

Exhibit “A”

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

The Regular 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 6:00 p.m. on the 18th day of April 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).

At approximately 6:00 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

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

All said Board members were present. Also present at the public hearing were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel; Mo Danishmund, Chief Financial Officer of Winnie Community Hospital; Chris Portner, General Counsel for Winnie Community Hospital; Mr. Wade Thibodeaux, the Hometown Press; Gloria Roemer, Seabreeze Beacon; and interested citizens Hazel Meaux and Larry Barron.

There being no public comment, President Murrell asked the Board to consider and take action on Agenda Item No. 4, to review and approve the minutes of the Regular Meeting held on March 21, 2018. The Board reviewed the minutes and a motion was made by Director Burgess to approve the minutes of the Regular Meeting held on March 21, 2018. This motion was seconded by Director Espinosa with the unanimous consent of all Board members.

The Board was then asked by President Murrell to consider Agenda Item No. 5, to review and approve financial reports; payment of invoices, and amend budget, if necessary. Mr. Sticker

was unable to attend due to a scheduling conflict with another client that had a pressing issue that needed to be addressed immediately. Therefore, Attorney Oxford and Mrs. Norris presented the Board with a Cash and Investment Report as well as: 1) Balance Sheet as of March 31, 2018; 2) Profit & Loss Budget vs. Actual as of March 31, 2018; and 3) the check register for the District's Prosperity Account from since the March 21, 2018 Regular Meeting to April 16, 2018. (*See Exhibit "A"*).

Prior to the discussion on the monthly expenses, Mrs. Norris explained to the Board that the District's net cash available following the payment of all accounts payable was \$1,339,513.59. She also informed the Board that in the upcoming weeks, the District would be receiving deposits in the Interbank account for: 1) QIPP 1 Component 1 funds of \$63,991.41; 2) QIPP 1, 2nd Quarter Component 2, 3, and Lapsing funds in the amount of \$2,035,378.15; 3) as well as the initial QIPP 2 Component 1 funds totaling \$695,227.39. Once all the funds have been received, Mrs. Norris advised that she would obtain authority from the Board President to transfer the QIPP 1, Component 1 funds (\$63,991.41) and QIPP 1, 2nd Quarter Component 2, 3 and Lapsing funds (\$2,035,378.15) to the District's Prosperity bank. Concerning, the Component 1 funds received for QIPP 2, she reported that the District had a principle and interest due on May 1, 2018 totaling \$477,513.40 and after this was paid, she recommended transferring the balance to Post Oak Bank to repay the District's Line of Credit. In addition, she explained that once the funds had been deposited into the District's Prosperity Account, the District needed to reconcile the incentive payments pursuant to the Management Agreements and pay the Managers of the District's nursing facilities. Likewise, the District had invoices due to be paid to LTC Group totaling \$324,900.00 for February 2018 through April 2018.

After Mrs. Norris reviewed the upcoming transactions, she then asked the Board to review the outstanding invoices. As the Board was considering the invoices, Attorney Oxford explained that the invoice by Durbin & Company for the 2016 audit was received. Unfortunately, the invoice was for \$47,813.75 which was substantially more than the estimated cost suggested by Auditor. By way of background, Attorney Oxford reminded the Board that they were first asked to consider a proposed engagement letter for the 2017 Audit submitted by Durbin & Company at the July 10, 2017 Special Meeting but the Board tabled the matter until the July 26, 2017 Regular meeting in order to include the expected cost of the audit in the letter. This was received prior to the July 27, 2017 meeting with an estimated cost \$20,000.00 to \$24,000.00. (See **Exhibit "A"**). Soon thereafter, the District provided the auditor with the requested information except 1) the financials for a portion of the Caring Healthcare financials; and 2) all the Genesis financials. The missing financials were subsequently provided to the Auditor by the end of October 2018. Afterwards, Attorney Oxford explained that there were several e-mail exchanges requesting status updates and ultimately, he was informed in December 2018 that the audit would be presented for approval at the January 24th, 2018 Regular Meeting. Relating to the invoice at issue, because there did not appear to be any irregularities or undue delays, Attorney Oxford recommended asking the Auditor to come to the next meeting so that the Board could receive an explanation for the invoice and to establish parameters for the 2017 audit.

Following the discussion concerning the 2016 audit, a motion was made by Director Burgess to:

- approve the Cash and Investment Report/Financial reports;
- pay outstanding invoices except for the Durbin & Company invoice; and
- authorize the upcoming transfers of QIPP 1 Component 1 funds, QIPP 1, 2nd Quarter Component 2, 3, and Lapsing funds, and QIPP 2 Component 1 to repay the District's

line of credit at Post Oak Bank and make the upcoming payment of incentive fees to the Managers and LTC Group's February through April 2018 invoices. See **Exhibit "B"**.

This motion was seconded by Director Stramecki and approved with the consent of a Board members.

Next, President Murrell asked the Committee Chairpersons if they had anything discussed as set forth in Agenda Item No. 6. The various Chairpersons all stated that they had nothing to report. Therefore, President Murrell turned to Agenda Item No. 7, to discuss staff reports. The reports given by staff were as follows:

- a. **District Administrator:** None.
- b. **District Indigent Care Director:** Before presenting the Board with her monthly report, Mrs. Jiminez gave the Board a report for this year's Rose Mammogram program. According to Mrs. Jiminez, ten (10) women received the free mammograms and of these women, seven (7) were on the District's indigent program and two (2) were uninsured. Mrs. Jiminez expressed her belief that next year, there would be greater participation levels if the District was able to reduce or eliminate the fee to receive a referral for the mammograph. The Board members then asked the Hospital officials at the meeting to work with Mrs. Jiminez on making arrangements to help offset these referral costs.

Furthermore, Mrs. Jiminez reported to the Board that during her workshop at the Texas Department of State Health Services ("Department") that she was asked by employees with the Department about the District's indigent policies for undocumented aliens. She explained that after advising the Department employees, the District's policies excluded the participation of undocumented aliens, the employees were surprised and expressed their desire that these residents be included in the District's program. Attorney Oxford then suggested a workshop to discuss because given the current state of the law and Texas Attorney General Opinions, as a non-county wide hospital district, the District was not obligated to allow undocumented aliens to participate. In addition, if the District's Board wanted to consider changing its policy, Attorney Oxford recommended that some research be done on the 2010 census to determine the effects of this decision on the overall budget. President Murrell then asked Directors Burgess and Rollo to convene a workshop and make a recommendation.

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Otherwise, Mrs. Jiminez reviewed the March 2018 indigent care report. (See Exhibit “C”). A summary of the report is as follows:

| # of Clients: | March | | | | Year to Date | | | |
|------------------------------------|--------------------|--------------------|---------------|-------------------|---------------------|---------------------|---------------|--------------------|
| | Billed Amount | Medicaid Rate | % of Services | Actually Paid | Billed Amount | Medicaid Rate | % of Services | Actually Paid |
| 62 | | | | | | | | |
| Summary by Facility | | | | | | | | |
| Winnie Community Hospital | \$51,985.00 | \$23,831.61 | 43.17% | \$0.00 | \$177,503.00 | \$75,293.99 | 136.39% | \$0.00 |
| Pharmacy | | | | | | | | |
| Brookshire Brothers Pharmacy | \$4,722.09 | \$4,522.38 | 8.19% | \$4,522.38 | \$26,537.55 | \$23,301.63 | 42.21% | \$23,301.63 |
| Wilcox Pharmacy | \$1,551.91 | \$893.77 | 1.62% | \$893.77 | \$4,431.79 | \$2,695.82 | 4.88% | \$2,695.82 |
| Total | \$6,274.00 | \$5,416.15 | | \$5,416.15 | \$30,969.34 | \$25,997.45 | | \$25,997.45 |
| UTMB | | | | | | | | |
| UTMB Hospital | \$15,043.00 | \$3,610.32 | 6.54% | \$3,610.32 | \$122,764.23 | \$29,463.40 | 53.37% | \$29,463.40 |
| UTMB Physician Services | \$2,388.00 | \$307.52 | 0.56% | \$307.52 | \$26,977.00 | \$7,393.63 | 13.39% | \$7,393.63 |
| Youth Counseling | | | | | | | | |
| Youth Counseling | \$340.00 | \$340.00 | 0.62% | \$340.00 | \$595.00 | \$595.00 | 1.08% | \$595.00 |
| Total | \$17,771.00 | \$4,257.84 | 7.71% | \$4,257.84 | \$150,336.23 | \$37,452.03 | | \$37,452.03 |
| Grand Totals | \$76,030.00 | \$33,505.60 | | \$9,673.99 | \$358,808.57 | \$138,743.47 | | \$63,449.48 |
| Summary by Service Provided | | | | | | | | |
| Prescription Drugs | \$6,274.00 | \$5,416.15 | 9.81% | \$5,416.15 | \$30,969.34 | \$25,997.45 | 47.09% | \$25,997.45 |
| WCH Clinic | \$8,423.00 | \$3,453.43 | 6.26% | \$0.00 | \$28,181.00 | \$11,554.21 | 20.93% | \$0.00 |
| WCH ER | \$8,075.00 | \$3,310.75 | 6.00% | \$0.00 | \$83,407.00 | \$34,196.87 | 61.95% | \$0.00 |
| WCH Inpatient | \$17,984.00 | \$9,891.20 | 17.92% | \$0.00 | \$17,984.00 | \$9,891.20 | 17.92% | \$0.00 |
| WCH Observation | \$0.00 | \$0.00 | 0.00% | \$0.00 | \$0.00 | \$0.00 | 0.00% | \$0.00 |
| WCH Labs | \$8,287.00 | \$3,397.67 | 6.15% | \$0.00 | \$8,331.00 | \$3,415.71 | 6.19% | \$0.00 |
| WCH Physical Therapy | \$463.00 | \$189.83 | 0.34% | \$0.00 | \$4,644.00 | \$1,904.04 | 3.45% | \$0.00 |
| WCH Ultrasound | \$1,312.00 | \$537.92 | 0.97% | \$0.00 | \$1,968.00 | \$806.88 | 1.46% | \$0.00 |
| WCH Lab/Xray | \$2,656.00 | \$1,088.96 | 1.97% | \$0.00 | \$9,965.00 | \$4,085.65 | 7.40% | \$0.00 |
| WCH CT Scan | \$2,674.00 | \$1,096.34 | 1.99% | \$0.00 | \$2,674.00 | \$1,096.34 | 1.99% | \$0.00 |
| WCH Xray | \$620.00 | \$254.20 | 0.46% | \$0.00 | \$7,684.00 | \$3,150.44 | 5.71% | \$0.00 |
| Lab/Xray readings | \$1,491.00 | \$611.31 | 1.11% | \$0.00 | \$2,603.00 | \$1,067.23 | 1.93% | \$0.00 |
| UTMB Outpatient | \$15,043.00 | \$3,610.32 | 6.54% | \$3,610.32 | \$122,764.23 | \$29,463.40 | 53.37% | \$29,463.40 |
| UTMB Anesthesia | \$0.00 | \$0.00 | 0.00% | \$0.00 | \$1,680.00 | \$1,155.00 | 2.09% | \$1,155.00 |
| UTMB Physician Services | \$2,388.00 | \$307.52 | 0.56% | \$307.52 | \$25,297.00 | \$6,238.63 | 11.30% | \$6,238.63 |
| Youth Counseling | \$340.00 | \$340.00 | 0.62% | \$340.00 | \$595.00 | \$595.00 | 1.08% | \$595.00 |
| Grand Totals | \$76,030.00 | \$33,505.60 | | \$9,673.99 | \$348,746.57 | \$134,618.05 | | \$63,449.48 |

b. **District General Counsel:** Attorney Oxford briefly reported that the achievement levels for the 2nd Quarter QIPP 1 were announced and once again, the District’s facilities had an achievement rate of 89.5%. As was stated previously, this would result in a 2nd Quarter QIPP 1 Component 2, 3, and Lapsing Funds of \$2,035,378.15, which was more than originally budgeted.

Additionally, Attorney Oxford reported that he received a call and an e-mail from Genesis informing him that they sold their six (6) facilities owned by the District to Regency Nursing Homes and the sale was anticipated to be completed by the end of the year. Further, Attorney Oxford informed the Board that he held calls with officials for Regency who expressed their interest to continue the relationship with the District and keep everything the same.

c. **LTC Report:** See Exhibit “D”.

d. **Hospital Report:** None.

Following the staff reports, President Murrell asked the Board to address Agenda Item No.

8, to discuss and take action, if necessary, on approving loan documents for Loan 13 with Salt

Creek Capital, LLC. President Murrell explained that he had been negotiating with Salt Creek Capital for several months on the terms for Loan 13. According to President Murrell, the loan terms proposed call for ten (10) interest payments at 16.8% and a balloon note at the end of the tenth month. Attorney Oxford presented the Board with draft versions of the documents and explained that they would need to be completed as details involving the IGTs became available. (See **Exhibit “E”**) After some discussion concerning the loan terms and other options in the future, a motion was made by Director Stramecki to approve the Loan 13 Promissory Note, Security Agreement, and Deposit Account Control Agreement up to \$8,000,000.00. (See **Exhibit “E”**). This motion was seconded by Director Rollo and approved by all Board members present.

Next, President Murrell called on Attorney Oxford to discuss Agenda Item No. 9, to discuss and take action, if necessary, on approving the Third Amended and Restated Banking and Transfer Policies and Procedures. Attorney Oxford began the discussion by explaining that the policy was broken down into three (3) sections. (See **Exhibit “F”**). The first section explained the double lock box method and why the District was utilizing this method for all its nursing home accounts. The second section explained the cash flow for the nursing home operations accounts. Most importantly, the third section established policies for the administration of QIPP funds, the operation of the District’s Interbank Accounts, and conditions for Salt Creek Capital to grant the District future short term nursing home operations loans.

In regard to the third section of the proposed policy amendments, Attorney Oxford explained that Salt Creek Capital require the a number of conditions be met, including 1) the District agrees to keep all of its Component 1 funds in its Interbank Commercial Account as they are received for the first Intergovernmental Transfer (“IGT”) for year two (2) of the Quality Incentive Payment Program; 2) the District deposit the first five (5) months of rent in its Interbank

account at the beginning of the loan; 3) once the District receives the initial quarterly Component 2, 3, and/or Lapsing funds payments from an IGT made for this period, the District will reserve any shortfall between the IGT and the first six (6) Component 1 fund payments; 4) the District would give Salt Creek Capital notice if it discontinued its relationship with LTC Group; and 5) the District would get Salt Creek Capital's approval prior to amending the policy. President Murrell continued by explaining that most of the negotiations over the last three (3) months centered around the amount of money the District would have to set aside for interest payments. Specifically, President Murrell and Attorney Oxford advised the Board that Salt Creek Capital's initial offer for Loan 13 allowed the District to repay the loan starting at the eighth (8th) month but in exchange, they demanded that the District set aside all the interest per loan. For subsequent loans, Salt Creek Capital was going to require a ten (10) month balloon note with all the interest set aside in advance. After analyzing the offer, President Murrell informed the Board that the savings from the option of paying down Loan 13 on the eight (8) month was outweighed by the impact on the cash flow resulting from having to set aside ten (10) months of interest instead of five (5) months of interest. At the end of this lengthy conversation, a motion was made by Director Stramecki to adopt the Third Amended and Restated Banking and Transfer Policies and Procedures. This motion was seconded by Director Burgess and unanimously approved by all the Commissioners present.

President Murrell then called for any other such matters before the Board. There being none, President Murrell informed the Board that the next regularly scheduled would take place on May 16th, 2018 at 6:00 p.m. At 7:16 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Espinosa and unanimously approved by all the Board members present.

Edward Murrell, President

Jeff Rollo, Vice-President

Exhibit “B”

WSDH Treasurers Report and Supporting Documents

Reporting Date: Wednesday, May 16, 2018

| Pending Expenses | For | Amount | Funds Summary | Totals |
|--------------------------------|------------------------|--------------------|-------------------------------|-------------------------|
| Benckenstein & Oxford | Inv #48970 | 20,949.28 | Prosperity Operating | \$1,062,581.32 |
| Hubert Oxford | 1/2 Legal Retainer | \$500.00 | Interbank (Prepaid Interest) | \$65,873.48 |
| Josh Heinz | 1/2 Legal Retainer | \$500.00 | Prosperity CD | \$105,151.28 |
| David Sticker | Inv # | \$1,281.25 | TexStar | \$663,350.26 |
| American Education Services | S Stern-Student Loan | \$150.14 | Post Oak Bank LOC (Available) | \$495,962.94 |
| Dept Of Education. FedLoan | H Redwine-Student Loan | \$948.36 | Net Cash Position | \$2,392,919.28 |
| Function 4 (Contract) | Copier | \$50.00 | Pending Expenses | (\$97,554.71) |
| Indigent Healthcare Solutions | IC Inv 66020 | \$1,059.00 | Ending Balance | \$2,295,364.57 |
| Last Month | | | | |
| Brookshire Brothers | Indigent Care | \$4,046.94 | Prosperity Operating | \$548,115.42 |
| Wilcox Pharmacy | Indigent Care | \$783.82 | Interbank | \$179,576.58 |
| UTMB at Galveston | Indigent Care | \$5,991.42 | Prosperity CD | \$105,151.28 |
| UTMB Faculty Group | Indigent Care | \$2,055.75 | TexStar | \$662,462.54 |
| Stace Farrow (Youth Counselor) | Mar Inv | \$1,190.00 | Post Oak Bank LOC (Available) | \$254,971.65 |
| Durbin & Company | Inv 7532 (2016 Audit) | \$47,813.75 | Net Cash Position | \$1,750,277.47 |
| JS Edwards | D&O Policy | \$10,235.00 | Pending Expenses | (\$410,763.88) |
| Total Pending Expenses | | \$97,554.71 | Ending Balance | \$1,339,513.59 |

| Expenses Incurred Since Last Meeting | For | Amount |
|---|----------------------------|-----------------------|
| ECISD | ACH- | \$15,000.00 |
| Function 4 (Lease) | ACH Copier | \$133.42 |
| Time Warner Cable | ACH-Phone/Internet | \$192.06 |
| Prosperity Bank | ACH Credit Card | \$131.79 |
| 5/1 Salt Creek Capital | Ln 12 Int & Princip | \$483,743.80 |
| 5/8 Clairmont | WF Final Funds due to G CB | \$156,919.56 |
| 5/8 The Woodlands | WF Final Funds due to G TW | \$164,679.66 |
| 5/8 LTC | Inv #s 1222, 1228, 1229 | \$324,900.00 |
| 5/8 Caring (7 NHs) | QIPP Qtr 2 CP 2,3, & Lapse | \$381,460.32 |
| 5/8 Genesis (6 NHs) | QIPP Qtr 2 CP 2,3, & Lapse | \$200,583.83 |
| 5/8 Healthmark (6 NHs) | QIPP Qtr 2 CP 2,3, & Lapse | \$370,930.32 |
| Total Expenses Incurred Since Last Meeting | | \$2,098,674.76 |

| Upcoming Transactions | For | Anticipated Date | Income | Expenses | Running Balance |
|--------------------------------|--|--------------------|-----------------------|-------------------------|-----------------|
| *Prepaid Interest | Loan 13, First 5 months interest reserve-estimated | 5/31/2018 | | (\$543,384.75) | \$585,723.79 |
| Salt Creek Capital | Principle and Interest (Month 7/10) | 6/1/2018 | | (\$483,743.80) | \$101,979.99 |
| *MCOs | QIPP 2, April 2018 Comp. 1 Pmt. | 5/20/2018-6/1/2018 | \$738,874.04 | | |
| *Post Oak Bank | LOC Interest | 6/6/2018 | | (\$5,000.00) | \$96,979.99 |
| *Post Oak Bank | Repayment of LOC | 6/6/2018 | | (\$255,130.24) | |
| Total Upcoming Expenses | | | \$4,769,967.32 | (\$4,347,635.28) | \$519,312.03 |

*** is an estimate.

May 16, 2018 Report

| Outstanding Short Term Revenue Notes | | | | | |
|--------------------------------------|----------------|----------------|---------------------|-----------------------|-----------------------|
| Loan 12 | | | | | |
| Principle | \$2,765,389.00 | | | | |
| Interest | 16.80% | | | | |
| Fund Received | 11/1/2017 | | | | |
| | Date | Balance | Interest | Principal | Payment |
| | 11/1/2017 | \$2,765,389.00 | - | - | - |
| | 12/1/2017 | \$2,765,389.00 | \$38,715.45 | \$0.00 | \$38,715.45 |
| | 1/1/2018 | \$2,765,389.00 | \$38,715.45 | \$0.00 | \$38,715.45 |
| | 2/1/2018 | \$2,765,389.00 | \$38,715.45 | \$0.00 | \$38,715.45 |
| | 3/1/2018 | \$2,765,389.00 | \$38,715.45 | \$0.00 | \$38,715.45 |
| | 4/1/2018 | \$2,320,360.65 | \$38,715.45 | \$445,028.35 | \$483,743.80 |
| | 5/1/2018 | \$1,869,101.90 | \$32,485.05 | \$451,258.75 | \$483,743.80 |
| | 6/1/2018 | \$1,411,525.53 | \$26,167.43 | \$457,576.37 | \$483,743.80 |
| | 7/1/2018 | \$947,543.09 | \$19,761.36 | \$463,982.44 | \$483,743.80 |
| | 8/1/2018 | \$477,064.89 | \$13,265.60 | \$470,478.20 | \$483,743.80 |
| | 9/1/2018 | \$0.00 | \$6,678.91 | \$477,064.89 | \$483,743.80 |
| | | | \$291,935.60 | \$2,765,389.00 | \$3,057,324.60 |

| Post Oak Bank Line of Credit | | | | | |
|---------------------------------|----------------|----------------|--------------------|-------------------------|-----------------------------------|
| Principle | \$2,700,000.00 | | | | |
| Interest | 3.25% | | | | |
| Line of Credit Available | 7/12/2017 | | | | |
| | Date | Balance | Interest | Principal | Notes |
| | 7/12/2017 | \$2,691,582.00 | \$0.00 | (\$2,691,582.00) | IGT made for MPAP 3 |
| | 8/4/2018 | \$2,691,582.00 | \$6,560.73 | \$0.00 | Interest Payment |
| | 8/22/2017 | \$2,691,582.00 | \$0.00 | \$0.00 | LOC pmt. with MPAP 3 IGT Funds |
| | 9/5/2017 | \$2,691,582.00 | \$3,644.85 | \$2,691,582.00 | Repmt. of LOC for MPAP 3 IGT adv. |
| | 10/24/2017 | \$421,500.00 | \$0.00 | (\$421,500.00) | Loan 10 Principle Pmt. |
| | 11/1/2017 | \$2,421,500.00 | \$0.00 | (\$2,000,000.00) | Principle Payment |
| | 12/7/2017 | \$2,421,500.00 | \$8,174.27 | \$0.00 | Interest Payment |
| | 1/8/2018 | \$2,421,500.00 | \$6,776.86 | \$0.00 | Interest Payment |
| | 1/30/2018 | \$2,421,500.00 | \$6,776.83 | \$0.00 | Interest Payment |
| | 2/22/2018 | \$2,000,000.00 | \$0.00 | \$421,500.00 | Repmt. of LOC for Loan 10 adv. |
| | 2/27/2018 | \$2,000,000.00 | \$6,121.02 | \$0.00 | Interest Payment |
| | 3/1/2018 | \$2,000,000.00 | \$5,102.54 | \$0.00 | Interest Payment |
| | 5/3/2018 | \$2,445,028.35 | \$6,983.54 | \$0.00 | Interest payment |
| | 5/3/2018 | \$2,204,037.06 | \$0.00 | \$240,991.29 | Repmt. of LOC |
| | | | \$50,140.64 | (\$1,759,008.71) | |

May 16, 2018 Report

| District's Investments | | | | | |
|---------------------------------------|----------------|-------------------|-------------|-----------|-----------------|
| | Amount | Percentage | From | To | Interest |
| CD at Post Oak Bank C.D. #9503 | \$2,700,000.00 | 1.25% | 4/1/2018 | 4/30/2018 | \$2,773.97 |
| CD at Prosperity (Qtr.) C.D. #0447 | \$105,151.28 | 0.75% | 4/1/2018 | 4/30/2018 | \$198.40 |
| Texstar C.D. #1110 | \$663,350.26 | 1.63% | 4/1/2018 | 4/30/2018 | \$887.72 |

TO THE BEST OF MY KNOWLEDGE, THESE FIGURES IN THE WSDH TREASURER'S REPORT AND SUPPORTING DOCUMENTS CORRECT AND IN COMPLIANCE WITH THE

