

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

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed ten days prior to the meeting in the Hometown Press pursuant to Section 286.125 of the Texas Health & Safety Code and Chapter 551 of the Texas Government Code seventy-two (72) hours prior to the opening of said meeting for 6:00 p.m. on the 21th day of June 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, 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; Wade Thibodeaux, the Hometown Press; Gloria Roemer, Seabreeze Beacon; and citizens Larry Barron and Hazel Meaux.

At 6:06 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 June 21, 2017 Regular Meeting and July 10, 2017 Special Meeting. *See Exhibits “A” and “B”*. The Board reviewed the minutes and then Director

Burgess made a motion to approve the minutes of the June 21, 2017 Regular Meeting and the July 10, 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 move to Agenda Item No. 4, to review and approve financials report; payment of invoices, and amend budget, if necessary. Mrs. Norris and the District's CPA, David Sticker, provided the Board with a number of documents including: 1) Balance Sheet 2) Profit & Loss Statement as of June 21, 2017; 3) Year to Date Profit & Loss Budget v. Actual; 4) Transaction by Account; and 5) a list of Open Invoices, along with the invoices attached, to be approved by the Board; (*See Exhibit "C"*). Per Administrator Norris, as of the meeting, the District had total assets of \$6,227,871.24 of which \$4,962,919.50 was in the District's Prosperity Account. On the other hand, there were \$113,161.95 in liabilities that were all monthly expenses set forth in the Open Invoices page. Included in these expenses was the final payment for the 2014-2015 audit in the amount of \$69,682.80. As for the monthly Profit & Loss statement for the period of May 25, 2017 through June 21, 2017, the District had revenues of \$37,740.67 in the month of June 2017 and expenses of \$4,871,568.30 of which \$4,775,588.00 was the Intergovernmental Transfer ("IGT") for QIPP 1 and Mr. Sticker informed the Board that the IGT should not be listed as an expense and he would make an adjustment accordingly. Lastly, Mr. Sticker informed the Board that at the next meeting, the Board will need to amend its budget to account for increased audit fees; create a line item for the fair market appraisal of the HMG homes; and account for more accurate nursing home supplemental payment program income and expense figures. At the conclusion of the discussion regarding the District's finances, a motion was made by Director Burgess to approve the financial report set forth in **Exhibit "C"**. This motion was seconded by Director Espinoza 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 reported that the Indigent Care Committee met to discuss entering into agreements with a local MRI company and the University of Texas Medical Branch, Galveston to provide medically necessary outpatient services to the District's indigent clients. According to Chairwomen Burgess and Mrs. Jimenez, in the last two months, the District has had ten (10) medically necessary outpatient referrals which is a sharp increase from prior months. Therefore, it was the Committee's opinion and recommendation that the District establish contractual relations with healthcare providers outside of the hospital in order to be able to uphold its statutory duties. As it relates to an MRI provider, it was brought to the Committee's attention that Riceland has MRI facilities in Beaumont, Texas and the District may consider establishing a relationship with this MRI facility. The representatives of Riceland at the meeting agreed to meet with the indigent care director to discuss making these arrangements. As to the UTMB medically necessary outpatient agreement, Attorney Oxford advised the Board that he had just received a draft contract and there was no agenda item to approve the contract and therefore, any approval of the UTMB contract would need to be considered at the next Regular Meeting or Special Meeting.

After Chairwomen Burgess gave her report on the Indigent Healthcare Committee, she asked to give a report as Chairwomen of the Personnel Committee. This month, she reported that the Committee was asked by the Indigent Care Director to move from a full-time employee to a part time employee that works from 8:00 a.m. to 2:00 p.m. One of the bases for this request involved the fact that she felt there was not enough work for the position to be a full-time job. After receiving this request, the Committee members reported that they conferred with Administrator Norris, who confirmed Mrs. Jimenez had slow times throughout the day, week, and month and if she was requesting to be moved to a part time employee, Mrs. Norris would agree to

the request. Therefore, the Committee informed the Board that it was their recommendation that Mrs. Jimenez be reassigned as a part time employee whose hours are from 8:00 a.m. to 2:00 p.m. Monday to Friday effective on Monday, June 26, 2017 or the beginning of the upcoming pay period.

There being no other 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 asked the Board for their final travel plans to the annual Texas Healthcare Trustees Healthcare Governance Conference that was coming up because she needed to adjust reservations if anyone wasn't attending. In response, a couple board members expressed concern that they would not be able to attend but would confirm their availability with the day.
- b. **District Indigent Care Director:** Next, the Mrs. Jiminez presented the Board with the District's Indigent Care report for May 2017. In April 2017, there were sixty (60) residents enrolled on the District's indigent care program but this number increased in May to sixty-four (64) clients. Additionally, Mrs. Jiminez informed the Board that in May 2017, the District incurred \$66,235.01 in fees and services from Winnie Community Hospital and for prescriptions. If the District did not have an indigent care agreement, the costs to the District for these fees incurred by the Hospital would have been \$24,777.12 based on Medicaid rates. Meanwhile, the amount paid to local pharmacies in May 2017 for prescriptions was \$5,803.01. (*See Exhibit "D"*). Mrs. Jiminez also reported that the new Rose mammogram screening program was set for November 1, 2017 and she asked the local newspapers to assist with publication of the event.

