITY PROTECTION -SLP- FOR THIS BRANCH IS 13.99 USD PER DAY. - SUPPLEMENTAL LIABILITY PROTECTION -SLP, IS OFFERED AT THE TIME OF RENTAL FOR AN ADDITIONAL DAILY CHARGE. IF ACCEPTED, SLP PROVIDES THE RENTER AND AUTHORIZED DRIVERS WITH UP TO 1,000,000USD COMBINED SINGLE LIMIT FOR THIRD PARTY LIABILITY CLAIMS. IF THE RENTER ACCEPTS SLP, ENTERPRISE PROVIDES THIRD PARTY LIABILITY PROTECTION UP TO THE APPLICABLE MINIMUM FINANCIAL RESPONSIBILITY LIMIT AND EMPIRE FIRE AND MARINE INSURANCE COMPANY PROVIDES EXCESS THIRD PARTY LIABILITY INSURANCE COVERAGE FROM THE

APPLICABLE MINIMUM FINANCIAL RESPONSIBILITY LIMIT TO 1,000,000USD THIS IS A SUMMARY ONLY. SLP IS SUBJECT TO THE TERMS, CONDITIONS, PROVISIONS, LIMITATIONS AND EXCLUSIONS IN THE SUPPLEMENTAL RENTAL LIABILITY INSURANCE EXCESS POLICY UNDERWRITTEN BY EMPIRE FIRE AND MARINE INSURANCE COMPANY. THE PURCHASE OF SLP IS OPTIONAL AND NOT REQUIRED TO RENT A CAR. THE COVERAGE PROVIDED BY SLP MAY DUPLICATE THE RENTERS EXISTING COVERAGE. ENTERPRISE IS NOT QUALIFIED TO EVALUATE THE ADEQUACY OF THE RENTERS EXISTING COVERAGE, THEREFORE THE RENTER SHOULD EXAMINE HIS OR HER PERSONAL INSURANCE POLICIES OR OTHER SOURCES OF COVERAGE THAT MAY DUPLICATE THE COVERAGE PROVIDED BY SLP.

Roadside Protection

If accepted, Roadside Assistance Protection provides the renter with 24/7 roadside assistance, where available, without additional charge. RAP includes the following benefits: replacement of lost keys, including remote entry devices; flat tire service, If no inflated spare is available, the vehicle will be towed. The cost of replacement tire is not covered by RAP; lockout service, if keys are locked inside the vehicle; jumpstarts; fuel delivery service for up to 3 gallons, or equivalent liters, of fuel if vehicle is out of fuel. RAP services only are available in the United States and Canada. Roadside Assistance Protection is void and of no effect if, at the time of the incident necessitating roadside assistance, the renter or any authorized driver were in violation of the rental agreement, including, without limitation, the prohibited uses and violations set forth therein. In such cases, roadside assistance will be available, but standard charges may apply. In New York, California, Nevada and Kansas the cost of the key will not be covered, only the service to deliver the key or perform the lockout service will be covered. Roadside Assistance Protection at this location costs between \$3.99 and \$6.99.

Following mileage rule applies:

Unlimited

[Contact Us](#) | [Terms and Conditions](#) | [Privacy Policy](#)

© 2017 Enterprise Rent A Car 600 Corporate Park Drive St. Louis MO 63105



Yani Jimenez <yjimenez@wshd-tx.com>

Your Reservation Confirmation # 64017216 at Crowne Plaza.

1 message

Crowne Plaza Reservations <CrownePlaza@reservations.ihg.com>
To: yjimenez@wshd-tx.com

Fri, Mar 31, 2017 at 9:08 AM

Thank you for booking with Crowne Plaza.

View with Images



Reservation Confirmed.

Experience | Meetings | Customer Care | IHG® Rewards Club



Crowne Plaza Austin

6121 North Ih 35
Austin, TX 78752

Hotel Front Desk: 1-512-3235466

Guest Name: Deyanira Jimenez

Check In: Check Out: Rooms: Adults:
04/27/17 – 04/28/17 1 1
03:00 PM 12:00 PM

- MODIFY RESERVATION**
- CUSTOMER CARE**
- DOWNLOAD THE IHG® APP**
- GROUND TRANSPORTATION**
- CANCEL RESERVATION**
- UPGRADE RESERVATION**

Your confirmation number is: **64017216**. Select your preferences before your stay.

2 Double Beds Standard Nonsmoking

Rate Type:

Number of Rooms: 1

Room Rate Per Night:

Thu 27 Apr 2017 - Fri 28 Apr 2017 \$126.00 (USD)

Total Taxes: \$18.90 (USD)

Estimated Total Price: \$144.90 (USD)*

[MODIFY RESERVATION](#)


UPGRADE YOUR ROOM.
ONLY \$4 MORE PER NIGHT

[UPGRADE TODAY >>](#)

IHG® Rewards Club

Keep family, work and friends just a click away. Enjoy complimentary Internet during your stay at any IHG hotel worldwide.

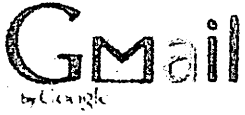
[View more benefits](#)

Rate your Service

Thank you for calling our Reservations department. Please provide feedback for your phone representative.

[Give Your Feedback](#)

Exhibit “B”



Sherrie Norris <sherrie@wshd-tx.com>

Sherry Stern Loan Assistance Request

1 message

sherrybox1@aol.com <sherrybox1@aol.com>

Mon, Apr 17, 2017 at 2:42 PM

To: sherrie@wshd-tx.com

Dear Sherrie

Please find an attached letter of request, if it doesn't open I will bring a hard copy tomorrow along with my latest loan balance form.

Thank you very much for your time and assistance.

Sherry Stern PA-C



Winnie Stowell District.odt

3K

TO WHOM IT MAY CONCERN

I have been employed by the Winnie Community Hospital since January 5, 2016 as a clinical physician assistant. I greatly enjoy my work, the people and staff I work with on a daily basis, and lastly, enjoy the patients I see everyday. I am very thankful for finding this position and am rewarded daily by a great work environment and community.

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Thank you for your time and attention.

Sincerely,



Sherry Stern PA-C

Exhibit “C”



JULY 20-22

JOIN US AT THE
GRAND HYATT SAN ANTONIO
RIVERWALK

— TEXAS HEALTHCARE TRUSTEES —

HGC2017

HEALTHCARE GOVERNANCE CONFERENCE



Yani Jimenez <yjimenez@wshd-tx.com>

HHSC CIHC Basic Training

1 message

Texas Health and Human Services Commission <txhhs@public.govdelivery.com>

Tue, Mar 28, 2017 at 2:46 PM

Reply-To: txhhs@public.govdelivery.com

To: yjimenez@wshd-tx.com

**TEXAS**
Health and Human
Services**County Indigent Health Care Basic Training - April 27-28****Texas Health and Human Services Commission invites you to training...**

The HHSC has scheduled a basic training opportunity for the Texas County Indigent Health Care program. The training will provide an overview of the CIHC program including reviews of Chapter 61, Eligibility, with hands-on

exercises. In addition, the training offers a great opportunity to meet and interact with other CIHCP coordinators from across the State.

CIHCP Basic Training

Dates: April 27-28, 2017

Location: Crowne Plaza Hotel 6121 N Interstate Hwy 35, Austin, TX 78752

Training is provided at no cost to the attendees. (Lodging not included) If you are interested in staying at the hotel, please [click here](#) or for more information, including a reservation phone number, [click here](#).

We look forward to seeing everyone there!

Register Now

Exhibit “D”

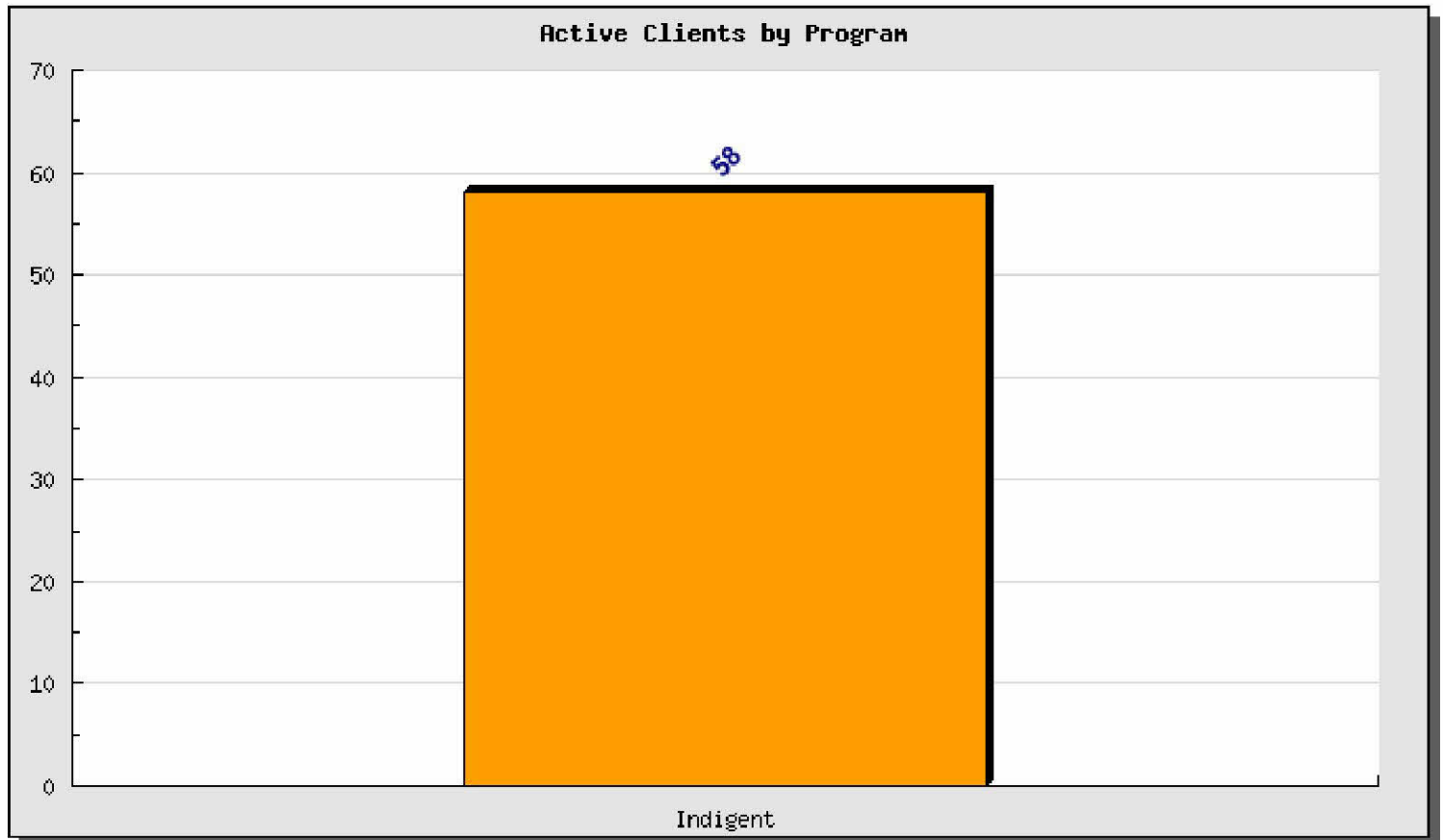
Void Statistics for Void Dates 03/22/2017 through 03/31/2017

Clients Voided	0
Vendors Voided	0
Rapid Reg. Voided	0
Invoices Voided	0

Active Clients by Program for Eligibility Dates 03/22/2017 through 03/31/2017

Indigent	58
----------	----

Total Clients By Program **58**



Appointments Scheduled by Type for Appointment Dates 03/22/2017 through 03/31/2017

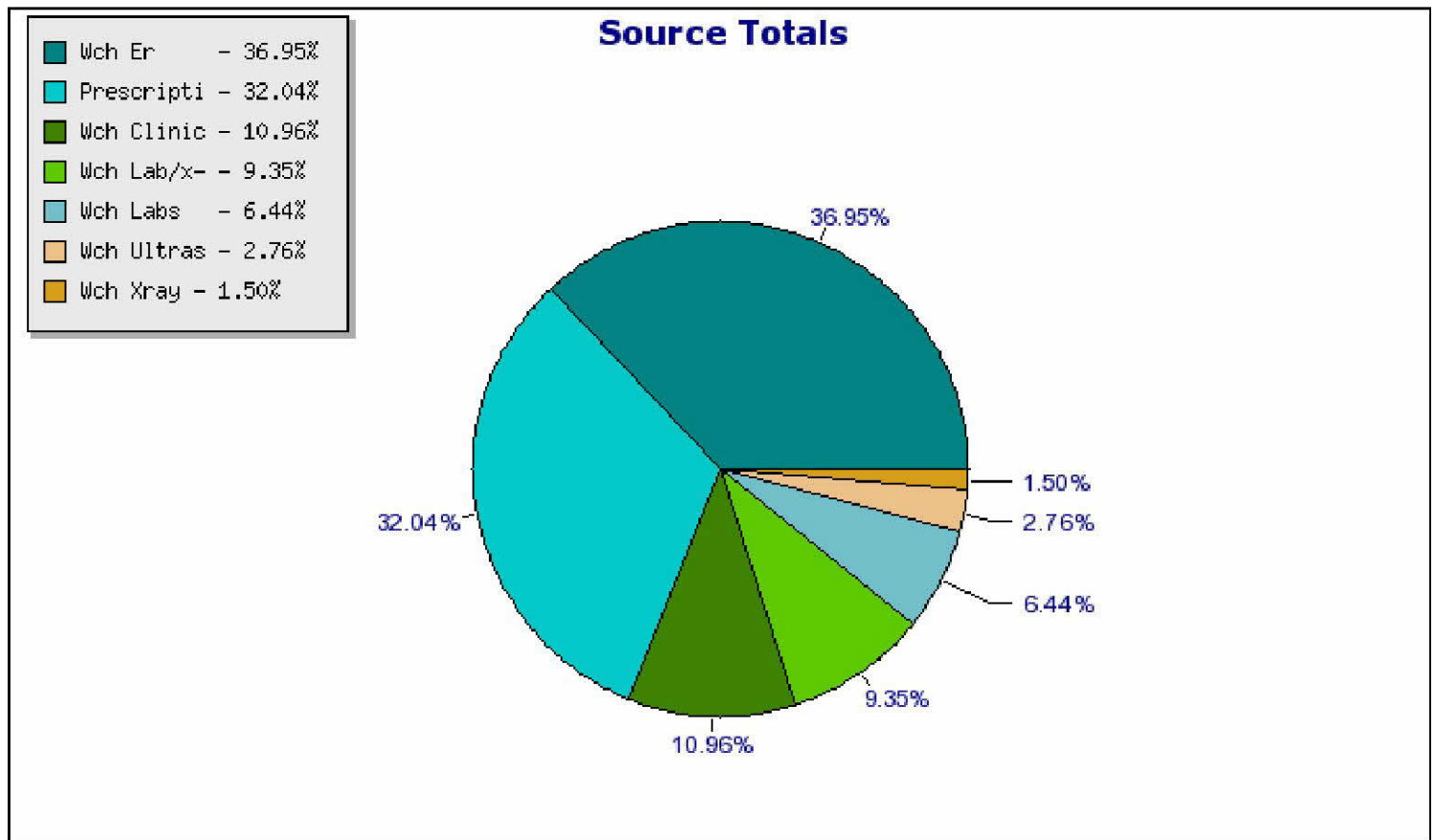
New Appointment	0
Renewal	3

Total Appointments Scheduled **3**

Source Totals for Batch Dates 03/22/2017 through 03/31/2017

Wch Er	36.95%	\$7,944.57
Prescription Drugs	32.04%	\$6,888.56
Wch Clinic	10.96%	\$2,356.27
Wch Lab/x-ray	9.35%	\$2,010.23
Wch Labs	6.44%	\$1,384.16
Wch Ultrasound	2.76%	\$594.09
Wch Xray	1.50%	\$322.67

Total Expenditures **\$21,500.55**



Entry Statistics for Entry Dates 03/22/2017 through 03/31/2017

Clients Entered	2
Rapid Reg. Entered	1
Vendors Entered	0
Worksheets Entered	9
Invoices Entered	0

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 03/31/17-03/31/17

Brookshire Bros. Phar. (winnie)
 P.o. Box 1359
 Winnie, TX 77665

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	5,242.90
	Expenditures	5,242.90
	Reimb/Adjustments	0.00
	Grand Total	5,242.90