Edward Murrell,
President

Date

Anthony Stramecki,
Treasurer/Investment Officer

Date

WSHD Prosperity Checking Account Register

| Date | Ref/Check | Description | Amount | Balance | Memo | Category |
|-----------|-----------|---|----------------|----------------|------|----------|
| 4/16/2018 | | Daily Ledger Bal | | \$548,115.42 | | |
| 4/16/2018 | | ACH Payment TIME WARNER CABL TW CABLE 02901211 | (\$192.06) | \$548,115.42 | | |
| 4/17/2018 | | Daily Ledger Bal | | \$547,982.00 | | |
| 4/17/2018 | | ACH Payment LEASE DIRECT WEB PAY 58619806 43000 | (\$133.42) | \$547,982.00 | | |
| 4/19/2018 | | Daily Ledger Bal | | \$545,332.94 | | |
| 4/19/2018 | | ACH Payment INTUIT PAYROLL S QUICKBOOKS 611500! | (\$2,649.06) | \$545,332.94 | | |
| 4/20/2018 | | Daily Ledger Bal | | \$523,657.59 | | |
| 4/20/2018 | 2374 | Check | (\$31,409.68) | \$523,657.59 | | |
| 4/20/2018 | | ACH Deposit CPA STATE FISCAL INV-PAYMTS 16115005 | \$9,734.33 | \$555,067.27 | | |
| 4/23/2018 | | Daily Ledger Bal | | \$537,319.56 | | |
| 4/23/2018 | 2376 | Check | (\$500.00) | \$537,319.56 | | |
| 4/23/2018 | | Wire Transfer Dep WIRE IN WELLS FARGO BANK | \$3,936.66 | \$537,819.56 | | |
| 4/23/2018 | | Wire Transfer Dep WIRE IN WELLS FARGO BANK | \$3,541.57 | \$533,882.90 | | |
| 4/23/2018 | | Wire Transfer Dep WIRE IN WELLS FARGO BANK | \$2,601.28 | \$530,341.33 | | |
| 4/23/2018 | | Wire Transfer Dep WIRE IN WELLS FARGO BANK | \$4,082.46 | \$527,740.05 | | |
| 4/24/2018 | | Daily Ledger Bal | | \$531,803.22 | | |
| 4/24/2018 | 2378 | Check | (\$150.14) | \$531,803.22 | | |
| 4/24/2018 | 2379 | Check | (\$948.36) | \$531,953.36 | | |
| 4/24/2018 | 2375 | Check | (\$500.00) | \$532,901.72 | | |
| 4/24/2018 | 2385 | Check | (\$307.52) | \$533,401.72 | | |
| 4/24/2018 | 2384 | Check | (\$3,610.32) | \$533,709.24 | | |
| 4/25/2018 | | Daily Ledger Bal | | \$531,746.88 | | |
| 4/25/2018 | 2380 | Check | (\$56.34) | \$531,746.88 | | |
| 4/26/2018 | | Daily Ledger Bal | | \$526,014.70 | | |
| 4/26/2018 | 2382 | Check | (\$4,522.38) | \$526,014.70 | | |
| 4/26/2018 | 2381 | Check | (\$1,156.00) | \$530,537.08 | | |
| 4/26/2018 | | ACH Payment PB CREDIT CARD PAYMENT 40546920001 | (\$53.80) | \$531,693.08 | | |
| 4/27/2018 | | Daily Ledger Bal | | \$525,121.13 | | |
| 4/27/2018 | 2388 | Check | (\$49.82) | \$525,121.13 | | |
| 4/27/2018 | 2377 | Check | (\$843.75) | \$525,170.95 | | |
| 4/30/2018 | | Daily Ledger Bal | | \$523,738.33 | | |
| 4/30/2018 | | Accr Earning Pymt Added to Account | \$111.25 | \$523,738.33 | | |
| 4/30/2018 | 2386 | Check | (\$340.00) | \$523,627.08 | | |
| 4/30/2018 | 2383 | Check | (\$893.77) | \$523,967.08 | | |
| 4/30/2018 | | ACH Payment TXWORKFORCECOMM DEBIT (512)463-23 | (\$260.28) | \$524,860.85 | | |
| 5/3/2018 | | Daily Ledger Bal | | \$2,620,622.81 | | |
| 5/3/2018 | | ACH Payment INTUIT PAYROLL S QUICKBOOKS 611500! | (\$2,493.08) | \$2,620,622.81 | | |
| 5/3/2018 | | Wire Transfer Dep WIRE IN WINNIE-STOWELL HOSPITAL | \$2,099,377.56 | \$2,623,115.89 | | |
| 5/4/2018 | | Daily Ledger Bal | | \$2,613,639.27 | | |
| 5/4/2018 | 2389 | Check | (\$6,983.54) | \$2,613,639.27 | | |
| 5/7/2018 | | Daily Ledger Bal | | \$1,337,627.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,627.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,647.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,667.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,687.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,707.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,727.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,747.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,767.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,787.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,807.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,827.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,847.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,867.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,887.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,907.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,927.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,947.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,967.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,337,987.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,338,007.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,338,027.46 | | |
| 5/7/2018 | | Wire Transfer Fee WIRE FEE | (\$20.00) | \$1,338,047.46 | | |

| | | | |
|-----------|--|----------------|----------------|
| 5/7/2018 | Wire Transfer WIRE OUT GOLDEN VILLA | (\$35,110.07) | \$1,338,067.46 |
| 5/7/2018 | Wire Transfer WIRE OUT GARRISON | (\$36,682.66) | \$1,373,177.53 |
| 5/7/2018 | Wire Transfer WIRE OUT SPRING BRANCH | (\$158,802.22) | \$1,409,860.19 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR CONROE | (\$53,839.17) | \$1,568,662.41 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR CYFAIR | (\$67,978.29) | \$1,622,501.58 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR CYPRESS | (\$56,102.69) | \$1,690,479.87 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR HUMBLE | (\$66,279.71) | \$1,746,582.56 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR QUAIL VALLEY | (\$67,432.37) | \$1,812,862.27 |
| 5/7/2018 | Wire Transfer WIRE OUT OAK MANOR | (\$20,982.95) | \$1,880,294.64 |
| 5/7/2018 | Wire Transfer WIRE OUT OAKLAND MANOR | (\$38,398.95) | \$1,901,277.59 |
| 5/7/2018 | Wire Transfer WIRE OUT THE WOODLANDS | (\$81,393.22) | \$1,939,676.54 |
| 5/7/2018 | Wire Transfer WIRE OUT PARK MANOR WESTCHASE | (\$59,178.09) | \$2,021,069.76 |
| 5/7/2018 | Wire Transfer WIRE OUT LTC GROUP LLC | (\$324,880.00) | \$2,080,247.85 |
| 5/7/2018 | Wire Transfer WIRE OUT THE WOODLANDS | (\$164,659.66) | \$2,405,127.85 |
| 5/7/2018 | Wire Transfer WIRE OUT Rose Haven | (\$44,232.66) | \$2,569,787.51 |
| 5/7/2018 | Wire Transfer WIRE OUT CLAIRMONT | (\$16,116.67) | \$2,614,020.17 |
| 5/7/2018 | Wire Transfer WIRE OUT MARSHALL MANOR WEST | (\$44,199.85) | \$2,630,136.84 |
| 5/7/2018 | Wire Transfer WIRE OUT Marshall Manor | (\$35,024.41) | \$2,674,336.69 |
| 5/7/2018 | Wire Transfer WIRE OUT Highland Park | (\$27,268.45) | \$2,709,361.10 |
| 5/7/2018 | Wire Transfer WIRE OUT CLAIRMONT | (\$156,899.56) | \$2,736,629.55 |
| 5/7/2018 | Wire Transfer WIRE OUT MONUMENT HILL RNC | (\$17,970.77) | \$2,893,529.11 |
| 5/7/2018 | Wire Transfer WIRE OUT HALLETTEVILLE RNC | (\$25,601.27) | \$2,911,499.88 |
| 5/7/2018 | Wire Transfer Dep WIRE IN WF EXC RTN TO SNDR 721 W | \$158,802.22 | \$2,937,101.15 |
| 5/7/2018 | Wire Transfer Dep WIRE IN WF EXC RTN TO SNDR 721 W | \$164,659.66 | \$2,778,298.93 |
| 5/8/2018 | Daily Ledger Bal | | \$1,014,165.58 |
| 5/8/2018 | Wire Transfer WIRE OUT THE WOODLANDS | (\$164,659.66) | \$1,014,165.58 |
| 5/8/2018 | Wire Transfer WIRE OUT SPRING BRANCH | (\$158,802.22) | \$1,178,825.24 |
| 5/10/2018 | Daily Ledger Bal | | \$1,014,165.58 |
| 5/11/2018 | Daily Ledger Bal | | \$1,062,581.32 |
| 5/11/2018 | ACH Payment IRS USATAXPYMT 270853162094510 6103 | (\$1,430.14) | \$1,062,581.32 |
| 5/11/2018 | ACH Deposit CPA STATE FISCAL INV-PAYMTS 32015872 | \$49,845.88 | \$1,064,011.46 |

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

May 15, 2018

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

Re: Winnie Stowell Hospital District; Billable Invoice for February 2018 Time Entries less Retainer; Our File No. 87250.

Dear President Murrell,

Attached, please find the second half of the firm's monthly invoice for February 2018 on behalf of Benckenstein & Oxford, LLP. This invoice is for \$21,949.28 but the amount due is \$20,949.28 after reducing the invoice by \$1,000.00 for the monthly retainer already paid.

In February 2018, we continued with processing of the applications and agreements for the newly acquired nursing facilities. In addition, we prepared amendments to the Loan 10 and Loan 12 documents and worked extensively on the loan terms for Loan 13 with Salt Creek Capital.

Will you please review and let me know if there are any questions? If not, we would appreciate your payment of this invoice in the amount of \$20,949.28 representing the balance owed for February 2018.

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

May 15, 2018

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

INVOICE #: 48970 **HOIV**
Billed through: February 28, 2018
Client/Matter #: WSHD 87250

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

| | | | |
|----------|------|--|----------|
| 02/01/18 | HOIV | Worked with staff to make interest payment for Loan 12 and to reconcile Interbank accounts so that they are compliant with agreements with Salt Creek Capital. | 1.70 hrs |
| 02/01/18 | HOIV | Exchanged three (3) e-mails and participated in a conference call with LTC Group to discuss issues involving site inspections at Caring Healthcare facilities. | 0.80 hrs |
| 02/01/18 | HOIV | Assisted in preparing reconciliation of QIPP 1, Qtr. 1 Component 2, 3, and Lapsing funds spreadsheet. | 0.80 hrs |
| 02/01/18 | HOIV | Conference call with counsel for HMG to discuss outstanding documents that need to be signed in order complete the CHOW process and accounts receivable loans for the five (5) new HMG facilities. | 0.60 hrs |
| 02/02/18 | HOIV | Received agreements from HHSC regarding Deerbrook facility and forwarded to staff for President's signature. | 0.60 hrs |
| 02/02/18 | HOIV | Exchanged four (4) e-mails with Riceland and staff to confirm Trace Sheets for the upcoming Uncompensated Care intergovernmental transfer are filed with the state. | 0.40 hrs |
| 02/02/18 | HOIV | Exchanged three (3) e-mails with Genesis regarding spreadsheets requested for Component 2, 3, and Lapsing funds. | 0.20 hrs |
| 02/02/18 | HOIV | Received e-mail from LTC Group advising of proposed per month cost per home to be dropped from \$5,700.00 to \$5,200.00 and requesting payment for December 2018, January 2018, and February 2018 invoice; reviewed and revised prior QIPP Spreadsheets to determine impact on cash flow; and drafted e-mail to LTC explaining the impact of their proposal on the District's cash flow and to remind them of prior representations to the District's Board. | 3.40 hrs |
| 02/02/18 | HOIV | Read, reviewed, and approved contracts between Medicaid/State of Texas and Friendship Haven, South Belt, and the Woodlands. | 1.20 hrs |
| 02/05/18 | HOIV | Conference call with LTC and Caring Healthcare regarding site inspections. | 0.60 hrs |
| 02/05/18 | HOIV | Gathered audit and financial information for Genesis and drafted e-mail explaining the attached documents. | 1.50 hrs |

| Client- | WSHD 87250 | Invoice # 48970 | PAGE 2 |
|----------|------------|---|----------|
| 02/05/18 | HOIV | Participated in multiple conference calls with LTC regarding Salt Creek Capital loans and alternative lender options. | 0.90 hrs |
| 02/05/18 | HOIV | Read, reviewed, and revised loan documents for Loans 10 and 12 and submitted to Salt Creek Capital for consideration. | 2.90 hrs |
| 02/05/18 | HOIV | Received and reviewed signature packet by Caring Healthcare for additional original HUD Loan documents and worked with staff by way of multiple phone calls to arrange for the signature of the documents. | 0.60 hrs |
| 02/06/18 | HOIV | Drafted e-mail to lawyer for Salt Creek Capital and had a conference call with him regarding amending Loan 10 and 12 agreements to account for distribution of Component 2 and 3 Funds and excess Component 1 funds for Loan 12; revised loan documents pursuant to conversation. | 3.40 hrs |
| 02/06/18 | HOIV | Participated in multiple calls with LTC and Board members regarding status of Loans with Salt Creek Capital and alternative sources of funding. | 1.30 hrs |
| 02/07/18 | HOIV | Continued working on Loan presentation by modifying QIPP Flow Chart and providing narratives. | 2.50 hrs |
| 02/07/18 | HOIV | Gathered documents from prior loan presentation; altered the presentation and drafted an extensive e-mail submitting the documents to LTC for review and consideration. | 3.50 hrs |
| 02/07/18 | HOIV | Worked on LTC payment chart to ensure consistent payments. | 2.50 hrs |
| 02/08/18 | HOIV | Prepared e-mail and graphs for Board regarding LTC payment schedule. | 1.50 hrs |
| 02/08/18 | HOIV | Received e-mail from Salt Creek Capital with request for changes to proposed Amendments to Loan 10 and Loan 12 documents; reviewed the notes; and drafted e-mail back to Salt Creek Capital responding to the request. | 1.30 hrs |
| 02/08/18 | HOIV | Worked on Loan Presentation to present to potential lender for assistance with IGT payments for QIPP 3 by revising numerous spreadsheets; developing charts; and evaluating the data; participated in multiple conference calls with LTC to discuss and revise presentation. | 5.00 hrs |
| 02/09/18 | HOIV | Continued work on Loan Presentation to present to various lenders by modifying existing flow charts and line charts and inserting into Powerpoint presentation. | 4.00 hrs |
| 02/09/18 | HOIV | Participated in conference call with the LTC Group to discuss proposed Salt Creek Capital loans and alternative sources of funding. | 0.60 hrs |
| 02/09/18 | HOIV | Conference calls with Board members to give them a status update on Salt Creek Capital Loan discussions and alternative lending options. | 0.70 hrs |
| 02/12/18 | HOIV | Worked with staff and LTC to determine status of closing Wells Fargo accounts; reviewed prior e-mails; drafted extensive e-mails to Wells Fargo; HUD Counsel for Genesis; and Genesis advising that Wells Fargo accounts are going to be closed. | 2.60 hrs |
| 02/12/18 | HOIV | Began drafting minutes of January 24th, 2018 Regular Meeting. | 1.50 hrs |
| 02/12/18 | HOIV | Reviewed notes on budget amendments to the 2017 Budget Amendment 4 | 2.20 hrs |

adopted at the December 20th, 2017 Public Hearing and Regular Meeting and made adjustments necessary to clarify line item amounts presented at the January 20th, 2018 Regular Meeting; and participated in a conference call with CPA regarding the same.

| | | | |
|----------|------|---|----------|
| 02/13/18 | HOIV | Conference call with LTC regarding status of the QIPP program. | 0.70 hrs |
| 02/13/18 | HOIV | Conference call with staff; and staff and County regarding health insurance benefits. | 0.40 hrs |
| 02/13/18 | HOIV | Multiple conference calls with staff and CPA regarding adjustments for 2017 budget. | 0.80 hrs |
| 02/13/18 | HOIV | Conference call with Wells Fargo regarding closing Genesis and Caring accounts. | 0.30 hrs |
| 02/13/18 | HOIV | E-mail to Post Oak Bank updating them on QIPP program; conversion of accounts; and audit deficiencies. | 0.30 hrs |
| 02/13/18 | HOIV | Drafted e-mail to Managers forwarding them 2016 Audit along with a request to provide monthly reports as required by Management Agreement. | 0.40 hrs |
| 02/13/18 | HOIV | Continued drafting minutes for January 2018 Re | 2.80 hrs |
| 02/14/18 | HOIV | Extensive conference call with Director Stramecki regarding status of QIPP; loan negotiations; and cash flow. | 0.50 hrs |
| 02/14/18 | HOIV | Drafted e-mail to Post Oak Bank with 2017 financials and explanation for being over budget on three (3) items in the financials. | 0.70 hrs |
| 02/14/18 | HOIV | Extensive conference call with Post Oak Bank regarding status of QIPP; loan negotiations; and cash flow. | 0.50 hrs |
| 02/14/18 | HOIV | Met with District CPA to discuss end of the year 2017 financial statements; and added notes to financial statement spreadsheet to account for the reasoning behind the calculations. | 2.00 hrs |
| 02/15/18 | HOIV | Continued work on revising Loans 10 and 12 documents in order to accommodate the District's needs with the lender's demands. | 4.00 hrs |
| 02/15/18 | HOIV | Received LTC's revised QIPP estimates to account for \$650 million and \$550 million in QIPP funds for Year 2, and made revisions to the spreadsheet in order for it to be presented to the District's Board and to account for QIPP 1, 2nd Qtr. Component 2, 3, and Lapsing funds; and began preparing models. | 2.70 hrs |
| 02/16/18 | HOIV | Conference call with LTC regarding meeting with Governor's office to discuss increased QIPP funding and worked with LTC to update projections and Powerpoint for Lenders. | 1.80 hrs |
| 02/16/18 | HOIV | Extensive conference call with potential nursing home operations lender to discuss program and proposed terms for a line of credit. | 1.60 hrs |
| 02/21/18 | HOIV | Prepared Powerpoint presentation for District's Regular Board meeting regarding QIPP Program Cash Flow Options; Loan Option; Interest Cost; and LTC Payment Schedule. | 5.30 hrs |

| | | | |
|----------------------------|------|--|-------------|
| 02/21/18 | HOIV | Prepared for and attended Regular Monthly Meeting. | 4.00 hrs |
| 02/22/18 | HOIV | Prepared documents to be submitted to Salt Creek Capital for Loans 10 and 12. | 0.40 hrs |
| 02/22/18 | HOIV | Reviewed proposed Management Agreements; Operations Transfer Agreements; and Sublease Agreements for five new facilities. | 2.30 hrs |
| 02/22/18 | HOIV | Participated in multiple conference calls with LTC Group, certain Board members, and staff to discuss status of loan terms for Loan 13. | 1.60 hrs |
| 02/23/18 | HOIV | Reviewed statutes on Investment Policies and Bank Depository Agreements and drafted e-mails to the Board, Salt Creek Capital, and staff regarding quarterly reports; training, and the need to obtain a Bank Depository Agreement with Salt Creek Capital. | 2.40 hrs |
| 02/23/18 | HOIV | Worked with HMG counsel to prepare and exchange miscellaneous documents necessary to complete the CHOW process for the five new HMG facilities. | 3.20 hrs |
| Total fees for this matter | | | \$21,875.00 |

DISBURSEMENTS

| | | |
|-------------------------------------|--------------------|---------|
| 02/28/18 | Copy Expense | 11.76 |
| 02/28/18 | Color Copy Expense | 32.00 |
| 02/28/18 | Messenger Service | 30.52 |
| Total disbursements for this matter | | \$74.28 |

BILLING SUMMARY:

| | | | |
|--------------------------------|-------------|--------------|--------------------|
| Oxford, IV Hubert | 87.50 hrs @ | \$250.00 /hr | \$21,875.00 |
| TOTAL FEES | | | \$21,875.00 |
| TOTAL DISBURSEMENTS | | | \$74.28 |
| TOTAL CHARGES FOR THIS INVOICE | | | \$21,949.28 |
| RETAINER | | | \$1,000.00 CR |
| TOTAL BALANCE NOW DUE | | | \$20,949.28 |

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

05/15/2018

Invoice # 20427

Professional Services

| | <u>Amount</u> |
|--|--------------------------|
| 05/15/18 4-3-18 Review Payroll. .25 Hrs. | 1,281.25 |
| 4-13-18 Review Feb and March books. Review Prosperity & Graham bank account numbering and work up procedures. 3.00 Hrs. | |
| 4-16-18 Review Payroll. .25 Hrs. | |
| 4-18-18 Work up March Books, review reconciliations balances etc. 4.00 Hrs. | |
| Work on Cash Flow report. 1.75 Hrs. | |
| 4-30-18 Review D & O application and discuss the required 2017 financial information. 1.00 Hrs. | |
| TOTAL HRS 10.25 @ \$125.00 = \$1,281.25 | |
| For professional services rendered | <u>\$1,281.25</u> |
| Balance due | <u><u>\$1,281.25</u></u> |

Invoices Due Upon Receipt

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

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

Invoice # 66020

RECEIVED

MAY 04 2018

Date: 5/1/2018

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

Terms: Net receipt of invoice

Professional services for the month of June 2018

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

Issued 05/03/18

Winnie Stowel Hospital District Indigent Healthcare Services

Batch Dates 04/30/18-04/30/18

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

Vendor #: 65460

| GL # | Description | Amount |
|--------------------------|-------------|-----------------|
| WSHD | Wshd | 4,046.94 |
| Expenditures | | 4,046.94 |
| Reimb/Adjustments | | |
| Grand Total | | 4,046.94 |

27 total invoices

GL Totals Detail

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|--------------------|------|------------|------------|----------|
| 036-2475*65460*21 | WSHD | 04/12/2018 | 11.63 | 11.63 |
| 036-2475*65460*21 | WSHD | 04/02/2018 | 45.21 | 45.21 |
| 036-2749*65460*35 | WSHD | 04/11/2018 | 25.00 | 25.00 |
| 036-2749*65460*35 | WSHD | 04/11/2018 | 85.08 | 85.08 |
| 036-2749*65460*35 | WSHD | 04/17/2018 | 176.00 | 145.80 |
| 036-2815*65460*10 | WSHD | 04/07/2018 | 34.40 | 34.40 |
| 036-2815*65460*10 | WSHD | 04/16/2018 | 11.63 | 11.63 |
| 036-2815*65460*10 | WSHD | 04/19/2018 | 24.42 | 24.42 |
| 036-2815*65460*10 | WSHD | 04/25/2018 | 14.52 | 12.17 |
| 036-2821*65460*14 | WSHD | 04/04/2018 | 10.00 | 10.00 |
| 036-2821*65460*14 | WSHD | 04/30/2018 | 5.00 | 5.00 |
| 036-2821*65460*14 | WSHD | 04/30/2018 | 5.00 | 5.00 |
| 036-2821*65460*14 | WSHD | 04/30/2018 | 13.75 | 13.75 |
| 036-2856*65460*19 | WSHD | 04/18/2018 | 152.10 | 152.10 |
| 036-2856*65460*19 | WSHD | 04/18/2018 | 17.89 | 14.30 |
| 036-2856*65460*19 | WSHD | 04/18/2018 | 5.00 | 5.00 |
| 036-3067*65460*10 | WSHD | 04/25/2018 | 27.84 | 27.84 |
| 036-3413*65460*28 | WSHD | 04/09/2018 | 40.25 | 40.25 |
| 036-3413*65460*28 | WSHD | 04/24/2018 | 5.09 | 5.09 |
| 036-3426*65460*34 | WSHD | 04/04/2018 | 71.56 | 71.56 |
| 036-3426*65460*34 | WSHD | 04/05/2018 | 5.00 | 5.00 |
| 036-3426*65460*34 | WSHD | 04/05/2018 | 15.00 | 15.00 |
| 036-3426*65460*34 | WSHD | 04/23/2018 | 15.00 | 15.00 |
| 036-3432*65460*27 | WSHD | 04/11/2018 | 5.00 | 5.00 |
| 036-3432*65460*27 | WSHD | 04/11/2018 | 30.00 | 30.00 |
| 036-3432*65460*27 | WSHD | 04/11/2018 | 5.00 | 5.00 |
| 036-3432*65460*27 | WSHD | 04/11/2018 | 25.88 | 25.88 |
| 036--3424*65460*23 | WSHD | 04/12/2018 | 222.44 | 185.27 |
| 036--3424*65460*23 | WSHD | 04/12/2018 | 10.00 | 10.00 |
| 036--3424*65460*23 | WSHD | 04/12/2018 | 30.30 | 30.30 |
| 1011*65460*27 | WSHD | 04/02/2018 | 929.48 | 786.26 |
| 1011*65460*27 | WSHD | 04/02/2018 | 25.86 | 25.86 |
| 1011*65460*27 | WSHD | 04/17/2018 | 32.29 | 32.29 |
| 1014*65460*3 | WSHD | 04/23/2018 | 5.00 | 5.00 |

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 04/30/18-04/30/18

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

Vendor #: 65460

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|---------------|------|------------|------------|----------|
| 1019*65460*20 | WSHD | 04/03/2018 | 56.91 | 56.91 |
| 1019*65460*20 | WSHD | 04/03/2018 | 5.00 | 5.00 |
| 1019*65460*20 | WSHD | 04/03/2018 | 25.86 | 25.86 |
| 1019*65460*20 | WSHD | 04/03/2018 | 5.00 | 5.00 |
| 1023*65460*12 | WSHD | 04/30/2018 | 44.55 | 44.55 |
| 1023*65460*12 | WSHD | 04/30/2018 | 5.00 | 5.00 |
| 1024*65460*20 | WSHD | 04/23/2018 | 450.80 | 224.40 |
| 1024*65460*20 | WSHD | 04/24/2018 | 24.43 | 24.43 |
| 1038*65460*17 | WSHD | 04/05/2018 | 101.18 | 78.80 |
| 1038*65460*17 | WSHD | 04/30/2018 | 231.21 | 231.21 |
| 1038*65460*17 | WSHD | 04/30/2018 | 130.67 | 130.67 |
| 1046*65460*14 | WSHD | 04/02/2018 | 13.02 | 13.02 |
| 1046*65460*14 | WSHD | 04/02/2018 | 10.00 | 10.00 |
| 1046*65460*14 | WSHD | 04/02/2018 | 33.77 | 33.77 |
| 1046*65460*14 | WSHD | 04/02/2018 | 25.86 | 25.86 |
| 1046*65460*14 | WSHD | 04/02/2018 | 5.00 | 5.00 |
| 1046*65460*14 | WSHD | 04/02/2018 | 5.00 | 5.00 |
| 1046*65460*14 | WSHD | 04/02/2018 | 11.70 | 11.70 |
| 1046*65460*14 | WSHD | 04/06/2018 | 10.13 | 10.13 |
| 1046*65460*14 | WSHD | 04/09/2018 | 11.14 | 11.14 |
| 1049*65460*13 | WSHD | 04/02/2018 | 11.85 | 11.85 |
| 1049*65460*13 | WSHD | 04/03/2018 | 5.00 | 5.00 |
| 1049*65460*13 | WSHD | 04/03/2018 | 85.08 | 85.08 |
| 1049*65460*13 | WSHD | 04/09/2018 | 40.94 | 40.94 |
| 1049*65460*13 | WSHD | 04/18/2018 | 7.50 | 7.50 |
| 1054*65460*12 | WSHD | 04/27/2018 | 5.00 | 5.00 |
| 1054*65460*12 | WSHD | 04/27/2018 | 492.92 | 415.18 |
| 1061*65460*7 | WSHD | 04/25/2018 | 38.45 | 38.45 |
| 1061*65460*7 | WSHD | 04/25/2018 | 5.00 | 5.00 |
| 1063*65460*9 | WSHD | 04/19/2018 | 87.21 | 87.21 |
| 1063*65460*9 | WSHD | 04/19/2018 | 79.33 | 79.33 |
| 1063*65460*9 | WSHD | 04/19/2018 | 29.91 | 29.91 |
| 1068*65460*5 | WSHD | 04/02/2018 | 20.80 | 20.80 |
| 1084*65460*3 | WSHD | 04/10/2018 | 8.06 | 8.06 |
| 1084*65460*3 | WSHD | 04/10/2018 | 55.04 | 25.17 |
| 1087*65460*2 | WSHD | 04/09/2018 | 30.30 | 30.30 |
| 1087*65460*2 | WSHD | 04/09/2018 | 5.16 | 5.16 |
| 1087*65460*2 | WSHD | 04/09/2018 | 14.90 | 14.90 |
| 1087*65460*2 | WSHD | 04/25/2018 | 87.21 | 87.21 |
| 1087*65460*2 | WSHD | 04/25/2018 | 5.00 | 5.00 |
| 1089*65460*1 | WSHD | 04/23/2018 | 5.00 | 5.00 |
| 1091*65460*2 | WSHD | 04/02/2018 | 7.20 | 7.20 |
| 1091*65460*2 | WSHD | 04/02/2018 | 75.14 | 32.99 |
| 1091*65460*2 | WSHD | 04/02/2018 | 12.00 | 12.00 |
| 1091*65460*2 | WSHD | 04/11/2018 | 34.61 | 34.61 |
| 1092*65460*1 | WSHD | 04/09/2018 | 22.05 | 22.05 |
| 1092*65460*1 | WSHD | 04/16/2018 | 23.75 | 23.75 |

