

MINUTES OF THE PUBLIC HEARING AND THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed ten days prior to the meeting in the Hometown Press pursuant to Section 286.125 of the Texas Health & Safety Code and Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 6:00 p.m. on the 19th day of April 2017, at the Winnie Community Hospital (“Hospital”)-Conference Room, Broadway, Winnie Texas (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to wit:

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

All said Board members were present. In addition, to the above named Board members, also present at the meeting were:; Sherrie Norris, District Administrator; Yani Jiminez, District’s Indigent Care Director, Hubert Oxford, IV, General Counsel; Chris Portner, counsel for Riceland Hospital; Mo Danishmund, Riceland Hospital Chief Financial Officer; Tony King, Chambers County Sherriff’s Office; and Wade Thibodeaux, the Hometown Press; Gloria Roemer, Seabreeze Beacon; and Hazel Meaux;

At 6:01 p.m., President Murrell called the Regular Meeting of the Board of Directors of Winnie Stowell Hospital District to order. After a quorum was established, since there was no public comment, President Murrell asked the Board to consider and take action on Agenda Item No. 3, to review and approve the minutes of the March 22, 2017 Regular Meeting and April 12, 2017 Special Meeting. The Board reviewed the minutes and then Director Burgess made a

motion to approve the March 22, 2017 Regular Meeting minutes and the minutes for the April 12, 2017 Special Meeting. This motion was seconded by Director Rollo with the unanimous consent of the entire Board.

After the approval of the minutes, the Board was asked to address Agenda Item No. 4, to review and approve financials report; payment of invoices, and amend budget, if necessary. Mrs. Norris and the District's CPA, David Sticker, provided the Board with a number of documents including 1) Cash Position Report; 2) year to date Profit Loss Statement; 3) Profit and Loss Budget Performance; 4) Check Register; and 5) a list of Open Invoices, along with the invoices attached, to be approved by the Board. (See **Exhibit "A"**). Per Administrator Norris, as of the meeting, the District had a total \$2,767,889.68 in its various bank accounts, including \$2,007,889.77 in its Prosperity Bank account. As for the monthly Profit & Loss statement for the year, the District had revenues of \$40,242.96 in the month of April 2017 and expenses of \$46,751.25. For the year, the District's income was budgeted at \$186,664.00 but is down, because sales taxes are off by \$24,159.00. Attorney Oxford reminded the Board that at the next meeting, they will most likely need to amend the budget to account for the handful of line items over budget and the upcoming income and expenses associated with the Quality Incentive Payment Program. After an extensive discussion on the District's finances by Administrator Norris, Mr. Sticker, and the Board, Director Rollo made a motion to approve the payment of bills and the financial reports presented by staff. (See **Exhibit "A"**). This motion was seconded by Director Espinosa, with the unanimous consent of all Board members present.

Next up for consideration was Agenda Item No. 5, Committee reports. In response to requests for reports, Chairwomen Burgess requested time to give an Indigent Care Committee Report. As such, Chairwomen Burgess informed the Board that the District received a request to

provide financial assistance to Sherry Stern, a nurse at the Winnie Stowell Hospital by repaying her student loans. (See **Exhibit “B”**). In response, representatives from the Hospital recognized Ms. Stern’s contributions to the hospital and the District’s indigent but requested they be given the opportunity to provide suggestions on criteria and/or procedures for the Board to consider before agreeing to give assistance of this type to hospital employees. Mr. Portner then gave a number of examples of criteria for the Board to consider, such as, the quality of the employee; the terms of any agreement; and the employees contributions to the company.

There be no further reports, President Murrell called on staff to present staff reports pursuant to Agenda Item No. 6. Staff reports were as follows:

- a. **District Administrator:** Administrator Norris reminded the Board that the annual Texas Healthcare Trustees Healthcare Governance Conference was coming up in July and this year it was in San Antonio. (See **Exhibit “C”**). Administrator Norris requested the Board to give her a preliminary assessment of those Board members that were planning on attending so that she could make hotel reservations. Directors Murrell, Stramecki, Espinosa, and Rollo stated that they planned on attending and recommended that the Administrator attend as well.
- b. **District Indigent Care Director:** Next, the District’s Indigent Care Director, Yani Jimenez, reported on her recent trip to Austin where she participated in the annual Indigent Care seminar hosted by the Texas Health and Human Services Commission (“Commission”). According to Mrs. Jimenez, she learned a lot at the seminar and was eager review the District’s policies and work with the Board and staff to make sure the District was in compliance with Chapter 261 of the Texas Health and Safety Code. Thereafter, Mrs. Jimenez reported March 2017, the District was providing health care to

fifty-eight (58) clients or four (4) additional clients from February 2017. Additionally, Mrs. Jiminez informed the Board that in March 2017, the District spent \$7,944.57 on indigent pharmaceutical costs and incurred \$35,939.00 in fees and services from Winnie Community Hospital and if the District were to pay these fees and services, the costs to the District, assuming it paid Medicaid rates, would be \$14,611.99. (See **Exhibit “D”**).