33 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2475*65460*15	WSHD	03/14/17	30.84	22.31	
036-2749*65460*22	WSHD	03/06/17	78.75	78.75	
036-2749*65460*22	WSHD	03/14/17	32.69	32.69	
036-2749*65460*22	WSHD	03/22/17	40.00	40.00	
036-2811*65460*18	WSHD	03/15/17	45.77	45.77	
036-2811*65460*18	WSHD	03/14/17	217.00	217.00	
036-2821*65460*1	WSHD	03/01/17	492.85	415.12	
036-2821*65460*1	WSHD	03/01/17	5.00	5.00	
036-2821*65460*1	WSHD	03/14/17	202.89	202.89	
036-2856*65460*6	WSHD	03/30/17	5.00	5.00	
036-2856*65460*6	WSHD	03/30/17	11.03	11.03	
036-2856*65460*6	WSHD	03/30/17	16.77	16.77	
036-2929*65460*1	WSHD	03/29/17	37.07	37.07	
036-2929*65460*1	WSHD	03/29/17	34.60	34.60	
036-2929*65460*1	WSHD	03/29/17	14.26	14.26	
036-2929*65460*1	WSHD	03/29/17	12.00	12.00	
036-2929*65460*1	WSHD	03/29/17	5.00	5.00	
036-2929*65460*1	WSHD	03/29/17	5.00	5.00	
036-3067*65460*1	WSHD	03/08/17	94.17	94.17	
036-3217*65460*21	WSHD	03/20/17	254.66	179.77	
036-3217*65460*21	WSHD	03/30/17	114.20	114.20	
036-3217*65460*21	WSHD	03/03/17	114.13	114.13	
036-3363*65460*9	WSHD	03/16/17	12.00	12.00	
036-3372*65460*3	WSHD	03/04/17	39.64	39.64	
036-3372*65460*3	WSHD	03/04/17	38.91	38.91	
036-3372*65460*3	WSHD	03/04/17	27.19	27.19	
036-3413*65460*17	WSHD	03/08/17	401.87	401.87	
036-3413*65460*17	WSHD	03/08/17	52.77	37.72	
036-3413*65460*17	WSHD	03/08/17	5.00	5.00	
036-3426*65460*22	WSHD	03/02/17	70.00	70.00	
036-3426*65460*22	WSHD	03/02/17	15.00	15.00	
036-3426*65460*22	WSHD	03/09/17	27.19	27.19	
036-3432*65460*14	WSHD	03/15/17	5.00	5.00	
036-3432*65460*14	WSHD	03/27/17	25.86	25.86	

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 03/31/17-03/31/17

Brookshire Bros. Phar. (winnie)
 P.o. Box 1359
 Winnie, TX 77665

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-3432*65460*14	WSHD	03/27/17	5.00	5.00	
036--3424*65460*11	WSHD	03/10/17	12.00	12.00	
1000*65460*14	WSHD	03/03/17	7.50	7.50	
1011*65460*14	WSHD	03/06/17	306.21	256.48	
1011*65460*14	WSHD	03/06/17	26.35	26.35	
1011*65460*14	WSHD	03/06/17	28.51	28.51	
1012*65460*5	WSHD	03/30/17	70.62	56.23	
1016*65460*11	WSHD	03/04/17	16.10	13.17	
1016*65460*11	WSHD	03/04/17	12.00	12.00	
1016*65460*11	WSHD	03/04/17	12.00	12.00	
1016*65460*11	WSHD	03/07/17	11.63	11.63	
1016*65460*11	WSHD	03/04/17	7.77	7.77	
1019*65460*8	WSHD	03/22/17	39.64	39.64	
1019*65460*8	WSHD	03/22/17	25.86	25.86	
1019*65460*8	WSHD	03/22/17	5.00	5.00	
1019*65460*8	WSHD	03/22/17	36.24	26.27	
1024*65460*8	WSHD	03/09/17	5.00	5.00	
1024*65460*8	WSHD	03/15/17	35.06	18.00	
1025*65460*3	WSHD	03/21/17	23.23	23.23	
1025*65460*3	WSHD	03/16/17	145.83	145.83	
1029*65460*5	WSHD	03/13/17	5.00	5.00	
1030*65460*8	WSHD	03/27/17	53.67	53.62	
1030*65460*8	WSHD	03/09/17	108.75	108.75	
1033*65460*6	WSHD	03/20/17	18.57	18.57	
1033*65460*6	WSHD	03/17/17	338.60	291.96	
1033*65460*6	WSHD	03/20/17	81.11	53.34	
1036*65460*5	WSHD	03/01/17	484.65	484.65	
1036*65460*5	WSHD	03/28/17	27.50	26.38	
1036*65460*5	WSHD	03/28/17	26.35	26.35	
1038*65460*4	WSHD	03/03/17	465.12	388.15	
1038*65460*4	WSHD	03/23/17	43.57	41.32	
1038*65460*4	WSHD	03/27/17	64.04	64.04	
1039*65460*4	WSHD	03/16/17	64.30	64.30	
1039*65460*4	WSHD	03/02/17	78.75	78.75	
1039*65460*4	WSHD	03/16/17	12.72	12.72	
1042*65460*2	WSHD	03/21/17	30.53	30.53	
1043*65460*2	WSHD	03/17/17	10.00	10.00	
1043*65460*2	WSHD	03/16/17	10.22	10.22	
1043*65460*2	WSHD	03/16/17	5.00	5.00	
1043*65460*2	WSHD	03/09/17	54.72	25.33	
1044*65460*1	WSHD	03/01/17	4.27	4.27	
1044*65460*1	WSHD	03/01/17	5.00	5.00	
1044*65460*1	WSHD	03/10/17	33.76	33.76	
1045*65460*2	WSHD	03/09/17	22.02	22.02	
1045*65460*2	WSHD	03/09/17	5.00	5.00	
1045*65460*2	WSHD	03/31/17	9.00	9.00	
1045*65460*2	WSHD	03/20/17	5.00	5.00	

©IHS
Issued 04/05/17

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 03/31/17-03/31/17

Brookshire Bros. Phar. (winnie)
P.o. Box 1359
Winnie, TX 77665

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1045*65460*2	WSHD	03/20/17	13.75	13.75	
1045*65460*2	WSHD	03/31/17	30.30	30.30	
1046*65460*1	WSHD	03/21/17	13.99	11.57	
1046*65460*1	WSHD	03/21/17	4.12	4.12	
1046*65460*1	WSHD	03/27/17	5.00	5.00	
1046*65460*1	WSHD	03/21/17	26.35	26.35	
1046*65460*1	WSHD	03/21/17	75.44	60.32	
1046*65460*1	WSHD	03/27/17	5.00	5.00	
1046*65460*1	WSHD	03/27/17	22.05	22.05	
1047*65460*1	WSHD	03/27/17	26.03	26.03	
1047*65460*1	WSHD	03/24/17	10.00	10.00	
	***		5,714.91	5,242.90	
	***		5,714.91	5,242.90	

92 records listed.
33 total invoices

Source Totals ReportWinnie Stowel Hospital District Indigent Healthcare
Services

Issued 04/18/17

Batch Dates 03/31/2017 through 03/31/2017
For Vendor: WINNIE COMMUNITY HOSPITAL

Source	Description	Amount Billed	Amount Paid
21	Wch Clinic	5,747.00	2,356.27
24	Wch Er	19,377.00	7,944.57
25	Wch Lab/x-ray	4,903.00	2,010.23
27	Wch Labs	3,376.00	1,384.16
28	Wch Xray	787.00	322.67
29	Wch Ultrasound	1,449.00	594.09
Expenditures		35,639.00	14,611.99
Reimb/Adjustments		0.00	0.00
Grand Total		35,639.00	14,611.99

Source Totals Report Detail

Invoice #	Source	DOS	Amount Billed	Amount Paid
036-2821*63057*1	21	03/13/2017	208.00	85.28
036-2929*63057*3	21	03/29/2017	162.00	66.42
036-3067*63057*1	21	03/07/2017	254.00	104.14
1007*63057*2	21	03/21/2017	143.00	58.63
1008*63057*9	21	03/02/2017	419.00	171.79
1016*63057*12	21	03/07/2017	32.00	13.12
1019*63057*10	21	03/27/2017	143.00	58.63
1035*63057*4	21	03/06/2017	213.00	87.33
1000*63057*13	21	03/03/2017	143.00	58.63
1000*63057*13	21	03/10/2017	213.00	87.33
1030*63057*7	21	03/09/2017	213.00	87.33
1030*63057*7	21	03/31/2017	213.00	87.33
1024*63057*8	21	03/09/2017	143.00	58.63
1024*63057*8	21	03/15/2017	143.00	58.63
1024*63057*8	21	03/22/2017	234.00	95.94
1043*63057*2	21	03/03/2017	143.00	58.63
1043*63057*2	21	03/27/2017	143.00	58.63
1047*63057*1	21	03/24/2017	323.00	132.43
1044*63057*1	21	03/01/2017	143.00	58.63
1042*63057*2	21	03/14/2017	254.00	104.14
1042*63057*2	21	03/21/2017	143.00	58.63
1042*63057*2	21	03/28/2017	213.00	87.33
1045*63057*1	21	03/09/2017	323.00	132.43
1045*63057*1	21	03/20/2017	278.00	113.98
1045*63057*1	21	03/31/2017	213.00	87.33
1036*63057*5	21	03/28/2017	482.00	197.62
036-2749*63057*15	21	03/31/2017	213.00	87.33
18 invoices, 27 line items			5,747.00	2,356.27
1043*63057*2	24	03/13/2017	1,832.00	751.12
036-3372*63057*3	24	12/11/2016	934.00	382.94
1033*63057*5	24	03/17/2017	771.00	316.11
1046*63057*1	24	03/20/2017	3,753.00	1,538.73

1036*63057*5	24	03/20/2017	1,408.00	577.28
036-3413*63057*4	24	03/28/2017	5,061.00	2,075.01
036-3413*63057*4	24	03/28/2017	5,618.00	2,303.38
6 invoices, 7 line items			19,377.00	7,944.57
1047*63057*1	25	03/24/2017	2,775.00	1,137.75
1045*63057*1	25	03/31/2017	2,128.00	872.48
2 invoices, 2 line items			4,903.00	2,010.23
1047*63057*1	27	03/29/2017	138.00	56.58
1044*63057*1	27	03/02/2017	1,017.00	416.97
1042*63057*2	27	03/14/2017	1,305.00	535.05
1042*63057*2	27	03/21/2017	534.00	218.94
036-2749*63057*15	27	03/06/2017	191.00	78.31
036-2749*63057*15	27	03/14/2017	191.00	78.31
4 invoices, 6 line items			3,376.00	1,384.16
1045*63057*1	28	03/09/2017	787.00	322.67
1 invoices, 1 line items			787.00	322.67
1045*63057*1	29	03/16/2017	625.00	256.25
036-2778*63057*10	29	03/16/2017	824.00	337.84
2 invoices, 2 line items			1,449.00	594.09
Grand Totals			35,639.00	14,611.99

23 invoices listed.
45 line items listed.

Exhibit “E-1”

Dear MPAP Participant,

The Health and Human Services Commission (HHSC) is considering adding a third eligibility period to the nursing facility (NF) minimum payment amounts program (MPAP) for the period beginning April 1, 2017, and ending August 31, 2017. Participation in this eligibility period will be limited to NFs that participated in either Eligibility Period Two or Two-A of MPAP. Addition of this third eligibility period is contingent upon HHSC achieving a settlement with all MPAP participants regarding the reconciliation of payments for Eligibility Periods One, Two and Two-A and upon Centers for Medicare and Medicaid (CMS) approval of this additional eligibility period.

Eligible NFs that are interested in participating in the third eligibility period will be required to submit intergovernmental transfers (IGT) to HHSC for all five months of the eligibility period by May 31, 2017. IGT amounts will be communicated to eligible NFs as soon as they become available; we are providing this early notice regarding IGT requirements so that any public meetings required to gain approval to IGT can be scheduled in a timely fashion to allow for the transmission of the IGT by May 31, 2017.

As soon as HHSC has determined the IGT amounts for each eligible facility, it will transmit that information to the eligible NFs and ask for confirmation of the NF's desire to participate in Eligibility Period Three. NFs will be required to inform HHSC of their firm intent to participate within two weeks of HHSC's transmission of the IGT amounts. Once a NF informs HHSC of its firm intent to participate, HHSC must receive that NF's IGT by May 31, 2017. If a NF informs HHSC of its firm intent to participate and then fails to IGT by the stated deadline, all MPAP funding for the SDA in which the NF is located will be removed from the capitation rates, the third eligibility period will not be available to any NFs in that SDA, and IGTs received from other NFs in the same SDA will be returned to their source.

HHSC will not direct MCOs to distribute MPAP payments to NFs until CMS approval of a third eligibility period is received; the time required to receive CMS approval could be significant. NFs that are financially unable to have their IGT held by HHSC from May 31, 2017, until CMS approval is achieved, should not participate in Eligibility Period Three.

If CMS denies HHSC's request to add a third eligibility period to MPAP, all IGTs will be returned to their source.

Questions regarding this communication should be directed to Andrew Wolfe at 512-707-6072 or andrew.wolfe@hhsc.state.tx.us.

Take care,

Andrew

Andrew Wolfe, MBA

Senior Rate Analyst for DARS

Rate Analysis Department

Texas Health & Human Services Commission

Work: (512) 707-6072

Email: Andrew.Wolfe@hhsc.state.tx.us



TEXAS
Health and Human
Services

Charles Smith
Executive Commissioner

April 11, 2017

Mr. Brian Neale
Director, Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: 313H
Baltimore, Maryland 21244-1850

Dear Mr. Neale:

I write to inform you that the Texas Health and Human Services Commission (HHSC) intends to reinstate the Minimum Payment Amount Program (MPAP) with a retroactive effective date of April 1, 2017.

MPAP provides necessary funding in support of the nursing facilities for Texas, which serves more than 50,000 Medicaid clients. Without this crucial program, many facilities will struggle to maintain adequate staffing and services.

On July 20, 2016, HHSC received a response letter from the Centers for Medicare and Medicaid Services (CMS) informing HHSC that federal financial participation for MPAP would no longer be available. CMS cited that the MPAP agreement indicates that minimum payments would only be made to nursing facilities that entered into an intergovernmental transfer and that the program's structure was inconsistent with the Social Security Act provisions and implementing regulations having to do with the "amount, duration, scope and quality of care and services." My office believed then and continues to believe that CMS misinterpreted those provisions with respect to MPAP. I stated this view in a letter dated August 19, 2016, and restated in a letter dated November 23, 2016, to Vikki Wachino, former Deputy Administrator and Director at CMS. (See attached). I respectfully request CMS to review and reconsider the position taken by the previous administration.

MPAP will provide a critical funding bridge for nursing facilities until the Quality Incentive Payment Program begins on September 1, 2017. That program awaits your agency's approval, which I hope will be forthcoming.

Mr. Brian Neale
April 11, 2017
Page 2

Thank you for your consideration. If you have questions, please contact Gary Young, Special Advisor to the Associate Commissioner for Medicaid/CHIP Services at HHSC, and he can be reached by telephone at (512) 707-6098 or by email at Gary.Young@hhsc.state.tx.us; or Pam McDonald, Director of Rate Analysis, and she can be reached by telephone at (512) 707-6079 or by email at Pam.McDonald@hhsc.state.tx.us.

Sincerely,



Charles Smith

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



JUL 20 2016

Gary Jessee
Associate Commissioner for Medicaid/CHIP
Texas Health and Human Services Commission
Brown-Healy Building
4900 North Lamar Blvd., MC-H425
Austin, TX 78751

Dear Mr. Jessee:

I am writing in response to a letter sent by former Executive Commissioner Traylor regarding Texas' Minimum Payment Amount Program (MPAP). The Centers for Medicare & Medicaid Services (CMS) shares your state's interest in ensuring that Texas' Medicaid members are able to get quality care in nursing home facilities, and appreciates your concerns regarding the potential disruption of services that may occur as a result of the elimination of funding for this program.

The state's MPAP establishes an enhanced fee schedule for non-state, government-owned nursing facility providers that enter into an agreement to provide an intergovernmental transfer (IGT) to fund the non-federal share of the MPAP program fee schedule. CMS has determined that the MPAP agreement indicates that minimum payments will only be made to nursing facilities that have entered into an IGT agreement, thereby making the funding for the enhanced fee schedule contingent upon these transfers. CMS acknowledges the state's reference to the recently promulgated Medicaid managed care rules and that 42 CFR 438.6(c) does not go into effect until the rating period for contracts starting on or after July 1, 2017; however, the requirements against conditioning payment on receipt of an IGT are longstanding and found at section 1902(a)(2) of the Social Security Act (the Act) and 42 CFR 433.53(c)(2). These requirements apply to payments under both fee-for-service and managed care delivery systems. As structured, the MPAP impermissibly conditions payment on an IGT and thereby violates section 1902(a)(2) of the Act, and 42 CFR 433.53(c)(2).

On April 27, 2016, CMS sent several contract amendment approval letters with the stipulation that CMS will not approve any future contract and rate actions containing this arrangement or any other stipulations on provider payments such as that found in the MPAP program. CMS acknowledges the state's request to continue the MPAP for an additional year in spite of the stipulations in the April 27th contract approval letters. However, CMS will not approve future contracts with MPAP as currently structured as the arrangement violates the federal requirements addressed herein. CMS did provide flexibility to the state by allowing the MPAP payments made prior to, and within, the rating period that was approved on April 27, 2016, to be eligible for federal financial participation and is allowing the state to expand the program within the timeframe already approved.

CMS believes that the state has other options to direct payments to nursing facilities based on utilization or quality of services in a manner consistent with federal requirements. The state has previously submitted a proposal for a Quality Incentive Payment Program (QIPP) that the agency understands to have issues similar to what is discussed in this letter. My staff has discussed with you our concerns with this proposal and offered alternative approaches that could be approved in an

Page 2 - Gary Jessee

expedient manner. CMS is committed to helping the state to design a program that meets the objectives of MPAP or QIPP and fits within the federal framework.

CMS appreciates Texas' support for our shared goals of promoting high quality, coordinated health care for Texas' Medicaid beneficiaries. I hope that we can together work toward our mutual goals and help improve health care for Medicaid beneficiaries in Texas. Should you have questions, please contact Bill Brooks, Associate Regional Administrator, Dallas Regional Office, at bill.brooks@cms.hhs.gov.