©IHS
Issued 05/03/18

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 04/30/18-04/30/18

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

Vendor #: 65460

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|-----------------------------------|-------------|----------------|-------------------|-----------------|
| 1092*65460*1 | WSHD | 04/25/2018 | 23.75 | 23.75 |
| 27 invoices, 82 line items | | | 4,662.01 | 4,046.94 |
| Grand Totals | | | 4,662.01 | 4,046.94 |

27 total invoices
82 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 04/30/18-04/30/18

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

Vendor #: 18651

| GL # | Description | Amount |
|--------------------------|-------------|---------------|
| WSHD | Wshd | 783.82 |
| Expenditures | | 783.82 |
| Reimb/Adjustments | | |
| Grand Total | | 783.82 |

9 total invoices

GL Totals Detail

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|----------------------------------|------|------------|-----------------|---------------|
| 036-2783*18651*83 | WSHD | 04/20/2018 | 25.00 | 25.00 |
| 036-2783*18651*83 | WSHD | 04/20/2018 | 25.00 | 25.00 |
| 036-2783*18651*83 | WSHD | 04/20/2018 | 50.00 | 39.84 |
| 036-2783*18651*83 | WSHD | 04/20/2018 | 50.00 | 50.00 |
| 036-3364*18651*50 | WSHD | 04/21/2018 | 20.00 | 20.00 |
| 036-3364*18651*50 | WSHD | 04/21/2018 | 54.86 | 54.86 |
| 036-3364*18651*50 | WSHD | 04/28/2018 | 23.62 | 12.76 |
| 036-3364*18651*50 | WSHD | 04/21/2018 | 24.00 | 24.00 |
| 036-3364*18651*50 | WSHD | 04/21/2018 | 24.00 | 24.00 |
| 1007*18651*9 | WSHD | 04/26/2018 | 20.09 | 14.69 |
| 1007*18651*9 | WSHD | 04/10/2018 | 54.63 | 26.93 |
| 1007*18651*9 | WSHD | 04/26/2018 | 53.04 | 26.31 |
| 1008*18651*17 | WSHD | 04/19/2018 | 19.83 | 10.89 |
| 1020*18651*16 | WSHD | 04/18/2018 | 13.46 | 13.46 |
| 1020*18651*16 | WSHD | 04/18/2018 | 39.87 | 39.87 |
| 1020*18651*16 | WSHD | 04/18/2018 | 5.40 | 3.60 |
| 1020*18651*16 | WSHD | 04/18/2018 | 91.27 | 62.83 |
| 1040*18651*15 | WSHD | 04/05/2018 | 26.78 | 26.78 |
| 1040*18651*15 | WSHD | 04/05/2018 | 49.98 | 49.98 |
| 1040*18651*15 | WSHD | 04/16/2018 | 27.67 | 19.81 |
| 1040*18651*15 | WSHD | 04/12/2018 | 22.83 | 22.83 |
| 1040*18651*15 | WSHD | 04/12/2018 | 19.34 | 10.64 |
| 1075*18651*2 | WSHD | 04/03/2018 | 13.46 | 13.46 |
| 1075*18651*2 | WSHD | 04/03/2018 | 72.19 | 35.36 |
| 1075*18651*2 | WSHD | 04/09/2018 | 101.78 | 47.97 |
| 1086*18651*3 | WSHD | 04/10/2018 | 75.14 | 63.76 |
| J392*18651*3 | WSHD | 04/06/2018 | 14.32 | 8.19 |
| J392*18651*3 | WSHD | 04/06/2018 | 20.06 | 11.00 |
| 9 invoices, 28 line items | *** | | 1,037.62 | 783.82 |

Grand Totals **1,037.62** **783.82**

9 total invoices

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 04/30/18-04/30/18

Utmb At Galveston
 P. O. Box 660120 Dept 730
 Dallas, TX 75266

Vendor #: 63614

| GL # | Description | Amount |
|--------------------------|-------------|-----------------|
| WSHD | Wshd | 5,991.42 |
| Expenditures | | 5,991.42 |
| Reimb/Adjustments | | |
| Grand Total | | 5,991.42 |

7 total invoices

GL Totals Detail

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|------------------|------|------------|------------|----------|
| 036-2783*63614*1 | WSHD | 02/26/2018 | 909.00 | 218.16 |
| 036-2783*63614*1 | WSHD | 03/22/2018 | 6,034.05 | 1,448.17 |
| 036-2783*63614*1 | WSHD | 02/28/2018 | 111.00 | 26.64 |
| 036-2783*63614*1 | WSHD | 03/21/2018 | 2,437.00 | 584.88 |
| 036-3364*63614*2 | WSHD | 03/20/2018 | 1,828.00 | 438.72 |
| 1008*63614*4 | WSHD | 02/21/2018 | 2,367.00 | 568.08 |
| 1011*63614*3 | WSHD | 03/01/2018 | 7,620.20 | 1,828.85 |
| 1031*63614*2 | WSHD | 03/19/2018 | 323.00 | 77.52 |
| 1079*63614*3 | WSHD | 03/01/2018 | 949.00 | 227.76 |
| 1083*63614*1 | WSHD | 03/12/2018 | 1,828.00 | 438.72 |
| 1083*63614*1 | WSHD | 03/12/2018 | 235.00 | 56.40 |
| 1083*63614*1 | WSHD | 03/12/2018 | 323.00 | 77.52 |

7 invoices, 12 line items

24,964.25 **5,991.42**

Grand Totals

24,964.25 **5,991.42**

7 total invoices

12 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 04/30/18-04/30/18

Utmf Faculty Grp Practice
 Po Box 650859 Dep 710
 Dallas, TX 75265

Vendor #: 63615
 NPI: 1942241146

| GL # | Description | Amount |
|--------------------------|-------------|-----------------|
| WSHD | Wshd | 2,055.75 |
| Expenditures | | 2,055.75 |
| Reimb/Adjustments | | |
| Grand Total | | 2,055.75 |

9 total invoices

GL Totals Detail

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|----------------------------------|------|------------|-----------------|-----------------|
| 036-2783*63615*2 | WSHD | 03/21/2018 | 415.00 | 116.20 |
| 036-2783*63615*2 | WSHD | 03/22/2018 | 336.00 | 336.00 |
| 036-2783*63615*2 | WSHD | 03/22/2018 | 186.00 | 71.20 |
| 036-2783*63615*2 | WSHD | 03/22/2018 | 640.00 | 440.00 |
| 036-2783*63615*2 | WSHD | 03/22/2018 | 270.00 | 75.60 |
| 036-2783*63615*2 | WSHD | 03/22/2018 | 898.00 | 251.44 |
| 036-3364*63615*2 | WSHD | 03/20/2018 | 168.00 | 49.27 |
| 1008*63615*3 | WSHD | 02/21/2018 | 188.00 | 38.26 |
| 1008*63615*3 | WSHD | 02/21/2018 | 288.00 | 80.64 |
| 1008*63615*3 | WSHD | 02/21/2018 | 210.00 | 38.60 |
| 1008*63615*3 | WSHD | 02/21/2018 | 216.00 | 60.48 |
| 1011*63615*3 | WSHD | 03/01/2018 | 23.00 | 6.10 |
| 1011*63615*3 | WSHD | 03/01/2018 | 303.00 | 84.84 |
| 1031*63615*2 | WSHD | 03/19/2018 | 273.00 | 51.69 |
| 1040*63615*6 | WSHD | 03/27/2018 | 415.00 | 116.20 |
| 1079*63615*3 | WSHD | 03/01/2018 | 38.00 | 10.64 |
| 1083*63615*1 | WSHD | 03/12/2018 | 195.00 | 53.84 |
| 1083*63615*1 | WSHD | 03/12/2018 | 273.00 | 51.69 |
| 1083*63615*1 | WSHD | 03/12/2018 | 25.00 | 6.86 |
| 1084*63615*1 | WSHD | 03/30/2018 | 415.00 | 116.20 |
| 9 invoices, 20 line items | | | 5,775.00 | 2,055.75 |
| Grand Totals | | | 5,775.00 | 2,055.75 |

9 total invoices
 20 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 04/30/18-04/30/18

Stace Farrow Youth Counselor
 714 Campbell Rd
 Winnie, TX 77665

Vendor #: 63616
 NPI: 467236878

| GL # | Description | Amount |
|------|--------------------------|-----------------|
| WSHD | Wshd | 1,190.00 |
| | Expenditures | 1,190.00 |
| | Reimb/Adjustments | |
| | Grand Total | 1,190.00 |

3 total invoices

GL Totals Detail

| Invoice # | GL # | Date in | Amt Billed | Amt Paid |
|----------------------------------|------|------------|-----------------|-----------------|
| YC01*63616*3 | WSHD | 04/05/2018 | 85.00 | 85.00 |
| YC01*63616*3 | WSHD | 04/26/2018 | 85.00 | 85.00 |
| YC01*63616*3 | WSHD | 04/29/2018 | 21.25 | 21.25 |
| YC01*63616*3 | WSHD | 04/30/2018 | 85.00 | 85.00 |
| YC03*63616*2 | WSHD | 04/05/2018 | 85.00 | 85.00 |
| YC03*63616*2 | WSHD | 04/10/2018 | 127.50 | 127.50 |
| YC03*63616*2 | WSHD | 04/17/2018 | 85.00 | 85.00 |
| YC03*63616*2 | WSHD | 04/26/2018 | 85.00 | 85.00 |
| YC04*63616*1 | WSHD | 04/09/2018 | 21.25 | 21.25 |
| YC04*63616*1 | WSHD | 04/10/2018 | 127.50 | 127.50 |
| YC04*63616*1 | WSHD | 04/11/2018 | 42.50 | 42.50 |
| YC04*63616*1 | WSHD | 04/11/2018 | 85.00 | 85.00 |
| YC04*63616*1 | WSHD | 04/12/2018 | 85.00 | 85.00 |
| YC04*63616*1 | WSHD | 04/17/2018 | 85.00 | 85.00 |
| YC04*63616*1 | WSHD | 04/24/2018 | 85.00 | 85.00 |
| 3 invoices, 15 line items | *** | | 1,190.00 | 1,190.00 |
| Grand Totals | | | 1,190.00 | 1,190.00 |

3 total invoices
 15 total line items

April 26, 2018
Invoice Number: 0121119042618
Account Number: **8260 17 029 0121119**
Security Code: **1931**
Service At: 538 BROADWAY
WSHD RM
WINNIE TX 77665-7600

Auto Pay Notice

Contact Us

Visit us at business.twc.com
Or, call us at 1-866-519-1263

SPECTRUM BUSINESS NEWS

NOTE: Taxes, Fees and Charges listed in the Summary only apply to Spectrum Business TV and Spectrum Business Internet and are detailed on the following page. Taxes, Fees and Charges for Spectrum Business Voice are detailed in the Billing Information section.

Spectrum Enterprise Commercial Terms of Service have changed. The new terms may be viewed at <https://enterprise.spectrum.com> and will be effective May 1, 2018 for existing Spectrum Enterprise clients.

Summary *Service from 05/05/18 through 06/04/18
details on following pages*

| | |
|---|-----------------|
| Previous Balance | 192.06 |
| Payments Received -Thank You! | -192.06 |
| Remaining Balance | \$0.00 |
| Spectrum Business™ Internet | 104.98 |
| Spectrum Business™ Voice | 79.98 |
| Taxes, Fees and Charges | 7.10 |
| Current Charges | \$192.06 |
| <i>YOUR AUTO PAY WILL BE PROCESSED 05/16/18</i> | |
| Total Due by Auto Pay | \$192.06 |

RECEIVED
MAY 03 2018

Thank you for choosing Spectrum Business.
We appreciate your prompt payment and value you as a customer.

Auto Pay. Thank you for signing up for auto pay. Please note your payment may be drafted and posted to your Spectrum Business account the day after your transaction is scheduled to be processed by your bank.



4145 S. FALKENBURG RD RIVERVIEW FL 33578-8652
8260 1700 NO RP 26 04272018 NNNNNNNN 01 007624 0025

WINNIE STOWELL HOSPITAL
WSHD RM
PO BOX 1997
WINNIE TX 77665-1997

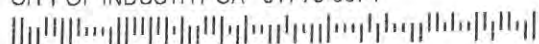
April 26, 2018
Winnie Stowell Hospital

Invoice Number: 0121119042618
Account Number: 8260 17 029 0121119
Service At: 538 BROADWAY
WSHD RM
WINNIE TX 77665-7600

Total Due by Auto Pay \$192.06



TIME WARNER CABLE
PO BOX 60074
CITY OF INDUSTRY CA 91716-0074



826017029012111900192062



WINNIE STOWELL HOSPITAL

Account Number: XXXX XXXX XXXX 2704

ACCOUNT SUMMARY

| | |
|-----------------------------|----------------|
| Credit Limit | \$10,000.00 |
| Credit Available | \$9,864.00 |
| Statement Closing Date | April 30, 2018 |
| Days in Billing Cycle | 30 |
| Previous Balance | \$53.80 |
| - Payments & Credits | \$53.80 |
| + Purchases & Other Charges | \$131.79 |
| + Cash Advances | \$0.00 |
| + Finance Charges | \$0.00 |
| = New Balance | \$131.79 |

PAYMENT INFORMATION

| | |
|---------------------|--------------|
| New Balance | \$131.79 |
| Minimum Payment Due | \$20.00 |
| Payment Due Date | May 25, 2018 |

RECEIVED
MAY 07 2018

Questions? Call Card Services 1-800-248-9600
 Or Write: PO Box 2360 Stop Code P-23
 Omaha, NE 68108

Notice: SEE REVERSE SIDE FOR MORE IMPORTANT INFORMATION

TRANSACTIONS

| Tran Date | Post Date | Reference Number | Transaction Description | Amount |
|---|-----------|-------------------|---|--------|
| TOTAL 4054692000142704 \$53.80- | | | | |
| 04/25 | 04/25 | F319100G300CHGDDA | AUTOMATIC PAYMENT - THANK YOU | 53.80- |
| SHERRIE NORRIS TOTAL 4054692000142720 \$131.79 | | | | |
| 04/01 | 04/01 | 2469216FB2XZ8FPYZ | GOOGLE *SVCSAPPS_wshd- cc@google.com CA | 21.08 |
| MCC: 7311 MERCHANT ZIP: 94043 | | | | |
| 04/02 | 04/02 | 2444500FD00EQY0E2 | USPS PO 4898150665 WINNIE TX | 6.70 |
| MCC: 9402 MERCHANT ZIP: 77665 | | | | |
| 04/06 | 04/06 | 2443106FG0RSJQPHK | ADOBE SYSTEMS, INC. 800-833-6687 CA | 16.21 |
| MCC: 4816 MERCHANT ZIP: 95110 | | | | |
| 04/11 | 04/11 | 2444500FN00EAWMAJ | USPS PO 4898150665 WINNIE TX | 24.70 |
| MCC: 9402 MERCHANT ZIP: 77665 | | | | |
| 04/12 | 04/12 | 2444500FP00EF5M0W | USPS PO 4898150665 WINNIE TX | 6.70 |
| MCC: 9402 MERCHANT ZIP: 77665 | | | | |

Transactions continued on next page

1031 0001 VVG 002 7 31 180430 0 PAGE 1 of 2 10 3191 2000 CORP 732

Please detach bottom portion and submit with payment using enclosed envelope



PROSPERITY BANK
 CREDIT CARD DEPARTMENT
 402 CYPRESS ST. SUITE 100
 ABILENE TX 79601

Payment Information

| | |
|---------------------|---------------------|
| Account Number: | XXXX XXXX XXXX 2704 |
| Payment Due Date | May 25, 2018 |
| New Balance | \$131.79 |
| Minimum Payment Due | \$20.00 |
| Past Due Amount | \$0.00 |
| Amount Enclosed: | \$ |

Make Check Payable to:

WINNIE STOWELL HOSPITAL
 WINNIE STOWELL HOSPITAL
 PO BOX 1997
 WINNIE TX 77665-1997

732

Prosperity Bank
 Department #351
 PO Box 21228
 Tulsa OK 74121-1228



405469200014270400002000000131797

TRANSACTIONS (continued)

| Tran Date | Post Date | Reference Number | Transaction Description | Amount |
|-----------|-----------|-------------------|---|--------|
| 04/25 | 04/25 | 2420785G361NW9609 | CHAMBERS CO, TX MAIN OPR FORT WORTH TX MCC: 9399 MERCHANT ZIP: 76102 | 1.00 |
| 04/25 | 04/25 | 2420785G361NW961S | CHAMBERS CO, TX MAIN OPR ANAHUAC TX MCC: 9399 MERCHANT ZIP: 77514 | 24.00 |
| 04/25 | 04/25 | 2444500G400QT01Z3 | USPS PO 4898150665 WINNIE TX MCC: 9402 MERCHANT ZIP: 77665 | 6.70 |
| 04/26 | 04/26 | 2444500G500EENTBV | USPS PO 4898150665 WINNIE TX MCC: 9402 MERCHANT ZIP: 77665 | 24.70 |

IMPORTANT ACCOUNT INFORMATION

To view your statement or make payments online, visit www.prosperitybankusa.com.
 Don't forget to update your automated payment plans. Merchants will need your new card number and expiration date.

IMPORTANT NOTICE FOR AUTOMATIC, INTERNET, OR PHONE ACH PAYMENTS:
 Your payment may be reduced by any credit adjustments or payments made since your last statement.

\$131.79 WILL BE DEDUCTED FROM YOUR ACCOUNT AND CREDITED AS YOUR AUTOMATIC PAYMENT ON 05/25/18.

INTEREST CHARGE CALCULATION

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account

| Type of Balance | ANNUAL PERCENTAGE RATE (APR) | Balance Subject to Interest Rate | Days in Billing Cycle | Interest Charge |
|-----------------|------------------------------|----------------------------------|-----------------------|-----------------|
| Purchases | 9.90% (f) | \$0.00 | 30 | \$0.00 |
| Cash Advances | 9.90% (f) | \$0.00 | 30 | \$0.00 |

(v) = variable (f) = fixed

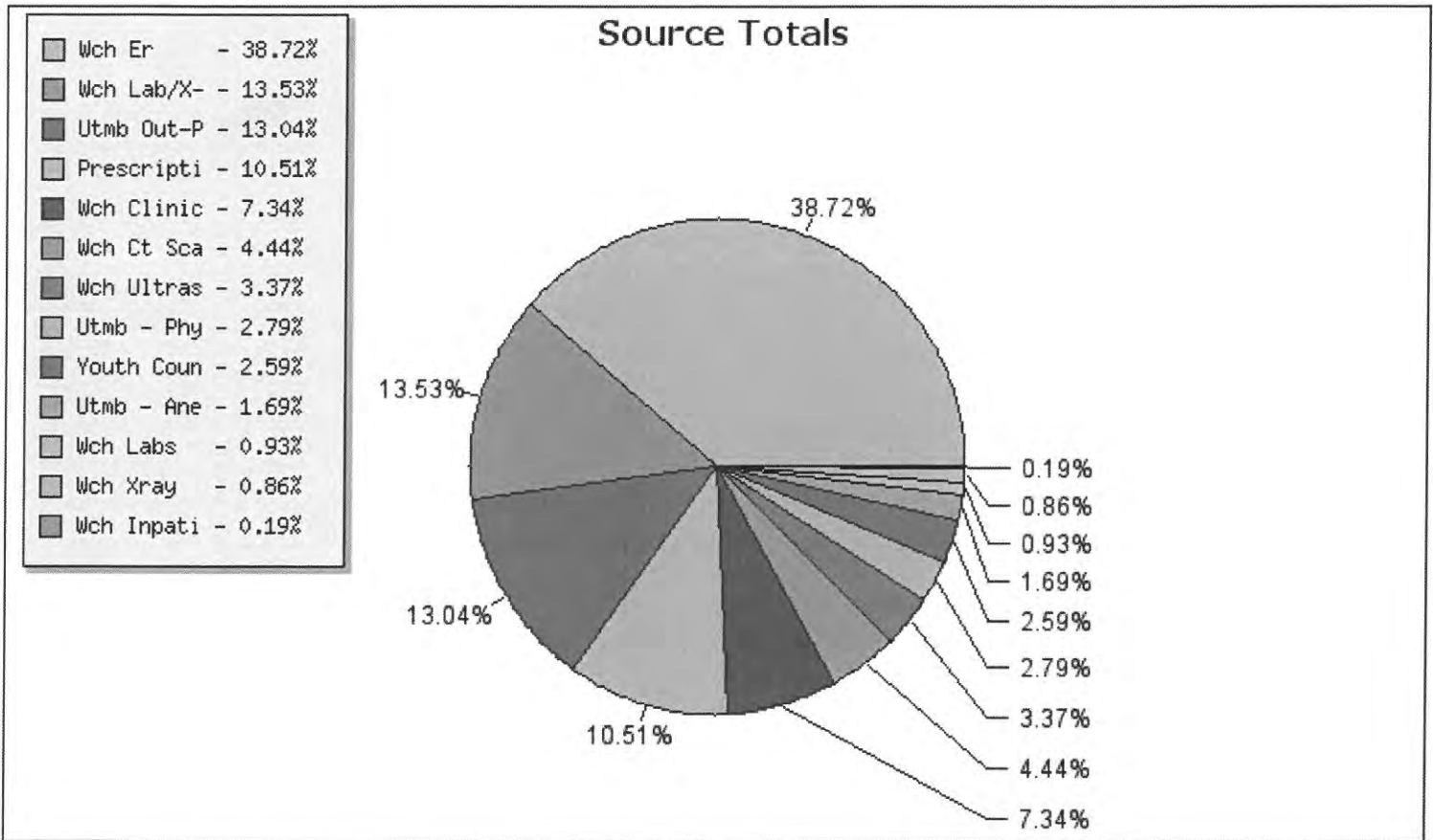
1-1

Exhibit “C”

| | April | | | | Year to Date | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| # of Clients: | 59 | | | | | | | |
| | Billed Amount | Medicaid Rate | % of Services | Actually Paid | Billed Amount | Medicaid Rate | % of Services | Actually Paid |
| Summary by Facility | | | | | | | | |
| Winnie Community Hospital | \$77,710.00 | \$31,883.22 | 57.75% | \$0.00 | \$255,213.00 | \$107,177.21 | 136.39% | \$0.00 |
| Pharmacy | | | | | | | | |
| Brookshire Brothers Pharmacy | \$4,662.01 | \$4,046.94 | 7.33% | \$4,046.94 | \$31,199.56 | \$27,348.57 | 42.21% | \$27,348.57 |
| Wilcox Pharmacy | \$1,037.62 | \$783.82 | 1.42% | \$783.82 | \$5,469.41 | \$3,479.64 | 4.88% | \$3,479.64 |
| Total | \$5,699.63 | \$4,830.76 | | \$4,830.76 | \$36,668.97 | \$30,828.21 | | \$30,828.21 |
| UTMB | | | | | | | | |
| UTMB Hospital | \$24,964.25 | \$5,991.42 | 10.85% | \$5,991.42 | \$147,728.48 | \$35,454.82 | 53.37% | \$35,454.82 |
| UTMB Physician Services | \$5,775.00 | \$2,055.75 | 3.72% | \$2,055.75 | \$32,752.00 | \$9,449.38 | 13.39% | \$9,449.38 |
| Total | \$30,739.25 | \$8,047.17 | | \$8,047.17 | \$180,480.48 | \$44,904.20 | | \$44,904.20 |
| Youth Counseling | \$1,190.00 | \$1,190.00 | 2.16% | \$1,190.00 | \$1,785.00 | \$1,785.00 | 1.08% | \$1,785.00 |
| Grand Totals | \$115,338.88 | \$45,951.15 | | \$14,067.93 | \$474,147.45 | \$184,694.62 | | \$77,517.41 |
| Summary by Service Provided | | | | | | | | |
| Prescription Drugs | \$5,699.63 | \$4,830.76 | 8.75% | \$4,830.76 | \$36,668.97 | \$30,828.21 | 47.09% | \$30,828.21 |
| WCH Clinic | \$8,227.00 | \$3,373.07 | 6.11% | \$0.00 | \$36,408.00 | \$14,927.28 | 20.93% | \$0.00 |
| WCH ER | \$43,399.00 | \$17,793.59 | 32.23% | \$0.00 | \$126,806.00 | \$51,990.46 | 61.95% | \$0.00 |
| WCH Inpatient | \$158.00 | \$86.90 | 0.16% | \$0.00 | \$18,142.00 | \$9,978.10 | 17.92% | \$0.00 |
| WCH Observation | \$0.00 | \$0.00 | 0.00% | \$0.00 | \$0.00 | \$0.00 | 0.00% | \$0.00 |
| WCH Labs | \$1,044.00 | \$428.04 | 0.78% | \$0.00 | \$17,662.00 | \$7,241.42 | 6.19% | \$0.00 |
| WCH Physical Therapy | \$0.00 | \$0.00 | 0.00% | \$0.00 | \$5,107.00 | \$2,093.87 | 3.45% | \$0.00 |
| WCH Ultrasound | \$3,776.00 | \$1,548.16 | 2.80% | \$0.00 | \$7,056.00 | \$2,892.96 | 1.46% | \$0.00 |
| WCH Lab/Xray | \$15,163.00 | \$6,216.83 | 11.26% | \$0.00 | \$25,128.00 | \$10,302.48 | 7.40% | \$0.00 |
| WCH CT Scan | \$4,977.00 | \$2,040.57 | 3.70% | \$0.00 | \$7,651.00 | \$3,136.91 | 1.99% | \$0.00 |
| WCH Xray | \$966.00 | \$396.06 | 0.72% | \$0.00 | \$8,650.00 | \$3,546.50 | 5.71% | \$0.00 |
| Lab/Xray readings | \$0.00 | \$0.00 | 0.00% | \$0.00 | \$2,603.00 | \$1,067.23 | 1.93% | \$0.00 |
| UTMB Outpatient | \$24,964.25 | \$5,991.42 | 10.85% | \$5,991.42 | \$147,728.48 | \$35,454.82 | 53.37% | \$29,463.40 |
| UTMB Anesthesia | \$976.00 | \$776.00 | 1.41% | \$776.00 | \$2,656.00 | \$1,931.00 | 2.09% | \$1,155.00 |
| UTMB Physician Services | \$4,799.00 | \$1,279.75 | 2.32% | \$1,279.75 | \$30,096.00 | \$7,518.38 | 11.30% | \$6,238.63 |
| Youth Counseling | \$1,190.00 | \$1,190.00 | 2.16% | \$1,190.00 | \$1,785.00 | \$1,785.00 | 1.08% | \$595.00 |
| Grant Totals | \$115,338.88 | \$45,951.15 | | \$14,067.93 | \$474,147.45 | \$184,694.62 | | \$37,452.03 |