- c. **District General Counsel:** Attorney Oxford advised he had had a number of issues to discuss. First, Attorney Oxford reviewed an e-mail sent to the Board and attached hereto as **Exhibit “E-1”** from the Texas Health and Human Services Commission concerning MPAP 3 and the Commission’s intent to go forward with MPAP 3 by requiring participating Districts to make IGTs on May 31, 2017 for five (5) months’ worth of IGT/MPAP payments but with no expectation of if the program will be approved by CMS; when such an approval may take place; or when the funds would return. Attorney Oxford then explained to the Board that as proposed, he would not be able to recommend the District participate but did suggest that he felt MPAP 3 was being used as leverage to push the settlement with the Non-State Owned Governmental Organizations (“NSGOs”) to ratify the proposed settlement agreement with the Commission by the May 3rd Deadline. According to Attorney Oxford, the State of Texas settlement figures with the NSGOs had recently been modified and the District’s share of the settlement from \$5,063,689.11, of which, the District is to receive \$2,348,075.09 to \$4,970,552.00 and the District’s share would be \$2,308,412.40. (See **Exhibit “E-2”**)
- d. **LTC Report:** LTC submitted their report for March 2017 and the report can be found in **Exhibit “F”**.

- e. **Hospital Report:** Lastly, President Murrell called on Mo Danishmund to give the Hospital report. Mr. Danishmund deferred on giving a report since the Emergency Room was going to be discussed in Agenda Item No. 9.

Following the staff reports, President Murrell asked the Board to address Agenda Item No. 7, to discuss and take action, if necessary, on approving agreements with the Winnie-Stowell EMS (“WSEMS”) to provide services to the District’s Indigent. In so doing, President Murrell called on the Indigent Care Director, Yani Jimenez to address this agenda item. Mrs. Jimenez informed the Board that an indigent client recently received an invoice from the WSEMS and she worked with Attorney Oxford to revitalize the agreements with the WSEMS to serve as the District’s preferred EMS provider and to compensate the WSEMS for the cost of their services when treating the District’s indigent clients. Attorney Oxford then explained that he recommended that the two parties first enter into a Business Associate Agreement so that they can share confidential information or information subject to HIPPA. (See **Exhibit “G”**). Attorney Oxford also informed the Board that the WSEMS recently hired a new Manager, Ron Nicols, and that he would reach out to Mr. Nicols to bring him up to speed on the status of any pending agreements and discussions between the two parties. At the conclusion of the discussion, the Board expressed approval for these recommendations. A motion was then made Director Burgess to approve the Business Associate Agreement found in **Exhibit “G”**. This motion was seconded by Director Rollo with the unanimous consent of all Board members.

President Murrell then asked the Board to consider Agenda Item No. 8, to discuss and take action, if necessary, on approving indigent care healthcare requests that fall outside of the Board’s policy. This agenda item was carried forward from the March 22, 2017 Regular meeting so that the Indigent Care Committee could make recommendations. The issues addressed by the

Indigent Care Committee, in addition to incorporating a policy for EMS services to the Indigent, involved treatment to the District's indigent that could not be provided inside the District. Assistant Administrator Jimenez reminded the Board each year, the District received no more than ten requests for healthcare services that could not be administered by the Hospital and therefore, the clients were left on their own to seek the needed medical attention. Therefore, she, along with the Indigent Health Care Committee and Attorney Oxford, worked together to review the existing policy and alternatives in order to make a recommendation to the Board. After a review of the policy it was determined that Sections 5(B)(11) & (12) already stated that medically necessary inpatient and outpatient services were required and if these services could not be provided by a healthcare provider in the District, the District should seek this treatment from a qualified healthcare provider outside the District. Therefore, the recommendation by the Committee was to restate that the Basic Services set forth in policy are to be provided for by a healthcare provider inside the District but if a healthcare provider inside the district could not provide the required treatment; the patient was authorized to seek treatment out of the District if the treatment was:

- Deemed medically necessary by a healthcare provider in the District;
- Arranged by the Indigent Care Director; and
- The Indigent Care Committee was notified.