Sincerely,



Vikki Wachino
Director

cc: Gary Young, Special Advisor to the Associate Commissioner for Medicaid/CHIP,
Texas Health and Human Services Commission
Michael Nardone, Group Director, Disabled and Elderly Health Programs, CMCS
James Golden, Director, Division of Managed Care Plans
Bill Brooks, Associate Regional Administrator, Region VI



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHARLES SMITH
EXECUTIVE COMMISSIONER

August 19, 2016

Ms. Vikki Wachino
Deputy Administrator and Director
Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: 32-26-12
Baltimore, Maryland 21244-1850

Dear Ms. Wachino:

The Texas Health and Human Services Commission (HHSC) is in receipt of your letter dated July 20, 2016, in which the Centers for Medicare and Medicaid Services (CMS) continued to take issue with the Minimum Payment Amounts Program (MPAP). As you noted, MPAP is an enhanced minimum fee schedule for the class of non-state government-owned nursing facilities (NFs). Texas providers consider MPAP to be an important program so that they can achieve an even higher quality of care to vulnerable Texas Medicaid recipients.

HHSC strongly disagrees with CMS' underlying reasoning expressed in the letter for denying federal funding for this program. Specifically, HHSC disagrees that federal law prohibits conditioning an enhanced Medicaid payment on an intergovernmental transfer (IGT).

The MPAP program relied on IGT Responsibility Agreements and it is these agreements with which CMS takes issue.¹ CMS views the IGT Responsibility Agreements as a condition on the receipt of an enhanced payment, and that view is correct. As was noted in the discussions concerning the creation of MPAP, since MPAP is a directed payment program through managed care organizations, HHSC could not decrease contracted payments to managed care organizations based upon the amount of local funds transferred by governmental entities throughout a program year. Since the managed care contract amount could not be adjusted, HHSC relied on the agreements to ensure that the State would not be committed to funding a portion of enhanced payments for which it did not have appropriation authority.

¹ HHSC recognizes that newly promulgated 42 CFR 438.6(c) prohibits the use of such agreements in directed payment arrangements. However, HHSC finds it curious that this provision does not go into effect until July 1, 2017. If the general prohibition on conditioning payment on receipt of IGT existed prior to the enactment of this new rule, why would CMS explicitly delay compliance with the prohibition?

Ms. Vikki Wachino
August 19, 2016
Page 2

CMS points to Section 1902(a)(2) of the Social Security Act and its implementing regulation, 42 CFR §433.53(c)(2), as support for their position. These provisions discuss the need to ensure the continued "amount, duration, scope, and quality of care and services" available under the state plan in the event of a lack of funding from local sources. However, CMS is stretching the legal requirement far beyond the clear and unambiguous language of the statute and regulation.

These provisions refer to the situation in which local funding supports *base rates* for Medicaid services, *not enhanced payments*. The notion is that basic access should not suffer because of a difference in local resources. For CMS to apply these provisions to MPAP, it would have to show that a lack of IGT somehow reduces the "amount, duration, scope, and quality of care and services" under the state plan.²

Given that MPAP is an addition to the base rates paid to NFs, that cannot possibly be the case. CMS has not shown that access to care for NF services is in any way hindered in the event that MPAP payments are not made. To the contrary, programs like MPAP that utilize local funding to supplement existing and adequate base rates can only have a positive impact on the "amount, duration, scope, and quality of care and services" the facility was already providing. Given that CMS approved all recent NF rates, presumably because access to care is adequate under those rates, the argument for applying the local funds prohibition to MPAP is unreasonable.

Thank you for consideration of this letter. Gary Young, Special Advisor to the Deputy Executive Commissioner at HHSC, and Pam McDonald, Director of Rate Analysis, serve as the lead staff on this matter. Mr. Young can be reached by telephone at (512) 707-6098 or by email at Gary.Young@hhsc.state.tx.us. Ms. McDonald can be reached by telephone at (512) 707-6079 or by email at Pam.Mcdonald@hhsc.state.tx.us.

Sincerely,



Charles Smith

² It is also worth considering whether or not the provisions of federal law apply to this situation since MPAP is not included in the state plan at all.



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHARLES SMITH
EXECUTIVE COMMISSIONER

November 23, 2016

Ms. Vikki Wachino
Deputy Administrator and Director
Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: 32-26-12
Baltimore, Maryland 21244-1850

Dear Ms. Wachino:

On August 19, 2016, the Health and Human Services Commission (HHSC) sent a letter to your attention strongly disagreeing with and demonstrating the flawed reasoning underlying CMS's denial of federal funding for the Minimum Payment Amounts Program (MPAP). Specifically, HHSC disagreed that federal law prohibits conditioning an enhanced Medicaid payment on an intergovernmental transfer. We did not receive a response to that letter.

As noted in the August 19, 2016, letter, the rationale used by CMS to disapprove the program is based on a misplaced interpretation of the provisions in the Social Security Act and implementing regulations having to do with the "amount, duration, scope, and quality of care and services." These provisions are meant to ensure that reliance on the use of local funds as the non-federal share of overall funding does not reduce the amount, duration, scope or quality of services. In contrast, the MPAP provides an enhancement to existing nursing facility rates and is meant to improve the services delivered by participating nursing facilities.

The MPAP is a vitally important part of the state's nursing facility financing -- one the state needs to preserve as we transition to the replacement Quality Incentive Payment Program (QIPP), which your staff is currently reviewing. While we fully expect to receive approval of that program shortly, we cannot implement it until September 1, 2017. As was understood with the initial approval of the program, the MPAP provides an essential funding bridge to that date.

Because of the hardship this misplaced interpretation has caused to the participating nursing facilities and the failure of CMS to respond to my request for reconsideration, I am compelled to submit amended Medicaid managed care contracts that will reinstate the MPAP effective February 1, 2017. As was initially approved, the MPAP will remain in effect until September 1, 2017, or until CMS grants approval of the QIPP, whichever occurs last.

Ms. Vikki Wachino
November 23, 2016
Page 2

Thank you for consideration of this letter. If you have any questions, please contact Gary Young, Special Advisor to the Associate Commissioner for Medicaid/CHIP Services at HHSC, by telephone at (512) 707-6098 or by email at gary.young@hhsc.state.tx.us; or Pam McDonald, Director of Rate Analysis, by telephone at (512) 707-6079 or by email at pam.mcdonald@hhsc.state.tx.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles Smith".

Charles Smith

Exhibit “E-2”

Period 1 & 2 - Individual Provider Impact

(March 2015 to August 2016)

Original Offer

Period	Provider	Provider Name	Legal Entity	Total Proxy Payments	IGT Amount (includes 2% holdback)	IGT Plus Federal Funds Drawn Down (minus Premium Tax and 2% holdback)	Final Payment/ (Recoupment)	WSHD Share
1	1932517026	Garrison Nursing Home & Rehabilitation Center	Winnie-Stowell Hospital District	\$2,978,427.00	\$1,351,336.00	\$3,101,630.20	\$123,203.20	\$49,281.28
2	1447668538	Golden Villa Healthcare, LLC	Winnie-Stowell Hospital District	\$2,513,764.00	\$1,117,348.00	\$2,564,573.36	\$60,809.36	\$20,323.74
3	1235538513	Highland Park Care Center	Winnie-Stowell Hospital District	\$2,426,299.64	\$1,317,358.45	\$3,023,643.82	\$597,344.18	\$238,937.67
4	1629486717	Marshall Manor Nursing and Rehabilitation Center	Winnie-Stowell Hospital District	\$4,129,332.00	\$1,913,175.46	\$4,391,182.34	\$261,850.34	\$104,740.14
5	1871907675	Marshall Manor West	Winnie-Stowell Hospital District	\$3,176,380.38	\$1,427,809.38	\$3,277,154.37	\$100,773.99	\$40,309.60
6	1073927018	Rose Haven Retreat	Winnie-Stowell Hospital District	\$1,854,889.98	\$893,054.00	\$2,049,766.49	\$194,876.51	\$77,950.60
7	1679981765	Spring Branch Transitional Care Center	Winnie-Stowell Hospital District	\$11,591,739.00	\$5,272,047.00	\$12,100,573.19	\$508,834.19	\$203,533.68
8	1134101553	Clairmont Beaumont	Winnie-Stowell Hospital District	\$3,848,604.81	\$1,852,477.25	\$4,251,865.84	\$403,261.03	\$201,630.52
9	1033167408	Hallettsville Rehabilitation and Nursing Center	Winnie-Stowell Hospital District	\$1,775,768.74	\$1,043,139.25	\$2,394,247.03	\$618,478.29	\$309,239.15
10	1700841673	Monument Hill Rehabilitation and Nursing Center	Winnie-Stowell Hospital District	\$939,226.86	\$587,502.49	\$1,348,454.76	\$409,227.90	\$204,613.95
11	1952359499	Oak Manor Nursing Center	Winnie-Stowell Hospital District	\$1,366,276.65	\$735,535.53	\$1,688,224.99	\$321,948.34	\$160,974.17
12	1174574958	Oakland Manor Nursing Center	Winnie-Stowell Hospital District	\$1,952,243.00	\$1,011,698.00	\$2,322,082.05	\$369,839.05	\$184,919.53
13	1073536041	The Woodlands Healthcare Center	Winnie-Stowell Hospital District	\$7,656,815.00	\$3,816,630.79	\$8,760,054.72	\$1,103,239.72	\$551,619.86
				\$46,209,767.06	\$22,339,111.60	\$51,273,453.16	\$5,063,686.10	\$2,348,073.89

Settlement Offer

Period	Provider	Provider Name	Legal Entity	Total Proxy Payments	IGT Amount (includes holdback)	IGT Plus Federal Funds Drawn Down (minus Premium Tax)	Final Payment/ (Recoupment)	WSHD Share
1	1932517026	Garrison Nursing Home & Rehabilitation Center	Winnie-Stowell Hospital District	\$2,978,427.00	\$1,351,336.00	\$3,093,759.00	\$115,332.00	\$46,132.80
2	1447668538	Golden Villa Healthcare, LLC	Winnie-Stowell Hospital District	\$2,513,764.00	\$1,117,348.00	\$2,558,961.00	\$45,197.00	\$18,078.80
3	1235538513	Highland Park Care Center	Winnie-Stowell Hospital District	\$2,426,300.00	\$1,317,358.00	\$3,018,650.00	\$592,350.00	\$236,940.00
4	1629486717	Marshall Manor Nursing and Rehabilitation Center	Winnie-Stowell Hospital District	\$4,129,332.00	\$1,913,175.00	\$4,381,500.00	\$252,168.00	\$100,867.20
5	1871907675	Marshall Manor West	Winnie-Stowell Hospital District	\$3,176,380.00	\$1,427,809.00	\$3,268,249.00	\$91,869.00	\$36,747.60
6	1073927018	Rose Haven Retreat	Winnie-Stowell Hospital District	\$1,854,890.00	\$893,054.00	\$2,045,077.00	\$190,187.00	\$76,074.80
7	1679981765	Spring Branch Transitional Care Center	Winnie-Stowell Hospital District	\$11,591,739.00	\$5,272,047.00	\$12,073,272.00	\$481,533.00	\$192,613.20
8	1134101553	Clairmont Beaumont	Winnie-Stowell Hospital District	\$3,848,605.00	\$1,852,477.00	\$4,244,880.00	\$396,275.00	\$198,137.50
9	1033167408	Hallettsville Rehabilitation and Nursing Center	Winnie-Stowell Hospital District	\$1,775,769.00	\$1,043,139.00	\$2,391,878.00	\$616,109.00	\$308,054.50
10	1700841673	Monument Hill Rehabilitation and Nursing Center	Winnie-Stowell Hospital District	\$939,227.00	\$587,502.00	\$1,360,203.00	\$420,976.00	\$210,488.00
11	1952359499	Oak Manor Nursing Center	Winnie-Stowell Hospital District	\$1,366,277.00	\$735,536.00	\$1,685,522.00	\$319,245.00	\$159,622.50
12	1174574958	Oakland Manor Nursing Center	Winnie-Stowell Hospital District	\$1,952,243.00	\$1,011,698.00	\$2,318,232.00	\$365,989.00	\$182,994.50
13	1073536041	The Woodlands Healthcare Center	Winnie-Stowell Hospital District	\$7,656,815.00	\$3,816,631.00	\$8,740,137.00	\$1,083,322.00	\$541,661.00
				\$46,209,768.00	\$22,339,110.00	\$51,180,320.00	\$4,970,552.00	\$2,308,412.40

MPAP PAYMENT AGREEMENT

This MPAP Payment Agreement (**Agreement**), is made and entered into by Winnie-Stowell Hospital District (**NSGO**), a governmental entity established under the laws of the state of Texas, and the Texas Health and Human Services Commission (**HHSC**), an administrative agency of the state of Texas, to be effective as of the Effective Date, as defined below.

RECITALS

- A. HHSC is the single state agency authorized to administer the state medical assistance program (**Medicaid**) under Section 1902(a)(5) of the Social Security Act (42 U.S.C. §1396a(a)(5)) and Section 32.021(a), TEXAS HUMAN RESOURCES CODE, and Section 531.055(b)(1), TEXAS GOVERNMENT CODE, including the Texas Nursing Facility Minimum Payment Amount Program (**MPAP**).
- B. NSGO administers healthcare services and programs to persons who are beneficiaries of the Medicaid program and supplies the non-federal share of capitation payments that are made under MPAP to managed care organizations (**MCOs**), which in turn make directed payments to nursing facilities owned by NSGO in accordance with instructions from HHSC.
- C. The MPAP Providers made intergovernmental transfers of Public Funds to HHSC as required by MPAP.
- D. HHSC and NSGO are mutually interested in the successful administration of MPAP, the mitigation of financial and other risks related to MPAP, and the proper accountability of Public Funds administered under MPAP.
- E. HHSC has made a series of payments (the **Proxy Payments**) to NSGO with the intention of making a final payment that would reconcile the Proxy Payments to the amounts to be paid under the MPAP Payment Methodology. HHSC has been unable to calculate payments due to NSGO and the other MPAP Providers in accordance with the MPAP Payment Methodology.
- F. HHSC proposes to make a Final Proxy Payment to (or receive a payment from) NSGO as full and final settlement of all amounts owed to NSGO under MPAP for state fiscal years 2015 and 2016, subject to any Premium Reconciliation.
- G. NSGO wishes to accept the Final Proxy Payment and acknowledge that: (a) except as set forth in this Agreement, the Proxy Payments, including the Final Proxy Payment, and any payment made in accordance with a Premium Reconciliation, satisfy HHSC's obligations to make payments to NSGO under MPAP for state fiscal years 2015 and 2016; and (b) NSGO's acceptance of the Proxy Payments represents NSGO's express waiver of entitlement to payment under the MPAP Payment Methodology as promulgated in the MPAP Rule in effect during such state fiscal years.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements described in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged the Parties agree as follows:

1. Definitions.

1.1. All capitalized terms, not otherwise defined in this Agreement have the same definitions set forth in the MPAP Rule.

1.2. Arithmetic Error means the erroneous performance of a basic mathematical operation such as addition, subtraction, multiplication, division, or other mathematical function in the calculation of a Proxy Payment or Premium Reconciliation and excludes the formulae through which such mathematical operations are performed.

1.3. CMS means the Centers for Medicare and Medicaid Services.

1.4. Final Proxy Payment means a payment from HHSC to an MPAP Provider for the purpose of distributing the Program Balance, including the payment to NSGO contemplated by this Agreement in the amount set forth in **Exhibit A** attached hereto.

1.5. MPAP Payment Methodology means the methodology for calculating payments due to MPAP Providers under the MPAP Rule.

1.6. MPAP Provider means NSGO and the other non-state governmental entities that participated in MPAP as nursing facility providers during state fiscal year 2015 or 2016.

1.7. MPAP Rule means 1 Tex. Admin. Code § 353.608.

1.8. Party means either NSGO or HHSC, as the context requires, and **Parties** means NSGO and HHSC collectively.

1.9. Premium Reconciliation means any of the reconciliations contemplated by subsection (g)(4) of the MPAP Rule.

1.10. Program Balance means the amount of state and federal funds that HHSC intends to pay to MPAP Providers as Final Proxy Payments pursuant to MPAP Payment Agreements.

2. Effective Date. This Agreement shall be effective upon the date of countersignature by the Executive Commissioner of HHSC. The Executive Commissioner's countersignature will not occur until a signed Agreement is received from all MPAP Providers.

3. Agreement and Representations by NSGO.

3.1. Full Payment. NSGO acknowledges, in accordance with 42 C.F.R. §447.15, that but for Arithmetic Errors, its acceptance of the Proxy Payments, including the Final Proxy Payment, and any payment pursuant to a Premium Reconciliation, represents its acceptance of such payments as payment in full of HHSC's liability to NSGO under federal law in connection with MPAP for state fiscal years 2015 and 2016. Except as otherwise provided in this Agreement, NSGO's acceptance of the Proxy Payments represents NSGO's express waiver of entitlement to payment under the MPAP Payment Methodology as promulgated in the MPAP Rule in effect during state fiscal years 2015 and 2016.

3.2. Repayment of Negative Amounts. If the amount listed in **Exhibit A** to this Agreement is less than zero, then NSGO shall pay the absolute value of such amount to an MCO designated by HHSC within fifteen days after the Effective Date.

