

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 15th day of August 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 with the exception of Directors Espinosa and Burgess. Also present at the public hearing were: Sherrie Norris, District Administrator; Yani Jimenez, Indigent Care Director; Hubert Oxford, IV, General Counsel for the District; Mr. David Sticker, the District’s CPA; Todd Biederman and Davis Smith with LTC Group; Mr. Saad Javid, Interim Administrator for Hospital; Mr. Wade Thibodeaux, the Hometown Press; and Gloria Roemer, Seabreeze Beacon;

President Murrell presided over the meeting. After calling the meeting to order at 6:00 p.m., President Murrell asked for Public Comment. There being none, the Board was then asked return to Agenda Item No. 4, to review and approve the minutes of the Regular Meeting held on July 18, 2018. The Board reviewed the minutes and a motion was made by Director Rollo to approve the minutes of the Regular Meeting held on July 18, 2018. This motion was seconded by

Director Stramecki with the unanimous consent of all Board members. he explained that he was going to take the first two agenda item out of order to accommodate various guest.

Following, President Murrell called on the Board to consider Agenda Item No. 5, to review and approve financial reports; payment of invoices, and amend budget, if necessary. Mr. Sticker, Attorney Oxford, and Administrator Norris jointly presented the Board with a Cash and Investment Report as well as: 1) Balance Sheet as of July 31, 2018; 2) Profit & Loss Budget vs. Actual as of July 31, 2018; and 3) the check register for the District's Prosperity Account from July 18, 2018 to August 10, 2018. (See **Exhibit "A"**). In reviewing the Treasurer's report, Mrs. Norris advised the Board that they \$15.00 payment to Philadelphia Insurance needed to be removed from the list of invoices to be paid. Afterwards, she explained the District's net cash available following the payment of \$41,440.49 in invoices was \$3,194,265.54 not including the \$273,105.06 in the District's Interbank account because this money was designated for upcoming principle and interest payments. In addition, Attorney Oxford recommended to the Board that the District repay a portion of its line its credit to Post Oak Bank by transferring \$300,000.00 from the Interbank account after the receipt of the July 2018 Component 1 funds were received and following the Loan 12 principle and Interest payment on August 29, 2018. If approved by the Board, after the transfer of \$300,000.00 to the Post Oak Line of Credit was made, the District would owe approximately \$921,624.25. Also, Attorney Oxford explained that the Loan 12 payment due on September 1, 2018, was the final loan payment for Loan 12. Thereafter, when the District receives the Component 1 funds in September 2018 for August 2018, the entire amount can be transferred to Post Oak Bank to pay off the District's line of credit.

At completion of the discussion of the Treasurer's report, Mr. Sticker presented the District's Balance Sheet as of July 31, 2018 and the Profit & Loss Budget vs. Actual as of July 31,

2018. Mr. Sticker advised that everything was in order and the district's revenue and expense projects were consistent with the budget. In addition, he reported that he reported that he reconciled all the District's accounts and everything was in order. Therefore, a motion was made by Director Stramecki to approve the financial report; pay the outstanding invoices; and give staff authority to transfer up to \$300,000.00 from the District's Interbank account to pay down the Post Oak Line of Credit after receipt of the July 2018 Component 1 payments are received. (*See Exhibit "A"*). This motion was seconded by Director Rollo and approved with the consent of a Board members.

President Murrell then called on the various Committee Chairpersons to ask if they had any reports as set forth by Agenda Item 6 and each advised that they had nothing to report. Therefore, President Murrell moved to Agenda Item No. 7 and asked for staff reports.

a. **Administrator's Report:** Mrs. Norris informed the Board that she and the Indigent Care Director were having problems with her computer and given its age, she requested permission to investigate replacing the computers. The Board agreed that new computers were necessary and requested she gather information on costs to be considered at the next meeting.

b. **District Indigent Care Director:** This month, Mrs. Jiminez gave a brief indigent care report for July 2018. A copy of the report can be found in **Exhibit "B"**.