In response, the Board asked questions concerning potential exposure and costs. Mrs. Jimenez and Attorney Oxford explained that this is something the Board was required to do by statute but in the past, requests for these types of services have been minimal. In addition, it was their plan to control costs by requiring the Indigent Care Director to arrange the treatment and payment amount. There being no further discussion, a motion was made by Director Rollo to

adopt the amended Indigent Care Policy set forth in **Exhibit “H”** that provides for EMS services to the District’s indigent clients but to also allow the Indigent to get treatment for medically necessary inpatient and outpatient needs by a healthcare provider outside of the District if the treatment was:

- Deemed medically necessary by a healthcare provider in the District;
- Arranged by the Indigent Care Director; and
- The Indigent Care Committee was notified.

Director Rollo’s motion was seconded by Director Stramecki and unanimously approved by all Board members.

After the discussion on amending the District’s Indigent Care Policy was completed, the Board was asked to consider and take action on Agenda Item No. 9, to discuss and taken action, on approving the funding for the Project Manager and any architect recommendations to begin the process of designing the Emergency Room for the Winnie-Stowell Hospital. President Murrell informed the Board that he, along with Directors Stramecki, Attorney Oxford, representatives of the Hospital and the proposed Project Manager, Bob Walker, met at the Hospital for an extensive meeting to evaluate the project manager, his proposed timeline and budget, and to interview proposed architectural firms. President Murrell informed the Board that he recommended approving the Agreement prepared by Mr. Walker to serve as the Project Manager for the Emergency Room. (*See Exhibit “I”*). In so doing, President Murrell explained that Mr. Walker had vast experience in overseeing healthcare construction projects, which require an extensive knowledge of technical rules, regulations, and building experience in order to be in compliance with rules and regulations of the State of Texas and the federal government. According to President Murrell, Mr. Walker’s role as Project Manager would be to oversee any


architects or contractors hired and to ensure that the project is completed in a timely and efficient manner. Most importantly, Mr. Walker will review all invoices submitted for the project to ensure any District funds were maximized and accounted for. In addition, Mr. Murrell stated that the committee interviewed two architectural firms and had a preference but was not ready to make a recommendation to the Board yet because there were still details between the Hospital and the District that needed to be discussed concerning payment for the architect. Once Mr. Murrell was finished giving an update on the Emergency Room and his recommendation to engage Mr. Walker, he responded to several questions by other Board members concerning staffing of the proposed emergency room as well as a timeline for construction. In response, to the timeline question, Mr. Murrell explained that construction could begin on the project as soon as August 2017 and be completed by April of 2018. Mr. Danishmund then responded to the questions about staffing the emergency room by reminding the Board that the Hospital has already hired a nurse practitioner to evaluate the existing nursing home operations and to make recommendation on how to best staff and operate the new facility. The new nurse practitioner is already working several shifts a week and has been providing useful feedback to the administration. A lengthy conversation then ensued about the Emergency Room and the proposed hiring of Bob Walker to serve as a Project Manager, a motion was made by Director Rollo to approve the execution of the agreement with Bob Walker found in **Exhibit "I"** and to move forward with the Hospital to have discussions on the details of funding the project. This motion was seconded by Director Espinosa and passed with the unanimous approval of all Board members.

Lastly, the Board was asked to take no action on Agenda Item No. 10, to discuss and take action, if necessary, on authorizing signatories on the Post Oak Bank accounts. Administrator

Norris explained that Post Oak Bank requested the resolution found in **Exhibit "J"** be approved by the Board and returned in order to establish signatories for the banks accounts opened by the District at the bank. A motion was then made by Director Rollo to approve the Resolution authorizing signatories at Post Oak Bank. (See **Exhibit "J"**). This motion was seconded by Director Espinosa and passed with the unanimous approval of all Board members.

There being no further business to discuss, President Murrell informed the Board that the next regularly scheduled meeting would be on May 17, 2017. At 8:08 p.m., a motion was made by Director Espinosa to adjourn the meeting. This motion was seconded by Director Burgess and unanimously approved by all the Board members present.


Edward Murrell, President


Jeff Rollo, Vice-President