3.3. Covenant Not to Sue. NSGO will not institute directly or indirectly any lawsuit, action or proceeding of any kind against HHSC or any of its past, present, or future agents, employees, officers, directors, administrators, servants, and representatives, in any court, that challenges any payments made under MPAP (other than payments that are subject to Arithmetic Errors) for state fiscal years 2015 and 2016, including but not limited to the Proxy Payments and the Final Proxy Payment. NSGO does not reserve and will not prosecute in any forum any claims whatsoever against HHSC, of the nature described in this paragraph. NSGO will not file any administrative charge, complaint or proceeding, of any nature whatsoever against HHSC, with any federal, state, or local administrative tribunal with regard to any claim or cause of action described in this paragraph, and NSGO agrees that it will promptly withdraw any such claim that remains pending in any way. Notwithstanding anything else to the contrary, NSGO's covenants set forth in this section are expressly conditioned on HHSC's fulfillment of its obligations and commitments set forth in this Agreement.

3.4. Disallowance. If CMS disallows any portion of the federal matching funds used to fund the Proxy Payments, then NSGO will return the portion of Proxy Payments that it received that was derived from federal matching funds; **provided, however,** that HHSC shall pursue all available administrative and judicial appeals that it determines in good faith are warranted, prior to requiring NSGO to return any such funds.

3.5. Premium Reconciliation. NSGO acknowledges and agrees to continue to fulfill its obligations under the MPAP Rule in regards to Premium Reconciliation.

4. Agreements and Representations by HHSC.

4.1. Within fifteen business days after the Effective Date, HHSC will direct the MCOs to make the Final Proxy Payment to NSGO, with such payment to be made within ten calendar days after HHSC issues such direction.

4.2. Other than any adjustments that may result from a Premium Reconciliation or Arithmetic Error, or unless compelled by CMS or other authority, such as the U.S. Department of Health and Human Services Office of Inspector General or the HHSC Inspector General, HHSC shall not, directly, or indirectly through any MCO, seek to recoup, set off or otherwise recover any Proxy Payments, including the Final Proxy Payment from NSGO.

5. Administrative Provisions.

5.1. Headings. The headings, captions and arrangements used in this Agreement are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify, or modify the terms of this Agreement, nor to affect the meaning thereof.

5.2. Governing Law. This Agreement is being executed and delivered, and is intended to be performed in Texas, pursuant to the laws of the State of Texas, which shall govern the rights and the duties of the Parties and the validity, construction, enforcement and interpretation of this Agreement.

5.3. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable,

this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance therefrom.

5.4. Authority. The Parties represent and warrant that the person signing this agreement on behalf of each Party is fully authorized to bind that Party to all of the terms of this Agreement.

5.5. Entire Agreement. This Agreement embodies the entire agreement between the Parties with regard to the matters set forth in it and shall be binding upon, and inure to the benefit of the agents, employees, officers, directors, administrators, servants, representatives, and assigns of each Party. This Agreement supersedes any and all prior agreements and understandings, if any, relating to the subject matter hereof, and may be amended only by an instrument in writing executed jointly by a duly authorized officer or agent of each of the parties. The terms of this instrument are contractual and are not mere recitals, and the undersigned specifically represent that the contents and effects hereof are fully and completely agreed to and understood.

5.6. Acknowledgement. The Parties individually acknowledge that they have read and understand the effect of this Agreement, that they have had the advice of counsel, and that they are executing this Agreement of their own free will and accord, for the purpose of making a full and final compromise and settlement and for the purposes and consideration set forth in this Agreement. Each Party hereto has been advised that each Party should have this Agreement reviewed by such Party's attorney prior to executing same.

5.7. Multiple Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitutes, collectively, one agreement, but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Copies of a Party's signature on this Agreement shall have the same force and effect as an original.

5.8. Interpretation. This agreement shall not be construed against or unfavorably to any Party because of such Party's involvement in the preparation or drafting of this Agreement.

5.9. Formal Approval of Governing Body. This Agreement must be approved and executed in the manner authorized by the governing body of NSGO or as required under Chapter 791, Subchapter B, of the Texas Government Code.

5.10. Waiver. Waiver by either Party of a single, specific breach or violation of any provision of this Agreement by the other Party is not a waiver of any other breach of the same or similar provision of the Agreement. No waiver of a breach of this Agreement by a Party is effective unless it is in made in a writing provided to the other Party.

5.11. Notices. Any notices required or permitted under this Agreement will be sufficient if made in writing, sent by certified mail addressed to the addresses listed on the signature page of this Agreement to such other address that either Party may from time to time notify the other in writing.

Signature Page Follows

IN WITNESS WHEREOF, the undersigned, having represented and warranted their authority to enter into and execute this Agreement, have executed this Agreement.

TEXAS HEALTH AND HUMAN SERVICES COMMISSION:

NSGO:
Winnie-Stowell Hospital District

By: _____
Charles Smith,
Executive Commissioner

By: _____
Name: _____
Title: _____

Address for Notice:

Texas Health and Human Services
Commission
Attn: General Counsel
4900 N. Lamar Blvd.
Austin, TX 78751-2316

Address for Notice:

Exhibit A

Amount of Final Proxy Payment

Final Proxy Payment due to/from Winnie-Stowell Hospital District: \$4,970,553

If the amount listed above is negative, the NSGO must repay the absolute value of such amount to an MCO designated by HHSC within 15 days after the Effective Date.

Exhibit “F”

Garrison Nursing Home and Rehabilitation Center	Caring Healthcare	93	Census 85, Down 2. The facility had their annual survey in June. The facility has had their plan of correction accepted by the state. They are preparing for their 2017 survey. No reportable incidents were reported since the last visit. The facility contained their flu outbreak well, great job by all staff to get that under control.
Clairmont Beaumont (CB)	Genesis	148	Census 101, Up 2. Facility recently upgraded to a 4-star rating. Improvements continue to be made to the facility. The facility appears very nice. No reportable incidents since the last visit. The staffing issues are being relieved, the administrator has changed shift times to better suit the staff and become more appealing to applicants.
The Woodlands Healthcare Center (WHC)	Genesis	214	Census: 161, Up 2. Director of Nursing provided the tour of the facility. Survey was in May and all tags cleared. There were no reportable incidents since the last visit. There were no compliance issues noticed during the visit. Falls continue trend downward which is a welcome sight, there was one major injury but the gross number of falls continues to drop.
Monument Hill Rehabilitation and Nursing Center (MHRNC)	Genesis	108	Census: 57, Down 2. The facility had their annual survey in September, the administrator is expecting 8 minor tags from the survey. Two reportable incidents since the last visit both were unsubstantiated. The facility is putting in procedures to maintain healthy living weight for all its residents. Due to the flu, a tour of the facility was not available.
Oakland Manor Nursing Center (OKLD)	Genesis	120	Census: 54, Up 4. The facility presents well and the staff is doing a good job. There was one reportable incident since the last visit, it was desk reviewed and unsubstantiated. The facility had their full-book survey at the end of November, they received tags for quality of life and infection control, none of which were major. The falls checklist is showing its affect, falls are down and administrators hope to decrease them more.
Hallettsville Rehabilitation and Nursing Center (HRNC)	Genesis	120	Census: 71, Up 8. Facility appeared neat and the residents appeared happy and well kept. The facility is in their survey window. There were no reportable incidents since the last visit. The staffing issues are continuing but the facility is doing everything they can to make due in the meantime.
Oak Manor Nursing Center (OMNC)	Genesis	82	Census: 37, Down 3. There were two reportable incidents since the last visit, both were unsubstantiated. The new DON is doing a great job thus far and the facility is still searching for a new ADON. The facility was having a flu epidemic during the visit and so access to the facility was limited.

Winnie-Stowell Hospital District			
Executive Summary of Nursing Home Monthly Site Visits			
March 2017			
Facility	Operator	# of Lic. Beds	Comments
Marshall Manor (MM)	Caring Healthcare	179	Census: 116, No change. The facility had their annual survey on June 9 th 2016, they are in the early stages of preparing for their 2017 annual survey. The facility has had their plan of correction accepted by the state. No reportable incidents since the last visit. The new A wing has been completed at the facility and turned out wonderfully, they are expecting the rest of the facility to be completed within the next few months.
Highland Park Care Center (HPCC)	Carling Healthcare	64	Census: 43, Up 1. The facility had its annual survey, they did not receive any F-tags but did receive a couple life-safety tags, they are working on sending a plan of correction to the state for review. The facility has hired a new dietary manager to start at the end of March. There were no reportable incidents since the last visit.
Marshall Manor West (MMW)	Caring Healthcare	118	Census: 72, Up 1. Facility had their annual survey in February, they received three minor tags, a plan of correction is being sent to the state for review. No reportable incidents since the last visit. The facility was decorated for a St. Patrick's Day party during the visit, the residents really seem to enjoy the activities they get to participate in.
Golden Villa (GV)	Caring Healthcare	120	Census: 87, Down 3. The facility had their 2017 annual survey, they received tags for dietary and minor nursing tags; their plan of correction was accepted via desk review. There have been no reportable incidents since the last visit. All residents observed were clean and well groomed. There were no compliance issues noticed on the visit
Rose Haven Retreat (RHR)	Caring Healthcare	108	Census: 56. The facility had their annual survey at the end of June and received two tags, the plan of correction has been accepted by the state. No reportable incidents since the last visit. The new administrator started in March and is hoping to make some quick impact at the facility, all signs point to him being a great addition for the facility.
Spring Branch Transitional Care Center (SBTCC)	Caring Healthcare	198	Census: 193, Up 3. The facility is in their survey window. There were two reportable incidents for the month, both were unsubstantiated and uncited. The facility has hired a new administrator who has almost 40 years in the healthcare industry. The facility presents really well and staff was taking great care to answer all call lights promptly.

Garrison Nursing Home and Rehabilitation Center	Caring Healthcare	93	Census 85, Down 2. The facility had their annual survey in June. The facility has had their plan of correction accepted by the state. They are preparing for their 2017 survey. No reportable incidents were reported since the last visit. The facility contained their flu outbreak well, great job by all staff to get that under control.
Clairmont Beaumont (CB)	Genesis	148	Census 101, Up 2. Facility recently upgraded to a 4-star rating. Improvements continue to be made to the facility. The facility appears very nice. No reportable incidents since the last visit. The staffing issues are being relieved, the administrator has changed shift times to better suit the staff and become more appealing to applicants.
The Woodlands Healthcare Center (WHC)	Genesis	214	Census: 161, Up 2. Director of Nursing provided the tour of the facility. Survey was in May and all tags cleared. There were no reportable incidents since the last visit. There were no compliance issues noticed during the visit. Falls continue trend downward which is a welcome sight, there was one major injury but the gross number of falls continues to drop.
Monument Hill Rehabilitation and Nursing Center (MHRNC)	Genesis	108	Census: 57, Down 2. The facility had their annual survey in September, the administrator is expecting 8 minor tags from the survey. Two reportable incidents since the last visit both were unsubstantiated. The facility is putting in procedures to maintain healthy living weight for all its residents. Due to the flu, a tour of the facility was not available.
Oakland Manor Nursing Center (OKLD)	Genesis	120	Census: 54, Up 4. The facility presents well and the staff is doing a good job. There was one reportable incident since the last visit, it was desk reviewed and unsubstantiated. The facility had their full-book survey at the end of November, they received tags for quality of life and infection control, none of which were major. The falls checklist is showing its affect, falls are down and administrators hope to decrease them more.
Hallettsville Rehabilitation and Nursing Center (HRNC)	Genesis	120	Census: 71, Up 8. Facility appeared neat and the residents appeared happy and well kept. The facility is in their survey window. There were no reportable incidents since the last visit. The staffing issues are continuing but the facility is doing everything they can to make due in the meantime.
Oak Manor Nursing Center (OMNC)	Genesis	82	Census: 37, Down 3. There were two reportable incidents since the last visit, both were unsubstantiated. The new DON is doing a great job thus far and the facility is still searching for a new ADON. The facility was having a flu epidemic during the visit and so access to the facility was limited.

Exhibit “G”

BUSINESS ASSOCIATE AGREEMENT
WINNIE-STOWELL HOSPITAL DISTRICT AND WINNIE-STOWELL VOLUNTEER EMS

This Business Associate Agreement (“BA Agreement”), effective April 19, 2017 (the “Effective Date”), is entered into by and between Winnie-Stowell EMS (“Business Associate”) and Winnie-Stowell Hospital District as agent for and on behalf of its affiliates which are covered entities (collectively, “Covered Entity”).

RECITALS

A. Business Associate and Covered Entity are engaged in a business relationship whereby Covered Entity obtains from Business Associate, and Business Associate provides to Covered Entity, certain healthcare services, namely emergency medical services to the Covered Entity’s indigent client’s (“Business Relationship”);

B. As part of this Business Relationship, Business Associate performs or assists in performing a function or activity on behalf of Covered Entity that involves the use and/or disclosure of Protected Health Information (as defined in 45 C.F.R. 160.103).

C. The parties desire to enter into this BA Agreement regarding the use and/or disclosure of Protected Health Information as required by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Standards for Privacy of Individually Identifiable Health Information (the “Privacy Rule”) and the Standards for Security of Electronic Protected Health Information (the “Security Rule”) promulgated thereunder, and the Health Information Technology for Economic and Clinical Health Act (Division A, Title XIII and Division B, Title IV, of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) (the “HITECH Act”), and the regulations implementing the HITECH Act.

NOW, THEREFORE, for and in consideration of the representations, warranties and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Terms Used. Terms used but not otherwise defined in this BA Agreement shall have the same meaning given to such terms in HIPAA, the HITECH Act, or any implementing regulations promulgated thereunder, including but not limited to the Privacy Rule and the Security Rule. For the avoidance of doubt, the term Protected Health Information shall include Electronic Protected Health Information.

2. Permitted Uses and Disclosures of Protected Health Information. Except as otherwise limited in the Business Relationship or this BA Agreement, Business Associate may use and/or disclose Protected Health Information to perform the functions, activities, or services for or on behalf of Covered Entity as specified in the Business Relationship provided that such use and/or disclosure (a) would not violate the Privacy Rule or Security Rule if done by Covered Entity, (b) is reasonably limited to the minimum

necessary information to accomplish the intended purpose of the use or disclosure, (c) is in compliance with each applicable requirement of 45 C.F.R. § 164.504(e), and (d) is in compliance with the HITECH Act and its implementing regulations. All other uses and/or disclosures not authorized by the Business Relationship or this BA Agreement are prohibited.

3. Responsibilities of Business Associate with Respect to Protected Health Information. With regard to the use and/or disclosure of Protected Health Information, Business Associate hereby agrees:

a. not to use and/or disclose Protected Health Information other than as permitted or required by the Business Relationship or this BA Agreement or as Required By Law;

b. to use appropriate safeguards to prevent the use and/or disclosure of Protected Health Information other than as provided for by the Business Relationship or this BA Agreement;

c. to comply with the Security Rule provisions set forth in 45 C.F.R. Part 164, Subpart C, including provisions relating to Security Standards General Rules (45 C.F.R. § 164.306), Administrative Safeguards (45 C.F.R. § 164.308), Physical Safeguards (45 C.F.R. § 164.310), Technical Safeguards (45 C.F.R. § 164.312), Organizational Requirements (45 C.F.R. § 164.314) and Policies and Documentation (45 C.F.R. § 164.316), and to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information which Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity;

d. to report to Covered Entity any Security Incident or potential Breach of Unsecured Protected Health Information of which it becomes aware, in the following times and manners:

(1) any actual, successful Security Incident shall be reported to Covered Entity in writing within two (2) business days of Business Associate's discovery of such actual, successful Security Incident;

(2) any attempted, unsuccessful Security Incident of which Business Associate becomes aware shall be reported to Covered Entity in writing, on a reasonable basis at the written request of Covered Entity but in no event more often than on a quarterly basis; and

(3) any potential Breach of Unsecured Protected Health Information shall be reported to Covered Entity in writing within two (2) business days of Business Associate's discovery of such potential Breach of Unsecured Protected Health Information,

and (in any case) any such report shall include the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business

Associate to have been, accessed, acquired, used or disclosed during any such Security Incident or potential Breach, together with such other information regarding the Security Incident or potential Breach as is known to Business Associate at the time such report is made (such as the type of Protected Health Information involved in the event, the nature of the information accessed, acquired or disclosed, etc.) or promptly thereafter as such other information becomes available;

e. to notify Covered Entity in writing within two (2) business days of any use and/or disclosure of Protected Health Information that is not provided for by the Business Relationship or this BA Agreement;

f. to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BA Agreement or by its subcontractor or agent in violation of the agreement described in Section 3.h., or as the result of any Security Incident or potential Breach, using mitigation actions that are disclosed to Covered Entity in advance and authorized by Covered Entity, all at the sole cost and expense of Business Associate;

g. to work cooperatively with Covered Entity in connection with Covered Entity's investigation of any potential Breach and in connection with any notices Covered Entity determines are required as a result, and to refrain from giving any notice itself unless Covered Entity expressly agrees in advance and in writing to Business Associate giving notice and to the form, content and method of delivery of such notice, all at the sole cost and expense of Business Associate;

h. to ensure that all subcontractors and agents that create, receive, maintain or transmit Protected Health Information on behalf of Business Associate agree in writing to substantially the same restrictions and conditions that apply to Business Associate with respect to such Protected Health Information;

i. to provide access (at the request of, and in the time and manner reasonably designated by, Covered Entity) to Protected Health Information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524 (this provision shall be applicable only if Business Associate has Protected Health Information in a Designated Record Set) and to notify Covered Entity of any requests for access it receives from an Individual within two (2) business days of receipt;

j. to make any amendment(s) (at the request of, and in the time and manner reasonably designated by, Covered Entity) to Protected Health Information in a Designated Record Set that Covered Entity directs pursuant to 45 C.F.R. § 164.526 (this provision shall be applicable only if Business Associate has Protected Health Information in a Designated Record Set) and to notify Covered Entity of any amendment requests it receives from an Individual within two (2) business days of receipt;

k. to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528;

l. to provide to Covered Entity, in a time and manner reasonably designated by Covered Entity, information collected in accordance with Section 3.k. of this BA Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528 (and HITECH Act § 13405(c) when such requirements are effective as to Covered Entity);

m. to the extent Business Associate is to carry out an obligation of Covered Entity under the Privacy Rule provisions set forth at 45 C.F.R. Part 164, Subpart E (any such obligation to be carried out only when so directed by Covered Entity pursuant to the Business Relationship or this BA Agreement), to comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation;

n. to make its internal practices, books, and records relating to the use and/or disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to Covered Entity, or at the request of Covered Entity, to the Secretary of the Department of Health and Human Services or his/her designee, in a time and manner designated by Covered Entity or the Secretary, for purposes of determining Covered Entity's and/or Business Associate's compliance with the Privacy Rule and/or Security Rule; and

o. if Business Associate knows of a pattern of activity or practice by its subcontractor or agent that constitutes a material breach or violation of Business Associate's obligations under this BA Agreement or of the agreement described in Section 3.h. of this BA Agreement, (i) to give written notice of such pattern or practice to Covered Entity within two (2) business days of its discovery; (ii) to take reasonable steps to cure the breach or end the violation; and (iii) if Business Associate determines that such steps appear to have been unsuccessful, to promptly terminate the subcontractor's or agent's creation, receipt, maintenance, or transmittal of Protected Health Information on behalf of Business Associate and to give Covered Entity written notice of such determination and termination.