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	July				Year to Date			
Clients:	68							
Children Counseled:	7							
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility								
Winnie Community Hospital	\$40,852.60	\$16,749.57	49.32%	\$0.00	\$392,502.01	\$163,465.70	52.09%	\$0.00
Pharmacy								
Brookshire Brothers Pharmacy	\$5,324.62	\$5,002.73	14.73%	\$5,002.73	\$46,900.99	\$41,747.01	13.30%	\$41,747.01
Wilcox Pharmacy	\$2,393.75	\$1,548.96	4.56%	\$1,548.96	\$11,491.27	\$7,436.61	2.37%	\$7,436.61
Pharmacy Total	\$7,718.37	\$6,551.69	19.29%	\$6,551.69	\$58,392.26	\$49,183.62	15.67%	\$49,183.62
UTMB								
UTMB Hospital	\$33,037.37	\$7,928.98	23.35%	\$7,928.98	\$306,706.72	\$75,332.97	24.01%	\$75,332.97
UTMB Physician Services	\$8,325.00	\$2,560.09	7.54%	\$2,560.09	\$64,677.00	\$20,886.28	6.66%	\$20,886.28
UTMB Total	\$41,362.37	\$10,489.07	30.89%	\$10,489.07	\$371,383.72	\$96,219.25	30.66%	\$96,219.25
Youth Counseling	\$170.00	\$170.00	0.50%	\$170.00	\$4,930.00	\$4,930.00	1.57%	\$4,930.00
Grand Totals	\$90,103.34	\$33,960.33		\$17,210.76	\$827,207.99	\$313,798.57		\$150,332.87

Summary by Service Provided

	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Prescription Drugs	\$7,718.37	\$6,551.69	19.29%	\$6,551.69	\$58,392.26	\$49,183.62	15.65%	\$49,183.62
WCH Clinic	\$4,697.60	\$1,926.02	5.67%	\$0.00	\$58,897.00	\$24,147.77	7.68%	\$0.00
WCH ER	\$30,440.00	\$12,480.40	36.75%	\$0.00	\$177,061.00	\$72,595.01	23.09%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00	\$18,142.00	\$9,978.10	3.17%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
WCH Outpatient Surgery	\$0.00	\$0.00	0.00%	\$0.00	\$1,514.01	\$620.74	0.20%	\$0.00
WCH Labs	\$1,375.00	\$563.75	1.66%	\$0.00	\$37,157.00	\$15,234.37	4.85%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$5,107.00	\$2,093.87	0.67%	\$0.00
WCH Ultrasound	\$966.00	\$396.06	1.17%	\$0.00	\$9,334.00	\$3,826.94	1.22%	\$0.00
WCH Lab/Xray	\$1,847.00	\$757.27	2.23%	\$0.00	\$49,703.00	\$20,378.23	6.48%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00	\$12,628.00	\$5,177.48	1.65%	\$0.00
WCH Xray	\$1,527.00	\$626.07	1.84%	\$0.00	\$13,736.00	\$5,631.76	1.79%	\$0.00
WCH Optical Specialist	\$0.00	\$0.00	0.00%	\$0.00	\$257.00	\$105.37	0.03%	\$0.00
Lab/Xray readings	\$0.00	\$0.00	0.00%	\$0.00	\$8,966.00	\$3,676.06	1.17%	\$0.00
UTMB Outpatient	\$33,037.37	\$7,928.98	23.35%	\$7,928.98	\$309,073.72	\$75,901.05	24.14%	\$75,901.05
UTMB Anesthesia	\$610.00	\$485.00	1.43%	\$485.00	\$11,586.00	\$7,122.46	2.27%	\$7,122.46
UTMB Physician Services	\$7,715.00	\$2,075.09	6.11%	\$2,075.09	\$53,091.00	\$13,763.82	4.38%	\$13,763.82
Youth Counseling	\$170.00	\$170.00	0.50%	\$170.00	\$4,930.00	\$4,930.00	1.57%	\$595.00
Grant Totals	\$90,103.34	\$33,960.33		\$17,210.76	\$829,574.99	\$314,366.65		\$97,382.33

c **District General Counsel:** Attorney Oxford didn't have anything to report except to inform the Board that the District received a revised audit engagement letter for the 2017 that included the language following language inserted:

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report production, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, not including out-of-pocket costs, will not exceed \$25,000. This fee is based of anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

(See **Exhibit "C"**). Since this additional language was added, President Murrell executed the agreement as approved by the Board at the prior meeting.

Also, Attorney Oxford reported to the Board that the District was contacted by the Comptroller of Public Accounts requesting to re-submit its transparency report because of a system error at Comptroller's office. (See **Exhibit "D"**). After reviewing the reporting requirements for the section on loans, Attorney Oxford and Mr. Sticker both agree that the District's short-term revenue notes needed to be disclosed. Therefore, they were going to meet later in the week to complete the report and submit it.

d. **LTC Report:** David Smith, with LTC presented their quarterly report. (See **Exhibit "E"**). The Board asked LTC to work with Regency to assess the QIPP achievement matrices for the Genesis homes to hopefully create a plan of action to increase the success levels for certain Genesis facilities. In addition, the Board asked LTC group to focus their efforts on these nursing homes for the next several months by making more routine visits to the facilities and working with facility staff to increase the facilities' performance levels.