Source Totals for Batch Dates 04/01/2018 through 04/30/2018

| | | |
|----------------------------|--------|--------------------|
| Wch Er | 38.72% | \$17,793.59 |
| Wch Lab/X-Ray | 13.53% | \$6,216.83 |
| Utmb Out-Patient | 13.04% | \$5,991.42 |
| Prescription Drugs | 10.51% | \$4,830.76 |
| Wch Clinic | 7.34% | \$3,373.07 |
| Wch Ct Scan | 4.44% | \$2,040.57 |
| Wch Ultrasound | 3.37% | \$1,548.16 |
| Utmb - Physician Services | 2.79% | \$1,279.75 |
| Youth Counseling | 2.59% | \$1,190.00 |
| Utmb - Anesthesia Services | 1.69% | \$776.00 |
| Wch Labs | 0.93% | \$428.04 |
| Wch Xray | 0.86% | \$396.06 |
| Wch Inpatient | 0.19% | \$86.90 |
| Total Expenditures | | \$45,951.15 |



Entry Statistics for Entry Dates 04/01/2018 through 04/30/2018

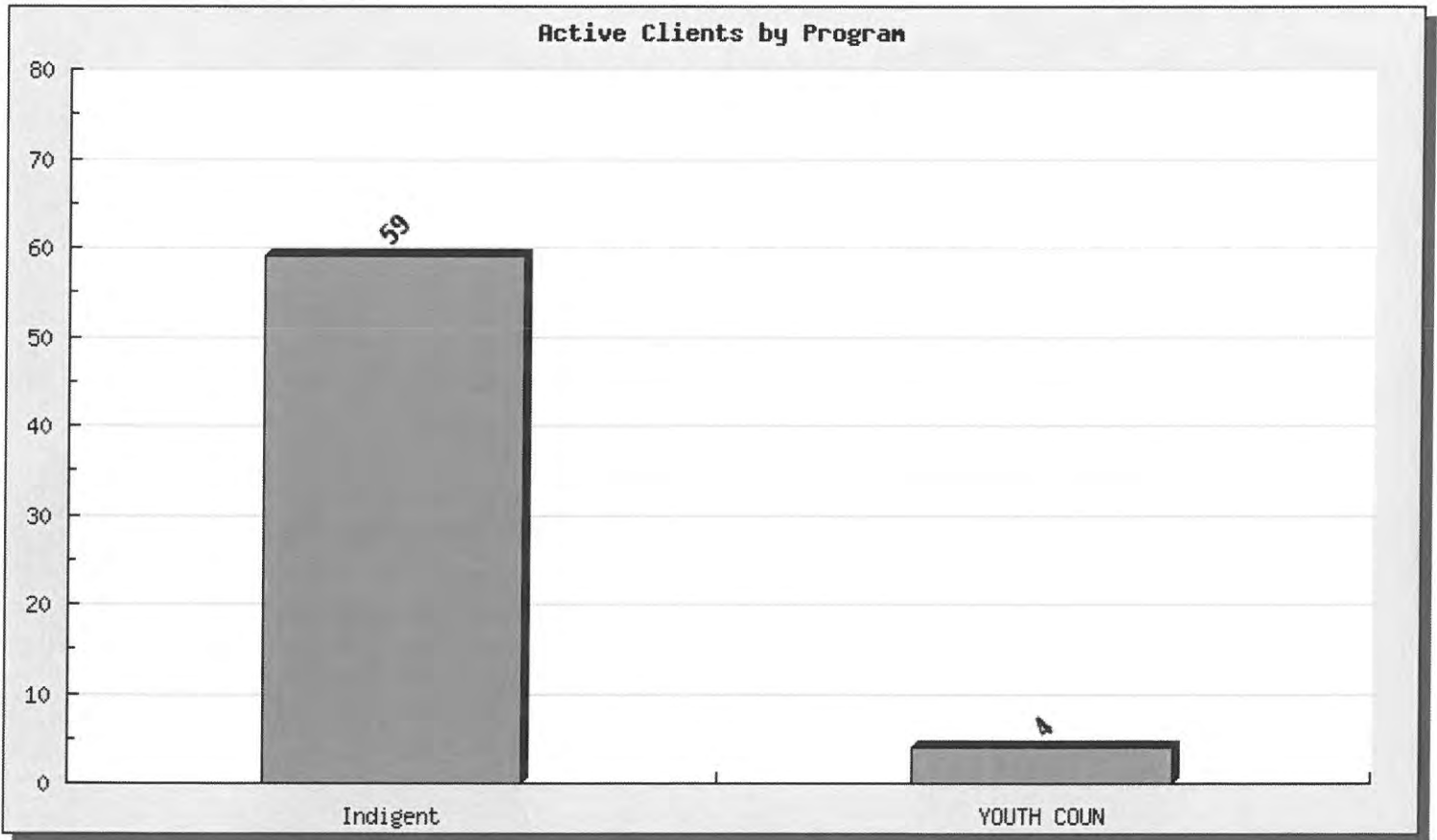
| | |
|--------------------|----|
| Clients Entered | 6 |
| Rapid Reg. Entered | 2 |
| Vendors Entered | 0 |
| Worksheets Entered | 17 |
| Invoices Entered | 78 |

Void Statistics for Void Dates 04/01/2018 through 04/30/2018

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

Active Clients by Program for Eligibility Dates 04/01/2018 through 04/30/2018

| | |
|---------------------------------|-----------|
| Indigent | 59 |
| YOUTH COUNSELING | 4 |
| Total Clients By Program | 63 |



Appointments Scheduled by Type for Appointment Dates 04/01/2018 through 04/30/2018

| | |
|-------------------------------------|-----------|
| New Appointment | 0 |
| Renewal | 11 |
| Total Appointments Scheduled | 11 |

Source Totals ReportWinnie Stowel Hospital District Indigent Healthcare
Services

Batch Dates 04/30/2018 through 04/30/2018

For Vendor: All Vendors

| Source | Description | Amount Billed | Amount Paid |
|--------------------------|----------------------------|-------------------|------------------|
| 02 | Prescription Drugs | 5,699.63 | 4,830.76 |
| 21 | Wch Clinic | 8,227.00 | 3,373.07 |
| 23 | Wch Inpatient | 158.00 | 86.90 |
| 24 | Wch Er | 43,399.00 | 17,793.59 |
| 25 | Wch Lab/X-Ray | 15,163.00 | 6,216.83 |
| 26 | Wch Ct Scan | 4,977.00 | 2,040.57 |
| 27 | Wch Labs | 1,044.00 | 428.04 |
| 28 | Wch Xray | 966.00 | 396.06 |
| 29 | Wch Ultrasound | 3,776.00 | 1,548.16 |
| 31 | Utmb - Physician Services | 4,799.00 | 1,279.75 |
| 31-1 | Utmb - Anesthesia Services | 976.00 | 776.00 |
| 34 | Utmb Out-Patient | 24,964.25 | 5,991.42 |
| 39 | Youth Counseling | 1,190.00 | 1,190.00 |
| Expenditures | | 115,338.88 | 45,951.15 |
| Reimb/Adjustments | | | |
| Grand Total | | 115,338.88 | 45,951.15 |

Source Totals Report Detail

| Invoice # | Source | DOS | Amount Billed | Amount Paid |
|-------------------|--------|------------|---------------|-------------|
| 036-3067*65460*10 | 02 | 04/25/2018 | 27.84 | 27.84 |
| 1008*18651*17 | 02 | 04/19/2018 | 19.83 | 10.89 |
| 1014*65460*3 | 02 | 04/23/2018 | 5.00 | 5.00 |
| 1068*65460*5 | 02 | 04/02/2018 | 20.80 | 20.80 |
| 1086*18651*3 | 02 | 04/10/2018 | 75.14 | 63.76 |
| 1089*65460*1 | 02 | 04/23/2018 | 5.00 | 5.00 |
| 036-2475*65460*21 | 02 | 04/12/2018 | 11.63 | 11.63 |
| 036-2475*65460*21 | 02 | 04/02/2018 | 45.21 | 45.21 |
| 036-3413*65460*28 | 02 | 04/09/2018 | 40.25 | 40.25 |
| 036-3413*65460*28 | 02 | 04/24/2018 | 5.09 | 5.09 |
| 1023*65460*12 | 02 | 04/30/2018 | 44.55 | 44.55 |
| 1023*65460*12 | 02 | 04/30/2018 | 5.00 | 5.00 |
| 1024*65460*20 | 02 | 04/23/2018 | 450.80 | 224.40 |
| 1024*65460*20 | 02 | 04/24/2018 | 24.43 | 24.43 |
| 1054*65460*12 | 02 | 04/27/2018 | 5.00 | 5.00 |
| 1054*65460*12 | 02 | 04/27/2018 | 492.92 | 415.18 |
| 1061*65460*7 | 02 | 04/25/2018 | 38.45 | 38.45 |
| 1061*65460*7 | 02 | 04/25/2018 | 5.00 | 5.00 |
| 1084*65460*3 | 02 | 04/10/2018 | 8.06 | 8.06 |
| 1084*65460*3 | 02 | 04/10/2018 | 55.04 | 25.17 |
| J392*18651*3 | 02 | 04/06/2018 | 14.32 | 8.19 |
| J392*18651*3 | 02 | 04/06/2018 | 20.06 | 11.00 |
| 036-2749*65460*35 | 02 | 04/11/2018 | 25.00 | 25.00 |
| 036-2749*65460*35 | 02 | 04/11/2018 | 85.08 | 85.08 |
| 036-2749*65460*35 | 02 | 04/17/2018 | 176.00 | 145.80 |
| 036-2856*65460*19 | 02 | 04/18/2018 | 152.10 | 152.10 |
| 036-2856*65460*19 | 02 | 04/18/2018 | 17.89 | 14.30 |

| | | | | |
|--------------------|----|------------|--------|--------|
| 036-2856*65460*19 | 02 | 04/18/2018 | 5.00 | 5.00 |
| 036--3424*65460*23 | 02 | 04/12/2018 | 222.44 | 185.27 |
| 036--3424*65460*23 | 02 | 04/12/2018 | 10.00 | 10.00 |
| 036--3424*65460*23 | 02 | 04/12/2018 | 30.30 | 30.30 |
| 1007*18651*9 | 02 | 04/26/2018 | 20.09 | 14.69 |
| 1007*18651*9 | 02 | 04/10/2018 | 54.63 | 26.93 |
| 1007*18651*9 | 02 | 04/26/2018 | 53.04 | 26.31 |
| 1011*65460*27 | 02 | 04/02/2018 | 929.48 | 786.26 |
| 1011*65460*27 | 02 | 04/02/2018 | 25.86 | 25.86 |
| 1011*65460*27 | 02 | 04/17/2018 | 32.29 | 32.29 |
| 1038*65460*17 | 02 | 04/05/2018 | 101.18 | 78.80 |
| 1038*65460*17 | 02 | 04/30/2018 | 231.21 | 231.21 |
| 1038*65460*17 | 02 | 04/30/2018 | 130.67 | 130.67 |
| 1063*65460*9 | 02 | 04/19/2018 | 87.21 | 87.21 |
| 1063*65460*9 | 02 | 04/19/2018 | 79.33 | 79.33 |
| 1063*65460*9 | 02 | 04/19/2018 | 29.91 | 29.91 |
| 1075*18651*2 | 02 | 04/03/2018 | 13.46 | 13.46 |
| 1075*18651*2 | 02 | 04/03/2018 | 72.19 | 35.36 |
| 1075*18651*2 | 02 | 04/09/2018 | 101.78 | 47.97 |
| 1092*65460*1 | 02 | 04/09/2018 | 22.05 | 22.05 |
| 1092*65460*1 | 02 | 04/16/2018 | 23.75 | 23.75 |
| 1092*65460*1 | 02 | 04/25/2018 | 23.75 | 23.75 |
| 036-2783*18651*83 | 02 | 04/20/2018 | 25.00 | 25.00 |
| 036-2783*18651*83 | 02 | 04/20/2018 | 25.00 | 25.00 |
| 036-2783*18651*83 | 02 | 04/20/2018 | 50.00 | 39.84 |
| 036-2783*18651*83 | 02 | 04/20/2018 | 50.00 | 50.00 |
| 036-2815*65460*10 | 02 | 04/07/2018 | 34.40 | 34.40 |
| 036-2815*65460*10 | 02 | 04/16/2018 | 11.63 | 11.63 |
| 036-2815*65460*10 | 02 | 04/19/2018 | 24.42 | 24.42 |
| 036-2815*65460*10 | 02 | 04/25/2018 | 14.52 | 12.17 |
| 036-2821*65460*14 | 02 | 04/04/2018 | 10.00 | 10.00 |
| 036-2821*65460*14 | 02 | 04/30/2018 | 5.00 | 5.00 |
| 036-2821*65460*14 | 02 | 04/30/2018 | 5.00 | 5.00 |
| 036-2821*65460*14 | 02 | 04/30/2018 | 13.75 | 13.75 |
| 036-3426*65460*34 | 02 | 04/04/2018 | 71.56 | 71.56 |
| 036-3426*65460*34 | 02 | 04/05/2018 | 5.00 | 5.00 |
| 036-3426*65460*34 | 02 | 04/05/2018 | 15.00 | 15.00 |
| 036-3426*65460*34 | 02 | 04/23/2018 | 15.00 | 15.00 |
| 036-3432*65460*27 | 02 | 04/11/2018 | 5.00 | 5.00 |
| 036-3432*65460*27 | 02 | 04/11/2018 | 30.00 | 30.00 |
| 036-3432*65460*27 | 02 | 04/11/2018 | 5.00 | 5.00 |
| 036-3432*65460*27 | 02 | 04/11/2018 | 25.88 | 25.88 |
| 1019*65460*20 | 02 | 04/03/2018 | 56.91 | 56.91 |
| 1019*65460*20 | 02 | 04/03/2018 | 5.00 | 5.00 |
| 1019*65460*20 | 02 | 04/03/2018 | 25.86 | 25.86 |
| 1019*65460*20 | 02 | 04/03/2018 | 5.00 | 5.00 |
| 1020*18651*16 | 02 | 04/18/2018 | 13.46 | 13.46 |
| 1020*18651*16 | 02 | 04/18/2018 | 39.87 | 39.87 |
| 1020*18651*16 | 02 | 04/18/2018 | 5.40 | 3.60 |
| 1020*18651*16 | 02 | 04/18/2018 | 91.27 | 62.83 |
| 1091*65460*2 | 02 | 04/02/2018 | 7.20 | 7.20 |
| 1091*65460*2 | 02 | 04/02/2018 | 75.14 | 32.99 |
| 1091*65460*2 | 02 | 04/02/2018 | 12.00 | 12.00 |
| 1091*65460*2 | 02 | 04/11/2018 | 34.61 | 34.61 |
| 036-3364*18651*50 | 02 | 04/21/2018 | 20.00 | 20.00 |
| 036-3364*18651*50 | 02 | 04/21/2018 | 54.86 | 54.86 |
| 036-3364*18651*50 | 02 | 04/28/2018 | 23.62 | 12.76 |
| 036-3364*18651*50 | 02 | 04/21/2018 | 24.00 | 24.00 |
| 036-3364*18651*50 | 02 | 04/21/2018 | 24.00 | 24.00 |

| | | | | |
|---------------|----|------------|-------|-------|
| 1040*18651*15 | 02 | 04/05/2018 | 26.78 | 26.78 |
| 1040*18651*15 | 02 | 04/05/2018 | 49.98 | 49.98 |
| 1040*18651*15 | 02 | 04/16/2018 | 27.67 | 19.81 |
| 1040*18651*15 | 02 | 04/12/2018 | 22.83 | 22.83 |
| 1040*18651*15 | 02 | 04/12/2018 | 19.34 | 10.64 |
| 1049*65460*13 | 02 | 04/02/2018 | 11.85 | 11.85 |
| 1049*65460*13 | 02 | 04/03/2018 | 5.00 | 5.00 |
| 1049*65460*13 | 02 | 04/03/2018 | 85.08 | 85.08 |
| 1049*65460*13 | 02 | 04/09/2018 | 40.94 | 40.94 |
| 1049*65460*13 | 02 | 04/18/2018 | 7.50 | 7.50 |
| 1087*65460*2 | 02 | 04/09/2018 | 30.30 | 30.30 |
| 1087*65460*2 | 02 | 04/09/2018 | 5.16 | 5.16 |
| 1087*65460*2 | 02 | 04/09/2018 | 14.90 | 14.90 |
| 1087*65460*2 | 02 | 04/25/2018 | 87.21 | 87.21 |
| 1087*65460*2 | 02 | 04/25/2018 | 5.00 | 5.00 |
| 1046*65460*14 | 02 | 04/02/2018 | 13.02 | 13.02 |
| 1046*65460*14 | 02 | 04/02/2018 | 10.00 | 10.00 |
| 1046*65460*14 | 02 | 04/02/2018 | 33.77 | 33.77 |
| 1046*65460*14 | 02 | 04/02/2018 | 25.86 | 25.86 |
| 1046*65460*14 | 02 | 04/02/2018 | 5.00 | 5.00 |
| 1046*65460*14 | 02 | 04/02/2018 | 5.00 | 5.00 |
| 1046*65460*14 | 02 | 04/02/2018 | 11.70 | 11.70 |
| 1046*65460*14 | 02 | 04/06/2018 | 10.13 | 10.13 |
| 1046*65460*14 | 02 | 04/09/2018 | 11.14 | 11.14 |

36 invoices, 110 line items

5,699.63

4,830.76

| | | | | |
|-------------------|----|------------|--------|--------|
| 036-2749*63057*23 | 21 | 04/17/2018 | 107.00 | 43.87 |
| 1007*63057*4 | 21 | 04/26/2018 | 406.00 | 166.46 |
| 1014*63057*5 | 21 | 04/23/2018 | 218.00 | 89.38 |
| 1030*63057*20 | 21 | 04/11/2018 | 224.00 | 91.84 |
| 1044*63057*8 | 21 | 04/30/2018 | 467.00 | 191.47 |
| 1049*63057*8 | 21 | 04/09/2018 | 150.00 | 61.50 |
| 1061*63057*6 | 21 | 04/25/2018 | 224.00 | 91.84 |
| 1089*63057*1 | 21 | 04/23/2018 | 107.00 | 43.87 |
| 1024*63057*18 | 21 | 04/21/2018 | 150.00 | 61.50 |
| 1024*63057*18 | 21 | 04/24/2018 | 224.00 | 91.84 |
| 036-3364*63057*20 | 21 | 04/05/2018 | 77.00 | 31.57 |
| 036-3364*63057*20 | 21 | 04/12/2018 | 77.00 | 31.57 |
| 036-3364*63057*20 | 21 | 04/19/2018 | 77.00 | 31.57 |
| 036-3364*63057*20 | 21 | 04/26/2018 | 77.00 | 31.57 |
| 1087*63057*3 | 21 | 04/09/2018 | 419.00 | 171.79 |
| 1087*63057*3 | 21 | 04/12/2018 | 374.00 | 153.34 |
| 1087*63057*3 | 21 | 04/18/2018 | 224.00 | 91.84 |
| 1087*63057*3 | 21 | 04/25/2018 | 224.00 | 91.84 |
| 1038*63057*7 | 21 | 04/09/2018 | 57.00 | 23.37 |
| J392*63057*4 | 21 | 04/04/2018 | 224.00 | 91.84 |
| 1092*63057*1 | 21 | 04/17/2018 | 339.00 | 138.99 |
| 1075*63057*2 | 21 | 04/02/2018 | 224.00 | 91.84 |
| 036-2821*63057*12 | 21 | 04/30/2018 | 224.00 | 91.84 |
| 036-3426*63057*25 | 21 | 04/05/2018 | 224.00 | 91.84 |
| 1040*63057*5 | 21 | 04/12/2018 | 224.00 | 91.84 |
| 1040*63057*5 | 21 | 04/20/2018 | 224.00 | 91.84 |
| 1043*63057*11 | 21 | 04/02/2018 | 224.00 | 91.84 |
| 036-2815*63057*9 | 21 | 04/04/2018 | 224.00 | 91.84 |
| 036-2815*63057*9 | 21 | 04/19/2018 | 346.00 | 141.86 |
| 036-2815*63057*9 | 21 | 04/25/2018 | 224.00 | 91.84 |
| 1008*63057*15 | 21 | 04/04/2018 | 263.00 | 107.83 |
| 1008*63057*15 | 21 | 04/11/2018 | 150.00 | 61.50 |

| | | | | |
|-----------------------------------|----|------------|------------------|------------------|
| 1008*63057*15 | 21 | 04/19/2018 | 224.00 | 91.84 |
| 1084*63057*3 | 21 | 04/03/2018 | 34.00 | 13.94 |
| 1084*63057*3 | 21 | 04/10/2018 | 224.00 | 91.84 |
| 036-2475*63057*25 | 21 | 04/02/2018 | 289.00 | 118.49 |
| 036-2475*63057*25 | 21 | 04/03/2018 | 34.00 | 13.94 |
| 036-2475*63057*25 | 21 | 04/13/2018 | 301.00 | 123.41 |
| 036-2475*63057*25 | 21 | 04/20/2018 | 47.00 | 19.27 |
| 036-2475*63057*25 | 21 | 04/27/2018 | 77.00 | 31.57 |
| 23 invoices, 40 line items | | | 8,227.00 | 3,373.07 |
| 1011*63057*24 | 23 | 03/08/2018 | 158.00 | 86.90 |
| 1 invoices, 1 line items | | | 158.00 | 86.90 |
| 1038*63057*7 | 24 | 04/30/2018 | 1,843.00 | 755.63 |
| J392*63057*4 | 24 | 04/24/2018 | 859.00 | 352.19 |
| 1092*63057*1 | 24 | 04/22/2018 | 1,532.00 | 628.12 |
| 1092*63057*1 | 24 | 04/27/2018 | 4,440.00 | 1,820.40 |
| 1023*63057*6 | 24 | 04/04/2018 | 4,184.00 | 1,715.44 |
| 1046*63057*5 | 24 | 04/06/2018 | 4,202.00 | 1,722.82 |
| 1063*63057*3 | 24 | 04/10/2018 | 7,939.00 | 3,254.99 |
| 1063*63057*3 | 24 | 04/18/2018 | 12,221.00 | 5,010.61 |
| 1063*63057*3 | 24 | 04/24/2018 | 792.00 | 324.72 |
| 1043*63057*11 | 24 | 04/18/2018 | 5,387.00 | 2,208.67 |
| 7 invoices, 10 line items | | | 43,399.00 | 17,793.59 |
| 1087*63057*3 | 25 | 04/18/2018 | 3,336.00 | 1,367.76 |
| 036-2821*63057*12 | 25 | 04/30/2018 | 1,251.00 | 512.91 |
| 036-3426*63057*25 | 25 | 04/05/2018 | 941.00 | 385.81 |
| 1040*63057*5 | 25 | 04/12/2018 | 941.00 | 385.81 |
| 1043*63057*11 | 25 | 04/02/2018 | 1,295.00 | 530.95 |
| 036-2815*63057*9 | 25 | 04/04/2018 | 2,497.00 | 1,023.77 |
| 1008*63057*15 | 25 | 04/04/2018 | 2,270.00 | 930.70 |
| 036-2475*63057*25 | 25 | 04/03/2018 | 2,632.00 | 1,079.12 |
| 8 invoices, 8 line items | | | 15,163.00 | 6,216.83 |
| 1008*63057*15 | 26 | 04/12/2018 | 4,977.00 | 2,040.57 |
| 1 invoices, 1 line items | | | 4,977.00 | 2,040.57 |
| 1084*63057*3 | 27 | 04/03/2018 | 390.00 | 159.90 |
| 036-2475*63057*25 | 27 | 04/13/2018 | 654.00 | 268.14 |
| 2 invoices, 2 line items | | | 1,044.00 | 428.04 |
| 1075*63057*2 | 28 | 04/09/2018 | 656.00 | 268.96 |
| 036-2475*63057*25 | 28 | 04/02/2018 | 310.00 | 127.10 |
| 2 invoices, 2 line items | | | 966.00 | 396.06 |
| 036-2815*63057*9 | 29 | 04/11/2018 | 3,120.00 | 1,279.20 |
| 1008*63057*15 | 29 | 04/11/2018 | 656.00 | 268.96 |
| 2 invoices, 2 line items | | | 3,776.00 | 1,548.16 |

| | | | | |
|------------------|----|------------|--------|--------|
| 036-3364*63615*2 | 31 | 03/20/2018 | 168.00 | 49.27 |
| 1031*63615*2 | 31 | 03/19/2018 | 273.00 | 51.69 |
| 1040*63615*6 | 31 | 03/27/2018 | 415.00 | 116.20 |
| 1079*63615*3 | 31 | 03/01/2018 | 38.00 | 10.64 |
| 1084*63615*1 | 31 | 03/30/2018 | 415.00 | 116.20 |
| 1011*63615*3 | 31 | 03/01/2018 | 23.00 | 6.10 |
| 1011*63615*3 | 31 | 03/01/2018 | 303.00 | 84.84 |
| 036-2783*63615*2 | 31 | 03/21/2018 | 415.00 | 116.20 |
| 036-2783*63615*2 | 31 | 03/22/2018 | 186.00 | 71.20 |
| 036-2783*63615*2 | 31 | 03/22/2018 | 270.00 | 75.60 |
| 036-2783*63615*2 | 31 | 03/22/2018 | 898.00 | 251.44 |
| 1083*63615*1 | 31 | 03/12/2018 | 195.00 | 53.84 |
| 1083*63615*1 | 31 | 03/12/2018 | 273.00 | 51.69 |
| 1083*63615*1 | 31 | 03/12/2018 | 25.00 | 6.86 |
| 1008*63615*3 | 31 | 02/21/2018 | 188.00 | 38.26 |
| 1008*63615*3 | 31 | 02/21/2018 | 288.00 | 80.64 |
| 1008*63615*3 | 31 | 02/21/2018 | 210.00 | 38.60 |
| 1008*63615*3 | 31 | 02/21/2018 | 216.00 | 60.48 |