4. Responsibilities of Covered Entity with Respect to Protected Health Information.
If deemed applicable by Covered Entity, Covered Entity shall:

a. provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. 164.520 as well as any changes to such notice;

b. notify Business Associate in writing of any change in, or revocation of, permission by Individual to the use and/or disclosure of Protected Health Information, if

such changes affect Business Associate's permitted or required uses and/or disclosures; and

c. notify Business Associate in writing of any restriction to the use and/or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. 164.522.

5. Specific Use and Disclosure by Business Associate. Except as otherwise limited in the Business Relationship and this BA Agreement, Business Associate may:

a. use Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate;

b. disclose Protected Health Information for the proper management and administration of Business Associate, provided that the disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom Protected Health Information is disclosed that it will remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of Protected Health Information has been breached; and

c. use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. 164.504(e)(2)(i)(B).

6. Term and Termination.

a. Term. The Term of this BA Agreement shall be effective as of the Effective Date and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such Protected Health Information, in accordance with Section 6.c. below.

b. Termination for Cause. Covered Entity may immediately terminate the Business Relationship and/or this BA Agreement if Covered Entity determines that Business Associate has breached a material term of this BA Agreement.

c. Effect of Termination.

(1) Except as provided in paragraph (2) of this Section 6.c., upon termination of the Business Relationship and/or this BA Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This Section 6.c.(1) shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(2) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide in writing to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual written agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this BA Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

7. Indemnification. To the extent allowed by law, Business Associate agrees to indemnify and hold harmless Covered Entity and its affiliates and their respective current and former officers, directors, members, employees and agents (collectively, “Indemnitees”), from and against any liability, claim, action, loss, cost, damage or expense (including reasonable fees of attorneys and experts) incurred or suffered by Indemnitees, to the extent that such liability, claim, action, loss, cost, damage, expense or fee is attributable to or incurred as a result of an unauthorized use or disclosure of Protected Health Information by Business Associate or its subcontractor or agent; an acquisition, access, use, or disclosure, by Business Associate or its subcontractor or agent, that constitutes a Breach or Security Incident; any breach of this BA Agreement by Business Associate; or any breach of the agreement described in Section 3.h. of this BA Agreement by Business Associate’s subcontractor or agent.

8. Miscellaneous.

a. Application and Incorporation. As of the Effective Date, this BA Agreement supersedes any preexisting business associate agreement between the parties and automatically amends any preexisting contract or relationship — written or unwritten, formal or informal — between Business Associate and Covered Entity, and this BA Agreement does and will apply to, and be deemed incorporated into, all present and future contracts and relationships — written or unwritten, formal or informal — between Business Associate (including its officers, directors, employees, independent contractors, and agents) and Covered Entity regardless of any specific reference to this BA Agreement or lack thereof.

b. Amendment. The Parties agree to take such action as is necessary to amend this BA Agreement from time to time as is necessary for Covered Entity and Business Associate to comply with the requirements of the Privacy Rule, the Security Rule, HIPAA, the HITECH Act and its implementing regulations. Notwithstanding the forgoing, if Covered Entity and Business Associate have not amended this BA Agreement to address a law or final regulation that becomes effective after the Effective Date and that is applicable to this BA Agreement, then upon the effective date of such law or regulation (or any portion thereof) this BA Agreement shall be amended automatically and deemed to incorporate such new or revised provisions as are necessary for this BA Agreement to be consistent with such law or regulation and for Covered Entity and Business Associate to be and remain in compliance with all applicable laws and regulations. Except as provided in this Section 8.b., no amendment to this BA

Agreement shall be effective unless it is in writing and signed on behalf of Covered Entity and Business Associate.

c. Survival. The respective rights and obligations of Business Associate under Section 6.c. of this BA Agreement shall survive the termination of the Business Relationship and/or this BA Agreement. Sections 7 and 8 shall also survive the termination of the Business Relationship and/or this BA Agreement.

d. Regulatory and Statutory References. Any reference in this BA Agreement to a section of HIPAA, the Privacy Rule, the Security Rule, the HITECH Act, or any other regulations implementing HIPAA or the HITECH Act, shall mean such regulation or statute as in effect at the time of execution of this BA Agreement or, if and to the extent applicable, as subsequently updated, amended or revised.

e. Interpretation. Any conflict, inconsistency or ambiguity in or between this BA Agreement and HIPAA or the HITECH Act shall be resolved in favor of a meaning that permits Covered Entity to comply with HIPAA and the HITECH Act and any implementing regulations promulgated thereunder, including but not limited to the Privacy Rule and the Security Rule. Any conflict, inconsistency or ambiguity between this BA Agreement and any other contract between Business Associate and Covered Entity shall be resolved in favor of this BA Agreement.

f. No Third Party Beneficiary. Nothing in this BA Agreement is intended, nor shall be deemed, to confer any benefits on any third party.

g. Notices. Notwithstanding anything to the contrary in any document describing the Business Relationship, notices under this BA Agreement shall be sufficient only if in writing and personally delivered, delivered by a major commercial rapid delivery courier service, or mailed by certified or registered mail, postage prepaid and return receipt requested, to a party at the address set forth below or as amended by notice pursuant to this subsection.

If to Covered Entity:

Winnie Stowell Hospital District
Attn: Mrs. Sherrie Norris
P. O. Box 1997
Winnie, Texas 77665
e-mail: Sherrie@wshd-tx.com

If to Business Associate:

Winnie Stowell Volunteer EMS
Attn: Mr. Jerry Hamilton
538 Broadway
Winnie, Texas 77665
e-mail: jhamiltonwsems@aol.com

h. Effect of BA Agreement. Except as amended by this BA Agreement, the terms and provisions of the Business Relationship shall remain in full force and effect.

i. Assignment. This BA Agreement may not be transferred or assigned by either party without the prior written consent of the other party, except that Covered Entity may assign this BA Agreement to a parent, subsidiary, or affiliate or to a successor by merger or consolidation without notice to or consent of Business Associate. Any assignment in violation of this provision is void and without effect. In the case of any permitted assignment or transfer of or under this BA Agreement, this BA Agreement or the relevant provisions shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties hereto.

BUSINESS ASSOCIATE:

WINNIE STOWELL VOLUNTEER EMS

By: _____

Title: _____

Date: _____

COVERED ENTITY:

WINNIE-STOWELL HOSPITAL DISTRICT

By: _____

Title: President

Date: _____

Exhibit “H”

**WINNIE-STOWELL HOSPITAL DISTRICT
INDIGENT HEALTHCARE
POLICY & PROCEDURE STATEMENT**

Subject: Indigent Care Program
Level: Organization
Authorization: Board of Directors
Effective: Date: April 19, 2017

I. MISSION STATEMENT: To attend to and balance the healthcare needs of the community with fiscal responsibility.

II. PURPOSE: To establish rules and procedure that will identify *any* qualified resident of Winnie-Stowell Hospital District (WSHD) who qualifies for the Indigent Care Assistance Program (ICAP).

III. POLICY:

- A. The WSHD is liable for health care services as provided by the Texas Constitution and the statute creating the District.
- B. The WSHD is the payor of last resort pursuant to Section 61.060(c) of the Health and Safety Code (i.e., Indigent Healthcare Act) and is not liable for payment or assistance to an eligible resident in the hospital's service area if any other public or private source of payment is available.
- C. If another source of payment does not adequately cover a health care service a public hospital provides to an eligible resident of the hospital's service area, the hospital shall pay for or provide the health care service for which other payment is not available.

IV. DISCLAIMER: In the event that any provision of this Policy and Procedure Statement is more restrictive than Chapter 61 of the Texas Health and Safety Code, it is the intent of the WSHD for Chapter 61 to supersede this Statement.

IV. ELIGIBILITY:

- A. Citizenship: A person applying for WSHD ICAP must be one of the following:
 - 1. A natural born citizen
 - 2. A naturalized citizen; or
 - 3. A Sponsored Alien. A "sponsored alien" means a person who has been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. Section 1101 et seq.) and who, as a condition of admission,

was sponsored by a person who executed an affidavit of support on behalf of the person. See Tex. Health & Safety Code Section 61.008(c).

4. Documented Alien: A documented alien that has a green card and has had the status for at least five (5) years from their legal entry date into the United State.
5. Legally Admitted Alien: An alien legally admitted for permanent resident who is:
 - a. An honorably discharged U.S. Veteran, or
 - b. U.S. active duty military personnel, or the spouse, or
 - c. Minor unmarried dependent child of an honorably discharged U.S. Veteran or U.S. active duty military personnel.

B. Residence Eligibility

1. A person must live in the WSHD when the person applies.
2. A person lives in the WSHD if the person's home or fixed place of habitation is located in the District and he intends to return to the District after any temporary absences.
3. A person with no fixed residence or a new resident in the District who declares intent to remain in the WSHD is also considered a District resident.
4. A person does not lose his residency status because of a temporary absence from the WSHD. No time limits are placed on a person's absence from the District
5. An applicant who is absent from the WSHD for more than 180 days must re-apply for eligibility;
6. A person cannot qualify for ICAP from more than one hospital district or county simultaneously; or
7. Persons Not Considered Residents:
 - a. An inmate or resident of a state school or institution operated by any state agency;
 - b. An inmate, patient, or resident of a school or institution operated by a federal agency;
 - c. A minor student primarily supported by his parents whose home residence is in another District, county or state;
 - d. A person who moved into the WSHD solely for the purpose of obtaining health care assistance.

- e. A person who maintains a residence or homestead elsewhere.
- C. Verifying Residency: A resident of the WSHD must submit a minimum of two of the following documents as proof of residents within the WSHD
- 1. Mail addressed to the applicant, his spouse, or children;
 - 2. Texas driver's license or other official identification;
 - 3. Rent, mortgage payment, or utility receipt;
 - 4. Property tax receipt;
 - 5. Voting record;
 - 6. School enrollment records;
 - 7. Statement from a landlord, a neighbor, or other reliable source; or
 - 8. Three (3) consecutive months of receipts in the name of the applicant for:
 - a. Utility bills;
 - b. Rent/mortgage payments;
 - c. Lease agreements;
 - 9. No medical or hospital bills, invoices, nor claims may be used to prove/verify a residence.
- D. Financial Eligibility:
- 1. Services shall be provided to those residents of the WSHD who have a gross yearly income less than or equal to **150% of the Federal Poverty Income Level**, and who are not eligible for Medicare, Medicaid or any other health care assistance and/or reimbursement programs.
 - 2. Winnie-Stowell Hospital District may request that the applicant verify his/her gross yearly income by supplying any of, but not limited to the following:
 - a. IRS Forms 1040, W-2, etc.;
 - b. Wage and Earnings Statement(s);
 - c. Last three (3) consecutive pay checks stubs for everyone in the household;

- d. Social Security Remittance; and
 - e. Workers Compensation Remittance
3. The income of all WSHD ICAP household members is considered in determining financial eligibility.
 4. Any applicant filing for ICAP who is not employed is expected to be actively seeking employment. If unable to work due to disability, he/she is expected to apply for disability or Medicaid benefits during the 180-day period of eligibility.
 5. Failure to provide information necessary to complete a financial assessment may result in a negative determination. However, an application may be reconsidered upon receipt of the required information.
- F. Applicant's Fiscal Year: The fiscal year is defined as the twelve (12) month period beginning with the applicant's acceptance into ICAP.
- G. Eligibility Renewable: An applicant once accepted into ICAP, services will be provided for twelve (12) full months or the dollar caps set forth in Section 8. Each applicant will be responsible for reapplying for benefits as required under this policy.

V. SERVICES

- A. Basic Services: The services to be provided ICAP are the basic services required by Section 61.028 of the Indigent Health Care Act that include the following:
1. Physician services include services ordered and performed by a physician that within the scope of practice of their profession as defined by state law.
 2. Annual physical examinations once per calendar year by a physician or a physician assistant. Associated testing, such as mammograms, can be covered with a physician referral.
 3. Immunizations when appropriate.
 4. Medical screening services include blood pressure, blood sugar, and cholesterol screening.
 5. Laboratory and x-ray services ordered and provided under the personal supervision of a physician in a setting other than a hospital (inpatient or outpatient).
 6. Family planning services or preventive health care services that assist an individual in controlling fertility and achieving optimal reproductive and general health.
 7. Medically necessary Skilled Nursing Facility (SNF) services ordered by a physician, and provided in a SNF that provides daily services on an inpatient basis.

8. Prescriptions. This service includes up to three prescription drugs per month. New and refilled prescriptions count equally toward this three prescription drugs per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
 9. Rural Health Clinic services must be provided in a freestanding or hospital-based rural health clinic by a physician, a physician assistant, an advanced practice nurse, or a visiting nurse.
 10. Medically necessary inpatient hospital services provided in an acute care hospital to hospital inpatients, by or under the direction of a physician, and for the care and treatment of patients.
 11. Medically necessary outpatient hospital services must be and provided in an acute care hospital to hospital outpatients, by or under the direction of a physician, and must be diagnostic, therapeutic, or rehabilitative. Outpatient hospital services include hospital-based ambulatory surgical center (HASC) services.
 12. Winnie-Stowell Hospital District ICAP shall provide for prescription medications purchased from contract providers within the boundaries of the WSDH (See VIII D. Prescription Drug Information).
- B. Extended Healthcare Services: In addition to the Basic Service requirements set forth pursuant to Section 61.028 of the Texas Health and Safety Code, the WSHD may provide other established optional health care services that the WSHD determines to be cost-effective. The extended healthcare service(s) provide is(are):
1. Emergency Medical Services are defined as a medical services to whose purpose is to provide immediate assistance to a condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in: 1) placing the patient's health in serious jeopardy; 2) serious impairment of bodily functions; or serious dysfunction of any bodily organ or part.
 2. The Winnie Stowell EMS ("EMS") is the District's mandated provided for EMS services to patients in the District's HCAP. HCAP patients are to notify EMS, if possible, that their preferred destination is the Winnie Community Hospital. However, EMS is independently responsible in determining the most appropriate treatment provided to HCAP clients and healthcare provides as set forth by its policies and procedures for all transported patients, including HCAP client patients.
- C. Restrictions:
1. Basic Services: Winnie-Stowell Hospital District HCAP shall provide for inpatient services, only at the hospital and/or skilled nursing facility within the

boundaries of the WSHD or owned by the WSHD.

2. Medically Necessary Inpatient and Outpatient Procedures-Section 5(B)(11) & (12):

- a. Inside District: Medically necessary inpatient and/or outpatient procedures shall be performed at a hospital within the boundaries of the WSHD.
- b. Outside District: Medically necessary inpatient and outpatient procedures that cannot be performed by a hospital or medical provider inside the WSHD boundaries may be treated outside of the District subject to the following requirements:
 - i. Procedure declared “medically necessary” by a healthcare provider inside the District’s boundaries;
 - ii. Procedure arranged by the WSHD Indigent Care Director, with consideration given toward healthcare provider’s recommendation;
 - iii. Procedure paid for by the WSHD subject to the rules set forth in this Policy; Chapter 61 of the Texas Health & Safety Code, and the Texas Administrative Rules; and
 - iv. Procedure performed after the Indigent Care Director notifies Indigent Care Committee.

D. Winnie-Stowell Hospital District ICAP shall not provide, nor be financially responsible for any other services no matter where nor by whom provided.