Furthermore, Mr. Todd Biederman announced that the working group for QIPP has come to an agreement for year 3. It is anticipated that nearly 700 nursing facilities in Texas will participate. If the plan is adopted, it includes a mechanism for nursing facilities owned by non-state owned governmental ("NSGO") entities to achieve extra payments in order to incentivize nursing homes owned by NSGO's to remain government owned facilities.

e. **Hospital Report:** Mr. Saad Javed was called on to give the Hospital Report. Per Mr. Javed, the hospital hired a Cardiothoracic surgeon began working in the emergency room and his first day was the same day was August 15, 2018. Likewise, he was happy to report that the Hospital has hired additional doctors to work in the emergency room and they should begin working in the near future.

President Murrell thanked Mr. Javed for making the update and then turned to Agenda Item No. 8, to discuss and take action, if necessary, on renewing Service Agreement with LTC Group. After a brief recap of LTC's presentation during the July 18, 2018 Regular meeting, a motion was made by Director Rollo to renew the Service Agreement with LTC. Director Rollo's motion was second by Director Stramecki and unanimously approved by all the Board members present at the meeting. (See **Exhibit F**).

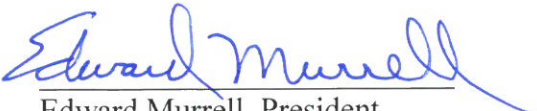
Next, President Murrell asked the Board to address Agenda Item No. 9, to discuss and take action, if necessary, on considering and approving 1115 Waiver-Uncompensated Care intergovernmental transfer ("IGT") payment on behalf of Riceland Hospital. Attorney Oxford was called on to discuss this agenda item and he informed the Board the District was being asked to make an IGT for the Hospital of up to \$300,000.00 so that the Hospital could draw down as much as \$672,051.72 in Uncompensated Care funds from the federal government. Attorney Oxford stated that the last day to submit IGTs into TexNet was September 6, 2018 and the date they would be withdrawn was scheduled for September 7, 2018.

Before finishing, Attorney Oxford cautioned the Board that the Texas Health and Human Services Commission was in the process of changing the payment formulas for the program. Because of this, the State was holding back IGT payments until a formula was adopted and it is anticipated that by December 2018, the District may be asked to make a third IGT for the Hospital. The amount of this request for a third IGT could be up to \$500,000.00. In response, the Board asked for confirmation that the amount of the IGT for the year was nearly twice as high as high as budgeted. Attorney Oxford confirmed that the total IGT for DY 7 that the District may be asked to pay may be \$1,000,000.00 and he has already asked the Hospital for an explanation because the IGT Amounts in all prior correspondence with the Hospital involving budgets and IGT amounts

was substantially less (i.e., \$450,000.00 to \$500,000.00). However, since this IGT was for up to \$300,000.00 and the first IGT was for \$138,000.00 the total IGTs made for the year was \$438,000.00, which was below the budget, Attorney Oxford recommended making the IGT but the District needed to meet with the Hospital to learn why there was going to be such a substantial increase for the year and to gain an understanding of the Hospital's expectations for third potential IGT. The Board agreed, and a motion was made by Director Stramecki to authorize staff to submit an IGT up to \$300,000.00 so that the Hospital could participate in the 1115 Waiver Program by receiving payment for its Uncompensated Care. This motion was seconded by Director Rollo and unanimously approved by all Board members present.

Turning to the last agenda item, Agenda Item No. 10 to discuss and take action, if necessary on taking any needed action for the upcoming November 2018 Regular election, President Murrell asked Attorney Oxford to give an update. The board was advised that the deadline for applications to be filed was August 20, 2018. As of the meeting, no applications had been filed. However, he did caution the Board that if there were three (3) applications filed, the race would be contested and there were several deadlines to comply with after the write-in deadline of August 24, 2018. Otherwise, he informed the Board that no action be taken on this agenda item.

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 meeting would take place on September 19th, 2018 at 6:00 p.m. At 7:05 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board members present.


Edward Murrell, President


Jeff Rollo, Vice-President