9 invoices, 18 line items

4,799.00 1,279.75

| | | | | |
|------------------|------|------------|--------|--------|
| 036-2783*63615*2 | 31-1 | 03/22/2018 | 336.00 | 336.00 |
| 036-2783*63615*2 | 31-1 | 03/22/2018 | 640.00 | 440.00 |

1 invoices, 2 line items

976.00 776.00

| | | | | |
|------------------|----|------------|----------|----------|
| 036-3364*63614*2 | 34 | 03/20/2018 | 1,828.00 | 438.72 |
| 1008*63614*4 | 34 | 02/21/2018 | 2,367.00 | 568.08 |
| 1011*63614*3 | 34 | 03/01/2018 | 7,620.20 | 1,828.85 |
| 1031*63614*2 | 34 | 03/19/2018 | 323.00 | 77.52 |
| 1079*63614*3 | 34 | 03/01/2018 | 949.00 | 227.76 |
| 1083*63614*1 | 34 | 03/12/2018 | 1,828.00 | 438.72 |
| 1083*63614*1 | 34 | 03/12/2018 | 235.00 | 56.40 |
| 1083*63614*1 | 34 | 03/12/2018 | 323.00 | 77.52 |
| 036-2783*63614*1 | 34 | 02/26/2018 | 909.00 | 218.16 |
| 036-2783*63614*1 | 34 | 03/22/2018 | 6,034.05 | 1,448.17 |
| 036-2783*63614*1 | 34 | 02/28/2018 | 111.00 | 26.64 |
| 036-2783*63614*1 | 34 | 03/21/2018 | 2,437.00 | 584.88 |

7 invoices, 12 line items

24,964.25 5,991.42

| | | | | |
|--------------|----|------------|--------|--------|
| YC01*63616*3 | 39 | 04/05/2018 | 85.00 | 85.00 |
| YC01*63616*3 | 39 | 04/26/2018 | 85.00 | 85.00 |
| YC01*63616*3 | 39 | 04/29/2018 | 21.25 | 21.25 |
| YC01*63616*3 | 39 | 04/30/2018 | 85.00 | 85.00 |
| YC03*63616*2 | 39 | 04/05/2018 | 85.00 | 85.00 |
| YC03*63616*2 | 39 | 04/10/2018 | 127.50 | 127.50 |
| YC03*63616*2 | 39 | 04/17/2018 | 85.00 | 85.00 |
| YC03*63616*2 | 39 | 04/26/2018 | 85.00 | 85.00 |
| YC04*63616*1 | 39 | 04/09/2018 | 21.25 | 21.25 |
| YC04*63616*1 | 39 | 04/10/2018 | 127.50 | 127.50 |
| YC04*63616*1 | 39 | 04/11/2018 | 42.50 | 42.50 |
| YC04*63616*1 | 39 | 04/11/2018 | 85.00 | 85.00 |
| YC04*63616*1 | 39 | 04/12/2018 | 85.00 | 85.00 |
| YC04*63616*1 | 39 | 04/17/2018 | 85.00 | 85.00 |
| YC04*63616*1 | 39 | 04/24/2018 | 85.00 | 85.00 |

| | | |
|---------------------------|----------|----------|
| 3 invoices, 15 line items | 1,190.00 | 1,190.00 |
|---------------------------|----------|----------|

| | | |
|--------------|------------|-----------|
| Grand Totals | 115,338.88 | 45,951.15 |
|--------------|------------|-----------|

82 invoices listed.
223 line items listed.

Exhibit “D”

Hubert Oxford IV

Subject: FW: Renewal Quote for East Chambers ISD
Attachments: East Chambers ISD - 2018 Quote Sheet (AS-AS).pdf; Interlocal Agreement Bw ECISD and WSHD for Healthcare Services.pdf; East Chambers ISD - PvC as of 03312018.pdf

Good idea. I'll check to be sure my calendar is open. I have a meeting in SA about that time, but I'll figure it out.

Sent from my iPhone

On May 7, 2018, at 1:27 PM, Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

No problem. I was just trying to make sure I was following everything. In any event, why don't we plan on a brief presentation at the June 20, 2018 Regular Meeting?

Hubert Oxford, IV
Benckenstein & Oxford, L.L.P.
3535 Calder Avenue, Suite 300
Beaumont, Texas 77706
(409) 951-4721 Direct
(409) 351-0000 Cell
(409) 833-8819 Fax

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From: Campbell, Scott <scott@eastchambers.net>
Sent: Monday, May 07, 2018 1:22 PM
To: Hubert Oxford IV <hoxfordiv@benoxford.com>
Subject: Re: Renewal Quote for East Chambers ISD

So, the estimates I provided when we arranged the program were based on numbers we were experiencing. My impression is that I outlined what categories and what items were being funded by the hospital district. You are not approving dollar amounts for each specific thing. Those items change each year. You pay a static amount of \$15,000 per month, and I know what categories to use the money for, but we have to

make it work based on the changing budget demands each year. The WSHD does not approve the insurance vendor or contract or pricing. The WSHD simply allows me to use funding for insurance premiums. I have to make it work. In my presentation, I gave numbers as they existed at that time.

At the time of agreement negotiations, we were paying a premium of just over \$33,000 for only athletic insurance. We later received a notice of increase from that provider to \$46,700 and an additional \$2000 for catastrophic coverage due to the increase of claims. That price did not include all school coverage. We sought bids and were able to negotiate the \$17,872 rate with a new company for 2 years. The bid of \$39,000 for the 2018-2019 is still better than the previous company 2 years ago not only being cheaper by \$7000 and providing the all student coverage but also paying out more for physical therapy, transportation, braces, and a few other things.



Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
1955 State Highway 124
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net

On Mon, May 7, 2018 at 1:17 PM, Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

I am just trying to get the facts straight for the Board. The agreement called for \$33,685.00 per year for insurance proceeds. To date, the premium assessment has been paid twice, or \$67,370.00. However, according to the renewal notices submitted, the actual cost per year was \$17,872.00. Meanwhile, for next year, the price quoted is \$39,417.00 or around \$6,000.00 more than what we were originally scheduled to assign for this line item per year. Is this correct?

When you e-mailed, I was on the phone with Ed and he said to feel free to call him. His phone number is 409-656-3413.

Sincerely,

Hubert Oxford, IV

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300

Beaumont, Texas 77706

(409) 951-4721 Direct

(409) 351-0000 Cell

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From: Campbell, Scott <scott@eastchambers.net>

Sent: Monday, May 07, 2018 1:03 PM

To: Ridgaway, Christy <christy@eastchambers.net>; Hubert Oxford IV <hoxfordiv@benoxford.com>

Subject: Re: Renewal Quote for East Chambers ISD

Hubert,

I didn't mean to suggest by providing this report that we were expecting an increase in the WSHD contribution. I was just informing so you could see that the increase in premium the school district is facing is actually a testament to the success of the program. We are serving a lot of kids. We are going to absorb the increase in the premium by redirecting funds as needed. We are also adding another nurse with the new elementary in place and are not asking for an increase in the

contribution from the hospital district for that either but will be using hospital district contributions to continue to subsidize the nursing program. I think we can refocus the budget and prioritize these items in such a way as to maximize the hospital district's contribution.

Scott

Hubert Oxford, IV
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From: Hubert Oxford IV
Sent: Monday, May 07, 2018 1:17 PM
To: 'Campbell, Scott' <scott@eastchambers.net>; Ridgaway, Christy <christy@eastchambers.net>; 'murrelledward@yahoo.com' <murrelledward@yahoo.com>; 'Sherrie Norris' <sherrie@wshd-tx.com>
Subject: RE: Renewal Quote for East Chambers ISD

I am just trying to get the facts straight for the Board. The agreement called for \$33,685.00 per year for insurance proceeds. To date, the premium assessment has been paid twice, or \$67,370.00. However, according to the renewal notices submitted, the actual cost per year was \$17,872.00. Meanwhile, for next year, the price quoted is \$39,417.00 or around \$6,000.00 more than what we were originally scheduled to assign for this line item per year. Is this correct?

When you e-mailed, I was on the phone with Ed and he said to feel free to call him. His phone number is 409-656-3413.

Sincerely,
Hubert Oxford, IV
Benckenstein & Oxford, L.L.P.
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From: Campbell, Scott <scott@eastchambers.net>

Sent: Monday, May 07, 2018 1:03 PM

To: Ridgaway, Christy <christy@eastchambers.net>; Hubert Oxford IV <hoxfordiv@benoxford.com>

Subject: Re: Renewal Quote for East Chambers ISD

Hubert,

I didn't mean to suggest by providing this report that we were expecting an increase in the WSHD contribution. I was just informing so you could see that the increase in premium the school district is facing is actually a testament to the success of the program. We are serving a lot of kids. We are going to absorb the increase in the premium by redirecting funds as needed. We are also adding another nurse with the new elementary in place and are not asking for an increase in the contribution from the hospital district for that either but will be using hospital district contributions to continue to subsidize the nursing program. I think we can refocus the budget and prioritize these items in such a way as to maximize the hospital district's contribution.

Scott

On Mon, May 7, 2018 at 11:39 AM, Ridgaway, Christy <christy@eastchambers.net> wrote:

See response below.



Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
1955 State Highway 124
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net

----- Forwarded message -----

From: **Hubert Oxford IV** <hoxfordiv@benoxford.com>
Date: Mon, May 7, 2018 at 11:35 AM
Subject: RE: Renewal Quote for East Chambers ISD
To: "Ridgaway, Christy" <christy@eastchambers.net>
Cc: Sherrie Norris <sherrie@wshd-tx.com>, "Yani Jimenez <yjimenez@wshd-tx.com> (yjimenez@wshd-tx.com)" <yjimenez@wshd-tx.com>

Christy,

How about we do this, so that we have plenty of time to prepare a report and we can let the school year end. We can explain this premium increase to the Board at next week's meeting and then in June, 2018, we can put something on the Board's agenda to renew the agreement, taking this into consideration.

Right now, we are in a flux with the nursing home program because the State recently made some arbitrary decisions that, if remain unchanged, will result in our withdrawing from the program. If that happens, I am not sure how that will affect this agreement. That is up to the Board. We should know a lot more by June. *See attached* for a letter that is being sent to day to the Commissioner for the Health and Human Services.

This has happened in the past and we anticipate that it will get worked out but we need to have it on our radar.

Sincerely,

Hubert Oxford, IV

Benckenstein & Oxford, L.L.P.

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Beaumont, Texas 77706

(409) 951-4721 Direct

(409) 351-0000 Cell

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From: Hubert Oxford IV
Sent: Monday, May 07, 2018 11:25 AM
To: 'Ridgeway, Christy' <christy@eastchambers.net>
Subject: RE: Renewal Quote for East Chambers ISD

It raised from \$17k to \$40k?

Hubert Oxford, IV

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300

Beaumont, Texas 77706

(409) 951-4721 Direct

(409) 351-0000 Cell

(409) 833-8819 Fax

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From: Ridgaway, Christy <christy@eastchambers.net>
Sent: Monday, May 07, 2018 11:23 AM
To: Hubert Oxford IV <hoxfordiv@benoxford.com>
Subject: Fwd: Renewal Quote for East Chambers ISD

Mr. Oxford,

I am forwarding this email to you regarding our student insurance for your review. It is our intention to continue with this company at least one more year even with the increased premium. We are going to discuss the option of a multi year agreement to keep the premium locked in at the proposed rate as we expect claims to rise as more students are covered and using the accident insurance.



Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
1955 State Highway 124
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net

----- Forwarded message -----

From: Melany White <melany@achievetfinancialgroup.com>
Date: Wed, Apr 18, 2018 at 3:16 PM
Subject: Renewal Quote for East Chambers ISD
To: "christy@eastchambers.net" <christy@eastchambers.net>, "jhebert@eastchambers.net" <jhebert@eastchambers.net>
Cc: Greg White <Greg@achievetfinancialgroup.com>

Christy & Joseph,

Here is your renewal quote for student athletic and accident coverage. We strive to renew flat if claims are reasonable, but the claims history has resulted in an increased rate, so I attached the claims report for your review. We are only ¾ of the year and are running at 80% loss this year and had about 143% loss last year.

We hope you understand the underwriting dynamics. We even slashed our commission rate to help keep the cost down because we enjoy partnering with you and can appreciate the rate change.

East Chambers ISD

PREMIUM and CLAIMS EXPERIENCE
As of March 31, 2018

Mandatory Policy

| Year of Coverage | Premium | Paid Claims | Loss Ratio |
|------------------|-------------|-------------|------------|
| 2017 - 2018 | \$17,872.00 | \$14,197.00 | 79.44% |
| 2016 - 2017 | \$17,872.00 | \$25,530.00 | 142.85% |

To move forward, please sign and return the agreements for processing. Let me know if you have any questions.

Melany



Melany White, VP Marketing & Sales
C:214.549.9000 | O: 800.278.8994
melany@achievefinancialgroup.com

www.achievefinancialgroup.com

From: Denise Cecchini Gutierrez <dceccchini@mmc-ins.com>
Sent: Wednesday, April 18, 2018 1:47 PM
To: Melany White <melany@achievefinancialgroup.com>
Cc: Greg White <Greg@achievefinancialgroup.com>
Subject: Quote Proposal: East Chambers ISD

2018 - 2019 School Year

Agent: **Achieve Financial Group**

In regard to: **Student Accident Insurance Quote Request**

District: East Chambers Independent School District

Effective Date: August 1, 2018, 12:01 A.M.

Termination Date: August 1, 2019, 12:01 A.M.

Carrier: United States Fire Insurance Company (a Crum & Forster company)

Carrier Rating: A, XII - Admitted (Current carrier ratings may be found at www.AMBest.com.)

Carrier: National Union Fire Insurance Company (an AIG company)

Carrier Rating: A, XV - Admitted (Current carrier ratings may be found at www.AMBest.com.)

We are pleased to enclose the Student Accident Insurance Quote, effective as of the date indicated above.

Please take a moment and review the proposal for accuracy. Make sure the following is correct and items listed are attached:

- Quotes attached for all plans requested (please check your RFP for those plans) Please note that coverage may vary from what was requested.
- Name of the district
- Policy Period

Please note that as a retail agent you do not have binding authority. Attached are copies of the necessary applications to be completed and submitted to Monarch Management Corporation prior to the effective date indicated above. If request to bind coverage is not received prior to the effective date, the file will be closed.

Policies and/or renewal amendment(s) will be distributed to your attention within 30 days of receipt of application and payment, or policy effective date, whichever is later.

Please let me know if you have any questions or if you are in need of any additional information.

Thank you,

Denise

Denise Cecchini Gutierrez, SGS

Account Manager

Monarch Management Corp.

3201 Cherry Ridge Dr., Suite D405

San Antonio, Tx 78230

Direct: 210-524-7134

Fax: 210-524-7184

www.mmc-ins.com



NOTICE: Please be aware that you cannot bind, alter, or cancel coverage without speaking to an authorized representative of Monarch Management Corporation.

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--

Scott Campbell,
Superintendent ECISD
<http://www.eastchambers.net>

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Texas Monarch Management Corp.
3201 Cherry Ridge Dr. Suite D405, San Antonio, TX 78230

**EAST CHAMBERS
INDEPENDENT SCHOOL DISTRICT
2018 - 2019**

ALL SCHOOL COVERAGE

Premier Plus Plan

\$25,000 Maximum

1 Year Benefit Period

\$ 39,417.00

CATASTROPHE COVERAGE

Covered Activities:

While participating in or attending any regularly scheduled and supervised activity of the School, including interscholastic sports and including interscholastic football; or while participating in or attending an authorized and sponsored activities (including after school session or weekends) of the Policyholder on premises designed by the Policyholder. This includes direct and uninterrupted travel to and from such activities in a vehicle designated by the Policyholder and to or from the student's residence to attend regular Policy holder sessions.

| | |
|----------------------------------|---------------------------|
| Accident Medical Maximum: | \$7,500,000 |
| Deductible: | \$25,000 |
| Benefit Period: | 10 Year |
| Full Excess Medical: | <u>\$ 2,744.64</u> |

Effective Date: Quote valid through August 1, 2018

Mandatory Carrier: United States Fire Insurance Company (a Crum & Forster Company) (an Admitted Carrier)
Rating: A, XV (Current rating may be found at AMBest.com)

Catastrophic Carrier: National Union Fire Insurance Company (an AIG Company) (an Admitted Carrier)
Rating: A, XV (Current rating may be found at AMBest.com)

Payment of claims under any insurance policy issued shall only be made in full compliance with all United States economic or trade and sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

East Chambers ISD

PREMIUM and CLAIMS EXPERIENCE
As of March 31, 2018

Mandatory Policy

| Year of Coverage | Premium | Paid Claims | Loss Ratio |
|------------------|-------------|-------------|------------|
| 2017 - 2018 | \$17,872.00 | \$14,197.00 | 79.44% |
| 2016 - 2017 | \$17,872.00 | \$25,530.00 | 142.85% |

**INTERLOCAL AGREEMENT BETWEEN
EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT
AND THE WINNIE-STOWELL HOSPITAL DISTRICT**

This **INTERLOCAL AGREEMENT BETWEEN EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT AND THE WINNIE-STOWELL HOSPITAL DISTRICT** (herein "Agreement") is entered into effective the ___ day of January, 2016, by and between, Winnie-Stowell Hospital District, a political subdivision of the State of Texas, and the East Chambers Independent School District, a political subdivision of the State of Texas pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

RECITALS

WHEREAS, The East Chambers Independent School District ("ECISD") is a school district located in Chambers County, Texas;

WHEREAS, the Winnie-Stowell Hospital District ("WSHD") is a hospital district located in Chambers County, Texas and governed by of Article IX, Section 9 of the Texas Constitution and Chapter 286 of the Texas Health & Safety Code, and is subject to the terms and conditions of the Texas Indigent Health Care and Treatment Act (Texas Health & Safety Code Ch. 61);

WHEREAS, in accordance with its mission and statutory requirements, WSHD is obligated to assume full responsibility for providing medical and hospital care for its Indigent inhabitants without charge. *See* Tex. Const. Art. IX, § 9 (2014) (emphasis added); Tex. Health & Safety Code §§ 286.073, 286.082, and 61.052(a).Tex. Att'y. Gen. Op. No.JM-858 (1988); and Tex. Att'y. Gen. Op. No. JC-0220 (2000);

WHEREAS, ECISD provides public education and certain related healthcare services to students within its boundaries, many of whom are considered economically disadvantaged and many of whom qualify for free-and-reduced meals in accord with federal child nutrition laws as well as for the Indigent Care Program pursuant to the guidelines adopted by the WSHD as well as Chapter 61 of the Texas Health and Safety Code;

WHEREAS, the boundaries of ECISD and WSHD are the same; and

WHEREAS, ECISD and WSHD seek to enter into an agreement whereby WSHD compensates ECISD to provide services to benefit ECISD students and further the mission of providing healthcare services to WSHD's needy inhabitants.

THEREFORE BE IT RESOLVED THAT, ECISD and WSHD enter into this Interlocal Agreement in accordance with Chapter 791 of the Texas Government Code with the following terms and conditions:

1. Purpose: The purpose of this Agreement is to provide healthcare related services to the students of ECISD that further the mission and goals of both ECISD and WSHD.
2. Duties of ECISD: To utilize the compensation provided by WSHD for the purposes as set forth in this Agreement in Paragraph 3, below.
3. Duties of WSHD:
 - a. To pay ECISD \$15,000.00 per month to begin in January 2016 for a total twenty (20) months and to be spent by ECISD on the following:
 - (i) Student accident insurance: all coverage all students while at school or at school function: \$33,685.00;
 - (ii) Health related services including RN salary/benefits, supplies/materials: \$71,315.00;
 - (iii) Student health related vision, hearing, scoliosis screenings, lice treatment, preventive care, immunization assistance: \$15,000.00;
 - (iv) Mental health licensed professional counseling services, occupational/speech therapy, physical therapy: \$60,000.00.
 - b. Such monthly payment shall be made to ECISD by the fifth (5) of each month.
4. Term and Termination:
 - (a) Term. This Agreement is for a term of twenty (20) months commencing on the Effective Date and ending on August 31, 2017. Thereafter, this Agreement shall be extended from year to year unless either party elects to terminate the Agreement in accord with the termination provision below.
 - (b) Termination.
 - (i) Termination for Cause. This Agreement may be terminated for cause at any time during the Term upon thirty (30) calendar days prior written notice to the other party if the party to whom such notice is given has materially breached or otherwise failed to fulfill its obligations hereunder, including the failure to fulfill any obligation which is found to be unenforceable. The party claiming the right to terminate shall set

forth in the notice the facts underlying its claim that the other party is in material breach or non-fulfillment of this Agreement and shall expressly state that the notice constitutes a termination notice under this Section. Should the alleged breach or non-fulfillment be remedied within said thirty (30) day period (to satisfaction of non-breaching party) or, if such breach or non-fulfillment cannot be cured within such thirty (30) day period but remedial efforts shall be commenced within such period and diligently pursued, the cure period may be extended for an additional period as may be necessary to cure such breach or non-fulfillment; however, in no event such breaching or non-fulfilling party have more than sixty (60) days to cure such breach, the Agreement shall continue without interruption for the remaining Term.

(ii) Termination for Convenience. After the first initial twenty (20) month period, during any renewal year terms, either party may terminate this Agreement effective at the end of a renewal year by giving a minimum sixty (60) days notice prior to August 31 of that year.

(c) Survival. All accrued but unperformed obligations of either party shall survive termination or expiration of this Agreement. All rights and obligations of either party for indemnification hereunder arising out of or in connection with matters occurring within the Term shall survive the termination or expiration of this Agreement.

5. Venue and Governing Law: Mandatory and exclusive venue for any dispute arising out of this Agreement shall be a court of competent jurisdiction in/serving Chambers County, Texas. This Agreement shall be governed by Texas law without regarding to conflicts of law principles.
6. Assignment: Neither this Agreement nor any duties or obligations entered in subsequent contracts because of this Agreement shall be assignable by either party without the prior written acknowledgment and authorization of both parties.
7. Indemnity:

TO THE MAXIMUM EXTENT PERMITTED BY TEXAS LAW, ECISD SHALL INDEMNIFY AND HOLD HARMLESS BOTH WSHD AND ITS OFFICERS, AGENTS, INDEPENDENT CONTRACTORS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY

PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF ECISD AND ITS AGENTS, INDEPENDENT CONTRACTORS, OR EMPLOYEES, IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT, BUT ONLY TO THE EXTENT PERMITTED BY LAW.

TO THE MAXIMUM EXTENT PERMITTED BY TEXAS LAW, WSHD SHALL INDEMNIFY AND HOLD HARMLESS BOTH ECISD AND ITS OFFICERS, AGENTS, INDEPENDENT CONTRACTORS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF WSHD AND ITS AGENTS, INDEPENDENT CONTRACTORS, OR EMPLOYEES, IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT, BUT ONLY TO THE EXTENT PERMITTED BY LAW.

8. **Notice:** Any notice sent under this Agreement shall be in writing and shall be sent by **certified mail, return receipt requested**. Notice to shall be sufficient if made or addressed as follows:

To: East Chambers ISD
Attn: Superintendent
1955 State Highway 124
Winnie, TX 77665

To: Winnie-Stowell Hospital District
Attn: District's Chairman
P. O. Box 1997
Winnie, Texas 77665

9. **Insurance and Additional Insured:** During the Term, ECISD shall, at its sole cost and expense, procure and maintain policies of insurance and/or provide and maintain self-insurance insuring against comprehensive general liability and professional liability for damages directly or indirectly related to the performance of any service provided in this Agreement, and the use of any property and facilities provided by ECISD in connection with this Agreement, in such amounts, on such terms and with such deductibles as are then commonly maintained by school districts with facilities and operations similar to those of ECISD. To the extent that the Parties determine that it is economically or otherwise feasible, **the ECISD will use its best efforts to name the WSHD as an additional insured, to the ECISD's comprehensive general liability and professional liability**

insurance policies and from time to time, ECISD will furnish WSHD with certificates evidencing such insurance and/or self-insurance; and ECISD shall promptly advise WSHD of any change in the insurance and/or self-insurance maintained by ECISD.

10. Immunities: Nothing in this Agreement waives or alters any immunities provided to either party and/or their respective officers, employees, or agents under Texas or federal law.
11. Severability: In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegality, or unenforceable provision had never been contained in it.
12. Authority: Each party acknowledges that the governing body of each party to the Agreement has authorized this Agreement. Each party paying for the performance of governmental functions or services under this Agreement must make those payments from current revenues available to the paying party. The parties agree that the payment(s) under this Agreement are an amount that fairly compensates the performing party for services or functions performed under the Agreement.
13. Benefit for Signatory Parties Only: This Agreement, nor any term or provisions hereof, not any inclusion by reference, shall be construed as being for the benefit of any party not in signatory hereto.
14. Entire Agreement: This Agreement constitutes the sole agreement of the parties and supersedes any other oral or written understandings or agreements.