VI. APPLICATION PROCEDURE

A. The applicant shall be responsible for the completion and submission of an ICAP application. This application needs to be submitted to WSHD’s Agent:

Yani Jimenez
Coordinator
Winnie-Stowell Hospital District
P. O. Box 1997,
Winnie, Texas 77665
Ph: 409-296-1003
Fax 409-296-1003
yjimenez@wshd-tx.com

B. An application will be considered complete only if it includes the following information:

- 1. The applicant's full name; physical address, mailing address;
- 2. The applicant's social security number;
- 3. Proof of income for the past three months to determine gross income;

4. The names and income of all other household members and their relationship to the applicant;
5. Information about all medical insurance, and hospital or health care benefits that household members may be eligible to receive;
6. Complete accurate information about the applicant and other household members gross income including all assets, property, and equity value of any vehicles or property;
7. Employment status of all individuals in household;
8. List of financial resources of all household members;
9. The applicant's signature and date completed;
10. List of qualified dependents; and
11. All needed verifications as requested, including authorizations to release information.

C. Incomplete Information

1. Incomplete applications, in any form or fashion, will be denied.
2. Denied applications may be appealed at any time a change in circumstances or conditions justify a re-determination of eligibility.
3. Person who intentionally misrepresents information to receive benefits that are not entitled to receive shall be responsible, to the fullest extent of the law, for the cost of those services received.

VII. APPEALS PROCESS

- A. Applicants have the right to appeal a denial of their application or eligibility.
- B. All appeals must be in writing and filed within ninety (90) days of a denial.
- C. In the event that the District and the Applicant cannot resolve the appeal, the District must submit a Form 106, Eligibility Dispute Resolution Request, within ninety (90) days to the Texas Commission on Health and Human Services Commission.
- D. Appeals shall be submitted to the WSHD or the Agent of the WSHD, Yani Jimenez with the Winnie-Stowell Hospital District Indigent Health Care Department and state the reason(s) why the applicants should be considered eligible.

- E. The Chair of the Board of Directors of WSHD or his/her appointed designee serve as the Hearing Officer.
- E. The Hearing Office shall have the authority to hold an evidentiary hearing, or decide the case from the case file and documentation provided including any and all documents presented with the appeal.
- F. The Hearing Officer's decision is administratively final and non-appealable.
- G. Appellant will be notified in writing of the decision.
- H. Copies of all hearing decisions will be maintained for a period of one (1) year in the WSHD office.

VIII. MAXIMUM HOSPITAL DISTRICT LIABILITY

- A. To the extent the WSHD is financially able to do so, the maximum amount paid by WSHD to a ICAP recipient (“Client”) for each Client’s fiscal year for health care services provided by all assistance providers, including hospital care is:
 - 1. \$30,000; or
 - 2. The payment of 30 days of hospitalization or treatment in a skilled nursing facility, or both, or \$30,000, whichever occurs first, if the WSHD provides hospital or skilled nursing facility services to the resident.
- B. For claim payment to be considered, a claim should be received:
 - 1. Within 95 (ninety-five) days from the approval date for services provided before the household was approved or
 - 3. Within 95 (ninety-five) days from the date of service for services provided after the approval date.
- C. The payment standard is determined by the day the claim is paid. WSHD ICAP approved providers must dispense services and supplies.
- D. Prescriptions Drug Information
 - 1. WSHD prescription drug service includes a minimum of three medications per month regardless of the price of the medication, excluding experimental or cancer medications. In the alternative, if a Client has more than three medications and the cost of the three medications is less than \$150.00, the WSHD will pay up to a total of \$150.00 for the Client’s medications.
 - 2. For example, if a Client has six prescriptions that need to filled each month and three prescriptions cost \$25.00 each (or \$75.00 total), the Client would have \$75.00 left

over each month to use on other prescriptions.

3. The quantity of drugs prescribed depends on the prescribing practice of the provider and the needs of the Client. However, each prescription is limited to a 30-day supply.
4. New and refilled medications count equally toward the three medications per month total. Drugs must be prescribed by a physician or other practitioner within the scope of practice under law.
5. The quantity of each prescription depends on the prescribing practice of the physician and the needs of the Client.

E. Basic and Extended Health Care Services do not Include Services and Supplies that:

1. Are provided to a Client before or after the time period that Client is eligible for the WSHD ICAP;
2. Are payable by or available under any health, accident, or other insurance coverage; by any private or governmental benefit system; by a legally liable third party, or under other contract;
3. Are provided by military medical facilities. Veterans Administration facilities, or United State public health service hospitals;
4. Are related to any condition covered under the worker's compensations laws or any other payor source.

IX. PROCEDURE TO CHANGE ELIGIBILITY OR SERVICES PROVIDED: Pursuant to Section 61.063 of the Health and Safety Code, WSHD may not change its eligibility standards to make the standards more restrictive and may not reduce the health care services it offers unless it complies with the requirements of this section:

- A. Publish Notice of Intent to Change: Post Notice in Newspaper ninety (90) days before the date on which a change would take effect. This notice of the proposed change must be published in a newspaper of general circulation in the hospital's service area and set a date for a public hearing on the change. The published notice must include the date, time, and place of the public meeting. The notice is in addition to the notice required by Chapter 551, Government Code.
- B. Public Hearing: The WSHD shall have a public hearing no later than the 30th day before the date on which the change would take effect. The meeting must be held at a convenient time in a convenient location in the hospital's service area. Members of the public may testify at the meeting.
- C. Formally Adopt Policy Change: If, based on the public testimony and on other relevant information, the WSHD's Board finds that the change would not have a detrimental effect on access to health care for the residents the WSHD serves; the WSHD may adopt the

change. This finding must be formally adopted.

X. RESOURCES: To find out more about the State of Texas's Indigent Health Program, please view the following links:

- A. Program Guide: <https://www.dshs.state.tx.us/topicrelatedcontent.aspx?itemsid=759>
- B. Q & A Indigent Program: https://www.dshs.state.tx.us/cihcp/FAQ/cihcp_faq.shtm
- C. State Eligibility Criteria: <https://www.dshs.state.tx.us/cihcp/eligibility.shtm>
- D. Application: https://www.dshs.state.tx.us/CIHCP/Program_Handbook/Revision_04-4/Forms_04-4/Formspg_04-4.shtm
- E. Texas Benefits (assist with eligibility): <https://www.yourtexasbenefits.com>
- F. Medicare Benefits: <http://www.benefits.gov/ssa>
- G. Chapter 61 Indigent Health Care Act:
<http://www.statutes.legis.state.tx.us/Docs/HS/htm/HS.61.htm>

County	Hospital	Address	Inpatient Rates	Outpatient Rates	Hospital SDA
Chambers	Bayside Community Hosp	200 Hospital Dr Anahuac, TX 77514	100%	71%	\$3,856.69
	Winnie Community Hospital	538 Broadway Winnie, TX 77665	76%	65%	\$3,101.52
Cherokee	East Texas Medical Center	501 S Ragsdale St Jacksonville, TX 75766	20%	16%	\$3,550.86
	Mother Frances Hospital	2026 S Jackson Jacksonville, TX 75766	29%	35%	\$3,719.51
Childress	Childress Regional Medical	901 Hwy 83 N Childress, TX 79201	67%	33%	\$3,022.81
Clay	Clay County Memorial Hospital	310 W South St Henrietta, TX 76365	88%	57%	\$2,018.31
Cochran	Cochran Memorial Hospital	201 East Grant Morton, TX 79346	90%	100%	\$3,653.47
Coleman	Coleman County Medical	310 South Pecos Coleman, TX 76834	45%	39%	\$2,676.09
Gollin	Baylor Regional Medical Center	4700 Alliance Blvd Plano, TX 75093	38%	22%	\$3,794.70
	Centennial Medical Center	12505 Lebanon Rd Frisco, TX 75035	28%	16%	\$3,947.12
	Columbia Medical Center	4500 Medical Center Dr McKinney, TX 75069	19%	11%	\$3,436.11
	Columbia Medical Center	3901 W 15th St Plano, TX 75075	25%	12%	\$4,477.42
	Frisco Medical Center	5601 Warren Parkway Frisco, TX 75034	39%	26%	\$3,392.99
	Plano Specialty Hospital	1621 Coit Rd Plano, TX 75075	80%	80%	\$3,653.47
	Presbyterian Hospital of Allen	1105 Central Expy N Allen, TX 75013	42%	26%	\$3,615.21
	Presbyterian Hospital of Plano	6200 West Parker Rd Plano, TX 75093	41%	27%	\$3,465.91
	Presbyterian Plano Center For Diagnostics	6020 West Parker Rd Plano, TX 75093	42%	61%	\$4,014.09
	The Heart Hospital Baylor - Plano	1100 Allied Drive Plano, TX 75093	41%	49%	\$4,735.91
Collingsworth	Collingsworth General	1013 15th St Wellington, TX 79095	100%	46%	\$2,731.81
Colorado	Colorado-Fayette Medical	400 Youens Dr Weimar, TX 78962	58%	47%	\$2,421.63
	Columbus Community Hospital	110 Shult Dr Columbus, TX 78934	80%	57%	\$2,264.42
	Rice Medical Center	600 S Austin Rd Eagle Lake, TX 77434	100%	93%	\$3,242.56

Exhibit “I”

**PROJECT MANAGEMENT SERVICES AGREEMENT
BETWEEN
WINNIE STOWELL HOSPITAL DISTRICT AND GSDPM LLC**

THIS AGREEMENT ("Agreement") is made and entered into effective as of _March 1, 2017 ("Effective Date") by Winnie Stowell Hospital District, a political subdivision of the State of Texas, RESPONSIBLE PARTY", and GSDPM LLC, a Texas Limited Liability corporation ("PROJECT MANAGER") for services in connection with the following Project: Winnie Community Hospital Emergency Services Expansion and Remodel (the "Project"). The Project is generally described as follows: The PROJECT is located at 538 Broadway, Winnie, TX 77665. The PROJECT's size is approximately 2,800 square feet of new construction and 1,200 square feet of renovation. The project budget is currently estimated to be approximately \$2.3 million.

WHEREAS, RESPONSIBLE PARTY is in need of project management services in connection with the Project and the PROJECT MANAGER offers the particular Services described herein.

NOW THEREFORE, subject to the terms and conditions below, the parties agree as follows:

ARTICLE I – PROJECT MANAGER OBLIGATIONS

- 1.1** Services. PROJECT MANAGER will provide the services ("Services") described in **Exhibit A** of this Agreement (hereby incorporated by reference). The Services described in **Exhibit A** are the Basic Services. The PROJECT MANAGER agrees to further the interests of RESPONSIBLE PARTY by providing the PROJECT MANAGER'S skill and judgment in cooperation with, and in reliance upon, the services of design professionals ("Design Professionals"), construction contractors ("Contractors") and vendors ("Vendors") retained by RESPONSIBLE PARTY for design, construction, equipping and furnishing of the Project, and in reliance upon the drawings, specifications and other contract documents ("Contract Documents") according to which the Project is to be constructed.
- 1.2** PROJECT MANAGER'S Representative. The PROJECT MANAGER shall designate a Project representative to manage all of PROJECT MANAGER's activities performed on behalf of RESPONSIBLE PARTY. The PROJECT MANAGER shall not replace the Project representative under this Agreement without the prior written approval of RESPONSIBLE PARTY, which approval shall not be unreasonably withheld.
- 1.3** PROJECT MANAGER'S Authority. The PROJECT MANAGER shall have the authority to bind RESPONSIBLE PARTY only to the extent set forth on **Exhibit A**.
- 1.4** Prices. All prices stated in this Agreement are firm and are not subject to escalation unless stated otherwise in this Agreement. PROJECT MANAGER shall apply all negotiated discounts and rebates. PROJECT MANAGER and RESPONSIBLE PARTY will negotiate in good faith for unpriced items or Additional Services.
- 1.5** Compliance. In performing the Services related to this Agreement, PROJECT MANAGER shall comply with all applicable rules, policies and procedures of RESPONSIBLE PARTY in effect as the Services are being performed, provided PROJECT MANAGER has been given specific written

notice of such rules, policies and procedures. PROJECT MANAGER shall at all times perform its obligations under this Agreement in compliance with all applicable published state and federal laws, regulations and licensing requirements.

1.6 Insurance. PROJECT MANAGER shall maintain insurance as outlined in **Exhibit C** of this Agreement (which is incorporated herein by reference).

1.7 Standard of Services. (1) Services will be provided according to the standard of reasonable care for services similar in scope, schedule, and complexity to the Services being provided by PROJECT MANAGER, according to RESPONSIBLE PARTY's reasonable satisfaction, and in accordance with any requirements or other standards as set forth in **Exhibit A**. The PROJECT MANAGER makes no warranties relating to the Contract Documents, schedules or completion dates, budgets, the cost of the construction work or of the Project, the quality of the construction work performed by Contractor(s), or any other warranties, express or implied, including implied warranties of merchantability or fitness for a particular purpose. Notwithstanding any review by PROJECT MANAGER of drawings, specifications or other Contract Documents prepared by Design Professionals or other consultants, only those Design Professionals or consultants, and not PROJECT MANAGER, shall be responsible for errors and omissions in such documents. The PROJECT MANAGER shall have no liability for any errors or omissions in the Construction Documents or any defects in the Services attributable to the PROJECT MANAGER'S use of and/or good faith reliance upon the Construction Documents or any other information furnished by or on behalf of RESPONSIBLE PARTY or the Design Professionals. (2) Whether or not PROJECT MANAGER provides Services during construction: (a) PROJECT MANAGER shall not have control over or charge of acts or omissions of the Design Professionals, Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the construction work. (b) PROJECT MANAGER shall not have control over, or charge of, and shall not be responsible for: construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the construction work, including compliance with State or Federal OSHA requirements. (c) To the fullest extent permitted by law, RESPONSIBLE PARTY shall defend, indemnify, and hold PROJECT MANAGER harmless from all claims, loss, damage, liability, cost or expense (including but not limited to reasonable attorneys' fees) arising out of or relating to errors or omissions in the Contract Documents or to the failure of the construction work to conform to the Contract Documents.

1.8 Additional Services. In addition to any other Additional Services listed in the Agreement, the following services are considered Additional Services and are not included in the Basic Services. RESPONSIBLE PARTY shall compensate PROJECT MANAGER for such Additional Services, in addition to compensation for Basic Services: (1) Making revisions in Services when such revisions are (a) inconsistent with approvals, information or instructions previously given, (b) the result of adjustments in RESPONSIBLE PARTY's requirements, (c) required by enactment, interpretation or revision of codes, laws or regulations subsequent to preparation of such documents, (d) required by the failure of RESPONSIBLE PARTY or RESPONSIBLE PARTY's consultants to render decisions or to provide necessary information in a timely manner, or (e) due to or caused not solely within control of PROJECT MANAGER; (2) Providing any services excluded from the Basic Services identified in the Agreement; (3) Providing Services of any kind (Basic or Additional) after expiration of the Term identified in the Agreement; (4) Providing any other services not otherwise expressly included in this Agreement.

ARTICLE II – RESPONSIBLE PARTY OBLIGATIONS

- 2.1 Other Professionals.** RESPONSIBLE PARTY will retain qualified Design Professionals and other professional advisors and consultants as necessary for the Project. PROJECT MANAGER is not a design professional. PROJECT MANAGER is an independent contractor and neither PROJECT MANAGER nor PROJECT MANAGER's employees are employees of the RESPONSIBLE PARTY.
- 2.2 RESPONSIBLE PARTY's Representative.** RESPONSIBLE PARTY appoints Edward Murrell, President of the Board of the Winnie Stowell Hospital District as the *RESPONSIBLE PARTY's* Representative to represent RESPONSIBLE PARTY with respect to all matters relating to this Agreement and requiring the RESPONSIBLE PARTY'S approval or authorization. At RESPONSIBLE PARTY'S option, and upon prior written notice to PROJECT MANAGER, RESPONSIBLE PARTY may change its representative from time to time.
- 2.3 Project Information.** RESPONSIBLE PARTY at its expense shall promptly provide full information and requirements for the Project, including but not limited to all information in RESPONSIBLE PARTY's possession or otherwise available to RESPONSIBLE PARTY, RESPONSIBLE PARTY's consultants, or RESPONSIBLE PARTY's agents relating to: the design, construction, and actual or intended use of the Project; the Project budget; as-built information regarding existing structures and improvements; existing surveys describing physical characteristics, legal limitations and utility locations for the site of Project; existing soils information and professional recommendations of soils (geotechnical) engineers; and all other information reasonably requested by PROJECT MANAGER. PROJECT MANAGER shall be entitled to rely upon the accuracy and completeness of all information furnished by RESPONSIBLE PARTY. RESPONSIBLE PARTY shall provide information, render decisions, and make approvals promptly. RESPONSIBLE PARTY shall retain qualified Design Professionals and qualified Contractors to construct the Project. The person signing this agreement on behalf of RESPONSIBLE PARTY represents and warrants that RESPONSIBLE PARTY either owns fee title to, or has the legal right to direct PROJECT MANAGER to perform Services in connection with, the site of the Project and that there is presently nothing to prevent PROJECT MANAGER from filing a lien against the site of the Project.
- 2.4 Insurance.** RESPONSIBLE PARTY shall maintain insurance (including without limitation property insurance, builder's risk / all risk coverage, general liability, workers' compensation and umbrella liability) to insure against risks incident to this Agreement. Such insurance will be written by reliable insurance companies and will have limits of liability as are reasonable and customary for projects similar to the Project. Upon request, RESPONSIBLE PARTY shall provide a certificate or other proof of insurance to the PROJECT MANAGER. All contracts between RESPONSIBLE PARTY and its Design Professionals or construction contractor(s) shall contain broad form indemnity and insurance clauses, including the PROJECT MANAGER as an indemnitee and as additionally insured party, in the same form and to the same extent RESPONSIBLE PARTY is so indemnified and protected.