- c. **District General Counsel:** Attorney Oxford reported that Friday, June 16<sup>th</sup>, 2017, the District received notice from the State of Texas that it was calling for an Intergovernmental Transfer (“IGT”) to fund the Minimum Payment Amount Program 3 (“MPAP 3”). (See **Exhibit “E”**). The amount of the District’s IGT its thirteen (13) nursing facilities was going to be \$9,691,582.00 and the District was being asked to make a commitment on July 12<sup>th</sup>, 2017 with the funds being withdrawn from the District’s Texnet account on July 14, 2017. In exchange, if MPAP 3 was approved, the District’s MPAP return would be \$19,026,906.10. Consequently, Attorney Oxford advised that he and staff would need to work to evaluate the cash flow needs of the District and determine the costs of the IGTs. In addition, Attorney Oxford reported that as of the time of the IGT, MPAP 3 will not have been approved by the Centers for Medicare and Medicaid (“CMS”) and it was not known whether the program was going to be approved or when it may be approved. In addition, the Board was told that the amount of the IGT they were being asked to make was \$3,400,000.00 more than originally forecasted because the State was using actual numbers and but, if MPAP 3 was approved there would no reconciliation payments. In conclusion, Attorney Oxford asked the Board for dates prior to July 12, 2017 for a Special Board Meeting to evaluate the feasibility of MPAP 3 and to approve any loan documents for nursing home operations. It was agreed up that the Special Meeting needed to occur on July 10, 2017 at 9:00 a.m.
- d. **LTC Report:** LTC submitted their report for March 2017 and the report can be found in **Exhibit “F”**.
- e. **Hospital Report:** None.

Following the staff reports, President Murrell asked the Board to address Agenda Item No. 7, to discuss and take action, if necessary, on receiving the East Chambers Independent School District report on the status of the inter-local agreement to provide healthcare related services to the students of the District and renewing the inter-local agreement with the School District. In so doing, President Murrell called on Attorney Oxford to explain. Attorney Oxford explained to the Board that its agreement with the East Chambers Independent School District (“ECISD”) to provide funding for various healthcare needs of the children attending the school was set to expire in August 2017 but would continue from year to year unless terminated by either party. The Board was reminded that this agreement was for \$180,000.00 per to be used for student accident insurance; registered nurse; medical screenings; and therapies. In addition, Attorney Oxford presented the Board with a PowerPoint presentation prepared by ECISD to show the various statistics on how the District’s funds were used during the last school year. (See **Exhibit “G”**). Because of these funds, the District was able to provide some form of healthcare assistance to each of the 832 students enrolled in the school lunch program within the ECISD. After a discussion of the statistics provided by the ECISD and the healthcare benefits provided to the school children enrolled in an ECISD school, a motion was made by Director Burgess to renew its to table this agenda item until the next Regular Meeting or Special Meeting if called for other purposes. This motion was seconded by Director Burgess 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 entering into a Business Associate Agreement with the Winnie Stowell EMS. Before much discussion occurred on this Agenda Item, Attorney Oxford asked if he report on recent developments concerning this Agreement. After receiving permission to provide an update, Attorney Oxford reported that it was his understanding that at the Winnie Stowell EMS

meeting the night before, the Board voted to enter into a Business Associate Agreement but instructed the WSEMS Director not to seek any reimbursements from the District because this was thought to be “double dipping.” Therefore, Attorney Oxford explained that if the District was not going to be asked for any reimbursements, there was no reason to enter into this agreement and requested that no action be taken on this matter. The Board concurred and then moved to the next agenda item.

In regard to Agenda Item No. 9, the Board was asked to discuss and take action, if necessary, on providing funding to the Winnie Stowell EMS (“WSEMS”) for supplies and medical equipment. The Board was supplied with a request by the WSEMS for two portable ventilators. (See **Exhibit “H”**). The total costs for the two ventilators was \$1,327.00. In addition, the WSEMS requested one (1) pallet of water for the EMS service providers. After the request was submitted to the Board, the Board was reminded that WSEMS was the District’s preferred WSEMS service provider and the WSEMS assisted the District’s indigent clients. In response, the Board stated that they appreciated the efforts of the WSEMS, including the WSEMS Board, paid EMS personnel, and the volunteers, and willing to accommodate these requests as well as future requests that help provide better healthcare services to the residents of the District. A motion was then made by Director Burgess to approve the purchase of the two portable ventilators as requested in **Exhibit “H”** and to purchase a pallet of water for the EMS service providers.


Turning to Agenda Item No. 10, to discuss and take action, if necessary on approving engaging an auditor for the 2016 annual audit. President Murrell reviewed the engagement letter found in **Exhibit “I”** submitted by Durbin & Associates and asked the Board if they would agree to table this agenda item so that the District could ask the auditors to include a “not to exceed number” in the engagement letter. President Murrell explained that he understood why the 2014-

2015 audit was more than expected but he wanted assurances by the auditor that the cost of the 2015 audit would be no more than the expected cost of \$25,000.00. The Board concurred with this suggestion and a motion was once again made by Director Burgess to table this agenda item. Director Burgess's motion was seconded by Director Espinoza and approved by the unanimous vote of all Board members.

Agenda Item No. 11, to discuss and take action if necessary on QIPP program and/or MPAP program. Attorney Oxford told the Board there was no action needed and that any action concerning MPAP 3 would need to be approved at the July 10, 2017 Special Meeting. Thus, no action was taken.

There being no further business to discuss, President Murrell informed the Board that the next regularly scheduled meeting would be Special Meeting on July 10, 2017 at 9:00 a.m. and a Regular Meeting on July 26<sup>st</sup>, 2017 at 6:00 p.m. At 7:37 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~~  
Raul Espinosa Secretary