Executed effective as of the Effective Date by the following duly authorized representatives:

WINNIE STOWELL HOSPITAL DISTRICT

EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

By: _____

By: _____

Print Name: Mr. Elroy Henry

Print Name: _____

Title: _Chairman

Title: _____

Date: _____

Address for Notice:

Date: _____

Exhibit “E”

| Winnie-Stowell Hospital District | | | |
|--|-----------------|--|--|
| Executive Summary of Nursing Home Monthly Site Visits | | | |
| April 2018 | | | |
| Facility | Operator | | Comments |
| Park Manor of Cyfair | HMG | | Census: 103. The facility had their survey window in March 2018, they received 2 LSC deficiencies, 2 quality of care tags, and one kitchen tag. There was one reportable incident since the last visit, the claim was unsubstantiated following review. The activity director does a great job allowing the residents to decide what activities they do, they have formed a resident council to decide what the outings are. |
| Oak Manor | Genesis | | Census: 40. Facility had their annual survey in October 2017. All deficiencies have been cleared. Four reportable incidents since the last visit, they were cleared by the State following review. The facility still has a large number of residents from Rockport, this has led to the continued use of agency staffing. |
| Park Manor of Cypress Station | HMG | | Census: 89. The facility will be in their survey window in August 2018. Six reportable incidents since the last visit, all were unsubstantiated following state review. They did have a drug diversion, but the employee was terminated, the state took no further action. The facility appears very well from the outside, there are some cosmetic upgrades that could be made to the inside, but they are not necessary. |
| Oakland Manor | Genesis | | Census 57. The facility had their survey in January 2018, they did really well, and all deficiencies have been cleared. There were no reportable incidents since the last visit. This facility has recently been acquired by Regency, they are excited for the change. This facility has a new roof, they sustained hail damage last year. |
| Monument Hill Rehabilitation and Nursing Center (MHRNC) | Genesis | | Census: 68. The facility had their survey in October, there were several minor tags and two "F" tags. The facility is now in compliance with the state. Two reportable incidents since the last visit, both were for an unwitnessed fall, the State has not yet investigated. The evacuees who were supposed to leave in February have not left yet the Administrator believes they will be leaving by the end of April. |

| | | | |
|--|----------------|--|---|
| <p>Hallettsville Rehabilitation and Nursing Center (HRNC)</p> | <p>Genesis</p> | | <p>Census: 69. The facility is in their survey window. There was one reportable incident since the last visit, a resident went to the hospital for swelling and a fracture was discovered, the state has not investigated. The facility was also acquired by Regency, the Administrator met with corporate representatives and was very positive about the plans.</p> |
| <p>Park Manor of Humble</p> | <p>HMG</p> | | <p>Census: 90. Facility is in their survey window. There were no reportable incidents since the last visit. All resident rooms observed were neat and tidy, and all residents were well groomed.</p> |
| <p>Park Manor of Westchase</p> | <p>HMG</p> | | <p>Census: 113. Facility had their annual survey in February 2018, they received 8 tags, none major. There were three reportable incidents since the last visit, all were unsubstantiated. The facility has recently implemented a multi-cultural program, this adds new menu items and allows for phone messages to be translated into five different languages.</p> |

CONTACT

John Pinegar– Administrator
Dee Linden, RN - DON

FACILITY

Park Manor Cyfair is a 120-bed facility with a current overall and quality star rating of 3. The census on the date of this visit was 103: Private Pay 11, HMO 7, Medicare 7, Medicaid 73, and Hospice 5.

The Administrator and DON were present at the site visit and provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. Tasteful fall decorations observed throughout the facility.

Kitchen area very organized, staff cleaning up after breakfast. Observed current chem strip and refrigerator/freezer temperature logs. Laundry room clean and very organized with current logs and no lint on dryer traps. Medication room observed very clean and organized with current temperature log on refrigerator. Facility does not have closets stocked with linen, instead the laundry room prepares carts that are signed out by staff.

Resident rooms observed were well maintained and organized with no safety hazards or odors identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Several residents gathered in common area watching TV. Resident equipment clean and well maintained. Menu posted in dining room and passed out to each resident with every tray. Residents are offered a "Meal of the Month" each month. Activity calendar posted in common area and in each room.

SURVEY

The facility had their annual full book survey in March of 2018. They received 2 LSC deficiencies, 2 quality of care deficiencies related to incontinent care, and a deficiency involving the vent-a-hood in the kitchen.

REPORTABLE INCIDENTS

In the previous quarter, there was one self report of abuse- found unsubstantiated.

CLINICAL TRENDING

Incidents/Falls:

There were 35 falls with no injury in the first quarter, 13 with injury, 5 skin tears, 3 bruises, 5 lacerations.

Infection Control:

Facility had a total of 36 infections, down significantly from the prior quarter. 10 were UTI's, 15 URI's, 2 GI's, and there were 9 other types of infections.

Weight loss:

Weight loss in the first quarter- 6 residents, falling in the 5-10% weight loss category.

Pressure Ulcers:

There were 12 residents with pressure ulcers- 18 sites. 2 of these were acquired in-house.

Restraints:

No restraints in facility for the first quarter.

Staffing:

Currently the facility is in need of 4 CNAs for the 2/10 shift.

| Quality Indicators from Sept/Oct/Nov CASPER Report | | | | |
|--|----------|--------|----------|---|
| Indicator | Facility | State | National | Comments |
| Self-Reported Mod/Sev Pain (S) | 0% | 11.48% | 13.66% | |
| New/Worsened Pressure Ulcers (S) | 0% | .81% | .88% | |
| New Psychoactive Med Use (S) | 5.9% | 2.66% | 1.99% | DON meet quarterly. If admitted with PRN anti-psychotic medication, it is discontinued. |



Park Manor of Cyfair
 11001 Crescent Moon Dr., Houston, TX 77064 Visit:
 4/24/2018

| | | | | |
|------------------------------------|-------|--------|--------|--|
| Fall w/Major Injury (L) | 1.1% | 3.49% | 3.37% | |
| UTI (L) | 2.3% | 3.43% | 3.66% | |
| Self-Reported Mod/Sev Pain (L) | 0% | 4.75% | 5.57% | |
| High risk with pressure ulcers (L) | 6.6% | 6.16% | 5.6% | |
| Loss of Bowel/Bladder Control(L) | 73% | 49.54% | 47.72% | Therapy and restorative in place |
| Catheter(L) | .9% | 1.89% | 1.86% | All residents with appropriate diagnosis |
| Physical restraint(L) | 0% | .2% | .43% | |
| Increased ADL Assistance(L) | 5.4% | 18.72% | 14.98% | |
| Excessive Weight Loss(L) | 12.6% | 5.76% | 7.08% | |
| Depressive symptoms(L) | 1.3% | 3.78% | 4.87% | |
| Antipsychotic medication (L) | 9.5% | 16.82% | 15.68% | |



Park Manor of Cyfair
 11001 Crescent Moon Dr., Houston, TX 77064 Visit:
 4/24/2018

| QIPP Component 1 Quality Metric for QTR Sept/Oct/Nov 2017 | | | | |
|---|-------------------|-----------------------|---------|----------------|
| Indicator | QAPI Mtg Date | Date Report Submitted | Met Y/N | PI Implemented |
| QAPI Validation Report | 12/17, 1/17, 2/17 | Same day | Y | NA |

| QIPP Component 2 (Modest) Quality Metrics for QTR –Sept/Oct/Nov 2017 | | | | | PI Implemented |
|--|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| Falls W/Major Injury | 3.35% | 3.6% | 1.1% | Y | NA |
| High Risk W/Pressure Ulcers | 5.67% | 8.3% | 6.8% | Y | NA |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 9.4% | 9.3% | Y | NA |

| QIPP Component 3 (High) Quality Metrics for QTR – 1 2018 projected | | | | | PI Implemented |
|--|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| Falls W/Major Injury | 3.35% | 3.6% | 1.1% | Y | NA |



Park Manor of Cyfair
11001 Crescent Moon Dr., Houston, TX 77064 Visit:
4/24/2018

| | | | | | |
|-----------------------------|--------|------|-------|---|----|
| High Risk W/Pressure Ulcers | 5.67% | 8.3% | 5% | Y | NA |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 9.4% | 11.8% | Y | NA |

CONTACT:

Administrator: Ms. Chandra Polk

The site visit was conducted on April 17, 2018. I visited with Ms. Polk on this date. Ms. Polk has been with the facility for almost three months. She indicated that she is getting more comfortable with the facility. This is the first home for Ms. Polk as an administrator.

FACILITY:

The current census is 40. The breakdown is; Medicare-3; Medicaid-20; Private Pay-12; Private Insurance-; Hospice-5; Pending Status-. The facility currently has 24 residents that were moved in from Rock Port due to the hurricane. The Rock Port residents were scheduled to move back later part of March but are still in the facility. Ms. Polk is not sure when they will be leaving. She did indicate that several of the residents has indicated they wish to stay with this facility.

SURVEY:

The facility had their annual full book survey in October. The state has not been in for any complaint survey.

REPORTABLE INCIDENTS:

The facility had four reportable incidents for March. Three incidents involved residents that felt they were not being treated appropriately and one involved a complaint of misappropriation of property. The state did come in to investigate and found all four issues to be unsubstantiated and nothing was cited.

CLINICAL TRENDING:**A. Infections:**

The infection rate for February was within the thresholds set by infection control.

B. Weight Loss:

There were no weight loss issues.

ADDITIONAL COMMENTS:

Staffing has been an issue because of the influx of residents from Rock Port. The facility is using agency for CRNAs, none for nursing.

The facility has a four- star quality rating overall.

Restraints-0

Pressure ulcers- currently the facility currently has no new acquired pressure ulcers. 6.3%

Falls with major injuries- 5.8%. One fall in January. No falls with injuries in February. No falls with major injuries for March.

Anti-psychotic medicines- six with diagnosis. 22%. This will go down when the residents from Rock Port go back to their home facility.

Ms. Polk is still getting acquainted with the facility. She said that she is enjoying the home and feels that she has a good staff of employees. She said that the facility is meeting their budget targets so far. When the other resident return back to Rock Port, it may be a little tougher to meet the income and expense requirements. Everything else seems to be moving along nicely. Ms. Polk indicated the she knows that she is still on the honeymoon time frame but knows that will change very shortly.

This home has also been purchased by Regency Health Care. The representatives from Regency were to be in this facility sometime on this date to inspect the facility.

CONTACT

Chrystal Stalder – Administrator

FACILITY

Park Manor Cypress Station is a 125-bed facility with a current quality star rating of 2. The census on the date of this visit was 89: Private Pay 11, HMO 14, Medicare 14, Medicaid 47 and Hospice 3.

The Administrator provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. Facility does have a pulmonary hall with piped in O2 and signs posted appropriately. All staff encountered were very friendly with appropriate interaction.

During the tour, the only observed issues were a Hoyer lift that needed cleaning and a medication refrigerator that did not have a current temp log on the door.

Resident rooms observed were well maintained and organized with no safety hazards identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Activity calendar was posted and activities were appropriate to meet the needs of the population

SURVEY

The facility's last survey was conducted in November of 2017 with 6 deficiencies (2 quality of care, 3 resident assessment and 1 environment) and 4 fire safety code deficiencies. They enter their survey window in August of this year.

REPORTABLE INCIDENTS

In the previous quarter there were 6 self-reports with no citations and all were unsubstantiated. There was a drug diversion, but the investigation by the administrator discovered the person responsible for the theft and he was terminated. The PiP now used is that TWO nurses must sign on all deliveries of narcotics.

CLINICAL TRENDING

Incidents/Falls:

Dec/Jan/Feb- 68 falls, with 4 injuries, 10 skin tears, 2 elopements, 1 fracture, 3 bruises, 2 behaviors and 23 "other". Sept/Oct/Nov had 45 falls, so there is some trending that is of concern.

Infection Control:

Facility reports 30 total infections for Dec/Jan/Feb – 14 UTIs, 6 respiratory infections, 1 wound infection, 1 GI infections, and 9 other infections (no details provided).

Weight loss:

Weight loss reported in Dec/Jan/Feb – 11 residents with 5-10% weight loss. No one had 10% or higher.

Pressure Ulcers:

In Dec/Jan/Feb there were 15 residents with 21 pressure ulcer sites – 3 acquired in house. There were 40 residents with pressure ulcers in the previous quarter, so there is improvement and the PiP is getting results.

Restraints:

No restraints in facility for Dec/Jan/Feb

Staffing:

Park Manor Cypress Station is currently in need of 2 6/2C NA's, and 3 2/10C NA's. They also are recruiting for one CMA.

| Quality Indicators from Sept/Oct/Nov CASPER Report | | | | |
|--|----------|--------|----------|---|
| Indicator | Facility | State | National | Comments |
| Self-Reported Mod/Sev Pain (S) | 0% | 11.48% | 13.66% | |
| New/Worsened Pressure Ulcers (S) | 0% | .81% | .88% | |
| New Psychoactive Med Use (S) | 4.1% | 2.66% | 1.99% | |
| Fall w/Major Injury (L) | 1.4% | 3.49% | 3.37% | |
| UTI (L) | 0% | 3.43% | 3.66% | |
| Self-Reported Mod/Sev Pain (L) | 0% | 4.75% | 5.57% | |
| High risk with pressure ulcers (L) | 4.7% | 6.16% | 5.6% | |
| Loss of Bowel/Bladder Control(L) | 66.7% | 49.54% | 47.72% | |
| Catheter(L) | 6.6% | 1.89% | 1.86% | |
| Physical restraint(L) | 0% | .2% | .43% | |
| Increased ADL Assistance(L) | 52.5% | 18.72% | 14.98% | This number has now dropped once coding errors corrected by new rehab director. |
| Excessive Weight Loss(L) | 0% | 5.76% | 7.08% | |
| Depressive symptoms(L) | 3.4% | 3.78% | 4.87% | |
| Antipsychotic medication (L) | 12.3% | 16.82% | 15.68% | |



Park Manor of Cypress Station
 420 Lantern Bend Dr., Houston, TX 77890 Site Visit:
 04/23/2018

| QIPP Component 1 Quality Metric for QTR Sept/Oct/Nov 2017 | | | | |
|---|-------------------|-----------------------|---------|----------------|
| Indicator | QAPI Mtg Date | Date Report Submitted | Met Y/N | PI Implemented |
| QAPI Validation Report | 12/15, 1/18, 2/15 | 12/15, 1/18, 2/15 | Y | NA |

| QIPP Component 2 (Modest) Quality Metrics for QTR –Sept/Oct/Nov 2017 | | | | | PI Implemented |
|--|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| Falls W/Major Injury | 3.35% | 3.9% | 0% | Y | NA |
| High Risk W/Pressure Ulcers | 5.67% | 6.6% | 6.6% | N | PiP in place |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 12.5% | 11.29% | Y | |

| QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov 2017 | | | | | PI Implemented |
|---|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| | | | | | |



Park Manor of Cypress Station
420 Lantern Bend Dr., Houston, TX 77890 Site Visit:
04/23/2018

| | | | | | |
|-----------------------------|--------|-------|--------|---|--------------|
| Falls W/Major Injury | 3.35% | 3.9% | 0% | Y | NA |
| High Risk W/Pressure Ulcers | 5.67% | 6.6% | 6.6% | N | PIP in place |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 12.5% | 11.29% | Y | NA |

CONTACT:**Administrator: Mr. Tony Vargas**

The site visit was conducted April 17, 2018. I visited with Mr. Vargas on this date.
The facility was built in 1991 and is a very nice facility. The facility is licensed for 106 residents.

FACILITY:

The census target is 48 and the current census is 57. The census breakdown is; Medicare-3; Medicaid-28; Private Pay-22; Private Insurance-1; Hospice-; Pending Status-3.

SURVEY:

The facility had their full-book survey the second week of January. Mr. Vargas was very pleased with the outcome of the survey. This survey was done under the new guidelines. The plan of correction was sent into the state and was accepted with desk review. All tags cleared. The state has not been back into the facility since the full-book survey.

REPORTABLE INCIDENTS:

The facility had no reportable incidents for the month of March.

CLINICAL TRENDING:**Infections:**

The infection rate was within the thresholds for infection control, 3.2%

Weight Loss:

There were no issues for the month of February.

ADDITIONAL COMMENTS:

Staffing is in good shape at this time.

Mr. Vargas said the facility is staying well within the budgeted targets.

The staff is working hard on the quality measures;

Restraints; 0

Falls with major injuries; one for the quarter. There were no falls with Major injuries for March.

Anti-psychotics; 7.1% Long Term; 0% short term.

Pressure ulcers- There were no new in-house acquired pressure ulcers for March.

Mr. Vargas said that the staff is working very hard to improve the star rating in all areas and feels that they will have better numbers in the coming months.

The fall with a broken finger hurt the standings.

Staffing is pretty good. Mr. Vargas said they need 3 CNAs. All other areas are in good shape. The facility is staying close to the budgeted targets.

Overall quality is 4 star.

Overall star rating is 3.

They are working on it and seem to have a positive attitude.

This is one of the facilities that is being purchased by Regency health care. The representatives were going to be in the facility on this date to inspect the building. The facility recently had a new roof put on because of the hail storm from last year.

CONTACT:

Administrator: Ms. Margie McKee

The site visit was conducted on April 17, 2018. Ms. McKee has been the administrator for thirteen years. The facility was built in 1986 and is licensed for 108 beds.

FACILITY:

The census target is 58 and the current census is 68. The breakdown is; Medicare-9; Medicaid-33; Private Pay-26; Private Insurance-, Hospice-.

SURVEY:

The state has not been in since the book survey. The plan of correction was completed and accepted.

REPORTABLE INCIDENTS:

The facility had two reportable incidents for March. Both were unwitnessed falls; one with a major injury and the other was without injury. The state has been notified but has not been to the facility to investigate.

Infections:

The infection rate was below the threshold set by infection control. 4%

Weight Loss:

The facility had no unexpected weight loss or gain issues.

ADDITIONAL COMMENT:

The facility has a higher number of residents due to the recent hurricane in Texas. These residents were due to leave in February but has been delayed. Ms. McKee thinks that they will be leaving by the end of this month.
Restraints-0

Pressure ulcers- The facility had one new pressure ulcer on admission. The previously reported pressure ulcers have healed or are healing. The facility has a 5% rating.

Falls with Major injuries- One for the month of March.

Anti-psychotics- Overall 15%. The percentage is remaining stable.

Staffing is stable. Ms. McKee said she could still use two or three CNAs. The rest of the staff is in good shape. Ms. McKee indicated the facility is staying within the budget targets.

This facility is also one that has been purchased by Regency Health Care and the representatives were to be in the facility on this date to inspect the building.

CONTACT

Administrator: Mr. Jason Ohrt

The site visit was conducted on April 17, 2018. Mr. Ohrt has been with the facility for two years.

The facility was constructed in 1990 and is a very pretty and well taken care of building. The facility is licensed for 120 residents.

FACILITY

The current census target is 67. The current census is 69. The breakdown is as follows; Medicare-6; Medicaid-36; Private Pay-16; Private Insurance-4; Hospice-; Pending Status-; V.A.-7.

SURVEY

The facility is in their survey window. Expecting them any day.

REPORTABLE INCIDENTS:

The facility sent a resident to the hospital for the swelling of the foot for unknown reason. Found a fracture of unknown origin. Resident said they did not know when or how the fracture happened. State has not come in.

CLINICAL TRENDING**Infections:**

Infections were below thresholds.

Weight Loss:

There were no weight loss issues and no trending.

ADDITIONAL COMMENT:

The facility is working hard to control the quality measures.

Restraints-0

Pressure ulcers; 0 new ulcers and 0 high risk ulcers

Falls with Major injuries- 0 for February. Carry over of 2 falls-7%; national avg. 3.5% waiting on results of the unknown fracture

Anti-psychotic medicine- Short term-11.1% National avg. 2.2; Long term-2.5%; National avg. 15.3

Mr. Ohrt knows they are above the acceptable averages in a couple of the areas but the staff is working hard to bring that down. The facility has an overall quality star rating of 2 stars.

Staffing is good at this time. Facility has dropped off most of the agency staffing.

Mr. Ohrt indicated everything else is going well, and staying close to the budget targets.

The main generator is down for some major repairs. Having to use a loaner at this time.

This facility is also a Genesis home that has been sold to Regency Healthcare. Representatives were to be in the facility sometime on this date.

Mr. Ohrt did call me after the visit and said the visit went very well and was very positive.

CONTACT

Administrator- Chris Barton
Michelle Corn, RN – DON

FACILITY

Park Manor Humble is a 125-bed facility. The census on the date of this visit was 90: Private Pay 2, HMO 17, Medicare 2, Medicaid 62, and Hospice 3.

The administrator was new since the last site visit and was out of the building, DON was present at the site visit and provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained.

Shower room were somewhat dirty with linens, equipment and resident toiletries. There was a urinal sitting on the whirlpool tub (potential infection control citation). Fire extinguisher on rehabilitation hall had a current inspection.

Resident rooms observed were well maintained and organized with no safety hazards identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Several long term residents gathered in their activity room watching TV and setting up for next activity as per calendar posted. Activity calendar posted in common area and in each room.

SURVEY

The facility had their annual full book survey in August of 2017.

REPORTABLE INCIDENTS**CLINICAL TRENDING****Incidents/Falls:**

Report not provided

Infection Control:



Report not provided

Weight loss:

Report not provided.

Pressure Ulcers:

Report not provided

Restraints:

Report not provided.

Staffing:

| Quality Indicators from Sept/Oct/Nov CASPER Report | | | | |
|--|----------|--------|----------|----------|
| Indicator | Facility | State | National | Comments |
| Self-Reported Mod/Sev Pain (S) | % | 11.48% | 13.66% | |
| New/Worsened Pressure Ulcers (S) | 0% | .81% | .88% | |
| New Psychoactive Med Use (S) | 0% | 2.66% | 1.99% | |
| Fall w/Major Injury (L) | 0% | 3.49% | 3.37% | |
| UTI (L) | 0% | 3.43% | 3.66% | |
| Self-Reported Mod/Sev Pain (L) | % | 4.75% | 5.57% | |
| High risk with pressure ulcers (L) | % | 6.16% | 5.6% | |
| Loss of Bowel/Bladder Control(L) | % | 49.54% | 47.72% | |
| Catheter(L) | % | 1.89% | 1.86% | |
| Physical restraint(L) | 0% | .2% | .43% | |
| Increased ADL Assistance(L) | % | 18.72% | 14.98% | |



Park Manor of Humble
 19424 McKay Dr. Humble, TX 77338 Site Visit:
 4/23/2018

| | | | | |
|------------------------------|---|--------|--------|--|
| Excessive Weight Loss(L) | % | 5.76% | 7.08% | |
| Depressive symptoms(L) | % | 3.78% | 4.87% | |
| Antipsychotic medication (L) | % | 16.82% | 15.68% | |

| QIPP Component 1 Quality Metric for QTR –Sept/Oct/Nov 2017 | | | | |
|--|---------------|-----------------------|---------|----------------|
| Indicator | QAPI Mtg Date | Date Report Submitted | Met Y/N | PI Implemented |
| QAPI Validation Report | | | | NA |

| QIPP Component 2 (Modest) Quality Metrics for QTR –Sep/Oct/Nov 2017 | | | | | PI Implemented |
|---|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| Falls W/Major Injury | 3.35% | 1.7% | % | | NA |
| High Risk W/Pressure Ulcers | 5.67% | 10.3% | % | | NA |
| Physical restraints | .53% | .3% | % | | NA |
| Antipsychotic medication | 16.06% | 16.7% | % | | NA |

| QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov 2017 | | | | | PI Implemented |
|---|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |



Park Manor of Humble
19424 McKay Dr. Humble, TX 77338 Site Visit:
4/23/2018

| | | | | | |
|-----------------------------|--------|-------|---|--|----|
| Falls W/Major Injury | 3.35% | 1.7% | % | | NA |
| High Risk W/Pressure Ulcers | 5.67% | 10.3% | % | | NA |
| Physical restraints | .53% | .3% | % | | NA |
| Antipsychotic medication | 16.06% | 16.7% | % | | NA |

CONTACT

Olivia Hall – Administrator

FACILITY

Park Manor Westchase is a 125-bed facility with a current overall star rating of 5 and a quality star rating of 2. The census on the date of this visit was 113: Private Pay 12, HMO 15, Medicare 14, Medicaid 70 and Hospice 2.

The Administrator was present at the site visit and provided clinical information and tour of facility. Walk up curb appeal well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. The Administrator is proud the facility recently implemented multi-cultural program with new Asian menu as well as new phone message now in 5 languages. She said that the staff is able to translate many languages for her residents.

The Administrator has been leading Park Manor for 3 years and has been with the company for 6 years. She seems very established and invested in the facility. Many of her residents are discharged from LTAC's in the area, therefore her quality measures will be effected by the high acuity. The Administrator also is proud that the social work is HiV counseling certified, leading her competitors with a stronger ability to care for HiV patients.

During the tour, therapy rooms, common areas were reviewed. There were trash containers that needed cleaning in the kitchen and dining areas. Otherwise, the building presented well. However, the shower rooms were dirty. The maintenance director was unfamiliar with preventive maintenance on the whirlpools. The sanitizers in the shower room were also empty. These items could increase the risk of infection control issues while giving care.

SURVEY

Park Manor Westchase had their annual survey in February, receiving 8 tags, none were G level or higher. The report has not been posted on the CMS website at this time.

REPORTABLE INCIDENTS

In the first quarter, Westchase had 3 self reports, with no substantiated or cited complaints.

CLINICAL TRENDING

Falls:

Westchase had 48 falls without injury, and 1 fall with injury. There were 15 skin tears, 1 fracture, 3 bruises, 3 lacerations, 2 behaviors and 1 other.

Infection Control:

There were 93 total infections, 24 UTI's, 16 URI's, 2 GI and 51 other type infections.

Weight loss:

Only one resident experienced weight loss (5-10%) at Westchase during the first quarter.

Pressure Ulcers:

Westchase had 15 residents with pressure ulcers, two of which were acquired in house.

Restraints:

No restraints in facility for Dec/Jan/Feb.