ARTICLE III – COMPENSATION AND TERM

3.1 Timely Invoices. PROJECT MANAGER agrees to invoice RESPONSIBLE PARTY on a monthly basis under this Agreement. PROJECT MANAGER must submit all invoices for payment within three (3) months from the date the Services were delivered or performed.

3.2 Compensation for Services. Total compensation for this Agreement shall be defined in **Exhibit B** (which is incorporated herein by reference). Payments are due upon presentation of PROJECT MANAGER's invoice. Objections to invoices not made within 30 days after RESPONSIBLE PARTY's receipt of the invoice are deemed waived. Amounts unpaid more than 45 days after RESPONSIBLE PARTY's receipt of an invoice shall bear a SERVICE CHARGE of one percent (1%) per month, or the maximum rate permitted by law whichever is less, until paid in full. RESPONSIBLE PARTY's failure to pay any invoice within forty-five (45) calendar days after presentation of the invoice shall constitute just cause for the suspension of Services on all projects and the withholding of all deliverables by PROJECT MANAGER. RESPONSIBLE PARTY will pay all of PROJECT MANAGER's costs of collection, including: internal labor costs at the Additional Services rate; reasonable attorneys' fees; and litigation and arbitration costs and fees, in the event RESPONSIBLE PARTY fails to make timely payment to PROJECT MANAGER in violation of this Agreement.

3.3 Documentation Requirements. Adequate documentation must be submitted to RESPONSIBLE PARTY in addition to the invoice for specific types of agreements:

- If payments are made on a payment-by-time basis, detailed itemization of hours and dollars and the dates each service was performed by each PROJECT MANAGER employee should be provided.
- If itemized expenses are to be reimbursed, a detailed expense report must be provided by the PROJECT MANAGER and attached along with all appropriate receipts to the request for payment.

3.4 Reimbursement of Additional Expenses, Including Travel. In addition to the fee paid for the Services, RESPONSIBLE PARTY shall compensate the PROJECT MANAGER for Project-related expenses that are incurred by the PROJECT MANAGER.

- Travel and related expenses submitted for reimbursement must follow the most current U.S. Government's CONUS reimbursement recommendations.
- Such expenses must have a valid business purpose, and copies of receipts retained and provided upon reimbursement request.
- Any travel time by the PROJECT MANAGER and other staff shall be invoiced at fifty percent of the standard hourly billing rate as defined in **Exhibit B**.

The estimated cost of Reimbursable Expenses to be reimbursed under this Agreement shall be defined in **Exhibit B**.

3.5 Term. The term (duration) of this Agreement shall be as specified in **Exhibit B**.

3.6 Termination. This Agreement may be terminated by the following:

- a) By written notice to the PROJECT MANAGER, RESPONSIBLE PARTY may, without cause, suspend and/or terminate this Agreement. The PROJECT MANAGER shall promptly cease providing Services under this Agreement.

- b) Immediately upon written notice by a non-breaching party if a material breach is not cured by the breaching party within ten (10) business days of receiving written notice of such material breach;
- c) By either party upon the bankruptcy or insolvency of the other party;
- d) By the mutual agreement of the parties;
- e) At such time as RESPONSIBLE PARTY and PROJECT MANAGER have each fully completed their duties and obligations pursuant to this Agreement; or
- f) By RESPONSIBLE PARTY upon at least thirty days' written notice to the PROJECT MANAGER in the event that the Project is permanently abandoned.

3.7 Compensation. In the event of termination not the fault of the PROJECT MANAGER, the PROJECT MANAGER shall be compensated for all Services performed and reimbursable expenses incurred through the effective date of termination, together with reasonable Services and expenses incurred as a result of such termination.

3.8 Early Termination. If this Agreement is terminated for RESPONSIBLE PARTY'S convenience and without cause then upon receipt of written notice from the RESPONSIBLE PARTY of such termination for RESPONSIBLE PARTY'S convenience, the PROJECT MANAGER shall cease operations as directed by RESPONSIBLE PARTY in the notice and take actions necessary, or that the RESPONSIBLE PARTY may direct, for the protection and preservation of the Project. In case of such termination for the RESPONSIBLE PARTY'S convenience, the PROJECT MANAGER shall be entitled to receive compensation for Services performed and direct costs incurred by reason of such termination. No other damages of compensation, including loss of anticipated profits or overhead on unperformed work, loss of business, attorneys' fees or other indirect or consequential damages or losses of any kind, shall be paid to the PROJECT MANAGER as a result of the RESPONSIBLE PARTY's termination for convenience.

ARTICLE IV – OTHER OBLIGATIONS

4.1 Indemnification. To the extent allowed by the laws of the State of Texas, each party to this Agreement shall indemnify and hold harmless the other party hereto against any and all claims, fines, penalties, liabilities, judgments damages, (including, but not limited to, bodily injury, death or property damage) costs and expenses (including reasonable attorney's fees and costs) to the extent caused by the negligent acts or omissions of the indemnifying party, its employees, independent contractors, agents, and representatives while engaged in activities within the scope of this Agreement. This provision shall survive termination of the Agreement with respect to any claim, action, or proceeding that relates to acts or omissions occurring during the term of this Agreement.

4.2 Dispute Resolution; Governing Law. In connection with any claim, dispute, or other matter in question arising out of or relating to this Agreement or to the PROJECT ("Claim"), the parties hereby agree to proceed in the following manner:

(1) The parties shall first promptly discuss and enter into a settlement process with respect to such Claim.

(2) If no such settlement is reached within thirty (30) days of one party's notice to the other party of the Claim, then the parties shall endeavor in good faith to resolve the Claim

through mediation in Dallas, Texas in accordance with the Construction Industry Mediation Rules of the American Arbitration Association. The cost of the mediation shall be borne equally.

(3) If the mediation is not successful within 60 days after a party has requested mediation, then any Claim in which the aggregate amount in controversy (exclusive of interest, attorneys' fees and costs) is less than or equal to \$250,000 shall be decided by binding arbitration by a single arbitrator in Dallas, Texas in accordance with the Construction Industry Rules of the American Arbitration Association. Judgment on any award by the arbitrator(s) shall be enforceable in any court having jurisdiction. Subject to reallocation by the arbitrator in any award, as the arbitrator may deem just, each party will pay its own expenses incurred in connection with the arbitration and will pay one-half of the AAA fees and one-half of the fees and expenses of the arbitrator. The arbitrator shall have no power to award punitive damages to either party.

(4) Any Claim in which the aggregate amount in controversy (exclusive of interest, attorneys' fees and costs) is greater than \$250,000 shall be resolved by litigation in the State or Federal Court located within or nearest to the county where the Project is located.

Subject to Section 3.2, the parties shall continue performance of their respective obligations under this Agreement pending resolution of any Claim. This Agreement shall be construed and governed in accordance with the laws of the State of Texas excluding its conflict of laws provisions. The parties waive trial by jury. In no event shall a Claim be made or sustained if it would be barred by the applicable statute of limitations or repose.

4.3 Access to Records. Both parties agree to keep and maintain records on the Services provided as may be required by fiscal intermediaries, federal, state, or local governmental agencies, accreditation agencies or other parties. PROJECT MANAGER shall, during the term of this Agreement and for a period of four (4) years after termination of this Agreement, maintain and make available upon proper request from proper government authorities this Agreement and any subcontract with a related party under this Agreement valued at \$10,000 or more in any twelve (12) month period, and any and all books, documents and records related thereto that are necessary to verify the nature and costs of Services provided hereunder by PROJECT MANAGER or any organization related to PROJECT MANAGER, in accordance with applicable government regulations in effect from time to time. If PROJECT MANAGER is asked to make such disclosure, it shall notify RESPONSIBLE PARTY and make available to RESPONSIBLE PARTY all such books, documents and records.

4.4 Confidentiality. The parties acknowledge and agree that during the term of this Agreement, each party may become aware of proprietary or confidential information of the other party, including, but not limited to, business information and pricing information. The parties will maintain such information in strict confidence, will not use such information for any purpose other than those relating to this Agreement, and will not disclose such information to third parties, except with the other party's prior written consent or to the extent required by law. This provision shall survive the termination of the Agreement.

- 4.5** **HIPAA.** All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived from or obtained during the course of this Agreement, shall be treated by both parties as confidential so as to comply with all applicable state and federal laws and regulations regarding confidentiality of patient records, and shall not be released, disclosed, or published to any party other than as required or permitted under applicable laws. The parties shall to the extent applicable, comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and the regulations thereunder as amended to ensure the protection of Protected Health Information ("PHI") as defined therein. The parties further agree to amend this Agreement as necessary to comply with HIPAA, and if an agreement cannot be reached this Agreement will immediately terminate.

ARTICLE V – MISCELLANEOUS

- 5.1** **Assignment.** This Agreement binds the heirs, executors, successors and assigns of the respective parties. This Agreement may not be assigned by either party (other than to an affiliate or subsidiary which shall assume the obligations of its assignor by written instrument) without the written consent of the other party, which shall not be unreasonably withheld or delayed.
- 5.2** **Independent Contractors.** The parties are independent contractors of one another under this Agreement and neither party is authorized to act as an agent for or incur obligations on behalf of the other party, except as defined in Article 1.3 in this Agreement.
- 5.3** **No Third Party Beneficiaries.** The parties agree that the terms of this Agreement shall apply only to themselves and are not for the benefit of any third party beneficiaries.
- 5.4** **Entire Agreement; Non-Exclusivity.** This Agreement and any attachments hereto shall constitute the entire and integrated Agreement between the parties and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement is not intended to be an exclusive arrangement between the parties hereto and each party is free to enter into agreements with other third parties for the same or similar services. The remedies provided for in this Agreement are neither exclusive nor mutually exclusive and either party shall be entitled to resort to any such remedies, or any other remedy available to it at law or in equity, or some or all in any combination, at the party's discretion. No delay or failure of a party to exercise any right or remedy will operate as a waiver thereof, except where expressly provided herein to the contrary.
- 5.5** **Miscellaneous Provisions.** (1) Services will be performed based upon limited investigations and no destructive or invasive testing techniques will be employed, unless otherwise agreed in writing. (2) The RESPONSIBLE PARTY and PROJECT MANAGER have discussed the risks, rewards, and benefits of the Project and PROJECT MANAGER's total fee for its Services. The risks have been allocated such that to the fullest extent permitted by law, and for RESPONSIBLE PARTY to receive the benefit of a fee which includes a reasonable allowance for risks, PROJECT MANAGER'S TOTAL LIABILITY TO RESPONSIBLE PARTY FOR ANY LOSS, CLAIM OR DAMAGE ARISING OUT OF THE NEGLIGENCE OR OTHER LEGAL FAULT OF PROJECT MANAGER IN PERFORMING ITS SERVICES SHALL BE LIMITED TO THE GREATER OF (I) THE AMOUNT STATED IN THIS AGREEMENT AS COMPENSATION FOR PROJECT MANAGER'S BASIC SERVICES, OR (II) THE LIMITS OF ANY INSURANCE ACTUALLY AVAILABLE TO PROJECT MANAGER. RESPONSIBLE PARTY may eliminate this limitation on liability by notifying PROJECT MANAGER in writing prior to

commencement of PROJECT MANAGER's Services and tendering, with such written notice, a one-time payment equal to twenty percent (20%) of the amount identified in the Agreement as PROJECT MANAGER's Basic Compensation. This increased compensation is not the purchase of insurance. (3) In no event shall PROJECT MANAGER be liable for damages for loss of profits, loss of use, loss of revenue, or any or special, indirect or consequential damages of any kind. (4) This Agreement may be amended by written instrument signed by both RESPONSIBLE PARTY and PROJECT MANAGER or, in the case of Additional Services, by a written confirmation from PROJECT MANAGER to which RESPONSIBLE PARTY does not object within ten (10) working days.

- 5.6 No Waiver.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach or violation of the same or any other provision herein. All of the rights and remedies provided herein are cumulative and additional to any rights or remedies the parties may have at law.
- 5.7 Severability, Interpretation.** In the event that any provision of this Agreement violates any applicable statute, ordinance, or rule of law in any jurisdiction that governs this Agreement, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement. Any ambiguity in this Agreement shall be interpreted in such a manner to remain valid to the fullest possible extent under the law.
- 5.7 Counterparts, Electronic or Facsimile Signatures.** This Agreement may be executed by electronic or facsimile signature and/or in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same Agreement.
- 5.8 Authorization.** Each person signing this Agreement has the authority to bind their respective party to the terms and conditions of this Agreement and this Agreement will be enforceable as to each party represented.
- 5.9 Notices.** Any notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be sufficiently given if delivered personally (including by recognized courier), or if sent by other reliable communication (fax, e-mail, US Mail) and received by an authorized representative of the other party. Notices by mail must be addressed to the party as stated in this Agreement or as the party hereafter designates. Notice given by US mail is effective the third US Post Office delivery day after the date of mailing.
- 5.10 Force Majeure.** Neither party shall be liable to the other party for any delay or failure by the other party to perform its obligations under this Agreement or otherwise if such delay or failure arises from any cause or causes beyond its reasonable control, including, but not limited to, labor disputes, strikes, other lab or industrial disturbances, acts of God, floods, lightning, shortages of materials, rationing, utility or communications failures, earthquakes, casualty, war, acts of the public enemy, riots, insurrections, embargoes, blockages, actions, restrictions, regulations or orders of any government, agency or subdivisions thereof. Performance times shall be considered extended for a period of time equivalent to the time lost because of any such delay, provided that in the event PROJECT MANAGER is delayed in its performance by reason of such cause, no such extension shall be made unless notice thereof is presented by PROJECT MANAGER to RESPONSIBLE PARTY in writing within reasonable time after the start of the occurrence of such delay.

5.11 RESPONSIBLE PARTY and Use of Documents. PROJECT MANAGER's documents prepared by using or copying PROJECT MANAGER's intellectual property (collectively referred to as "Documents"), are instruments of PROJECT MANAGER's service for use solely with respect to this Project. PROJECT MANAGER is the author of these Documents and retains all common law, statutory and/ or reserved rights, including copyright. The Documents may not be used on other projects, for addition to this Project or for completion of this Project by others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates below.

RESPONSIBLE PARTY

Sign: _____

Name: Edward Murrell _____

Title: President _____

Date: _____

PROJECT MANAGER

Sign: _____

Name: _____

Title: _____

Date: _____

NOTICE ADDRESSES:

RESPONSIBLE PARTY
Winnie Stowell Hospital District
P.O. Box 1997
Winnie, Texas 77665__

PROJECT MANAGER
GSDPM LLC _____
16400 Dallas Parkway
Suite 400
Dallas, Texas 75248 _____

ATTACHED EXHIBITS:

The following Exhibits are included herein to this Agreement:
EXHIBIT "A" Scope of Services & Project Manager Authority
EXHIBIT "B" Compensation and Term
EXHIBIT "C" Insurance

Winnie Community Hospital – ER Expansion and Renovation - **EXHIBIT A**

PROJECT MANAGEMENT: SCOPE OF SERVICES

1.0 SCOPE OF AUTHORITY

The PROJECT MANAGER shall have the authority to bind the RESPONSIBLE PARTY without RESPONSIBLE PARTY's prior approval only to the following extent:

- A. Approve financial commitments, including contracts, purchase orders, and change orders, not to exceed \$ [REDACTED] in each instance and \$ [REDACTED] in the aggregate.
- B. Approve or reject submissions from RESPONSIBLE PARTY's Consultants and Contractors and/or require revisions thereto.
- C. Review consultant and contractor payment requests.
- D. Review construction work and/or recommend action.
- E. Advise on readiness to achieve substantial completion.

1.1. PROJECT UNDERSTANDING

1.1.1. Meet with RESPONSIBLE PARTY's representative(s) and representatives for the OWNER of the Riceland Hospital ("OWNER"), together referred to as PROJECT TEAM ("PROJECT TEAM"), to understand the corporate vision, mission, culture, the Project background, goals, and establish Project Success Criteria.

1.1.2. To better understand the Project, gather available and pertinent information including documentation of existing conditions prepared by others, specifications, existing agreements, space program, budget or schedule information provided by RESPONSIBLE PARTY and OWNER, cost estimates and other associated documents to the extent available describing the proposed Project scope.

1.2. GENERAL PROJECT MANAGEMENT REQUIREMENTS

1.2.1. Assist the PROJECT TEAM in defining appropriate team participants to plan, design, construct, equip, furnish and move in to the new and remodeled Project areas.

1.2.2. Prepare a Project team organization chart.

1.2.3. Develop a Project communication protocol and meeting schedules, and assist in establishing the application of communication tools or software.

1.2.4. Participate in Project meetings with the PROJECT TEAM, Architect, General Contractor and other necessary parties.

1.2.5. Develop and regularly update a comprehensive "Action List" document that identifies outstanding issues, responsible parties, resolution steps and dates.

1.2.6. Develop and maintain a Project Master Schedule.

1.2.7. Develop and maintain a Project Master Budget.

1.2.8. Develop a cost reporting format that is consistent with PROJECT TEAM's requirements.

1.2.9. Develop a capital Project cash flow report and update quarterly, showing anticipated monthly and cumulative expenditures.

1.2.10. Develop a master Project filing system and maintain an electronic and/or paper copy of pertinent Project documents.

