

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The Special Meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a seventy-two (72) hours prior to the opening of said meeting for 9:00 a.m. on the 10th day of January 2018, 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; and Wade Thibodeaux, Hometown Press;

At 9:15 a.m., President Murrell called the Special Meeting of the Board of Directors of Winnie Stowell Hospital District to order. After a quorum was established and those present recited the Pledge of Allegiance, President Murrell called for public comment. There being none, President Murrell turned to Agenda Item No. 4, to Discuss and take action, if necessary, on approving the debt collection for Park Manor of Humble against TriCare Services. Attorney Oxford presented the Board with a debt collection petition prepared by attorneys for the Park Manor of Humble facility to collect a debt in the amount of \$27,934.99 from TriCare Services. (See **Exhibit “A”**). Since the District is the owner of the nursing facility, Attorney Oxford advised the Board that it needed to authorize the lawsuit before it was filed. Therefore, a motion was made by Director Stramecki to authorize a collection suit by Park Manor of Humble against TriCare

Services. This motion was seconded by Director Espinosa and was approved by the unanimous consent of all Board members.

Next, the Board was asked to discuss and take action on Agenda Item No. 5, to consider adopting an Amended and Restated Deposit and Transfer Procedures Policy. Attorney Oxford requested that this agenda item be tabled because he was not finished drafting the policy. However, he explained that the policy was necessary for explain the following: 1) double lock box arrangements; 2) the implementation of double lock box arrangements at Post Oak Bank for each of the District's nursing facilities and at Interbank; and 3) to document that the each of the District's Managed Care Companies ("MCOs") have been instructed to deposit the District's Quality Incentive Payment Program ("QIPP") funds into the District's existing account at Interbank through electronic funds transfer. In the past, the District received supplemental payment program funds from the Upper Payment Limit Program and Minimum Payment Amount Program through electronic funds transfers to the District's nursing home accounts at Wells Fargo and then subsequently, by check directly to the District's offices. After this explanation, a motion was made by Director Stramecki to table this agenda item. This motion was seconded by Director Espinosa, with the unanimous consent of all Board members.

Thereafter, President Murrell requested the Board move to Agenda Item No. 6, to discuss and take action, if necessary, on opening a District Commercial Account at Interbank in Graham, Texas and designating the District's existing account to be a Government Receivables Account. Attorney Oxford presented the Board with an Authorizing Resolution directing Interbank to open a new account to serve as a commercial account that would be subject to the amended Deposit Account Control Agreement ("DACA") addressed in Agenda Item No. 7. In addition, the Authorizing Resolution request Interbank to establish a Deposit Account Instructions and Service

Agreement ("DAISA") for the existing Interbank account to sweep any governmental funds deposited into this account on daily to the new commercial account. (See **Exhibit "B-1" and Exhibit "B-2"** for a flow chart of accounts at Interbank). Lastly, Attorney Oxford explained that once these requests are implemented, staff and LTC Group will need to utilize the new account to deposit interest payments and principle payments and to establish the new account as the TexStar account from which the State of Texas withdraws intergovernmental transfer ("IGT") payments for the 1115 Uncompensated Care Program and the QIPP Program. Following questions by the Board, a motion was made by Director Rollo to adopt the Authorizing Resolution and to establish a new account at Interbank to serve as a commercial account subject to a DACA agreement and to make the existing account at Interbank a governmental receivables account subject to a DAISA agreement as set forth in the flow charts of accounts. This motion was seconded by Director Espinosa, with the unanimous consent of all Board members.

President Murrell then addressed Agenda Item No. 7, to discuss and take action, if necessary, on amending the Interbank Depository Account and Control Agreements for Loan 10 and 12 and to approve a Depository Account Instructions and Service Agreement ("DAISA") for the District's existing District Depository Account at Interbank. President Murrell explained that the amended DACA agreements for Loan 10 and 12 was between Salt Creek Capital, Interbank and the District and it simply removed the DACA from the existing Interbank and assigned the agreements to the new Interbank Account. (See **Exhibit "C-1" and "C-2"**). In regard to the DAISA agreement, President Murrell reiterated what was previously discussed during the discussion of Agenda Item No. 6. (See **Exhibit "C-3"**). That is, the agreement will be with the same parties and it instructs Interbank to sweep funds from the District's existing account that is to serve as a government receivables account to the newly created commercial account. In

addition, Attorney Oxford also advised that the DAISA agreement was terminable with thirty (30) days' notice. A motion was made by Director Rollo to authorize the execution of the Amended DACA Agreements for Loan 10 and 12 set forth in **Exhibits "C-1" and "C-2"** and the DAISA Agreement for the existing account at Interbank. *See Exhibit "C-3"*. This motion was seconded by Director Espinosa, with the unanimous consent of all Board members.