Staffing:

Westchase has opening for 2 10/6 nurse aides.

| Quality Indicators from Dec/Jan/Feb CASPER Report | | | | |
|---|----------|--------|----------|--|
| Indicator | Facility | State | National | Comments |
| Self-Reported Mod/Sev Pain (S) | 3.7% | 11.48% | 13.66% | |
| New/Worsened Pressure Ulcers (S) | 1.4% | .81% | .88% | Had an increase of short term patients that wanted to stay long term which increased our long term care pressure ulcers. We also had 2 in-house ulcers. PI in place and wound care nurse is rounding daily on total care for any changes and reporting to administrator weekly. PI for podiatry visits social worker will give list to all patients seen and wound |

| | | | | |
|------------------------------------|-------|--------|--------|--|
| | | | | care nurse will round on all patients to ensure no accidental wound issues are identified. |
| New Psychoactive Med Use (S) | 2.2% | 2.66% | 1.99% | |
| Fall w/Major Injury (L) | 1.3% | 3.49% | 3.37% | |
| UTI (L) | 0% | 3.43% | 3.66% | |
| Self-Reported Mod/Sev Pain (L) | 00% | 4.75% | 5.57% | |
| High risk with pressure ulcers (L) | 4.8% | 6.16% | 5.6% | |
| Loss of Bowel/Bladder Control(L) | 81.6% | 49.54% | 47.72% | PiP in place to train aids on the floor on proper documentation of ADL's. Weekly meetings and training with aids by the MDS nurse. |
| Catheter(L) | 2.9% | 1.89% | 1.86% | Slightly over- PI to monitor all catheters in morning clinical for proper diagnosis or discontinue. |
| Physical restraint(L) | 0% | .2% | .43% | |
| Increased ADL Assistance(L) | 23.7% | 18.72% | 14.98% | PIP in place to train aids on the floor on proper documentation of ADL's. Weekly meetings to train by MDS nurse. |
| Excessive Weight Loss(L) | 1.3% | 5.76% | 7.08% | |
| Depressive symptoms(L) | 0% | 3.78% | 4.87% | |
| Antipsychotic medication (L) | 12.2% | 16.82% | 15.68% | |



Park Manor of Westchase
 11910 Richmond Ave. Houston, TX 77082 Site Visit:
 4/23/2018

| QIPP Component 1 Quality Metric for QTR-Sept/Oct/Nov 2017 | | | | |
|---|---------------------------------|-----------------------|---------|----------------|
| Indicator | QAPI Mtg Date | Date Report Submitted | Met Y/N | PI Implemented |
| QAPI Validation Report | 20 th of every month | Y | Y | NA |
| | | | | |

| QIPP Component 2 (Modest) Quality Metrics for QTR - Sept/Oct/Nov 2017 | | | | | PI Implemented |
|---|-----------|-----------------|---------|-----|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met | |
| | | | | | |



Park Manor of Westchase
 11910 Richmond Ave. Houston, TX 77082 Site Visit:
 4/23/2018

| | | | | Y/N | |
|-----------------------------|--------|-------|-------|-----|---------------|
| Falls W/Major Injury | 3.35% | 1% | 1.2% | Y | NA |
| High Risk W/Pressure Ulcers | 5.67% | 5.4% | 6.3% | n | PiP in place. |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 24.7% | 14.7% | Y | NA |

| QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov | | | | | PI Implemented |
|--|-----------|-----------------|---------|---------|----------------|
| Indicator | Benchmark | Baseline Target | Results | Met Y/N | |
| Falls W/Major Injury | 3.35% | 3.4% | 1.2% | Y | NA |
| High Risk W/Pressure Ulcers | 5.67% | 5.7% | 6.3% | Y | NA |
| Physical restraints | .53% | 0% | 0% | Y | NA |
| Antipsychotic medication | 16.06% | 16.19% | 14.7% | Y | NA |

Exhibit “F”

**NOTICE OF APPOINTMENT OF AGENT
REGARDING NOVEMBER 6, 2018 ELECTION**

**TO ALL PERSON(S) INTERESTED IN THE ELECTION
FOR WINNIE-STOWELL HOSPITAL DISTRICT**

Notice is hereby given that the undersigned, Secretary of the Board of Directors of Winnie-Stowell Hospital District, acting pursuant to Section 31.123, Texas Election Code, has by these presents, appointed Sherrie Norris as the duly authorized agent of the Secretary (the "Agent") for all purposes for the District's Election (the "Election") to be held on November 6, 2018. The office of the Agent is located at 538 Broadway, Winnie, Texas and the telephone number is 409-296-1003. As required by Section 31.122 of the Texas Election Code, the Agent will be available for election duties for at least three (3) hours each day, during regular office hours, on regular business days, beginning on September 17, 2018, the 50th day before the Election Day, and ending no earlier than December 16, 2018, the 40th day after the Election Day.

The Agent will maintain and make available for inspection and copying those documents described in Section 31.123(c) of the Texas Election Code and shall receive any personally delivered document relating to the election that the undersigned is authorized or required to receive. Additionally, the Agent shall hereby be authorized to perform any ministerial duties in connection with the election that may lawfully be performed.

The notice shall be posted continuously on the board used for posting notice of the meetings of the District during the time period described.

Issued this _____ day of _____, 2018

WINNIE-STOWELL HOSPITAL DISTRICT

Raul Espinosa, Secretary
Board of Directors

ORDER OF ELECTION FOR WINNIE STOWELL HOSPITAL

DISTRICT

An election is hereby ordered to be held on November 6, 2018 for the purpose of electing two (2) at-large positions to the Winnie Stowell Hospital District Board.

Applications for a place on the ballot shall be filed by: August 20, 2018.
(A deadline is required to be stated in the order for a special election.)

Early voting by personal appearance will be conducted each weekday at

Winnie Branch-JP, Pct. 1, Courtroom, East Chambers County Annex 211 Broadway Ave., Winnie Texas 77665.
(location)

between the hours of 7:00 a.m. and 7:00 p.m. beginning on October 22, 2018
and ending on November 2, 2018.
(date) (date)

Applications for ballot by mail shall be mailed to:

The Honorable Heather Hawthorne
(Name of Early Voting Clerk)
P.O. Box 728
(Address)
Anahuac, Texas 77514
(City) (Zip Code)

Applications for ballots by mail must be received no later than the close of business on

October 26, 2018.
(date)

Additional early voting will be held as follows:

| Location | Date | Hours |
|----------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Issued this the 16th day of May, 20 18.

Signature of Presiding Officer

Signature of Election Agent

Instruction Note: A copy of this election order must be delivered to the County Clerk/Elections Administrator and Voter Registrar not later than 60 days before election day.

ORDEN DE ELECCION PARA WINNIE STOWELL HOSPITAL DISTRICT

Por la presente se ordena que se llevará a cabo una elección el noviembre 6, 2018 con el propósito
(fecha)

de: elegir dos (2) puestos grandes para la Junta del Distrito de Hospitales de Winnie Stowell.

Solicitudes para un lugar en la boleta serán presentadas por: agosto 20, 2018.

(De acuerdo con la orden de elección especial se requiere una fecha límite)

La votación adelantada en persona se llevará a cabo de lunes a viernes en

Winnie Branch-JP, Pct. Sala de audiencias, Condado de East Chambers Anexo 211 Broadway Avenue, Winnie, Texas 77665

(sitio)

entre las 7:00 de la mañana y las 7:00 de la tarde empezando el octubre 26, 2018
(fecha)

y terminando el noviembre 2, 2018.
(fecha)

Las solicitudes para boletas que se votarán en ausencia por correo deberán enviarse a:

El Honorable Heather Hawthorne
(Nombre del Secretario(a) de Votación Adelantada)

P.O. Box 728
(Dirección)

Anahuac, Texas 77514
(Ciudad) (Zona Postal)

Las solicitudes para boletas que se votarán en ausencia por correo deberán recibirse para el fin de las horas de las horas de negocio el octubre 26, 2018.
(fecha)

La votación adelantada además se llevará a cabo de tal manera:

| Sitio | Fecha | Horas |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Emitida este día 16th de mayo, 2018.

Firma del Oficial que Preside

Agente electoral

Nota de instrucción: Se deberá entregar una copia de esta orden de elección al/a la Secretario(a) del Condado/Administrador(a) de Elecciones y el/la Registrador(a) de Votantes a más tardar 60 días antes del día de elección.

Exhibit “G”

**NOTICE OF FILING PERIOD DATES FOR CANDIDATES
(DEADLINES TO FILE APPLICATIONS FOR PLACE ON THE BALLOT
(AVISO DE FECHA LÍMITE PARA PRESENTAR SOLICITUDES PARA UN LUGAR EN LA
BOLETA)**

Notice is hereby given that applications for a place on the **Winnie-Stowell Hospital District Board of Directors Regular Election** may be filed during the following time:

Filing Dates and Times:
(Fechas y Horario para Entregar Solicitudes)

Start Date: 07/21/2018 End Date: 08/20/2018
(Fecha Inicio) (Fecha Límite)

Office Hours: 8:00 am – 12:00 pm and 1:00 pm – 5:00 pm
(Horario de la Oficina)

Physical address for filing applications in person for place on the ballot:
(Dirección a física para presentar las solicitudes en persona para un lugar en la boleta)

Winnie Stowell Hospital District Winnie
Winnie Community Hospital Annex Building
538 Broadway
Winnie, Texas 77665

Address to mail applications for place on the ballot (if filing by mail):
(Dirección a donde enviar las solicitudes para un lugar en la boleta (en caso de presentar por correo))

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

Printed Name of Filing Officer
(Nombre en letra de molde del Oficial de Archivos)

Signature of Filing Officer
(Firma del Oficial de Archivos)

Date Posted
(Fecha archivada)

**Winnie-Stowell Hospital District
Election Order**

| | |
|---------------------------------------|---|
| Offices: | Board of Director; 2 positions – At Large |
| Date: | Tuesday, November 6, 2018 |
| Election Day Polling Location: | Polling locations used by Chambers County |
| Election Day Hours: | 7:00 am – 7:00 pm |
| Early Voting Location: | Polling locations used by Chambers County |
| Early Voting Dates: | October 22, 2018 – November 2, 2018 |
| Early Voting Hours: | Monday-Friday; 7:00 am – 7:00 pm |
| Address for Early Voting: | See attached |
| Ballot Requests: | PO Box 728, Anahuac, Texas 77514 |

For additional information please contact Administrator at Winnie-Stowell Hospital District at 409-296-1003.

Submitted by:

Sherrie Norris
WSHD Administrator

Exhibit “H-1”

SECTION-BY-SECTION SUMMARY

The proposed amendment to §353.1303(b)(10) replaces "an MCO" as the point of submission of the QAPI Validation Report to "HHSC."

The proposed amendment to §353.1303(c)(1)(A)(iii) removes the good cause exception to the geographic proximity criterion. Due to the risk of Federal funds, HHSC is no longer allowing exceptions to the 150 mile radius requirement.

The proposed amendment to §353.1303(c)(2) adds a subparagraph (A) to indicate the revised formula for calculating the eligibility cut-off point for participation by private NFs in future eligibility periods. It also adds a subparagraph (B) to make private NFs that were eligible to participate in QIPP during Eligibility Period One eligible to participate in state fiscal year 2019, regardless of their Medicaid NF days of service for that eligibility period.

The proposed amendment to §353.1303(d)(4)(A) deletes the reference to an "audited" cost report. This reference should have been removed upon adoption.

The proposed amendment to §353.1303(g)(1)(C) replaces "the MCOs" as the point of submission of the QAPI Validation Report to "HHSC."

FISCAL NOTE

Greta Rymal, Deputy Executive Commissioner for Financial Services, has determined that for each year of the first five years the amendments will be in effect, there may be fiscal implications to local governments as a result of enforcing and administering the amendments as proposed.

The rule may limit a local government NF's ability to increase their revenue by not allowing a good cause exemption to the existing 150 mile rule, thus disqualifying some local government NF's from participation in QIPP. This potential limit would apply only to local government NF's who are not currently participating in QIPP. The potential increase in entrants to the program related to the change in the eligibility cut-off point will impact a local governmental NF's potential share of the QIPP pool of funds.

Through a separate administrative action, HHSC intends to size the pool if this rule is adopted, such that local government NFs already participating in QIPP do not experience a negative impact in the absolute amount of funds received on a per-day/per-bed basis relative to the first QIPP program year (FY18) provided the quality metrics are achieved.

GOVERNMENT GROWTH IMPACT STATEMENT

HHSC has determined that during the first five years that the amendments will be in effect:

- (1) the proposed amendments will not create or eliminate a government program;
- (2) implementation of the proposed amendments will not require the creation or elimination of employee positions;
- (3) implementation of the proposed amendments will not require an increase or decrease in future legislative appropriations;
- (4) the proposed amendments will not require an increase or decrease in fees paid to the agency;
- (5) the proposed amendments will not create a new rule;
- (6) the proposed amendments will both limit and expand an existing rule; and
- (7) the proposed amendments will increase the number of individuals subject to the rule.

HHSC has insufficient information to determine the proposed amendments' effects on the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Ms. Rymal has also determined that there may be an adverse economic effect on small businesses, micro-businesses, or rural communities. The rule may limit a provider's ability to increase their revenue by not allowing a good cause exemption to the 150 mile rule thus disqualifying some providers from participation in QIPP. This potential limit would apply only to providers who are not currently participating in QIPP, including small and micro-businesses.

The potential increase in entrants to the program related to the change in the eligibility cut-off point could impact a small business or micro-business NF's potential share of the QIPP pool of funds, however, no small business or micro-business currently participates.

Under §2006.002 of the Government Code, a state agency proposing an administrative rule that may have an adverse economic effect on small businesses

must prepare an economic impact statement and a regulatory flexibility analysis. The economic impact statement estimates the number of small businesses subject to the rule and projects the economic impact of the rule on small businesses. The regulatory flexibility analysis describes the alternative methods the agency considered to achieve the purpose of the proposed rule while minimizing adverse effects on small businesses. The purpose of the proposed rules is to remove the good cause exception to the geographic proximity criterion, modify the calculation of the eligibility cut-off point for participation by private NFs, update the submission requirements of the QAPI Validation Report to align with current policies, and delete a reference to audited cost reports. Only the removal of the good cause exemption may have an adverse economic impact on small businesses, micro-businesses, or rural communities.

It is not possible to estimate the number of small businesses, micro businesses, or rural communities this rule may adversely impact. This rule may only adversely impact private providers who do not currently participate in QIPP, who will not meet the amended eligibility cut-off point, and who do not meet the geographic proximity criterion. It is not possible to determine which small business or micro business will request enrollment in QIPP and which of those may be impacted by the geographic proximity criterion.

HHSC considered four alternatives to removing the good cause exemption to the geographic proximity criterion.

Alternative 1: Alternative 1 would remove the good cause exemption to the geographic proximity criterion.

Alternative 2: Alternative 2 would retain the good cause exemption to the geographic proximity criterion.

Alternative 3: Alternative 3 would retain the good cause exemption to the geographic proximity criterion and provide informal guidance on what constitutes a good cause exemption to the geographic proximity criterion and how to ensure there is a legitimate, recognizable patient flow relationship between the hospital district and the NF.

Alternative 4: Alternative 4 would retain the good cause exemption to the geographic proximity criterion and establish in the rule specific criteria that must be met for a good cause exception to be granted.

HHSC selected Alternative 1. Elimination of the good cause exemption removes the potential risk of deferrals or disallowances by CMS due to the perception that the

exception merely enhances Federal funds. Also, while Alternative 1 limits a provider's ability to increase its revenue, it does not reduce existing rates or revenues.

Alternative 2 was not selected. Retaining the good cause exception does not alleviate the risk of deferrals or disallowances.

Alternatives 3 and 4 were also not selected. The definition of "good cause" is subjective and open to interpretation. Elimination of the good cause exemption ensures all providers are treated equally. Additionally, if an exception is granted and is later determined to be inappropriate, it could place Federal funds at risk and jeopardize the integrity of the QIPP program.

HHSC considered 4 alternatives to modifying the eligibility cut-off point for private NFs.

Alternative 1: Alternative 1 would modify the eligibility cut-off point to allow additional entrants to the pool at the cut-off point determined by the proposed methodology.

Alternative 2: Alternative 2 would allow all private NFs to participate regardless of historical Medicaid days.

Alternative 3: Alternative 3 would increase the eligibility cut-off point for private NFs.

Alternative 4: Alternative 4 would disallow the participation of private NFs.

HHSC selected Alternative 1. Modifying the eligibility cut-off point allows for increased participation in QIPP which increases the opportunity for small businesses or micro-businesses to potentially participate as private NFs. Because there are no existing micro-businesses or small businesses that participate, it does not reduce existing revenues to these provider types.

Alternative 2 was not selected due to the risk of deferrals or disallowances.

Alternative 3 and 4 were not selected because they would further restrict potential participation by small businesses or micro-businesses.

ECONOMIC COSTS TO PERSONS AND IMPACT ON LOCAL EMPLOYMENT

There are no anticipated economic costs to persons who are required to comply with the amendments as proposed. The implementation of the proposed amendment does not require any changes in practice or impose any cost on NFs.

There is no anticipated negative impact on local employment.

COSTS TO REGULATED PERSONS

Texas Government Code, §2001.0045 does not apply to this rule because the rule does not impose a cost on regulated persons since it does not reduce existing rates or revenues. In addition, the rule is necessary to receive a source of federal funds or comply with federal law.

PUBLIC BENEFIT

Selvadas Govind, Director of Rate Analysis, has determined that for each year of the first five years the amendment is in effect, the public will benefit from adoption of the amendment. The public benefit anticipated as a result of enforcing or administering the amendment will be administrative simplification and mitigation of potential risk to Federal funds, and will increase the number providers eligible to participate in QIPP.

TAKINGS IMPACT ASSESSMENT

HHSC has determined that the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Government Code, §2007.043.

PUBLIC HEARING

HHSC will conduct a public hearing on May 14, 2018, at 1:00 p.m. to receive public comments on these proposed rules. The public hearing will be held in the Public Hearing Room of the Brown-Heatly Building at 4900 N. Lamar Blvd, Austin, Texas. Entry is through security at the main entrance of the building facing Lamar Blvd. Persons with disabilities who wish to attend the hearing and require auxiliary aids or services should contact Rate Analysis by calling (512) 730-7401 at least 72 hours prior to the hearing so appropriate arrangements can be made.

PUBLIC COMMENT

Written comments on the proposal may be submitted to the Long Term Services and Supports section of the Rate Analysis Department, Texas Health and Human Services Commission, Mail Code H-400, P.O. Box 85200, Austin, TX 78705-5200; by fax to

(512) 730-7475; or by e-mail to rad-ltss@hhsc.state.tx.us within 30 days after publication of this proposal in the *Texas Register*.

STATUTORY AUTHORITY

The amendment is proposed under Texas Government Code §531.033, which provides the Executive Commissioner of HHSC with broad rulemaking authority; Texas Human Resources Code §32.021 and Texas Government Code §531.021(a), which provide HHSC with the authority to administer the federal medical assistance (Medicaid) program in Texas; Texas Government Code §531.021(b), which establishes HHSC as the agency responsible for adopting reasonable rules governing the determination of fees, charges, and rates for medical assistance payments under the Texas Human Resources Code, Chapter 32; and with Texas Government Code §533.002, which authorizes HHSC to implement the Medicaid managed care program.

The proposed amendment affects Texas Government Code Chapters 531 and 533 and Texas Human Resources Code Chapter 32. No other statutes, articles, or codes are affected by this proposal.

§353.1303. Quality Incentive Payment Program for Nursing Facilities.

(a) Introduction. This section establishes the Quality Incentive Payment Program (QIPP) for nursing facilities (NFs) providing services under Medicaid managed care (MC). QIPP is designed to incentivize NFs to improve quality and innovation in the provision of NF services to Medicaid recipients, using the Centers for Medicare & Medicaid Services (CMS) Five-Star Quality Rating System as its measure of success.

(b) Definitions. The following definitions apply when the terms are used in this section. Terms that are used in this and other sections of this subchapter may be defined in §353.1301 of this subchapter (related to General Provisions).

(1) - (9) (No change.)

(10) Quality Assurance Performance Improvement (QAPI) Validation Report--A monthly report submitted by a NF, that is eligible for and enrolled in QIPP, to HHSC [~~an MCO~~] that demonstrates that the NF has convened a meeting to review the NF's CMS-compliant plan for maintaining and improving safety and quality in the NF.

(11) Regional Healthcare Partnership (RHP)--A collaboration of interested participants that work collectively to develop and submit to the state a regional plan

for health care delivery system reform as defined and established under Chapter 354, Subchapter D, of this title (relating to Texas Healthcare Transformation and Quality Improvement Program).

(c) Eligibility for participation in QIPP. A NF is eligible to participate in QIPP if it complies with the requirements described in this subsection for each eligibility period.

(1) Eligibility Period One. A NF is eligible to participate in QIPP for Eligibility Period One if it meets the following requirements:

(A) The NF is a non-state government-owned NF.

(i) - (ii) (No change.)

(iii) The NF must have been a participant in the Minimum Payment Amounts Program (MPAP) or must be located in the same RHP as, or within 150 miles of, the non-state governmental entity taking ownership of the facility. ~~[This geographic proximity criterion does not apply to NFs that can establish good cause for an exception to this criterion.]~~

(B) Private NFs. The NF must have a percentage of Medicaid NF days of service that is greater than or equal to the private NF QIPP eligibility cut-off point. The private NF QIPP eligibility cut-off point will be equal to the mean percentage of historical Medicaid NF days of service provided under fee-for-service (FFS) and MC by all private NFs plus one standard deviation, as determined by HHSC. For each private NF, the percentage of Medicaid NF days is calculated by summing the NF's Medicaid NF FFS and MC days of service and dividing that sum by the facility's total days of service in all licensed beds. Medicaid hospice days of service are included in the denominator but excluded from the numerator.

(2) Future eligibility periods. Eligibility requirements for eligibility periods after Eligibility Period One are the same as the requirements under paragraph (1) of this subsection except that:

(A) the private NF QIPP eligibility cut-off point will be equal to the mean percentage of historical Medicaid NF days of service provided under FFS and MC by all private NFs plus one-quarter of one standard deviation, as determined by HHSC;

(B) a private NF that was eligible to participate in QIPP during Eligibility Period One is eligible to participate in the eligibility period for state fiscal year 2019 regardless of its Medicaid NF days of service for that eligibility period; and

(C) the deadlines specified in paragraph (1)(A)(i) will be updated by HHSC. Updated deadlines will be shared with all NFs by a date to be determined by HHSC.

(d) Data sources for historical units of service. Historical units of service are used to determine the private NF QIPP eligibility cut-off point, individual private NF QIPP eligibility status, and the distribution of QIPP funds across eligible and enrolled NFs.

(1) - (3) (No change.)

(4) Data sources for determination of distribution of QIPP funds across eligible and enrolled NFs. For each eligibility period, the data source must align with the NF's fiscal year that ends no more recently than in the calendar year four years prior to the calendar year within which the eligibility period ends. For example, for the eligibility period ending on August 31, 2018, the data source must align with the NF's 2014 fiscal year or an earlier fiscal year and for the eligibility period ending on August 31, 2019, the data source must align with the NF's 2015 fiscal year or an earlier fiscal year.

(A) The most recently available Medicaid NF cost report for the NF. If the cost report covers less than a full year, reported values are annualized to represent a full year. If no ~~audited~~ Medicaid NF cost report is available, the data source in subparagraph (B) of this paragraph must be used.

(B) - (D) (No change.)

(e) - (f) (No change.)

(g) QIPP capitation rate components. QIPP funds will be paid to MCOs through three new components of the STAR+PLUS NF MC per member per month (PMPM) capitation rates. The MCOs' distribution of QIPP funds to the enrolled NFs will be based on each NF's performance on a set of defined quality metrics.

(1) Component One.

(A) - (B) (No change.)

(C) Monthly payments to non-state government-owned NFs will be triggered by the NF's submission to HHSC ~~[the MCOs]~~ of a monthly QAPI Validation Report.

(D) - (E) (No change.)

(2) - (4) (No change.)

(h) - (k) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on April 23, 2018.

TRD-201801776

Karen Ray

Chief Counsel

Texas Health and Human Services Commission

Earliest possible date of adoption: June 3, 2018

For further information, please call: (512) 707-6066

Exhibit “H-2”

Hubert Oxford IV

From: Hubert Oxford IV
Sent: Tuesday, May 01, 2018 3:38 PM
To: 'luis.saenz@gov.texas.gov'
Subject: FW: Proposed Changes for QIPP Year 2

Luis,

I hope you are doing well and congratulations on your new job. I represent the Winnie Stowell Hospital District, who has acquired twenty-four (24) nursing facilities that participate in the Quality Incentive Payment Program (“QIPP program”).

The District has been involved in this program, or a predecessor programs since the summer of 2014. Overall, the QIPP program, and its predecessor programs, have enabled my client, and hopefully, every other governmental entity that has participated in the program (Non-state Owned Governmental Organization-“NSGO”) the opportunity to provide expanded healthcare services for the residents of their districts, most of whom are in rural areas. At the same time, the District has seen tangible improvements to the nursing homes we own since implementation of the QIPP program.

We also understand and recognize the fact that the State has alternative sources to secure Intergovernmental Transfer Funds (“IGT”) necessary to draw down the supplemental funds at issue. As such, we want to assure you that we truly appreciate the opportunity to participate in this program and the purpose for sending this e-mail is to provide you with a ground level perspective of why the proposed changes to the program that were recently announced severely impact the incentive of NSGOs to participate. I have copied two Hospital District Board members, Edward Murrell and Anthony Stramecki, on this e-mail because they are also very familiar with the QIPP program and the impact of these proposed rule changes on the NSGOs. If you would like a ground level perspective of why these proposed changes are detrimental to the overall program, we are happy to come meet with you and explain.