1.2.11. Assist and advise the PROJECT TEAM with the ongoing approval process throughout the Project.

1.2.12. Advise PROJECT TEAM on forms of agreements, terms and conditions. Review current agreements for design, construction and other Project consultant services prepared to date. Assist PROJECT TEAM with negotiations of such agreements and contracts with selected firms. Coordinate with the PROJECT TEAM's representatives including legal counsel, financial services, materials management, facilities management and other shared service departments associated with the Project. PROJECT TEAM is responsible for obtaining legal services necessary for the Project.

1.2.13. Endeavor to identify Project risks and develop strategies to mitigate defined risks.

1.2.14. Review monthly invoices and payment requests from PROJECT TEAM and compare the requested amounts with the terms of the relevant agreements, with the Project progress, and with the relevant team member's performance. Prepare and submit a Monthly Draw Payment Package to PROJECT TEAM for processing of payments.

1.3. PLANNING PHASE

1.3.1. Manage the qualification and selection process for Project consultants and contractors.

1.3.2. Review Project consultants' reports, inform the PROJECT TEAM about issues requiring action and advise the PROJECT TEAM in addressing issues.

1.3.3. As appropriate, review Project agreements previously executed, provide feedback on appropriate issues requiring action and advise the PROJECT TEAM in addressing issues.

1.3.4. Attend and participate at public meetings as reasonably appropriate.

1.3.5. Attend and participate in appropriate Project related meetings with county, state and other entities having jurisdiction.

1.3.6. Endeavor to verify that the required insurance coverages are in place and updated for Project consultants and contractors. Coordinate the issuance of insurance certificates to the PROJECT TEAM.

1.3.7. Assist the PROJECT TEAM in determining a Project delivery strategy that is appropriate for the Project objectives, including cost, schedule, financing and operational impact.

1.3.8. Coordinate with the PROJECT TEAM for materials management, information technology, facilities, biomedical engineering and design consultants to prepare estimates, budgets, orders, and delivery and installation schedules for: medical equipment; information technology, and data /telecommunication equipment; low voltage systems; dietary equipment; and furniture, fixtures & equipment ("FF & E"). It is the responsibility of the PROJECT MANAGER to only provide oversight of the planning, selection and procurement process for medical equipment; information technology, and data /telecommunication equipment; low voltage systems; dietary equipment; and furniture, fixtures & equipment

1.3.9. Assist the PROJECT TEAM in retaining an Independent Testing Agency, or consultant to determine the nature of suspected hazardous materials discovered on site as appropriate.

1.3.10. Coordinate the selection and hiring, by the PROJECT TEAM, of a survey firm and soils investigation firm.

1.4. DESIGN PHASE

1.4.1. Review the planning and design process with the Architect and the PROJECT TEAM. Identify issues that may require further study or review by the PROJECT TEAM's consultants.

1.4.2. Manage the design team during the design process for compliance with Project goals and budget requirements.

1.4.3. Assist with the coordination of applicable PROJECT TEAM's insurance requirements with the PROJECT TEAM consultants.

1.4.4. Meet regularly or as reasonably required with the Architect, Engineer, PROJECT TEAM, and other consultants to monitor design progress.

1.4.5. Participate in design meetings with the PROJECT TEAM.

1.4.6. Review requests for additional services from the PROJECT TEAM and provide recommendations to the PROJECT TEAM on the validity and reasonableness of the proposed additional services.

1.4.7. Review construction cost estimates prepared by an estimator or the General Contractor as appropriate.

1.4.8. Review the construction drawings and specifications, and provide recommendations regarding constructability issues and potential cost savings.

1.4.9. Review information prepared by others, such as medical equipment lists, furniture lists, technology/low voltage systems, dietary equipment, projected costs, specifications, design requirements, proposed purchase agreements and delivery schedules for coordination with design and construction activities. Coordinate with the PROJECT TEAM who are responsible for these items.

1.4.10. Coordinate with the PROJECT TEAM for the scheduling requirements of procurement, delivery and installation of long-lead items of PROJECT TEAM -provided items to comply the construction schedule.

1.4.11. Coordinate with the PROJECT TEAM, Architect and the General Contractor to schedule and facilitate reviews and inspections by facility-related regulatory agencies.

1.4.12. Facilitate the process of obtaining official approval of design documents from the PROJECT TEAM prior to proceeding to next design phase.

1.5. CONSTRUCTION PHASE

1.5.1. Develop and facilitate a selection process for the General Contractor.

1.5.2. Suggest a proposed contract type for the PROJECT TEAM - General Contractor agreement. Provide PROJECT TEAM with supplemental comments regarding the contract terms. PROJECT TEAM's legal counsel shall approve final contract language.

1.5.3. In association with the PROJECT TEAM, negotiate terms with the General Contractor requiring resolution.

1.5.4. Coordinate the scope of services and scheduling of inspections by a material testing firm with the General Contractor. Review test reports and notify PROJECT TEAM of reports of site conditions received and known work defects.

1.5.5. Subject to Section 1.6 of the Agreement, conduct routine site observations for construction progress, crew size/staffing and apparent quality of construction work in place. Notify PROJECT TEAM of known construction related issues or concerns.

1.5.6. Endeavor to verify that the required insurance coverage for PROJECT TEAM and General Contractor has been placed in effect.

1.5.7. If bonds are required by the Contract Documents, obtain from the General Contractor performance bonds and/or labor and material payment bonds.

1.5.8. In association with the PROJECT TEAM, review and approve General Contractor's proposed list of proposed subcontractors and material suppliers. Provide recommendations to, and obtain approvals from, the PROJECT TEAM

1.5.9. Verify that the specifications and/or instruction to bidders identify the appropriate group purchasing agreement suppliers as the preferred supplier/s for the particular material and contain the specific vendor contact information.

1.5.10. In association with the PROJECT TEAM, determine which divisions of the construction work that the General Contractor will be allowed to self-perform. Establish a process acceptable to the PROJECT TEAM for how this work will be competitively bid.

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- 1.5.11. Attend subcontractor pre-bid conferences that are scheduled and coordinated by the General Contractor.
- 1.5.12. Attend subcontractor bid openings, if necessary, and participate in the process of acceptance or rejection of bids. Advise PROJECT TEAM on selection of alternates and obtain PROJECT TEAM's approval.
- 1.5.13. Monitor the General Contractor's submittal and shop drawing schedule in conjunction with the Architect's review.
- 1.5.14. Coordinate with the PROJECT TEAM and General Contractor for PROJECT TEAM-provided General Contractor installed items.
- 1.5.15. Subject to Section 1.6 of the Agreement, review and monitor General Contractor's updated construction schedules and notify Project team of apparent potential impacts upon occupancy date.
- 1.5.16. Review the proposed General Contractor's schedule of values with the PROJECT TEAM prior to the General Contractor's first application for payment. Applications for payment from the Contractor are to be certified by the Architect.
- 1.5.17. Review the General Contractor's monthly application for payment in conjunction with the Architect's review and make recommendations to PROJECT TEAM for payment.
- 1.5.18. Endeavor to confirm the receipt of partial lien waivers from General Contractor. Endeavor to verify that lien waivers covering the previous pay application have been submitted before submitting the current payment request for PROJECT TEAM's approval.
- 1.5.19. Notify PROJECT TEAM of any known liens filed against the Project and work with the General Contractor to cause the removal of any such liens.
- 1.5.20. Coordinate the review of construction costs by a construction cost compliance consultant hired by the PROJECT TEAM.
- 1.5.21. Review the General Contractor's Request for Information (RFI) log and change order log. Confirm that these logs are current and consistent with the Architect's records.
- 1.5.22. Review change order requests with the PROJECT TEAM. Review pricing, negotiate and make recommendations to PROJECT TEAM for approval.
- 1.5.23. Subject to Section 1.6 of the Agreement, receive reports from the General Contractors of recorded site accidents and injuries, and notify PROJECT TEAM of known violations. If required by the PROJECT TEAM in writing, direct General Contractor to stop the performance of the construction work to take corrective actions.
- 1.5.24. Review General Contractor's or consultants' reports if hazardous materials are discovered on the site and notify the PROJECT TEAM.

1.5.25. Review the Project to confirm Substantial Completion with the PROJECT TEAM and Architect. Coordinate with the Architect and General Contractor to determine a date for the Architect to officially prepare a Certificate of Substantial Completion. Coordinate phased substantial completions or early PROJECT TEAM access areas, as appropriate.

1.6. MOVE-IN & CLOSE OUT PHASE

1.6.1. Request Project close out documents from consultants and the General Contractor; including but not limited to: specifications, operations and maintenance manuals, warranty documents and as-built drawings.

1.6.2. Prepare a list of outstanding Project completion items. Monitor the list, report on progress to the PROJECT TEAM, and monitor completion of outstanding items.

1.6.3. The role of the Project manager in the move-in process is to:

1.6.3.1 Establish a move-in strategy with the OWNER's and General Contractor, selection of hospital/clinic representatives and their roles and responsibilities,

1.6.3.2 Serve as the liaison with the CM during construction,

1.6.3.3 The OWNER's staff will perform the actual implementation and staging of the move, relocation of existing equipment & furniture, scheduling of shipments, coordinate on site scheduling of access to the loading dock, storage, break down of deliveries, placement and punch list of furnishings and equipment.

1.6.4. Confirm the General Contractor has obtained a Certificate of Occupancy.

1.6.5. Confirm that final lien waivers have been submitted by the General Contractor.

1.6.6. Endeavor to confirm that conditions and obligations defined in the respective agreements of the General Contractor and the Project consultants are complete prior to final payment.

1.6.7. Review and process final invoices from the project consultants, General Contractor and other vendors that have been monitored by the Project Manager.

1.6.8. Prepare a final total summary of Project related costs that have been tracked by the Project Manager.

1.6.9. Assemble the master Project files and Project-related information into storage file boxes, appropriately titled and archived for a period of 4 years from the date of substantial completion.

End of Document

Winnie Community Hospital – ER Expansion and Renovation - **EXHIBIT B**

COMPENSATION AND TERMS

This Exhibit B shall outline the Compensation and Term agreed to between the parties under this Agreement.

B-1 PROFESSIONAL FEE:

Compensation for Basic Services as described in this Agreement shall be an hourly to a maximum amount of sixty-eight thousand, four hundred dollars (\$68,400.00) plus Reimbursable Expenses. The hourly billing rates are shown in B-3 and B-4. Invoices will reflect the number of hours spent during the relevant billing period.

B-2 REIMBURSABLE EXPENSES:

In addition to our Professional Fee, we have estimated the costs for Reimbursable Expenses, which will be billed at the actual cost with no markup. We shall charge one-half (50%) of our hourly billing rate for travel time as defined in the chart below. Reimbursable expenses include travel time, travel expenses, mileage, conference calls, printing/copies and couriers. There may be other reimbursable expenses incurred for the Project that are unidentified at the time of this contract execution, such as travel for touring facilities or other requests by the RESPONSIBLE PARTY, which are not included in the reimbursable expenses estimate.

- .1 Transportation and out-of-town travel and subsistence if authorized in writing in advance by the RESPONSIBLE PARTY;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, standard form documents;
- .5 Postage, handling and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the RESPONSIBLE PARTY;
- .7 Professional photography, and presentation materials requested by the RESPONSIBLE PARTY;
- .8 Sales, Use, Value-added, or similar *ad valorem*-type taxes imposed by any jurisdiction on the Services and Reimbursable Expenses;
- .9 Fees paid to third parties such as specialty consultants;
- .10 Energy design assistance; and
- .11 Other similar Project-related expenditures if authorized in writing in advance by the RESPONSIBLE PARTY.

Reimbursable Expenses Estimate - twenty-five thousand, nine hundred and fifty-seven _____
(\$25,957). See Attached Preliminary Fee Projections for details of this estimate.

B-3 PROFESSIONAL TIME - HOURLY BILLING RATES

		<u>2017</u>	<u>2018</u>
Robert Walker	Principal	\$200 per hour	\$210 per hour
Administrative		\$ 60 per hour	\$ 65 per hour

B-4 TRAVEL TIME - HOURLY BILLING RATES

		<u>2017</u>	<u>2018</u>
Robert Walker	Principal	\$100 per hour	\$105 per hour

B-5 TERM:

The effective term of this Agreement shall be from March 1, 2017 through February 16, 2018. Services provided by the Project Manager after February 16, 2018 through no fault of the Project Manager shall be considered Additional Services and shall be charged on an hourly basis at the rates in effect.

The Walker Work Plan, Identified and included herein as Exhibit B-1, reflects our best approximation of the tasks and relative durations that can be approximated at this preliminary stage. The duration of the tasks shown within the total Project timeframe may change, with the understanding that this agreement is based on Services being provided through February 16, 2018 and Services provided after that date shall be Additional Services.

Winnie Community Hospital – ER Expansion and Renovation - **EXHIBIT C**

INSURANCE TERMS

For the term of this Agreement, the PROJECT MANAGER shall maintain the insurance coverage described in this exhibit at its own cost. Such insurance must be written by reliable insurance companies and shall cover the PROJECT MANAGER, its employees, and agents. If the insurance is written on a claims-made basis, the PROJECT MANAGER will obtain, at its cost, an extended reporting endorsement upon termination of this Agreement which provides continuing coverage for claims based upon acts or omissions and alleged acts or omissions during the term of this Agreement until all applicable statute of limitation periods have expired. The PROJECT MANAGER shall provide written notice to the RESPONSIBLE PARTY in the event of cancellation, non-renewal or a material change in insurance coverage not less than thirty (30) days in advance of such termination or promptly after notification if less than thirty days. PROJECT MANAGER agrees to provide the RESPONSIBLE PARTY with a certificate of insurance as evidence that the insurance required by this section is in effect upon any request by the RESPONSIBLE PARTY.

At its own cost and subject to the terms above, PROJECT MANAGER shall maintain:

- C.1 Comprehensive General Liability Insurance in the minimum per occurrence/annual aggregate amount of One Million Dollars (\$1,000,000) Combined Single Limit.
- C.2 Workers' Compensation Coverage as required by Minnesota or other state law.
- C.3 Employer's Liability Insurance in the minimum each accident/annual aggregate amount of One Millions Dollars (\$1,000,000).
- C.4 Commercial Automobile Liability Insurance, including Owned, Non-owned and Hired, in the minimum per accident/annual aggregate amount of One Million Dollars (\$1,000,000) Combined Single Limit.
- C.5 Products and Completed Operations Insurance in the minimum aggregate amount of One Million Dollars (\$1,000,000) Combined Single Limit.
- C.6 Commercial Umbrella Liability Insurance with excess coverage for the minimum aggregate amount of One Million Dollars (\$1,000,000) Combined Single Limit.

Exhibit “J”

AUTHORIZING RESOLUTION

At a duly constituted meeting of the Board of Directors of Winnie-Stowell Hospital District (“District”), a political subdivision of the State of Texas established pursuant to CHAPTER 286 OF THE TEXAS HEALTH & SAFETY CODE, held on April 19, 2017, the following resolution was adopted:

WHEREAS, at its March 22, 2017 Regular Meeting, the Board of Directors determined that it was in the best interest of the District to establish depository accounts at Post Oak Bank for the purpose of operating the District, including, owning and operating the District’s nursing homes.

WHEREAS, at the April 19, 2017 meeting, the Board unanimously voted to make the President, Edward Murrell; Vice President, Jeff Rollo; and Administrator, Sherrie Norris, the signatories for the District’s accounts and enter into Treasury Management Services Agreements with Post Oak Bank.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby adopts the following resolutions:

- (1) Post Oak Bank (“Bank”) is designated as a depository bank of funds belonging to the Winnie Stowell Hospital District.
- (2) This Resolution applies to all accounts (“Accounts”) opened by the District at the Bank under the Winnie Stowell Hospital District’ name.
- (3) The following officers of the District, listed below, are authorized to enter into and Treasury Management Services Agreements with Bank; and wire transfer funds or ACH funds to or from the Accounts subject to any agreement with Bank; Managers of each facility; Accounts Receivable Lenders; Landlords; District Lender, including but not limited to Management Agreements; Security Agreements; Depository Account Instruction and Service Agreements (“DAISA”); Inter-creditor Agreements; Collateral Agreements; or Depository Account Control Agreements (“DACA”):

Name	Title	Signature
Edward Murrell	President	<hr/>
Jeff Rollo	Vice President	<hr/>

- (4) The following employee of the District, listed below is authorized to enter into and Treasury Management Services Agreements with Bank; and wire transfer funds or ACH Funds to or from the Accounts subject to any agreement with Bank; Managers of each facility; Accounts Receivable Lenders; Landlords; District Lender, including but not limited to Management Agreements; Security Agreements; DAISA” Inter-creditor Agreements; Collateral Agreements; or DACA:

Name	Title	Signature
Sherrie Norris	Administrator	<hr/>

- (5) The officers and employee named above have provided specimen signatures herein and are authorized to sign signature cards and Accounts agreements.
- (7) The Administrator of the District is authorized and directed to deliver for and on behalf of the District, a certificate of this resolution to the bank.
- (8) The Bank is authorized to rely upon this Resolution until the bank has received written notice of any amendment or recession of the resolution.

I further certify that the District is duly organized and existing, and has the power to take the action called for by the foregoing resolutions.

SECRETARY CERTIFICATE

I, the undersigned, Raul Espinoza, Secretary of the Winnie Stowell Hospital District, hereby certify that that the foregoing is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of the Winnie Stowell Hospital District at its Regular Meeting held on April 19, 2017, held on the day and at the place therein specified, at which a majority of the members were present and voted. I further certify that the resolution is entered in the minutes and has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 19th day of April, 2017.

Raul Espinoza, Secretary
Board of Directors