Turning to Agenda Item No. 8, the Board was asked to discuss and take action, if necessary on amending the District Indigent HealthCare Policy. President Murrell informed the Board that this agenda item was necessary because the existing Indigent HealthCare Policy did not provide for Psychological Counseling Services as part of the Extended Healthcare Services offered by the District to the residents of the District. According to Attorney Oxford, Psychological Counseling Services are provided for in Section 61.0285 of the Texas Health and Safety Code as an approved optional health care service that can be provided by hospital districts. Attorney Oxford continued by explaining that the proposed amendment designates Mrs. Stace Farrow, Med, LPC; Child, Adolescent, Family & Individual Counseling Services, as the District's mandated counseling provider and the service was limited to resident children between the ages twelve (12) and nineteen (19) who qualify to attend a school within the East Chambers Independent School District. (*See Exhibit "D"*). If the Board approved the amendment, Attorney Oxford explained that the next agenda item authorizes the youth counseling program and agreements between Mrs. Farrow and the District to provide the requisite services. President Murrell then called for a motion to approve the amendment. A motion was then made by Director Burgess to amend the District's Indigent HealthCare Policy to provide counseling services for children between the ages twelve (12) and nineteen (19) who qualify to attend a school within the East Chambers Independent School

District. This motion was seconded by Director Espinosa and approved with the unanimous consent of all the Board members.

The Board was then asked to discuss and take action, if necessary on Agenda Item No. 9, to approve the youth counseling program and agreements with the provider. After a quick review of the Agreement for Healthcare Providers-Youth Counseling and the Business Associate Agreement between Mrs. Stace D. Farrow, Med, LPC; Child, Adolescent, Family & Individual Counseling Services and the District, a motion was made by Director Burgess to approve the District's youth counseling program set forth in the Amended Indigent Healthcare Policy and to execute the Agreement for Healthcare Providers-Youth Counseling and the Business Associate Agreement. (See **Exhibits "E-1" and "E-2"**). This motion was seconded by Director Rollo and approved with the unanimous consent of all the Board members.


Once the Board completed its business relating to the youth counseling program, President Murrell asked the Board to address Agenda Item No. 10, to discuss and take action, if necessary on approving the Second Amendment to the Management Agreements with Healthmark. In so doing, President Murrell called on Attorney Oxford to explain. Attorney Oxford informed the Board that this amendment was intended to make the Management Agreements with the six (6) Healthmark facilities consistent with the Amended and Restated Management Agreements with Genesis Healthcare and Caring Healthcare that were approved at the December 20, 2017 Regular Meeting. (See **Exhibit "F-1"**). In particular, Attorney Oxford stated that the Second Amendment to the Management Agreements with Healthmark make the dates and amounts of the incentive payments for all the District's nursing facilities on the same schedule. (See **Exhibit "F-2"**). Director Stramecki then made a motion to approve the six (6) Second Amendment to the Management Agreements with Healthmark. (See **Exhibits "F-1" and "F-2"**). This motion was

seconded by Director Espinosa and approved with the unanimous consent of all the Board members.

Lastly, the Board was asked to quickly address Agenda Item No. 11, to discuss and take action, if necessary, on approving an Amended Document Retention Policy. Director Espinosa asked the reasoning for the amendment to the previously adopted Document Retention Policy and was informed by Attorney Oxford that the policy that was adopted at the November 15 2017 Regular Meeting did not consistently refer to Mrs. Norris as the District's Administrator and the purpose of this amendment was to remove any references to a District Manager. (See **Exhibit "G"**). Attorney Oxford also explained that the policy could not be adopted at the December 20, 2017 Regular Meeting because the order adopting the policy required Director Espinosa's signature. Since he was not at meeting, the agenda item had to be tabled. After the explanation was made by Attorney Oxford, a motion was made by Director Stramecki to approve the Amended Document Retention Policy set forth in **Exhibit "G"**. This motion was seconded by Director Espinosa and approved with the unanimous consent of all the Board members.

There being no further business to discuss, President Murrell informed the Board that the next regularly scheduled meeting would be on January 24th, 2018 at 6:00 p.m. Subsequently at 9:56 a.m., a motion was made by Director Burgess to adjourn the meeting. This motion was seconded by Director Espinosa and unanimously approved by all the Board members present.


Edward Murrell, President


Jeff Rolle, Vice-President