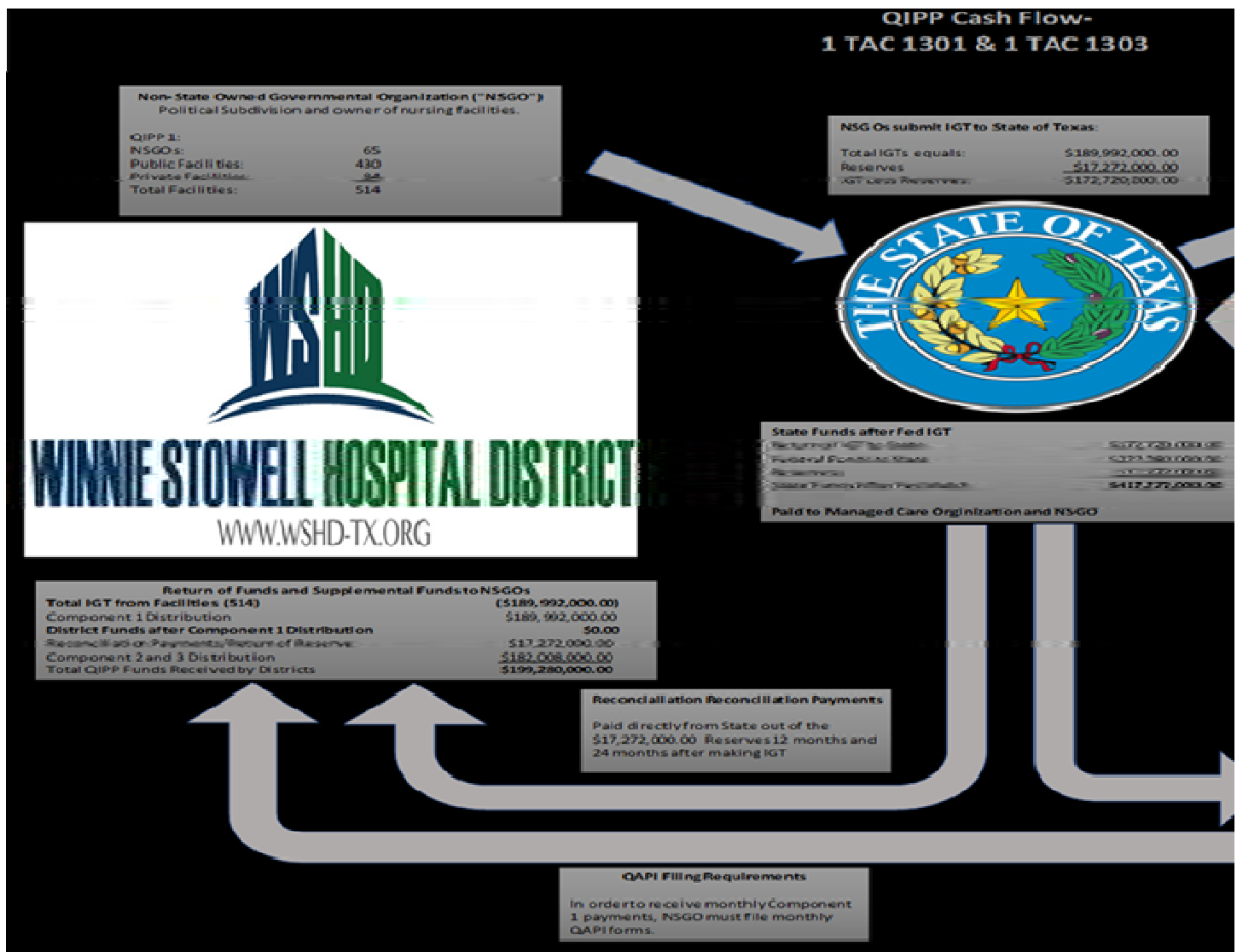
From what I can tell, at this point, few people have been willing to explain that if the proposed rule, that was drafted without any input from the NSGOs, is adopted, it will most likely result in the end of the QIPP program due to the fact there will not be enough NSGOs willing to take the risk of making IGTs this month without knowing the impact of the rule change, if it is adopted. The reasons being:

- The proposed rule enables nearly 400 additional nursing homes to participate in the QIPP program. Of these homes, 200 are already owned by NSGOs but they will have the ability to opt out of the ownership in June 2018 and participate as private nursing homes after the Intergovernmental Transfer (“IGT”) has been sent to the State in May of 2018. Consequently, the participating NSGOs are being asked to make IGTs sometime in May of 2018 but they stand a good chance of the nursing homes, for which they just made an IGT, to terminate their relationship with the NSGO and enroll in the program a month later in order to get a better deal (i.e., 100% of the QIPP Supplemental Funds). If this happens, the NSGO stands to lose much of their incentive to participate in the Program.
- Furthermore, if these additional homes are allowed to participate in the program without making accommodations to the NSGO, the NSGO has no incentive to participate because the amount of supplemental funds returned to the NSGO will be substantially diluted to the point where it is not feasible for the NSGO to continue their participation.

A close analogy to this would be if the we (i.e., NSGOs) invested (i.e., IGT) in a business (i.e., State of Texas) and our capitol enables the business to participate in a venture (i.e., QIPP program). In exchange, the investors receive ownership in the business through shares of stock. If the managers (i.e., HHSC) of the business decided to increase the shares of stocks in the business without consulting the investors after the investors invest in the business and then give shares of stock to someone who made no investment, what happens to investors share in the business and the dividends paid to the investors?

Practically speaking, sometime this month, my client will be asked to make an IGT a minimum of \$7.7 million for twenty-four (24) homes. In anticipation of this IGT, my client has made plans to secure the IGT funds that will not begin to be returned until October 2018. However, if the proposed rule is adopted, in June, ten (10) of the District's homes will have the opportunity to opt out, a month after the IGT is made, and if they do, the District will not recoup the supplemental funds (i.e., dividends) for those ten (10) homes. Given the economics and the cash flow hurdles for participating in the program, this simply creates a situation where it is not feasible for my client to continue its participation and to risk its public funds. Therefore, my advice will be to not make the IGT in May.

Under the existing model, as you can (see below), the participation in the QIPP program by the NSGOs is critical to the State ability to draw down the federal funds. If the NSGOs don't participate, there will be no supplemental funds to be drawn down.



With this said, this is not the first time HHSC has thrown a curve ball to all the participants but this is the first time the changes were attempted to be made so late in the cycle (i.e., the month NSGOs were scheduled to make IGTs). In the past, when changes were made, those with interest in the program have worked together to find a solution. Unfortunately, without a stand-still to implement the proposed rule, there is no time to find a compromise because the NSGOs could be asked to make an IGT any day.

Again, please take this e-mail as nothing more than the opinion of a lawyer that represents a governmental entity that participates in this program. If you would like for us to meet with you or someone on your staff to explain the details, we are prepared to do so and believe we could provide you with a slightly different insight that may be important to consider.

Please give me a call if you are interested in meeting.

Sincerely,

Hubert Oxford, IV
Benckenstein & Oxford, L.L.P.
3535 Calder Avenue, Suite 300
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We appreciate the effort to expand access to the program and we are hopeful that HHSC will allow us time to work together to address that goal. There are a number of serious issues with immediate implementation and we request a six month extension of consideration to allow for stakeholder meetings to take place and further analysis to be conducted.

HHSC worked closely with stakeholders during the development of the Quality Incentive Payment Program (QIPP), and the program has been very successful to date with quality measures among the participants trending upward over the first two quarters.

Current participation in QIPP is limited to public nursing homes, and privately owned facilities with a Medicaid census of 77.8% or greater. The current proposal would lower the private threshold to 62.8%.

Funding for the program is reliant on the State share being provided by the Non-state Government Owned (NSGO) facilities. The State share of funding is provided in the form of an Intergovernmental Transfer (IGT) paid by each of the Governmental entities (Hospital Districts,

ect) based on the number of Medicaid patients in those facilities. The State share is essential to draw down the Federal share of funding for the program.

During QIPP year one, there were 430 publicly owned/NSGO nursing facilities, and 84 private facilities that participated. Funding for the IGT was allocated to each of the NSGO facilities based on their Medicaid days. Of the 430 public homes in year one, 200 of those would now be eligible to participate as a private facility. If these facilities were to transition into privately owned homes, the State share of funding could be spread across as few as 230 public homes. Eligibility data for QIPP year two also indicates that by changing the Medicaid utilization rate to 62.8%, up to 550 nursing homes in the State will be eligible to participate in the program as a private facility. This includes the homes that are currently public but may choose to transition to a private facility.

The prospect of the 230-300 public nursing homes being called to IGT for 450-550 private homes puts the program at serious risk. As the program is currently structured, it is highly likely that program disbursements would be proportioned significantly higher to the private facilities, while increased funding burdens for the public homes will be met with a lower proportion of the program disbursements.

Under this proposal, NSGOs would be required to make much higher IGTs with a lower rate of return and higher risk. The incentive for participation by the Governmental entities will significantly diminish and put the State share of funding, necessary for the program, at risk.

The timing of the proposed changes poses significant issues for the participants as well. The next IGT is scheduled for the end of May, and is based on a funding pool size of \$550M. The IGT's are not fully returned for 12 months, and they are burdensome for the NSGO's to cashflow. The proposal suggests that the funding pool will be increased to \$625M if the changes are approved. This is a significant increase and does not provide the NSGOs adequate time to prepare for the higher IGTs.

In addition, the proposed changes would provide current publicly owned nursing homes an opportunity to transition to privately owned homes as late as June 30th. This is one month after the next IGTs must be funded. Therefore the Governmental entities may be sending off IGT dollars for their public facilities that may transition to private after the IGTs are funded. This could result in a significant amount of IGT dollars being sent off with no return provided to the Governmental entities.

There are a number of issues with the proposed changes and their implications. As a result we request that HHSC please consider extending consideration of these changes for six months to allow for a collaborative dialogue and thorough analysis. This would allow HHSC and the stakeholders to build on their success in creating the current program and to address the goal of expanding access. The proposed changes are significant and may impact the viability of the program in ways that may not have been considered.

From: "Wolfe, Andrew (HHSC)" <Andrew.Wolfe@hhsc.state.tx.us>

Date: Tuesday, April 24, 2018 at 11:47 AM

Cc: "Perez, Victor (HHSC)" <Victor.Perez@hhsc.state.tx.us>, "Duban, Sascha (HHSC)" <Sascha.Duban@hhsc.state.tx.us>, "Carrillo, Jennifer (HHSC/DADS)" <Jennifer.Carrillo@hhsc.state.tx.us>, "Dionne-Vahalik, Michelle (HHSC/DADS)" <Michelle.Dionne-Vahalik@hhsc.state.tx.us>, "Grady, Victoria C (HHSC)" <Victoria.Grady@hhsc.state.tx.us>, "Neville, Veronica G (HHSC)" <Veronica.Neville@hhsc.state.tx.us>

Subject: Changes for QIPP Year 2

Good Morning,

I wanted to send you a heads up related to changes for QIPP year 2. Please see below:

Several changes are being proposed for Year 2 of the Quality Incentive Payment Program, which will begin Sept. 1.

- The proposed amendments will be published in the Texas Register on May 4. If adopted, these amendments would lower the qualifying percentage of Medicaid nursing facility days of service to total days threshold for QIPP participation. Facilities with a 62.8 percent or greater historical Medicaid nursing facility days to the total days in a qualifying cost or accountability report would now be able to participate in the program. Information regarding specific facility's percentage of Medicaid days of service and total days is on the [QIPP page of the HHS website](#).
- HHSC is opening a special enrollment period for nursing facilities that will be eligible to participate in QIPP if the revised eligibility cut-off point in the proposed rule is adopted. The current enrollment period ends April 30. The special enrollment period will run from now until May 7. If the proposed amendment is not adopted, all pending applications will be discarded. Facilities can submit an application on the [QIPP page of the HHS website](#).
- Nursing facilities that want to participate in Year 2 of QIPP — and would like to pursue a Change of Ownership to transition from a non-state government owned facility to a private facility — must submit an application to the Texas Health and Human Services Commission no later than June 30.
- The proposed rule amendments are:
 - Lowering the private nursing facility QIPP eligibility cut-off point to be equal to the mean percentage plus one-quarter of one standard deviation of historical Medicaid nursing facility days of service provided under fee-for service and managed care by all private nursing facilities.
 - Deleting the Good Cause Exception to the 150-mile geographic proximity requirement.
 - Allowing a private nursing facility that was eligible to participate in QIPP during Year 1 to be eligible to participate in Year 2 regardless of its Medicaid nursing facility days of service for that eligibility period.
- If the amendments are adopted, HHSC intends to size the pool through a separate administrative action so that all existing QIPP participants do not experience a negative impact in the absolute amount of funds received on a per-day and per-bed basis relative to the first QIPP program year (FY18), provided the quality metrics are achieved. The total pool funding will be increased, contingent upon adoption of the rule, to \$625 million.

Email questions about QIPP to QIPP@hhsc.state.tx.us.

Take care,

Andrew

Andrew Wolfe, MBA

Senior Rate Analyst

Rate Analysis Department

Texas Health & Human Services Commission

Work: (512) 707-6072

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

Hubert Oxford IV

Subject: FW: QIPP Year 2 Changes and IGT
Attachments: 20180514 QIPP Year 2 IGT Review New Risk New IGT Holdback.xlsx

From: Trent Krienke <tkrienke@rcmhlaw.com>
Date: Tuesday, May 15, 2018 at 7:41 PM
To: Trent Krienke <tkrienke@rcmhlaw.com>
Cc: Kevin Reed <kreed@rcmhlaw.com>
Subject: QIPP Year 2 Changes and IGT

Good evening,

You may have received the below e-mail from HHSC yesterday regarding modified changes to Year 2 of QIPP. In response to the e-mail, many NSGOs have asked whether or not they should make the upcoming IGT. After spending the day reviewing the proposed changes to QIPP and talking with many stakeholders, I wanted to briefly outline several advantages and disadvantages of making an IGT on May 31st under the proposed QIPP rules -

I. Advantages

- a. Increased Revenue - HHSC increased the QIPP Year 2 pool from \$400MM to \$625MM. If HHSC's projections are accurate, the program is fully funded via IGT, and quality metrics are achieved, NSGO facilities can receive up to a \$56.43 increase per Medicaid day (roughly \$25 ppd after the return of the IGT to the NSGO). Under Year 1 of QIPP, the net return is approximately up to \$19 ppd. As such, the potential return for Year 2 could be greater than Year 1.
- b. QIPP Year 3 - If Year 2 of QIPP is successful, it is highly likely that QIPP will be approved for a third year (although the rules are very likely to change once again). If NSGOs fail to fund QIPP, there is always a possibility that HHSC will refuse to further modify the proposed changes and cancel QIPP. NSGOs could lose this additional source of revenue for a short period of time or perhaps forever. This is the worst case scenario.

II. Disadvantages

- a. Under Funded Program - Some NSGOs likely won't be able to afford the increase in IGT for QIPP Year 2. Due to the risks mentioned below, other NSGOs may elect not to IGT. As a result, QIPP may not be fully funded and the projected \$25 ppd could be less (possibly much less). Under the current rules, NSGO facilities that do not IGT would still be eligible to receive Component 2 and Component 3 payments if QIPP is partially funded.
- b. Switch to Private - There are approximately 156 nursing facilities currently partnered with NSGOs that would be eligible to participate in the program as a private facility. If an NSGO makes a IGT for such a facility on May 31st, and the management agreement is terminated effective September 1st, the NSGO would not receive Component One payments (the return of the IGT) for Year 2. NSGOs would then be forced to attempt to recoup this amount from the manager. If you are partnered with such a facility, I strongly suggest that you discuss the facility's participation in QIPP prior to making the IGT.
- c. QIPP Rule As Is - By making the IGT on May 31st, NSGOs are effectively agreeing to the QIPP changes as proposed. As such, we suspect that NSGOs will find it to be extremely difficult to get NSGO-friendly changes made to QIPP in Year 3.

- d. Changes in Projected IGT Amounts – HHSC plans to recalculate the requested IGT amounts later this month based on the survey feedback. Depending on which NSGOs respond to the requested HHSC survey, and how NSGOs respond to the survey, the projected IGT amounts will likely increase.

NSGOs were requested to complete HHSC's survey by 5:00pm on Wednesday, May 16, 2018. The survey can be completed at the following site: <http://registration.hhsc.state.tx.us/ltssapplication-qipp.aspx>. However, I don't believe that the survey is a binding obligation to IGT. HHSC plans to finalize the suggested IGT amounts and distribute that notice to NSGOs on Thursday, May 17th. Once the final IGT suggestion is distributed, NSGOs will have until May 31, 2018 to transfer IGT funds.

Thanks.

Trent Krienke

Member

Reed, Claymon, Meeker & Hargett, PLLC

512-660-5963 direct

Begin forwarded message:

From: HHSC RAD Operations <RAD_Operations@hhsc.state.tx.us>
Date: May 14, 2018 at 7:51:54 PM CDT
To: "Grady,Victoria C (HHSC)" <Victoria.Grady@hhsc.state.tx.us>
Cc: "accounting_support@healthsupportmgmt.com" <accounting_support@healthsupportmgmt.com>, "Adam.revia@yahoo.com" <Adam.revia@yahoo.com>, "adelossantos@arboretumgroup.com" <adelossantos@arboretumgroup.com>, "admin@brontehrc.net" <admin@brontehrc.net>, "afutch@seymourtexas.net" <afutch@seymourtexas.net>, "agarrett@stonegatesl.com" <agarrett@stonegatesl.com>, Alyse Meyer <alyse@leadingagetexas.org>, "andy.kolb@stonewallhospital.org" <andy.kolb@stonewallhospital.org>, "antoinettes@bmhd.org" <antoinettes@bmhd.org>, "Antonio.Vargas@GenesisHCC.com" <Antonio.Vargas@GenesisHCC.com>, Apton Taylor <ataylor@hslfamily.net>, "asorrell@lionhealth.com" <asorrell@lionhealth.com>, "b.stear@chosenhc.com" <b.stear@chosenhc.com>, "Barry.Fogel@pointright.com" <Barry.Fogel@pointright.com>, "bcadministrator@hsmtx.com" <bcadministrator@hsmtx.com>, "bdenison@hamiltonhospital.org" <bdenison@hamiltonhospital.org>, "billie.carter@stonewallhospital.org" <billie.carter@stonewallhospital.org>, "bjohnson2@obmc.org" <bjohnson2@obmc.org>, Bob Rice <BRice@dvcr.com>, "Bob.foster@prestonwoodrehab.com" <Bob.foster@prestonwoodrehab.com>, "bom@brontehrc.net" <bom@brontehrc.net>, "bronz.peterson@fundltc.com" <bronz.peterson@fundltc.com>, "Brooks.Kersh@GenesisHCC.com" <Brooks.Kersh@GenesisHCC.com>, "Bryan.Bankhead@fundltc.com" <Bryan.Bankhead@fundltc.com>, "bsehlke@touchstone-communities.com" <bsehlke@touchstone-communities.com>, "carlaellzey@trustcaremanagement.com" <carlaellzey@trustcaremanagement.com>, Carol Disbro <carol.disbro@fundltc.com>, "Carolyn.Galvan@seniorlivingproperties.com" <Carolyn.Galvan@seniorlivingproperties.com>, "cdockal@healthsupportmgmt.com" <cdockal@healthsupportmgmt.com>, "Chad.benson@prestonwoodrehab.com" <Chad.benson@prestonwoodrehab.com>, "chantellej@loreetamayo.com" <chantellej@loreetamayo.com>, Charlotte Metzger <cmetzgerlnh@yahoo.com>, "Chris Stenger (CSStenger@SavaSC.com)" <CSStenger@SavaSC.com>, "Cory.Judge@pcitexas.net" <Cory.Judge@pcitexas.net>, "czafero@cmcvtx.org" <czafero@cmcvtx.org>, "dconnolly@ensignservices.net" <dconnolly@ensignservices.net>, "dCrawford@txhca.org" <dCrawford@txhca.org>, Deanne Smith <dsmith@onpointe.com>, "dlee@lionhealth.com" <dlee@lionhealth.com>

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Subject: QIPP Year 2 Preliminary Calculations and Suggested IGT Amounts

Good afternoon,

QIPP Year Two

Thank you for your interest in joining the Quality Incentive Payment Program (QIPP) for State Fiscal Year 2019. The purpose of QIPP is to improve the quality of care provided in Texas nursing facilities. In an effort to build on the early successes of this program, HHSC is committed to increasing the number of participating nursing facilities.

Following the announcements that were made in April regarding possible changes to QIPP for SFY2019, HHSC received several comments. As a result of these comments, HHSC plans:

- (1) To adopt an eligibility cut-off point for private nursing facilities equal to the mean percentage plus one-half of one standard deviation historical Medicaid nursing facility days to the total days in a qualifying cost or accountability report. **For QIPP Year 2, this will allow facilities with a 67.40 percent or greater days to participate as a private facility;**
- (2) To implement a pool size of \$625,000,000;
- (3) To reduce the IGT reserve from 10 percent to 7 percent;
- (4) To preserve the good-cause exception to the geographic proximity requirement; and
- (5) To reduce the managed care organizations (MCOs) administrative fee from 0.25 percent to 0.125 percent to reflect that some duties were assumed by HHSC in lieu of the MCOs.

Attached is the list of the providers enrolled into the program and our preliminary calculations. The list includes the enrollment status, provider ownership type, how the facility qualified for the program, and preliminary suggested inter-governmental

transfer (IGT) amounts assigned to each participating non-state owned governmental entity (NSGO). Please note that these calculations are preliminary and assume that all facilities who enrolled as an NSGO will plan to participate in Component 1.

HHSC is requesting that enrolled providers notify HHSC if the facility does not plan to contribute IGT and would like HHSC to redistribute those funds to NSGOs participating in Component 1. HHSC has established a survey for NSGOs to notify us of their intent to IGT and their agreement to redistribute the funds. All NSGOs are requested to complete this survey by **5:00pm on Wednesday, May 16, 2018**. The survey can be completed at the following site: <http://registration.hhsc.state.tx.us/ltssapplication-qipp.aspx>. HHSC plans to finalize the suggested IGT amounts and distribute that notice to NSGOs on Thursday, May 17th. Once the final IGT suggestion is distributed, NSGOs will have until May 31, 2018 to transfer IGT funds.

Once IGT funds are received, each provider's possible component 1, 2 & 3 dollar values will be calculated and shared. If you have any questions, please feel free to reach out anytime.

QIPP Year Three

As previously proposed, HHSC will be convening a workgroup of stakeholders in preparation for QIPP Year Three. This workgroup will examine potential changes and improvements to QIPP based on learned experiences from QIPP Year One. Further details on this workgroup will be forthcoming. If you are interested in participating, please send an email to qipp@hhsc.state.tx.us

Thank you.

Victoria (Weber) Grady | Rate Analysis Department
Health and Human Services Commission | 4900 N. Lamar Blvd. | Austin, Texas 78751
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1 TAC §353.1303

The Texas Health and Human Services Commission (HHSC) proposes amendments to §353.1303, concerning the Quality Incentive Payment Program for Nursing Facilities.

BACKGROUND AND PURPOSE

The amendment would delete the good cause exception to the geographic proximity criterion in the Quality Incentive Payment Program (QIPP) rule. The rule was drafted to avoid possible deferrals and disallowances by the Centers for Medicare and Medicaid Services (CMS), as it closely monitors state funding arrangements that involve intergovernmental transfers (IGTs), especially in instances when a nursing facility (NF) is outside the effective reach of the owner's location. Use of the good cause exception for the sole purpose of enhancing Federal funding potentially jeopardizes the integrity of the QIPP program. None of the exception requests received to date included sufficient documentation to indicate there would be no risk to Federal funds, therefore HHSC has not granted any such requests. Additionally, this good cause exception appears administratively unworkable.

The amendment would also modify the calculation of the eligibility cut-off point for participation by private NFs. As amended, the private NF QIPP eligibility cut-off point for state fiscal year (SFY) 2019 and beyond will be equal to the mean percentage plus one-quarter of one standard deviation of historical Medicaid NF days of service provided under fee-for service (FFS) and managed care (MC) by all private NFs. Additionally, a private NF that was eligible to participate in QIPP during Eligibility Period One is eligible to participate in the eligibility period for SFY 2019 regardless of its Medicaid NF days of service for the SFY 2019 eligibility period. These modifications will continue to ensure that QIPP funds are focused on the Medicaid population while increasing the number of eligible providers.

The amendment would also clarify the rule in regards to submission of the Quality Assurance Performance Improvement (QAPI) Validation Report. The QAPI Validation Report must be submitted by NFs to HHSC monthly.

Finally, the amendment would delete a reference to audited cost reports. Upon initial adoption, HHSC removed all references to audited cost reports in response to a comment. This specific reference mistakenly remained in the rule language upon adoption.

Exhibit “H-3”



Chair: Edward Murrell
Vice Chair: Jeff Rollo
Sect.: Raul Espinosa

P.O. Box 1997
Winnie, Texas 77665
Phone: 409-296-1003

Dir. Sharon Burgess
Dir. Anthony Stramecki
Admin. Sherrie Norris
Indigent Dir. Yani Jimenez

May 7, 2018

The Honorable Tommy Williams
Interim Commissioner
Texas Health and Human Services Commission
Brown-Heatly Building
4900 N. Lamar Blvd.
Austin, TX 78751-2316

Re: Winnie Stowell Hospital District Participation in the Qualify Incentive Payment Program; Year Two

Dear Commissioner Williams,

Congratulations on your recent appointment as Interim Commissioner of the Texas Health and Human Services Commission. We are confident that you are the right person for the job.

I serve as President of the Winnie Stowell Hospital District (“District”). By way of background, the District has participated in the nursing home supplemental program since the summer of 2014. Currently, we own twenty-four (24) nursing facilities, most of whom are in Southeast Texas and Harris County, Texas. Since participating in the supplemental payment program, the District has been given the opportunity to greatly expand the healthcare services to the residents of the Winnie Stowell area while at the same time, improve the quality of care given to the residents of the District owned nursing facilities.

Unfortunately, today I am writing to inform that the uncertainties created by the new proposed rules for the Quality Incentive Payment Program (“QIPP” or “Program”), published on Friday May 6th, 2018, create significant concerns for the District and will most likely jeopardize the District’s continued participation in the Program. The reasons for are our concerns are as follows:

- Given the timing of the upcoming IGT and the date that the proposed rule can be adopted, District, and the other participating Non-State Owned Governmental Organizations (“NSGOs”), cannot make a complete evaluation of the impacts of proposed rule changes before the State of Texas request the May 2018 Intergovernmental Transfer (“IGT”).
- The proposed rules open the door for nearly 400 private nursing homes that are not partnered with NSGOs to participate in the QIPP program. The effect of adding these private nursing facilities creates the real chance that the economics of the Program, even with the increased funding, no longer make it feasible for the District to continue its participation in the Program because the prospect that the supplemental funds returned will be excessively diluted.
- Even if there was not the concern of the supplemental funds being diluted, the District does not have time to secure the increased funding needed to make the District’s share of the total IGTs needed to obtain the increased Program funding of \$625 million. We have been working for six (6) months to secure funding for the amounts agreed to under the previous original rules with the increased funding to \$550 million. It is not possible this late in the process for small rural hospital districts to come up with millions of extra dollars to IGT because it takes time and very precise case management to ensure proper cash is on hand. For Winnie, the estimated IGT will go up from a range of \$7.5 million-\$8.0 million to \$9.0 million-\$9.5million.

Despite these concerns, we are not opposed to adding additional nursing homes into the Program because we all want the Program grow and we want the benefits of QIPP to positively impact all providers across the state. However, if the State is going to continue to use the NSGOs to make the IGTs to facilitate the Program’s funding, the expanded access to the Program needs to be done carefully and in a manner that provides certainty and incentives for the NSGOs to participate.

Therefore, Winnie-Stowell Hospital District request the proposed rules be tabled in order for the interested parties to have time to work together toward a mutually beneficial solution. If not, we are doubtful that the Winnie-Stowell Hospital District, and its 24 nursing facilities, will be able to continue participating in the Program.

Thank you for your consideration of this request and if there is anything we can do to assist in finding a solution, we are here to help.

Sincerely



Edward Murrell
President,
Winnie Stowell Hospital District